

# Social security development and migration – key role of administrations

## The ISSA BRICS project

BRICS 2<sup>nd</sup> Labour and Employment Ministerial Meeting  
27-28 September 2016,  
New Delhi, India

## Overview

- **Social security – current state and key drivers**
- **The important role of administration**
- **The ISSA BRICS project**
- **Topical discussion and ISSA tools regarding**
  - Portability
  - Social security agreements
  - Social security and formalization



## Importance of social security for BRICS

- A fundamental societal right to which every human being is entitled
- A safety net and shock absorber reducing poverty and promoting social cohesion
- Enhances productivity and inclusive economic growth by providing health care, income security and social services

# Social security coverage globally: Old-age pensions (beneficiaries)

Region	Pension beneficiaries
Africa	21%
Asia and Pacific	47%
Latin America & Caribbean	56.1%
Europe	92.4%
North America	93%
World (average)	51.5%

Source: ILO coverage statistics

\*

## Social security coverage globally: Old-age pensions (contributors)

Region	Pension contributors
Africa	10.5%
Asia and Pacific	26.5%
Latin America & Caribbean	27.9%
Europe	66.7% (WE) 48.9%(CEE)
North America	77.5%
World (average)	30.9%

Source: ILO coverage statistics

\*

# Social security coverage globally:

## Health care

Region	Coverage
Africa	24.7%
Asia and Pacific	58% (37% without China)
Latin America & Caribbean	81.7%
Europe	99.7% (WE)
North America	85.6%
World (average)	61.1% (52% without China)

Source: ILO coverage statistics

\*

## Main drivers influencing social security development

- Political commitment
- Economic capacity
- Administrative capacity



## A strong global political commitment

- Endorsement of the ILO Recommendation No. 202 on social protection floors by all countries in 2012
- Social protection a key component of the United Nations Sustainable Development Goals for 2030 (Target 1.3 re “social protection systems and measures for all”)
- ILO Convention No. 102 (minimum standards) likely to be ratified soon by an increasing number of countries, including China and Russia
- Many countries announced social security strategies and time-bound goals for universal social security coverage



## **BRICS economic capacity**

- 40% of the world's population and 25% of the world's land
- Rapid economic growth in all countries before 2014
- Growing BRICS representation in the global capital markets



## Why does social security administration matter?

- Social security protects individuals and contributes to societal and economic development.....
- ... But only when it is administrated effectively and efficiently
- Excellence in administration is a constant process of improvement in a challenging environment

## A global commitment to excellence in administration

- **ISSA brings together 327 social security institutions and government departments from 158 countries**
- The ISSA Centre for Excellence supports ISSA members to realize their commitment to good governance, service quality and high performance:
  - ISSA Guidelines – global professional standards
  - Capacity building – Academy
  - Recognition of excellence

## Obtain knowledge: The ISSA Guidelines



### Guidelines available for 12 core areas:

- Good Governance
- Service Quality
- Information and Communication Technology
- Contribution Collection and Compliance
- Investment of Social Security Funds
- Return to Work and Reintegration
- Workplace Health Promotion
- Prevention of Occupational Risks
- Actuarial Work
- Communication by Social Security Organizations
- Extension of Coverage Administrative Solutions
- Promotion of Sustainable Employment



## The ISSA BRICS project – rationale

- Substantial political commitment to, and huge strides in, social protection coverage extension, including to the informal sector
- Shared administrative challenges, for instance as regards registration, ICT, and reaching people in rural areas, and strong efforts to strengthen administrative capacities
- ISSA ideal platform to exchange administrative experiences, share innovations and collaborate to improve social security extension

## BRICS Project main results

- Knowledge outputs
  - *Social security coverage extension in the BRICS – comparative study*
  - *Social security in the BRICS: social security programme overviews*
  - BRICS webpage ([www.issa.int/BRICS](http://www.issa.int/BRICS))
  
- Platforms
  - Meetings of ISSA BRICS social security administration members in Geneva, Qatar (ISSA World Forum), China, Russia

## Key findings of the project: Common challenges

- Difficulty in reaching informal and rural sectors
- Increasing mobility of workers
- Fragmentation of administration and delivery
- Coping with increasing inequalities
- Improving benefit adequacy under financial constraints
- Lack of social security agreements

## Next phase of the Project

- Aligning project activities to support administrative aspects of implementing BRICS Labour and Employment Declaration's objectives:
  - Knowledge support to portability of social security rights
  - Role of social security in formalization strategies
  - Knowledge support to implementation of Social Security Agreements
  
- Based on specific application of wider ISSA activities as regards these topics





## Challenge of Migration

- One billion internal and international migrants and their number is growing rapidly
- Internal migrants constitute over 10% of the world's population
- Migrant workers are often active in the informal sector



## Portability of Social Security

- Social Security Portability means that workers contribute can obtain benefits in the place and country where they live or retire in, regardless of nationality or citizenship.
- Extending social security to cover migrant workers ensures that social security systems better fulfil their role to provide social protection, and also supports economic growth and reinforces social cohesion.

# Value of social security agreements among BRICS Countries

- **Social security agreements ensure portability of social security rights**
  
- **Social security agreements prevent from:**
  - Exclusion from the social protection coverage in both in a home and a host countries
  - Dual coverage
  - Failure to meet minimum requirement
  
- **Social and economic implications:**
  - Protecting the social rights of migrant workers and their families
  - Promote formalization of workers & social security coverage

## Social Security and Formalization

- Significant size of informal economy in BRICS countries.
- Extending social security to cover informal sector workers is a challenge



## Characteristics of groups difficult-to-cover

- Frequent change of jobs and places of work
- Low and fluctuating contributory capacity
- Lack of a formal employer-employee relationship
- Lower level of literacy
- Low degree of organization compared to formal economy workers
- Barriers to administrative access

## ISSA tools and services

- **ISSA has developed a number of knowledge tools to support improved portability, administration of agreements and formalization:**
  - ISSA Guidelines on Administrative Solutions to extend coverage
  - ISSA Guidelines on Information and Communication Technologies – chapter on social security agreements
  - Handbook on the extension of social security coverage to migrant workers
  - ISSA Framework Guidance Document on Protection of Migrant Workers
  
- **ISSA World Social Security Forum in Panama, 14-18 November 2016 will be a prime moment to set the stage for further progress – a number of BRICS Ministers will attend.**

# ISSA Guidelines on Coverage Extension

- Assessing the **enabling environment**
- Ensuring **institutional readiness**
- **Increasing awareness** and reaching out to the hard-to-reach populations
- Developing an effective **registration system**
- Identifying proper solutions to collect **contributions and improve compliance**
- Delivering **services and benefits** in a timely, accurate and effective way

## ISSA Guidelines on Information and Communication Technologies and International Social Security Agreements

### ■ Increasing interest on ICT-based implementations:

- Most agreements are paper-based operations.

- Limited notification of changes in beneficiaries' personal & labour situation

### ■ Expected benefits of ICT-based implementations:

- Improve quality of service to workers and beneficiaries through improving effectiveness on managing cases and reducing delays

- Reduce undue payments by facilitating notifications of death and beneficiaries' personal & labour situation.

- Improve reliability and trust among signatory countries/institutions:

- Reduce implementation time and costs through standardized and reusable models (data and processes)



## Future challenges for social security

- Rapid demographic changes in the BRICS
- Increasing migration
- Family structure changes and other social developments
- Formalization and coverage extension
- Social security responses to external shocks - economic, health-related and environmental
- Population expectations and pressure to provide adequate benefits under financial constraints

## Conclusions and next steps

- Anticipating and responding to shocks and future challenges is the key to the successful development of social security in the future.
- Innovative policies and measures should be worked out to extend and maintain social security coverage and contribute to formalization processes
- Special efforts must be undertaken to enhance portability and strengthen social security agreements and their implementation
- ISSA, through its Centre for Excellence and other activities offers comprehensive services to support the BRICS Labour and Social Security Administrations

[www.issa.int/BRICS](http://www.issa.int/BRICS)

