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Issue Paper
on
“Promoting Social Security Agreements
amongst BRICS Nations”

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“Promoting Social Security
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Prepared for the
BRICS Employment Working Group
under the Indian Presidency

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Promoting Social Security Agreements amongst BRICS Nations*

I. Introduction

Social security is defined in its broadest meaning by the International Labour Organisation (ILO) as “The protection measures, which society provides for its members, through a series of public measures against economic and social distress that would otherwise be caused by the stoppages or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, disability, old age, death, the provision of medical care subsidies for families with children.” Access to social security has been considered as a basic right according to the Articles 22 and 25 of the Universal Declaration of Human Rights by the UN. ILO Social Security (Minimum Standards) Convention-102 (1952) lists out nine important elements of social security¹ which a State should strive to attain for its workforce.

In common terms, Social Security means any kind of collective measures or activities designed to ensure that members of society meet their basic needs and are protected from the contingencies to enable them maintain a standard of living consistent with social norms. Social security is essentially an investment in people that empowers them to adjust to change in circumstances and the social security systems administering the provision of social security act as automatic social and economic stabilizers and help in the transition to a more sustainable economy.

II. Trends in Global Employment and Social Security

Despite significant progress in the extension of social protection in many parts of the world, the human right to social security is not yet a reality for a majority of the world’s population. Only 45 per cent of the global population are effectively covered by at least one social protection benefit, while the remaining 55 per cent – as many as 4 billion people – are left unprotected. ILO estimates also show that only 29 per cent of the global population are covered by comprehensive social security systems that include the full range of benefits, from child and family benefits to old-age pensions. Yet the large majority – 71 per cent, or 5.2 billion people – are not, or are only partially, protected².

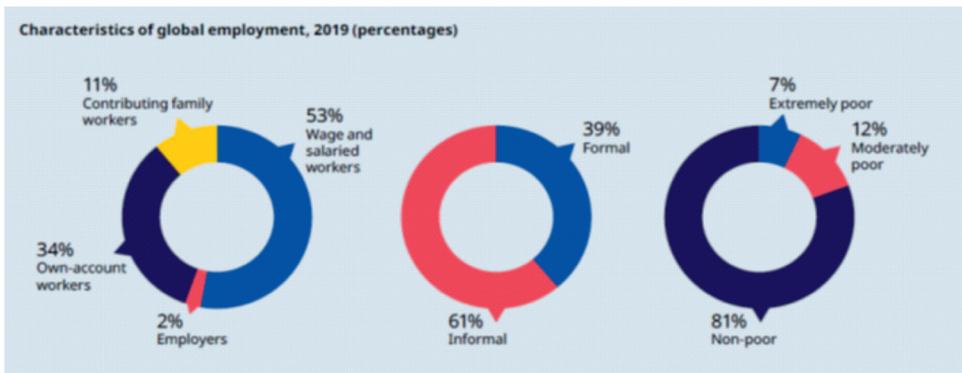
* Issue paper drafted by V.V.Giri National Labour Institute (Dr. Ruma Ghosh) in consultation with ILO, Geneva and New Delhi. The author is grateful to Ms. Christina Behrendt, Mr. Kroum Markov, Mr. Yukun Zhu and Mr. Dmitri Karasyov, ILO for their valuable suggestions.

¹ Medical Benefit, Sickness Benefit, Unemployment Benefit, Old-Age Benefit, Employment Injury Benefit, Family Benefit, Invalidity Benefit, Maternity Benefit and Survivor’s Benefit.

² World Social Protection Report 2017-19, ILO.

As per the World Employment and Social Outlook 2020, the vast majority of jobs – 85 per cent – are in the informal sector. Although being in wage and salaried employment, as is the case for around half of workers globally, increases the likelihood of having access to social protection, labour rights and income security. However, in many parts of the world this cannot be guaranteed, as evidenced by the 40 per cent of wage and salaried workers in informal employment relationships. Around 2 billion workers worldwide (61 per cent of those in employment) are in informal employment who are less likely to have rights at work or to enjoy the benefits of social protection systems. (ILO, 2020)³.

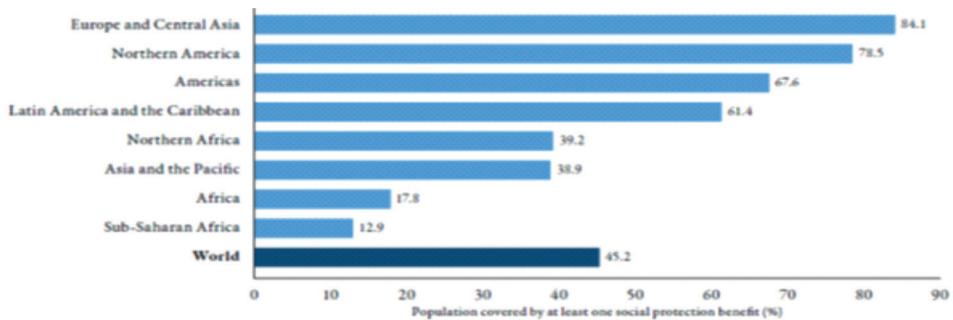
Figure 1: Characteristics of Global Employment



Note: The estimates of informality refer to 2016. Extreme working poverty (a daily per capita income of below US\$1.90 in PPP terms) and moderate working poverty (a daily per capita income between US\$1.90 and US\$3.20 in PPP terms) are assumed to be zero in North America, the high income countries in Europe (including European Union countries), Japan, Australia and New Zealand.

Source: World Employment and Social Outlook 2020, ILO

Figure 2: Percentage of total population covered by at least one social protection benefit



Note: Coverage corresponds to the sum of persons protected by contributory schemes and recipients of contributory and non-contributory benefits expressed as a percentage of the total population. Regional and global estimates weighted by the number of people. Health protection is not included under SDG indicator 1.3.1. Data for other regions are not sufficient to allow for regional estimates. See also Annex II.

Source: World Social Protection Report 2017-19, ILO

³ World Employment and Social Outlook 2020, ILO



III. Social Security Developments in the BRICS Countries

The BRICS countries as drivers of global economic growth and major geopolitical players, are also becoming more well-known for their substantial commitments to social protection and the extension of social security coverage. The past two decades have witnessed major developments and innovations in BRICS countries.

The BRICS countries – Brazil, the Russian Federation, India, China and South Africa – represent 42 per cent of the world's population and 26 per cent of its land mass. Together these countries account for around 27 per cent of global GDP. As new drivers of global economic growth and major geopolitical players, the BRICS countries are also becoming more well-known for their substantial commitments to social protection and the remarkable extension of social security coverage. The past two decades have witnessed major developments and innovations in social security in the BRICS countries which are as follows:

Brazil

In Brazil, a combination of strong economic performance and progressive (contributory and tax-financed) social security policies in the last decade led to the expansion of coverage, accompanied by a decrease in inequalities. Between 2004 and 2014, formal jobs increased from 37.6 million to 56.5 million; the number of small and micro-enterprises contributing to social security programmes grew from around 2 million to more than 10 million; coverage of domestic workers rose from 28 per cent to 40 per cent; and more than 1.3 million vulnerable households benefited from targeted social security coverage. The country introduced a conditional cash transfer (CCT) programme called the Bolsa Família in 2003, whereby the population classified as “middle class” grew from 38 per cent in 2001 to 55 per cent in 2011.

Russian Federation

The Russian Federation inherited a universal social security system from Soviet times. In the last 20 years, the country experienced a period of transition and has been subject to a number of significant social, economic and demographic challenges which placed strains on existing schemes, generating risks for universal coverage. To meet new challenges and growing inequalities, not least between rural and urban areas, a wide array of comprehensive targeted reforms and efficient policy measures, including various mandatory and voluntary programmes, have been introduced in key areas of social security. The Russian Federation has also improved the



adequacy and sustainability of social security schemes, curbing the shrinking of coverage and enhancing social protection for migrants and informal-sector workers.

India

While two decades of economic reform in India have brought noticeable changes to the way in which social security operates, the country's progress in term of social security coverage remains influenced by large informal and rural economies and high levels of poverty. Enabled by innovative use of ICT, new government programmes for food security, health care for the poor, and cash transfers have been introduced, and health care and occupational accident insurance coverage is being gradually extended across industrial centres. Community-based initiatives, including micro-insurance for health protection and micro-pension schemes partnered with private-sector actors, also provide access to social protection. Among such examples are the Indian initiatives like Mahatma Gandhi National Rural Employment Guarantee Scheme which gives employment guarantee to the rural people for 100 days and the health insurance scheme for workers in informal sector formerly called the Rashtriya Swasthya Bima Yojana, which has now been revamped as the Ayushman Bharat Yojana.

China

The past two decades have witnessed a significant and rapid extension of coverage under both contributory and non-contributory schemes, supported by management and administrative transformation and the innovative use of ICT. China has established a near-universal social security system based on social insurance (pensions, medical care, unemployment, work injury and maternity) and social assistance, centred on the basic pensions, basic health care and a tax-financed minimum subsistence guarantee implemented in all cities and rural areas. The country has increased coverage rate for health insurance from 318 million people (24 per cent of the population) in 2005 to 1.26 billion people (94 per cent of the population) in 2010, an average monthly increase of nearly 16 million people in five years.

South Africa

Access to social security is a constitutional right in South Africa. Benefit coverage is widespread and all traditional risks are covered through the provision of tax-financed grants (old age, disability and survivors; family allowances), and contributory programmes for insured workers (sickness and maternity; occupational injuries and diseases; unemployment). These measures are complemented by other social support, such as access to health care, education and social services. South Africa has also launched in 2012 a rights-based approach to social security on universal health insurance.



The BRICS countries have legislation, programmes and/or schemes that provide protection for (i) Old age, Disability and Survivor pensions / benefits; (ii) Sickness, Medical and Maternity benefits; (iii) Work injury and compensation benefits; (iv) Unemployment benefits; (v) Family allowances. However the BRICS countries share common challenges in enhancing social protection for their populations. These include an ageing of the population; relatively high unemployment (especially among unskilled workers); uneven regional development; large income gaps between various social groups; fragmentation of social security schemes and barriers to portability of social security benefits; weak grass-roots/frontline social security infrastructure; gaps in the utilization of information and communications technology; coordination of social security programmes with other social policies and programmes; and the need to extend protection to informal-sector and migrant workers. The expectations of the population are also evolving, leading to increased demands for higher benefits and better services – which in turn requires administrations to address the long-term social and financial sustainability of programmes.

IV. Social Security for Cross Border Workers

The globalisation of the economy and development of international trade and business has considerably increased the international movement of individuals across geographies. Over the years, there has been an increase in transnational trade and along with it, migration of workers between countries have also increased. Globally there were 272 million international migrants in 2019, three out of four of which were between the ages of 20 and 64 years, which is the age range commonly defined as the working age (UN, 2019)⁴. Transnational enterprises send their skilled workers and professionals abroad to host countries as ‘posted or detached’ workers⁵, who return to their countries of origin or home country after completing their assignment. India is one country where the migration rate of high skilled workers has been higher than the total migration rate. However, with the rise in international migration⁶, guaranteeing the social security rights of migrant workers has become a challenge.

As of now, most countries, including India, have a mandatory social security system based on the contributions made by the employers and employees concerned. However, such a system poses three kinds of difficulties for

⁴ International Migration 2019, Department of Economic and Social Affairs, United Nations, 2019.

⁵ ‘Posted/detached’ workers mean intra-corporate transferees to other countries.

⁶ As per the United Nations Department of Economic and Social Affairs, 2019, the number of international migrants rose from 153 million in 1990 to 270 million in 2019.



the 'posted/detached'⁷ workers. First, such contributions need to be made for a specified period before the benefits can be drawn. Since the 'posted/detached' workers ordinarily leave host countries much before the stipulated period, they do not derive any benefits out of the contribution made. Second, the 'posted/detached' workers make double contributions: both in the home, and the host country. Third, in case of relocation to their countries of origin - even if they made contributions for stipulated period because of the host countries' legislation - they cannot export such benefits.

The International Labour Organisation (ILO) has developed a comprehensive set of normative instruments meant to guide the development of national, bilateral and multilateral frameworks aimed at protecting migrant workers, including as regards their social protection. These standards go beyond simply establishing the overarching principle of equality of treatment between nationals and foreign workers and contain a set of practical guidelines as to how to guarantee social security rights effectively to migrant workers, including by setting rules for determining applicable legislation, for the cross-border provision of benefits or the totalization of rights.

The two principal instruments in this respect are the Equality of Treatment (Social Security) Convention, 1962 (No. 118) (ratified by Brazil and India), and the Maintenance of Social Security Rights Convention, 1982 (No. 157) which establish a system based on a number of basic principles, and primarily equality of treatment, the maintenance of acquired rights and the maintenance of rights in the course of acquisition. The Maintenance of Social Security Rights Recommendation, 1983 (No. 167) is particularly important as it contains in its Annex a set of Model Provisions for the Conclusion of Bilateral or Multilateral Social Security Instruments which can be used by countries willing to coordinate their social security systems.

The ILO Multilateral Framework on Labour Migration: Non-binding Principles and Guidelines prescribes for a rights-based approach to labour migration (2006), among other issues, addresses the important themes of decent work for all, governance of migration, protection of migrant workers, promoting migration and development linkages, and expanding international cooperation.

The report on the Migrant access to social protection under Bilateral Labour Agreements, ILO 2017 prescribes the following five elements of social security agreements which are as follows⁸:

⁷ As per SSA, 'detached worker' implies a worker posted in an establishment in India, who contributes to the social security programme of the home country in whose favour Certificate of Coverage (CoC) is issued by the competent authority in the home country.

⁸ Migrant access to social protection under Bilateral Labour Agreements: A review of 120 countries and nine bilateral arrangements - Clara van Panhuys Samia Kazi-Aoul Geneviève Binette, Social Protection Department Labour Migration Branch Conditions of Work and Equality Department International Labour Office, Geneva, 2017 (<https://www.social-protection.org/gimi/gess/RessourcePDF.action?id=54405>)



- Equality of treatment- which signifies that all workers engaged in remunerated labour should enjoy equal provisions of social security. Through the agreement, countries accept to treat migrant workers equally to their own nationals with regards to social protection. This provision can also be extended to the worker's family members.
- Payment of benefits abroad (portability) - which means that any acquired right, or right in course of acquisition, should be guaranteed to the migrant worker in one territory, even if it has been acquired in another, and that there should be no restriction on the payment of benefits for which the migrant has qualified in any of the others;
- Determination of the applicable legislation - to ensure that the social security of a migrant worker is governed at any one time by the legislation of one country only;
- Maintenance of rights in course of acquisition (totalization) - which means that where a right is conditional upon the completion of a qualifying period, account should be taken of periods served by the migrant worker in each country;
- Administrative assistance - which reduce administrative difficulties by providing for mutual administrative assistance between the social security authorities and institutions of participating members. These can include the management of applications and the transfer of information.

It is for this reason that Social Security Agreements (SSA) are being developed between countries or group of countries to protect the interests of cross border workers. The agreement provides for avoidance of 'double coverage' and ensures equality of treatment to workers of both countries from a social security perspective. Under SSA, detachment provisions exempts international workers from making contribution in the host country while the totalisation allows aggregating residency periods of social security contribution made by the Indian worker/professional in India and the foreign country to qualify for retirement benefits. The portability further allows one to avail benefits in either country. Thus Social Security Agreements (SSAs) provide the following three benefits:

- (i) Avoiding making of double social security contributions by the workers (detachment) - Social Security Agreements (SSA) under the provision of detachment or elimination of dual contribution, provides opportunity to employees moving on employment to any SSA country to exempt from making social security contributions in the host country for a specified period (specific to each SSA), provided they continue to make social security contributions in their home countries. The said benefit can be



claimed by obtaining a 'Certificate of Coverage' (CoC) from the home social security authorities and submitting the same with the social security authorities of the host country.

- (ii) Easy remittance of benefits (Exportability) - under the Exportability of Pension clause, the employees may choose to receive benefits of social security in their home country or any other country where they are currently residing (subject to the respective SSA) without any reduction of those benefits, i.e. benefits can be exported.
- (iii) Aggregating the contribution periods (in two countries) to prevent loss of benefits (Totalization) - Under the Totalization of Benefits clause, the period of service rendered by an employee in the host country is to be counted for checking the "eligibility" of social security payment in the home country and vice-versa. However, the payment is restricted to the length of service in that country on a pro-rata basis.

Social Security Agreements (SSAs) are thus binding bilateral/multilateral reciprocal instruments (treaties) between two or several nation states to facilitate geographical and professional mobility within the states concerned by ensuring better coordination of various social security systems. Such agreements provide the legal context to protect migrant workers' rights, and close gaps in social security coverage. The agreements ensure that periods of employment in other signatory countries are taken into account in granting the right to social benefits for migrant workers, dependant on the completion of a qualifying period.

Coming to Indian context, foreign nationals employed in India were not covered under the Provident Fund (PF) regulations till 2008, since PF contributions were not mandatory where the employees' pay exceeded the wage ceiling. On the contrary, Indian nationals working abroad were required to contribute to the social security scheme of the respective country. However, these contributions were generally lost due to limited tenure overseas or in failing to fulfill the minimum qualifying period of contribution or residence.

In order to create a level playing field for Indians embarking on work outside India, the government of India in October 2008 introduced special provisions in the Provident Fund and Pension Scheme, to define a new category of workers called 'International Worker' (IW).

IW covers foreign nationals working in an establishment in India which is mandatorily required to contribute to provident fund. As a consequence, every eligible IW was required to be enrolled in the schemes with effect from 1 November 2008. This enabled India to bring to the table other countries



which had a significant inbound population into India, to negotiate Social Security Agreements (SSA) with such countries.

India, has over the period, signed and made operational 18 SSAs with other countries. Generally benefits such as detachment, exportability of pension, totalisation of benefits and withdrawal of social security benefits are available under these SSAs.

As on date, India has signed and operationalized Social Security Agreements (SSAs) with 18 countries - Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Japan, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, and South Korea⁹.

V. Social Security Agreement (SSA) in BRICS Nations

The BRICS countries who are home to about 42 per cent of the world's economically active population have become the new drivers of global economic growth. The last few years have witnessed dramatic transformation in the economic, social and demographic environment in the five countries thereby leading to increasing importance of the BRICS countries in the global economy. These changes have brought about a number of opportunities in terms of international trade and business between the BRICS countries. Moreover, there has been a growing awareness among the BRICS countries during the last few years of the economic and financial implications of social protection systems and this has led to major developments and innovations in social security in the BRICS countries. Recognizing the fact that a clear and coordinated social protection framework between the BRICS countries is conducive to greater exchanges and contributes to their mutual economic development, the countries decided to promote the establishment of a social security coordination framework. With increased international mobility in recent decades, a growing number of countries have been extending social protection to migrant workers and developing bilateral or multilateral social security agreements.

BRICS nationals working in India and their employers contribute 12 per cent of salaries each to Indian social security system or Provident Fund. Thus the total contribution in respect of a worker in India amounts to 24 per cent of the salary. The worker would receive pension benefit if they work in India and contribute for at least 10 years or have benefits of totalization under a Social Security Agreement. Such contribution that would be refundable to BRICS nationals if a Social Security Agreement was in place, would otherwise be withheld till the completion of 58 years of age. This situation would hold true for any working employee from any of the BRICS countries who goes to work in another BRICS nation.

⁹ Ministry of External Affairs, 2017



In the absence of Social Security Agreements, workers stand to lose coverage benefits in their home countries while they do not get any entitlement in the host country. Such workers are not in a position to either totalize or port their benefits to their home countries. Such workers lose their entire social security contributions unless they complete the respective mandatory contribution period in the host country. Often in case of temporary detachment, companies are lead to make dual contributions in the home and host countries to ensure continued coverage of their workers, which affects their competitiveness. It is for this reason that several BRICS countries have signed bilateral and multilateral social security agreements (Table 1).

Table 1: Bilateral and multilateral social security agreements involving one or more BRICS countries, and coverage under Convention No. 118¹⁰

Country	Bilateral agreements	Multilateral agreements and policy frameworks	Reciprocal coverage under ILO Convention No. 118
Brazil	Belgium, Canada, Cape Verde, Chile, France, Germany, Greece, India* , Italy, Japan, Republic of Korea, Luxembourg, Portugal, Spain (under discussion: Bulgaria, United States, Quebec & Switzerland).	MERCOSUR Multilateral Social Security Agreement; Ibero-American Multilateral Convention on Social Security, currently operational in Brazil , Bolivia, Chile, Ecuador, El Salvador, Paraguay, Portugal, Spain and Uruguay.	38 countries (including Germany, France, India , Mexico and Turkey), for medical care, sickness benefits, maternity benefits, invalidity benefits, old-age benefits, survivors' benefits & employment injury benefits.
China	Canada, Denmark, Germany, Finland, Republic of Korea; the Netherlands, Spain, Switzerland.	-N/A-	-
India	Austria, Australia, Belgium, Brazil* , Canada, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Japan, Republic of Korea, Luxembourg, the Netherlands, Norway, Portugal, Sweden and Switzerland.	-N/A-	38 countries (including Brazil , Germany, France, Mexico and Turkey) for medical care, sickness benefits and maternity benefits.

¹⁰ Taken from the International Labour Organization Background paper 'The 2017 BRICS Labour and Employment Ministers' Meeting July 2017 Chongqing, China (compiled from the ILO Database on migrants' access to social protection in 120 countries) and <http://publication.pravo.gov.ru/Document/View/0001202101190008>



The BRICS countries are also major countries of origin in terms of international migration. In fact India is globally the leading country of origin of international migrants with 17.5 million persons living abroad, in 2019. Among the other BRICS countries, China had 10.7 million living abroad and the Russian Federation had 10.5 million living abroad in 2019¹² (Table 3).

Table 3: International Migrant Stock 2020

Country of Origin	International migrant stock at mid-year, both sexes combined
Brazil	1897128
Russian Federation	10756697
India	17869492
China	10461170
South Africa	914901

Source: Department of Economic and Social Affairs, United Nations, 2020

As of now, data of migration in-between BRICS countries is limited and there is a need to document better in-between BRICS migration in the future and make this one of the milestones of the resolution points for preparing the base for SSAs between the BRICS countries.

Having significant set of common characteristics of labour market, economic development as well as common challenges, the trade relations between BRICS nations have been increasing over the years. In 2018, BRICS countries agreed upon a non-binding and voluntary Working Mechanism on Technical Regulations, Standards, Metrology and Conformity Assessment Procedures for identifying, preventing and eliminating technical barriers to trade with a view to facilitating trade and increasing mutual trade flows. There have been other efforts such as setting up of the New Development Bank (NDB), formerly referred to as the BRICS Development Bank by the five BRICS countries in 2014, after the idea was proposed at the 4th BRICS Summit in 2012 held in Delhi.

The BRICS countries, through the institutional mechanisms like Joint Commission Meetings (JCMs) and Joint Trade Committee (JTCs) addresses market access and other issues like non-tariff measures on a regular basis, with a view to increasing India's trade, including with BRICS countries. It is expected that by addressing the barriers to trade, the volume of trade between these nations will further grow in the future¹³ and along with it

¹² International Migration 2019, Department of Economic and Social Affairs, United Nations

¹³ Press Information Bureau, Government of India, Ministry of Commerce & Industry, 04 DEC 2019

labour market mobility is also expected to grow accordingly. The intra trade between BRICS countries vis-à-vis the world in US billion \$ (2017) is at Table 4.

Table 4: Intra BRICS Trade Data (value in Billion US \$) (2017)¹⁴

Country	World	Brazil	China	India	Russia	South Africa	Intra BRICS	% share of its Global Trade
Brazil	368.49		74.81	5.38	7.60	2.00	89.79	24.37%
China	4107.16	87.81		84.22	84.39	39.20	295.61	7.20%
India	587.36	7.97	84.42		10.12	10.96	113.47	19.32%
Russia	738.42	5.23	85.90	8.32		0.83	100.28	13.58%
South Africa	171.30	1.96	23.89	0.75	8.05		34.65	20.23%
BRICS	5972.73						633.81	10.61%

It has been seen that with the growth in trade between the BRICS countries, there has also been a lot of migration in between the BRICS countries. Table 5 from the Ministry of External Affairs show that there are quite a number of workers from the different BRICS countries in India, as well as quite a number of people from India in the BRICS countries. With the rise in number of workers temporarily migrating to another country for work, there would also be increase in the challenges in terms of the social security of these migrant workers.

Table 5: Population of Overseas Indians in BRICS Countries

SI. No.	Country	Non-Resident Indians(NRIs)	Person of Indian Origin(PIOs)	Overseas Indians
1.	Brazil	4729	344	5073
2.	Russia	21354	2236	23590
3.	China	55500	550	56050
4.	South Africa	60000	1600000	1614000

Source: Ministry of External Affairs as collected by EPFO

In the absence of Social Security Agreements between the BRICS nations, migrant workers often either fail to qualify for benefits based on past contributions in their country of origin or to acquire entitlements based on their contributions made in the country of destination once they return in

¹⁴ Press Information Bureau, Government of India, Ministry of Commerce & Industry, 04 DEC 2019



their countries of origin (portability of rights). The above situation would hold true for any working employee from any country, including BRICS countries who goes to work in another nation or BRICS nation.¹⁵

VII. Grounds for Social Security Agreements within the BRICS Nations

Social Security Agreements on the one hand play a very important role in protecting the interests of workers who work in another country and on the other hand promote and facilitate the competitiveness and ease of business for companies. It is for these reasons that Social Security Agreements (SSA) was deliberated in the 1st meeting of BRICS Employment Working Group (BEWG) held during July 27th - 28th, 2016 at Hyderabad, India. The Goa Declaration of BRICS Leaders Meeting in October 2016 also proposed the exploration of the possibility of signing bilateral social security agreement among BRICS countries and encouraged cooperation on social security among the BRICS countries. In July 2016, the G20 Labour and Employment Ministerial Meeting held in Beijing also put forward a policy recommendation of promoting a fairer and more sustainable social protection system.

The BRICS Labour and Employment Ministers' Declarations in which Social security Agreements have been discussed is given below:

- The BRICS Labour and Employment Ministers' Declaration 2016 with regard to social security agreements states "We support designing and implementation of comprehensive social security systems that are effective, equitable, economically sustainable and address the needs of the society. We will encourage bi-lateral social security agreements amongst the BRICS member states and work towards developing a general framework for cooperation".¹⁶
- The BRICS Labour and Employment Ministers' Declaration 2017 with regard to cooperation on social security agreements states¹⁷:
 - (i) Carry out exchange among BRICS countries on employment and social security for cross-border population flows and, in line with respective work priorities, initiate technical consultation on social security agreements between the BRICS countries and explore the feasibility of launching formal negotiations in this regard.

¹⁵ BRICS India 2016: Issue Note on BRICS Social Security Agreement

¹⁶ Declaration of the BRICS Labour and Employment Ministers' Meeting, 2016, New Delhi September 2016

¹⁷ Declaration of the BRICS Labour and Employment Ministers' Meeting 2017, Chongqing, China, July 27 2017



- (ii) Exchange information on practices regarding social security agreements both within and beyond the BRICS countries, and encourage the BRICS countries to initiate consultations on social security agreements in due course.
- Similarly, the Declaration of the BRICS Labour and Employment Ministers' Meeting 2018, 3 August 2018, Durban, South Africa states¹⁸ "Building on the previous Declaration of BRICS Summits and the LEMM, as well as the 2030 Agenda for sustainable Development, we, with the support of ILO and the ISSA are committed to deepening social security cooperation among ourselves, and, with other countries. In this regard, we will harness the BRICS Social security Cooperation Framework to tackle current and future challenges, and accelerate progress towards reaching our joint objectives, with specific emphasis on cooperation on the improvement of the social security system, social security agreements, social security administration and promoting international standards and guidelines".

Although the Declaration of the BRICS Labour and Employment Ministers' Meeting 2019 in Brazil and in 2020 in Russian Federation did not make specific mention of social security agreements, yet both the declarations mentioned about cooperation in the field of social security.

In the recent years, the BRICS countries have been working towards a "bi-lateral social security agreements amongst the BRICS member states and towards developing a general framework for cooperation" (New Delhi Declaration, 2017, para. 18), and "deepening social security cooperation among ourselves, and with other countries (Chongqing Declaration, 2017, para. 18). India and Brazil has already initialed the text of the Social Security Agreement and the same has been cleared by Government of India. Accordingly, the BRICS Social Security Cooperation Framework encourages BRICS countries to carry out exchanges on employment and social security for cross-border population flows, and in line with respective work priorities, initiate technical consultation on social security agreements between the BRICS countries and explore the feasibility of launching formal negotiations in this regard. It also encourages BRICS countries to exchange information on good practices regarding social security agreements within and beyond the BRICS countries to initiate consultations on social security agreements in due course.

VIII. Challenges and Lessons Learnt

While SSAs are directed towards easing cross-border social security complexities, there are still a few issues and challenges which require

¹⁸ Declaration of the BRICS Labour and Employment Ministers' Meeting 2018, 3 August 2018, Durban, South Africa



attention to maximise benefits from these bilateral agreements. Also since, different SSAs have different terms and requirements, the terms of each SSA needs to be looked at closely so as to reap maximum advantage.

Moreover, as of now, SSAs do not cover self-employed workers and are restricted to old age benefits primarily. The BRICS countries can discuss the option to include self-employed international migrant workers in the Agreement and also discuss whether SSAs can cover social security provision beyond old age benefits such as injury/death related compensation and gratuity benefits.

IX. Issues for Discussion

In the BRICS Employment Working Group Meet, the member countries can initially deliberate on entering into comprehensive multilateral Social Security Agreements between all the BRICS nations. In the event of such a multilateral agreement between all the BRICS countries is difficult to initiate, the BRICS countries can consider bilateral agreements between the BRICS countries. Such agreements would go a long way in protecting the interests of workers covering all the three important provisions namely; 'detachment', 'totalization' and 'portability'.

In order to address the issue of putting in place Multilateral/Bilateral Social Security Agreements between the BRICS nations, the Working Group on Employment (EWG) may consider the following:

- 1) Discuss the loss incurred by both workers as well as employers in the absence of a social security agreement and the prospect of exempting social security contribution for the 'posted/detached' worker in the host country if the worker is already covered under social security system in the home country during the period of migration to the host country.
- 2) Challenges of extending social security to international migrants who are in the informal sector or are self-employed and therefore not covered by the existing legislations. Moreover, the BRICS countries can also deliberate whether other social security benefits such as gratuity and employment injury/death benefits can be extended, besides old age benefit.
- 3) Establish a contact mechanism among social security operation agencies in BRICS countries in order to share information and experience and carry out assistance in aspects such as personal social security information enquiry.
- 4) Carry out practice exchange in social security system, conclusion of social security agreement and social security administration and services by means of meetings and mutual visits, and push forward the conclusion



of multilateral/bilateral social security agreements in due course among BRICS countries.

- 5) Push forward the exchange and cooperation between existing social security training providers in BRICS countries and improve the level of administration and service of social security operation through innovation in technology and service mode.

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