Migration and Social Protection: Exploring Issues of Portability and Access

Rachel Sabates-Wheeler, IDS

5-6 November 2008, Bramber House
University of Sussex
Overview

• What do we mean by Social Protection?
• Migration and vulnerability
• Social protection for migrants
• Portability coverage
• Why ‘access’ so crucial
• How do migrants self-insure?
• The next two days
Social Protection

• Helping people manage vulnerability and risk
• Better risk management → risk taking
• Risk taking → investment and growth
• The functions of social protection:
  – Protective - assistance
  – Preventive – insurance and mitigation
  – Promotive - training, skills recognition
  – Transformative – laws, codes and rights
Migration and Vulnerability

- Increasing international labour mobility
  - Globally: 175 million migrants (doubled since 1965)
- Migration possibly the most important risk management strategy available to mankind
- Also, a derived demand for various forms of social protection, state and non-state, may arise from the migration process
- Vulnerabilities facing migrants
  - Temporal/Spatial
    - Socio-cultural
    - Socio-political
Social Protection and Migration

• **Portability** of social security entitlements
  – Ability to preserve vested social security entitlements independent of nationality and country of residence

• **Access** to assistance, insurance and social services
  – In host country, for migrants and their families
  – In home country, for returning migrants and families left behind
  – What services (public, private, occupational): social security, safety nets, healthcare, education, housing;

• **Labor markets** for international migrants:
  – Recruitment process in home country
  – Relation b/w immigration policy and LM in host countries

• **Informal systems** of social protection
  – Migrants typically self-insure through networks, remittances, savings and investments
Payoffs to SP for Migrants and Governments

Ignoring portability and ‘access’ implies:

- a direct cost for government budgets, as employers and migrants are often able to circumvent tax and social security payments;
- Possible labour market rigidities and lower efficiency;
- a cost for the migrant, often exploited and unable to smooth income and consumption over the life cycle; also unable to build assets
- a cost for the sending country whose returnees, after contributing to the welfare of another country, are unable to repatriate their efforts in full. Eg, health care and support for retirees
Portability, access and rights

Majority of migrants face obstacles with regard to portability of benefits, in particular migrants from developing countries

Portability limited to formal arrangements:
- Bilateral agreements /Permanent labour contracts/ Regular migration

‘Access’ as a prior question to portability
- Claims based on employment; residency; human rights; private contributions; social networks
- Physical access - distribution
- Legal and political access
  - Entitlements/rights are only as useful as the access structures surrounding them
  - Contradictions between human rights, labour rights and migrant rights
  - Links directly to a Decent Work Agenda
How do migrants self insure?

- Majority of labour migrants are seeking higher income for improving life back home
- The majority are circular, seasonal and typically wish to return
- Informal networks and associations
- Migration as SP:
  - Remittances and savings and asset accumulation
- Not interested in contributing to pensions – due to poverty…interested in asset accumulation back home, healthcare and education for children
Our remit for the next two days

• Listen to a range of ideas and approaches
• Meet others working in the field
• Review good practice
• Consider policy options
• Think through future research directions
• Enjoy!