

Status and Progress in Cross-Border Portability of Social Security Benefits

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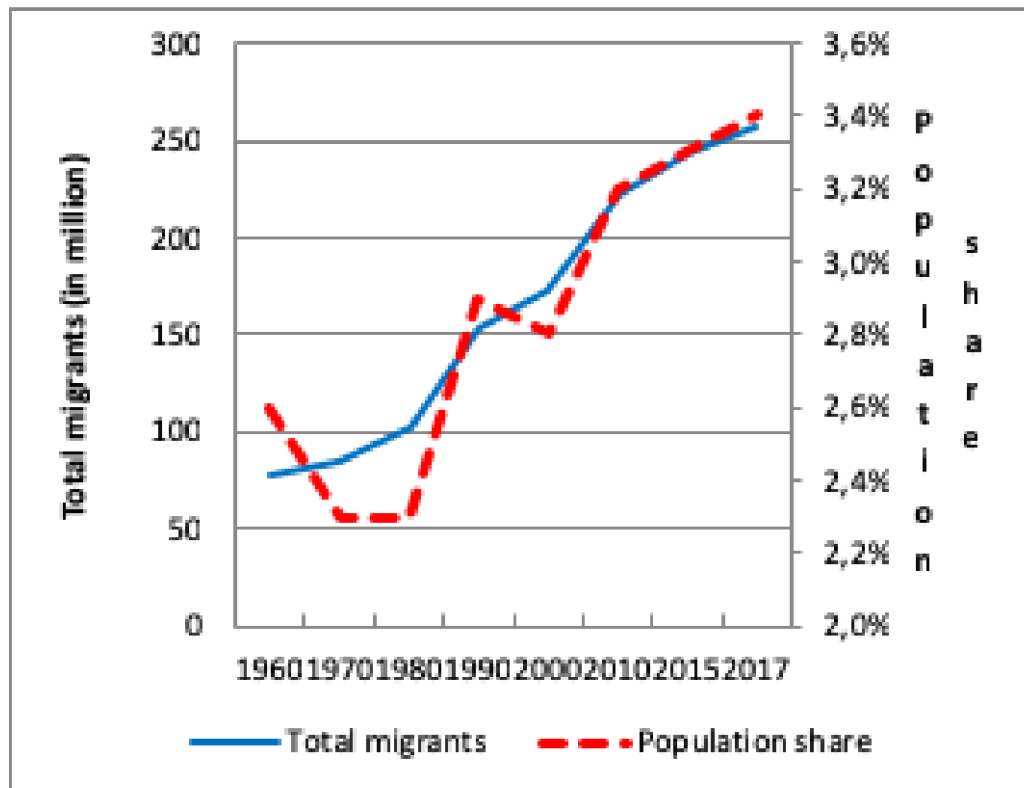
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Motivation (1/4)

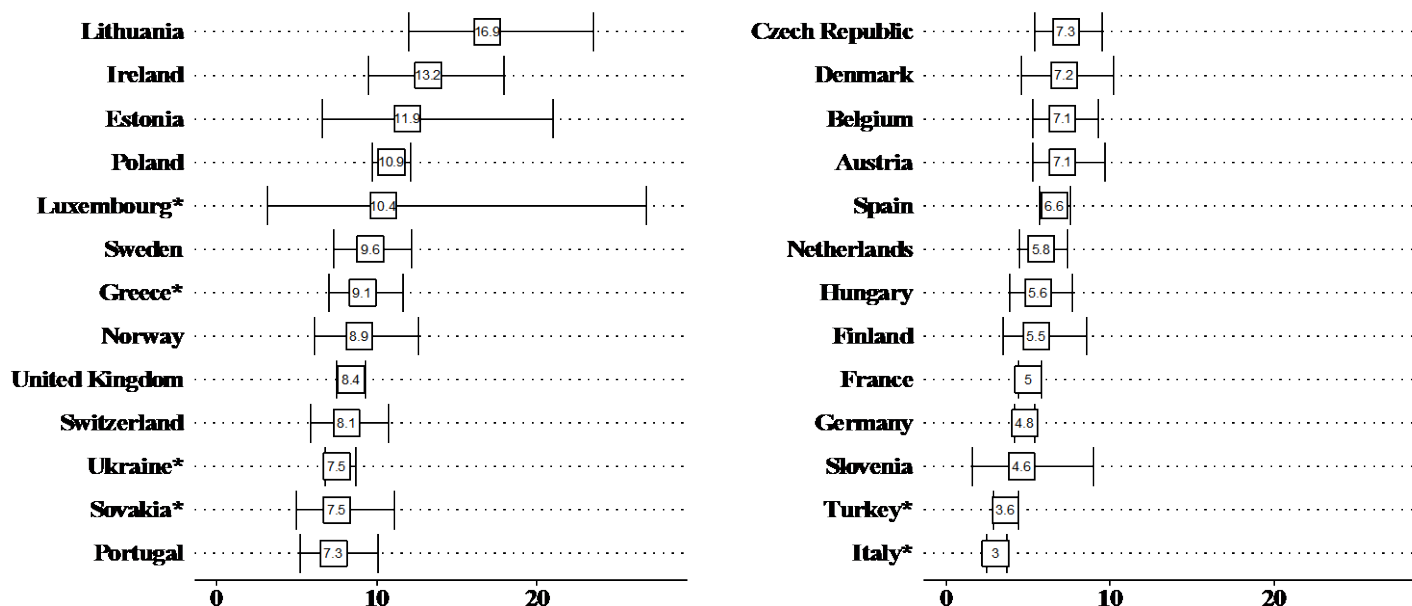
Number and Share of Migrants in World Population, 1960 to 2017



Sources: Own compilation based on UN 2017; Migration Policy Institute, Data Hub

Motivation (2/4)

Percentage of people aged 18-64 who spent at least six months in paid work in another country during the last ten years (CI at 95%) in wave 2 (2004) and wave 7 (2014)



Source: European Social Survey (ESS) waves 2 and 7, weighted data/weighted data, authors' calculation

Note: The question involves that people were back in their own country at the time of the interview

*Data not available in both waves.

Motivation (3/4)

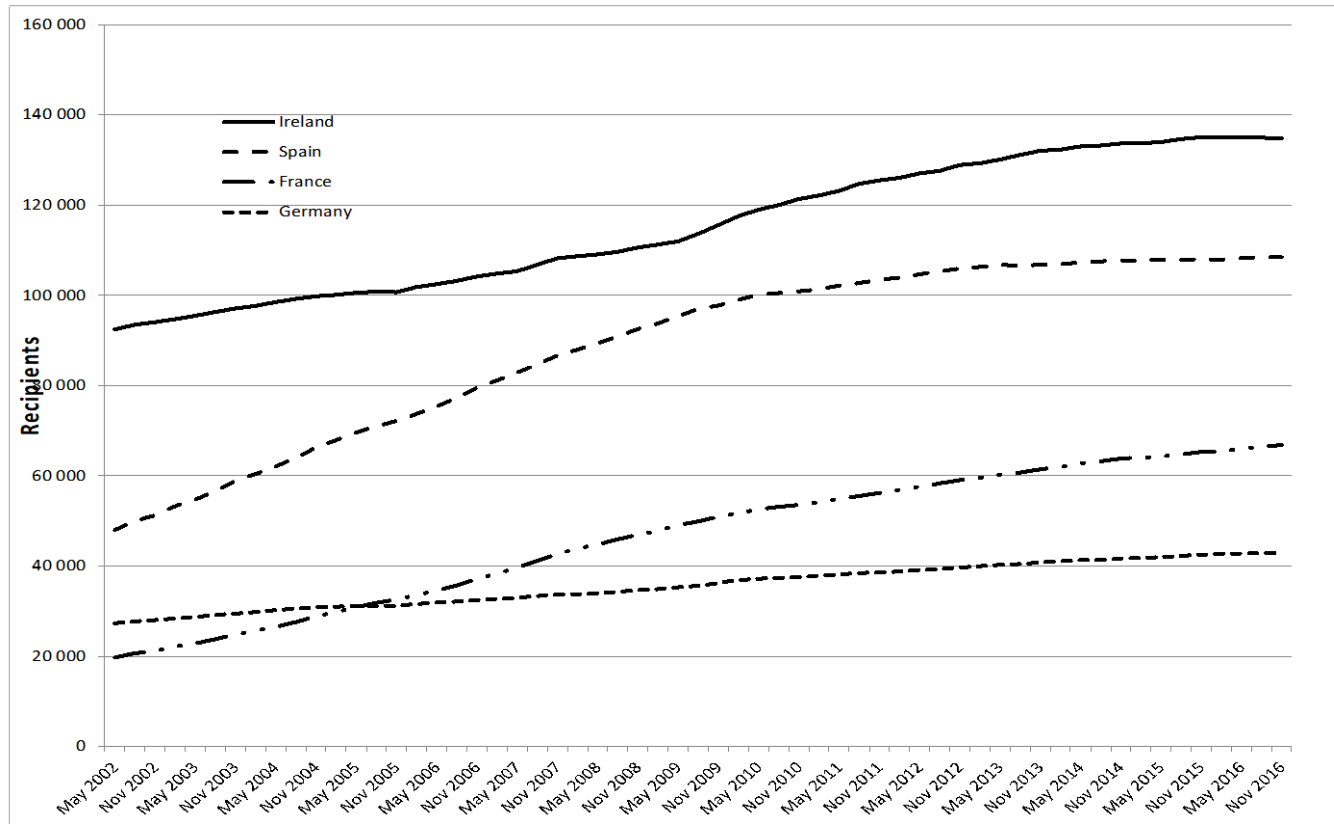
Recipients of statutory German pensions – in Germany and abroad

Number of pensioners in millions (% of total pensioners)	2013	2010	2005
Total non-German pensioners	2.562 (100%)	2.367 (100%)	2.032 (100%)
- living in Germany	1.059 (41.3%)	0.944 (39.9%)	0.774 (38.1%)
- living outside Germany	1.503 (58.7%)	1.423 (60.1%)	1.258 (61.9%)
Total German pensioners	22.602 (100%)	22.646 (100%)	22.452 (100%)
- living outside Germany	0.222 (0.98%)	0.206 (0.91%)	0.170 (0.76%)
Total pensioners	25.164 (100%)	25.013 (100%)	22.484 (100%)
- living outside Germany	1.725 (6.85%)	1.629 (6.51%)	1.427 (5.83%)
- non-German pensioners living in Germany	1.059 (4.21%)	0.944 (3.77%)	0.774 (3.44%)
- potential recipients of cross-border pensions	2.784 (11.1%)	2.573 (10.3%)	2.201 (9.8%)

Source: Genser and Holzmann 2018, based on Eurostat Online Database (June 2015).

Motivation (4/4)

Recipients of cross-border UK state pension in four EU member countries, 2002-2016



Source: Department for Work and Pensions, State Pension Administrative Data.

Portability regimes

REGIME I	Portability	All legal migrants have indiscriminate access to social security programs in their destination country. In addition, origin and destination country have concluded a bilateral or a multilateral social security arrangement that makes, in principle, benefits portable across borders: Those in disbursement and also those in accumulation. This portability covers in some country' arrangements essentially all benefits, and in many arrangement it is essentially limited to pensions
REGIME II	Exportability	All legal migrants who have access to social security in their host country in the absence of a bilateral arrangement between their origin and destination country. The national social law of the destination country alone determines to what extent benefits are payable overseas, which may result in limited exportability of benefits.
REGIME III	No access	All legal migrants who do not have access to social security in their destination country; they neither pay contributions nor receive benefits before and after departure.
REGIME IV	Informality	All undocumented migrants that have neither access to social security nor can acquire benefit rights to take home or onward.

Data & Methods

Purpose:

Estimating change in migrant stock by portability regime between 2000 and 2013
-> global change, change by income group countries, change by region

Main references:

Holzmann, R., Koettl, J., & Chernetsky, T. (2005). *Portability regimes of pension and health care benefits for international migrants: an analysis of issues and good practices*. Washington, D.C.: World Bank.

Holzmann, R., & Wels, J. (2018). Status and Progress in Cross-Border Portability of Social Security Benefits. *IZA Institute of Labor Economics Discussion Paper Series*, (11481), 27.

Holzmann, R., & Wels, J. (2019). The Cross-Border Portability of Social Security Benefits. What is the Status and has it Progressed?. *International Social Security Review*. Forthcoming

Data:

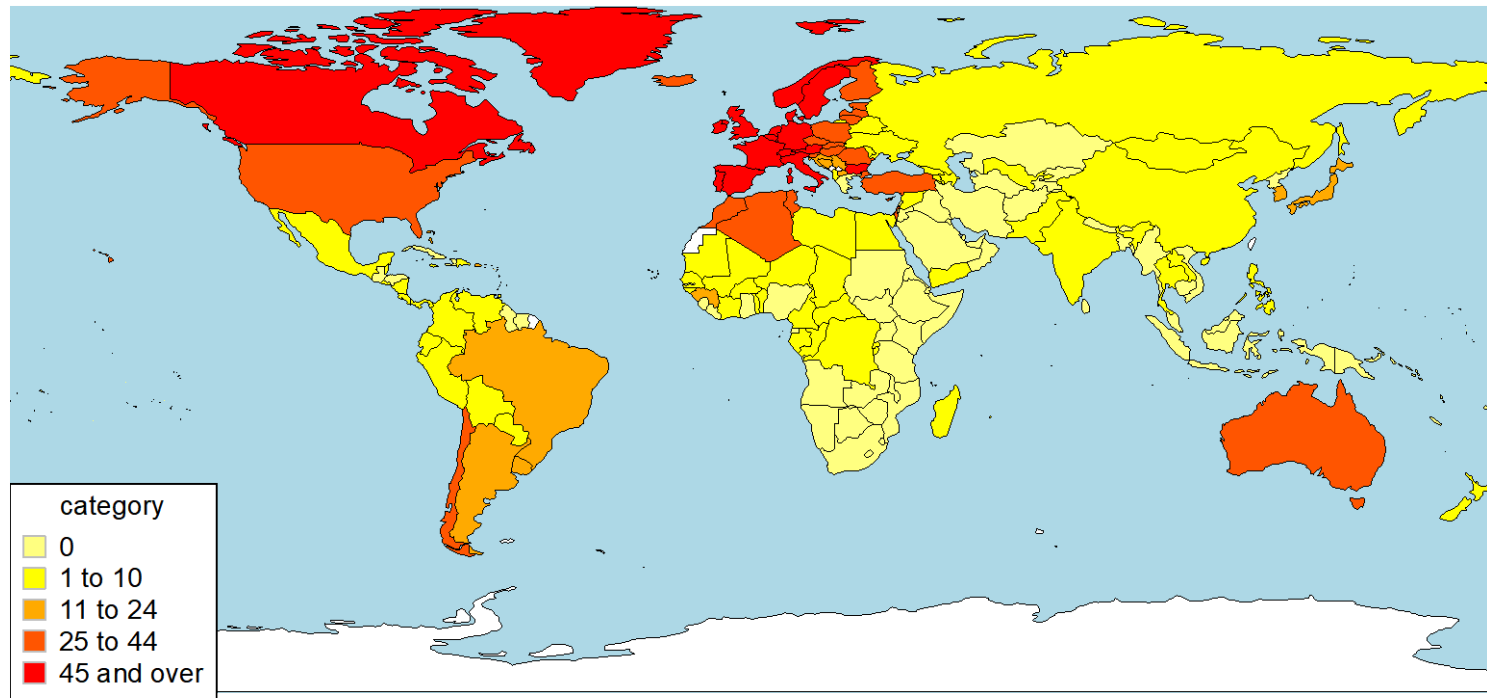
- Social security agreements: ILO NATLEX database (change in BBSAs 2000-2013: +40)
- Migration stock: World Bank Portability Matrix
- Undocumented migrants estimates
 - Koettl and Chernetsky (2005):

$$\sum_{b_i}^{b_I} T = \sum_{b_i}^{b_I} \left[\theta - \left(\frac{\theta * y}{x} \right) \right] + \left[(\theta * y) - \left(\frac{\theta * y}{x} \right) \right]$$

- And external sources: Vogel, 2015; Blangiardo, 2008; Morehouse & al., 2011; Passel & a., 2006; Hoefler & al., 2013; Passel & al., 2014; Bryant, 2005; Battistella & Graziano, 2002.

Results (1/6)

Number of BSSAs (regime I) by country in 2013



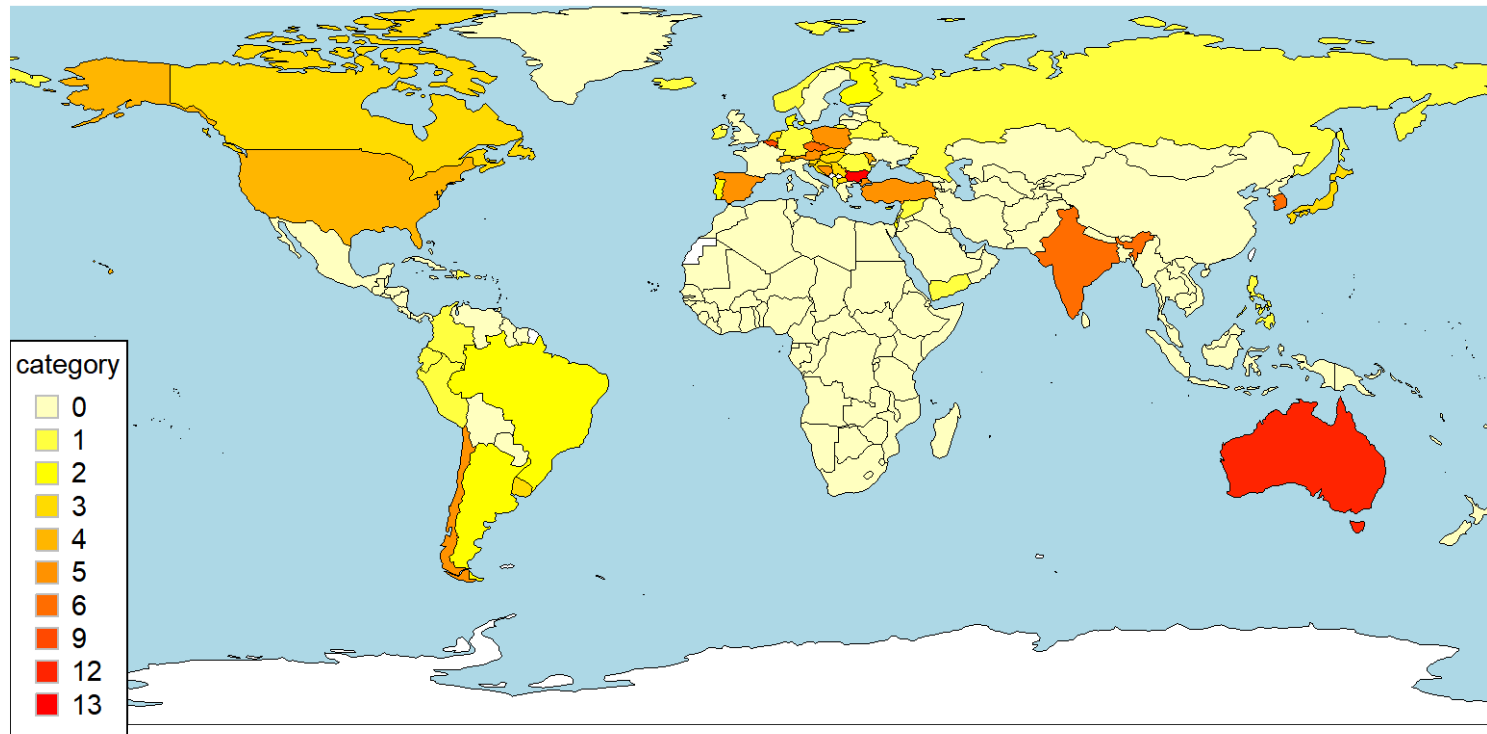
Note: figure made using South A (2011) rworldmap: A New R package for Mapping Global Data. The R Journal 3: 35–43.

Available from: http://journal.r-project.org/archive/2011-1/RJournal_2011-1.pdf#page=35.

Source: ILO NATLEX database.

Results (2/6)

Increase in BSSAs (regime I) between 2000 and 2013



Note: figure made using South A (2011) *rworldmap: A New R package for Mapping Global Data*. *The R Journal* 3: 35–43.
Available from: http://journal.r-project.org/archive/2011-1/RJournal_2011-1.pdf#page=35.

Source: ILO NATLEX database.

Status and Progress in Portability Regimes, 2000 and 2013 (in percent of total migrants)

Year	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total (in million)
2000	21.9	56.3	4.9	16.9	191,8
2013	23.3	53.2	9.4	14.0	252,3
Change	1.4	-3.1	4.5	-2.9	60,6

Source: Authors' calculations

Results (4/6)

Scenario Estimations on the impact of BSSAs introductions 2000 to 2013

(in million)

	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total
Actual BSSA estimation	16,81	26,40	14,39	2,97	60,57
BSSA 2000 scenario estim.	12,31	30,90	14,40	2,97	60,57
BSSA 2013 scenario estim.	13,19	30,02	14,39	2,97	60,57
Diff.: Actual-BSSA 2000	4,50	-4,50	0,00	0,00	0,00
Diff.: Actual-BSSA 2013	3,62	-3,62	0,00	0,00	0,00
Diff.: BSSA 2013-2000	0,88	-0,88	0,00	0,00	0,00

Results (5/6)

Table 5.8a: Global Migrant Stock Estimates by Origin Region and Portability Regime, Change 2000 to 2013 (in percentage points)

Origin Region	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total (in million)
Africa	3.4	3.1	1.2	-7.7	3.4
East Asia & Pacific	-5.7	4.1	5.8	-4.3	15.9
Europe & Central Asia	7.7	-2.1	-0.5	-5.0	-2.9
European Union (EU27+)	8.3	-6.8	-0.7	-0.7	6.5
Latin America & Caribbean	4.4	0.3	-0.5	-4.2	12.4
Middle East & North Africa	-4.5	-2.3	7.2	-0.4	10.4
North America	-8.3	1.4	-0.5	7.5	1.0
South Asia	0.4	-16.3	14.6	1.4	13.7
Total (in percent)	1.4	-3.0	4.5	-2.9	60.6

Table 5.8b: Global Migrant Stock Estimates by Destination Region and Portability Regime, Change 2000 to 2013 (in percentage points)

Host Region	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total (in million)
Africa	2.9	3.6	-0.6	-6.0	-0.9
East Asia & Pacific	-2.8	9.6	-0.2	-6.6	9.4
Europe & Central Asia	8.0	-7.4	0.0	-0.6	-2.1
European Union (EU27+)	4.6	3.2	0.0	-7.8	16.6
Latin America & Caribbean	-2.6	0.4	0.0	2.1	3.3
Middle East & North Africa	-1.7	-17.3	13.3	5.8	21.0
North America	-5.7	8.7	0.0	-3.0	13.8
South Asia	0.0	-6.4	0.0	6.4	-0.6
Total (in percent)	1.4	-3.0	4.5	-2.9	60.6

Results (6/6)

Table 5.3a: Global Migrant Stock Estimates by Origin Country Income Group and Portability Regime, Change 2000 to 2013 (in percentage points)

Origin Country Income Group	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total (in million)
High Income Non-OECD	10.3	-14.1	0.8	3.0	-0.4
High Income OECD	-8.4	5.9	-0.6	3.0	4.1
Upper-middle Income	9.6	-4.4	-0.2	-5.0	8.2
Low-middle Income	6.1	-4.2	4.2	-6.1	26.9
Low Income	1.2	-7.9	8.9	-2.2	21.8
Total (in percent)	1.4	-3.0	4.5	-2.9	60.6

Table 5.3b: Global Migrant Stock Estimates by Destination Country Income Group and Portability Regime, Change 2000 to 2013 (in percentage points)

Host Country Income Group	Regime I (Portability)	Regime II (Exportability)	Regime III (No.access)	Regime IV (Informal)	Total (in million)
High Income Non-OECD	-2.0	-6.4	-21.2	-16.5	10.5
High Income OECD	-0.6	6.4	0.0	-5.9	34.6
Upper-middle Income	-5.5	-9.7	10.1	5.1	14.5
Low-middle Income	3.8	-0.8	0.0	-3.0	3.0
Low Income	1.9	-7.4	-0.4	5.9	-2.1
Total (in percent)	1.4	-3.0	4.5	-2.9	60.6

Conclusion ^(1/2)

- Moderate but noticeable increase in the share of migrants **under regime I** from 21.9 percent in 2000 to 23.3 percent in 2013, or a 1.4 percentage point rise.
- Biggest change happened under **regime III** with an increase by 4.5 percentage points to 9.4 percent. While no contributions are paid and hence no benefits received, at least the contributions are not lost as this may happen under regime II.
- **Regime III** was reduced by 3 percentage points but remains with 53.2 percent the dominant scheme (of benefit uncertainty).
- Bilateral agreements only emerge and make sense if the sending country has a well-functioning social security scheme itself and runs a developed-enough migration corridor with the receiving country.

Conclusion (2/2)

- Need more investigation at bi- / multilateral level (corridor studies)
 - e.g. Holzmann, R., Wels, J., & Dale, P. (2016). *Assessing Benefit Portability for Migrant Workers: Lessons learned from a review of the France-Morocco bilateral social security agreement*. Washington, D.C.: The World Bank ; Holzmann, R., Fuchs, M., Elitok, S. P., & Dale, P. (2016). *Assessing Benefit Portability for International Migrant Workers: A Review of the Austria-Turkey Bilateral Social Security Agreement*. *Social Protection & Labor Discussion Paper*, (1604), 62.
- to assess: (1) the way portability agreements are (re)negotiated; (2) the way regime II (exportability) works; (3) the functioning of portability and exportability schemes.
- Further research (2019-2020): 2018 Migration Matrix, Japan migration policy.