

Right to social security: European Social Model and beyond

THE EUROPEAN SOCIAL MODEL AND THE INTERNATIONAL LABOUR ORGANIZATION – ORIGINS AND TRANSFORMATIONS

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ABSTRACT: The paper describes the cooperation between the International Labour Organisation (ILO) and the new post-WWII European institutions – mainly Council of Europe (CoE) and European Economic Community (EEC) – in the field of social security. At the centre of interest are ILO Convention 102 (1952) and the ILO’s “Ohlin report” (1956) and how they have co-shaped the evolution of the “European Social Model” in the long run. In its second part, the paper nests these developments into the paradigm change, that took place in the 1970s, from Keynesian to neo-liberal policies. While taking due account of ILO–EU divergence in social policy, which began in the 1960s, it describes in broad strokes the later impacts of the paradigm change on social policy formulation in the (new) “competition state”, in which welfare (“the ESM”) was no longer the goal but became a means to strengthen economic performance.

Key words: European Social Model, International Labour Organisation, European Economic Community, Council of Europe, Convention C102, Ohlin report, European Code of Social Security, Keynesianism, Neo-Liberalism, Paradigm change, Competition state

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INTRODUCTION

The origins of the “European Social Model” (ESM) can be traced back to the ancient Roman Empire (Bleicken, 2015; Manthe, 2011), the Sermon on the Mount, the English Poor Laws (Economic History Association, undated), the Holy See’s social encyclicals (Leo XIII, 1891)¹, to Bismarck’s social insurance legislation (Rodgers 1998), and to Beveridge’s famous report (Beveridge, 1942). These milestone documents were often both, the result as well as the accelerator of political and socio-economic developments leading to what is currently called the ESM.

As it will be demonstrated, the term ESM is understood, in this contribution, mainly in a “social security” sense, although wider approaches are obviously possible and have been applied in other contexts. While avoiding further specifications, some clarification is due with respect to the term’s dual use in this paper: in its version (i) the ESM is an assumed aggregate of all European nations’ individual social models (social security legislation; labour legislation; etc.), including the ways how societies interact with these stipulations; in version (ii) the ESM is more technically understood as a common European Union (EU) policy agreed upon and executed at the EU level. It is held that version (ii) of the ESM (despite efforts, e.g., by the Council of Europe) is (close to) inexistent. The roots of its absence will be explained.

On this background, the paper consists of two parts: *Part I* describes the origins of the ESM and its post-WWII evolution in focusing on

the collaboration between the International Labour Organisation (ILO) and the newly emerging European institutions, that took place mainly in 1950s. *Part II* shows that as of the mid-1970s both, the ESM and the ILO, have been simultaneously exposed to global paradigmatic changes in socio-economic thought, which changed the earlier attractiveness of the ESM and contributed to growing divergence between “the EU” and the ILO in the field of social security, including some alienation at staff level cooperation.

The conclusions aim to address measures potentially supportive to re-instating Europe’s earlier quality of social policy.

PART I: THE ILO AND THE ESM EVOLVING – EARLY POST-WWII COLLABORATION AND DIVERGENCE

In considering the ESM in its modern sense, it was Beveridge’s design of 1942 – after Bismarck’s system had been internationally successful until up to 1914 (Rodgers, 1998) – that triggered progressive social policy thought in Western Europe. To what extent, political West-East competition during the Cold War contributed to similar implications in Europe’s East must, for the time being, remain an open issue².

The ESM evolving cannot be understood without looking at the role played by the ILO. In the 1950s, an active ILO-triggered collaboration emerged in relation to the new European organisations (Council of Europe (CoE), 1949–; European Coal and Steel Community (ECSC),

1951–2002; European Economic Community (EEC), 1957–2009), including technical social security advice and, in some cases, economic counsel. (see below).

To understand ILO's potential in this process it must be recalled that after WWII practically all of Western Europe (especially Belgium, France, Germany, Italy, Luxembourg, the Netherlands; UK), with Beveridge's universality in perspective, began extending legal social security coverage in terms of persons covered and benefits offered. In these respects, Europe was influenced by Roosevelt's vision of "freedom from want" (Roosevelt, 1941)³, which he developed as a follow-up to his New Deal policy (Rodgers, 1998).

A general perception prevailed among socio-political elites of the time that the attractiveness of the Beveridge Report would initiate irresistible tendencies of convergence of social security legislation and institutions among European countries.⁴ Turning this perception real required coordination and, therefore, made the ILO potentially a "natural ally". A floating idea was to entrust the ILO with an advisory role in the European transition to Beveridgean settings – also, because the ILO was considered the unchallenged international authority in social security expertise, including technical advice (Guinand, 2003).

Post-WWII beginnings of ILO–Europe social policy interaction

However, things were complicated, and interaction between the ILO and those new European institutions was not without frictions.

First, the ILO was entrusted with a global role, whereas Europe was regional. Neither ILO's management nor its professional staff⁵ could easily familiarize themselves with the idea of allocating substantial shares of scarce resources to European institutions. Moreover, it was to be expected that the ILO would soon be entrusted, next to its norms-setting role, with world-wide technical advisory tasks⁶.

These and other concerns initially delayed decisions and hampered ILO's administrative procedures vis-à-vis "Europe", adding to other complications. For example, for a few years after WWII, the social security department was kept split between Montreal (location of its policy branch) and Geneva (location of its actuarial branch) (Guinand, 2003: 123).

Second, despite the enthusiastic European perception of the Beveridge report, in practice continental European governments soon reverted to traditional social insurance concepts and shied away from Beveridgean policy orientations, be it in reaction to sceptical electorates (France) or because of the fact that universal solutions would have bound scarce financial resources⁷. In short: in the early post-WWII years majority of European countries improved their social security legislation but kept it within conventional lines of thought and institutional practice. (Guinand, 2003).

Convention 102 and the Ohlin Report

In the 1950s, two documents played an important role in further influencing the ESM until today. The first document, ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102) [C102] (ILO, 1952), is well known among social security experts. It reflects a common understanding between the ILO and "Europe", including the CoE, with respect to social security and, as such, it can be considered a core element to the ESM; the second, ILO's "Ohlin report" (ILO, 1956), is less well known but was probably equally influential with respect to the ESM's unfolding in the long run.

Convention 102 and the CoE

C102, though non-universal by design, is nevertheless a milestone of international agreements as it, for the first time, comprehensively formulated the contingencies to be covered by social security⁸. Although difficult to read and understand, C102 also confirmed ILO's competence in social security while offering flexibility in its rules.

The CoE was founded 1949, i.e. before the other two European organisations; initially, it had no specific social security policy at hand but sought contact with the ILO in order to receive respective information at staff level. A common ILO–CoE–understanding of "the social" was further enhanced as the same national experts often attended CoE as well as ILO meetings. In terms of social security expertise, it was usually the ILO's staff that held the upper hand over the CoE's – not the least because the ILO had more financial and human resources. In a number of cases, the ILO drafted memoranda for distribution within the CoE. Indeed, it was these and related activities that finally led to the adoption of the European Code of Social Security (1964) (CoE, 1964), which is almost identical with C102 and in which the "*member states of the Council of Europe ... [are] convinced that it is desirable to establish a European Code of Social Security at a higher level than the minimum standards embodied in ... C102*". (CoE, 1964) Relative benefit levels of the Code were in its initial 1964–version kept identical with those as defined in C102 (Article 67) but quite significantly increased in the Code's 1990 revised version of Rome (1990) (CoE, 1990)⁹. Both documents were drawn up in collaboration with the ILO.

The revised Code notes "*that national social security legislation has developed in most ... member States since the ... Code ... [was] opened to signature ... , and [they believe] that [these] development(s) necessitate a revision of those instruments to the full extent appropriate, with a view, on the one hand, to adjusting them to the present ... capacity of European society and, on the other hand, to extending social security protection to the whole population ...*" (CoE, undated). This can be interpreted as a call for departure from ILO's "traditional" C102 and orientation towards (Beveridgean) universalisation of Europe's social security.¹⁰

Convention 102 and the EU member states

C102 was not only important in its comprehensiveness but also because of its consistency with, and "openness" to European countries' reversal to tried and tested social policy immediately after the War. National social security policies were nevertheless expansionary during the period of high post-WWII economic growth until the mid-1970s (Judt, 2010; Stephens, forthcoming). The only bitter pill to be swallowed by (European) social policy was that C102 stipulated only relatively modest income replacement rates (ILO, 1952: Article 67) – these were limitations imposed by the ILC's employer bench while deployed by the worker representatives and a number of governments (Guinand, 2003). The situation was later improved by adopting C128 (ILO, 1967) and other so-called higher-level ILO social security conventions.

Describing C102 as a central point within the ESM is supported by the fact that it was ratified by almost all (currently) 28 EU member states (Table 1); in other words, in their national legislations these countries comply, with the minimum stipulations of social institutions, of coverage and benefit levels as prescribed in C102. The other social security conventions listed (Table 1) require better services and/or higher benefits. However, no majority of the EU countries has thus far ratified these conventions¹¹; reasons might be sought for in the changing of paradigmatic thought as described in Part II.

Absence of common social security policy at EU-level – the ILO, the Treaty of Rome, the Ohlin Report and its aftermaths

Why does the ESM not exist in terms of an institutionalised policy at EU-level?¹² The origins of that absence, which potentially are of paramount importance to Europe's people, can be found in the technical negotiations of the Treaty of Rome (1957) (Treaty of Rome, 1957), which have marginalised social security's role in European co-operation. It was the ILO's "Ohlin Report" (ILO, 1956) that exerted its impact on the Treaty's contents as follows:

During the negotiations between the six countries, which were to become the founders of the EEC, a dissent occurred, especially between the French and German delegations with respect to harmonising national social security systems under the economic clauses of the Treaty. France was in favour, not the least because its recently reformed social security system nominally imposed of a higher burden on labour costs than the German one, which, at the time, had only been re-instated in its modest pre-WWII parameters; naturally, the German government opposed the proposal.

In order to overcome the issue, the ILO was instructed by the 128th Session of the ILO's Governing Body (GB) "to study and report on 'the social aspects of problems of European economic co-operation' (ILO, 1956). Under the chairmanship of Sweden's Bertil Ohlin (later Nobel Prize winner in Economics) a group of six experts¹³ was entrusted with drafting the report; inter alia the group focused mainly on two areas of interest (ILO, 1956):

"(1) the question whether international differences in labour costs and especially in social charges do or do not constitute an obstacle to the establishment of freer international markets; [and] ...

(3) the question whether, if a freer international market were established, it might be necessary for the countries of Europe to shape and carry out their social policies with a greater degree of international consultation and co-operation than at present".

Not surprisingly¹⁴, the majority of the group answered to both questions with a clear "No" (ILO, 1956: Conclusions). Core argument was that any labour cost differentials occurring by way of social security improvements could be neutralised by productivity improvements and/or exchange rate adjustments. The French expert disagreed in a minority standpoint that was included in the report (ILO, 1956: Part II)¹⁵.

As a result of this outcome, the undersigned Treaty contained only five meagre "dispositions sociales" (Treaty of Rome, 1957; French version). Thus, ironically, the ILO contributed, at least indirectly, to preventing clauses from being included in the founding document of the EEC that would have established a common social policy at the Community level¹⁶. It is only of hypothetical interest whether the evolution of the ESM over time, from its post-WWII beginnings until today, would have been different, if national social policies had been complemented by common social policy at EEC level.

In the 1950s, the implementation of a common currency – abolishing the possibility of currency exchange rate adjustments – was obviously not foreseeable. Meanwhile, the EURO has changed the scenery for many European countries and some of the observations posed by the French expert may have come back to the fore of current European policies.

ILO's withdrawal from the European Project in the 1960s

The co-operation between the ILO and the European institutions in respect of social policy formulation, at staff and advisory levels, finally came to a halt by the beginning of the 1960s. The reason was not so much growing disinterest between the two institutions' social security units but ILO's enlarging membership (between 1955 and 1969 ILO state-membership grew from 70 to 121, of which only four were additional European countries), which required re-allocating the organisation's resources to the developing world.

Also, during the second half of the 1960s the ILO's social security department was, partially for reasons beyond control of the ILO secretariat's management, without a director and, thus, in terms of policy orientation more or less dysfunctional (Guinand, 2003).

After ILO-Europe-social-policy-cooperation had essentially been stalled until the 1990s, activities were re-activated only in the mid-1990s and afterwards. For example, the Geneva-based EU-Representation began coordinating the policies of the EU-member states in the ILO's Governing Body (GB) and International Labour Conference (ILC), aiming to reach common EU positions. Also, in the aftermath of the IMF's Article IV consultations, the ILO provided technical social security advice to Luxembourg in 2001 (ILO, 2001). To a limited extent the ILO

and EU cooperated under the EU's PHARE programme in countries preparing for EU membership.

Meanwhile, social security expertise is no longer a competence uniquely offered by the ILO. It may be seen as symptomatic of current ILO-EU-relations that after the 2008–10 financial crisis the EU invited the World Bank, and not the ILO, to implement a minimum income scheme in Greece (at a flat rate of 200€/ month); it seems that the EU no longer considers the ILO as the sole or main source of social security policy expertise, in political or technical terms. To some extent, this might be due to the fact that the staff of the ILO's social security department has repeatedly signalled critical distance to the neo-liberal paradigm and its implications for formulating social security policy.

PARADIGMATIC CHANGES IN SOCIO-ECONOMIC THOUGHT – INTERACTIVE DYNAMICS OF ILO AND ESM¹⁷

Keynesian paradigm and ESM: implementing the welfare state (post-1945 to mid-1970s)

The initial phase of the ESM was characterized by high economic growth, fast decline of unemployment, strong wage increases and little resistance against income tax and social contribution rate increases. Labour rights were improved, and capital accepted social obligations. Social expenditure ratios were initially low but increased as a result of redistributive legislation. Internationally, this policy was supported by the US as the provider of the anchor currency in a fixed exchange rate regime (DeLong, 2002) and by wide consensus among state leaders of Keynesian macroeconomic policies (Samuelson, 1983). European states kept structurally important enterprises in public ownership, while trade unions played a significant role in the organization of the economies and in the improvement of working conditions through direct or indirect influence on political decisions. Despite the human losses caused by the War demographic considerations played close to no visible role in social and economic policy formulation, as opposed to their prevalence in the 1990s and thereafter.

One might argue that Europe's expansionary social policy contributed to the economic growth during this period. But in fact, it was predominantly investments, consumption and (partially) exports that were driving economic growth, while simultaneously offering opportunities for social policy to an increasingly affluent middle-class.

The end of this period was characterised by hitherto unknown "stagflation" (stagnating real growth and inflation), which suddenly occurred and persisted throughout the 1970s; again, its cause was not social security but the first oil-price crisis and Western governments' half-hearted counter measures.

Retrenchment of the ESM and the ILO (mid-1970s to mid-1990s)

This phase began in the aftermath of the break-up of the Bretton Woods system (1971) and the first oil price crisis (1973). In Western Europe, the Deutsche mark became the new anchor currency, to which European currencies were pegged and the German central bank pursued its (in-)famous price stability policy with repercussions for the other European economies and labour markets. The Keynesian consensus was replaced by the new paradigm of monetarism (Friedman, Bordo, 2005). (Costly) unemployment rate increased and remained high, trade unions fell to defensive positions and improvements of social security stalled. After the second oil price crisis (1981), the labour income share in GDP began falling in many countries, and financing of social security became more difficult.

With respect to the ESM, governments reduced expansionary plans and began to reverse earlier social security and labour rights legislation. Of course, the ILO was exposed to the same developments; the drastic fall in ratifications by EU member states of up-to-date social security conventions between 1975 and 1989 may be taken as an indicator (Table 1)¹⁸.

Table 1. EU Member States' Ratification of the Up-to-Date Social Security Conventions^a

Country	C102, 1952 Social minimum standards	C121, 1964 Employment injury benefits	C128, 1967 Invalidity, old-age and survivors' benefits	C130, 1969 Medical care and sickness benefits	C168, 1988 Employment promotion	C183, 2000 Maternity protection	C118, 1962 Equality of treatment (social security)	C157, 1982 Maintenance of social security rights (migrants)
	Ratification ^b							
Austria	04 Nov 1969		04 Nov 1969			30 Apr 2004		
Belgium	22 Nov 2017	22 Apr 1970	14 Jun 2017	22 Nov 2017	21 Oct 2011			
Bulgaria	14 Jul 2008					06 Dec 2001		
Croatia	08 Oct 1991	08 Oct 1991						
Cyprus	03 Sep 1991	28 Jul 1966	07 Jan 1969			12 Jan 2005		
Czech Rep.	01 Jan 1993		01 Jan 1993	01 Jan 1993		03 Jul 2017		
Denmark	15 Aug 1955			06 Jun 1978			17 Jun 1969	
Estonia								
Finland		23 Sep 1968	13 Jan 1976	03 Sep 1974	19 Dec 1990		15 Aug 1969	
France	14 Jun 1974						13 May 1974	
Germany	21 Feb 1958	01 Mar 1972	15 Jan 1971	08 Aug 1974			19 Mar 1971	
Greece	16 Jun 1955							
Hungary						04 Nov 2003		
Ireland	17 Jun 1968	09 Jun 1969					26 Nov 1964	
Italy	08 Jun 1956					07 Feb 2001	05 May 1967	
Latvia						09 Feb 2009		
Lithuania						29 Sep 2003		
Luxembourg	31 Aug 1964	24 Jul 1972		03 Jul 1980		08 Apr 2008		
Malta								
Netherlands	11 Oct 1962	02 Aug 1966	27 Oct 1969	17 Jan 2006		15 Jan 2009	03 Jul 1964 ^c	
Poland	03 Dec 2003							
Portugal	17 Mar 1994					08 Nov 2012		
Romania	15 Oct 2009				15 Dec 1992	23 Oct 2002		
Slovakia	01 Jan 1993		01 Jan 1993	01 Jan 1993		12 Dec 2000		
Slovenia	29 May 1992	29 May 1992				01 Mar 2010		
Spain	29 Jun 1988							11 Sep 1985
Sweden	12 Aug 1953	17 Jun 1969	26 Jul 1968	14 May 1970	18 Dec 1990		25 Apr 1963	18 Apr 1984
United Kingdom	27 Apr 1954							
	Number of EU countries that ratified the above Conventions ...							
... until 1974	11	8	5	3	0	0	8	0
1975 to 1989	1	0	1	2	0	0	0	2
1990 to ...	10	2	3	4	4	14	0	0
... never	6	18	19	19	24	14	20	26

^a <https://www.ilo.org/dyn/normlex/en/f?p=1000:11001::NO::> (accessed 01 July 2019); ^b All Conventions are in force; most have also been ratified by the non-EU countries Norway and Switzerland; ^c Denounced on 20 Dec 2004.

Welfare as investment (after the mid-1990s): From the welfare state to the competition state and the role of Euro

After the fall of the Soviet system, social security sceptics and proponents alike, in a sort of an *alliance impie*, developed language explaining social security as an investment in people (Also: Lindert, 2010). Many Central and Eastern European (CEE) countries ratified C102 (Table 1) but, at least initially, equally believed in positive effects of marketization measures (Hagemejer, Scholz, 2004). In this period, the Nordic countries, somewhat paradoxically, became “superheroes” (Petersen, forthcoming) in the world of social models. This took place not because of their (continued) high social benefits, equality or low poverty levels but rather as the illustration of the changed logic of the social-security-and-economic-growth-nexus, whereby welfare (“the ESM”) was no longer the goal but a means to strengthen economic performance.

This new “competition state” also emerged in reaction to globalization. A new conventional wisdom unfolded that social policy was a public investment that should strengthen economic growth and nation-

nal competitiveness in world markets. Indeed, in the classical social security logic, economic development is a precondition for expanding social security: the ultimate goals are social inclusion, no poverty, redistribution, equality and the creation of equal opportunities. In the new growth-competition-innovation logic, social security is instrumental to promoting the national economy. The ESM started as the first model in the 1950s, but has, beginning in the 1970s and accelerating in the 1990s, transformed into the second one. Institutions were formally left unchanged but their content changed. Social contingencies gradually shifted from solidarity financing onto individuals’ shoulders; public social security spending was reduced and replaced with individual private arrangements and reliance on financial markets; social security scheme members became customers rather than citizens with rights-based public benefits entitlements. The ILO tried to stem the tide but it was around this time that the international community, including the ILO, gradually replaced the term “social security” with “social protection”, the former more perceived as comprising social insurance language and the requirements of the middle classes, while the latter more echoed safety-net language addressing the poor (Lister, 2013).

During this period, the major ideological player was the World Bank with its “new” pension strategy (World Bank, 1994). Its policy success was supported by the Washington Consensus (Williamson 2002; Mueller 1999) prompting governments to ignore arguments against social security marketization experiments (Hagemeyer, Scholz, 2004). Since the international financial crisis of 2008–2010, social security policies have been further tightened through fiscal austerity.

Meanwhile, the ESM has lost most of its earlier emancipating features, so that its characterisation as “welfare state” appears no longer justified. Social security in Europe less and less secures people on a solidarity basis but increasingly transfers risk to individuals and, thus, paradoxically, contributes towards people’s insecurity (Judt, 2010).

The role of Euro in the process of the ESM’s deterioration is not often fully understood by Europe’s social policy stakeholders. In fact, with its implementation in 1999/2000, the economic conditions for keeping national social security independent from each other have drastically changed. In comparison to the logic of the Ohlin report any compensation of increased labour costs, required to retain international competitiveness, must now come solely by way of enhancing productivity; options to ease possible negative societal effects through exchange rate adjustments are no longer available. (Flassbeck, 2017).

Europe’s social security policy is currently at a crossroads: It appears that the ESM has been moved towards a position where it intrinsically serves exogenously defined economic needs. Rules have been adjusted, such that persons often gain effective access to coverage only in the event of proven accommodating behaviour, including acquiescing to economic efficiency requirements. Under this perspective, it is to be expected that people will be less and less willing to exert loyalty to social security systems after these lost many of their earlier emancipating features (Bosch, 2015; Gauti, 2015; Grimshaw, 2015; Vaughan-Whitehead, 2015).

CONCLUSIONS

To regain public support, the ESM-discourse must turn away from the auxiliary business-oriented role of social security and take a more independent posture (again).

This task implies changing the discourse about social security and its beneficiaries. Some hope that might be based on the example of the Nordic countries, which already had a prominent position in changing the ESM’s paradigm in the 1990s. An important part of this would be the struggle with reverting, in paradigm, from *social security for economic development* back to *economic development for social security*. But for the time being, one can (still) see the normative compass directing towards more individual interest. (Petersen, 2019).

At the same time, all European countries have the reason for improving their social security systems. Concrete fields range from addressing the situation of (precarious) employment and unemployment, children and families, health care, pensions, care systems and housing. Many European countries suffer from large sectors of sub-poverty-level wages, with immanent direct repercussions on social benefits.

Inevitably, the ILO was subject to the aforementioned developments. In executing most of its social policy advice through country-focused actuarial valuations, it may even have actively contributed to the deterioration of the position of state-run social policy because standard advice for (e.g.) parametric pension reforms often consisted of increases in contribution rates and retirement ages in combination with benefit cuts¹⁹.

The issue, whether the EU member states will address their social problems in a comprehensive way, and whether ILO overcomes its routine social policy advice or whether EU and ILO will be able to (re-)gain a co-operative and productive collaboration in the field of social policy – depends on a multitude of developments outside the institutions’ reach. As neo-liberalism is deeply engraved in both “help” is probably to be expected only from outside, i.e., broadly speaking, from European countries’ democratic civil societies supported by their messenger-institutions, such as schools and universities and

other media-oriented think-tanks. In any case, policy reversal will take time. Only in the long run does the ESM have a chance to regain its traditional radiance.

- ¹ The Holy See has meanwhile published eight Social Encyclicals in 1891, 1931, 1961, 1967, 1981, 1987, 1991 and 2009.
- ² This statement is to be taken with some caution as the author is not aware of any historical research that might be on-going in respective government archives in Eastern European countries [WS].
- ³ Roosevelt had formulated “four freedoms”: freedom of speech and expression, freedom to worship, freedom from want, freedom from fear. (Roosevelt, 1941).
- ⁴ Against all odds Labour (Attlee) had just won the post-war elections in the UK against the Conservatives (Churchill) because he had based his election campaign on the promise of implementing Beveridge’s core features.
- ⁵ During the War staff numbers were reduced from about 500 to a few dozen.
- ⁶ Later, in the 1960s the ILO changed its institutional character significantly. Up until the 1950s it was mainly a think-tank proposing standards to be ratified by its (initially comparatively few) member states, including Europe; the post-WWII dissolution of the British and French colonial empires necessitated technical assistance to the new (developing) member states as a pre-requisite for ratification. This, in turn, changed scope and staffing of ILO’s secretariat in Geneva and its interaction with the (equally changing roles of the) Governing Body (GB), and the International Labour Conference (ILC). The GB takes decisions on ILO policy, decides the agenda of the ILC, adopts the draft Programme and Budget for submission to the ILC, and elects the Director-General. Initially (after 1919) the GB comprised of representatives from 12 member states of which eight were (mainly European) countries of “chief industrial importance” (later given the status of) holding permanent seats (The Avalon Project, undated; League of Nations 1922); today, the GB is composed of 28 countries, of which only five European out of 10 countries hold such permanent seats (France, Germany, Italy, Russian Federation, United Kingdom) (ILO, undated). This shift in composition of the GB is also indirectly reflected in the ILC’s composition of delegations, thus co-influencing ILO’s divergence from its initial “European focus”. In recent years, EU member states, as, in sum, ILO’s biggest financial contributors, have increasingly channelled their policy advice to the GB/ILC through controlling scope and structure of the organisation’s regular budget.
- ⁷ Only the UK (Attlee) implemented the new approach under most difficult economic conditions – which, however, was dismantled already in the early 1950s by the then conservative government, with the NHS nowadays left as the only Beveridgean scheme in the UK. Subsequently a hybrid system with Beveridgean elements evolved in the Netherlands.
- ⁸ Two documents were “forerunners” to C102: Recommendations No. 67 and No. 69 (both 1944); the list of contingencies in R67 included “emergency expenses”, but did not include “family benefit”, as included in C102. All three documents constituted the new comprehensive view on social policy emerging: until then, ILO social security conventions and recommendations had only addressed specific aspects of social security in a piecemeal approach. Retrospectively the only missing contingency in C102 is age-induced frailty requiring supportive personal services (long-term care); respective awareness begun evolving at national and international levels only in the 1980s and 1990s.
- ⁹ Schedule to Part XI, Periodical Payments.
- ¹⁰ The CoE Code of 1964 has until now been ratified only by three CoE member states, the revised Code of 1990 only by two. Therefore, the latter has not yet come into force.
- ¹¹ Table: see the bottom three rows.
- ¹² See the qualifications given in the Introduction.
- ¹³ The other members of the group of experts were: Mr Maurice Byé, Paris University, Faculty of Law, France; Mr T.U. Matthew, Principles of Engineering Production, Birmingham University, UK; Mr Helmut Meinhold, Economic and Social Science, University of Heidelberg, West-Germany; Mr Pasquale Saraceno, Istituto per la Ricostruzione Industriale, Università Cattolica del Sacro Cuore, Milan, Italy; Mr Petrus J. Verdoorn, Market Analysis, Trade Statistics and Commercial Economics, Rotterdam School of Economics, Netherlands. (ILO, 1956).
- ¹⁴ See, for example, Krugman et al. (2012), chapters 5 & 16.
- ¹⁵ Indeed, the result of the Ohlin report was that social policy coordination was not necessary under the foreseen Treaty, leaving the option to the founders of the EEC to undertake such coordination on other grounds. The extent at which this took place, or not, and why, must be left unaddressed in this paper’s context.

- ¹⁶ It is to be recalled that the EEC of 1957 was still very distant, by its overall design, from what is nowadays called the European Union. Nevertheless, the contemporary set of European Treaties relates back to the Treaty of Rome and, thus, is still directly or indirectly influenced by those early beginnings.
- ¹⁷ With permission by the authors, for some parts of the following text use was made of Zheng / Scholz, forthcoming.
- ¹⁸ The substantial increase in the number of ratifications in and after 1990 is owed to the Eastern European revolutions (beginning with the Polish uprisings in the 1980s) followed by the dissolution of the Soviet Union, all triggering social policy renewals in those countries.
- ¹⁹ ILO's methodology is extensively described in Plamondon et al 2002.

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