

A Report on the Fourteenth General Meeting of the International Social Security Association*

THE International Social Security Association is an international organization whose member agencies include national social security institutions, social security and mutual benefit funds, and government departments administering one or more branches of social insurance. The Association provides a meeting ground for officials from different countries who are directly concerned with the organization and administration of social security programs. It serves a valuable function in encouraging and facilitating the exchange of information and mutual assistance among persons administering social security programs and in providing opportunity for discussion of new trends and old problems and alternative methods of dealing with them.

Throughout the thirties the organization, which was founded with the assistance of the International Labor Organization at Brussels in 1927, was made up primarily of sickness funds and mutual benefit societies in various European countries. Since World War II the Association has come to include national social security agencies or departments administering some or all branches of social security in most of the countries of the world. As of the end of 1961, it had 189 member institutions in 80 countries covering more than 450 million insured persons. The United States is represented in the organization by the Social Security Administration, which became a member in 1958.

The Association functions primarily through a General Meeting of its members held every 3 years and through publication of a monthly periodical, the *Bulletin of the International Social Security Association*, and special technical reports. The Association also publishes annually the *International Review on Actuarial and Statistical Problems of Social Security*. The primary support of the Association comes from dues from member institutions, which are supplemented by an annual grant from the International

Labor Organization—the United Nations agency primarily concerned with matters relating to social security.

The Association itself has a small staff and relies on member agencies for the development of technical studies or materials for consideration at the General Meeting. This work is organized in large part through special committees. There are now nine permanent technical committees—a Medico-Social Committee and committees on Unemployment Insurance, Family Allowances, Mutual Benefit Societies, Prevention of Occupational Risks, Actuaries and Statisticians, Organization and Methods, Old-Age, Invalidity and Survivors' Insurance, and Accident Insurance. The Committee on Old-Age, Invalidity and Survivors' Insurance was established as a Permanent Committee at the General Meeting held in 1961, after having functioned as an *ad hoc* group for several years.

The Fourteenth General Meeting of the International Social Security Association was held in Istanbul, Turkey, September 23–30, 1961. More than 360 voting delegates attended the meeting. There were representatives from all regions of the world. The new and emerging nations of Africa were represented for the first time by officials of family allowance or work accident funds in the Republic of Cameroun, Republic of the Congo (Leopoldville), Republic of Congo (Brazzaville), Ivory Coast Republic, Republic of Dahomey, Gabon Republic, Republic of Guinea, Republic of Mali, Central African Republic, Republic of Senegal, and Somali Republic, as well as by the officials of the National Social Security Fund of Tunisia.

The United States Delegation included the Commissioner of Social Security, Mr. William L. Mitchell, who is a member of the Bureau (or executive committee) of the Association, Mr. Wilbur J. Cohen, Assistant Secretary of Health, Education, and Welfare; Mr. Robert M. Ball, Mrs. Ida C. Merriam, and Mr. Robert J. Myers, also of the Department of Health, Education, and

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Welfare; and Mr. Philip Booth, of the Bureau of Employment Security, Department of Labor, who was sent by that Department as an observer.

REVIEW OF RECENT DEVELOPMENTS

As has been customary at General Meetings in the past, the conference opened with a series of papers reviewing developments and trends in social security since the previous meeting. A general report by Mr. Clément Michel, of France, summarized the numerous developments during the period. He noted the significant extensions and improvements in social security that have been occurring throughout the world. The extension of social protection has occurred through the broadening of coverage to include agricultural workers and self-employed persons, through the addition of protection for dependents and for pensioners (especially for medical benefits), and through the coverage of more risks (in particular countries). Although countries in the process of economic development are still able to cover only relatively small proportions of their population, they are making progress. The protection of agricultural workers still remains a problem, however, in a large area of the world.

A trend towards improvement in the duration and size of cash benefits and a new emphasis on rehabilitation and training of the handicapped were also noted in many countries. Concern with pension adjustments and with provision of a subsistence minimum was also evident in many countries. The 3 years under review were prolific in changes relating to administration and organization, with a general tendency toward the unification of social security schemes, counterbalanced by the maintenance or establishment in some countries of separate schemes for different groups of workers. Finally, the period saw a rapid increase in bilateral and multilateral treaties on social security, aimed to guarantee the rights of migrant workers and their families.

The following days were devoted to meetings of various permanent committees or special committees, which then reported to plenary sessions of the Conference. Some of these reports were essentially informational; others presented "conclusions" regarding alternative methods or approaches or recommendations for further study

and action by I.S.S.A. or its members. Because of its nature, the Association has, of course, no authority to make recommendations on the future development of social security that are in any way binding on governments or member agencies. It can and does request member agencies to provide information to technical committees and to permit their personnel to participate in special studies or activities, and through these studies and activities it does influence social security developments in many different ways.

COMMITTEE ON OLD-AGE, INVALIDITY AND SURVIVORS' INSURANCE

The major subject under discussion by the Committee on Old-Age, Invalidity and Survivors' Insurance was the problem of the adjustment of old-age pensions to fluctuations in economic conditions. A paper on this general subject had been prepared by the designated Reporter, Mr. Armand Kayser, of Luxembourg. His paper was reviewed by a Working Group at a meeting held in Geneva in April 1961 and revised for presentation to the Committee again at the General Meeting, where it was the subject of lively discussion.

The discussion indicated that there is a growing awareness among social security administrators that changes in both the purchasing power of currencies and the general standard of living of a population can significantly undermine the effectiveness of a social security program if it is not appropriately adjusted to reflect the new situation. If the general price level rises, a fixed monetary benefit will buy less and less in the way of goods and services. If as a result of increasing productivity, real wage levels rise, even though there is no change in the purchasing power of the monetary unit, the position of beneficiaries in comparison with those currently at work may become less favorable. The problem is particularly acute in the case of pensions that are payable over many years.

Some countries have provided for automatic adjustment of pensions in relation to changes in price levels or wage levels. Others, like the United States, have made adjustments periodically and as it seems necessary and desirable to do so, by legislation. The Conference did not attempt to decide on the relative merits of the various

approaches. It did conclude that the problems of pension adjustment were deserving of continuing attention.

COMMITTEE OF ACTUARIES AND STATISTICIANS

A related aspect of the problem, the effect of economic changes on the financing of pension systems, was considered by the Committee of Actuaries and Statisticians, on the basis of a report prepared by Mr. Ernest Kaiser, of Switzerland. The committee noted that, if—as is usually the case—invested capital and its return cannot be revalued to take into account decreases in the purchasing power of the monetary unit, the closer the system is to being on a pay-as-you-go basis (that is, the less it relies on the earnings of a reserve fund to finance future benefits), the smaller will be the increases in the contribution rate required to finance pension adjustments. The committee decided that this whole question should have further study.

The Committee of Actuaries and Statisticians also considered a report on the utilization of employment accident statistics for accident prevention purposes, prepared by Mr. Mario Brancoli, of Italy, and Mr. Roger Fontenaist, of France. The report reviewed in some detail the data needed, the rates that can be derived, and the problems of comparability and interpretation of such statistics. It noted that the International Labor Office is paying particular attention to the international study of the statistics of industrial injuries for the purposes of accident prevention, and it urged that further studies in this general field be encouraged.

MEDICO-SOCIAL COMMITTEE

The Medico-Social Committee, one of the oldest of the Permanent Committees, had two subjects on its agenda. A report on the volume and cost of sickness benefits in kind and cash, presented by Mr. Fritz Kastner, of the Federal Republic of Germany, built upon a series of earlier studies by the Permanent Committee. Mr. Kastner's report was supplemented by a voluminous statistical summary and analysis based on the replies of I.S.S.A. members to a questionnaire drawn up by

the Committee and submitted to the insurance authorities of 20 countries. This inquiry had been directed to the collection of comparable data on the volume and cost of medical care provided by sickness insurance schemes in order to determine why the costs of sickness insurance appear to be rising everywhere. The inquiry found that, in all countries, rising hospital costs and drug costs are responsible for much of the increase in the cost of medical care.

The study made clear the difficulty of drawing valid comparisons between the experience of individual sickness insurance funds with varying coverage and scope of benefits. In the course of the discussion of the Report, a number of delegates pointed to the need for studies of the total cost of all health services in a given country. It was recognized that the World Health Organization is now engaged in developing a basis for such broader studies, and it was agreed that I.S.S.A. should coordinate its future work in this field with that of other international organizations.

The meeting further decided that I.S.S.A. should continue its studies on the causes of differences in the cost of medical care (and cash sickness benefits). It was agreed that the Association should turn its efforts toward studies in depth of particular aspects of the question, starting with hospital in-patient care and drugs and medicines. It was also suggested that special attention be given to the development of alternative measures or bases for international comparisons.

The second topic considered by the Medico-Social Committee was the harmonization of criteria for invalidity. A report on this subject was presented by Dr. Pavel Makkaveiskii, of the Union of Soviet Socialist Republics. After discussion by the committee and in plenary session, the Conference recommended that study of the problem be continued, with attention given to methods of evaluating invalidity on the basis both of anatomical and functional loss and of reduction in working capacity.

COMMITTEE ON UNEMPLOYMENT INSURANCE

The General Meeting heard two reports that had been prepared for the Committee on Unemployment Insurance but that were in pro-

visional form subject to final action by that Committee: one on administrative problems of partial unemployment, prepared by Mr. Hugo Amberg, of Switzerland, and the other on the administrative problems arising from the relationship between unemployment insurance benefits and benefits granted under other branches of social security, prepared by Mrs. E. Kemp-Jones, of Great Britain. Both reports were essentially informational and intended to lay a basis for future studies and technical discussions.

Although these reports were concerned primarily with problems of administration, they made clear certain basic problems of concept and definition that have to be settled in order to make effective administration possible. In connection with partial unemployment, for example, the first report dealt with the policy question of whether the unemployment insurance fund rather than the employer should be liable for compensating loss of wages due to less than full-time work. The second report dealt with the fact that the growing frequency of public and private arrangements for dealing with such contingencies as old-age, sickness, and unemployment makes it all the more important to have a clearcut policy decision as to which of several systems should compensate for loss of earnings of the person who might be entitled to more than one kind of benefit for a given week.

OTHER COMMITTEE REPORTS

The Committee on Family Allowances considered three reports: Methods of Financing Family Allowances, by Mr. S. Bedkowski, of Poland; a provisional report on the relation of family allowances and other branches of social security, by Mr. Mario Roseira, of Portugal; and a provisional report on developments in family allowances legislation since 1953, by Mr. Z. Cvejic, of Yugoslavia, and Mr. R. Lebel, of France.

The Committee on Organization and Methods had a report on the registration and identification of insured persons and the collection of social insurance contributions, prepared by the Ministry of Pensions and National Insurance of Great Britain.

The Committee on Mutual Benefit Societies considered a report on the achievements of mutual

benefit societies in the medical field through their own institutions, prepared by Mr. Paul Aubrey, of France, and Mr. Erich Stolt, of the Federal Republic of Germany.

OTHER ACTIVITIES

Informational reports on the organization and financing of insurance against employment accidents, prepared by Mr. Herbert Lauterbach, of the Federal Republic of Germany, and by Mr. Mario Brancoli, of Italy, were discussed by a special committee and at one of the plenary sessions.

The General Meeting also had on its agenda a topic that had not before been considered by I.S.S.A. This was the relation of social security and social welfare services. Interest in the subject had been expressed by a number of I.S.S.A. members in earlier years. To help in deciding if the Association should give continuing attention to this question, the Bureau (Executive Committee) had arranged to have a preliminary report on the subject prepared and presented to the Fourteenth General Meeting. The report was prepared by Mrs. Ida C. Merriam, of the United States.

Because of the special interest of many BULLETIN readers in the topic, the report and a brief summary of the discussion that followed its presentation are presented in another article in this issue of the BULLETIN. As recommended by the Reporter, it was decided to establish an *ad hoc* Working Group, which will first obtain information from I.S.S.A. members on the kinds of social services they administer or help finance and subsequently develop proposals concerning what further work I.S.S.A. should do in this field. The Working Group is to present its recommendations to the Fifteenth General Meeting.

FIFTEENTH GENERAL MEETING

The Fifteenth General Meeting is scheduled to be held in Washington, D.C., in October 1964. Commissioner Mitchell's invitation to the Association to meet in the United States was enthusiastically received by the delegates, and

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TABLE 6.—Number of recipients of public assistance in the United States, by month, October 1960–October 1961¹

[Except for general assistance, includes cases receiving only vendor payments for medical care]

Year and month	Old-age assistance	Medical assistance for the aged ²	Aid to dependent children ³			Aid to the blind	Aid to the permanently and totally disabled	General assistance ⁴	
			Families	Total ⁴	Children			Cases	Recipients
Number of recipients									
1960									
October.....	2,350,123		789,782	3,012,526	2,324,475	107,672	370,797	365,000	973,000
November.....	2,334,854	12,791	795,047	3,034,379	2,341,789	107,565	372,417	385,000	1,055,000
December.....	2,332,031	14,922	806,312	3,080,257	2,377,353	107,556	373,915	431,000	1,244,000
1961									
January.....	2,326,123	16,734	815,329	3,118,231	2,406,382	107,182	374,360	477,000	1,434,000
February.....	2,320,105	18,678	825,023	3,156,289	2,435,213	106,752	374,728	506,000	1,552,000
March.....	2,318,077	21,492	840,220	3,212,228	2,478,101	106,513	377,481	525,000	1,607,000
April.....	2,302,265	27,998	848,045	3,242,796	2,502,243	106,201	379,343	497,000	1,478,000
May.....	2,300,018	41,388	868,320	3,335,112	2,575,516	105,992	381,203	439,000	1,205,000
June.....	2,296,190	46,428	878,332	3,382,865	2,613,273	105,608	383,952	405,000	1,049,000
July.....	2,292,200	51,571	880,342	3,394,140	2,622,580	105,152	386,320	385,000	979,000
August.....	2,290,513	59,093	892,679	3,451,233	2,666,695	104,912	388,640	391,000	985,000
September.....	2,282,626	60,928	896,542	3,475,087	2,686,305	104,394	389,869	380,000	951,999
October.....	2,279,170	66,049	900,938	3,491,652	2,700,411	104,166	391,793	380,000	950,000
Percentage change from previous month									
1960									
October.....	(⁵)		+0.5	+0.6	+0.6	-0.1	+0.8	+1.1	+1.5
November.....	-0.6		+7	+7	+7	-1	+4	+5.5	+8.5
December.....	-1	+16.7	+1.4	+1.5	+1.5	(⁶)	+4	+12.0	+17.9
1961									
January.....	-3	+12.1	+1.1	+1.2	+1.2	-3	+1	+10.7	+15.3
February.....	-3	+11.6	+1.2	+1.2	+1.2	-4	+1	+6.1	+8.2
March.....	-1	+15.1	+1.8	+1.8	+1.8	-2	+7	+3.7	+3.6
April.....	-7	+30.3	+9	+1.0	+1.0	-3	+5	-5.3	-8.1
May.....	-1	+47.8	+2.4	+2.8	+2.9	-2	+5	-11.6	-18.5
June.....	-2	+12.2	+1.2	+1.4	+1.5	-4	+7	-7.6	-12.9
July.....	-2	+11.1	+2	+3	+4	-4	+6	-5.1	-6.7
August.....	-1	+14.6	+1.4	+1.7	+1.7	-2	+6	+1.4	+7.7
September.....	-3	+3.1	+4	+7	+7	-5	+3	-2.7	-3.5
October.....	-2	+8.4	+5	+5	+5	-2	+5	(⁶)	-1

¹ For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

² Program initiated in October 1960 under the Social Security Amendments of 1960.

³ Beginning May 1961 includes data on aid to dependent children of unemployed parents and, beginning June 1961, data on aid to dependent

children receiving foster-family care, authorized by P. L. 87-31.

⁴ Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

⁵ Partly estimated. Excludes Idaho; data not available.

⁶ Decrease of less than 0.05 percent.

I.S.S.A. GENERAL MEETING

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plans for the necessary arrangements that will enable the Social Security Administration to carry out its responsibilities as host are under way. The meeting will give us in the United States an opportunity to show our professional

colleagues throughout the world something of the extent and character of our social security programs and will bring to many social security administrators in the United States opportunities to learn directly from persons in other countries about their problems, successes, and plans for their social security and social welfare programs.