

Social security development and migration – key role of administrations

The ISSA BRICS project

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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 contrubutors
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)
- 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

