

The First Inter-American Conference on Social Security

WILBUR J. COHEN*

THE INTER-AMERICAN CONFERENCE on Social Security, established at a social security conference held in Santiago de Chile, September 10-16, 1942, marked a significant milestone in inter-American cooperation. Representatives of 21 countries of the Americas were present at the Conference in addition to representatives of the Pan American Sanitary Bureau and the International Labor Office.

To provide a continuing organization between conferences and promote cooperation among the social security institutions of the various countries, a Permanent Inter-American Committee on Social Security was created. Arthur J. Altmeyer, Chairman of the Social Security Board, was elected President of the Committee, and Osvald Stein, Assistant-Director of the International Labor Office, was named Acting Secretary-General.

Delegates to the Conference from the United States were:

Arthur J. Altmeyer, Chairman, Social Security Board, Chairman of the delegation.

A. Ford Hinrichs, Acting Commissioner of Labor Statistics, Department of Labor.

Emile Rieve, President of the Textile Workers of America, and Vice-President of the CIO.

George St. J. Perrott, Chief, Division of Public Health Methods, National Institute of Health, U. S. Public Health Service.

Wilbur J. Cohen, Technical Adviser to the Social Security Board, Technical Adviser to the delegation.

John M. Clark, Director, Rehabilitation Division, Office of the Coordinator of Inter-American Affairs, Secretary to the delegation.

Sheldon T. Mills, Second Secretary of the American Embassy at Santiago, Secretary to the delegation.

The tripartite delegation from the Governing Body of the International Labor Organization included two representatives from the United States—Robert J. Watt and Clarence J. McDavitt. Mr. Watt, International Representative

of the American Federation of Labor, was the representative for employees of the United States on the Governing Body; Mr. McDavitt, formerly of the New England Telephone Company, represented the employers of the United States; and Paul van Zeeland, former Prime Minister of Belgium, represented the governments on the Governing Body. Dr. Anthony Donovan of the U. S. Public Health Service, stationed at Lima, Peru, represented the Pan American Sanitary Bureau.

Miguel Etchebarne, Minister of Health, Insurance and Social Assistance of Chile, presided as Chairman of the Conference. The first session was held in the National Congress and was attended by the President of the Republic of Chile, Juan Antonio Rios. A welcoming speech by the Minister of Foreign Affairs, Ernesto Barros Jarpa, officially opened the Conference. Responses were made by several delegates, including Mr. Watt who spoke for workers and Mr. McDavitt for employers.

The Inter-American Conference on Social Security was the outgrowth of three previous conferences of the various American countries. Two of these concerned labor, and the American countries which are members of the International Labor Organization participated. The first took place in Santiago de Chile in January 1936, and the second at Havana, Cuba, in December 1939. The third conference was held at the invitation of the Peruvian Government in Lima, Peru, in December 1940, on the occasion of the opening of the Workers' Hospital built by the National Social Insurance Fund of Peru.

The 1936 Santiago labor conference of American countries, members of the International Labor Organization, was held in conformity with the International Labor Organization principle of tripartite representation and composed of delegates of government, employers, and workers. Compulsory social insurance was recommended by this group as the most effective method of providing the protection necessary to the worker and his

* Technical Adviser to the Social Security Board.

family. The social insurance recommendations drawn up at that time were reaffirmed at the labor conference held in Havana in 1939.

The meeting in Lima, Peru, in 1940 convened under the chairmanship of the Minister of Public Health, Labor and Social Insurance of Peru, Constantino J. Carvallo, and with the cooperation of John G. Winant, at that time Director of the International Labor Office. The representatives decided that a permanent organization should be established to promote the collaboration of social security institutions in American countries in cooperation with the International Labor Office.¹

The Organizing Committee for this year's Santiago Conference was composed of representatives of the principal Chilean social security organizations under the chairmanship of Dr. Julio Bustos, Chief of the Social Security Department of the Chilean Ministry of Health, Insurance and Social Assistance. The Organizing Committee arranged for the delegates to receive special reports on the history and experience of the various Chilean social security agencies and gave them the opportunity to visit typical and important social security agencies in Chile, especially the health insurance funds, clinics, and sanitariums.

The Conference adopted 16 resolutions, one of which was a general declaration of principles and an outline of the objectives of social security policy. Another established the Inter-American Conference on Social Security and the Permanent Inter-American Committee on Social Security. The other 14 resolutions dealt with special and technical problems of social security, particularly with those matters which had been discussed as part of the agenda and proceedings.²

The resolutions adopted by the Conference look

¹The 10 individuals who signed the resolutions adopted at the Lima conference became the Inter-American Committee to Promote Social Security: Constantino J. Carvallo, Minister of Public Health, Labor and Social Welfare of the Republic of Peru, Chairman of the Board of Directors of the National Social Insurance Fund of Peru; Carlos Quintana, Ambassador of the Argentine Republic, specially appointed; Pedro Hidalgo Gonzales, Manager of the Private Employees' and Workers' Insurance Fund of the Republic of Ecuador; Manuel Mandujano, Counselor of the Workers' Insurance Fund of the Republic of Chile; Jorge Fernandez Stoll, Director of Labor and Social Welfare, Vice-President of the National Social Insurance Fund of Peru; Salvador Allende, Minister of Health of the Republic of Chile, Chairman of the Board of Directors of the Workers' Insurance Fund of Chile; Arthur J. Altmeyer, Chairman of the United States Social Security Board; Victor Andrade, Manager of the Workers' Insurance and Savings Fund of Bolivia; Jose Vizcarra, Chief of the Valparaiso Polyclinic of the Workers' Insurance Fund of Chile; Edgardo Rebagliatti, Managing Director of the National Social Insurance Fund of Peru.

²The proceedings of the Conference and the resolutions adopted and a summary of the discussions will be published shortly by the International Labor Office.

toward the development of a continental program of basic security which "will promote personal effort and initiative and improve the structure of society by the elimination of the causes of social insecurity . . . Each country must create, conserve and build up the intellectual, moral and physical vigour of its active generation, prepare the way for its future generations, and support the generation that has been discharged from productive life. This is social security: a genuine and rational economy of human resources and values."

Any policy of social security for the Americas, the Conference declared, should comprise measures for promoting employment and maintaining it on a high level, for increasing the national income and sharing it more equitably, and for improving health, nutrition, clothing, housing, and general and vocational education for workers and their families. "The health, capacity, and welfare of the workers of any one American nation," it was pointed out, are "a concern of all American nations, and therefore concerted action by social security institutions is imperative for the preservation of their human assets as a guarantee of continental defense and integrity."

As an expression of social security, the Conference found, social insurance is called upon to organize prevention of hazards which deprive the worker of his earning capacity and means of subsistence; to restore, as quickly and fully as possible, the earning capacity lost or reduced by reason of sickness or accident; and to supply the means of subsistence in case of cessation or interruption of gainful activity as the result of sickness or accident, temporary or permanent disability, unemployment, old age, and premature death of the breadwinner. The countries of the Western Hemisphere, which are developing various social insurance and social assistance plans but have not yet established them as an integral system of social insurance, were urged to unify these plans within a compulsory scheme of social insurance.

The Conference also recommended to the countries represented the necessity of organizing, within the framework of social insurance, "services for the protection of maternity, childhood and adolescence, in their economic, medical, social, legal and educational aspects in accordance with public policy and a general technical program which

contemplates each and all the phases of the problem."

Reaffirming the position taken by the International Labor Office, the Conference also advocated "the principle of the participation of employers and workers designated by their respective organizations in a consultative and advisory capacity in the administration of social security."

The Conference stressed the urgency of extending social insurance to include agricultural workers, domestic servants, and the self-employed³ and recommended that the agenda of the next Inter-American Conference include "the question of extending to the white-collar workers of the liberal professions the recognized benefits of social security." The Conference also urged that, in case of mobilization of the armed forces, the State take measures to protect and maintain the rights of insured persons.

Among the several resolutions relating to health, one recommendation was that "health protection should be organized on the basis of national insurance applied to wage earners and their families and also, under like conditions, to the self-employed; this insurance should cover general and occupational risks and should be financed by the State, the employers and the workers."⁴

Since, under any policy of prevention, it is necessary to restore to activity in national production all persons involuntarily unemployed, and to provide treatment for the debilitated and sick, including those whose illness is not apparent, by incorporating periodic health examinations in the sickness insurance system, the Conference urged:

1. The establishment, at the sole cost of the employer, of compulsory social insurance against industrial accidents and occupational diseases, to be coordinated with, and if possible unified with, compulsory insurance against sickness, disability, old age, and death.

2. The extension of the scope of compulsory sickness insurance so as to include all wage earners, salaried employees, artisans, professional workers and small shopkeepers, and their families; this insurance should provide

³ See the report submitted to the Conference, *Extension of Social Insurance Coverage to Agricultural Workers, to the Self-Employed and to Domestic Servants*, by Drs. Julio Bustos, Chief of the Social Insurance Department; Jose Vizcarra, Regional Medical Chief, Compulsory Insurance Fund; and Manuel de Vlado, Assistant Chief, Medical Section, Social Insurance Department of the Chilean Ministry of Health, Insurance and Social Assistance. International Labor Office, Montreal, 1942.

⁴ See the report on this subject, *Protection of the People's Health Through Social Insurance; Basic Ideas for a General Health Program Derived from Chilean Experience*, by Drs. Julio Bustos and Manuel de Vlado. International Labor Office, Montreal, 1942.

medical, surgical, pharmaceutical, hospital, dental, and prosthetic benefits and cash benefits.

3. Disability and old-age provision for the groups mentioned in the preceding paragraph by means of temporary and life benefits varying between a minimum of subsistence and a suitable maximum, according to the amount of the wages earned, the length of the contribution period, and the family responsibilities of the beneficiary.

4. Provision for death, by means of widows' and orphans' insurance benefits.

5. Aid for the involuntarily unemployed, by means of cash benefits or loans, coordinated with an adequate employment service.

6. Creation of a State technical organization with the functions of affording general guidance to and supervising social security institutions.

7. Establishment of chairs of social medicine.

The delegates were invited "to seek the adoption, by their governments, of measures to facilitate the interchange of the pharmaceutical products manufactured by the industry or public establishments of their countries," and to bring to the notice of the countries represented the suggestion that they should set up, in cooperation with the International Labor Office and the Pan American Sanitary Bureau, committees on rationalization and medical economy.⁵ These committees, it was suggested, should be officially entrusted with: formulation and application of uniform methods for the registration and statistics of the services, needs, and forms of medical care and of uniform standards for the application of these methods; study of the characteristics of the medical and pharmaceutical benefits of each country, enlisting in the investigations the cooperation of institutes, university faculties, and any other existing bodies; and carrying out studies of medical economy, defining the medical and sanitary problems of regions and countries, and determining which are the most urgent measures.

In turn, the Conference agreed to set up a committee on rationalization and medical economy which will coordinate and direct the work of the national committees, organize international inquiries and conferences, take part from time to time in experiments of general interest, establish scholarships, and issue studies and publications in harmony with the policy and activities of the International Labor Office.

⁵ See the report submitted to the Conference, *Efficacy and Economy of Medical and Pharmaceutical Benefits in Health Insurance Plans*, by Dr. Edgardo Rebagliatti, General Manager, National Social Insurance Fund of Peru. International Labor Office, Montreal, 1942.

The Conference adopted a resolution dealing with disability insurance, which was the subject of the formal report submitted to the Conference by Mr. Altmeyer.⁶ The resolution declared that:

1. A person should be deemed to be disabled if his mental and physical capacity for any occupation on the labour market suitable to a person of the same sex, age or occupation is not such as to enable him, after rehabilitation, to earn a substantial wage.

2. Disability insurance should cover permanent incapacity for any remunerative work.

3. When the beneficiary recovers his capacity for work, preference should be accorded to finding him work suitable for his regained capacity.

4. Insurance against permanent disability should be linked up without interruption with insurance against sickness or temporary incapacity.

5. Any person entering insurance for the first time should undergo a complete medical examination by the insurance institution, when he takes up his employment.

6. Both insured persons and beneficiaries should be medically examined at intervals for the purpose of discovering incapacity in the course of development, avoiding simulation and verifying the permanence of the incapacity.

7. Centers for the vocational rehabilitation of disabled persons should be established within the framework of social insurance schemes.

8. Disability benefits should be awarded on a provisional basis, except where there is no possibility of rehabilitation.

9. Beneficiaries should be required to undergo treatment, especially surgical treatment, where, in the opinion of the doctors it will be conducive to recovery.

10. A qualifying period of insurance as a condition for the award of disability benefits is advisable as an effective means of preventing an excessive growth of claims.

11. The rate of the disability benefit should be adequate to afford a minimum of subsistence compatible with the position of the insured person and his family responsibilities, but nevertheless so limited as to leave an incentive to return to work in cases where recovery is possible.

12. Employers should reserve for rehabilitated persons a certain number of jobs and employments, which are compatible with their new working capacity.

In addition to the address by Mr. Altmeyer, the other important address to the Conference by a citizen of the United States was that made by Nelson Rockefeller, the Coordinator of Inter-American Affairs. Mr. Rockefeller said, in part:

⁶ *Formulating a Disability Insurance Program: An Analysis of Problems With Special Regard to the Situation in the United States*, Montreal, 1942. See also the interesting analysis commenting on the Altmeyer report, *Seguro Social de Invalidez*, by Dr. J. Vizcarra (Valparaiso, Chile, 1942).

This war in which the fates of our type of civilization are being decided, is a war about social security. It is a war for social security . . .

Because there was lack of security, the world, during the 1920's and 1930's, was gripped by a vast psychological crisis—a huge wave of neurotic terror—which enfeebled the wills and blinded the judgment of millions of men and women yearning for security. . .

By agreements between our various governments, we are evolving in one country after another methods for contributing jointly toward the building of better health, sanitation, and food production methods and practices. Toward these purposes, we are jointly contributing technical skill, equipment and ideas for better equipment, money and organizing facilities and the contrasting experiences of our experts with these problems.

In Paraguay, in Ecuador, in Central America, and in the Amazon Valley, we are making practical headway at the cooperative solution of these problems which affect so profoundly the future happiness of our peoples. And within a very short time, we expect to be working by similar cooperative methods in a number of other regions. . . I am sure I do not need to labor the point here that the conquest of disease and the provision of food and good housing and the raising of living standards are basic to social security; that without constant development in these fields, our appropriations for social security can be largely wasted . . .

Other members of the United States delegation took part in the proceedings of the Conference. Mr. Hinrichs traced the historical development of the social security program in the United States. Mr. Cohen discussed the extension of social insurance coverage to agricultural labor, domestic workers, and the self-employed, with particular reference to special problems in the United States. Mr. Perrott submitted a report on the need for a uniform system of bio-statistical information.

While it is not expected that the Conference will hold further sessions during the war, plans are now under way for the continuous exchange of information and experience among the various countries. It is expected that the Permanent Committee, in cooperation with the International Labor Office, will begin preparation of plans and materials so that another conference can be held after the cessation of hostilities, in order to carry on the important work of perfecting social security legislation and administration throughout the Western Hemisphere.