

# **Celebration of the centenary of the existence of the International Labour Organization. Summary of the conference organised by ZUS, Warsaw 15th May 2019**

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## Introduction

On 13 May 2019, a conference to mark the occasion of the 100th anniversary of the International Labour Organisation (ILO) was held at the Social Insurance Institution (ZUS). The conference was organised by the International Cooperation Department of ZUS in cooperation with the Institute of Social Policy of the University of Warsaw. The International Labour Organisation was established by the Treaty of Versailles on 28 June 1919, during the peace conference in Paris. It was established as an autonomous organisation affiliated with the League of Nations. After the Second World War, it was affiliated with the United Nations. The headquarters of the ILO is located in Geneva. Currently, it has 187 Member States from around the world.

ILO establishment was a response to the attempt to rebuild, after the First World War, the world order, one that was to be based on international organisations. The League of Nations, an organisation established also in 1919 in Paris, was bestowed with the task of ensuring peace amongst nations, while the objective of the ILO was to ensure the internal peace of its the Member States, something recognised as a condition for ensuring international peace. The preamble to the ILO Constitution declares that “universal and lasting peace can be established only if it is based upon social justice.”

The objective of the International Labour Organisation was defined as the improvement in the working conditions of employees, social protection of employees and fight against unemployment through evolution and social dialogue, and not – as proclaimed by the then communists – through revolution. Wojciech Andrusiewicz, a spokesman for the Social Insurance Institution, emphasised that even though 100 years have elapsed, problems with maintaining labour law are still remain relevant. This situation is influenced by many factors – technology, social, political and environmental issues.

The conference was opened by Prof. Gertruda Uścińska, Ph.D., the president of the Social Insurance Institution, Prof. Jacek Męcina, Ph.D., a conference initiator and director of the Institute of Social Policy at the University of Warsaw and Ph.D. Marek Madej, a deputy director of the Institute of International Relations.

### **The role of the ILO in building social policy standards was presented by Prof. Gertruda Uścińska**

Prof. G. Uścińska stressed the importance of cooperation of ZUS, as a state organisational unit, with the outside world on the basis of legislation in the field of labour law. Even though 100 years have passed since the establishment of this organisation, ILO achievements in the field of safeguarding labour standards are still valid and are an important signpost in the implementation of social policy in the modern world.

The emerging, new forms of employment differ from employment in the standard understanding. These are, for example, jobs performed through digital platforms, commissioned by various clients. It is worth mentioning that the new forms of employment may involve an

international aspect and the client's country may be different than the contractor's country. This can create a rather complicated legal situation in determining the role in social insurance. This situation is even more difficult due to the fact that issues related to work performance with the use of digital platforms in different countries are not regulated in the same way.

ILO normative achievements are divided into three stages: the interwar period, characterised by the development of insurance protection, the period after World War II until 1952, when the general concept of social security was created, and the period from 1952 to the present day.

Until the end of the Second World War, ILO standards were already based on the concept of social security, but their personal scope covered only certain categories of employees, not the entire society. After the Second World War, ILO standards were drawn up under the influence of the social security concept developed in the Beveridge Report of 1942 and the Philadelphia Declaration of 1944, and this is the second statutory document of this organisation, after the ILO Constitution. After the Second World War, there was a dynamic development in social security. An important and decisive document of the International Labour Organisation was Convention No. 102 concerning minimum standards of social security of 1952. It came into force in 1955.

This Convention consolidated in one instrument the catalogue of social risks, social insurance and benefits for insured persons and their families. These were very impressive requirements at the time. The minimum replacement rate had to be 40 to 50%, in the case of an old-age pension – not less than 40%. These values are extremely difficult to implement and are still not fulfilled in many countries, including Poland.

Social security, thanks to ILO activities in this field, has become one of the human rights in fundamental international instruments – in the Universal Declaration of Human Rights of 1948, in the Covenant of Economic, Social and Cultural Rights of 1966.

As Prof. G. Uścińska mentioned, the International Labour Organisation is closely cooperating with the European Union and the accumulated legislation of both parties, including EU Regulation 883/2004, is mutually implemented. Solutions included in ILO conventions, such as compulsory insurance, systems financed by employers and insured persons, as well as the participation of public authorities in financing, may be found in many national social insurance systems. Conventions determine a catalogue of benefits that should be provided in the event of insurance risk. Current work and discussions focus on income security, *e.g.*, Recommendation No. 202 concerning national floors for social protection.

## **The role of the International Labour Organisation in the United Nations system within the context of international relations was presented by Ph.D. Irena Popiuk-Rysińska of the University of Warsaw**

The International Labour Organisation and the League of Nations were created at the same time in 1919 under the auspices of the Treaty of Versailles. These organisations were closely interrelated and were the symbols of a new international order. The ILO

was granted the status of an association that guaranteed its full independence. It was never dependent on the League of Nations or any other organisation or state. After the Second World War, in 1946, it became an organisation affiliated with the United Nations as a specialised agency.

The state delegations were composed of four representatives of various social groups: two government representatives as well as one employer representative and one representing employees. None of these groups was dominant. The voting procedures also did not bring advantage to any of these groups, thus forcing them to dialogue and, consequently, to agreement.

ILO representatives are very actively involved in UN work, and so ILO plays an important role in the UN system. The ILO accumulated legislation includes 189 conventions and 205 recommendations.

The main ILO functions within the United Nations system are:

- promoting and disseminating employees' rights on a global scale,
- providing input into the content of the UN social and economic development strategy,
- influencing the operating strategies and programmes of other specialised organisations of the United Nations system,
- participation in the implementation of programmes of assistance for states or management of such programmes, including the primary responsibility for promoting sustained, balanced and inclusive growth, full and productive employment and decent work for all people,
- sharing research, information and statistics, among others, on employee issues or the labour market.

Prof. I. Popiuk-Rysińska concluded her presentation with the words of the Secretary-General of the United Nations, Ban Ki-moon from 2014: “economic growth, on its own, is not sufficient. We must do more to empower individuals through decent work, support people through social protection and ensure the voices of the poor and marginalised are heard.”

## **The ILO vision regarding the future of labour was presented by Prof. Jacek Męcina of the University of Warsaw**

From the very beginning of ILO existence, its objective was to resolve workers' issues by enforcing the improvement of labour standards and occupational safety in the Member States. According to Daniel Kaufmann, an economist and OECD expert, without this resolution, Europe would not have reached the current level of economic and social development.

The ILO has participated in overcoming many international economic crises that affect working conditions. This was done by opening up to other international organisations, cooperation with governments, social partners and trade union organisations. Thanks to this cooperation, involvement in political and systemic issues as well as raising awareness of the need for social security, ILO recommendations have inspired many

countries in the world, especially in Europe. The continued practice of tripartism is the strength and great asset of the ILO.

Is the ILO still needed? We witness many challenges in the world. They include still high unemployment, especially among young people, a large share of people employed in the so-called grey economy, huge poverty among the employed and problems of equality in the labour market. The main challenges in Poland include measures to help young people find a job.

Work automation, according to the ILO report, is a newly emerging challenge, but also a threat to the labour market stability. More than 50% of occupations will be exposed to this threat. In the case of Poland, 56% of jobs are at risk of automation. The ILO proposal is to use new technologies and work automation in a way to support decent work and to ensure that this phenomenon does not only involve employment reduction, but instead, to build standards that support people in the work process.

Occupations that are at the greatest risk of reduction include telemarketers, brokers, accountants, auditors, *i.e.*, the jobs where digital technologies and artificial intelligence can substitute human work. On the other hand, a growing role will be played by occupations related to personal services, such as therapists, social workers, addiction specialists, mental health specialists or instructors and service technicians.

In connection with the dynamically changing labour market, the ILO recommends that countries invest in human capital, *i.e.*, in lifelong learning, supporting people through transitions, strengthening social protection, as well as ensuring gender equality in remuneration and promoting partnership in the family. The ILO has developed recommendations regarding investments in decent work, *i.e.*, transforming economies to promote decent and sustainable work. There is a new approach to business responsibility in building a human-centred economic model.

The ILO has also developed recommendations for the institutions of work regarding the establishment of universal labour guarantees, which are closely related to the development of infrastructure supporting employees in the changing world of work and which should be a response to the emergence of atypical forms of employment. A general dilemma arises whether a further and stronger expansion of labour law is possible in this situation. How to define in the labour law such new phenomena as uberisation, to maintain the minimum standards of protection irrespective of the basis of performing work. This dilemma was raised in institutional recommendations.

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## Discussion

After the speeches, conference participants had an opportunity to take part in the discussion.

Prof. Tadeusz Szumlicz, Ph.D., of the Warsaw School of Economics, expressed his concern about the low level of public awareness of the existence of the ILO and of knowledge about this organisation. He referred to conversations with his students who,

when asked what “ILO” reminded them of, had major problems with providing an answer. This situation may result from the fact that in international issues there is too large a focus on the European Union, with the ILO being left aside in social attention. Then he referred to the principle of tripartism. He expressed concern about its actual implementation in Poland.

Barbara Surdykowska of Niezależny Samorządny Związek Zawodowy (NSZZ) “Solidarność”<sup>1</sup> pointed out to the actually observed decline in the dynamics of creating new Conventions and Recommendations. Stagnation in ratification concerns especially fundamental declarations, which have not been ratified by the US, China and India, *i.e.*, three very important global economies. She also asked about the need for, and the possibility of, ratifying ILO Conventions by the European Union, as was the case in 2010 with the UN Convention on the Rights of Persons with Disabilities.

Magdalena Wysocka-Madej of the Ministry of the Family, Labour and Social Policy referred to Barbara Surdykowska’s speech and explained that the ILO focuses on strengthening the supervisory system and on the revision of Conventions and Recommendations, not on the creation of new ones. ILO plans to revise its Conventions and to extend their personal scope. She also referred to the replacement of human work by robots. In her opinion, it can bring positive effects, especially on positions perceived as unattractive, monotonous or not decent or performed in conditions dangerous for people.

Prof. I. Popiuk-Rysińska confirmed that the ILO already had many Conventions and Recommendations in its accumulated legislation. Currently, there was no need to create new ones. However, she highlighted the problem of ratifying the existing instruments. She expressed doubts on the accession of the European Union to ILO Conventions. Each EU Member State has the right to do so without having to involve the entire European Union. And she expressed her appreciation for the ILO supervisory system.

Prof. G. Uścińska and Prof. J. Męcina thanked everyone for the active and varied discussion.

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## Panel of experts and social partners

In the second part of the conference, its participants had an opportunity to take part in the panel of experts and social partners. The panel was led by Prof. J. Męcina. The panel was attended by B. Surdykowska, Robert Lisicki and Monika Fedorczyk of the Lewiatan Confederation of Private Employers.

B. Surdykowska referred to the need to prepare for technological changes that will strongly affect the labour market in Poland. The threat of work automation is very large and is also the subject of many research works. The progress of work automation is favoured by its very low cost with simultaneous replacement of humans. Then, she

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1 Polish Labour Union – editor’s note.

referred to the small use of public funds, including Labour Fund resources, to finance lifelong learning for employees at risk of the loss of employment due to work automation.

She referred to the need to ratify the existing Conventions in order to maintain the role of the International Labour Organisation. In her opinion, a strong ILO is important for the balance between work and capital in the global dimension.

Prof. J. Męcina referred to the need to improve the co-management of the Labour Fund and the Guaranteed Employee Benefits Fund by social partners. He claimed that in order to actually strengthen tripartism, the participation of social partners in co-management should be increased, as it is in many other countries, especially in the “old” EU-15 countries. This would contribute to restore industry dialogue. In addition, these funds could support technological change in the labour market and, at the same time, the lifelong learning of employees threatened with change. Employers’ attitudes towards the lifelong learning of their employees are crucial for these changes. Progress should foster the quality of work.

As strongly emphasised by Barbara Sajkiewicz of the Institute of Labour and Social Studies, we are not dealing with an upcoming technological change in the labour market, for the change is already here. Automatic cash registers are only trifles – a part of programming is already done not by people but by software. In many areas, work performed by robots is still unprofitable due to costs. However, it is only a matter of time before robots replace human work at call centres. Are we able to anticipate developments? How to prepare an employee for the changing labour market? Work experience alone does not determine the employee’s value any more. A young person, despite their lack of professional experience, may have a set of competences that correspond exactly to the needs of the labour market, far better than in the case of an employee with rich experience. In the opinion of many experts, each position eliminated by automation creates another three positions. The only question is whether the redundant employee will find a job on one of these new three positions. To help such an employee, he or she should be supported in lifelong learning or in changing their professional qualifications. Therefore, Lewiatan proposes to create financing under the Labour Fund, which would support lifelong learning and changes in professional qualifications.

B. Surdykowska, a representative of NSZZ “Solidarność”, emphasised the importance of determining the appropriate social insurance for various types of contracts, including commission contracts and specific-work contracts for artistic environments or for the universities. Current solutions allow cultural and educational institutions to reduce administrative costs. However, in the longer term they will result in lower benefits for insured persons. She expressed her concern about flexicurity and labour protection. In her opinion, institutions of work and the government should prepare solutions supporting employees who in times of restructuring may remain professionally inactive for a long time due to the need to retrain and acquire new skills. In addition, the government should adopt solutions that would relieve employers and employees of the primary responsibility for lifelong learning. It should be emphasised that when thinking about the cost of lifelong learning we believe that it is mainly the cost of the course or the training, and we forget about the costs related to the break in work, for example due to

study leave. Unfortunately, employers very often stop at the mere financing of studies or courses and do not allow their employees to participate in further training. It could be suggested to create conditions allowing the employee to take advantage of the training leave without imposing an unreasonable burden on the employer.

Prof. J. Męcina raised the subject of the failure of the education system to keep up with labour market needs. In this situation, the mismatch between the education system and the labour market must be remedied by lifelong learning.

M. Fedorczyk from the Lewiatan Confederation referred to the list of deficit professions drawn up by the Ministry of National Education in 2019 with the forecast for the next 5 years (Announcement of the Minister of National Education of 22 March 2019 concerning the forecast of employee demand in school-taught vocational occupations on national and provincial labour markets, Monitor Polski, item 276). According to the speaker, the list focuses more on the current demand on the labour market than on the future. The education programme reacts too slowly to changes in the labour market. The university must have an offer tailored to both current and projected labour market needs.

Ph.D. Dorota Głogosz, an adviser to the president of the Social Insurance Institution, remarked that the usefulness of this list and such information is limited. We should focus on improving university reaction to long-term labour market changes. The second challenge should be raising public awareness and knowledge about social insurance. Its lack is a major threat to flexicurity when making professional decisions, especially by young people. And referring to the ILO, she stated that by setting social security standards, this organisation facilitates the organisation of national legislation.

Prof. G. Uścińska considered that to achieve the high level of legislation it is necessary to make the best use of the International Labour Organisation's accumulated legislation. She also referred to the current situation in the Polish social insurance system and to the challenges facing us in the longer term.

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## Closing of the conference

Prof. G. Uścińska closed the conference. She thanked Prof. J. Męcina for help in its preparation, and all the experts, panellists and participants for coming and their active participation. An exchange of ideas and experiences is very valuable and always leads to the development of good solutions. She also referred to an initiative to prepare a publication on the occasion of the 100th anniversary of the ILO, and encouraged all participants and experts in ILO activities to actively contribute to its development.

*Anna Pątek  
International Cooperation Department  
Social Insurance Institution (ZUS)  
ORCID: 0000-0002-3353-483X*