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Appropriate social security for migrant workers

Implementation of agreements on social security

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Purpose of agreements

The past half century of rapid developments in the world, particularly in the area of automation, has shrunk our world, creating the phenomena of globalization. The accelerated pace of communications and travel technologies have propelled and enabled migration of persons from all economic strata, nationally, regionally, and internationally. The growth of the number and power of transnational organizations is another phenomenon which has succeeded in consolidating the interdependencies of nations, as regards labour force utilization and protection.

While negotiating bi-lateral and multi-lateral social protection agreements, nations need to assure social policies of inclusion and positive development, hence the usefulness of affiliation and cooperation fora and agreements. While accommodating migratory populations, attention must be given to ensuring that indigenous and native populations, the informal labour market, and other marginalized sectors, are not negatively affected, and in fact, stand to benefit from the agreements made, as regards exchange of benefit services.

Affiliation and cooperation agreements

The International Social Security Association (ISSA), based in Geneva Switzerland, was founded in 1927, with the purpose of perfecting and developing the concept of social security and its practical application, following recognition of the need for public social protection based on the solidarity of all citizens, and of the importance of extensive international cooperation.

The Social Security Board (SSB), Belize, is an affiliate member of the International Social Security Association; it has greatly benefited from the expertise and mission of the ISSA by accessing technical support, data and other resources. The ISSA has enabled the establishment, development, and modernization of Belize's Social Security. In turn, the Social Security Board has been in active cooperation with ISSA and its members, as is exemplified by the hosting of the Fifth Regional Training Seminar for the English speaking Caribbean in May 1987; hosting of the 5th High Level ISSA/COCISS Seminar on Social Security Techniques in October 2001; and the 2006 Regional Conference for the Americas.

All member institutions of the ISSA continue to benefit from its noteworthy and greatly beneficial opportunities for interchange.

The Inter-American Conference on Social Security (*Conferencia Interamericana de Seguridad Social (CISS)*), founded in 1942 in Santiago, Chile, has 72 member institutions from 37 countries of America. The Inter-American Conference on Social Security is a permanent, specialized, technical, non-profit international organization formed by government agencies, institutions and other entities in the Americas engaged in regulating, managing, studying or researching social security from one or several perspectives. Its main objective is to contribute to the development of social security in the countries of America, thrusting collaboration amongst the member institutions and administrations, and maintaining cooperation and coordination relations with international agencies.

The Social Security Board became a (full) member of the CISS at its 13th Conference in September 1996. There is an understanding and agreement of mutual cooperation with the organization and members, as regards growth and development of the concept and applications of social security. CISS members benefit from training provided by its educational, training and research organ, the Inter-American Center for Social Security Studies (CIESS), which has developed 1122 academic activities at its headquarters and co-sponsored 260 academic activities in 28 countries. The SSB also signed a bi-lateral cooperation agreement for health services and education, in April 1987 with the *Comité Permanente Interamericano de Seguridad Social, Mexico (CPISS)*, another action body of the CISS.

The *Consejo Centroamericano de Instituciones de Seguridad Social (COCISS)*, created in October 1992, in Tegucigalpa, Honduras, is a technical executive organization, comprised of Social Security institutions of Central America. This organization is one of the region's initiatives aimed at enabling the integrated development of social security and the joint cooperation of health ministries for improvement of the level of health of people of the region.

Belize's Social Security joined COCISS in February 1994, and has actively contributed to and participated in valuable exchanges with the organization's membership. It has become signatory to the Agreement on Quality Control of Medicines in the Sub-region, however, it has not signed the multi-lateral agreement on health care for migrant insured persons, simply because of the lack of such benefit in its scheme.

Agreements with other 'social security' institutions or federations of institutions facilitate valuable technical, expert, information, and other resource bases. Affiliating provides the means to solid foundations when implementing new initiatives, as well as engendering the benefit of reciprocity where systems are harmonized, resulting in more meaningful coverage of our populations.

CARICOM Agreement on Social Security Benefits

The CARICOM (Caribbean Community) Agreement on Social Security/the National Insurance and Social Security Order, 1997, was signed by the member States in Georgetown, Guyana, on March 1, 1996. It protects CARICOM nationals' entitlement to benefits and provides equality of treatment when moving from one country to another, enabling insured persons who work in more than one country of the CARICOM to qualify for long-term benefit for which they would not have otherwise qualified.

Belize signed and ratified the CARICOM Social Security Agreement on September 5, 1996, which came into effect for Belize with the passing of Statutory Instrument No. 5 of 1998. The Seventeenth Meeting of CARICOM Heads of Social Security is being hosted by the Social Security Board in Belize City in June 2006.

How the Agreement applies:

- The Agreement allows member States to co-ordinate the social security programmes.
- This is a reciprocal Agreement under which, insured persons of the member States are entitled to benefits by one or more of the social security schemes in the various countries for which they qualify.

Coverage:

- Social security schemes require all employed persons to register and pay contributions; this Agreement enables coverage of workers of transnational enterprises, international transport, ships, diplomatic missions, consulates and international organizations and those persons who are self-employed or itinerant.
- Location (country) for payment of contribution or benefit varies, depending on length of employment and type and location of 'employer'.

Benefits and services:

- Benefits payable under this Agreement are long term; i.e. pensions for invalidity, disablement, old age or retirement, survivors,' and death benefits. Survivors can also claim for the relevant benefit.
- Contribution payments are totalized and a proportionate part (where a pension is payable) is paid by the respective countries. Where the minimum contributions are not acquired the grant may be paid, where such grant is payable.
- Expectations of an insured person for long term benefit may not be met at times, as age and contribution requirements of various countries vary, and each benefit has to be examined on an individual basis.

Limitations:

- Utilization of the benefits arrangements in Belize has been low so far; it is expected that with the continued expanded implementation of the CARICOM Single Market and Economy, the flow of services and labour among member States will increase, enabling more people to benefit from the Social Security Agreement.
- CARICOM nationals not falling within the category of skilled nationals will still need to go through the migration and labour regulations of the host country. Nevertheless, opening up opportunity for reciprocal exchange of skilled nationals in the region, should lessen the 'brain drain' of the region, contributing to its growth.

Challenges:

- Public education and acceptance of the new regional labour agreements by nationals and institutions of each country, to pave the way of implementation.
- Equity of benefit claiming arrangements. The continuation of efforts towards harmonization is necessary, to enable similar qualifying conditions. Benefits should not vary because of the place where the claim is made, time worked in a particular country, and minimum of contributions required by each institution.
- Where different conditions apply, there may be adverse selection, e.g. in the instance of a CARICOM national retiring in a country where the benefit conditions are 'more convenient'.

- Issuance of a Certificate of Recognition of Caribbean Community Skills Qualification, under the CSME (CARICOM Single Market and Economy) acknowledges the needs of certain 'echelon' of workers, while not making migration of less skilled labour any easier. It may be argued that 'unskilled' workers are the ones that most need a broader labour market, while maintaining social protection.
- Effectiveness of administration and communication of each organization in processing claims, e.g. in prematurely paying a grant, an institution may deprive the insured person from obtaining a pension, which provides longer term security.

Agreement on the Export and Enforcement of Social Security Benefits

The bi-lateral Agreement between Belize and the Netherlands on the Export and Enforcement of Social Security Benefits was signed on May 12, 2005; it entered into force for both countries on April 15, 2006, with the completion of the necessary constitutional procedures.

How the Agreement applies:

- The Agreement enables cooperation of member States in ensuring the enforcement of each other's social security legislation in reference to certain benefits.
- This is a reciprocal Agreement under which, the member States agree to provide assistance to each other in receiving and verifying (and to a certain degree, enabling) applications, identification, payments, medical examinations, recovery of undue payments and administrative penalties. Each member also agrees to ensure recognition and enforcement of decisions and judgments, and data protection measures.

Coverage:

- For the Netherlands, coverage is of workers (and their beneficiaries) on international secondment, working in international transport for a Netherlands-based company, or who are self-employed. The Agreement enables benefits for persons living in Belize that might not be accessible in countries without an Agreement, e.g. child benefit.
- Enabling of voluntary insurance, coverage for beneficiaries and the self-employed are covered.

Benefits and services:

- Benefits payable under this Agreement are sickness, maternity, old age pensions, disablement benefits for employees and self employed, survivors' and child benefits for the Netherlands; and sickness, maternity, retirement, invalidity, survivors' and employment injury benefits for Belize. Survivors can also claim for the relevant benefit.
- Verification of information from both sides relate to the qualifying conditions of the respective country from which the insured person is claiming.
- Expectations of an insured person for benefits are in keeping with their own institution's qualifying conditions; which in the case of the two member States vary.

Limitations:

- Reciprocal arrangements for benefit coverage and interchange for nationals of the member States cannot take place if the systems and qualifying conditions are not similar.

- The full responsibility of accessing the service abroad lies on the insured person, as resources for public information by the national's country may be limited.
- Policies (e.g. for Belize, requirement of current Social Security Card) for identification need to be adapted to allow nationals to be able to claim if they are living abroad for an extended period.
- Possible language barriers in customer service. The Netherlands' benefits fall under the management of two institutions *Uitvoeringsinstituut werknemersverzekeringen* (Institute for Employee Benefit Schemes) and *Sociale verzekeringsbank* (Social Insurance Bank), one of which has information in English readily available on their Web site, and the other not. Information interchange is an administrative concern.

Challenges:

- Some benefits offered by the Netherlands start diminishing once nationals leave the country, to a certain level defeating the purpose of international provisions for coverage. Nevertheless with the Agreement, some access is restored. Benefits under the Belize scheme on the other hand, increase with more years of contributions.
- The Agreement is open for persons in certain employment types only, limiting the labour and migration opportunities and hence the impact of social protection Agreements; in addition, persons employed with international organizations may generally be covered under private insurances, limiting the benefit value of a social insurance, leading to evasion in the case of voluntary insurance and / or disinterest on the part of the potential insured person.

Policy issues and recommendations

States and Social Security/National Insurance institutions, upon considering policies for social protection and the extension of social security benefits and services, through bi-lateral or multi-lateral Agreements, should debate and work through various salient issues, including:

1. Assuring relevance of policies and social protection measures to their own population at home and abroad, while enabling relevance to persons of other member countries, including avoiding displacement of employment opportunities for nationals;
2. Balancing the actuarial imperatives of their schemes with the social and economic benefits of the member States (or the wider regional development);
3. Ensuring mutual benefit, either from full benefit services or administrative interchange, and at least nurturing technical and administrative cooperation, where benefit interchange is not possible;
4. Forward thinking for future social protection. Countries, particularly of developing stature, must consider the possibility of return of the many nationals, who leave their own country in search of a better livelihood in countries where they can gain no entry to benefits and security. Access to providing for their own long term benefits must be facilitated, as these persons are likely to return without having secured their most needy years, to become a burden on their own country;
5. For reciprocity of benefits to be viable and acceptable to the populations of countries that enter agreements, efforts should be made to harmonize the benefit qualifying conditions, payments, etc.;
6. Portability of benefits can only be assured by the establishment of proper implementation procedures in member countries, and public education of the details for accessing benefits.
7. Portability of benefits will be limited to temporary coverage of migrant populations, if proper arrangements are not made, particularly in cases where they return to their

home country and an agreement does not exist or is not likely to be made with their home country;

8. Strategies need to be found, that encompass not only skilled labourers, but also manual labourers. Different directions and levels of development in various countries require different types of workers.

Mobilization of people within and across borders as a response to perceived better employment and livelihood opportunities elsewhere, has prompted governments and social institutions to give serious attention to ensuring social security of their own and migratory people. Bi-lateral and multi-lateral agreements are the means of assuring the security of these dynamic populations. Experience with implementation of cooperation agreements and their actual impact on the target populations should enable even greater social protection, as these agreements are improved.