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INTERNATIONAL SOCIAL SECURITY ASSOCIATION

BRICS countries

Sustainability challenges for social security systems



BRICS countries:
Sustainability challenges
for social security systems

International Social Security Association, 2017

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Foreword

In 2011, the International Social Security Association (ISSA) launched its project on social security in the BRICS countries (Brazil, Russia, India, China and South Africa). The project has prompted a number of important activities and produced a number of publications. These have permitted to discuss and document the innovative approaches taken by the five BRICS countries to address the challenges facing their respective social security systems.

Social security is a great undertaking, which impacts positively on the future of a nation and benefits all generations. The recent experiences of the BRICS and other countries demonstrate that universal national floors of social protection are not only achievable but also affordable, irrespective of a country's level of development. Thereafter, countries should strive to progressively improve the quality of social security coverage. As the recent laureate of the triennial ISSA Award for Outstanding Achievement in Social Security, the Government of China has achieved spectacular progress towards universal health and pension coverage in a relatively short period. This success has been made possible by a combination of strong political commitment and significant administrative innovations.

This ISSA report has been prepared in collaboration with the ISSA member organizations in the BRICS countries on the occasion of the BRICS Labour and Employment Ministerial Meeting in Chongqing, China, 26–27 July 2017. Its main objective is to define the current and future sustainability challenges for social security programmes from the point of view of those who are directly involved in the management of social security programmes in the BRICS countries and to provide input regarding future activities under the BRICS Social Security Cooperation Framework.

We salute BRICS social security administrations' commitment to sustaining and further extending social security protection in line with the objectives of the United Nations Sustainable Development Goals for 2030.

We are certain that the Ministerial Meeting will be a complete success with productive deliberations and strong conclusions, and look forward to further fruitful outcomes under the BRICS Social Security Cooperation Framework.

Hans-Horst Konkolewsky
ISSA Secretary General

Anton Drozdov
Chairman of the Board
Pension Fund of the Russian Federation;
Chairman
ISSA BRICS Project Steering Committee

Introduction

The Ministry of Human Resources and Social Security of the People's Republic of China requested the International Social Security Association (ISSA) to prepare a report on the sustainability challenges facing social security systems in the BRICS countries (Brazil, Russia, India, China and South Africa). The report aims to accompany and feed into the deliberations that will take place during the BRICS Labour and Employment Ministerial Meeting in Chongqing, China, 26–27 July 2017.

To this end, a survey was undertaken with ISSA member institutions in the BRICS countries to gain important insights into the current and future sustainability challenges facing each of the five countries. The results of this survey are analysed and summarized in this report.

The survey design was framed by the policy challenges presented in the ISSA's 2016 report *Ten global challenges for social security*, which was launched at the World Social Security Forum in Panama City.

The BRICS country respondents were asked to select the five main sustainability challenges confronting their respective social security systems, based on the following ten global challenges for social security:

- ▶ Closing the coverage gap
- ▶ Inequalities across the life course
- ▶ Population ageing
- ▶ Employment of young workers
- ▶ Labour markets and the digital economy
- ▶ Health and long-term care
- ▶ New risks, shocks and extreme events
- ▶ Protection of migrant workers
- ▶ The technological transition
- ▶ Higher public expectations

Respondents were also asked to rank the five selected challenges in order of priority (1: highest – 5: lowest), and to describe experiences or innovative practices taken to mitigate and address the five main challenges.

Finally, correspondents were invited to suggest potential areas for joint activities to be taken by the BRICS countries to address common sustainability challenges.

The ISSA ten global challenges

The ISSA report *Ten global challenges for social security* identifies challenges which are external to social security programmes but which require fundamental and long-term strategic responses by social security policy-makers and administrators. Recognizing that governments and public administrations are faced with an increasingly volatile and complex environment, the report analysed not only how social security systems are impacted by these global challenges, but also provides evidence of how they can mitigate risks these and develop innovative responses to ensure the realization of sustainable and adequate provision of universal social security coverage. The ten global challenges are as follows.

1. Closing the coverage gap

Social security is a human right. Adequate and sustainable social security coverage is essential to realize socio-economic development and strengthens societal stability. Global social security coverage is at an all-time high, and this has been a major factor in helping to realize the noteworthy reduction in extreme poverty worldwide.

Significant progress in coverage extension has been made in Africa, the Americas and particularly in Asia and the Pacific. The social security coverage gap is closing, but important challenges remain. At the global level, the remaining challenge for policy-makers and social security administrations is to more fully address the inequalities in access to coverage faced by groups such as informal economy workers, rural workers, self-employed workers and women.

2. Inequalities across the life course

Social security systems do more than provide income protection. They also actively contribute to reducing inequalities – by doing so, they help people realize their potential and create more cohesive societies. Inequalities can best be addressed through universal access to coverage and by placing a focus on social security programmes that combine protection with preventive measures and social investment.

In addition, a more targeted use of social security's financial resources can help address the needs of vulnerable groups. Tailored measures delivered through coordinated social programmes and public policy are highly effective in helping people to mitigate risks and overcome inequalities. In particular, such programmes have a powerful role to play in breaking the cycle of intergenerational poverty in vulnerable households. An important objective is the fuller inclusion of all citizens as active members in society.

3. Population ageing

The world's population is ageing. In 2015, 901 million people were aged 60+. In 2050 this figure is expected to reach 2.1 billion, with two-thirds living in Asia. The number of people aged 80+ is expected to triple over the same period. These demographic trends impact on social security and health care needs, income sources and expenditures.

For social security programmes, population ageing leads to relatively reduced levels of contributions and increased expenditures on pensions and health care in particular. The reduction in the proportion of persons of working age can negatively impact levels of national economic output, which must be compensated by improvements in productivity and formal labour force participation.

4. Employment of young workers

Young workers (aged 15 to 24) present complex challenges for social security systems. More than other age groups, younger workers have great difficulty in entering formal stable employment. Over two-fifths of the world's young workers do not have decent jobs. In some national labour markets, younger workers may be mainly active in the informal economy, while in others they may often be inactive and unemployed. Not all of those who are unemployed will have access to social security benefits. Others may seek to prolong periods in full-time education. Others still, especially women, may not be in either education, employment or training.

It is known that economic downturns tend to affect employment rates among younger workers more than older workers. The evidence of the 2007–08 global crisis supports this with many younger workers losing their jobs. Though the world economy has since rebounded, in many countries revitalized growth has not been accompanied by a comparable rate of job creation. In many economies, levels of long-term unemployment remain high and jobless growth is a worrisome trend.

5. Labour markets and the digital economy

Many economies are witnessing an increasing de-standardization of employment patterns, involving greater flexibility in working time, evolving work arrangements, and a break with the traditional linear life-course career path. The shift to the digital economy, the so-called “industry 4.0”, is expected to accelerate these trends, with many job categories at risk of being replaced by technology.

The increasing digitalization and interconnectivity of our world is often considered only in terms of technological developments that make our daily lives and jobs simpler and safer. A closer look suggests a more complex picture. Faced with this prospect, the financing, delivery and legal frameworks of social security systems must adapt.

6. Health and long-term care

Many health systems still focus most resources on acute rather than chronic care. Similarly, many social security systems focus more on providing compensation for an assessed contingency, rather than addressing the underlying factors that contributed to the need for benefit provision. Moreover, new health challenges are emerging as the world's population gets older and lifestyles change. Mental health disorders now make up around 12 per cent of the global burden of disease. Non-communicable diseases (NCDs) such as cancer and Alzheimer's are also on the rise, and are costly for society, as is long-term care. The emergence of new health challenges and year-on-year rises in medical costs above inflation are likely to lead to significant health budget implications.

Given the growing care burden and rising medical costs, social security administrations should focus more on preventive measures, involving coordination with other stakeholders as well as targeted services and benefits. Working with other national and supranational organizations, health care and social security institutions are adopting innovative measures which better anticipate future challenges.

7. New risks, shocks and extreme events

Many social security administrations were praised for their response to the 2007–08 global financial crisis, cushioning people, economies and society from the negative impacts. For instance, extraordinary measures helped avoid wider income poverty and supported employment.

Social security programmes have shown to be also capable of delivering other extraordinary measures to help populations affected by natural disasters, extreme events and conflict. Moving beyond their traditional remit of labour market and life-cycle risks, there is growing evidence that a well-run and appropriately financed social security system can mitigate a wide array of risks that can threaten households and livelihoods.

8. Protection of migrant workers

There are now over 1 billion migrants worldwide, many of whom are economic migrants. The expectation is that the number of migrants will continue to increase. These population movements create particular challenges for migrant sending and migrant receiving countries. Migrants, on average, tend to younger and better educated, often leaving behind those who are older and less skilled. While migrant remittances can support the home economy, a challenge is the destabilization of household care for the elderly and young children that comes from the absence of many people of working age. Migrant workers often bring much-needed skills to host economies and help to relieve labour shortages.

Although migrant workers face the same kind of risks as other workers, and may be even more vulnerable, only a fifth of migrant workers worldwide are fully protected by social

security, normally under bilateral social security agreements. Extending coverage not only helps to formalize labour markets and improve productivity, it can prevent workers from being exploited.

9. The technological transition

Information and communication technology (ICT) is transforming social security systems and relations between administrations and the public. It is possible to offer client services “anywhere, anytime”, and to offer high quality, secure and cost-effective personalized services. Mobile technologies have permitted some countries to make great strides to overcome the administrative and public service challenges imposed by limited landline telecommunications infrastructure and geographical constraints.

By automating some processes and joining up others, ICT makes services easier to deliver, even on a large scale. ICT has also proven effective in addressing staffing challenges, freeing up staff from administration to permit higher quality personalized face-to-face services. Data-Driven Innovation, Mobile technology and the Internet are combining to permit self-service access to social security administrations to ever more people.

10. Higher public expectations

Public perception of social security is an important barometer of public administration. Social security administrations are an important face of government, especially in critical periods in people’s lives.

With the rise of social media, opinions now matter more than ever. Also, political momentum is gathering for social security as a human right. And the public is increasingly vigilant in demanding good services that are efficient. The guiding mind-set of social security administration, like other client-oriented business models, is therefore increasingly focused on “user-centred” service delivery that is built around people’s specific needs.

The five priority challenges of the BRICS countries

The BRICS countries face common and specific challenges that affect the sustainability of their national social security programmes. The respondents to the ISSA's survey of the BRICS countries were asked to consider the ten global challenges presented in the report *Ten global challenges for social security* and to prioritize the five top challenges for their respective country.

Brazil – Priority challenges for social security

Brazil has identified the following five priority challenges:

- ▶ Population ageing
- ▶ Labour markets and the digital economy
- ▶ The technological transition
- ▶ Closing the coverage gap
- ▶ Higher public expectations

Population ageing

The responses to this complex challenge include activities to reduce inefficiencies, a greater focus on prevention and health promotion, and offering adapted services to persons with chronic conditions, non-communicable diseases or long-term care needs. As one example, Brazil has developed strategies to improve awareness of the health impacts of hypertension, particularly for the elderly.

Labour markets and the digital economy

The economic and employment outlook based on the likely impacts of digitalization is mixed. Though there may be opportunities for stronger economic growth and improved social well-being, other outcomes may be job losses and increasingly fragmented labour markets. These developments must be situated in the Brazilian context of high levels of inequalities and informal patterns of work. Brazil has experience of responding to a wide variety of working patterns and diverse labour markets that can be called upon to help policy decisions. The programme *Brasil sem Miséria* provides support for childcare, for caregiving employment and generally to empower women's participation in the labour market.

The technological transition

Although the technological transition is identified as a challenge, Brazil is among the leaders in the Americas in responding and adapting to this challenge. Brazil is rated in the top six countries for e-government in the Americas. This development encompasses public social security organizations and the manner in which Brazil interfaces with covered populations.

For example, DATAPREV, the public ICT service provider for social security institutions, has developed a strategy using Big Data Analytics to improve social services by applying these technologies to databases.

Closing the coverage gap

Brazil has seen the number of private-sector workers covered by social security increase significantly in the last decade. And the conditional cash transfer programme *Bolsa Família*, which focuses on families, has shown its effectiveness to help realize lower poverty rates, reduce inequalities in society, empower women, and extend social security coverage. The programme had reached over 50 million citizens by 2016. Important additional drivers for financing coverage extension in Brazil have been the decisions to use fiscal resources and increase tax revenues, which is supported by an accommodating macroeconomic framework. The SIMPLES system, an innovative programme that permits the simplified payment of taxes and social security contributions by small employers, self-employed and informal businesses and independent workers supports the extension and sustainability of contributory social security.

Higher public expectations

Brazilian social security administrations are among the country's leaders in quality public service delivery. This has been made possible through new technologies and innovations in business processes. Higher-income informal workers have looked on these developments favourably. A greater challenge for Brazil has been to more successfully engage with and cater to the needs of poorer workers. Further measures envisage the development of a public awareness communication plan to inform the population about improvements and innovations introduced in the national social security system.

Russian Federation – Priority challenges for social security

Russia has identified the following five priority challenges:

- ▶ Closing the coverage gap
- ▶ Population ageing
- ▶ The technological transition
- ▶ Protection of migrant workers
- ▶ New risks, shocks and extreme events

Closing the coverage gap

In Russia, the coverage challenge is usually described as “shrinking coverage”, caused by a significant number of informal workers in the national labour market. To address this problem, the self-employed have been allowed to voluntarily pay insurance contributions exceeding the fixed rate to allow them to align the terms of their insurance pension with those of salaried employees. Moreover, a wide array of measures have been implemented to offer legal recognition to previously weakly-regulated labour market activities: the activities of 4.5 million workers have been legally recognized since 2015. These actions have concluded with the award of labour contracts to previously informally-employed workers, which, in turn, has resulted in an important rise in workers’ insurance contributions.

Population ageing

One major response to this is a cash incentive to increase the birth rate, starting with the second child. A steady natural population decline was observed in the Russian Federation between 1992 and 2006. The situation was due, among other things, to the low fertility rate and a preference among parents for a single child. This situation has threatened to negatively impact the future national productivity of Russia and the sustainability of the national pension system and other social security programmes. Since 2007, the Maternity (family) capital has provided families with two children or more an amount equal to the national average annual salary. While in 2006, the population declined by almost 700,000 people, by 2016, there was an increase of 6,000 people. The national government is discussing the possibility of extending the Maternity capital programme until 2023.

The technological transition

Specific measures being driven by the technological transition include the provision of electronic state services to citizens, including the development of a national authentication system for the state services portal. The Russian Pension Fund offers over 20 electronic services. In addition there is a broader network of multifunctional centres offering opportunities to apply for state services online. It is expected that at least 70 per cent of citizens applying for state services of the Russian Pension Fund will do so online by 2018.

Protection of migrant workers

In Russia the focus is placed on integrating migrant workers into the mandatory social security system. In particular, social insurance contributions were introduced for employed foreign citizens in 2011 (equating to about 1 million workers). Bilateral agreements concerning pension benefits and the portability of acquired rights in terms of actually paid contributions are being prepared among countries of the former Soviet Union.

New risks, shocks and extreme events

This challenge is viewed primarily in terms of economic uncertainty. The drop in the oil price and the economic recession of 2015 weakened the Russian currency and led to a rise in inflation. In response, a series of measures were taken, including the gradual increase of the retirement age for civil servants, the abolition of pension benefits' indexation for working pensioners, and an annual review of the value of contributory pensions paid after retirement. A lump-sum payment was allocated to all pensioners in 2017 to compensate the lack of a full-value pension indexation in 2016.

India – Priority challenges for social security

India has identified the following five priority challenges:

- Closing the coverage gap
- Labour markets and the digital economy
- The technological transition
- Health and long-term care
- Higher public expectations

Closing the coverage gap

In India, around 80 per cent of the population is without adequate social security coverage and just over 10 per cent of the working population have old-age protection. Health insurance coverage has multiple limitations as it is mainly confined to the formal sector. Coverage extension is restricted by a number of design features and various social security programmes have been implemented in a piecemeal and fragmented way. It is reported that a comprehensive universal social security programme is to be developed for India's workforce of 450 million people, covering all potential risks including loss of income, death and disability, illness and medical bills, and unemployment benefits. The government will meet the cost of the programme for the poor.

Labour markets and the digital economy

The digital and technology-driven economy is slowly emerging in the country, and is impacting lifestyle, labour markets and the service sector. With 90 per cent of the workforce currently engaged in the informal and rural economies, the wider impact of the digital economy will take time to emerge. To prepare for the digital economy, the government of India is accelerating labour market transitions to support higher productivity. Millions of young workers join the labour force every year and many lack the necessary skills. Priority is being given to “Digital India, Skill India, Start Up India and Make in India” with the focus placed on creating jobs. More of the labour force is being formalized and brought under social security coverage. However, adaptations in the manufacturing and service sectors to improve efficiency through the better use of technology and new processes are not conducive to formal employment growth. This is a challenge.

The technological transition

New technology is supporting public administration. Evidence of the digital revolution in service delivery is provided by the *Jan Dhan Yojana* (National Mission for Financial Inclusion) loan scheme or *Aadhaar*-based (unique ID) smart cards containing health details of senior citizens, cashless payments and mobile connectivity. In social security administration, the Employees State Insurance Corporation and the Employees Provident Fund Organisation have made online compliance, payments and returns mandatory. Also, computerization has enabled beneficiaries to gain electronic access to their health records, and to information

concerning their contribution record and eligibility status for various benefits, and also their employment and salary details, which acts effectively to help employers maintain proper record maintenance.

Health and long-term care

Older persons are the fastest growing population segment in India, and many of them require or will require long-term care. Communicable diseases are expected to remain a major public health problem, although non-communicable diseases are now the leading cause of death, contributing to 60 per cent of deaths. In terms of access to health care facilities and professionals, cross-country variation remains significant. There is a focus on reallocating resources from inpatient to outpatient care to promote preventive health care and improve the cost efficiency of hospitals, including using generic medicines, which are cheaper but of an equivalent quality.

Higher public expectations

India is often characterized by inequality in income and in access to core public services, not least between states and between rural and urban areas. The government plan to introduce a comprehensive universal social security programme should boost public confidence in social security. An important development is the Universal Account Number that enables the portability of workers' accounts under the Employees' Provident Fund. Also, the development in India of a 12-digit biometric identity card based on finger prints and iris scans and developed by the private sector have been distributed to over 1.1 billion people of India's population of 1.3 billion. This has great potential to offer more effective public administration and public services for the entire population.

The People's Republic of China – Priority challenges for social security

China has identified the following five priority challenges:

- Population ageing
- Health and long-term care
- Higher public expectations
- Labour market and the digital economy
- New risks, shocks and extreme events

Population ageing

China has relaxed the one child policy to allow all families to have two children, and is planning to raise gradually the retirement age, and implement national pooling of the basic pension funds for urban employees. China has merged the pension and health insurance programmes for rural and urban residents, and introduced a contributory pension insurance programme for civil servants and public institutions based on the same structure and policies for enterprise employees. As a strategic reserve to deal with the impacts of population ageing, China's non-contributory social security reserve fund – the National Social Security Fund – was set up in 2001. The State Council decided in 2015 to implement new investment management measures for the basic pension fund to diversify investments for the contributory pension fund.

Health and long-term care

Universal health insurance coverage has been realized. Health insurance coverage rose from around 200 million in 2004 to over 1.3 billion people in 2014. In light of increases in government subsidies, out-of-pocket payments for health care have declined. Since 2016, the government has implemented initiatives to enable patients to claim reimbursement in the location of their treatment, regardless of which health insurance scheme they belong to or which province they come from. Also, maternity protection has been much strengthened in different provinces across China. Pilots on long-term care have been launched in 15 cities.

Higher public expectations

China seeks to transit from a middle-income to a high-income, or “moderately prosperous”, society by 2020, with universal social security coverage. A number of initiative have been implemented to ensure equal treatment between rural and urban residents in terms of pension and health care benefits, etc. To improve service quality and meet public expectation, online services exist for the settlement of medical expenses incurred outside the province, and 33 “exemplary” cities for e-social security have been selected to pilot and explore an integrated public service model. Core elements will include online service operations, mobile service operations and self-service operations. To better cater to the population, over 1 billion social security cards have been distributed.

Labour markets and the digital economy

China has accelerated its policy support for entrepreneurship and business creation. In 2016, for example, 16.5 million new business entities were registered and vocational skill upgrading training was organized for over 9 million migrant workers and for over 1 million college graduates. China is fully engaged in developing its national infrastructure to enable the national economy and all communities to reap the profits of the digital economy. By 2020, 98 per cent of all villages in China will have a broad band connection and fibre optic infrastructure.

New risks, shocks and extreme events

To support coherent policy responses to shocks, the 2007 Emergency Response Law aims to prevent and reduce the occurrences of emergency incidents; to control, mitigate and maintain social cohesion in time of emergency incidents; and to standardize the emergency response activities. As part of the evolving strategy on disaster preparedness and poverty relief alleviation, China plans to resettle over the next decade some 250 million people, with priority given to those living in areas prone to natural disasters. Policies and programmes have been implemented to ensure the social security coverage of more than 1.3 million people who were reallocated because of the Three-Gorges Dam Reservoir Project. In the event of a major hazard, such as an earthquake, typical mitigating measures include employment assistance to zero employment families, the development of public project jobs related to disaster relief, the reallocation of placements for vocational school students to receive continued training and education, the payment of a public post subsidy and social insurance contribution subsidies for enterprises recruiting affected personnel, and special facilities to guarantee the timely payment of social security benefits.

South Africa – Priority challenges for social security

South Africa has identified the following five top challenges:

- ▶ The technological transition
- ▶ Closing the coverage gap
- ▶ Inequalities across the life course
- ▶ Higher public expectations
- ▶ Employment of young workers

The technological transition

The technological transition offers opportunities to improve the delivery of social security payments. South Africa is considering improving its current processing system, which maintains a database of existing and new beneficiaries to be enrolled on the system, but which does not support real-time management of transactions processed on the system. At present, the payment function is outsourced in South Africa. A new end-to-end management information system will enable enrolment, payment and reconciliation to be facilitated through a modernized workflow application, which will be both scalable and customisable, thus improving overall management and accountability. The new system should have capabilities to ensure better quality data processing, reduced duplications and potential fraud, will support interoperability, and its real-time capability will inform policy development and provide an integrated value chain.

Closing the coverage gap

It is proposed to focus on the universalization of the Old Age Grant (OAG) and the Child Support Grant (CSG). In respect of the social grants reforms, the gradual elimination of the means test to ensure universalization has started. To increase coverage in 2008 there was an age equalization process phased in for the OAG for the qualifying age for men to be decreased from 65 years to 60 years as it was for women. The CSG started in 1998 and covered children younger than age 7, but has been expanded three times over a 12-year period to reach its current age inclusion of children up to age 18. The Minister of Finance announced the universalization of the OAG, but implementation has not yet started, given financial constraints. It is also proposed that the CSG be universalized for all children aged 18 and younger. A further proposal is also being worked on to extend the CSG to age 21, similar to Foster Child Grant, to support youth in continuing education.

Inequalities across the life course

The South African Constitution of 1998, Section 27, recognizes social security as a basic right. The country's vision, which is documented in its National Development Plan 2030, has adopted the concept of a social protection floor, which enables citizens to meet their most basic needs and lifts households out of chronic poverty. The social protection floor establishes

the minimum acceptable standard of living, below which no one should fall. The National Development Plan was based on a consultation process with all sectors in all nine provinces of South Africa.

Higher public expectations

To meet higher public expectations, it is recognized that there is the need for comprehensive reform of social security. The key elements of such a comprehensive reform agenda should include the extension of the social assistance safety net, the introduction of a mandatory pension system, improved unemployment insurance and a better linkage to labour market policies, reform of the Road Accident Fund (RAF) and a re-alignment of social insurance benefits provided by the RAF, the introduction of National Health Insurance, Compensation for Occupational Injuries and Diseases and a Unemployment Insurance Fund (UIF), Social Security Governance and Institutional restructuring, and fiscal and financial management aspects. A single department for the oversight of social security is advocated.

Employment of young workers

The challenge of employment of young workers (aged 15-35) is a national concern. Although the official unemployment rate is close to 28 per cent, youth unemployment is 58 per cent. The exacerbating factors are skills shortages, job losses and the impact of automation, as well as a contracting economy, which cannot create new jobs at the rate required. The government introduced the Expanded Public Works Programme (EPWP) and in 2012/13 the programme targeted 1 million work opportunities over a period of 5 years. The EPWP sought to create opportunities for young people in government-funded infrastructure programmes; non-profit organizations and community work programmes; public environment and culture; and public sector programmes. A beneficiary of the EPWP is supported for a 12-month period. Other interventions include the youth wage subsidy, but this depends on existing companies registering and employing additional young people. Internships are another form of intervention.

Survey findings

This report has been prepared in collaboration with the ISSA member organizations in the BRICS countries. The aim of the report is to gain initial insights into the current and likely future sustainability challenges facing each of the five countries. The challenges considered by the respective ISSA member organizations were those presented in the ISSA's 2016 report *Ten global challenges for social security*.

From these ten global challenges, the BRICS country respondents were asked to select and prioritize five only. Based on these responses, a number of key findings can be presented.

The survey findings show that despite some commonalities in their chosen priorities, all five of the BRICS countries responded differently.

Of note, there are three of the ten global challenges that four of the countries selected to be among their top five domestic challenges. These three challenges are:

► **Closing the coverage gap**

This challenge was selected by Brazil, Russia, India and South Africa.

► **The technological transition**

This challenge was selected by Brazil, Russia, India and South Africa.

► **Higher public expectations**

This challenge was selected by Brazil, India, China and South Africa.

Also, there are two of the ten global challenges that three countries selected to be among their top five domestic challenges. These two challenges are:

► **Population ageing**

This challenge was selected by Brazil, Russia and China.

► **Labour markets and the digital economy**

This challenge was selected by Brazil, India and China.

The survey results presented in this report have not been weighted. Accordingly, no attempt has been made to rank the overall importance of the combined choices of the five BRICS countries. The prioritized challenges identified provide a snapshot only of where the BRICS countries find themselves in 2017.

Although current priorities concerning the sustainability of social security systems will evolve (see Annex), and the pace of this change will vary according to country, an objective of this report is to highlight the common challenges as well as differences among the BRICS countries.

These initial findings will serve as an important input to promote more in-depth future cooperation to improve the sustainability of social security within the framework of collaboration among BRICS ministers of labour and social affairs.

Annex

Proposals for BRICS social security cooperation

The following activities have been suggested by the BRICS' correspondents as possible joint measures. The proposals should be duly taken into account under the BRICS Social Security Cooperation Framework when the Working Group starts deliberating on future plans of action.

Country	Suggested topics/activities/comments	Suggested ways of cooperation
Brazil	Exchange data in order to create a multi-national monitoring system; Establish a schedule of regular meetings; Print and distribute works narrating good practices and legislative innovations.	Training sessions, seminars.
Russia	Retirement age adjustment (terms and consequences) from the angle of population ageing, in particular, in the informal economy, and with due account for the digital economy and the development of e-services to improve service quality.	Joint conferences.
India	Extension of coverage to the agrarian sector.	Study of good practices from China in view of its significant progress in extending social security coverage to the informal economy.
China	<p>The social security competent authorities and agencies of the BRICS countries should organize exchange visits on a more regular and frequent basis.</p> <p>Social security forums should be held with a wider coverage of guests, including the administrative officers, policy-makers, experts and participants from other relevant fields. The forums might become a platform for the exchange of experience, good practices and new ideas.</p> <p>Data pooling should be created between the BRICS countries to increase information sharing. Advanced information and communication technologies should also be adopted to ensure a clear channel of information sharing between relevant countries.</p>	Training sessions, workshops and seminars should be organized by the BRICS countries in turn. The acquired knowledge should be shared. The agencies should also create opportunities and platforms for the participants to apply what they have learned during those sessions to their work.
South Africa	<p>National collaboration in matters of social security development has been extensive with Brazil. Study tours have also been conducted to India. These cooperative processes have been fruitful and further cooperation is likely.</p> <p>China and India have demonstrated good practices in building comprehensive social security systems by integrating various programmes into a single scheme to serve the public better. The further study of these best practices would assist South Africa in its work towards building a comprehensive social security reform agenda. There is currently no formal working relationship between South Africa and Russia.</p>	Study tours, seminars.

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