Briefing

Development Research Centre on Migration, Globalisation & Poverty

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Social Protection of Migrants from the Global South:
Protection gaps and strategies to 'self-insure'

Overview

The Development Research Centre on Migration, Globalisation and Poverty (Migration DRC) has been investigating ways to improve social protection for international migrants. Although people who migrate across international borders have diverse profiles and needs, the Migration DRC has identified four essential components of social protection for international migrants. These include access to social security programmes in host countries, the portability of earned benefits (such as pensions), labour market conditions in host countries, and migrant social support networks. These areas are important in minimising the risks and costs of migration for migrants, in particular those from the Global South.

Social protection and international migrants

'Social protection' is defined in a number of different ways in the development literature. The term can refer to conventional social welfare programmes of nation-states, or be seen to encompass broader conceptualisations of social services, including universal access to primary education, micro-credit and job-creation programmes and protection schemes for specific groups who may be vulnerable to economic and other shocks. Others conceptualise social protection still more broadly to include the majority of development activities undertaken by governments or NGOs. These diverse conceptualisations of social protection point to the debate about what forms of protection are essential, as well as to the heterogeneous needs of different groups.

Indeed, the social protection needs of international migrants have their own particular coordinates. On one level, international migration itself can be seen as a mechanism for social protection, as it often provides migrants with access to more lucrative job markets, which may in turn improve the financial security of migrants and their families. However, international migration also exposes migrants to new risks. The Migration DRC, in recent research conducted with the World Bank, has identified four essential components of social protection for international migrants. These include access to formal social protection regimes in host countries; the 'portability' (or transferability) of migrants' pension benefits across international borders; the existence of safe and fair labour market conditions for migrants in host countries; and migrants' access to social networks, which are an informal but often important form of social protection.

These components of social protection cover international migrants as a group, yet it is important to acknowledge that this is not a uniform category, as international migrants are a diverse group. This policy briefing will discuss the four components of social protection as they affect international migrants from countries in the Global South, building on research carried out by the Migration DRC and the World Bank in the Southern African Development Community (SADC), and in particular with Malawian returnees. It will identify policy areas that need to be addressed if social protection for trans-border migrants from developing countries is to be improved.

A migrant is greeted by his family in Kerala, India, upon returning home from overseas labour migration. *Photo © Filippo Osella 2005.*

Protection gaps and Global South migration

The majority of people who migrate between countries in the Global South do not have access to formalised social protection schemes in their host countries. In many cases, these migrants' access to social protection benefits is hindered by the limited scope of social protection regimes provided by the governments of countries in the Global South more generally. In most member countries of the Southern African Development Community (SADC), for example, social protection measures (including retirement pensions, health insurance, bereavement benefits and injury compensation) are only extended to workers in the formal sector of these economies, which includes the public sector and fully-registered private companies. This sector employs no more than 10–20 percent of the total workforce in all SADC countries, meaning that the majority of workers are not covered by formal social protection measures.

The lack of universal social protection schemes in SADC countries coincides with high rates of cross-border migration — much of which is 'irregular'. There are significant flows of workers to countries with relatively successful economies such as South Africa, Botswana and Namibia. Most migrants in SADC countries have comparatively low socio-economic statuses compared to the citizens of their host countries. In addition to lacking access to any formal social protection programmes, these migrants often face exploitative or even abusive labour conditions. Migrant workers also face a risk of xenophobic attacks and abuse as well as the possibility of being deported by immigration authorities. Conditions for migrants in the SADC provide a particularly stark example of the vulnerabilities that migrants may face when they travel across borders — and illustrate the policy challenges that migration can pose for both sending and host governments.

Portability of pension benefits for migrants from top 10 migrant-sending countries (2000 estimates)

Origin country	Number of emigrants	Emigrants w/ Portable benefits	% w/ portable benefits
Russia	12,853, 427	561	0%
Mexico	11,205,499	56,298	1%
India	9,540,868	8,435	0%
Bangladesh	7,190,041	0	0%
Ukraine	6,381,863	188,366	3%
China	6,347,615	56,898	1%
United Kingdom	4,209,287	3,804,695	90%
Germany	4,084,740	3,465,076	85%
Kazakhstan	3,890,528	0	0%
Pakistan	3,601,323	11,760	0%

Source: Avato, Koettl and Sabates-Wheeler (2008).

Protection gaps and South-North migration

There are also significant gaps in social protection for migrants who move from developing countries to OECD or Gulf countries, and those who arguably face the most acute risks are 'irregular' migrants who work illegally in Northern countries. These workers often lack access to social security programmes and are vulnerable to labour market exploitation, health risks and other difficulties. Given developed countries' attempts to reduce undocumented immigration, and these migrants' consequent 'invisibility' in the eyes of governments, it is quite difficult to establish policies or programmes which allay risks faced by irregular migrants. In other instances, legal migrants may lack access to social protection measures, as is the case for most South Asian labour migrants to Gulf countries. Ultimately, in cases where migrants receive no protection from the governments of their host countries, they must be prepared to shoulder the burden of any risks or difficulties they encounter during their migration or to rely on social networks composed of other migrants for support.

Migrants from the Global South often contribute to social security programmes while working abroad, but many have little to show for these contributions when they move on or return home. This is particularly relevant in the case of public pensions, to which some migrants contribute significant sums of money while abroad. Limits to the 'portability' (or transferability) of pensions gives some short-term migrants less incentive to work in jobs in the formal sector, if this means contributing to social security schemes from which they will not benefit. Moreover, a lack of portability may undermine return or circular migration, as migrants who have spent a considerable amount of time in their host countries are likely to factor in the loss of benefits if they return to their countries of origin. Thus, a lack of portability of pensions can potentially undermine the development prospects of international migration if the potential loss of earned benefits makes migrants more reluctant to return home and invest the skills and capital acquired abroad in their home economies.

A double standard currently exists with regard to portability, as 24 percent of all international migrants enjoy portability of pension benefits, yet most of these workers are citizens of OECD countries. Some regional blocs, including the EU, have concluded multilateral agreements on portability and a number of countries have signed bilateral agreements ensuring the portability of pension benefits across international borders. In contrast, 54 percent of international migrants have access to social security benefits in their host countries, but do not enjoy portability of these benefits — and a disproportionate number of these migrants are from developing countries (see table on Page 2). It is important not to overestimate the barrier that portability may pose to return or circulation migration and to keep in mind that portability agreements do not affect private pensions. Nevertheless, increased portability of benefits would be a practical way of removing reservations which some long-term international migrants might have about returning home. A key challenge here, however, is for countries in the Global South to develop the capacity to coordinate pension payouts across international borders.

Case study: Malawian strategies to 'self-insure'

A Migration DRC study of Malawian migrants, based on quantitative and qualitative interviews with Malawians who had moved either to South Africa or to the UK to work before returning to Malawi, investigated the social protection needs of these migrants. There were significant socio-economic differences between the two groups of international migrants from Malawi, as those who migrated to South Africa were typically from poorer families and had lower levels of education and occupational status than those who moved to the UK. In both cases, though, a number of migrants moved without proper documentation which would allow them to work, in some cases travelling abroad on tourist visas. Most were successful in finding employment in the informal sector in the UK or South Africa.

Although these informal working arrangements did not ensure Malawian migrants the rights extended to domestic workers, in many cases they did allow migrants to earn a steady wage while abroad. These financial gains were threatened, however, by a lack of job security and a constant risk of deportation. In South Africa, migrants were also particularly vulnerable to xenophobic attacks from South African citizens. In response to these risks, Malawian migrants used a range of strategies to 'self-insure' during their time spent abroad in host countries. These strategies addressed the immediate needs of both migrants and their families who, in many cases, remained behind in Malawi. Informal social networks — operating on both national and transnational levels — formed the greatest form of social protection for both legal and 'irregular' Malawian migrants. These networks included friends, family members, burial societies, churches and, in some instances, employers.

These networks often facilitated migrants' access to local labour markets in host countries and provided them with support that allowed them to stay abroad for longer periods of time than would have otherwise been possible. Many Malawian migrants attempted to invest their earnings from abroad in ways that would sustain their family's livelihood in Malawi. Migrants often sent remittances home, which in many cases provided for their family's basic needs, including healthcare, education and livelihood activities (including subsistence farming). Some migrants attempted to accumulate financial assets or savings, during their time working in host countries, which they could later invest in businesses, houses or land purchases in Malawi. These attempts to self-insure are illustrative of the ways in which migration can serve as a form of social protection, in this case enabling Malawians to cope with difficult economic conditions in Malawi by finding better-paying work abroad.

Policy implications

Migration DRC research suggests that a number of policy areas need to be addressed to improve the social protection of international migrants from the Global South. These recommendations are aimed at minimising the risks faced by migrants from the Global South:

- Legislation is needed that decriminalises temporary worker migration and encourages circular or return migration in order to increase the development potential of international migration for migrant sending and receiving countries alike, and to mitigate some of the risks faced by migrants.

- The pursuit of a 'decent work' agenda is needed, which would ensure that migrants working in 'low-skill' jobs do not face exploitative workplace conditions. International policy dialogue is required to determine what constitutes 'decent work'.

- The establishment of international agreements that ensure the portability of earned pension benefits for migrants from developing countries is important to ensure that migrants benefit from social security schemes to which they contribute whilst abroad.

- Support for migrant organisations — such as hometown associations — by governments and civil society actors is one way to boost informal social networks that help to ensure the basic safety of migrants.

Key readings

Cruz, A.T. (2004). 'Portability of Benefit Rights in Response to External and Internal Labour Mobility: The Philippine Experience'. Paper presented at the International Social Security Association (ISSA), *Thirteenth Regional Conference for Asia and the Pacific* in Kuwait, March 8–10, 2008.

Holzman, R., J. Koettl, and T. Chernetsky (2005). 'Portability Regimes of Pension and Health Care Benefits for International Migrants: An Analysis of Issues and Good Practices'. Geneva, Switzerland: Global Commission on International Migration.

Avato, J., J. Koettl and R. Sabates-Wheeler (2008). *Social Protection for International Migrants* (A synthesis report prepared for the UK Department for International Development). Available from authors.

Sabates-Wheeler, R and I. MacAuslan (2007). 'Migration and Social Protection: Exposing Problems of Access'. In: *Development* (Special Issue on Migration) Vol. 50 (4): 26–32.

Other Migration DRC outputs

Other Migration DRC publications on social protection include:

Gardner, K., and Z. Amhed (2006). 'Place, Social Protection and Migration in Bangladesh: a Londoni Village in Biswanath'. Migration DRC Working Paper WP-T18. Brighton: Migration DRC, University of Sussex. Available at: http://www.migrationdrc.org/publications/working_papers/WP-T18.pdf.

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Sabates-Wheeler, R., C. Natali and R, Black (2007). 'Migration, Legal Status and Poverty: Evidence from Return to Ghana'. Migration DRC Working Paper WP-T19. Brighton: Migration DRC, University of Sussex. Available at: http://www.migrationdrc.org/publications/working_papers/WP-T19.pdf.

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Seeley, J., Kabir, M.A., Lipi, N.N., and Afrin, S. (2008). 'Social Protection By and For Temporary Work Migrants and Their Households in Northwest Bangladesh'. Migration DRC Research Report. Available at: www.migrationdrc.org/publications/research_reports.html.

Development Research Centre on Migration, Globalisation and Poverty

The Migration DRC aims to promote policy approaches that will help to maximize the potential benefits of migration for poor people, whilst minimising its risks and costs. Since 2003, the Migration DRC has undertaken a programme of research, capacity-building, training and promotion of dialogue to provide the strong evidential and conceptual bases needed for such policy approaches. This knowledge base has also been shared with poor migrants, with the aim of contributing both directly and indirectly to the elimination of poverty. The Migration DRC is funded by the UK Government's Department for International Development, although the views expressed in this policy briefing do not express DFID's official policy.

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