

The embattled standard-bearer of social insurance and its challenger.

The ILO, the OECD, and the «crisis of the welfare state» (1975-1985)

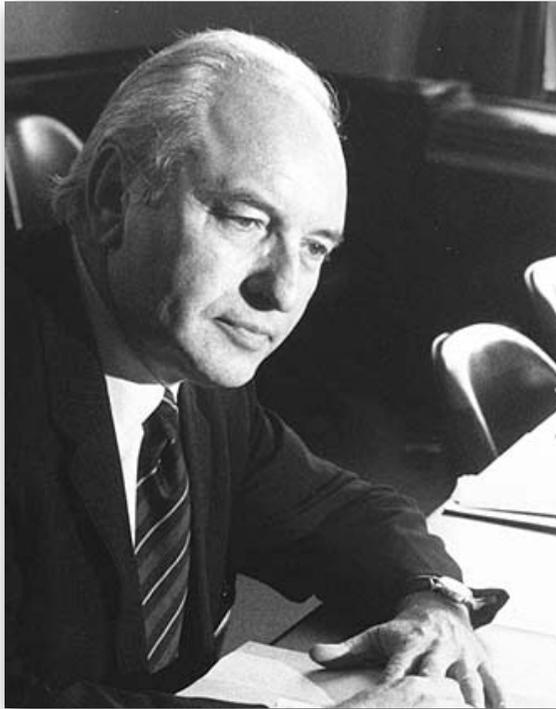
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# 1980: social security at the crossroads ?

«Sécurité sociale: une conférence internationale pour surmonter une crise générale», *Le Monde*, April 8, 1980

«Social security at the crossroads», *International labour Review* 119/2 march 1980



**Francis Blanchard** (1916-2009)

General Secretary of the International Labour Organization, 1974-1989



**Pierre Laroque** (1907-1997)

founder of French *Sécurité Sociale*  
member of the *Conseil d'Etat*, 1951-1980

«I have read with great interest and pleasure your recent article in *Le Monde*. ...  
I also think it is high time to re-think social security issues»  
(**Laroque** to **Blanchard**, April 14 1980, ILO archives)

## The time frame of the case study...

OECD and social security	ILO and social security	general context
<p>12.1978 OECD project for a conference signalling the end of a «policy era» in social policy affairs</p>		<p>05.1979 Thatcher wins elections</p> <p>second oil shock</p>
<p>10.1980 OECD conference <i>The welfare state in crisis</i> («La crise de l'Etat protecteur» )</p>	<p>04.1980 Correspondence between Laroque and Blanchard</p> <p>10.1980 ILO experts' group on the future of social security</p>	<p>07.1980 Republican Convention chooses Reagan as candidate</p> <p>11.1980 Reagan wins elections</p>
<p>12.1981 publication of the OECD conference proceedings</p>	<p>04.1981 1st meeting of the experts' group</p>	<p>10.05.1981 F. Mitterrand gagne les élections contre Giscard d'Estaing</p>
<p>1981-1985 OECD ramps up social security activities</p> <ul style="list-style-type: none"> <li>&gt; thematic reports</li> <li>&gt; SOCEX database project</li> <li>&gt; 1988 Social Ministers' meeting</li> </ul>	<p>02.1982 2nd meeting</p> <p>04.1983 3rd meeting</p> <p>02.1984 <i>Into the 21st century. The development of social security</i> («La sécurité sociale à l'horizon 2000»)</p>	<p>10.1982 H. Kohl wins German elections</p> <p>new recessionary phase</p>

## The ILO *groupe de réflexion* on the future of social protection (1981-1984)

senior members

- |                                           |                                                                  |
|-------------------------------------------|------------------------------------------------------------------|
| <b>Pierre Laroque</b> (1907-97, France)   | • former member of the <i>Conseil d'Etat</i>                     |
| <b>Wilbur J. Cohen</b> (1913-87, US)      | • former Secretary of Health, Education and Welfare              |
| <b>Gerard M.J. Veldkamp</b> (1921-90, NL) | • former Minister, European Institute for Social Security (EISS) |
| <b>Sir Owen Woodhouse</b> (1917-, NZ)     | • judge, specialized in social policy issues                     |
| <b>Brian Abel-Smith</b> (1926-96, UK)     | • LSE professor, Labor adviser                                   |

other members

**Antonio da Silva Leal** (Portugal), **John E. Osborne** (Canada), **Adam Trier** (Denmark), **Ewa Borowczyk** (Poland),  
**Jérôme Dejardin** (Belgium, International Social Security Association, ISSA)  
**Giovanni Tamburi** (ILO, Social Security Department)

- > post 1945 «**Social Security founding fathers**» with expertise on social legislation
- > Atlantic-Pacific but also East-West scope
- > ISSA-ILO transnational network + «social Europe» project (EISS - EEC nexus)

**the ILO  
as standard bearer  
for social security development**

**1944** Philadelphia Declaration (ILO)  
**1948** UN Declaration of Human Rights  
**1949** *Costs of Social Security* = key statistics  
**1952** ILO Convention 102 on social security

ILO Social Security Dept + ISSA  
> founders/guardians of social security development  
> social security devtpt worldwide

**1960s** EEC + Council of Europe develop social security projects and «Social Europe» goals

**the OECD  
belated, and antagonistic,  
concern for social policy issues**

**1948** OEEC  
**1961** OECD

**1964-1974** OECD Manpower Committee  
- head: **Gosta Rehn** («Swedish model»)

**1968-1972** Manpower Committee reform

**1974** new OECD Directorate for Social Affairs,  
Manpower and Education (SME)  
- «social arm» of the OECD (**Ron Gass**, new head)

**crisis of industrial capitalism, crisis of Keynesian solutions**

**1970s** «Social Europe» is put on the backburner  
**1977-1980** ILO is imbalanced by US withdrawal

**1977** McCracken report (see V. Gayon)

**1977-78** SME conference project  
first title: «New Welfare Society»  
final title: «**Welfare State in Crisis**»

**1980-84** *groupe de réflexion* is clearly designed as a  
**defensive maneuver**

**1980** conference signals **entry on the social policy  
field with new, antagonistic perspectives**

## «La crise de l'Etat protecteur» (OECD conference, 10.1980)

«[T]he growth slowdown means that we cannot escape the necessity to **remodel** our social policies while continuing to ensure a **minimum of protection** [...] The aim should not be to **axe** social programs but to intervene with almost surgical precision

(Emile Van Lennep, OECD general secretary, opening statement at the 1980 conference)

«While the welfare state has not been attacked directly, participants have seemed to favor a **more conservative approach** [as well as] the necessity to question [...] its **limits**. [...] As it is clear that almost all participants wish for a return to at least moderate economic growth, the first priority should be, or so it seems, to convince the “social policy industry” [...] that social policy [...] runs the risk of creating **obstacles to economic growth**»

(Victor Halberstadt, professor of public finance and OECD conference discussant)

«[I]n this particular case we are not losing an opportunity. Indeed, **we are moving into exceedingly difficult territory with more than desirable speed**. Of course I know that it might be important to jump on the Thatcher/Reagan/Chirac bandwagon but as an international secretariat we have a duty to tackle political problems from a professional angle and in the interests of all our Member countries.»

(J.R. Gass, SME OECD, commenting the following article: Pierre Locardel, «Dénoncée par Thatcher, Reagan et Chirac. La crise de l'Etat-protecteur sévit dans tout l'Occident», *Les Echos*, 2 Février, 1981, OECD archives)

## How the ILO evaluated the OECD entry on the social policy field

«it is now confirmed [...] that the OECD will significantly expand its activities in the field of social security»  
« The issue of the privatization of certain risks [...] though politically explosive, will definitely be on the agenda»

*(M. Galabert to F. Blanchard, various correspondence, 06.1983)*

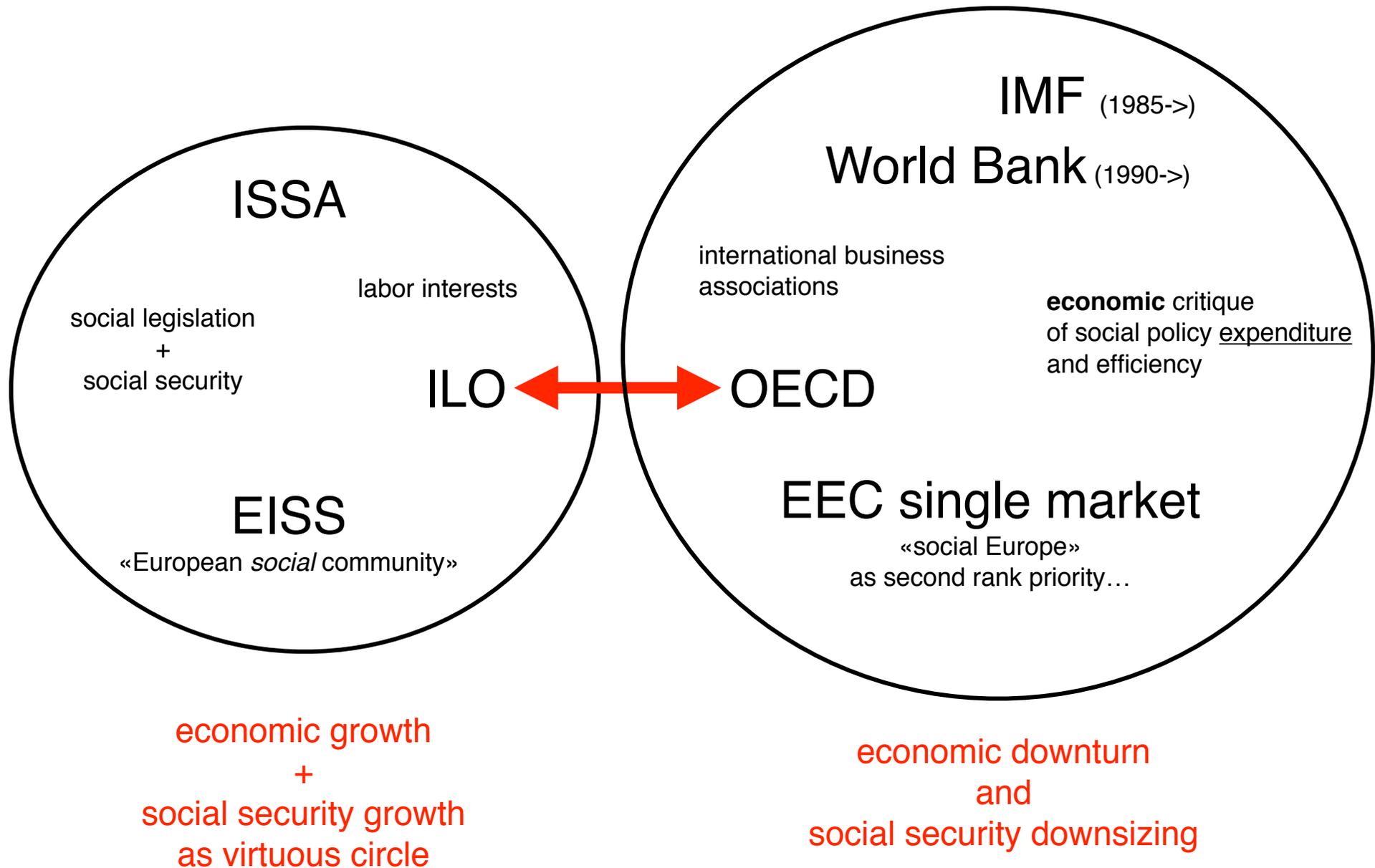
«[During OECD SME meetings] views such as those of the ILO are welcomed by individual representatives in order to bring more balance in the debates, but **the secretariat of OECD does not necessarily share our views and will tend to keep the ILO at the periphery** of their work in social security. Personal contact [...] and the publication of high-quality studies by the ILO will be a crucial factor in **strengthening our uneasy position** in this context.»

*(G. Tamburi to F. Blanchard, 12.1985)*

«[The OECD] has been allocating [...] highly specialized personnel and important means which enable it to prepare social policy meetings and studies without having to rely on international organizations competent in this domain [...] Regarding “Social Expenditures 1960-1990”: this publication contains very interesting statistical information. **However its conclusions are based on a totally different philosophy that the one that underlies, for example “Into the 21<sup>st</sup> Century”**. One may indeed note some contradictions between the wish to reach greater social equity and recommendations that point towards “two tier” social security measures. The OECD report admits indeed that the recommendations it formulates may potentially endanger social consensus. **This said, no OECD study leaves the public indifferent. It is up to us to do better. But do we have the means to do so?**»

*(G. Tamburi to F. Blanchard, 05.1985)*

# two competing expertise networks



Le nerf de la guerre...

(comparaisons difficiles... chiffres en partie reconstitués)

	<b>1970</b>	<b>1975</b>	<b>1980</b>	<b>1985</b>
<b>Budget total (mio \$ 2008)</b>				
ILO	146.4	180.9	225.8	247.1
OCDE	103.6	142.9	224.2	
<b>Budget sécurité sociale (en mio \$ 2008)</b>				
ILO	2.6	4.0	4.1	4.0
OCDE	3.2	7.9	9.8	7.7
<b>Staff (niveau "Professional" et "Administrateur")</b>				
ILO	21	21	18	12
OCDE	19	36	68	68

Δ! chiffres OCDE: 40% du budget et du personnel (environ...) pour domaine «affaires sociales»

- > «rattrapage» de l'OCDE commence dans les années 1970
- > plafonnement des moyens à disposition au BIT (budget, et surtout personnel)
- > poids important de l'aide technique du BIT pour les pays du Sud
- > à l'OCDE, dépenses de recherches plus concentrées