

# Technical Cooperation Activities of the Social Security Administration

EACH YEAR thousands of men and women from other countries of the world come to the United States to study its social and economic programs. They are not only trying to find the key that will open the doors of their own countries to advancement. They are searching also for ways of bridging the gap to a better life for all their people as quickly as possible. They are hopeful that they will be able to take back to their own country a knowledge that can be applied to their special situation and stage of development.

The Social Security Administration works with other agencies to help these visitors achieve their aims. It provides training for them in the appropriate aspects of social security programs and administration and, among other things, makes its experts available for technical assistance missions.

The force of the Administration's interest in international cooperation flows from a number of causes, not the least of which is that it has learned and is learning from other countries. Before the passage of the Social Security Act in 1935, analysis of the social security programs of other countries had been undertaken in considerable detail by the Committee on Economic Security. The Committee, which had been charged by President Franklin D. Roosevelt with the responsibility for making recommendations for safeguards "against misfortunes which cannot be wholly eliminated in this man-made world of ours," included in its report a review and evaluation of foreign legislation and systems.

After the Social Security Act was passed, the experience of other countries in organizing and administering social security programs continued to be studied by officials of the newly constituted Social Security Board. Studies were made by teams and individuals from the Board — the Chairman, the Technical Advisor to the Chairman, the Director of the Bureau of Employment Compensation, the Director of the Bureau of Public Assistance, and other research and planning officials. Visits were made to Austria, Belgium, Czechoslovakia, Denmark, France, Germany, Hungary, Italy, the Netherlands, Sweden,

and the United Kingdom to study their social security systems. Later, staff of the Board visited other countries from time to time for direct observation of developments pertinent to program administration in the United States.

At the same time that the Social Security Administration has been seeking ways of improving its own services by studying the experience of others, it has made its resources available for study and observation by representatives of countries of all levels of economic and social development—officials of social security systems and others. The Administration, with its considerable technical resources in this field, is increasingly being called on by both United States and international technical assistance agencies, as well as by foreign governments themselves, to provide technical training and consultative services.

## TECHNICAL TRAINING AND OBSERVATION

Visits to the United States to study the social security program and its administration started soon after payments of old-age and survivors insurance benefits began in 1940. Visitors included legislators, social security officials, ministers of labor and social welfare, labor-union leaders, and officials from ministries of labor. There has always been a steady flow of persons coming under the auspices and at the initiative of their own governments. But as the United States has institutionalized efforts to promote cooperation with other countries, an increasing number of trainees have been sponsored by United States technical assistance agencies.

## Cooperation With Other Government Agencies

The creation of the Office of the Coordinator of Inter-American Affairs in the early 1940's led to an expansion of cooperation with the nations of Latin America. A group of Latin American experts in social security made up the first team of

its kind to come to this country under official United States auspices to study the program and its administration. Another example of early intercountry cooperation was a project sponsored by the U.S. Interdepartmental Committee on Scientific and Cultural Cooperation, which in the 1940's enabled representatives from social security systems in Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, and Panama to attend a seminar given by the Social Security Administration. The Commissioner for Social Security served as chairman of the seminar, and the program included round-table discussions with United States experts and, in the field, observation of social security and State and local health and welfare offices.

After World War II the need for reconstruction in Europe and the ever-increasing number of newly independent countries in Africa and Asia that aspire toward the development of viable economies made foreign assistance a major concern of United States policy. Starting with the Marshall Plan for economic assistance to European countries, foreign aid has been progressively broadened to reach developing countries everywhere. The agency administering this program was successively called the Economic Cooperation Administration, Mutual Security Agency, Technical Cooperation Administration, Foreign Operations Administration, International Cooperation Administration, and currently the Agency for International Development (AID).

As the foreign aid program got under way, requests for the cooperation of the Social Security Administration increased. In 1954 the Administration and the foreign aid agency concluded a procedural agreement for cooperation in program planning, in recruiting United States social security experts for missions overseas, and in the planning and implementation of training programs for representatives of foreign social security systems and credit union cooperatives. This agreement was revised in 1959 and continues as a basis for cooperation between AID and the Social Security Administration today.

## **Areas of Study**

As the relationships of the Social Security Administration with the United States foreign aid

program have been formalized, increasing numbers of persons from countries all over the world have come to the United States for training and for observing the social security system. For example, in anticipation of initiating social security legislation, two representatives from Tunisia were brought to the United States for 6 months under the auspices of the United States aid program, to study social security legislation, program organization, and every facet of administration.

More often, however, individuals from the developing countries come to study specific aspects of administration. A number of administrators from the Philippine social security system, for example, came to the United States for work in the fields of their own administrative responsibility. One was head of a claims and benefits division and spent most of his 6-month stay studying the processing of applications for benefits, adjudication, payment, and postadjudication controls and processes. Another member of the group was head of a new field office organization and made a special study of the functions, operations, and line of control of district office operations. Still another was responsible for the maintenance of earnings records; he was interested in a thorough review of the Division of Accounting Operations of the Social Security Administration, which is responsible for maintaining the earnings accounts of all workers covered under the old-age, survivors, and disability insurance program.

Visitors from other countries—among them Burma, Indonesia, Iran, Korea, Pakistan, Somali Republic, Thailand, Turkey, and Venezuela—have also come to the United States for training, lasting 1-9 months, in broad or specific aspects of social security. Programs of even longer duration have also been provided. For example, 1 year of training, which included actual work assignments, was given in the Administration's Division of the Actuary to a representative of the Panamanian social security system.

Countries planning for new social security programs or in the early stages of program development are not the only ones that have sent visitors to study either all or specific aspects of the United States social security program. France, for example, sent a team of six social security officials to the United States in 1959 to study the old-age insurance program and its organization

and administration. Responsibility for the social security program in France is largely divided among a number of agencies, and this group was interested in observing the administration of a unified old-age insurance program, with special emphasis on the maintenance of earnings records and on field services.

The United Kingdom and Canada have sent groups to study various aspects of administration, including the electronic data-processing methods in the Division of Accounting Operations and specific applications of this type of equipment to the administration of social security programs. Groups and individuals have also come from other countries, including Australia, Austria, Brazil, Chile, Federal Republic of Germany, Italy, and Switzerland.

The Social Security Administration, beginning in 1961, has scheduled annual seminars and observation programs for upper-middle and top management administrators of social security systems of the newly developing countries. Among the subjects discussed at the seminars, held under the auspices of AID and a predecessor agency, are the characteristics and essentials of social security and its economic and social implications; the organization, administration, and financing of social security (including actuarial principles); goals and methods of administration; the history and development of social security in the United States; and the existing program. The participants have been given the opportunity to observe and discuss the organization and methods of the old-age, disability, survivor, and unemployment insurance and workmen's compensation programs, as well as the voluntary programs of health and welfare services.

Another seminar of this type is being held in 1964 immediately before the Fifteenth General Assembly of the International Social Security Association. Participants have the added advantage of attending sessions of the Assembly as observers and of being able to discuss and exchange views with leading social security administrators from countries in all stages of development.

In addition to those persons who come to the United States primarily to study the social security program and its administration, several hundred foreign nationals with interest in related fields of activity visit the Social Security Ad-

ministration each year for discussions of United States social security and welfare programs. Though their primary interest may be in studying such matters as methods of labor-union organization, labor-union management, methods and processes of census operations, and agricultural programs, they also wish to learn about the kinds of economic and social protection that the United States has provided for its own people.

A total of 581 such visitors from almost 80 countries spent at least 1 day during 1963 in discussions of the social security and welfare programs. They came from countries in varying stages of economic development and from almost all regions of the world, as shown in the following summary.

Region	Number
Total	581
Latin America	196
Far East	85
Near East and South Asia	84
Europe	78
Africa	36
Other	102

Nearly half of these participants came under the auspices of the United States foreign aid program; about one-tenth were in Department of State cultural and technical exchange programs; two-fifths were sponsored by foundations, organizations, and their own governments; and about 1 percent had United Nations or International Labor Organization (ILO) fellowships.

These sessions serve to inform the participants of the resources that the Social Security Administration has available for providing individualized training in its administrative and legislative functions. A major feature of interest to the participants is the way in which the records of workers are being maintained, including the use of electronic data-processing equipment. Although this equipment may not be immediately applicable to their own country's needs, discussion of the basic approach and methodology designed to meet the problems of ever-increasing workloads has been found helpful.

Another area observed is the research and statistical programs of the Social Security Administration. There is interest not only in the kinds of research that help in program planning but also in the statistics that help to diagnose administrative problems.

In connection with this activity, visitors have studied the administrative organization of the Social Security Administration and the methods employed to carry out the different functions. Participants who are in the United States primarily to study public administration have conferred with representatives of the Division of Management and other appropriate divisions. Attention has been focused on employee recruitment, selection, development, and promotion and on management procedures, as well as on the public information programs.

The training and observation programs provided for these visitors have the objective of developing skilled manpower to help meet the home country's emerging needs in the social security field. Discussions are slanted toward increasing the awareness and understanding of the issues and of practicable approaches to income-maintenance programs and related services. Observation of organization and methods of administration is designed to provide the essential elements of program implementation and operations.

## OVERSEAS MISSIONS

### Advisory Missions of Experts

Not all the technical help given in the past has consisted of training. The Social Security Administration has also sponsored or helped to make possible a significant number of United States advisory missions to other countries. The assistance provided has taken the form of (1) advice on planning social insurance programs, (2) actuarial studies of the cost of existing or proposed benefits, (3) help with specific organizational or administrative problems, and (4) diagnosis of existing problems. Recommendations for improving either the legislation or the program's administration have been prepared. For this purpose, the United States experts have visited a number of countries under the auspices of the United States foreign aid program or the ILO or at the invitation of the governments themselves. The accompanying table shows the countries that have received such help.

As indicated by the table, the help requested and given has varied widely. Thailand and

Afghanistan, for example, were interested in the possibility of introducing social insurance programs and sought advice on legislative and other specifications. Other countries—Haiti and Egypt, for example—had passed legislation and requested help in setting up the organization and administration of the program. In Greece, a team helped in reorganization and administrative improvement. Assistance with specific operations was provided to Mexico in establishing a system for maintaining records of workers' earnings, and to Iran and others in making an actuarial evaluation of existing and contemplated programs.

Many of the experts who completed these missions held or are holding positions of major responsibility in the Social Security Administration. Among them are two former Commissioners, the Chief Actuary, a former Director of the Division of Research and Statistics and the current Director of the Division, the Director of the Division of Claims Control, and a former Director of the Bureau of Old-Age and Survivors Insurance.

The Bureau of Federal Credit Unions of the Social Security Administration is cooperating in foreign assistance measures to enable other countries to establish or improve a credit union system. It has sent specialists, at the request of AID and

Technical assistance missions in social security, 1943-63

Country	Auspices				Purpose
	Agency for International Development	International Labor Organization	Host government	Other	
Afghanistan		X			Program recommendations.
Colombia		X	X		Program recommendations.
Cyprus	X	X			Actuarial evaluation.
Egypt					Organization and administration.
El Salvador	X				Program recommendations.
Greece	X				Organization and administration.
Guatemala			X		Actuarial evaluation.
Haiti	X				Organization and administration.
Iran	X				Actuarial evaluation.
Israel	X				Organization and administration.
Japan				X	Program recommendations.
Liberia	X				Actuarial evaluation.
Mexico			X		Establishment of earnings records.
Panama			X		Actuarial evaluation.
Philippines	X				Program recommendations.
Ryukyu Islands				X	Program recommendations and administration.
Thailand		X			Program recommendations.
Uruguay		X			Program and administrative evaluation.

also of international organizations such as the Inter-American Development Bank, to countries in Latin America, the Caribbean, and the Far East to assist local credit cooperatives in developing their own low-cost savings and loan systems. These specialists have helped local credit institutions to establish accounting and loan controls and have trained local officials in examination and supervision procedures as well as in operations. Manuals of various types were made available for the guidance of several countries.

### **Intercountry Exchange of Experts**

Experts have taken part in another type of mission—one that involves an intercountry exchange. Such an exchange took place in 1958 with the Union of Soviet Socialist Republics. Under an East-West cultural agreement concluded by the Department of State and the Soviet foreign office, a team of five Social Security Administration officials, headed by the Commissioner of Social Security, visited the U.S.S.R. for a period of 30 days to observe its social security measures and social services. The Administration, in turn, later served as host to a team of U.S.S.R. officials. An extensive observation program in social insurance and health and rehabilitation services in urban and rural areas in the United States was planned for this group, which was headed by the Deputy Minister of Social Security of the Russian Soviet Federated Socialist Republic.

### **DEVELOPMENT OF GUIDELINES FOR TECHNICAL ASSISTANCE**

As the focal point in the United States for training foreign nationals and recruiting experts in the social security field, the Social Security Administration is called on by the foreign aid agency and other technical assistance organizations to help in program planning and to advise on study resources in this country. Recognizing the importance of social security programs in economic and social development, the International Cooperation Administration (now AID) entered into an agreement with the Social Security Administration in May 1960 for the preparation of guidelines for Washington and mission

staff of that agency. The number of requests for technical assistance made desirable the development of a manual giving a clear and comprehensive picture of social security needs and the most promising and economical approaches to social security.

As a basis for preparation of the manual, visits were made by a former Commissioner of Social Security to Iran and Pakistan; by the New England regional representative of the Social Security Administration to Brazil, Chile, and Honduras; and by the Chief Actuary of the Administration to Ceylon, Greece, Lebanon, the Philippines, Turkey, and the United Arab Republic.

From the information obtained, a document, *The Role of Social Security in Developing Countries*, was prepared by the Chief Actuary, with the collaboration of the other experts. The report was distributed by AID to selected offices in Washington and to its missions throughout the world. It deals with concepts of social security, selected characteristics of systems in other countries, issues, coverage of population and risks, benefit levels, financing, investment of assets, administration, and organization, as well as the economic impact of social benefit plans.

### **SUMMARY**

Just as social measures have long been an important element in economic, social, and political policy in the industrialized countries of the world, so are such measures being used by the developing countries as a way of assuring a better life for their people. Guidance is being sought on the best approaches within the cultural patterns and economic capabilities of the country. Skilled manpower needs to be developed to assure effective administration. The success or failure of such programs has far-reaching implications, not only for the well-being of the people, but also for the overall development efforts.

The Social Security Administration has been and is continuing to make its resources available in partnership with the foreign aid program; with multilateral technical assistance agencies, such as the ILO; and with foreign governments in making its officials available for technical missions and in training foreign administrators

and planners. General and specific training courses are provided in a number of areas, including (1) organization and methods, (2) methods of worker registration and maintenance of employee accounts, (3) program planning, (4) use of research and statistics in program planning and evaluation and as a tool in effective administration, (5) administration and management, (6) processing of applications (including the evaluation of disability and development of claims policy), (7) actuarial sciences and methods, and (8) collection and control of contributions (including wage investigations).

As the activities of the Social Security Administration in this field grow, ways to increase their effectiveness are being sought. An evaluation of the resources and methods is currently under way. Existing training materials are being improved, and new technical papers and monographs designed for use specifically in the training process are being developed. The process now in use for planning and arranging individualized and

group study programs is also being examined.

Efforts are being made to develop a permanent corps of instructors that will include those who are broadly oriented as well as those with skills and knowledge in specific areas of operation. A listing of appropriate resources outside the social security system is being prepared that will include university professors and facilities.

Improvement is also being sought in the area of technical missions to other countries. A listing of experts within the Social Security Administration, from other parts of the Federal Government, and from State governments and universities is being prepared as a base for procurement of technical experts. Special programs are being started to better equip such individuals for foreign assignments. The methods being used are distribution of materials reflecting current reports on important developments in social security abroad, individual consultations and sessions, and use of the individuals themselves in training foreign visitors.