



Social Security in the BRIC Countries



Dr. Danny Pieters
Dr. Paul Schoukens
European Institute of
Social Security

Social Security in the BRIC Countries*

Dr. Danny Pieters

Professor of Social Security Law
K.U. Leuven, and Secretary General,
European Institute of Social Security

Dr. Paul Schoukens

Professor of Social Security Law
K.U. Leuven, and General Coordinator,
European Institute of Social Security

* Many collaborated in the preparation of this report. We are grateful to them all: Effrosyni Bakirtzi, Klaus Kapuy, Sebastião Ogê Muniz, Jozef Schrooten, and Kyoto Van Herreweghe.



Table of Contents

Foreword	4
Introduction	6
Challenges Facing Social Security Systems in BRIC Nations	9
1. The lack of a social security paradigm	9
2. The coverage of all the (working) population	10
3. Demography	11
4. Changed family patterns	12
5. The interaction between economic development and social security	12
6. The diversity of economic and social realities within one country	13
7. The lack of transparency of the social security system	13
8. Poverty alleviation and basic needs	14
9. The lack of solidarity and interaction between social assistance and social insurance	15
10. The weak interconnection between social security actors	15
11. The place of private actors in social security	15
12. Pensions and other income replacement	16
13. The access to a qualitative health care and care	17
14. Inflation and the validity of commitments for the future	17
15. Identification and IT related issues	18
16. Globalisation and world wide competition	19
17. Need for a sustainable financial and economic basis	19
18. The interaction between social security, social policy and other policy areas	19
19. The deficient implementation, control and sanctioning	20
20. Need for another more creative approach?	20
Concluding Thoughts	21
Bibliography	22
About the Authors	29
Key Contact Information	31

Foreword

On behalf of The IBM Center for The Business of Government, we are pleased to present this report, *Social Security in the BRIC Countries*, by Professors Danny Pieters and Paul Schoukens. This is the third IBM Center report prepared in cooperation with the European Institute of Social Security.

Social security is a well-established part of the societal landscape in traditional westernized countries. There are a variety of approaches, and there are substantial differences between the operation of social security under the predominantly insurance-based (or Bismarckian) systems and the social assistance (Beveridge) systems. But both were developed and matured in the context of the industrialization of societies and both reflect the need to provide social protection in mass-scale workforces. It is recognised that (at least historically) the development of social security was seen as a natural complement to the process of economic development. Indeed, they can effectively be characterized as two sides of the same coin.

But what can we draw from the lessons of history and how much do these lessons apply to countries undergoing the 21st century equivalent of the industrial revolution? The so-called BRIC (Brazil, Russia, India, China) countries are experiencing the same kind of growth and rapid change experienced in western economies almost two centuries ago. Certainly, there are similar demands and pressures to balance economic advancement with social protection for those workers who provide the labour to fuel the economic development.

This report examines the existing nature of social security in the BRIC countries in order to consider the likely trajectory of its future development. The report provides a useful reminder that, whilst the underlying pressures are at least to some extent similar, the starting places and norms are quite different. Also, the globalised world of the 21st century brings new pressures compared with the conditions that applied in the 19th and 20th centuries.

Given the above factors, the following question emerges, “Can we expect these societies to follow the same trajectories and end up with similar systems of social security to those we



Nicole Gardner



Jonathan D. Breul

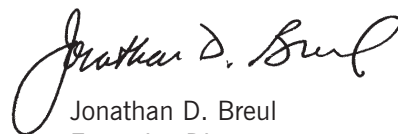
observe in the western world—or will they evolve differently?” Undoubtedly more work is required to resolve the question. This report provides evidence on the current context from which to start considering likely answers.

As noted above, this report continues IBM's longstanding interest in this topic. In 2011, the IBM Center and the European Institute for Social Security published a report, *Case Studies in Merging the Administrations of Social Security Contribution and Taxation*, by Effrosyni Bakirtzi, Professor Paul Schoukens, and Professor Danny Pieters. That report examined the collection systems of five different European countries and gave an overview of the lessons learned from the different practices adopted in this field. Earlier, the IBM Center published *Cooperation Between Social Security and Tax Agencies in Europe* by Bernhard Zaglmayer, Paul Schoukens, and Danny Pieters. In that report, the authors argued that as social policy continues to evolve, governments now may need to look beyond the traditional structures of social security and taxation.

As with our previous reports in this area, we are very pleased to commend this report as providing an intriguing perspective on some of the key factors and drivers to social security across the globe. We hope that this report will lead to further dialogue and enquiry.



Nicole Gardner
Global Industry Leader, Social Services
and Social Security
IBM Global Business Services
nicole.gardner@us.ibm.com



Jonathan D. Breul
Executive Director
IBM Center for The Business of Government
jonathan.d.breul@us.ibm.com

Introduction

In 2007 Paul Schoukens and Danny Pieters presented the results of interviews they had with the social security administration CEOs in 15 Western European Countries in a publication bearing the title *Social Security Quo Vadis*. In this, they reflected the main determining factors for the future evolution of social security in Western Europe and, even more important were able to develop some 'important messages' for the future of social security.

When asking about the main factors which, in the opinion of the CEO's, would determine the future of social security, the following topics were touched upon. First came the demographic problems, including the greying of society, with the need for more care; and the de-natality, with its possible danger of a future lack of workers. Immigration was also mentioned as an important newer issue to reckon with in social security. The change in family patterns, unemployment and the over-all economic situation were mentioned as other factors determining social security's future. The importance of a number of persons working without social protection was another cause of concern, as were the declining social morals. The rising expectations and demands of the socially protected both in terms of contents and administrative handling were other factors considered to be determining for the future of social security. Finally, also broader topics such as privatisation and decentralisation were mentioned by the CEO's.

When suggesting the evolutions expected in terms of covered population and of granted benefits, CEO's touched a wide range of topics, such as: the integration of special social insurance schemes for specific groups, amongst which the self-employed, into the general social security system, means-testing, the non-take-up of benefits, the interplay between various schemes, as well as more detailed issues related to this or that social benefit.

When touching the issue of social security financing, the structure and sources of social security financing were mentioned, as well as the need to provide for the future or the difficulties linked to the incapacity of some employers to pay contributions.

As far as the administration of social security was concerned, the interaction between administrations (or lack thereof) was often mentioned, as were issues related to the relations between administration and its customers, the position of the employers organisations and the trade unions, IT, e-government and the need for more and better data.

When scrutinising the CEO's views on the impact foreign and international influences would have on the national social security systems, globalisation and **delocalisation were often mentioned**, next to stressing the mainly national character of the social security policy debate.

The main messages for who is interested in the future of social security were twelve in number and concerned:

- the fundamental faith in social security
- the interaction with democracy

- the need for security and reform
- the need for more interaction
- the intergenerational solidarity
- working without social protection
- the impact of migration
- the activation policy
- the question marks relating to financing and privatization
- the need to manage a growing number of complaints
- the need for internal restructuring of social security administrations
- national social security in a larger world.

The authors of “Social Security Quo Vadis” had in subsequent years the privilege to present their research results to a number of various audiences, both in Europe and outside of the continent. The reactions we got especially of non-European audiences triggered with us the question: would these issues, challenges and ‘main messages’ also be valid outside Europe? Simultaneously authors got especially challenged by the ‘globalisation’ issue in its relation to social security. Does social security burden the Western European economies in a way they can never win the competition with the emerging economies? Do the latter have social security at all?

Bringing both starting points together, the authors were invited to explore what would be the main, common, determining factors and challenges for the future of social security in the 4 main upcoming economic powers: Brazil, Russia, India and China (now commonly referred to as the BRIC countries).

In this presentation we do not have the intention to sketch out social security as it stands today in the BRIC countries or what the plans are both at governmental and non-governmental level. This would take us far too long. What we attempt to do here is to come up with some major common trends and challenges faced by the BRIC countries. Our aim is not to advise these countries, telling them what they should do. Doing so would be presumptuous. Neither do we want to draw direct lessons for the competing ‘old’ industrialized states. We have no other goal than trying to understand where the BRIC countries stand as far as social security is concerned. In a way, this report is a *Quo Vadis Social Security* on the BRIC countries.

Attempting to find communalities in challenges and perspectives for the BRIC countries was not easy. Moreover, in difference with the previous Quo Vadis Social Security Study, we did not have the means for interviewing social security CEOs on the spot. In this study, we had to work basically using literature. An extensive bibliography is included at the end of the paper.

The exercise required evaluation by the authors and thus choices had to be made to come up with a clear and understandable result. The twenty challenges enumerated hereafter are often the result of such a choice.

At the end of our research on social security literature in Brazil, the Russian Federation, India and the People’s Republic of China, we selected the following twenty items as the main challenges these countries (or some of them) are confronted with; items relevant to only one BRIC country were disregarded.

The main challenges for the future of social security in the BRIC countries relate to:

1. The lack of a social security paradigm
2. The coverage of all the (working) population
3. Demography
4. Changing family patterns and internal migration
5. The interaction between economic development and social security
6. The diversity of economic and social realities within one country
7. The lack of transparency of the social security system
8. Poverty alleviation and basic needs
9. The lack of solidarity and interaction between social assistance and social insurance
10. The weak interconnection between social security actors
11. The place of private actors in social security
12. Pensions and other income replacement
13. The access to a qualitative health care and care
14. Inflation and the validity of commitments for the future
15. Identification and IT related issues
16. Globalisation and world wide competition
17. The need for a sustainable financial and economic basis / social security as a positive economic factor
18. The interaction between social security, social policy and other policy areas
19. The deficient implementation, control and sanctioning
20. The need for another more creative approach?

Challenges Facing Social Security Systems in BRIC Nations

1. The lack of a social security paradigm

In order to see whether social security is functioning well, it is important to establish what the aims pursued by social security are.

In the Report of the International Labour Organization *Into the 21st Century: The Development of Social Security*, social security is seen as the response to the craving for security in its widest sense, rather than as the conglomerate of mechanisms warranting such security. Others adhere to this objective of providing 'security' as well. They consider arrangements as granting protection against (the insecurity resulting from) the risks related to the ascent of the industrial society and its developments or, in short, against 'social' risks. More recent definitions of social security given by authors like Sinfield and Berghman follow the same non-instrumental approach. Similarly to the definition of health, Sinfield describes social security situationally, i.e. as a state of complete protection against the loss of resources. Berghman, then, views social security as a situation of complete protection against human damage.

In earlier publications, we preferred to define social security as the body of arrangements shaping the solidarity with people facing (the threat of) a lack of earnings (i.e. income from paid labour) or particular costs. In these approaches we see a double and intrinsically interconnected goal of social security appearing: combating social exclusion (or poverty) and providing income security in the cases of some social risks.

It seems that it is not so clear what is intended by the various social security arrangements in the BRIC countries. This might be related to a fundamental shift in societal paradigm (Russia and China) or simply to the fact that the concept of social security was developed in a fundamental different environment (India). Anyhow, it will be important for the future of social security in the BRIC countries that they reflect on the meaning of social security in their societies. Not least because a clear vision of social security and an understanding of the system are necessary to optimally involve the people.

Moreover, in some countries, including some BRIC countries, social insurance appears less to be a tool of solidarity and redistribution, and more an instrument of privileging certain (better off categories of the) population. This calls of course for some prudence in transposing social security logics of the old industrialized world unto the BRIC countries.

2. The coverage of all the (working) population

Brazil and Russia, with their 198,3 million and 144,5 million inhabitants have a population well below that of the European Union with its 501,1 million inhabitants. India and China, however, each count more than the double inhabitants: India 1 222,6 million and China 1 373,5 million. If we examine how many people work in the so-called formal sector of these BRIC countries we come to the following figures¹:

- **Brazil:** the formal sector has remained stable at around 50% of the working population since the early 1990s of these 79% would have social insurance coverage;
- **Russia:** 83% of the total workforce works in the formal sector, of these 69% would have social insurance coverage;
- **India:** only 34,85 million or 7,62% of the working population works in the formal sector of these only 29% would have social insurance coverage.
- **China:** in the period 1996 to 2001, the ratio between the employment number in informal sectors and work units would have increased from 1:4 to greater than 1:2.

Social security in the BRIC countries without any doubt suffers from the fact that many citizens are left out of the social security arrangements. In fact having social insurance coverage seems to be a privilege of a restricted number of persons, who often are also in other respects to be labelled as the better off.

It is in this respect striking to see that in the BRIC countries people working for Government, both central and local, (civil servants, army, police) are enjoying the better social security coverage. Often this is also true for people working in larger enterprises; in this respect it is somewhat remarkable that people doing the same job, may end up being treated quite different simply because their employer employs a small or a large number of employees.

This feature of privileging through social insurance only a part of the working force, is of course also connected to the labour law status of the people concerned, which again may differ in function of the number of people employed by the enterprises.

The remainder of the working force is often labelled as the informal sector. This concept is sometimes also used by international organisations such as the ILO. We would, however, like to point out that under this heading a wide variety of working people may be found, including salaried workers without labour contract, temporary workers, workers in the submerged economy as well as self employed. We think it would be better not to pile up all these different kinds of workers under the one heading of 'informal sector workers', but to differentiate among them. Anyhow, the lack of decent social security coverage of many of those working in the informal sector remains a serious challenge to all BRIC countries.

Special attention goes in the BRIC countries to those living in rural areas and/or active in small farming. Often a basic protection is provided to them at a lower cost than is the case for workers of the formal sector in larger enterprises.

1. Figures are drawn from: EUROSTAT; ILO, *World Social Security Report*, Geneva, ILO Publications, 2010, pp. 208-215; UN Population Division, *World Population Prospects: The 2008 Revision*, 2010 (09.05.2011, UNPD: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm); I., BAIRAGYA (2010), *Liberalization, Informal Sector and Formal-Informal Sector's Relationship: A Study of India*, Paper presented on the 31st General Conference of The International Association for Research in Income and Wealth in St. Gallen, 22-28 August 2010, 10-15; Y. DU, F. CAI & M. WANG, *Marketization and/or Informalization? New Trends of China's Employment in Transition*, Chinese Academy of Social Sciences, 2009, p. 22; N. USTINOVA, *Informal Economy in National Accounts of Russia*, Paper presented on the Special IARIW-SAIM Conference on "Measuring the Informal Economy in Developing Countries" in Kathmandu, 23 September 2009, p. 2; E. ZEPEDA, D. ALARCON, F. VERAS SOARES, R. GUERREIRO OSÓRIO, "Growth, Poverty and Employment in Brazil, Chile and Mexico" in *International Poverty Centre Working Papers*, 42, (2007), p. 4.

Some social security arrangements in the BRIC countries try to overcome the non-coverage of larger sections of the population through voluntary insurances open to those not mandatorily covered (e.g. introduction of retirement and health care insurances on a voluntary basis for the rural population in some Chinese provinces; extension of retirement insurance to workers in the unorganised sector on a voluntary basis in India; possibility for the self-employed, such as farmers, to voluntarily affiliate with incapacity for work insurance arrangements in Russia); these arrangements are also often sponsored by the public authorities. However, it remains to be seen whether such an approach has no perverse redistributive effects; in other words, whether state support for voluntary insurance does not benefit in the first place those who are competitively already better off as they can afford the payment of voluntary contributions.

The access to the health care requires special attention, as such access needs to be disconnected from the working status. In fact, universal coverage of the population appears to be the ambition of the BRIC countries. Brazil and Russia already implemented it, although the medical treatment a resident (Brazil) or a citizen (Russia) actually receives, will in many regions rather be very basic and/or of poor quality. China and India work on a continuous extension of its health care insurance programmes to people not yet covered, though the reform plans reveal that a complete coverage of the resident population is still in far distant. We develop later more on this topic under the heading 'Access to a qualitative health care'.

It is noteworthy that some special groups of vulnerable people have been singled out in some BRIC countries to get preferred attention; e.g., the case for the family members of detainees and for people escaping from slavery like situations in Brazil or for the out-casts in India.

3. Demography

Table 1²

	EU	Brazil	Russia	India	China
Population	501 mil.	198 mil.	144 mil.	1 222 mil.	1 373 mil.
Life expectancy general, man and women (at age 1)	78,76	73	66.3	66.14	73.68
Population younger than 20	107,2 mil. (21.4%)	66,7 mil. (33,6%)	29,2 mil. (20,18%)	495,4 mil. (40,5%)	375, 5 mil. (27,34%)
Population over 60	116,7 mil. (23.3%)	22,7 mil. (11,5%)	29,5 mil. (20,4%)	99,7 mil. (8,2%)	185,8 mil. (13,5%)

The demography undoubtedly plays an important role in the construction of a good social security system. A too large portion of old and economically inactive people in a society puts a heavy burden on the financing of social security.

Our comparative study showed that the aging of the population is not only a problem in Western countries. Also the BRIC countries are confronted with diverging but all very important challenges in the demographic area.

The one-child policy in China, the deterioration of life expectancy combined with low fertility rates in Russia, and the steady increase of life expectancy and decline of fecundity in Brazil

2. Figures for EU are drawn from EUROSTAT; figures for the BRIC countries are drawn from: UN Population Division, *World Population Prospects, the 2008 Revision*, 2010 (09.05.2011, UNPD: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm);

make the provision of social security for the elderly and those who will become the elderly in some years an extremely important challenge. The countries appear to be well aware of this demographic challenge, as for instance the first reconsiderations of the one-child policy in China or the plans of Russia to increase the Russian population illustrate.

4. Changed family patterns

Also in the BRIC countries traditional family patterns tend to be weakened as a consequence of:

- A more 'Western' life style, especially in urban areas. This finds its expression in more individualism, decline of the extended family, more partnerships during a lifetime, increase of the number of divorces, the rise of materialism etc.
- The leaving of the traditional family surrounding in rural areas in order to go to the urban areas

This change of traditional family patterns provides a challenge to the social security in the BRIC countries in that the family is no longer providing protection against social risks, such as taking care of the offspring, caring for the old family members, or taking care in material or even financial terms for incapacitated family members. All these social risks, social security has to particularly take into consideration once the traditional family patterns are vanishing.

Adapting to new family models does, however, not only means the possibility to address the new emerging social risks. Also for the already recognised social risks and the existing social security arrangements, the new societal reality will be a challenge. This relates for instance to higher living costs for one-person households in comparison to multiple-person households, which accordingly requires higher amounts of social security benefits. It is in this respect noteworthy that also non-marital cohabitation and also gay partnerships are recognized by some social security arrangements in Brazil.

5. The interaction between economic development and social security

It goes without saying that the development of social security is intimately linked to economic development of a country. This is true in Western Europe and it is no different in the BRIC countries. This being said, while the relation may be strong between economic development and social security, the link is neither necessary nor automatic. In other words, a country may develop economically in a very positive way and decide to do so without attaching an equivalent attention to the development of the social security of its population. In the BRIC countries one can say that none of the four countries is taking that option. All four are committed to make their entire nations benefit from the economic development and are therefore also motivated to develop, where economically feasible, the social protection of the workers and to combat extreme poverty. However, at the same time, the BRIC countries are very much aware, and perhaps more than the old industrial states, that the economic development should not be hindered by establishing a too ambitious social security system. The key question is of course where the parallelism between social and economic development ends and the social hindrance of economic development starts.

It is striking to establish that in no BRIC country the development of social security seems to be perceived as positively related to the economic development. In the West voices are more and more heard that social security through increasing the purchasing power of people is to be seen as positive for internal consumption and thus contributing to the economic development. That this seems not to be the case in the BRIC countries may be explained by the fact

that the economic development of these countries is still to a large extent export oriented. The development of an internal market and consumption in the BRIC countries may, however, in the future also benefit from the development of social security.

6. The diversity of economic and social realities within one country

A very important common challenge to all four BRIC countries is closely connected to their vast territory in which various regions, rural and urban areas present a very diverging economic and societal development. The BRIC countries respond to the challenge of their enormous territory and high number of inhabitants by a layered governmental structure, in which regions and municipalities have their own responsibilities. This layered governmental structure is reflected in the way social security is built up, with the central/federal level setting most often the targets and principles, whereas the states and sometimes the municipalities work out these principles in accordance with the local realities. This has led to rather important divergences in social security between the rural areas and urban areas, as we meet these e.g. in China.

This internal diversity, both in terms of social-economic reality and social security protection, constitutes an enormous challenge to all BRIC countries, in terms of:

- Responsibility of states and municipalities for the own social expenditure whilst maintaining some common standards and a solidarity between the richer and poorer areas.
- Mobility between these different areas within the country.
- Reconciling pilots and tests in some regions with a coherent development of social security throughout the country.

As far as the responsibility for the own regional and municipal options is concerned and the solidarity within the country, it seems that the BRIC countries have to a larger extent accepted the differences in wealth between their regions and have to a lesser extent than e.g. in Western Europe set up solidarity mechanisms to correct these divergences.

Concerning internal mobility, the diversity of social security protection in particular within China and India leads to questions of social security coordination. When people move from one area to another, crossing “social security borders”, it is to ask whether the person has access to social security, which social security regime is competent, whether there is a counting together of time records and the like of social security and whether benefits can be exported. In addition, a number of questions for the cooperation of social security administrations come up. All these questions of social security coordination are necessarily linked to the question whether BRIC countries consider internal migration as an asset or as something to avoid, e.g. want to avoid an influx of new workers and residents to urban areas or to wealthy regions.

The picture presented by the BRIC countries is also often troubled by the fact that, often under international (funding) influence, some pilots or try-outs are set up in some areas of the countries, which do not find echoes in other regions, nor in an overall national plan. We may ask ourselves whether such pilots effectively serve their goals.

7. The lack of transparency of the social security system

As a consequence of the very fragmented coverage of some working groups, and the social security modelling on a regional or even municipal level, it gets often very difficult to get an overall picture of the social security in the BRIC countries. On top of that pilots and try outs confuse the picture.

Moreover, the relation between law and the day to day social security as it is implemented may be of a rather difficult nature. In Russia, codified law, even if confirmed by case law, has not always been implemented by social security authorities. Incidentally, this has led to numerous judgments by the European Court of Human Rights which condemned the non-implementation of law. In Brazil the rather extensive constitutional and legal provisions have led to a judiciary which seems to like to make generous decisions, which are not backed up by budgetary and social policy decisions of the government. In a country like China the juridification of social security rather contradicts the traditional apprehension for law. As a result the social security system is not only to be identified on the basis of laws, but also on the basis of decisions and sometimes also on the basis of plans. In fact, in all BRIC countries long term plans for the development of social security play a role which is much more important than planning does in most Western European countries.

The question is, however, whether to a certain extent this lack of transparency is not intended. Having huge differences in the social security protection among different professional groups and among different regions or municipalities may raise questions of justice and fairness. It cannot be excluded that the government wants to avoid these questions. The huge social security challenges in the BRIC countries, against the background of a big and fast economic growth, might only allow for a gradually build-up and extension of social security.

8. Poverty alleviation and basic needs

Table 2³

	EU	Brazil	Russia	India	China
Average income per person (PPP) in US \$	32 900	11 239	15 836	3339	7518
Number of people living under absolute poverty line of less than 2\$ PPP		18,3%	<2%	75,6%	36,3%

All four BRIC countries know a rather important fraction of their population living in poverty or even extreme poverty. All four BRIC countries acknowledge this fact and try, mainly through social assistance programmes and welfare services, to address extreme poverty issues. The economic development of the BRIC countries in the past decade made it indeed possible to alleviate poverty through such programmes. Yet the challenge remains enormous, given the large number of people still affected by poverty and extreme poverty in these countries.

Poverty alleviation and addressing basic needs will not only be a challenge for social security due to the needed financial resources. It will also be a challenge because of the unequal distribution of poverty within the countries. Poverty in the BRIC countries affects, in particular, the rural areas with the there dominant agricultural households, the population of economically less developed provinces or certain social groups, such as indigenous people in Brazil or the scheduled castes in India. The challenge will be to convince the better-off regions or parts of the populations to demonstrate solidarity and contribute to the fight against poverty.

3. Figures are drawn from the CIA World Factbook and the IMF, World Economic Outlook Database; as well as from the UNDP Human Development Indices.

9. The lack of solidarity and interaction between social assistance and social insurance

In the literature there seems to be a division of views between those (still or again) adhering to the strict separation of social insurance and social assistance, and those convinced of the unity of both under the umbrella of the more modern concept of social security. Whatever we may think of this debate, it is striking to see that in the BRIC countries the division between social insurance and social assistance arrangements remains rather strict, at least in the sense that very few elements of solidarity or redistribution between various groups are included in the social insurances, whereas the social assistance arrangements clearly focus on the extreme poverty. However, it might be worth examining whether the development of social insurances — which are often reserved to the already better off groups of workers — should not more systematically be accompanied by elements of solidarity with those excluded from the scope of these insurances, the weakest groups first. This, however, does not seem in line with the development of social insurance and social assistance in the BRIC countries. Social insurances are rather inward looking and finance themselves (be it often with public support) whereas the general budget is to cover the expenses of the social assistance arrangements. At first sight social insurance arrangements for rural workers or voluntary social insurances, which are heavily sponsored by the public budget, seem to be in contradiction with the above; but here again we see no attempt to link these rural or voluntary schemes, which most often address the so called informal sector, with the social insurances of the formal sector.

10. The weak interconnection between social security actors

The complexity of the social security structure in the BRIC countries makes that in most of them a large number of social security administrations are active. To a large extent they seem, however, to work rather in an isolated way without substantial interaction between them. It will be a challenge for the future to better coordinate the work of the different social security administrations, in the first instance through better information exchange. Besides better coordination, a general simplification of the administrative structure of social security would need to be considered. For instance by merging social security administrations or by better assigning the existing tasks to the different administrations. First plans to a simplification of the administrative structure have been observed in our investigations on the BRIC countries.

The weak interconnection between social security actors negatively impacts on a further problem identified in the BRIC countries: social security fraud. Here we are not only talking about contribution fraud typically by employers or benefit fraud by beneficiaries, but also about fraud by social security administrations. For a more effective fight against social security fraud, a better coordination, and also supervision, of social security administrations seems to be necessary.

A side effect of the weak interconnection between the social security administrations in the BRIC countries is that it is rather difficult to establish comparative standards as to their efficiency and effectiveness. This makes it also difficult to assess whether the social security administrators deliver good value for money, in other words whether their administrative cost can be considered reasonable.

11. The place of private actors in social security

In all BRIC countries the private sector has been given a role to play in social security. This role may be more important or reduced.

Private or semi-private service providers have been given a prominent role in the health care sector of the BRIC countries. But also in the field of old age security, where the BRIC countries in one way or the other incorporated a multiple pillar approach, private service providers are part of the government's social security considerations.

It is striking that private actors not only fulfil a role in the formal social security system, but, maybe even more important, a role in the informal protection in some of the BRIC countries. In India, for instance, self-help groups, i.e. usually unregistered associations of poorer workers in the informal sector, provide for protection against the occurrence of social risks amongst their members.

It is important to note that the growing impact of private entrepreneurship and the private market in some BRIC countries, is not always fully absorbed by social security structures. In plain terms, where in earlier times in countries like Russia and China the companies were in state hands with important trade union control, one could assume that the social security contribution duties were better observed than today by a myriad of private companies of diverging stability.

12. Pensions and other income replacement

Pension arrangements take a very prominent place in the social security constructions in the BRIC countries. Together with health care, retirement arrangements are the focus of social security reforms. Whereas for health care the main reasons for its dominant place in building up and extending social security can be seen in its fundamental nature and in the international medical and pharmaceutical complex, the reasons for retirement arrangements are rather based on societal changes in the BRIC countries, such as changing family patterns and demographic changes, and on the possibility to directly link benefits with contributions, which is less the case for other branches of social security.

The old age pension age and the related conditions for obtaining a pension have to be seen in the light of the demographic reality of the concerned countries, especially the life expectancy in these (see the table in Section 3 on "Demography" on page 11).

The BRIC countries have in one way or another incorporated the three pillar approach. Yet the first pillar is sometimes very weak, the focus being often on a compulsory but sector or enterprise based arrangement. This expresses, of course, the wish not to have larger redistribution, which is problematic when the first pillar is underdeveloped or even virtually absent.

The relation between receiving a pension, even a disability pension or a survivor pension, and not working is of another nature than in most old industrialised countries. When in the latter the invalidity pension, and often also the retirement and sometimes the survivor pensions restrict the possibility for their beneficiaries to continue working, this appears not or less to be the case in the BRIC countries. Perhaps, this is due to the fact that legally restricting the possibility to work, makes little sense in countries with huge informal work sectors.

Noteworthy is that in some of the examined countries the pension arrangements consist of one-off payments at retirement or of arrangements the capital of which may be taken up before retirement to address other social needs (education of children, housing etc).

As far as the compensation mechanisms for labour accidents and professional diseases it is obviously also crucial that the workers most threatened by a dangerous work environment, would be covered by these. Often the not covered so called informal sector coincides to a large extent with the most dangerous work environments.

13. The access to a qualitative health care and care

The ambition to have a universal coverage of health care needs with health qualitative care services accessible to all, whatever the income of the patients and whatever the place they live in, constitutes an enormous challenge for the BRIC countries. This is because, in contrast to other branches of social security, the health care sector is a rather cost-intensive sector. In addition to the general expensiveness, the immense size of the BRIC countries, with its remote areas with low population density, makes the guarantee of accessibility of health care a costly endeavour. Here important trade-offs between quality and accessibility have to be made.

It is striking that in all BRIC countries there are private or semi-private health care providers, services and products available to those (in the cities) who can afford to pay for them; it might be useful to require from this private health sector some more solidarity with the efforts of the states to provide an accessible and qualitative health care to all.

As a consequence of the bad relation between the active and passive populations, we see also BRIC countries more intensively interested in the issue of care for people having lost their autonomy. Although no dependency insurances seem to emerge, it is clear that special attention goes not only to upgrading the quality of care homes, but also to finding ways to provide the necessary care at home. The traditional home care by family members can be supported to that effect or new forms of home care stimulated.

14. Inflation and the validity of commitments for the future

One of the worst enemies of a decent social protection system undoubtedly consists of high inflation rates. Although the situation has clearly improved in the Brazil, Russia and India over the last years, inflation figures are still substantially higher than in the EU. Also in a not too remote past, countries like Brazil and Russia have experienced inflation rates of three and even four digits!

Countries like Russia and also China have experienced over a recent past a very important change in societal organization. Market mechanisms and self-responsibility have been stressed. This might undermine the confidence of people in arrangements set up by government. One has indeed experienced already that the 'all providing' state was removed: how to trust that the social security commitments for the future will be held? In a way, a similar loss of trust may be produced by important inflation. Indeed, when in some of the BRIC countries the inflation has in a not too distant past run into very high figures, how to make people believe that saving, even saving in the form of social security, gives any security? It is in this respect noteworthy that the constitutional and legal provisions dealing with social security in Brazil pay very much attention to guaranteeing the real value of the social security commitments taken up. Notwithstanding these and similar guarantees in other BRIC countries, one can notice that often the returns on the funded schemes are not sufficient to even make up for inflation, which certainly questions the validity of the financing via funded schemes.

Table 3. Inflation rates evolution⁴

	EU	Eurozone	Brazil	Russia	India	China
2010	2,1%	1,6%	5,04%	6,85%	13,19%	3,33%
2009	1,0%	0,3%	4,90%	11,65%	10,88%	-0,69%
2008	3,7%	3,3%	5,67%	14,11%	8,35%	5,90%
2007	2,3%	2,1%	3,64%	9,00%	6,37%	4,77%
2006	2,2%	2,2%	4,20%	9,68%	6,18%	1,47%
2005	2,2%	2,2%	6,88%	12,68%	4,25%	1,82%
2004	2,0%	2,2%	6,60%	10,89%	3,77%	3,90%
2003	2,0%	2,1%	14,78%	13,67%	3,81%	1,17%
2002	2,1%	2,3%	8,43%	15,78%	4,30%	-0,77%
2001	2,2%	2,4%	6,84%	21,46%	3,78%	0,73%
2000	1,9%	2,2%	7,06%	20,78%	4,01%	0,4%
1999	1,2%	1,2%	4,86%	85,74%	4,67%	-1,4%
1998	1,3%	1,2%	3,21%	27,68%	13,23%	-0,8%
1997	1,7%	1,7%	6,93%	14,77%	7,16%	2,8%
1996			16,01%	47,74%	8,98%	8,3%
1995			66,01%	197,47%	10,23%	17,1%
1994			2075,83%	307,63%	10,21%	24,1%
1993			1927,38%	874,62%	6,36%	14,7%
1992			1022,45%		11,78%	6,4%
1991			477,39%		13,87%	3,4%
1990			2947,73%		8,97%	3,10%

15. Identification and IT related issues

BRIC countries struggle with keeping record of the persons covered by the various social insurance arrangements or benefiting from social security benefits. This problem may be overcome by a better registration of the population and the introduction of *national* (social security) identification numbers, which, however, isn't an easy enterprise in huge countries like the BRIC.

The complexity of social security administration has been accompanied by an extraordinary complexity and diversity of used administrative tools. Especially when introducing IT in the administration of social security, this has not eased the interaction between the various social security actors. This may be deplored the more that the introduction of IT is a rather costly operation in countries like the BRIC countries. Moreover, one has to realize that the internal communication between establishments of the same social security administration may have to be set up over several thousands of kilometres and between places with a very diverging development of infrastructure.

4. Figures for EU from EUROSTAT and for BRIC countries from International Monetary Fund, World Economic Outlook Database, April 2011

16. Globalisation and world wide competition

Although it might be self-evident, it is important to recall that not only old industrialized countries are worried about the impact of globalization and more specifically what this means to their social security systems. In fact, also BRIC countries are well aware that they are developing their economies in a very competitive global surrounding. In this way not only in the West, but also and even more in the BRIC countries, the argument is heard that social security arrangements should not burden too much the enterprises and their development. In other words if globalization exerts a downwards pressure upon the social security systems of the West, this is also the case in the BRIC countries and even on the lesser developed countries. In this way, this pressure leads to self-fulfilling prophecies. One should dare to observe that this course of events is by no means necessary and that international agreements could stop this pressure. Just like enterprises by the end of the 19th and the beginning of 20th century could impose social standards without impoverishing the concerned societies, this could also be realized on a world scale ... if the political will to do so would be present. This is no plea against the market economy, but it is arguing that only a socially corrected market economy is sustainable in the long run, both in political and social-economic perspectives.

17. Need for a sustainable financial and economic basis

The BRIC countries finance their social insurance arrangements through the usual channels, being state subventions and contributions, mainly wage earner and employer contributions.

In some countries the financing of social security is very much geared to keep the link with the concerned paying individual. This can of course be noticed in the DC funded schemes, but also in arrangements where the proceeds of the wage earner or voluntary contributions escape all redistribution, and may sometimes even be claimed back by the one who paid them.

It seems that only in a restricted way social security arrangements are being financed through so called alternative channels. In Brazil this is the case through the levies on lotteries and some imports; also in India levies on some imported and exported products co-finance social security arrangements.

In future, it will be the challenge to choose for the optimal source for the financing of social security. Next to above mentioned usual channels, i.e. contributions and state subsidies, new sources will be crucial to preserve economic growth, but also a healthy environment in the BRIC countries. This relates for instance to earmarked taxes on exports, on energy, on environmentally damaging products or on unhealthy products. Though a creative way of financing social security arrangements, the development of social security could be better linked with the growth of economic capacity and the accumulation of wealth (by few). It goes without saying that this is only feasible if there is the political will and strength to do so.

18. The interaction between social security, social policy and other policy areas

Perhaps even more than in old industrialised states, it is important to remind that social security is only one channel through which social policy goals may be realized and that social policy is very much linked to other societal and economic features.

All this is also true for social security law, as it is interconnected with other branches of law:

- One should realize that many arrangements for workers are restricted to those which are considered having a labour contract in the sense of the labour law;

- One should take into account the family law and the obligations of support that law stipulates;
- One should be aware that without decently functioning personal income tax, it is hard to operate means tests in an impartial way;
- One should recall legislation as to internal migration and the personal identification.

19. The deficient implementation, control and sanctioning

A complex administration, with many actors and layers is not always controlled and sanctioned in the most appropriate way.

This is even more so in case the traditional authority of the state is not seriously challenged. Or when citizens lack the intellectual or material capacity to challenge the administration. Corruption may add to the problem; informal payments for health care services may erode the real accessibility of the health care system.

Where the social security system is provided of a solid legal control, the judiciary may make some control actions difficult as is illustrated by the Brazilian case where the principle that the administration has to prove that people do not qualify for a pension (...because they are dead) made the combat against phantom pensions more difficult.

20. Need for another more creative approach?

As we explained at the beginning, there seems to be a paradigm unclarity as to social security in the BRIC countries. This may be explained by the origin of social security in the old industrialized countries and the less fitting character of the social security arrangements for newly developed or developing economies. The ILO continues to spread the belief that social security is a good that is to be shared on a universal basis. Yet we could ask ourselves whether the way social security has been thought in the West is really the most appropriate way also for the BRIC countries. In this respect we can ask ourselves for instance whether in countries with a huge informal sector, unemployment benefit schemes as such make sense. Also the ecologic impact of certain industries in the BRIC countries may call for social security responses in analogy with the labour accident and professional injuries schemes developed in the old industrial world.

It is also striking to see that, although BRIC countries have a huge diaspora, very little attention is paid to the social protection of these emigrants. It might be a good idea to pay some more attention to these emigrants and the social coverage of them when they would decide to return.

Concluding Thoughts

How does all this relate to the main findings in our *Social Security Quo Vadis* research in Western Europe?

The question is easy to ask, quite difficult to answer though. Some convergencies may surprise as may some fundamental differences. Personally, we were rather impressed by the important, but complex, demographic challenge faced by the BRIC countries. Whereas we found earlier that the basic solidaristic paradigm of social security in Western Europe was suffering of a lack of clarity for the concerned population, it seems that in the BRIC countries the very paradigm on which to build social security remains to be defined. Whereas the challenges social security is confronted with in the BRIC countries and the EU are sometimes similar (demographic challenge, changing family patterns, need for a more effective administration, IT related issues, vanishing traditional family model) we have to keep in mind the substantially different reality these challenges present themselves in. Accordingly we must not make the assumption that the challenges being equal, the ways to address them may be similar.

Since in Europe social security covers the largest part of the population and certainly of the working population, it is crucial that all able-bodied adults below a certain age work and hence contribute to the financing of social insurance. In the BRIC countries the main challenge consists in bringing more people under social security by transferring them from the informal to the formal sector. It is, however, questionable whether all BRIC countries are ready to take up this challenge, when such would expose their upcoming economies to additional financial burdens. A similar question arises in relation with the internal diversity of social protection within the BRIC countries. Of course we are familiar with such diversity within the European Union but we shouldn't forget that the BRIC countries have more inhabitants and/or are bigger than the whole EU. Yet accepting huge differences in living standards and social protection levels within one country and a reluctance to establish solid and transparent solidarity mechanisms between the poorer and richer regions or segments of the population, may in the long run pose very serious problems.

We were also struck by the fact that not only in Western Europe, but also in the BRIC countries the argument of globalisation was being used against the development of social protection: in order to face competition on the global scale, one needs to be modest in social ambitions, so is said. But what if we would accept to join hands and turn the arguments of globalisation around ... in favour of a decent social protection for all. But I guess this remark is a bit too idealistic ... and thus remote from real life. Anyhow, with these few remarks we hope to stimulate the debate; a debate on a global scale and indeed relevant for the future of the planet.

Bibliography

General And Comparative Works

AUERBACH, P., GENONI, M.E. and PAGÉS, C., “Social Security Coverage and the Labor Market in Developing Countries” in *IZA Discussion Papers*, 2979, (2007), 43 p.

BARRIENTOS, A., “Comparing Pension Schemes in Chile, Singapore, Brazil, and South Africa” in *IDPM Discussion Paper Series*, 67, (2002), pp. 1–31.

INTERNATIONAL LABOUR OFFICE, *Social Health Protection: An ILO Strategy towards universal access to health care*, Geneva, ILO, 2008, 108 p.

INTERNATIONAL LABOUR OFFICE, *World Social Security Report*, Geneva, ILO Publications, 2010, 278 p.

ISSA, “The Emergence of New Economic Powers, What New Values for Social Security Policies”, in *Social Security Observer*, 10, (2010).

KANNAN, “Social Security in a globalizing world” in *International Social Security Review*, 60, (2007, 3, pp. 19–89.

PIETERS, P., “Freedom of Choice in Europe’s Social Security Law” in *European Journal of Social Security*, (2003), pp.287–304.

PIETERS, P., and SCHOUKENS, P., “Social Security Quo Vadis? Interviews with social security administration CEOs in 15 Western European countries”, New York, IBM Global Social Segment, IBM Corporation, 2007, 111 p.

SONG, S., “Pension Systems and Reforms in China and Russia” in *The Chinese Economy*, 42, (2009), pp. 9–23.

TRAGAKES, E. and LESSOF, S., *Health Care Systems in Transition*, Copenhagen, European Observatory on Health Systems and Policies, 2003, 204 p.

Brazil

ANTÍA, F. And LANZARA, A.P., “Multi-pillared Social Insurance Systems: the Post-reform Picture in Chile, Uruguay and Brazil” in *International Social Security Review*, 64, (2011), 1, pp. 53–71.

BERTRANOU, F. and ARENAS DE MESA, A., (eds.), *Protección Social Pensiones Y Género en Argentina, Brasil y Chile*, Santiago, ILO, 2003, 225 p.

BERTRANOU, F., CALVO, E., and BERTRANOU, E., *Is Latin America Retreating from Individual Retirement Accounts?*, Boston, Center for Retirement Research, 2009, 19 p.

- BONTURI, M., “The Brazilian Pension System: Recent Reforms and Challenges Ahead” in *OECD Economics Department Working Papers*, 340, (2002), pp. 1–35.
- CAETANO, M., “Recent History, Perspectives and Challenges to Social Insurance: the Brazilian Case” in UNRISD (Red.), *Financing Social Policy: Pension Funds and Economic Development*, Geneva, UNRISD, 2009, 49 p.
- CARMELO, M.L., “Social Security in Latin America Pension and Health Care Reforms in the Last Quarter Century” in *Latin American Research Review*, 42, (2007), pp. 181–201.
- CLEISS, *Le Régime brésilien de sécurité sociale*, 2010, (29.03.2011, CLEISS, http://www.cleiss.fr/docs/regimes/regime_bresil.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+wwwcleissfr+%28CLEISS%29&utm_content=FeedBurner)
- FERREIRA SAVOIA, J.R., *Pension Reform in Brazil: The Challenge of Labor Inclusion*, Paper presented on the 5th International Research Conference on Social Security, Warsaw, 05-07.03.2007, 17 p.
- GIAMBIAGI F. and DE MELLO, L., “Social Security Reform in Brazil: Achievements and Remaining Challenges” in *OECD Economics Department Working Papers*, 534, (2006), pp. 1–21.
- GLOMM, G., JUNG, J., LEE, C. and TRAN, C., “Public Pensions and Capital Accumulation: The Case of Brazil” in *CESifo Working Papers*, 1539, (2005), pp. 1–35.
- INTERNATIONAL LABOUR OFFICE (2007), *Reunión Regional Tripartita sobre el future de la protección social en América Latina*, paper presented on the ILO-Conference of 12-14 December 2007 in Santiago, Chile.
- ISSA & SSA, *Social Security Programs Throughout the World: The Americas*, Washington, Social Security Administration, 2006, pp. 61–66.
- ISSA, *Dynamic Social Security for the Americas: Social Cohesion and Institutional Diversity. Developments and trends*, Geneva, ISSA Publications, 2010, 32 p.
- JACKSON, R., STRAUSS, R. and HOWE, N., *Latin America’s Aging Challenge*, Washington, CSIS, 2009, 53 p.
- LINDERT, K., LINDER, A. HOBBS, J. and DE LA BRIÈRE, B., *The Nuts and Bolts of Brazil’s Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, Washington, World Bank, 2007, 143 p.
- LULA DA SILVA, L.I., et al., *Overview of Brazilian Social Welfare*, Brasilia, General Office of Social Welfare Policies, 2009, 79p.
- MARÍO, E. G. and WOOLCOCK, M., “Assessing Social Exclusion and Mobility in Brazil” in MARÍO, E.G. and WOOLCOCK, M. (eds.), *Social Exclusion and Mobility in Brazil*, Washington, IBRD/World Bank, 2008, 1–34.
- MATIJASCIC, M. and KAY, S.J., “Social Security at the crossroads: Toward effective pension reform in Latin America” in *International Social Security Review*, 59, (2006), 1, pp. 3–28.
- NATIONAL SECRETARIAT FOR PENSION FUNDS, *Activities Report*, Brasilia, National Secretariat for Pension Funds, 2009, 71 p.
- OECD, *OECD Economic Survey of Brazil 2005: Better Targeting Government Social Spending*, Paris, OECD, 2005, 12 p.

OECD, *Tackling Inequalities in Brazil, China, India and South-Africa*, Paris, OECD, 2010, 307 p.

PALACIOS, R. and SLUCHYNSKY, O., *Social Pensions Part I: Their Role in the Overall Pension System*, Washington, World Bank, 2006, 45 p.

REIS, A. and PAIXÃO, L.A. (2004), *Private Pensions in Brazil*, Paper presented at the Working Party on Private Pensions of OECD held in 2004 in Paris, France.

ROFMAN, R. and LUCCHETTI, L., *Pension Systems in Latin America: Concepts and Measurements of Coverage*, Washington, World Bank, 2006, 135 p.

SOARES, F.V., SOARES, S., MEDEIROS, M. and OSÓRIO, R.G., "Cash Transfer Programmes in Brazil: Impacts on Inequality and Poverty" in *UNDP Working Papers*, 21, (2006), pp. 1–32.

WORLD BANK, *Brazil Critical Issues in Social Security*, Washington, World Bank, 2001, 231 p.

Russia

ARHANGELSKY, V., "Modern Russian Social Security" in *Chicago Journals*, 72, (1998), 2, pp. 251–268.

BESSTREMYANNAYA, G., "Increased Public Financing and Health Care Outcomes in Russia" in *Transitional Studies Review*, 16, (2009), pp. 723–734.

BESSTREMYANNAYA, G., "Out-of-Pocket Health Care Expenditures by Russian Consumers with Different Health Status" in *Transition Studies Review*, 14, (2007), pp. 331–338.

EBERSTADT, N. and GROTH, H., "The Russian Federation in an Era of Demographic Crisis: The Special Challenges of Population Aging and Social Security Policy" in *The WDA-HSG Discussion Paper Series*, 6, (2010), pp. 54.

EBERSTADT, N. and GROTH, H., "The Russian Federation: Confronting the special challenges of ageing and social security policy in an era of demographic crisis" in *International Social Security Review*, 63, (2010), dl. 3/4, pp. 23–58.

FORNERO, E. and FERRARESI, P.M., *Pension Reform and the Development of Pension Systems: An Evaluation of World Bank Assistance*, Washington, World Bank, 2007, 51 p.

GORCHKOVA, S.S., "European Norms on the Protection of Human Rights: On the Development of Russian Human Rights Legislation" in *Review of Central and East European Law*, 29, (2004), 3, pp. 365–405.

GURVICH, E., *The Distributional Aspects of the Russia's Pension System*, 2004, 33 p.

HAUNER, D., "Macroeconomic Effects of Pension Reform in Russia" in *IMF Working Papers*, 8, (2008), pp. 1–23.

ISSA & SSA, *Social Security Programs Throughout the World: Europe*, Washington, Social Security Administration, 2010, pp. 258–263.

ISSA, *Crisis country case study: Russian Federation*, Geneva, International Social Security Association, 2010, 8p.

JENSEN, R.T. and RICHTER, K., "The health implications of social security failure: evidence from the Russian pension crisis" in *Journal of Public Economics*, 88, (2003), pp. 209–236.

JENSEN, R.T. and RICHTER, K., *Social Security, Income Volatility and Health: Evidence from the Russian Pension Crisis*, London, STICERD, London School of Economics, 37 p.

KAY, R., "Social Security, care and the "withdrawing state" in rural Russia" in JÄPPINEN, M., KULMALA, M. en SAARINEN, A. (Reds.), *Gazing at Welfare, Gender and Agency in Post-socialist Countries*, Cambridge Scholars Publishing, Newcastle upon Tyne, pp. 145-168.

KOTLIKOFF, L.J., *The Right and Wrong Ways to Reform Pensions in Russia*, Boston, The National Bureau of Economic Research, 2000, 14 p.

KUZNETSOV, A. and GONCHARENKO, L., "Tax Reforms in Russia: The Introduction of the Unified Social Tax", in MCGEE, R.W. (ed.), *Taxation and Public Finance in Transition and Developing Economies*, New York, Springer, 2008, pp. 533-545.

MIKHALEV, V., "Social Security in Russia under Economic Transformation" in *Europe-Asia Studies*, 48, (1996), 1, pp. 5-25.

OECD (2003), "Pension Reform in Russia: From legislation to implementation" paper presented on OECD Conference of 24-26 September of 2003 in Moscow, Russia, 16 p.

OECD, "Reform and Challenges for Private Pensions in Russia" in *OECD Private Pensions Series*, 7, (2005), pp. 1-99.

OHTSU, S. and TABATA, S., "Pension Reforms in Russia" in *PIE Discussion Paper Series*, (2005), pp. 1-27.

PISHCHITA, A.N., "Elderly Patients as a Vulnerable Category of the Population Requiring Special Legal Protection With Respect to the Provision of Medical Care" in *European Journal of Health Law*, 14, (2007), pp. 349-354.

ROMANOV, P., "Quality Evaluation in Social Services: Challenges for New Public Management in Russia" in PETERS, G. (ed.), *Mixes, Matches, and Mistakes, New Public Management in Russia and the Former Soviet Republics*, Budapest, Open Society Institute, pp. 9-51.

RUDOLPH, H.P., and HOLTZER, P., "Challenges of the Mandatory Funded Pension System in the Russian Federation" in *World Bank Policy Research Working Paper*, 5514, (2010), pp. 1-33.

TOMPSON, W., "Healthcare Reform in Russia: Problems and Prospects" in *OECD Economics Department Working Papers*, 538, (2007), pp. 1-39.

TWIGG, J., *U.S.-Russia Collaboration on Health*, Washington, CSIS, 2009, 11 p.

WILLIAMSON, J.B., HOWLING, S.A. and MAROTO, M.L., "The political Economy of pension Reform in Russia: Why partial Privatization" in *Journal of Aging Studies*, 20, (2006), pp. 165-175.

WOODRUFF, D.M., "Pension Reform in Russia: From the Politics of Implementation to the Politics of Lawmaking?" in *PONARS Policy Memo's*, 234, (2002), pp. 1-4.

WORLD BANK, *World Bank Loan Supports Russia's Social Reforms*, Washington, World Bank, 1997, 6 p.

India

BAROWALIA, A., "Public Private Partnership in Social Sectors for Harmonized Development in India" in *International Journal of Sustainable Development*, 1, (2010), 4, pp. 29-37.

COSSMAN, B. And KAPUR, R., "Women and Poverty in India, Law and Social Change" in *Canadian Journal of Women and the Law*, 6, (1993), pp. 278-304.

DEPARTMENT of ECONOMIC AFFAIRS, *The New Pension Scheme: Administrative arrangements for central recordkeeping of personal retirement accounts*, New Delhi, Ministry of Finance, 2004, 77 p.

GHAI, M., *The Coverage Gap: Informal Labour Markets in the Developing World with Special Reference to India*, Paper presented on the 5th International Research Conference on Social Security in Warsaw on 5-7 March 2007, 21p.

GHOSH, J., "Social Policy in Indian Development DRAFT" in UNRISD, *Social Policy and Development*, Geneva, UNRISD, 2002, 25 p.

GILLINGHAM, R. and KANDA, D., "Pension Reform in India" in *IMF Working Papers*, 01/125, (2001), pp. 1–29.

ISSA & SSA, *Social Security Programs Throughout the World: Asia and the Pacific*, Washington, Social Security Administration, 2010, pp. 76–81.

JHA, R.K. en BHATTACHARYYA, S., "Social Security System in India: An International Comparative Analysis" in *MPRA*, München, 2010, 20 p.

JUSTINO, P., *Social Security in Developing Countries, Myth or Necessity? Evidence From India*, Brighton, University of Sussex, 2003, 35 p.

KANNAN, K.P., and VIJAYAMOHANAN, P.N., "Evolution of Social Security in the Lap of Public Action: Recounting the Experience of Kerala" in *MPRA Papers*, 9691, (2007), pp. 1–49.

KANNAN, K.P., and VIJAYAMOHANAN, P.N., "Social Security in India: The Long Lane Treaded and the Longer Road Ahead Towards Universalization" in *MPRA Papers*, 9601, (2008), pp. 1–65.

KUNDU, A., "Effects on Wage and Employment After Implementation of Social Security Norms in the Agricultural Labour Market", 49, (2008), 12, pp. 1115–1123.

LINDEMAN, D.C., "Provident funds in Asia: Some lessons for pension reformers", in *International Social Security Review*, 55, 2002, 4, pp. 55–156.

MADHAVA, R., "Social Security administration in India — Study on provident funds and pension schema" in *MPRA Papers*, 1919, (2007), pp. 1–243.

PAL, S. and PALACIOS, R., *Understanding Poverty among the Elderly in India: Implications for Social Pension Policy*, Bonn, Institute for the Study of Labor, 2008, 20 p.

RAJAN, S.I., "Population Aging, Health and Social Security in India" in *CREI Discussion Paper Series*, 3, (2007), pp. 1–39.

RAJASEKHAR, D. and SUCHITRA, J.Y., *Showing the Way Forward: India's Redistribution Experience in Extending Social Protection to All*, New Delhi, ILO, 2006, 117 p.

RAJU, K.D., *Social Clause in WTO and Core ILO Labour Standards: Concerns of India and Other Developing Countries*, Kharagpur, Rajiv Gandhi School of Intellectual Property Law, 2008, 25 p.

REMESH, B.P., *Social Security for Unorganized Sector Workers in India: Alternative Approaches and New Initiatives*, Paper presented on the 5th International Research Conference on Social Security in Warsaw on 5-7 March 2007, 17 p.

SMITH, G. et al., *Indian Microdata Scoping Study Final Report to the ESRC*, Oxford, Department of Social Policy and Social Work, 56 p.

SÜLZER, R., “Social Security in India — A System in the Making” in KUESSEL, C., MAENNER, R. and MEISSNER, R. (eds.), *The Social and Ecological Market Economy – A Model for Asian Development?*, Eschborn, Deutsche Gesellschaft für Technische Zusammenarbeit, 2008, pp. 211–229.

WORLD BANK, “Reforming Health Social Security: Proceedings of an International Seminar” in *Working Paper Series*, 4, (2005), pp. 1–192.

China

AIDI, H., “Reforming China’s social security system: Facts and perspectives” in *International Social Security Review*, 50, (1997), 3, pp. 45–65.

ASIAN DEVELOPMENT BANK, *People’s Republic of China: Rural Pension Reform and Development*, Manila, Asian Development Bank, 2009, 11 p.

ASIAN DEVELOPMENT BANK, *People’s Republic of China: Capacity Development for Rural Pension Administration and Services*, Manila, Asian Development Bank, 2010, 11 p.

BIRMINGHAM, B. And SHAOMIN, C., *An Introduction to Pension Schemes in China*, Brussels, EU-China Social Security Reform Co-operation Project, 2006, 20 p.

CHAN, K.W., “The Global Financial Crisis and Migrant Workers in China: There is No Future as a Labourer; Returning to the Village has No Meaning” in *International Journal of Urban and Regional Research*, 34, (2010), 3, pp. 659–677.

DROUIN, A. And THOMPSON, L.H., “Perspectives on the social security system of China” in *ILO ESS Papers*, 25, (2006), pp. 1–101.

FREEMAN, C.W. and BOYNTON, X.L., *China’s Health amidst the Global Economic Crisis*, Washington, Center for Strategic and International Studies, 2009, 9 p.

GHOSH, J., “Poverty reduction in China and India: Policy implications of recent trends” in *DESA Working Papers*, 92, 2010, pp. 1–26.

GRAYSON, C., *The Financial Control of Social Insurance in China*, 2009, 50 p.

HERD, R., HU, Y-W. And KOEN, V., “Providing greater old-age security in China” in *OECD Economic Department Working Papers*, 750, (2010), pp. 1–42.

ISSA & SSA, *Social Security Programs Throughout the World: Asia and the Pacific*, Washington, Social Security Administration, 2010, pp. 60–65.

ISSA, *Crisis country case study: People’s Republic of China*, Geneva, International Social Security Association, 2010, 6p.

JIYE, H., *An Approach on Social Insurance Anti-fraud Law in China*, Brussels, EU-China Social Security Reform Co-operation Project, 2009, 16 p.

LEUNG, J., *Social Security Reforms in China: issues and prospects (pre-published version)*, 2002, 31 p.

LIVETT, B., *Refining a Governance Model for Fund Management — Post-Crisis Applications for China’s Social Security System*, Brussels, EU-China Social Security Reform Co-operation Project, 2009, 27 p.

MINGFU, L., *Research Report on Issues Concerning the Expansion of Social Security Coverage in China*, Beijing, Ministry of Labour and Social Security, 2009, 146p.

- OKSANEN, H., "The Chinese pension system: First results on assessing the reform options" in *European Commission Economic Papers*, 412, (2010), pp. 1-41.
- SALDITT, F., WHITEFORD, P. and ADEMA, W., "Pension Reform in China: Progress and Prospects" in *OECD Social, Employment and Migration Working Papers*, 53, 2007, pp. 1– 48.
- SHEN, C. en WILLIAMSON, J.B., "China's new rural pension scheme: can It be improved?" in *International Journal of Sociology and Social Policy*, 30, (2010), dl. 5/6, pp. 239–250.
- STÜKER, H., *Comparative Study on European policies – France and Chinese hospital payment mechanism*, Brussels, EU-China Social Security Reform Co-operation Project, 2008, 45 p.
- STÜKER, H., *Impact on DRGs on the co-payment policies in China*, Brussels, EU-China Social Security Reform Co-operation Project, 2008, 41 p.
- WANG, X., *China's Pension System Reform and Capital Market Development*, Paper presented at the International Conference on China and the WTO in Cambridge, 12 September 2001, 22 p.
- WANG, Y., "Reform of China's Pension System" in *China & World Economy*, 13, (2005), 3, pp. 44–55.
- WESNER, F., *Soziale Sicherung in der VR China*, Peking, Pekinger Büros der Friedrich-Ebert-Stiftung, 2005, 66 p.
- WHITEFORD, P., "From Enterprise Protection to Social Protection: Pension Reform in China" in *Global Social Policy*, 3, (2003), pp. 45–77.
- X, *Appraising the Current Patterns of Social Security for Migrant Workers in China*, Brussels, EU-China Social Security Reform Co-operation Project, 2004, 53 p.
- YU, W.K., "The reforms of health care finance in Hong Kong and urban China: A mixed attitude to social welfare" in *Critical Social Policy*, 26, (2006), 4, pp. 843–864.
- ZHU, Y., "Recent developments in China's social security reforms" in *International Social Security Review*, 55, (2002), 4, pp. 39–54.
- ZHU, Y., *A case study on social security coverage extension in China (Working Paper)*, Geneva, International Social Security Association, 2009, 25 p.
- ZONGFAN, W., *Prevention of Fraud and Abuse of the Pension System: Situation, Problem and Measures*, Brussels, EU-China Social Security Reform Co-operation Project, 16 p.

About the Authors

Danny Pieters is Ordinary Professor for Comparative and European Social Security Law at the K.U.Leuven (Catholic University of Leuven). A former research fellow at the universities of Cologne and Strasbourg, Professor Pieters has taught at the University of Tilburg (1986 through 1991). Since 1995 he has served as Secretary-General of the European Institute of Social Security, a scientific organization with more than 400 members across Europe. In 2010 he was elected senator and subsequently speaker of the Senate of Belgium.



Professor Pieters is director of the *Research Unit on European Social Security*, which is the European section of the Institute of Social Law. The latter was founded in 1967 as part of the law faculty of the K.U.Leuven (Catholic University of Leuven) and coordinates all aspects related to lectures and seminars in social law. It has an extensive research unit exploring the actual themes in the field of comparative, European, and international social security (law), welfare law, and information technology in the field of social security.

He has vast experience in training projects as well as research projects concerning social protection throughout Europe. He regularly acted as consultant for the institutions of the EU, the Council of Europe, and many national administrations and governments. He is program director of the Master in European Social Security, which is a multidisciplinary, multinational postgraduate study organized at the K.U.Leuven. It provides students with an in-depth study of social protection from a legal, economic, sociological, administrative, and philosophical perspective.

Professor Pieters is the author of several books and articles in the field of European and comparative social security law. His bibliography contains more than 250 publications.

He received his doctorate in law on a research theme related to the comparative analysis of the social rights embodied in European constitutions.

Paul Schoukens is Professor of Social Security Law (Comparative, International and European) at the K.U.Leuven (Catholic University of Leuven). He is general coordinator of the European Institute of Social Security, a scientific association with more than 400 members across Europe. Within the K.U.Leuven, he is working for the European section of the Institute of Social Law, organized as the *Research Unit on European Social Security (RUESS)*. He mainly teaches subjects on European, international, and comparative social security law. His research topics of interest are the social protection of atypical workers, healthcare systems, social welfare, and the relationship between e-technology and social security administration, among others.



Professor Schoukens is involved in the organization of the Master in European Social Security and the Summer School on Social Security. He is program director of the latter specialized program, a two-week course that gives a general introduction into social protection across Europe from a multidisciplinary perspective.

He is involved in many research projects, especially in fields related to comparative and European social security. Research projects have been carried out for the European Commission, the Council of Europe, and several national institutions and governments. He is the author of more than 50 journal articles and is often invited to present papers at international meetings and conferences.

Professor Schoukens earned his doctorate in law from the K.U.Leuven with research on the impact of European Union law on the social protection of self-employed persons.

Key Contact Information

To contact the authors:

Prof. Danny Pieters

European Institute of Social Security

KU Leuven

Blijde Inkomststraat 17

B-3000 Leuven

Belgium

Phone: +32 16 325 422

Fax: +32 16 325 419

e-mail: Danny.Pieters@law.kuleuven.be

Prof. Paul Schoukens

European Institute of Social Security

KU Leuven

Blijde Inkomststraat 17

B-3000 Leuven

Belgium

Phone: +32 16 325 390

Fax: +32 16 325 419

e-mail: Paul.Schoukens@law.kuleuven.be



Reports from **IBM Center for The Business of Government**

For a full listing of IBM Center publications, visit the Center's website at www.businessofgovernment.org.

Recent reports available on the website include:

Assessing the Recovery Act

Managing Recovery: An Insider's View by G. Edward DeSeve

Virginia's Implementation of the American Recovery and Reinvestment Act: Forging a New Intergovernmental Partnership by Anne Khademian and Sang Choi

Collaborating Across Boundaries

Environmental Collaboration: Lessons Learned About Cross-Boundary Collaborations by Kathryn Bryk Friedman and Kathryn A. Foster

Conserving Energy and the Environment

Implementing Sustainability in Federal Agencies: An Early Assessment of President Obama's Executive Order 13514 by Daniel J. Fiorino

Breaking New Ground: Promoting Environmental and Energy Programs in Local Government by James H. Svara, Anna Read, and Evelina Moulder

Fostering Transparency and Democracy

Assessing Public Participation in an Open Government Era: A Review of Federal Agency Plans by Carolyn J. Lukensmeyer, Joe Goldman, and David Stern

Use of Dashboards in Government by Sukumar Ganapati

Improving Performance

A Guide to Data-Driven Performance Reviews by Harry Hatry and Elizabeth Davies

A Leader's Guide to Transformation: Developing a Playbook for Successful Change Initiatives by Robert A. F. Reisner

Project Management in Government: An Introduction to Earned Value Management (EVM) by Young Hoon Kwak and Frank T. Anbari

Managing Finances

Strategies to Cut Costs and Improve Performance by Charles L. Prow, Debra Cammer Hines, and Daniel B. Prieto

Strengthening Cybersecurity

A Best Practices Guide for Mitigating Risk in the Use of Social Media by Alan Oxley

A Best Practices Guide to Information Security by Clay Posey, Tom L. Roberts, and James F. Courtney

Cybersecurity Management in the States: The Emerging Role of Chief Information Security Officers by Marilu Goodyear, Holly T. Goerdel, Shannon Portillo, and Linda Williams

Transforming the Workforce

Engaging a Multi-Generational Workforce: Practical Advice for Government Managers by Susan Hannam and Bonni Yordi

Implementing Telework: Lessons Learned from Four Federal Agencies by Scott P. Overmyer

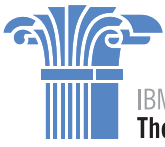
Using Technology

Reverse Auctioning: Saving Money and Increasing Transparency by David C. Wyld

Using Online Tools to Engage—and be Engaged by—The Public by Matt Leighninger

An Open Government Implementation Model: Moving to Increased Public Engagement by Gwanhoo Lee and Young Hoon Kwak

How Federal Agencies Can Effectively Manage Records Created Using New Social Media Tools by Patricia C. Franks



IBM Center for
The Business of Government

About the IBM Center for The Business of Government

Through research stipends and events, the IBM Center for The Business of Government stimulates research and facilitates discussion of new approaches to improving the effectiveness of government at the federal, state, local, and international levels.

About IBM Global Business Services

With consultants and professional staff in more than 160 countries globally, IBM Global Business Services is the world's largest consulting services organization. IBM Global Business Services provides clients with business process and industry expertise, a deep understanding of technology solutions that address specific industry issues, and the ability to design, build, and run those solutions in a way that delivers bottom-line value. To learn more visit: ibm.com

For more information:

Jonathan D. Breul

Executive Director

IBM Center for The Business of Government

600 14th Street NW

Second Floor

Washington, DC 20005

202-551-9342

website: www.businessofgovernment.org

e-mail: businessofgovernment@us.ibm.com

Stay connected with the
IBM Center on:



or, send us your name and
e-mail to receive our newsletters.