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Portability Regimes of Pension and Health Care Benefits for International Migrants: An Analysis of Issues and Good Practices

Robert Holzmann, Johannes Koettl, and Taras Chernetsky

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Portability Regimes of Pension and Health Care Benefits for International Migrants: An Analysis of Issues and Good Practices

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prepared for
The Global Commission on International Migration[*]

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Abstract

The paper provides a first investigation into the portability of pension and health care benefits for international migrants. It is based on available literature and newly minted data, but more importantly on selective case studies from main migrant-sending and receiving countries. While exploratory, the paper achieves a better understanding of the realities on the ground and is able to distill key issues as well as identify good and best practices. The main conclusions include the following: First, only around 20 percent of migrants worldwide work in host countries where full portability of pension benefits, but not necessarily of health care benefits, to their home countries is ensured. Second, bilateral agreements are seemingly the current best practice to ensure portability for pension and health care benefits, although for the latter this is not always the case. Third, more actuarial-type structures should help to enhance portability. This is, in principle, straightforward for pensions and a defined contribution-type design. It is much more complicated for health care benefits. Last but not least, for improved benefit design and implementation, the information base needs to be broadened, including through more country case studies and tracer studies of migrants.

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The findings, interpretations, and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the World Bank and its affiliated organizations, or those of the Executive Directors of The World Bank or the governments they represent.
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1 Introduction

The number of international migrants has more than doubled since 1965. According to the United Nations (UN), 175 million people—that is, 3 percent of the world's population—lived and worked outside their country of birth in 2000, as opposed to 75 million or 2.3 percent in 1965 (UN 2003). There are strong indications that the importance of migration and hence the number of international migrants is going to increase. On the one hand there is a persistent pull effect from the host countries in the developed world due to superior economic opportunities and other expected benefits. In addition, the demographic transition of the developed countries, as characterized by an aging and even shrinking population or the limited domestic labor force of the booming oil economies of the Gulf Region are likely to further increase the demand for foreign labor in the future. On the other hand, the scope and dynamics of remittances and the potential skill and knowledge transfer back to migrant-sending countries has increased the interest of development institutions in migration and in the environment which makes migration a potential win-win-win situation (for the source country, host country, and migrants; Holzmann and Münz 2004).

This increasing international labor mobility raises questions about social protection for migrant workers. It seems that given the atypical lifecycle of migrant workers, they require special provisions with regard to the various branches of social security and services. A general concern is access to social programs for migrants and their families in the host countries. A particular concern and the focus of this paper is the portability of long-term social security entitlements such as pensions and health care benefits—that is, the capacity to move with such entitlements between host countries and back to the source country.[1]

Although many international migrants probably leave their home country with no intentions to return, a significant number of them in fact decide to not permanently stay in their host country and eventually return. The experience of the large migration flows between the mid-1800s and World War I suggests a return migration of some 30 percent (Hatton and Williamson 1998). The return migration to some European countries (such as in the Balkans) during the first half of the twentieth century had a return ratio of almost 50 percent, and in some cases as high as 90 percent (Sarris et al. 2004). The current return migration ratio for countries of the Middle East and North Africa (MNA) suggests also a rate of well above 30 percent. With the ease of communication and transportation, the temporary movement between countries—and hence also return migration—is likely to increase.

[1] It can be claimed with good reasons that access to social protection provisions for legal and undocumented migrants through formal sector (instead of informal sector) employment may be the most urgent and challenging task for the receiving country, but it is not the object of investigation of this paper.

Governments of host and source countries may wish to encourage return migration of temporary migrants for various reasons. First, governments of source (or migrant-sending) countries may see return migration as highly beneficial for their development, essentially through remittances of production factors, including investment capital, return of human capital, and transfer of knowledge and skills. The lack of portability of long-term social security benefits, though, might hinder return migration. After paying contributions to the social security system of the host country for several years, many migrants may be influenced by the potential loss of these contributions in their return decision. If the national law of the host country or bilateral agreements between the host and the home country do not have any provisions that allow the migrant worker to keep her social security entitlements acquired during her stay at the host country, she will lose a substantial amount of the income earned while working overseas. Such an income loss might prevent the migrant from returning to her home country.

Governments of the host (or migrant-receiving) countries may support return migration to stress the temporary nature of immigration for political reasons. Temporary migration is already subject to negotiations in the Doha Development Agenda under the General Agreement on Trade in Services (GATS).[2] However, a migrant worker who is certain of retuning to her home country at some point but who will not be able to keep her benefits faces high incentives to avoid paying social security contributions during her stay in the host country. Consequently, migrant workers will seek to participate in the informal sector of the host country instead of the formal sector. Empirical evidence is consistent with this view as undocumented migration considerably expanded during the 1990s. Enhancing portability of long-term social security benefits may therefore be a useful tool for migrant-receiving countries to encourage migrants to participate in the formal sector and discourage irregular migration.

A number of migrant-sending and receiving countries have negotiated bilateral social security agreements to enhance the cooperation between the social security authorities of the countries involved and to ensure the adequate portability of contributions and entitlements of migrant workers and their families. Portability in this context is understood as the migrant worker's ability to "preserve, maintain and transfer acquired social security rights" independent of nationality and country of residence (Cruz 2004). The administrative procedures associated with portability mainly refer to the totalization of periods of insurance in the host and the home country to determine the migrant worker's pension benefits in both countries, the extraterritorial payment of pensions, and transfers between public health care authorities in both countries to guarantee continued health coverage for migrants.

While the issue of portability has been in discussion for some time, international interest has increased substantially as part of the rising focus on migration in recent years. Yet,

[2] This is the so-called Mode 4 of the GATS, although very little progress has been made. See Winters et al. 2002 and Winters 2005 (forthcoming).

the information base about issues and good practices of benefit portability is extremely thin at the international level.[3] While these papers contain some limited information about regional and country approaches to portability they do not provide a broader picture on conceptual issues and best practices. In order to get a better understanding we use the available information base enhanced by selected case studies and conceptual introspection. The result should allow us to draw first conclusions about issues and practices, and to outline next steps.

To this end, the structure of the paper is as follows: Section 2 explores the current situation against the background of legal provisions and practices through selected case studies from four migrant-sending countries (Mexico, Morocco, the Philippines, and Turkey) and information about main receiving countries in North America and Europe. From this information base Section 3 distils the existing gaps and elements of best practice for pension and health care benefits against four stated objectives. Section 4 explores potential policy options beyond the current best practice while Section 5 presents policy conclusions and suggested next steps. A short write-up of each case study and supporting tables are presented in an Annex.

2 Current Provisions on Social Protection for Migrants

This section reviews the current situation with regard to social protection for international migrants moving between host countries and back to the sending country. The analysis will only briefly consider the access to social security benefits for migrants in the main host countries, and subsequently focus on the portability of benefits across international borders. The primary social benefits of interest are long-term benefits, which are typically based on some social insurance considerations. That is, payments of contributions give a right to benefits once the eligibility conditions are met and potentially being paid over a protracted period of time. However, some consideration is also given to short-term benefits like health care, which usually do not require long waiting times before eligibility for benefits are met.

Such rights may not only be created by contribution payments, but also, for example, by residency and the associated payment of general taxes. The relationship between contributions (or taxes) and benefits includes risk pooling, some kind of actual or notional prefunding, and also potential redistribution from richer to poorer individuals in the society.

Pension benefits include a number of different contingencies, in particular old-age, disability, and survivors. In this first analysis we concentrate solely on old-age benefits.[4]

[3] Recent publications which address portability issues include Boudahrain 2000, Cruz 2004, Jorens and Schulte 1999, Koettl 2005, and Paparella 2004.
[4] Workers' compensation resulting from work accidents is also ignored because it refers to short-term risks (although such benefits have a longer-term aspect in the form of work-related diseases).

Health care benefits refer to both small and large (that is, catastrophic) risks and the coverage of retirees. When analyzing the portability of old-age and health care, we largely focus on public programs and ignore the supplementary private-sector programs, which exist in most countries. These supplementary programs typically aim at the higher income segments and have little relevance for most migrants from the South.

In exploring the current situation regarding access to and portability of old-age and health care benefits for migrants, this section proceeds as follows. The initial subsection 2.1 provides some data on migration, the global stocks of migrants, and the distribution across regions, while subsection 2.2 highlights the regimes of social protection for migrants and their quantitative importance. Subsection 2.3 summarizes social protection for migrants in host countries in general, while subsection 2.4 presents the practices with regard to portability for the four case study countries in key host countries.

2.1 International Migration

International migration flows are widespread across all continents with a clear pattern of streams going from the developing world to the industrialized nations in the North and the West. It is widely accepted that the economic situation in the host and source countries is a key determinant of a migrant's decision to move, explaining the predominance of migration from the South to the North. In the year 2000, about 3 people in 100 officially resided outside the country they were born in. Ignoring refugees and those who have already acquired foreign citizenship, the number of migrants reduces to about 145 million worldwide (Harrison 2004). However, this number neither reflects people who have undocumented status, nor does it account for cross-border workers, both of which may be of considerable magnitude for some countries.

Asia and Europe are the two global leaders in supplying migrants (Table 1 and Table 2 in Annex C). However, the major bulk of their migration flows happens intraregionally (almost 70 percent). Within Europe, the main flows go from Eastern Europe to the European Union (EU) member countries. Within Asia, migration flows are directed toward Japan, Hong Kong (China), Republic of Korea, and the other so-called Asian Tiger economies as well as to a number of Gulf States. Other major suppliers of migrants are Latin America and Africa with 18 and almost 17 million in 2000, respectively. The distinct feature of migration in Latin America is a clear South-North pattern as nearly 80 percent of migrants from that region chose the United States and Canada as their destination. Besides the striking difference in economic opportunities between most Latin American countries and North America, the geographical proximity of both regions seems to play an important role.

Europe and Asia have not only sent but also received the highest number of migrants with 33 and 28 percent respectively out of the global stock. The third main destination area is North America, which is chosen by almost 23 percent of all migrants around the world.

2.2 Regimes of Social Protection for International Migrants

The access of migrants to social protection in the host country and the portability of entitlements back to the home country may follow four main regimes:

Regime I: Access to social security benefits and advanced portability regulated by bilateral agreements between the migrant-sending and receiving country. With bilateral agreements in place, migrant workers should not encounter, in principal, any discrimination with regards to social security benefits, and transferability of acquired rights should be guaranteed. Nevertheless, not all bilateral social security agreements cover all benefits, so the degree of portability may vary within this regime.

Regime II: Access to social security benefits in the absence of bilateral agreements. In this case, the national social law of the migrant-receiving country alone determines if and how benefits can be accessed after the return to the home country. In addition, the national social law of the migrant-sending country may grant benefits to returning migrants. This is obviously a broad category with a varying quality of portability, as the national social law varies greatly across countries. Most legal migrants who do not benefit from bilateral agreements fall under this category. Nevertheless, particular provisions in the national social law of some countries justify an additional Regime III for legal migrants, as outlined below.

Regime III: No access to portable social security benefits. In particular, migrants cannot even on a voluntary basis—taking nonportability of those benefits consciously into account—contribute to long-term benefits like old-age pensions in the host country. Access to short-term benefits like health care might be granted, but no provisions for the portability of those short-term benefits exist. Reportedly, some Gulf Region countries fall in this category. The reason why this constitutes a separate regime is that in fact it allows migrants to make provisions for long-term benefits elsewhere, like participating in old-age pension plans from private insurance companies or the public pension system of their home country. Consequently, in this case migrants' decision on return to the home country should not be influenced by considerations on nonportability of benefits.

Regime IV: Undocumented but also legal migrants who participate in the informal sector of the host country. These migrants have very limited access to social protection, if at all, and typically have no acquired and portable rights to long-term benefits.

This paper will focus on Regimes I, II, and III to investigate best practices for legal migrants working in the formal economy, as the issues of undocumented migrants and labor market informality are beyond the scope of this study. An attempt is made, though, to estimate the magnitude of all four categories, from the receiving and sending regions' point of view, both in absolute terms and as a share of total migrants globally (see Tables 3–6 in Annex C). The estimates are based on a static general equilibrium framework and

a number of assumptions.[5] From these tables—which are both highly innovative and to some extent speculative—the following two key findings are noted:

First, viewed from both sending and receiving regions, only about 20 percent of migrants fall under the advantageous Regime I of bilateral agreements. Around 55 percent may have access to benefits from host or source countries upon return but in an uncoordinated manner (Regime II), which is typically linked with benefit losses for the temporary migrant.[6] An estimated 5 percent of migrants are working under Regime III, that is, they do not have access to portable benefits in the host country albeit working legally there.[7] Finally, 20 percent of migrants (both legal and undocumented) are estimated to work in the informal economy with limited access to portable social benefits in host countries or upon return in the source country (Regime IV).[8, 9]

Second, there seem to be major differences for migrants in both the host and sending regions. On the one hand, immigrants in Europe, Latin America, and Oceania are covered by bilateral agreements (Regime I), and most other (legal) migrants in these regions at least have access to portable benefits in the uncoordinated manner of Regime II (Table 3 and Table 4). The share for Regime I is half in North America (17 percent) and only around 1 percent in Africa and Asia. On the other hand, the majority of emigrants from Europe, North America, and Oceania migrate to other countries with bilateral agreements (Table 5 and Table 6). Emigrants from Asia and Latin America form the bottom of the league, with Africa somewhere in the middle. For Latin American emigrants, this regime distribution results from the large migration into the United States, which so far has limited bilateral agreements; for African emigrants, the better coverage under Regime I is the result of stronger migration to Europe, which has a higher number of bilateral agreements.

The latter observation is also reflected in the estimates for the case study (Table 7). Migrants whose main destination is Europe (Moroccans and Turks) fall to a large extent

[5] Tables 3–6 are based on the available information quoted in the sources and assumptions as outlined in Annex B.
[6] A benefit loss may not happen if the migrant stays in the host country, but such a decision may be triggered by being under Regime II instead of Regime I. On the other hand, not all migrants under Regime I receive a benefit despite the improved eligibility criteria.
[7] Nevertheless, migrants might well have access to nonportable benefits, which is typically the case for short-term benefits like health care. In the Gulf, which falls under Regime III, employers of migrants are responsible for providing health care to migrants, but migrants do not have access to the public pension system.
[8] Working in the informal economy at one moment in time does not automatically mean that the migrant worker does not have access to portable benefits at retirement. But it is unlikely that all migrants under this regime will achieve eligibility by formal labor force participation prior or after this year of assessment.
[9] Admittedly, the numbers for Regimes III and Regime IV are rather speculative. The estimates for Regime III basically only capture migrants in the Gulf Region, ignoring potentially similar legal situations in other parts of the world. The estimates for Regime IV assume mostly that undocumented migrants comprise 25 percent of legal migrants. See also Annex B.

under the first portability regime. This finding is not surprising given the fact that the EU has been comparably active in signing bilateral social security agreements with its neighboring countries. On the other hand, access to portable social security benefits for Mexican and Philippine migrants is so far mainly regulated by the national provisions of the host countries (that is, Regime II). For most Mexican migrants the regime will change once the bilateral agreement with the United States is approved (see below).

2.3 Legal Provisions for Access to and Portability of Benefits

Settling issues related to the accessibility and portability of social security benefits for foreign nationals through bilateral agreements has a history almost as old as social security itself. The first bilateral social security agreement—between France and Italy—was signed in 1919 (Schobel 2005). Since then many countries around the globe have negotiated a number of bilateral and multinational agreements. However, more active policies in this area only developed several decades later when, concurrent with an increased impetus to globalization, the movement of people between countries and continents increased. Today, portability issues are often regulated by social security agreements or conventions, either on a bilateral or multilateral level as well as by a number of provisions in national social law.

2.3.1 National Legal Provisions

Europe has the highest number of immigrants in the world (more than 33 percent of all migrants worldwide), although this number can—at least in part—be explained by the high number of comparably small countries and unrestricted labor mobility inside the EU. The labor market integration policy of the EU has created the most advanced (and complex) multilateral system worldwide of legal provisions on the portability of social security benefits for migrants (see below). As labor migration has increased over the last decades, so has the scope and reach of the national welfare state in Europe, but the attempts to incorporate the special needs of migrant workers, in particular from non-EU member states (so-called third-country nationals), into the welfare systems have remained scattered and uncoordinated. Most countries grant full equality of treatment to third-country nationals only after awarding them long-term or permanent residence status. The requirements for permanent status, though, vary across Europe. The Scandinavian countries, which probably have the most inclusive welfare system, extend this generosity also to migrant workers by granting permanent status after only two years. Other countries of continental Europe require longer resident periods. However, the recent EU Directive 109/2003 calls for member countries to grant permanent status and full "social denizenship" after five years of residence, thereby attempting to coordinate access rights of immigrants from nonmember states across the EU.

A closer look at the national legislations in the EU shows that the provisions for the social protection for migrant workers are closely related to national alien law, as claiming social benefits may pose a risk to residence status. Although migrant workers usually pay

full insurance and tax contributions and do actually have the same entitlements as nationals, claiming such benefits endangers their resident status. In particular the requirement for minimum income and adequate housing in order to execute the right for family reunification decreases the potential of migrant workers to claim welfare benefits, as meeting these requirements effectively requires that migrant families can subsist without claiming welfare benefits (Koettl 2005). Concerning exportability of social security benefits, it seems that most EU countries allow pensions to be paid literally to any country in the world, although reductions may apply. The coverage of health care costs outside the EU is much less developed.

Like the EU, North American social security systems partially incorporate international migrants into their frameworks. On the one hand, Canada has a dual universal social security system allowing basic protection in terms of pension and health care for all residents, including those who come from abroad, after meeting several relatively mild requirements. Migrants may also participate in the earning-related system. On the other hand, the U.S. social security system has stricter rules for international migrants that require relatively long participation (at least 40 quarters of coverage). In both countries, pensions are in principle exportable should the migrant decide to return to her country of origin, but no provisions exist on the exportability of health care benefits.

Australia, similar to Canada, has a dual social security system, comprising a means-tested national pension and a mandatory, earnings-based occupational pension. The national pension can be received after 10 years of continuous residence in the country and is payable abroad. The mandatory occupational pension is paid as a lump sum of total contributions, taking into account interests and administrative fees after reaching the age of 55. Therefore, this type of pension is fully portable once a migrant decides to return home.

The social security systems of the main East Asian host countries can be divided into two categories. First, Japan, the Republic of Korea, and Hong Kong (China) have multitiered schemes, consisting of a basic part covering all residents and an occupational scheme. Second, Singapore and Malaysia have established so-called provident funds that accumulate resources not only for retirement, but also for financing education, housing, and health care. The social security provisions in these countries allow some limited portability of long-term benefits, either in the form of pensions paid abroad (Republic of Korea) or in the form of lump sum payments when leaving the country for good (Malaysia).

The distinct feature of the social security protection for migrants in the Gulf Region is the exclusion of foreigners from the public social security system in many countries (including Bahrain, Lebanon, Oman, and Saudi Arabia). At the same time, migrants are not obliged to pay social security contributions, and hence no portability issues arise. Migrants who work in this region may opt for private schemes for long-term benefits, or continue to contribute to the social security system of their home country.

2.3.2 International Legal Provisions

International legal provisions related to social protection for international migrants can be found on multilateral and bilateral levels. On the multilateral level, the International Labour Organization (ILO) and the UN have adopted a series of conventions concerning social protection for international migrants, most notably the International Convention on the Protection of the Rights of Migrant Workers and Members of their Families.[10] The Convention was adopted by the UN General Assembly in 1990, but came into force only after 13 years, with just 22 ratifying states. Similarly, the ILO adopted a number of conventions dealing with nondiscrimination and equal opportunity for migrants in their host countries, all of which suffered from weak support in terms of ratification by member states. The 1982 ILO Convention No. 157 on the Maintenance of Social Security Rights is the only convention specifically aimed at enhancing portability, but was ratified by only three states, namely the Philippines, Spain, and Sweden. Multilateral approaches to enhance portability seem to lack sufficient backing of countries to make them effective, with the notable exception of the EU.

EU regulations related to the portability of social security benefits are probably the most instructive example in this area, at least concerning the rights of EU citizens. EU Regulations 1408/71 is an extensive legal provision that ensures far-reaching portability of social security entitlements within the EU, to the extent that EU citizens nowadays do not suffer any disadvantages in terms of social security entitlements by moving from one member state to another. In 2003, the EU passed Regulation 859/2003, which extends the provisions of Regulations 1408/71 even to third-country nationals. Third-country migrant workers now enjoy the same rights as EU nationals with respect to the portability of social security and benefit entitlements when moving within the EU. The provisions of EU Directive 109/2003 give third-country nationals (except refugees) who have resided in an EU member state for more than five years the same rights and obligations in terms of employment, education, and social security benefits as EU nationals. This includes in particular the right to reside in all other EU member states and fully benefit from all EU freedom-of-movement provisions.[11]

The EU also leads efforts to foster social security cooperation with its neighboring regions. The Barcelona Declaration of November 1995 founded the Euro-Mediterranean Partnership (EMP), making ten Mediterranean countries official partners of the EU.[12] Since then, the EU has negotiated multilateral Association Agreements with all EMP

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[10] The text of the Convention and a list of signatory and ratifying states can be downloaded at http://www.unhchr.ch/html/menu3/b/m_mwctoc.htm. For a complete list of ILO Conventions, see ILO 2005a.

[11] For EU law documents like EU Regulations and Directives, see European Communities 2005.

[12] Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey, and the Palestinian Authorities. Cyprus and Malta were also part of the original EMP, but joined the EU as full members in 2004.

partners.[13] Provisions relevant for the social protection for migrant workers originating from the partner countries are covered in all agreements, although the degree to which the provisions set out binding rules varies (Koettl 2005).

The second legal source that regulates portability of social security benefits are bilateral social security agreements. These agreements usually include provisions on nondiscrimination with respect to social security between nationals and migrants and specific rules on how to organize the transfer of acquired social security entitlements or entitlements in the process of being acquired between the signatory states. Most agreements refer to long-term benefits like old-age, disability, survivor pensions, and other annuities. The provisions ensure that periods of contribution to these pensions that have been paid in either of the two states are totalized and payment of pensions can be obtained in either country. Health care benefits are to a much lesser extent subject to social security agreements. Also, purely tax-funded—as opposed to contributory—benefits are usually explicitly exempt from portability.

The degree to which countries coordinate the portability of social security benefits via bilateral agreements varies greatly across regions. For example, EU countries have signed more than 2,500 bilateral social security agreements, mostly with other European countries, but also with a good number of countries outside Europe.[14] Asian countries on the other hand have signed only 121 such agreements, although they provided 34 percent of all migrants worldwide as of 2000. On the country level it is worth mentioning countries like France (386 bilateral agreements), Germany (226 agreements), and Canada (180 agreements, see Table 2 and Table 8 to Table 13). This regional disaggregating suggests some positive correlation between the share of nationals abroad (or migrants received) and the number of bilateral agreements concluded, but clearly also highlights regional differences.

2.4 Country Practices: First Results from Four Case Studies

Since a global analysis is beyond the scope of this paper (and available resources), selective country case studies are used to highlight the main issues and identify gaps. The objective of the case studies is to get a sense of the scope and the relevance of the problems related to portability, and to investigate the administrative process related to the export of social security benefits. After giving a brief overview of the case study countries, the section proceeds with an analysis of the portability of pension benefits

[13] Agreements with Tunisia, Morocco, and the Palestinian Authorities have already entered into force. The Agreement with Egypt was signed in 2001, and with Jordan in 2002. Negotiations with Algeria and Lebanon were concluded in 2001 and 2002, respectively. Negotiations with Syria were last reported to be concluded on a technical level, but have not been spelled out and politically approved yet.

[14] Regional numbers on agreements contain double accounting since every bilateral agreement has two signatory states and therefore might be counted twice. The worldwide number of bilateral social security agreements is 1,828.

between the case study countries and their main migrant-receiving countries, followed by a subsection on the portability of health care benefits.

For this paper, four migrant-sending countries have been chosen for case studies: Mexico, Morocco, the Philippines, and Turkey. Mexico has just recently concluded a bilateral totalization agreement with the United States—clearly its main migrant-receiving country—but the agreement is not yet in force as it is currently under review in the Mexican Senate and U.S. Congress. Should the agreement find the approval of both parliaments, it is scheduled to enter into force in October 2005. Mexico has also concluded social security agreements with some other countries (see Table 14, and Annex A for more details). Since few Mexicans migrate to countries other than the United States, the following sections will provide only limited reference to the Mexican case, as no experience on the implementation of the US-Mexican agreement is yet available.

Moroccan migrants are mainly going to Europe, and France is by far the most important receiving country for Moroccan migrants (Table 15). Morocco has concluded various bilateral social security agreements with a number of European countries on the transferability of pensions and health benefits. Recently it signed a multilateral Euro-Mediterranean Agreement with the EU, which includes far-reaching stipulations on the portability of social security entitlements for Moroccan migrants who work and live in the EU. Portability is a much discussed topic among Moroccan migrants (see Annex A), a conclusion also supported by close examination of the scarce data on migration flows. The data suggests that the return rate of Moroccan migrants from, for example, Germany back to their home country is more than 50 percent (Table 16 to Table 18).

The Philippines are one of the main migrant labor suppliers in Asia with an extensive overseas community throughout the world (Table 19). The Philippine government pursues an active emigration policy to place its migrant workers in various countries around the world. The government seeks cooperation with its main migrant-receiving countries (the United States, Saudi Arabia, Malaysia, Canada, and Japan) but at the same time also tries to foster transnational ties between its overseas communities and the home country. Two examples of that effort are to offer continuous coverage under the Philippine social security system while staying abroad, and to conclude bilateral social security agreements with the main destination countries for Philippine migrants. Data on Philippine migration flows is only available for Australia and Japan, which present divergent return rates of 19 percent and 84 percent respectively (Table 20 to Table 22). The difference can probably be explained by Australia's policy of permanent immigration versus Japan's emphasis on temporary immigration.

Turkey, finally, has been one of the main providers of migrant labor to Europe since the 1960s. The main destination countries for Turkey are Germany, France, and Austria (Table 23). Turkey has concluded a series of comprehensive bilateral social security agreements with most European countries and a number of non-European countries, and is continuing its efforts to conclude further agreements. As can be seen in Table 24 to

Table 26, the return rate of Turkish migrants is rather high for its traditional destination countries Austria and Germany—the rate is well above 50 percent—but substantially lower for other countries like Belgium, Denmark, and the Netherlands.

In terms of migrant-receiving countries, the focus will be on Austria, France, Germany, and the United States. The United States has clearly been an immigration country for most of its history, while the European countries have traditionally been countries of emigration. Relatively recently, this trend reversed, with Europe now being an equally important destination area for international migrants like the traditional immigration countries Australia, Canada, New Zealand, and the United States. Nevertheless, the immigration policies of the European countries have not always kept pace with the realities on the ground. For more details, see the section on migrant-receiving countries in Annex A.

The next subsection will deal with the portability of pension benefits, followed by a subsection on health care benefits. As will become clear, the portability of pensions seems to be more advanced than the portability of health care benefits. The aim is to describe the current legal provisions with regard to portability of social security benefits and to highlight how these provisions are put into practice. The two subsections draw heavily on the experiences of the case study countries and make frequent references to the legislative rules and administrative regulations of the national law of the main source and host countries, and the bilateral agreements between them. For a more detailed description of the methodology and the case study countries, see Annex A.

2.4.1 Pensions

2.4.1.1 Provisions in National Law

Pensions (old-age, disability, and survivor pensions) are probably the most portable benefits. In fact, it seems that most migrant-receiving countries nowadays have provisions in their national law that allows the export of pensions even in the absence of a bilateral social security agreement. In the United States, for example, anyone with at least forty quarters (ten years) of contribution to the U.S. Social Security Administration (SSA) can apply for retirement once age criteria are fulfilled, and the SSA sends monthly retirement checks to most countries of the world, regardless of the existence of bilateral agreements.[15] Similar arrangements can be found in Austrian, German, and Mexican national social law, and it is conjectured that the same is true for most industrialized countries. In Mexico, for example, 500 weeks of contribution are sufficient to qualify for a pension, and the pension can also be consumed while residing, for example, in the United States.

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[15] U.S. law prohibits the export of pensions to a limited number of countries like Cuba, the Democratic People’s Republic of Korea, and most successor countries of the Soviet Union.

Some countries, though, seem to apply reduction rates if the pension is paid to nationals or residents of countries with which no bilateral social security agreement has been concluded and who are residing outside their former host country. This is due to the fact that most bilateral social security agreements include the so-called nondiscrimination clause. This means that nationals of the signatory states of the agreement are treated equally in the two countries with respect to social law. Since nationals of migrant-receiving countries can easily enjoy their pension residing in any other country in the world without suffering any reductions in their pensions, any national of a country with which an agreement has been concluded enjoys the same right. The following example shall illustrate.

Germany has concluded a bilateral agreement with Morocco, which includes a nondiscrimination clause. Hence, a Moroccan national who has contributed to the German pension system is entitled to a pension. Since any German residing outside Germany can receive a pension without reduction in any other country of the world, so can a Moroccan national. In particular a Moroccan national will certainly not receive a reduced pension due to the fact that she resides in Morocco. This is not the case, though, for (non-EU or third-country) nationals of countries with which Germany has not concluded an agreement. An Algerian, for example, who receives a German pension, has to accept a 30 percent reduction of her pension if she resides outside a country with which Germany has concluded a bilateral social security agreement. In particular, since Germany has not concluded an agreement with Algeria, she will have to accept a 30 percent reduction if she returns to her home country Algeria. In the case, though, she decides to move to Morocco she would be able to receive the full German pension since Morocco has concluded a bilateral agreement with Germany.

Interestingly, there are two exceptions to this rule, namely Turkey and Tunisia. The bilateral social security agreements between these two countries and Germany explicitly exclude nondiscrimination with regard to residence in third countries. Hence, a Turkish (or Tunisian) national can only receive a full German pension while residing in the EU, Turkey (or Tunisia), or another country with which Germany has concluded a bilateral agreement. If she resides in any other country, she will have to accept a 30 percent reduction. Similarly, any national of a country with which Germany has not concluded an agreement and who resides in Turkey or Tunisia receives only 70 percent of her German pension.

As will become clear in the next section, the absence of a bilateral agreement also bears certain other substantial disadvantages in terms of totalization and replacement rate.

Most of the migrant-receiving countries in the Persian Gulf seem only to provide social pensions to their nationals and have no provisions for migrant workers, not even on a voluntary basis. This situation has the advantage for migrant workers that they can simply continue to contribute to the pension system of their home country. To do so, the national social law of the home country has to have special provisions for its overseas workers

that allow them to voluntarily stay within the pension system of their home country, as it is the case with the Philippines. Given the substantial size of the Philippine overseas community, the Philippine government pursues an active emigration policy that tries to foster the ties of its emigrant population with the Philippine home country and actively encourages overseas workers to continue contributing to the Philippine social security system.

2.4.1.2 Bilateral Agreements

Bilateral agreements are the traditional instrument to regulate the portability of pension benefits. They have a series of advantages over purely national regulations. First of all, they are specifically designed to avoid double coverage, which is mostly the case for migrants who are sent to another country by a company that is located in the home country. For these so-called expatriates, the company has to pay contributions in both the home and the host country of the employee in the absence of a bilateral social security agreement. Second, bilateral agreements aim for the totalization of periods of contribution for workers who divide their career over two or more different countries and therefore contribute to numerous national social security systems. Although the previous section mentioned that most migrant-receiving countries have provisions in their national law for the exportability of pensions, bilateral agreements add some important advantages for migrant workers.

The totalization of periods of insurance means that in order to determine a migrant's entitlement for a pension, the time during which a migrant contributed to the pension system of any signatory state of the agreement is accumulated. In the case of Mexico and the United States, for example, a migrant who worked for less than 10 years in Mexico and less than 10 years in the United States does not have an entitlement to a pension in either country since the minimum requirements are 500 weeks and 40 quarters of contribution for Mexico and the United States respectively. Under the new bilateral agreement, though, the periods of insurance of both countries are added together to determine entitlements. The minimum requirements according to the agreement are 52 weeks of contribution into the Mexican system, six quarters into the U.S. system, 500 weeks of combined contributions for the Mexican part of the pension, and 10 years of combined contribution for the U.S. pension. The following (extreme) example illustrates.

A Mexican migrant worker who worked for 499 weeks in Mexico and after that for 39 quarters in the United States does currently not have an entitlement for a pension in either country, although she has worked for nearly 20 years combined in both countries. Under the new agreement, though, the periods of contribution are added together in order to determine the migrant's entitlement. Hence, since she has worked more than 52 weeks in Mexico and more than six quarters in the United States, and in addition more than 10 years in both countries combined, she will in the future be entitled to a pension in both countries. The same concept of totalization applies to all bilateral agreements, although the minimum requirements usually vary from agreement to agreement.

The totalization of periods of insurance is not only beneficial for the migrant in terms of establishing entitlements, but also in the determination of the replacement rate. This is of particular importance if both countries operate a typical defined benefit scheme. Such schemes are typically "back-loaded" in their impact on the replacement because, for example, the initial pension is calculated on last year's salary and not on life-time income. This has the effect that two social insurance twins with same salary path, same benefit formula, and same length of contribution would receive different pensions if one were to stay all his life in one of the countries (or company) while other works part in one country, part in the other.

Administrative rules of bilateral social security agreements make sure that the totalized periods of insurance are used to determine the replacement rates in both countries, but every country only pays the pro rata share of the pension. Hence, a migrant worker who worked for 15 years in Mexico and 20 years in the United States currently receives a replacement rate below 15/35 of the full replacement rate in Mexico (20/35 in the United States) because periods of insurance are not totalized and because of the benefit formula and indexation rules. With the new agreement in force, though, since she has 35 combined years of contribution, she will receive a replacement rate of (roughly) 15/35 of the full replacement rate in Mexico (20/35 in the United States).

2.4.1.3 Lump Sum Payments

An important conceptual alternative to exportable pensions (that is, annuity as a stream of payments till death) are lump sum payments to returning migrant workers that reflect the contributions she and her employer have made to the pension system during her stay at the host country. This procedure seems to be especially appealing for defined contributions (DC) systems where migrant workers could receive the credit on their individual accounts (accumulated contribution payments plus interests) once they leave the host country to go back to the home country; but in principle the concept of lump sum payments is applicable to all systems.

It seems, however, that this possibility is rarely incorporated in bilateral social security agreements. The United States seems to have such provisions with a number of Western European countries, so that U.S. citizens who worked, for example, in Germany for less than five years can apply for a reimbursement of their social security contributions once they return to the United States.

Among the case study countries of this paper, only the agreement between Turkey and Germany seems to have provisions on lump sum payments. Yet, these provisions only refer to the employee's contributions, but not to the employer's contribution. Hence, a returning Turkish migrant would lose a substantial amount of contributions by applying for a lump sum payment instead of waiting for retirement and receiving a German pension. Not surprisingly, lump sum payments are rarely made, at least not since 1984

when the German government granted an additional subsidy to returning Turkish migrants who opted out of the German pension system.

2.4.1.4 Implementation

When applying for a pension from the former (or current) host country, the migrant worker does not have to interact with the social security authorities of the home country, but applies directly to the social security authorities of the host country. Usually there are also possibilities to apply in the home country, either at the consulate of the former host country (like at the U.S. consulates in Mexico), or by just applying to the social security authorities of the home country who then pass on the application to the former host country. This is, for example, the case with the German-Turkish agreement or the Austro-Turkish agreement. As a matter of fact, the cooperation of the German (or Austrian) and Turkish authorities is so close that when the migrant worker applies for retirement in either country, the authorities will automatically start the procedure to determine the pension of both systems.

The bureaucratic procedures to apply for retirement under a bilateral agreement do not seem to be significantly different from the procedures for a national of the host country. Apparently the social security number, a proof of employment history, and some personal documents are sufficient. A retired migrant worker who wishes to move back to her home country is only required to send a notification to the social security authorities with the new address and eventually a new bank account number. Also, there seems to be no limit in national social law on how many times a retiree can change residence between the home and the host country, as will also become clear below in the subsection on health benefits. [16]

Finally, none of the current bilateral social security agreements envision an export of pensions by a transfer of contributions between the social security institutions of the home and the host country. In fact, the agreements specifically aim at avoiding such transfers. Instead, all pensions are paid directly from the various social security institutions to the migrant. The aim of bilateral social security agreements—and in case of the EU, multilateral agreements—is to coordinate national social security law, not to create any form of supranational social security system.

2.4.2 Health Care Benefits

Bilateral agreements on the portability of health benefits are far less common than agreements on the portability of pensions, at least between developing and developed countries. A few exceptions are Turkey, which included health benefits in its agreement with the member states of the European Union, and Morocco in its agreement with

[16] Although social law might not set any limits, the alien law of migrant-receiving countries might very well limit the possibility for migrant workers to freely move between the home and the host country.

Germany. For the vast majority of migrant workers as well as tourists and expatriates access to health services outside the country of residence is regulated unilaterally by national law, which will be the subject of the next subsection, followed by a subsection on bilateral agreements on health benefits.

2.4.2.1 Health Benefits without Bilateral Provisions

In the absence of a bilateral agreement, returning migrants can usually obtain health insurance in their home country once they become employed there. There are apparently no minimum periods of insurance to have access to health benefits once the returning migrant is employed. Also, the contribution rates to public health systems are not age-dependent as with private health insurance, so returning migrants who have spent most of their career abroad while young are not disadvantaged when they return home at an advanced age. Retired migrants, though, are only covered by the public health system in their home country if they qualify for a pension in the home country; and in the absence of a bilateral totalization agreement, the minimum years of contribution to qualify for a pension in the home country and therefore for health benefits might be hard to achieve.

A retired migrant who returns to her home country without a bilateral agreement and without receiving pension and health benefits from her home country is still able to receive medical assistance beyond emergency assistance in her home country by privately covering her medical costs in the home country. Some host countries—at least in Europe—reimburse the retired migrant for parts of her expenses in her home country, just as they do with any national who temporarily travels or resides abroad. The reimbursed amount, though, seems to be determined by the costs the same treatment would have caused for the health system of the home country, which usually does not reflect the actual costs.

The Austrian health system, for example, reimburses up to 80 percent of the costs Austrian hospitals (or medical doctors) charge the Austrian public health insurance for the treatment for which the retired migrant wishes to get reimbursed. Since the Austrian health system is overall heavily subsidized, and specific treatments cross-subsidized, the costs hospitals charge to the public health insurance are only notional and do not reflect the actual, much higher costs. For example, a retired Moroccan who is only covered by the Austrian public health insurance, but not by the Moroccan system, and who pays say €1,000 for a medical treatment in Morocco can apply for a reimbursement of these costs from the Austrian public health insurance. Austrian hospitals, though, might only charge €500 for the same treatment because of subsidies. The Moroccan is entitled to a reimbursement of up to 80 percent of these costs. In the end she will receive a reimbursement of €400. Hence, in the absence of a bilateral agreement, retired migrant workers who are not covered in their home country bear the bulk of their health costs in their home country themselves.

In the United States, the SSA does not reimburse any medical costs that have occurred outside the United States for fear of fraud. The reasoning is that the SSA would not able to verify outside U.S. territory if the medical assistance was necessary, adequate, or actually done at all.

Nevertheless, migrant workers who receive a pension from their former host country can always return to their host country for medical treatment and are covered by their health insurance, even in the United States.[17] This is of particular importance as many retired migrants are concerned about the inadequacy of the health system of their home country. Although they wish to spend their retirement in their home country, they want to benefit from the usually superior health services of their former host country. In fact it seems that for this reason many migrants commute between their home and former host country. In the United States, any retired migrant who qualifies for Medicare stays covered under Medicare regardless of the country of residence, but also has to continue to contribute to Medicare.[18] Hence, such a migrant worker can always return to the United States for medical treatment and Medicare will cover her costs, given she can obtain the necessary visa. The problem, though, is that if she does not also receive a pension from her home country—say Mexico—she does not have any health insurance while staying in Mexico. In addition, the requirement to qualify for Medicare is 40 quarters of contribution. This requirement is not subject to the totalization agreement between the United States and Mexico, so any retired migrant worker has to prove 10 years of actual contribution to the U.S. Medicare system in order to qualify.

Recently the Mexican Social Security Institute began offering health insurance policies for Mexicans who live and work abroad to insure them and their family members while staying in Mexico, or family member who live in Mexico. The rates are age dependent, going from US$97 a year for children and teenagers under 19 years of age to US$256 for adults age 60 or older. The policies can be bought for every family member, independent of their status (migrant or not, legal or undocumented) by providing certain personal documents (identification, proof of Mexican place of birth, addresses in Mexico and the United States) and by completing a medical questionnaire. The policies can be bought at the Mexican consulates in the United States in Chicago, Houston, and Los Angeles.

It is unclear if returned migrants with a pension from their home country can access health services in their former host country and if the public health insurance of their home country reimburses them in the absence of a bilateral agreement.

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[17] Apparently visa issues seem not to play a significant role, at least not for official migrants. Many returning retirees seem to keep their U.S. green card, which has the disadvantage of imposing more than casual presence in the United States.

[18] Currently US$45.50 per month for Medicare Part B, which covers medical services other than hospitalization. Medicare Part A, which covers hospitalization, does not require any contributions by the pensioner.

In the Gulf Region, the visa sponsor of the migrant worker is responsible for providing health insurance to the guest worker. Hence, the migrant worker should have good access to health services while staying in the host country. Since migrant workers do not contribute to the national pensions system of their host country in the Gulf Region, but most probably continue to voluntarily contribute to the system of their home country, it can be conjectured that they will also qualify for medical benefits once they retire and return to their home country.

2.4.2.2 Bilateral Agreements on Health Benefits

The underlying principle of bilateral agreements on health benefits is that the migrant is always covered by the public health system of the country where she is employed. Hence, a migrant worker who returns to her home country and is employed there is covered by the health system of her home country. The same is true for a retired migrant worker who receives a part of her pension from her home country. If she decides to return to her home country, she will be covered by the health system of her home country.

The only exceptions to this rule are expatriates, who stay covered under the health system of their home country, and retired migrants who were not employed long enough in their home country to receive a pension there and receive their entire pension from their host country. If they wish to return to their home country they will nevertheless stay under the coverage of the health system of their host country. For example, a retired Turkish migrant who has never been employed in Turkey receives an Austrian pension, and after returning to Turkey for her retirement she continues to be covered by the Austrian health system. She nevertheless enjoys advanced access to the Turkish health system. If she needs medical assistance in Turkey, she will be treated just like a Turkish retiree, paying the same deductibles or on-the-spot fees. Any additional costs, though, incurred to the Turkish health system are reimbursed by the Austrian health system through a direct transfer between the two public health authorities. There is no need for the Turkish migrant to pay bills on the spot and apply for reimbursement in Austria later.

These regulations do not apply to all kinds of medical treatment, but only those that cannot be expected to be postponed until the pensioner has returned to Austria. Hence, these provisions do not refer to say an appointment with an optometrist in order to get a prescription for new glasses. This would be clearly a medical treatment, which could wait until the pensioner returns to Austria. Nevertheless the provisions go beyond mere emergency cases. An appointment with a dentist, for example, to receive pain-relieving treatment is clearly covered although it does not constitute a life-threatening emergency situation.

3 Gaps in Portability and Elements of Best Practices

A common frame of reference is required to determine gaps and identify good or best practices. To this end, this section starts out by stating three main objectives that will serve as a benchmark to evaluate the policies currently in place. The core assertion of the objectives will be the claim that return migration should not be hindered by the lack of portability of entitlements. Against this objective, existing programs of social benefit transfers as described in the previous section will be evaluated and gaps and best practices identified.

The suggested objectives are the following:

Objective 1: *No benefit disadvantage with regard to pension and health care* for migrants and their dependents. Movements between host countries or back to source countries should not lead to lower pension benefits or gaps in health coverage compared to staying in one country.

Objective 2: *Fiscal fairness for host and source countries*. No financial burden should arise for the social security institution of one country while the social security institutions of the other country benefit from any provisions on portability or the lack thereof.

Objective 3: *Bureaucratic effectiveness*. The administrative provisions on portability or the lack thereof should not cause a bureaucratic burden for the institutions involved and should be easy for migrants to navigate.

3.1 Pension Benefits

3.1.1 Absence of Totalization

The main problem with the portability of pensions seems to be that in the absence of a bilateral agreement, periods of contribution are not totalized, which implies significant disadvantages for international migrants. This refers to the determination of eligibility for benefits as well as to the determination of the replacement rate. In the absence of totalization, migrants may not have an entitlement to a pension because they do not meet the minimum requirement for years of contribution in some or all pension systems they contributed to, although in terms of totalized periods of contribution they might have worked a sufficient amount of time. Also, since replacement rates are usually calculated via defined benefit formulas—which imply back-loading in benefit accumulation—without totalization migrants who split their careers over various countries will have to accept low replacement rates. Overall, though, they might have worked just as many years as their peers who spend their whole career in just one country, but because they moved between countries, they experience a benefit disadvantage.

The absence of totalization violates Objective 1 and Objective 2. Objective 1 is violated because migrants may contribute to a pension system without ever being able to benefit from these contributions or only at a reduced benefit rate. Objective 2 is violated because

the host country benefits from a lack of portability, since some migrants will never receive any pension benefits, making them net contributors to the system.

Looking at the different practices currently in place, three potential remedies are suggested. First, in some countries (like Hong Kong) migrant workers seem to have the possibility to opt out of the pension system of their host country, either voluntarily or in case that they can prove that they continue to pay contributions to a pension system in their home country (or any other country, for that matter). Alternatively, in some oil-rich Gulf countries the pension system is set up as a social pension system for nationals, so migrant workers cannot participate at all at the host country's pension system, not even voluntarily. Both of these situations require the migrant worker to continue to contribute into the pension system of a country other than her host country, or to make provisions for a private pension plan. Such a legal setup gives the migrant a certain amount of choice in avoiding the loss of contributions, but there are also some drawbacks. If the migrant continues to contribute into her home country's system, but after some time decides to stay and retire in her host country, she might run into problems of underinsurance as the purchasing power of her home country's pension might not be sufficient to sustain her life in the host country. In addition, the home country has to provide possibilities to stay voluntarily in the pension system. If this is not the case, the only option left for the migrant is to buy a private pension plan, which might not be readily available everywhere due to underdeveloped financial markets.

Even if private plans are available, being part of a public, pay-as-you-go pension system has some significant advantages in terms of (social) risk management, which private insurance cannot offer. Also, under such an arrangement the migrant's employer is not obliged to make any contributions to the migrant's old-age income, and this saving may not show-up as increased gross wage. Finally, having no entitlement to a public pension usually also means that no access to public health services during retirement is available.

Second, migrant workers could receive a lump-sum payment of the contributions they made to the pension system during their stay in the host country, such as Germany allows under its agreement with Turkey. Under the German-Turkish agreement, however, the employer's share of the contributions are not paid to the returning migrant but are kept by the German pension system, which again violates Objective 1 and Objective 2. In addition it is not clear what rate of return is offered on past contributions. Even if the migrant received an adequate lump sum payment, including the employer's contributions and an appropriate rate of return, by forfeiting the entitlement for an old-age pension she also forfeits the entitlement for public health insurance during retirement in the host country. Finally, by receiving a reimbursement for past contributions, the migrant is able to avoid a monetary loss, but at the same time she also loses periods of contribution somewhere else—quite likely the home country—to a public pension system for maybe a considerable part of her professional career. The loss of these periods of contribution might substantially reduce her replacement rate or deprive her of entitlement to a pension and therefore public health insurance.. Hence, lump sum payments only benefit the

migrant if she can acquire entitlements similar to those she forfeits in her home country, for example, by being able to buy periods of coverage at a reasonable price in her home country.

Third, bilateral agreements could regulate the totalization of periods of contribution, which are the best practice to remove disadvantages for the migrant through a reduction in the replacement rate or a loss of contributions and entitlements. At the same time, bilateral agreements ensure that the social security institutions concerned pay a fair pro rata part of the migrant's pension that reflects the contributions any particular social security institution received from the migrant. Hence, bilateral totalization agreements, in principal, successfully address the violations of Objective 1 and Objective 2 occurring from the absence of totalization and are therefore the best practice to tackle the problems associated with the absence of totalization.

3.1.2 Limited Exportability of Pensions

Some countries limit the exportability of pensions in the absence of a bilateral agreement. Germany, for example, applies certain rules to reduce pensions that are paid in countries with which Germany has not concluded a bilateral social security agreement. Similarly, the United States prohibits the payment of U.S. pensions to certain countries. It has to be emphasized that this rule refers specifically to pensions that have been granted according to the national social law of the host country, in the absence of a bilateral totalization agreement. Hence, it concerns migrants who acquired their pension entitlements by fulfilling the host country's national requirements in terms of periods of contribution, but suffer from a reduction or suspension in their pension payments solely on the grounds that they moved to another country, which violates Objective 1. At the same time the social security institution of the host country benefits by collecting contributions which later transform into reduced benefits or no benefits at all, which violates Objective 2.

In this case the straightforward and most effective solution is a unilateral change in the provisions of the national social security law of the host country to allow for full exportability of pensions, independent of nationality.

A further problem is the need for the pension-disbursing social security institution of the (former) host country to verify if the receiver of the pension is in fact still entitled to the pension. This not only refers to the requirement that the pension-receiving person still has to be alive, but also to survivors who have to prove that they still qualify for survivor benefits. The U.S. SSA apparently requires that every receiver of a survivor pension who resides in Mexico must travel to the United States once a year to provide proof that she still qualifies for survivor benefits, which obviously can be a considerable burden, in particular for older people.

This requirement will be eliminated with the new social security agreement between Mexico and the United States. A bilateral agreement, though, seems not to be necessary

in order to abolish such a requirement. Close administrative cooperation should be a sufficient and cost-effective way for verification of entitlements to pensions, carried out by the social security institution of the home country on behalf of the former host country.

3.1.3 Multitude of Agreements

As with any issue that is mainly regulated bilaterally, a comprehensive coordination of social security affairs based on bilateral agreements requires a large number of agreements. Since most bilateral agreements are the result of a complex negotiation process between states—a process that has to pay tribute to the specifics of the national social security laws of the states involved —bilateral agreements are diverse, each one containing differing regulations and setting separate standards. This practice necessarily results in a highly complex and hardly administrable set of provisions on the portability of social security benefits, violating Objective 3. This is best seen in the case of the member states of the EU, which in their struggle to integrate the European labor market produced a plethora of bilateral arrangements.

Within the EU, however, all bilateral arrangements at least have the advantage of going back to a single legal source, namely EU Regulation 1408/1971.[19] Such a multilateral approach has the obvious advantage of generating common standards and regulations, and removes discrimination against migrants from various source countries who are granted differing rights and entitlements through varying bilateral agreements. In addition, a multilateral approach should also ease the bureaucratic procedures by setting a common standard for administrative rules that implement the agreement. Further examples are the Euro-Mediterranean agreements between the EU, its member states, and the Maghreb countries of Algeria, Morocco, and Tunisia from the 1990s. These association agreements contain far-reaching provisions on the portability of social security benefits for migrants from the Maghreb countries that live and work in the EU. The sections on the coordination of social security use more or less the same wording in all three agreements, and could serve as a blueprint for further association agreements with other neighboring countries of the EU.

Finally, the ILO has passed various conventions dealing with social protection for migrants, most notably ILO Convention 157 concerning the Establishment of an International System for the Maintenance of Rights in Social Security.[20] The Convention establishes the principles for bilateral instruments concerning the maintenance of acquired social security rights and social security rights in the process of being acquired for international migrants. So far, though, only the Philippines, Spain, and Sweden have ratified the Convention.

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[19] EU Regulation 1408/1971 and its implementing Regulation 574/1972 have recently been replaced by EU Regulation 883/2004. Nevertheless, no implementing regulation exists yet for Regulation 883/2004, which is therefore not yet in force. For legal texts, see European Communities 2005.

[20] The Convention was passed in 1982 and came into force in 1986.

3.1.4 Lack of Information and Language Barriers

Representatives of Turkish migrants reported that although portability of social security benefits is a much-discussed topic among Turkish migrants in Germany, the bureaucratic complexity of the issue leaves many migrants with a sense of being uniformed. It seems that information material, leaflets, and consulting services—in particular in Turkish language—are scarce.

Language barriers are obviously not a problem for returned migrants who want to apply for a pension in their former host country and who are able to apply through the social security authorities of their home country, as it is usually the case with bilateral agreements. In the case of Turkey, close cooperation between the German and Turkish authorities and mutual administrative support, as envisioned in the bilateral agreement, ensure that the returned migrants get full support from the Turkish authorities when applying for a German pension and vice versa. A similar arrangement was found in the U.S.-Mexican agreement, since Mexican migrants will be able to apply for their U.S. pension at the U.S. consulates in Mexico, supported by the Mexican social security authorities.

3.1.5 Other Issues

Migrants who are temporarily sent abroad by a company that resides in the migrant's home country have to pay contributions to both social security systems, at home and abroad, in the absence of bilateral arrangements to avoid double coverage. Double coverage violates Objective 1 since the migrant and her employer experience a disadvantage as they are forced to over-insure by paying contributions to the public pension systems of two countries. Apparently all bilateral social security agreements contain provisions to eliminate double coverage for expatriates, and can therefore be considered as best practice to avoid double coverage.

Pension that are paid extraterritorially are obviously subject to fees for international money transfers. As is well known from the literature on international remittances, for some countries in the developing world the fees for monetary transfers across international borders can be quite substantial—in many cases well above 10 percent of the principal amount. In addition such transfers are subject to official exchange rates, which in some countries are significantly below market prices. Added together, the transfer of directly paid pensions across borders can eat up a substantial part of a migrant's pension.

Finally, a particular problem in the United States is unclaimed social security contributions totaling US$400 billion. Although a good part of these unclaimed contributions is due to minor errors by contributors—for example, by not informing the SSA of a change in name because of marriage—around US$35 billion is thought to have

been contributed by or on behalf of undocumented Mexican migrants. Undocumented Mexican migrants frequently used fake social security numbers to obtain employment and to pretend legal status, either with or without the knowledge of the employer. The U.S. Congress passed legislation that prohibits such practices by requiring a work-authorized social security number for every employee since January 1, 2004. Nevertheless, anyone who made contributions to the SSA prior to 2004 has a legal entitlement to benefits associated with these contributions, independent of residence status and work permit status. Hence, even undocumented Mexican migrants who paid contributions to a fake social security account or into a relative's social security account are entitled to the associated benefits.

Yet disentangling accounts is a complicated process. The migrant worker has to provide evidence that she did in fact pay the contributions to the account she claims. As employers rarely keep records of illegally employed workers, this often proves to be difficult. Also, as many employers were aware of the illegal status of their workers despite the fake social security number, they simply withheld social security contributions for illegally employed migrants, so that the claimed accounts do not contain all the contributions to which the undocumented migrant might be entitled. In order to ease the bureaucratic process of disentangling accounts and to give Mexican migrants the necessary support, the U.S.-Mexican agreement contains a provision on close institutional cooperation to tackle this issue and to find an adequate solution.

3.2 Health Care Benefits

3.2.1 Absence of Totalization

The absence of totalization with regard to health care benefits is closely related to the absence of totalization with regard to pension benefits, since the general rule for retired migrants in the absence of a bilateral agreement is that without a pension from the country of residence, there is no health care coverage. Hence, problems occur when in the absence of totalization migrants do not fulfill the minimum requirements in terms of periods of contribution to qualify for a pension—and hence public health care benefits—in the country of residence. For example, a Mexican who retires in Austria after working there for only a few years and who receives a pension from Mexico, but not from Austria because in the absence of totalization she does not qualify for an Austrian pension, will not be covered by the public Austrian health system. The same would be true for a returning Mexican migrant who has worked for less than 500 weeks in Mexico. A Turk, on the other side, with the same employment history, would benefit from the totalization agreement, qualify for an Austrian pension, and therefore would be covered by the Austrian health system. There are no additional requirements, in particular no waiting times, to qualify for coverage under the health system apart from the requirements to qualify for a pension in either of the two countries.

In the United States, the situation is worse since the minimum requirements to qualify for Medicare, the health care program for pensioners, are *not* subject to totalization. Qualifying for Medicare, though, requires a minimum of 40 quarters of contribution. Hence, a Mexican migrant has to contribute for 40 quarters into social security in order to qualify, and periods of contributions into the Mexican public health system are not accounted for. For example, a Mexican who worked for 30 years in Mexico before moving to the United States and working there for another 5 years will receive a pension from Mexico and the U.S. under the new agreement, but will not be covered by Medicare as a pensioner in the United States. She will have to cover health expenses on her own or buy private insurance. Given the age of the migrant and the associated risk of falling sick, both options are obviously prohibitively expensive.

This situation violates Objective 1 since such a Mexican migrant who stays in the United States during her retirement would not be covered by public health insurance. At the same time it violates Objective 2 since the federal system receives and keeps contributions and taxes from migrants who contributed less than 10 years without granting benefits. One potential solution is bilateral agreements that also cover health benefits, as it is the case between Turkey and some EU member states like Austria and Germany. These agreements ensure that retired migrants stay covered by public health insurance either of the host or the home country. For the United States, though, such an agreement would be of limited value since the U.S. system does not require compulsory health insurance in the first place. This apparent incompatibility of the U.S. health system has prevented the United States from concluding bilateral agreements on health with any other country in the world.

In any case, the bilateral agreements on health that are currently in place between migrant-sending developing and migrant-receiving developed countries do not address the violation of Objective 2 on fiscal fairness, which will be addressed below.

3.2.2 Insufficient Access to Public Health

The current arrangements on portability of social security benefits focus on long-term benefits like old-age, disability, and survivor benefits. Even agreements that include health benefits seem to focus on ensuring continuous coverage for migrants who move between countries, ignoring actuarial considerations, which will be subject of the next subsection. This subsection will concentrate on access to health services for migrants in the host and the home country, with or without bilateral arrangements.

Without bilateral arrangements for health benefits, health insurance is provided by the health system of the country of employment, if there is compulsory health insurance as in most countries and with the notable exception of the United States. Hence, the main problems arise for migrants who return to their home country without accepting employment—most notably pensioners who receive a pension from their former host country, but who are not covered under any health insurance in their home country and

who do not benefit from a bilateral agreement on heath between their host and their home country. This is, for example, the case for Moroccans who receive a French pension and return to Morocco. In this particular example the Moroccan pensioner even has to continue to contribute to the (compulsory) French public health system from her pension without receiving any health benefits while living in Morocco. Any expenses on medical care while in Morocco have to be covered by the migrant.

Such an arrangement violates Objective 1. One potential solution would be a unilateral measure by the public health system of the host country to extend coverage abroad and to reimburse health expenses that occur while the migrant stays abroad, either temporarily or permanently. The various host countries that have been considered in this study seem to handle this issue differently. The United States, as already mentioned, does not reimburse any health expenses outside U.S. territory. Germany allows for some reimbursements in some limited cases, namely when the insured person is not able to obtain private health insurance for the duration of her stay abroad due to a previous medical condition or due to her age. This arrangement, however, is limited to a stay of only six weeks, which is clearly not sufficient for migrants who intend to move back to their home country more permanently.

Austria has more comprehensive unilateral provisions regarding health expenses that occur in countries with which no bilateral agreement on health has been concluded. As a general rule, any person who is insured with the Austrian public health system will be reimbursed for private health expenses for doctors and hospital stays that are not part of the Austrian health system or any other public health system of a country with which Austria has concluded an agreement. Yet, such expenses are only reimbursed at a rate of 80 percent of the expenses the same treatment would have cost according to the tariff of the Austrian public health system. Since the costs according to the official Austrian tariff do not reflect the real costs, but are heavily distorted by public subsidies and cross-subsidies, the reimbursed amount falls substantially short of actual costs. This is not only true for health expenses that have occurred, for example, in developed countries like the United States, but also for developing countries. The difference in income and purchasing power between Austria and many developing countries is not reflected in prices for health services. So migrants from developing countries who are covered by the Austrian public health insurance and seek reimbursements for health expenses of their home country have to bear a substantial amount on their own.

It seems that the unilateral policies that are currently in place cannot fully overcome the problems associated with a lack of bilateral cooperation in the area of public health. Also, purchasing private health insurance to cover the health expenses of migrants while in the home country seems an unlikely option—at least for migrants close to retirement age because of age limitations for private health insurance. On the other hand, bilateral agreements grant much better access to public health services for migrants, in particular retired migrants who frequently move between their former host country and their home country. It seems that most retired migrants who have spent a significant amount of time

away from their home country wish to spend their retirement in the home country. Nevertheless, when it comes to medical services they prefer the standard of the host country. As a consequence migrants often commute between the home and the host country during retirement, but consume medical treatment mainly in the host country. In the absence of a bilateral agreement migrants then often chose to keep residence in the host country in order to stay covered under the health system of the host country, limiting stays in the home country to temporary visits. With bilateral agreements, such as those of Germany and Austria with Turkey, access to health services in both countries is much easier to obtain. For example, under the Austro-Turkish agreement a pensioner who is covered under the Austrian health system could very well live in Turkey, as the agreement ensures access to health services in Turkey far beyond pure emergency cases. The same is true for pensioners in Austria who are covered by the Turkish system. In order to prevent abuse, though, the agreement contains specific regulations to undermine "hospital tourism" of Turks who would like to benefit from superior health services in Austria at the expense of the Turkish health system.

3.2.3 Net Contributor versus Net Beneficiary

Arrangements for the portability of health benefits in general focus on continuous coverage but typically ignore actuarial considerations. The bilateral arrangements on health that are currently in place basically put a migrant under the coverage of the health system of her country of residence, with the exception of pensioners who receive a pension from only one country. This rule, though, does not entail any transfers of contributions the migrant has made to the health system of another country to the health system of the country where she is currently living. This leads to the following problem:

A typical migrant leaves her home country while relatively young, starts a professional career in her host country, and returns to her home country when relatively old or retired. Hence, she pays a significant amount of contributions to the public health system of her host country over the course of her career while relatively young—and healthy. This makes her on average a net contributor to the public health system of her host country. After returning home she will contribute to the public health system of her home country for some time before retiring and spending the rest of her life in her home country as a net beneficiary of her home country's health system.

This is not a problem between developed countries as it can be assumed that migration flows between rather similar countries are symmetric.[21] On average, net contributors and net beneficiaries who move between countries may cancel out. Between developing and developed countries, though, migration flows are clearly asymmetric, with developing countries sending more young net contributors abroad then they receive, and receiving

[21] This symmetry does not hold in the case of "snow birds" moving during retirement from colder northern countries to warmer places in the south, for example from Sweden to Spain or from the United Kingdom to French Provence.

more net beneficiaries than they send abroad. This "youth drain" results in a burden for the public health systems of migrant-sending developing countries, which violates Objective 2 of fiscal fairness.

This problem prevails independently of the existence or absence of bilateral agreements. For example, returning Mexican migrants from the United States are reported to be a burden for the Mexican health system as these people have paid few taxes and contributions into the Mexican system during the course of their career, but enjoy free access to first-level health services like emergency treatment while in Mexico. This is especially true of migrants who return for retirement to Mexico after spending most of their career in the United States.

The Mexican public health institutions responded to this problem by offering health insurance for migrants and their family members, which covers their health expenses during a temporary or even permanent stay in Mexico. The annual price for the insurance depends on the age of the insured person, but there is no age limit. For a Mexican of age 60 or older, the annual price is US$256. This measure eases the problem for the Mexican public health system as it generates some revenues from returning migrants, who would get a free ride otherwise, by offering them a more comprehensive medical service than just cost-free first-level medical treatment. At the same time, it gives retuning migrants a choice to obtain public health insurance in Mexico, which in particular retired returnees would otherwise not have in the private insurance sector because of their age. Nevertheless, it still violates Objective 2 in the sense that retired Mexican migrants cannot claim Medicare benefits while staying in Mexico and therefore lose the benefits to Medicare. The U.S. Medicare system by the same token gains from Mexican migrants who return to Mexico where they cannot claim benefits although they contributed during their professional career in the United States.

Even within the EU, which has certainly developed the highest standards on portability of social security benefits across international borders, actuarial considerations with regard to the portability of health benefits are largely absent. It has to be stressed, though, that within the EU migration flows are typically more symmetric than between developed and developing countries, so that on average the burden for public health system of migrant-sending countries in the EU should be limited. As a general rule, the employee is insured with the public health system of the country of residence. If an employee is moving from one country to another, no transfer of contributions takes place between the public health institutions of the former country of residence to the new one. The same is true for pensioners who receive prorated pensions from various EU member states. In such a case the country of residence always covers the health expenses of the pensioner, if she receives a share of her pension from that country.

The only exception to this rule is a pensioner who lives in an EU member country from which she does not receive a pension. In this case the social security authority of the member state to which she contributed most periods during her career transfers an annual

payment to the health authorities of the current country of residence. In return the pensioner receives benefits in kind of the health system of the country of residence. The annual payment reflects the average health costs—which are jointly determined for every member country twice a year by all member countries—for a pensioner in the country of residence. For example, a Portuguese migrant who spent and worked her whole life in France receives a pension only from France, but not from Portugal. If she retires in Portugal, though, she is nevertheless covered by the Portuguese health system. She has access to the same health benefits in kind in Portugal as any other Portuguese pensioner. In return, the French public health insurance transfers an annual payment to the Portuguese public health system that reflects the average costs to the Portuguese health system of a Portuguese pensioner.

This regulation is probably the best practice currently in place on portable health benefits that also takes to some extent actuarial considerations into account. Nevertheless, it still violates Objective 2. There is no arrangement to share the health costs of a migrant who contributed to the public health institutions of various member countries. It is always one public health system—either the one of the country of residence or the one to which the migrant contributed most of the time—that has to bear all the costs, while the other public health systems the migrant contributed to do not have to bear any costs.

4 Policy Options beyond the Current Best Practices

Bilateral agreements are seemingly the current best practice in benefit portability. Such agreements can essentially avoid benefit disadvantages in both pension and health for migrants, and can largely establish fiscal fairness for both migrant-sending and receiving countries. For pension benefits, this is done through totalization of contributions, which provides individual fairness with regard to eligibility and replacement rate and broad fiscal fairness for the involved countries. For health care benefits, the favored approach to achieve broad individual and fiscal fairness is to compensate the resident country of a retiree who receives a pension from a different country with the average health care costs of all resident retirees. The administrative approach to achieve the portability for both pension and health care benefits seems to be reasonable cost-effective after a bilateral or multilateral agreement has been successfully concluded, but no literature is yet available to assess the associated fixed (agreement conclusion) and variable (benefit determination and disbursement) administrative costs of such agreements.

While such approaches succeed in achieving broad individual and fiscal fairness, they are bound to favor or disadvantage individuals as well as countries compared to the counterfactual fully actuarial case. Social security schemes create some relationship between contributions (or taxes) and benefits, but the form of risk pooling, the form of actual or notional prefunding, and the scope of redistribution from richer to poorer individuals in the society differ between countries and from the counterfactual fully

actuarial case. Yet, no study is known to have investigated the scope of such a deviation and its potential economic effects.

Investigating alternatives to bilateral agreements, which reduce individual and fiscal unfairness, is not just important for public social security schemes. It is even more important for private and complementary pension and health care schemes as they are expected to gain importance in the future. Public generosity is decreasing worldwide as a result of aging populations, fiscal stress, and increasing availability of private alternatives.

This section outlines the contours of such alternatives, which offer potentially higher individual and fiscal fairness, and possibly also lower transaction costs and lower distortions to migration decisions for both pension and health care benefits.

4.1 Pensions

The ideal candidate for nondistortionary pension benefits is defined contribution (DC) plans. They fulfill, in principle, all main objectives for portable pension benefits, namely individual fairness, fiscal fairness, and administrative ease. During the accumulation phase, DC plans are simple saving plans, which accumulate contributions (employer's and employee's part) on behalf of the beneficiary on individual accounts, supplemented by interest and investment returns. At retirement, the accumulated amount is partially or fully transformed into an annuity, taking into account the cohort-specific survival probability and the associated future interest stream. Such defined contribution plans can either be fully funded (FDC) or unfunded (nonfinancial or notional, NDC).

For FDCs, the transferability from (host) country to (host) country and back to the source country is straightforward. As savings accounts can be easily back-bagged, on first inspection they fulfill the criteria of individual and fiscal fairness and low transaction costs. As such, FDCs are seemingly the ideal candidate for supplementary private pension systems, but the advantages with regard to migration and benefit portability apply also to NDCs as basic public and earnings-related schemes. The move from one country to the other is either accompanied by a transfer of the accumulated amount (even if unfunded), or by leaving the amount accumulated in one country till retirement, when the amount plus intervening interests are converted into an annuity and sent to the country of residence (see Holzmann 2005 for a proposal to make NDCs the centerpiece of a Pan-European pension system).

While simple and convincing, DC-type systems still require some coordination between countries to establish fairness and administrative ease. The main considerations are the following:

(i) Tax treatment of contribution and benefits: There is a strong agreement among economists about a consumption-type treatment of retirement income savings (at least for the mandated part). An exempt-exempt-tax (EET) treatment leaves contributions and interest rates untaxed, but instead taxes benefits at disbursement. If all countries applied the same principle, individual fairness would be ensured, but the migrant-receiving country (where contributions are untaxed) may loose fiscally compared to the migrant-sending country, where the benefits are disbursed (and taxed). If to the contrary the benefits of the retiree are largely or fully untaxed at residency, then this may in turn create specific incentives for the choice of retirement location (and hence migration).

(ii) Annuitization of accumulated amounts: Converting an amount into a stream of income till death (annuity) seems innocuous but only a limited number of countries have a sufficiently developed financial market to provide such products with certainty over an extended period of time. Furthermore, how does any mandate for annuitization apply once the money is taken to another country? Last but not least, moving from one country to another changes the risk pool for annuitization due to differences in survival probability of the population. In fact, the differences in mortality between developing and developed countries—but also between returning migrants and the locally insured population—may be large.

(iii) Dealing with redistribution: DC-type programs are by design nonredistributive since they display a close relationship between contributions and benefits. Redistributive elements can be added but require, in principle, explicit government transfers at the time when the commitment is made. Examples include matching contributions which favor lower income groups (such as in Mexico), contributions for noncontributory periods (such as unemployment or maternity), or guaranteed minimum pensions which exist in various countries. The question is which of these elements should be made portable across countries.

Summing up, reforming public and private pension plans along DC-type structures would considerably improve the portability of pension benefits for migrants. To be effective, though, they would still require bilateral or multilateral agreements between countries and areas of economic integration to establish principles to ease portability.

4.2 Health Care Benefits

Providing for the portability of health care benefits is more complex than for pensions. The reason is that main components of the explicit or implicit insurance—that is, risk-pooling and prefunding—are less transparent; redistributive elements are more pervasive; and perhaps most importantly, the health care costs for the risks to be covered are much more uncertain and differ between countries. These risks need to be allocated among individuals or the countries (host or sending) involved.

Conceptually, the portability of health care benefits is also best achieved in an actuarially determined structure. Individuals pay an (annual) insurance premium, which reflects the health risks covered and the individual risk profiles, for themselves and their insured family members. Individual risk profiles are typically approximated by age and gender. Further differentiations are typically not allowed by regulators. Under such a structure, migrants would buy annual insurance in whatever country they are working in, and would do the same later in the country where they retire. The many problems of such an approach include the issue of prior health conditions, the nonavailability of private health insurance in many countries (let alone for a fair price), and the age-dependent price of such an insurance, which can be prohibitive for higher ages. With regard to the latter, private and public health insurance include usually a prefunding element in their contribution-benefit design. For private (basic and supplementary) health insurance, premiums are often differentiated by the age of entry into the health insurance scheme such that the premium is lower for a younger entry age.

As the actuarial benefit profile typically increases with age, a more age-independent (in extreme form, constant) health care premium includes elements of prefunding when young and dissaving when old. The same basic principle, albeit in an unfunded manner, applies to public health insurance schemes. If taken at face value, under such a construct the individual (actuarial) balance should be transferred between countries when the migrant changes location. As the risk and cost structure in the new (host or home) country is likely to be different from the old (host or home) country, individualized premiums would be needed which take into account the transfer amount, country-specific cost structures, and the individual (family) risk profile.

The outlined actuarial approach to provide portability of health care benefits seems feasible for private basic as well as supplementary health insurance plans. While most countries (except the United States) have basic public health care provisions in the form of tax-financed national health services or public health insurance, overall the importance of supplementary insurance is likely to increase. Such supplementary insurance allows individual freedom of choice, fast access to services, and can overcome rationing by public authorities. They are of particular importance for skilled migrants, and the lack of portability of such benefits creates obstacles with regard to mobility, even within the EU (and reportedly also, at times, within the United States). Yet to achieve such a high degree of portability will probably require major regulations for the provider and many agreements between countries.

For public health insurance systems of the Bismarckian type, which operate in much of Continental Europe but also Japan and Korea, the problem of portability gets compounded by the strong redistributive features of this approach. Individuals pay a premium which depends on their income but not on their risk profile, and in most cases dependents—at least children, and until recently also spouses—are covered for free. Retirees pay a comparably low contribution, with the dependent spouse typically also covered at no extra cost. In such a system, it would be difficult (but not impossible) to

establish an actuarial amount which is to be transferred at the time when a migrant moves from one country to another.

Consequently, for countries with a Bismarckian-type health insurance system the current EU approach of reimbursement of health care costs to the country of residency by the country of pension benefit payment makes sense. Using average health care costs for elderly is a useful first approximation, which may need to be refined in the future. More importantly, however, the current praxis of the resident country of covering all health care costs if the retiree receives a pension from this country may need to be reviewed and replaced by a pro rata rule. This would also require rethinking the rules of access to high-quality health in the former host country or countries, which may create issues of its own.

The most difficult issues of health care portability seem to emerge if the host and home countries have different health care systems, such as the United States and Mexico, but also Spain (national health system) and Morocco (social insurance system). In such cases, voluntary supplementary insurance in the home country (as offered by Mexico) may be a second-best solution on which improvement should be possible.

5 Conclusions

This paper provides a first assessment into the portability of pension and health care benefits for international migrants. This assessment is based on the available literature as well as selective case studies from main migrant-sending and receiving countries. While exploratory, the paper achieves a much better understanding of the realities on the ground and is able to distill key issues as well as identify good and best practices from the available information base. Bearing in mind the caveat of the exploratory nature of this undertaking and limited available information, the following main conclusions are offered.

First, the majority of migrants face major obstacles in the portability of their pension and health care benefits. Only some 20 to 25 percent of international migrants work in host countries with bilateral or multilateral social security agreements. Such agreements are crucial to avoid disadvantages with regard to eligibility and replacement rates for pension benefits. Nevertheless, such agreements do not necessarily provide the same portability for health care benefits, in particular if the systems between host and home countries are very different. Some 50 percent or so of international migrants have access to their acquired benefits in the host country, but may face benefit disadvantages in pensions or can access the health benefits only in the former host, but not in the home country. The remaining 25 percent or so have either no legal access to benefits in the host country at all (some 5 percent) or work—voluntary or involuntary—in the informal economy of the host country.

Second, the current best practices for benefit portability are clearly bilateral social security agreements—preferably based on multilaterally agreed standards—such as the EU regulations on European labor mobility, or the agreements between the EU and the Maghreb countries. For pension benefits, the key element for portability is totalization of contribution periods and amounts in order to avoid disadvantages in eligibility and replacement rate. For health care benefits, the current best practice seems to be full access of the retiree to the health care system of the residence country, and the reimbursement of the average health care costs for elderly of the residence country by the country paying the pension benefit. Yet, this approach is so far only practiced for retirees within the EU and not yet with countries outside the EU even under bilateral agreements. Hence, as a quick way forward to achieve enhanced portability of social benefits, host and home countries should be invited to start bilateral negotiations that include health care provisions as well as pensions benefits. Such negotiations are likely to be difficult, in particular if the benefits systems between host and home countries are very different. Then, new approaches and solutions are needed to which the international community is invited to contribute.

Third, one way forward to enhanced benefit portability between countries is a move toward a more actuarial structure. For pension benefits such a move can be achieved by the introduction of a defined-benefit (DB)-type system, which can be funded (FDC) or remain unfunded in the form of a non-financial or notionally defined benefit plan (NDC). Internationally, DC-type systems have gained importance, at least in the form of voluntary top-up provisions. A number of countries in Latin America, Europe, and Central Asia have also reformed first or second pillar provisions (Holzmann et al. 2005). Actuarially structured health care systems with a major prefunded element for premium smoothing could likewise offer a way forward, but more likely for voluntary supplementary provisions than as a replacement of existing Bismarckian-type health insurance provisions. Supplementary health is conjectured to gain importance, and the lack of portability creates main obstacles to mobility, even within common economic areas such as the EU.

Fourth, the General Agreement on Trade in Services (GATS) may have main implications for social security in the future. On the one hand it is feared that these rules for the trade of services will lead to a race to the bottom on social security standards and pressure to open the services to private sector provisions. On the other hand the regulations for temporary migrant workers under GATS Mode 4 may lead to pressures for more portability of social security benefits also for low- and medium-skilled workers (Yeates 2005): First, the National Treatment principle would require governments to eliminate discrimination against temporary workers in their access and use of social benefits. Second, the Most Favored Nation principle would require governments to eliminate social security discrimination among foreign nationals.

Finally, for a major move forward, it would be important to strengthen the information base to have a better understanding of alternatives in policy design and implementation.

Suggested contributions to an enhanced information base include: (i) more country case studies from migrant-sending and receiving countries, in particular in Asia and Africa; (ii) tracer studies of individual migrants to achieve a better understanding of their circumstances, concerns, and decisions in dealing with the existing situation; (iii) the inclusion of migration modules into household surveys in order to allow the testing of hypotheses about the importance of benefit portability, or the lack of, for migrant household decisions; and (iv) last but not least, continued conceptual work about design and implementation elements of social security systems, which render alternative portability approaches and which provide individual fairness, fiscal fairness, and administrative ease.

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Annex A: Case Studies

This section presents the background of the case study countries and the current portability regimes associated with their main destination countries in more detail. As the responses from government officials and representatives of trade unions and migrant associations from the different countries varied in detail and informational value, the extent to which the countries are covered necessarily differs.

The section will start with a description of the methodology and an explanation why the chosen methodology was used. The following four subsections will present the case study countries Mexico, Morocco, the Philippines, and Turkey. The final subsection covers some provisions in the national law of the main migrant-receiving countries of the case study countries, namely Austria, France, Germany, and the United States.

Methodology

The information on which the analysis was based was gathered by conducting telephone interviews or by requesting written responses to a questionnaire on issues related to the portability of pension and public health care benefits. The questionnaires were submitted to and the interviews were conducted with representatives of governments, trade unions, and migrant associations in migrant-sending and receiving countries.

This method was chosen as it proved to be the most effective way to gather information quickly and accurately, in particular given the time and financial constraints. Also, this method allowed for valuable insights into the actual bureaucratic processes behind the legal provision of national social law and bilateral agreements. By taking into account the experiences and opinions of representatives of trade unions and migrant associations, a much better sense of the most apparent gaps and deficiencies in the current regulations was obtained.

The chosen method of direct contacts with the people affected by portability issues and bureaucrats working on the implementation of portability was able to deliver significant added value on this topic which would not have been obtained by a purely legal and economic analysis. In conclusion, the research and the results were driven by the realities on the ground as opposed to theoretical considerations.

The questions asked during interviews and in the questionnaire focused on the following issues: First, the questions were aimed at assessing with which other countries the case study country had concluded bilateral social security agreements. Second, the questions intended to find out what kind of arrangements these bilateral agreements included for the portability of pensions and how these arrangements were implemented. This included questions on how replacement rates were determined, how totalization was done, how and where migrants apply for pensions, how pensions are paid, and so forth. Third, similar questions were asked about the possibilities for portability of health care benefits for migrants. A particular focus in this regard was on assessing to what extent these agreements ensure the continuous health insurance coverage for migrants who move from

one country to another, which groups of people were covered (workers, pensioners, dependents), if there are any provisions on transfers of contributions from institution to another, and if there were provisions to reimburse returning migrants for health care expenditures in the other country.

Forth, questions were asked about any provisions in the national law to grant access to and exportability of pension and health benefits. For migrant-receiving countries the focus was naturally on exportability of entitlements for migrants who want to leave their host country to return home, while in migrant-sending countries the focus was on provisions in the national law that regulate the access to pensions and public health care benefits while working abroad and when returning back home.

Fifth, the interview partner or responder was invited to give a personal assessment of how well the previously described procedures work and how effective they are in advancing the portability of social security benefits. These questions were particularly aimed at representatives of migrant associations and trade unions to give them an opportunity to report any specific problems and the main obstacles to portability. This also included a question on how important portability issues are in the migrant's decision to return to her home country. Finally, government officials were asked if they could provide any data on accessibility, that is, how many persons actually benefited from possibilities to export pension and health care entitlement.

Most replies were obtained from the international affairs departments of the national ministries of health care, labor, or social security or the national social security institutions of the respective case study countries and their main destination countries. Responses from migrant-receiving countries were mostly easier and faster to obtain, while migrant-sending countries showed great interest in the topic and emphasized their efforts to enhance portability of social security benefits for their migrants, but also mentioned a certain lack of interest and fears of financial burdens from some of migrant-receiving countries. Overall, the regulations and implementation rules on portability turned out to be highly complex and bureaucratic, but a certain similarity between regulations was recognized.

To find contacts in trade unions and migrant association on this particular topic proved much harder. Only on a few occasions, namely in France and Germany, was it possible to receive well informed responses on this topic. Nevertheless, other responses confirmed that in general portability is a much discussed topic among migrants, and that migrants are therefore well informed on the topic, despite frequent changes in regulations and a lack of information materiel in their mother tongue.

In terms of lessons learned for further research it can be said that telephone interviews seem to have worked by far the best, provided that they (i) were arranged well in advance, (ii) gave the interview partner sufficient time to prepare, and (iii) were combined with a prompt follow-up questionnaire that included specific questions that could not be answered during the interview. Overall the main problem with telephone interviews, though, was that interview partners quickly insisted on a written questionnaire that allowed them to take sufficient—unfortunately often too much—time to respond. A purely written response had the drawback of a lack of interaction between the researcher

and interview partner, so that many questions could not be covered to the desired extent and the follow-up process took much more time. Hence, for any further research, the best procedure would be personal interviews in the countries, preferably conducted in the local language, arranged well in advance, and giving the interview partner a clear idea of what topics will be covered.

Mexico

Mexico with approximately 13.8 million migrants—of which 7.9 million are legal—is considered the main sending country both in Latin America and in the world as a whole (Table 7, Table 11, and Table 14). Mexico has a long history of emigration, which is tightly connected to the United States and can be divided into several phases. The first phase of emigration was the period from the late nineteenth century to 1940, when the Mexican government started a very active policy of discouraging migration and attracting back home its citizens who lived in the territories annexed by the United States (California, Texas, New Mexico, Arizona, Nevada, and Utah). The second phase was from 1940 to 1964 when special programs were introduced for Mexican laborers to work on U.S. farms and railroads. In 1964 the regulatory program was canceled, and given the fact that there were no active migration policies in place on both sides, an era of undocumented migration began. Finally, the Immigration Reform and Control Act, allowing 2.3 million Mexican immigrants to be legalized, set the stage for a new era in the U.S.-Mexico migration history.[22]

The main part of Mexican emigration to the United States occurred during the last 25 years. High inflows took place during the 1990s with more than 200,000 Mexican migrants on average coming into the United States per year. In some years, the arrival number reached almost 1 million. The stock of immigrants in Mexico on the other side is relatively small. In 2000, around 406,000 foreign nationals lived in Mexico, mainly immigrants from the United States and also from other Central American states who are coming to Mexico as a transition point on their way to Canada and United States (Table 11). Official inflows are small. For example, in 2001 a total of 1,315 residence permits were issued in Mexico to citizens of the United States (15.1 percent), Spain (7.2 percent), Colombia (5.5 percent), Germany (5.2 percent), and Argentina (4.6 percent) (OECD 2004, p. 234).

Mexico signed a totalization agreement with the United States in June 2004, but so far the agreement has not been ratified. Originally the agreement was planned to enter into force in October of 2005, but the U.S. president has not yet passed the treaty on to Congress for ratification. It seems that given the broader, highly controversial discussion about U.S. social security reform, the agreement will be challenged by a number of congressmen so that ratification anytime soon has to be seriously doubted.[23] Since the United States is the almost exclusive destination country for Mexican migrants, this leaves many Mexicans without proper arrangements to transfer social security benefits they acquired while working in the United States back to their home country.

[22] For more information on the history of Mexico-U.S. migration, see Durand 2004.
[23] See "U.S. Social Security Pact with Mexico Faces Trouble," Reuters 2005.

The proposed agreement refers only to pension benefits and does not cover health benefits. The main objectives of the agreement are to avoid double contributions for expatriates and the totalization of periods of contribution. Currently, a U.S. American expatriate who is sent to work for a U.S. company in Mexico has to contribute to both the Mexican and the U.S. social security systems, and vice versa. The new agreement—once in force—will have provisions to avoid double contributions.

In order to qualify for a pension in the United States, an employee has to have contributed to the U.S. Social Security Administration (SSA) for 40 quarters (10 years). In order to qualify for a Mexican pension, 500 weeks of contribution are necessary. Hence, a worker who contributed to both systems for less than 10 years over the course of her career does not have an entitlement to a pension under any system. With the new agreement in force, though, periods of contribution will be totalized and the new minimum requirements to qualify for a pension are reduced to 52 weeks of contribution into the Mexican system, six quarters into the U.S. system, and 10 years of contribution combined into both systems.

In addition, migrant workers who worked in both countries and have an entitlement to a pension under both systems are currently punished by a lower replacement rate since both systems apply a regressive formula when determining replacement rates. That is, people who retire before having contributed for a certain minimum period (in the United States, 35 years) are disproportionately punished for every year they retire earlier. Under the new agreement, though, this regressive formula is not applied. Every migrant's pension is calculated according to the combined, that is, totalized, years of contribution, and every pension system then pays a pro rata share of the pension.

In order to apply for a pension a migrant can apply to the social security authority of her home or her host country. The migrant will then be informed about the necessary steps to simultaneously apply for a pension from her former host or home country. A Mexican living in Mexico, for example, will be referred to the U.S. consulates in Mexico, and vice versa. The agreement also ensures that the pension is properly and promptly paid anywhere on the territory of Mexico and the United States.

The costs of the totalization agreement for the U.S. SSA are estimated to be around US$105 million, which compares to total expenditures of US$470 billion in 2003. The long-range effect of the totalization agreement on the U.S. Social Security Trust Funds is negligible at less than 0.005 percent. Around 3,000 U.S. expatriates and their U.S. employers will save about US$140 million of contributions to the Mexican social security system over the course of the next five years. Furthermore, a conservative estimate reckons that at least 32,000 migrants will benefit from the totalization agreement in the first year alone. After five years this number will grow to 114,000 people, and in the long run it is estimated that 300,000-500,000 migrants will benefit from the agreement, 90 percent of whom will be Mexicans and half of whom are expected to have returned to Mexico.

Mexico has also concluded bilateral social agreements with other countries, namely with Canada in May 1996 and with Spain in January 1995. Yet, given the overwhelming

importance of the United States for Mexicans migrants, relatively few migrants have benefited from these agreements. Under the agreement with Spain, so far 200 Spaniards working in Mexico were able to avoid double contributions and around 600 Mexicans and Spaniards have been granted totalization of periods of contribution. Under the Canadian agreement, 200 Canadians were able to avoid double contributions, but not a single case of totalization has been administered yet.

A particular problem for Mexico in conjunction with returning migrants to Mexico, which will not be affected by the proposed totalization agreement, is the nonportability of health benefits. Migrants who have spent a good part of their professional career in the United States, either legally or illegally, and then return to Mexico have free access to first-level medical services. As these migrants have typically paid no or few taxes and social security contributions into the Mexican public health system during their career, but have nevertheless free access to health services, they constitute a financial drain for the Mexican health system. The Mexicans authorities have reacted by offering health insurance to migrants and their family members that covers all health expenses and includes second- and third-level health services of the Mexican public health system. The annual fees are age dependent and range from US$97 for under 19 years old to US$256 for 60 years or older. These insurances can be bought independently of the migratory status and also for family members who live in Mexico and are not covered by the Mexican system. In order to buy the insurance, the beneficiary has to provide identification, some personal documents, and answer a medical questionnaire.

As of 2000, less than 1 percent of Mexicans living abroad enjoyed full access to social protection benefits and advanced portability regulated by bilateral agreements (Table 7). At the same time, 57 percent of Mexican migrants fall under Regime II (accessibility and portability of social security benefits regulated by national provisions of the host countries). According to these estimates, 5.9 million Mexicans are undocumented and thus have very limited or no access at all to social security benefits (Passel 2005).

Information has been provided by the Instituto Mexicano del Seguro Social, Coordinacion de Asuntos Internacionales (Mexican Social Security Institution), and the U.S. Social Security Administration, Office of the Deputy Commissioner on Disability and Income Programs.

Morocco

In 2000, almost 1.7 million official and undocumented Moroccan migrants lived abroad, out of which 1.1 million official migrants lived in Europe, having thus the largest foreign population in the EU of any of the Maghreb countries (Table 7, Table 8, and Table 15). Economic conditions are considered the main push and pull factor in Moroccan migration. An examination of the annual pattern of gross migration from Morocco to Belgium, France, Germany, and the Netherlands during 1977-1988 suggests emigration diminished significantly with the expansion of the modern sector employment in the country, and rose with both GDP per capita in the destination countries of Europe relative to that in Morocco, as well as with employment growth in Europe (Lucas 2005).

The main destination countries are France with 504,000 Moroccans, Spain with 200,000, Italy with 160,000, and the Netherlands with 111,000 Moroccan immigrants (Table 15). The small amount of data on migration flows from and to Morocco that is available suggests a return migration rate of over 50 percent for Germany, and around 16 percent for Belgium and the Netherlands (Table 16 to Table 18). Immigrants to Morocco are mainly coming from neighboring countries in Africa and returning migrants from the West.

Morocco concluded a bilateral social security agreement with France in 1965, complemented by an exchange of letters on health benefits in 1973. The agreements only cover wage earners, but there are separate agreements that cover students and maritime workers. Currently, Morocco is negotiating a more comprehensive social security agreement with France, which will cover a larger group of migrants, including the self-employed and free professions. In addition, Morocco has concluded bilateral social security agreements with Belgium, Denmark, Italy, the Netherlands, Portugal, Spain, and Sweden.

The current agreement with France has the usual provisions on equality of treatment, exportability of pensions, and totalization. Pensions are paid directly from the paying institution to the pensioner abroad, either by international money order or into a bank account in the country of residence—in which case the official exchange rates applies—or into a foreign-resident account in the former host country. In order to apply for a pension, the pensioner interacts with the social security organization of her country of residence, which then initiates the process to jointly determine pensions in both countries. The cooperation between the social security authorities is close and seems to work efficiently.

In 2003, France paid 62,488 old-age pensions, 736 disability pensions, and 4,356 work accident pensions to Moroccan residents. Germany transferred 2,448 pensions to Moroccan residents, 90 of which were for German nationals.

The agreement with France also includes some provisions on the transferability of health benefits. The agreement, though, covers only workers, and in particular does not include pensioners. Moroccan migrant workers and their dependents who temporarily return to Morocco can access health benefits in kind at the expense of the French public health insurance system. Also health cash benefits can be transferred directly to the migrant. Pensioners who return to Morocco for their retirement have no access to the Moroccan health system, but nevertheless have to continue to pay contributions to the French health system from their pension without receiving any benefits. The newly negotiated agreement, though, will extend health coverage also to pensioners. Transfers between the French and the Moroccan health system are done annually and are based on the average health costs of a pensioner in the respective country of residence.

The portability of social security benefits is reported to be a real concern of Moroccan migrants in France. Regarding portability, migrants perceive the following main problems. First, Moroccans contribute to the French family fund just as any other French worker, but cannot receive the same benefits for their children who stayed in Morocco as the French. In fact, they only receive the rate that the Moroccan system pays. Second, the

aforementioned loss of health coverage for pensioners who return to Morocco for their retirement is perceived as particularly unfair. These two issues seem to play a major role in migrants' decision to return to Morocco or stay in France. It was also reported that migrants and trade unions are concerned that the negotiations for the new agreement seem to be held on a purely technical, bureaucratic, and diplomatic level, without the participation of representatives from migrant associations other stakeholders

As of 2000, most Moroccan migrants had their social protection regulated by either bilateral social security agreements or national legal provisions of the host countries. 1.2 million fell under Regime I, and 111,000 under Regime II, or almost 80 percent altogether (Table 7). The fact that the EU and its member countries have been particularly active with regard to bilateral social security agreements with their main migrant-sending countries in North Africa explains this relatively high number. At the same time, a small percentage of Moroccan migrants living abroad had limited access to social security benefits because they were working in the Gulf Region where foreigners are excluded from the local social security system. Finally, nearly 20 percent of Moroccan migrants had no access to social protection because they participated in the informal sector of their host country.

Information has been provided by the Hauptverband der österreichischen Sozialversicherungsträger (Austrian Social Security Association), Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz der Republik Österreich (Austrian Ministry for Social Protection, Generations, and Consumer Protection), Ministère des affaires socials, du travail et de la solidarité de la République française, Division des affaires communautaires et internationals, Direction des affaires securité sociale (French Ministry for Social Affairs, Labor, and Solidarity), and the Bundesministerium für Gesundheit und Soziale Sicherung, Referat E23 Bilaterale Beziehungen in der Sozialen Sicherherheit außerhalb der EU der Bundesrepublik Deutschland (German Ministry for Health and Social Protection). Additional information has been provided by Mr. Fouad Benseddik, VIGEO, Paris.

The Philippines

The Philippines are regarded as one of the main suppliers of migrants in Asia. According to the Commission on Filipinos Overseas, in 2001 more than 7.4 million Filipinos lived abroad, of which approximately 1.6 million had an illegal status (Table 7 and Table 19). The main destination areas of Philippine migrants are North America (United States: 2.5 million, Canada: 363,000), West Asia (Saudi Arabia: 915,000, UAE: 166,000, Kuwait: 63,000), and East Asia (Malaysia: 421,000, Japan: 240,000, Hong Kong: 173,000). Data on bilateral migration flows of Filipinos is available only for Australia and Japan, with a suggested return rate of 19 and 84 percent respectively (Table 20 to Table 22). At the same time, the number of citizens of other countries living in the Philippines is only about 160,000, most of them being migrants from neighboring countries like India and some returned migrants from the United States (Harrison 2004).

The portability of social security benefits for migrants in the Philippines is regulated by both the domestic legal system and international agreements on bilateral and multilateral

levels. The major legal instruments, which regulate social security issues, including those relevant to migrants, are the Social Security Act of 1997, the Portability Law, the National Health Insurance Act of 1995, and the Presidential Decree on Employees' Compensation and State Insurance Fund.

The Philippines have concluded bilateral social security agreements with Austria, Belgium, Canada and Quebec, France, Spain, Switzerland, and the United Kingdom. In addition the Philippines have ratified ILO Convention 157 on the Maintenance of Social Security rights alongside Spain and Sweden. No agreement has been concluded with East or West Asian countries, although both regions are main destination areas for Philippine migrants. The agreements all have provisions on equality of treatment, the totalization of periods of contribution to pensions, exportability of pensions, and mutual administrative assistance. None of the agreements, though, cover health benefits.

According to Filipino sources, in 2003 more than 3,200 workers received long-term benefits under the auspices of these international social security arrangements, of which 341 fall under the Austro-Philippine agreement, 2,508 under the Canadian agreement, 20 under the French agreement, 79 under the Quebecoise agreement, 149 under the Spanish agreement, and 150 under the agreement with the United Kingdom

Austria reports that it paid 45 pensions worth €320,000 to the Philippines in 2003, although it is unclear if these pensions were paid to Austrian or Philippine nationals and if these pensions fall under the bilateral agreements. Germany reports that it paid 766 pensions to the Philippines, of which 646 were to German nationals. It can be assumed that many of these pensions are paid to German pensioners who chose to retire in the Philippines and not to former Philippine migrants. In addition it has to be pointed out that it is unclear if these numbers include pensions that are paid to former Philippine migrants into nonresident accounts at Austrian or German banks.

The main problem with regard to portability that the Philippines report is that migrants are sometimes not aware of their rights when it comes to the possibility of exporting pension entitlements. Also, the Philippines are eager to conclude further bilateral agreements with a number of other important destination countries of its migrants. Currently, the Philippines have some 20 agreements on social security in the pipeline. The problem though is that many times the Philippines encounter a lack of enthusiasm from on the part of the migrant-receiving countries for fear of significant costs for their social security systems. Such fears obviously ignore that the expenditures associated with bilateral social security agreements reflect benefits related to contributions of migrants.

In the absence of a bilateral agreement, Philippine migrants have to contribute for at least 120 months into the Philippine pension system in order to qualify for a pension. The Philippine system, however, has provisions that enable overseas workers to continue to voluntarily contribute to the pension system while working abroad. The same is true for the public health insurance system. Filipinos who work abroad can chose to contribute to the Philippine public health insurance in order to qualify for sickness and maternity cash benefits and medical care in the Philippines. For returning migrants, the qualifying conditions for medical care are a minimum of three months of contribution over the last 12 months. These conditions are waived for pensioners.

The provisions in the Philippine national social law to stay covered on a voluntary basis even while working abroad are of particular importance as apparently many main destination countries for Filipinos do not require foreign workers to contribute to the pension system of the host country while working there. This seems to be the case, for example, in Saudi Arabia, one of the most important destination countries for Filipinos. Also Hong Kong, China seems to exempt foreigners from contributions to the pension system if they can prove that they contribute to the system of their home country. Also, Hong Kong allows foreigners who leave Hong Kong for good to withdraw the contributions they made into the Hong Kong system as a lump sum payment.

At the same time many of the Middle Eastern countries are currently moving towards a system under which they require visa sponsors—that is, the employer—to provide health insurance for their recruited foreign workers. It remains unclear to what extent foreign workers in the Gulf Region do indeed have access to social protection. Allegedly some employers in the region do provide health insurance for their foreign employees, but simply withdraw the visa and the work permit if the employee falls sick so that the employee has to return to her home country.

Currently, almost 40 percent of Philippine nationals living abroad have no or limited access to social protection (Table 7). This is mainly due to the substantial number of migrants working in the Gulf Region (almost 18 percent) and the large number of undocumented migrants (22 percent). At the same time almost 60 percent of Filipinos residing overseas have full or partial access to and portability of social security benefits.

Information has been provided by the Hauptverband der österreichischen Sozialversicherungsträger (Austrian Social Security Association), Bundesministerium für Gesundheit und Soziale Sicherung, Referat E23 Bilaterale Beziehungen in der Sozialen Sicherherheit außerhalb der EU der Bundesrepublik Deutschland (German Ministry for Health and Social Protection), and the Philippine Social Security System, International Affairs Department.

Turkey

Turkey traditionally was considered a country of emigration. In the 1960s and 70s a large number of Turkish nationals left the country encouraged by the *Gastarbeiter* (guest worker) programs of Western European countries—particularly Germany and Austria. The next phase of Turkish emigration was family reunification with migrants who left for Western Europe previously and a massive out-migration to the oil-rich Gulf states following the oil shock in the 1970s. As of 2000, almost 3 million Turkish nationals lived outside their country of birth, of which almost 2.7 million lived in Europe (Table 23). Within Europe, almost 2 million lived in Germany. The data on migration flows suggests a return migration of Turks from Germany and Switzerland of over 60 percent, over 50 percent from Austria, and over 20 percent from Belgium, Denmark, and the Netherlands (Table 24 to Table 26). Turkey also recently became a transition country to the EU for migrants from Western Asia. In 2000, 1.5 million foreign nationals lived in Turkey (Table 23).

Turkey has concluded bilateral social security agreements with 20—mostly European—countries and also has been a party to the European Social Security Agreement since March 1, 1977. Outside the EU, Turkey has concluded bilateral social security agreements with Libya, Norway, the Turkish Republic of Northern Cyprus, Macedonia, Azerbaijan, Romania, Georgia, Canada, Quebec, the Czech Republic, and Bosnia and Herzegovina. Negotiations are currently under way to conclude agreements with Croatia, Israel, The Slovak Republic, Serbia and Montenegro, and Uzbekistan.

Germany reported that it transfers €173 million annually in obligations stemming from bilateral agreements to Turkey, and the amount is increasing quickly. Included in this amount are 38,454 pensions of which only 733 are paid to German nationals residing in Turkey. Austria reported to have paid 9,966 pensions worth €38.5 million in 2003. It is unclear, though, if these numbers include any pensions that have been paid to Turkish residents into nonresident accounts at Austria and German banks.

Pensions received under a bilateral social security agreement are usually paid directly to the pensioner by the pension-paying institution either via international money order or into foreign-owned accounts in the former host country. In the former case pensions are ultimately paid in the local currency at the official exchange rate. Turkey reported that under some agreements pensions by foreign institutions are also paid through the Turkish pension system. The agreement with Germany has a special provision that allows Turkish migrants leaving Germany to receive a lump sum payment instead of a monthly pension. The lump sum payment reflects only the contributions made by the migrant, but does not include the employer's part of contributions. Not surprisingly, this provision is not much used by returning migrants, at least not since 1984 when Germany for the last time granted a subsidy for returning migrants who opted out of the German pension system via lump sum payments. The agreement with Austria does not have any provisions for lump sum payments.

In order to receive a pension from the German pension system as a Turkish migrant, a form-free application filed three months before leaving Germany for good is sufficient. If the migrant has already returned to Turkey before reaching the retirement age, it is also possible to file an application at one of the liaison offices of the Turkish social security system in Turkey. Once the application is handed in, the bureaucracies of the two countries determine the pension amounts paid by the two institutions according to their national law, applying the usual principles of equal treatment and totalization. Similar provisions hold for the Austro-Turkish agreement.

The agreements with Austria and Germany also cover health benefits. The underlying principle is that the migrant is always covered by the public health insurance of the country of residence. Hence, a Turkish migrant who moves to Germany for work is covered by the German public health system. Once she moves back to Turkey, she will be covered by the Turkish system, if she is employed in Turkey or receives a pension from the Turkish pension system. The only exception is a retired migrant who receives a pension from only one of the two counties, but lives in the other one. In that case the pensioner has full access to all public health benefits in kind of the country of residence, at the expense of the health insurance of the country from which she receives her pension.

The expenses are either transferred on a case-by-case basis, so that the country of residence is reimbursed for the actual health costs of the pensioner, or the institution that pays the pension transfers monthly payments based on the average health costs of pensioners in the country of residence.

The agreements that cover health benefits also ensure adequate access to health services in kind not only for permanent residents of the signatory countries, but also for temporary visitors like expatriates and tourists. This is important as many Turkish migrants actually do not want to move permanently back to Turkey, for example, during retirement, but rather prefer to commute between the two countries. One of the decisive factors behind this pattern is the desire to keep full access to health services in the host country—that is, Austria or Germany—as these services are usually superior to the health services available in Turkey. The agreements have provisions that ensure access to most health services in urgent cases for temporary stays in Turkey and vice versa, but in cases where serious medical treatment is necessary—heart surgery, for example—the migrant has to return to the country where she is insured. This provision also aims at avoiding "hospital tourism" by people who are covered by the Turkish health system and "accidentally" fall sick while staying in Austria or Germany. In such cases the Turkish system would be required to reimburse the Austrian or German system for any health expenses, and since medical treatment costs are usually higher in Austria and Germany, such a practice would financially drain the Turkish health system.

Turkey also reported that like in Mexico returning migrants who spend a considerable part of their professional career abroad while relatively young and healthy constitute a certain financial burden for the Turkish public health system. By the time they return to Turkey they are actually net beneficiaries of the public health system, receiving more benefits through medical care than they provide in contributions to the system.

The main problems reported with regards to the bilateral agreements concern the often changing and complicated legal provisions. The topic is much discussed among migrants, so people are generally well informed. There seems to be need, though, for more informational material in Turkish language.

In the absence of a bilateral agreement, the Turkish pension system requires relatively high minimum years of contribution to qualify for a pension, between 13 and 25 years, depending on occupation and gender. Access to medical services for returning migrants is provided as soon as they take up work. For returning migrants who are neither employed nor receive a pension, the government provides welfare programs to cover their health expenses.

In 2000, of the more than 3.5 million Turkish nationals abroad approximately 72 percent fell under portability Regime I, having access to social security benefits and portability being regulated by bilateral social security agreements (Table 7). Around 4 percent fell under Regime II, and approximately 3 percent had no or limited access to the social protection.

Information has been provided by the Hauptverband der österreichischen Sozialversicherungsträger (Austrian Social Security Association), Bundesministerium für

soziale Sicherheit, Generationen und Konsumentenschutz der Republik Österreich (Austrian Ministry for Social Protection, Generations, and Consumer Protection), Bundesministerium für Gesundheit und Soziale Sicherung, Referat E23 Bilaterale Beziehungen in der Sozialen Sicherherheit außerhalb der EU der Bundesrepublik Deutschland (German Ministry for Health and Social Protection), Bundesvereinigung der Deutschen Arbteitgeberverbände (German Employer's Association), and the Republic of Turkey Ministry of Labor and Social Security, Presidency of Social Security Institution. In addition, interviews have been conducted with Mr. Kenan Kolat, Türkischer Bund Berlin-Brandenburg (Turkish Association Berlin-Brandenburg), and Mr. Mustafa Doganay, Arbeiterwohlfahrt Berlin (Worker Welfare Association Berlin).

Main Migrant-Receiving Countries

Austria

In Austria, pensions are generally exportable to any country in the world, including countries with which no bilateral social security agreements have been concluded. Of course the applicant has to fulfill the minimum requirements in term of periods of contribution in order to be entitled to a pension. Pensions abroad are paid directly to the pensioner either by check, international money order, via the banking system, or into a nonresident account at an Austrian bank. If there is no bilateral agreement on the exportability of pensions, the pensioner regularly has to provide a proof of life to the Austrian pension system.

Health care benefits are only exportable to countries with which Austria has concluded a bilateral agreement on health care benefits. Outside the EU, Austria has currently concluded bilateral health care agreements with Turkey and all countries of the former Yugoslavia. These agreements cover all expatriates, pensioners, tourists, and their dependents and guarantee access to health care benefits in kind on the territories of the signatory states for all medical treatments which cannot be postponed until a return to the home country (so-called resident cases as opposed to pure emergency cases). That means that pensioners that receive a pension from one state but live in the territory of the other state have comparably good access to local medical care. For surgery and similar advanced medical care, though, they either have to return to the country from which they receive their pension or they have to apply for a special permission to receive the necessary medical treatment in their country of residence. This is also intended to prevent "hospital tourism" from one country to another.

The Austrian national law has also some very limited unilateral provisions to export health benefits via reimbursements of health expenses abroad. The reimbursement rate is identical to any other private health expense outside the Austrian public health system, namely 80 percent of what the treatment would have cost within the Austrian health system. The problem though is that the Austrian public health system is heavily subsidized and cross-subsidized, so that the virtual costs do not reflect market costs. Hence, it is never the case that the actual costs of a medical treatment abroad are covered by the reimbursement the Austrian health system offers. For expatriates of Austrian companies abroad, the Austrian employer has to cover 100 percent of all health expenses

of the employee. The employer in turn can then apply for the 80 percent reimbursement of the Austrian rates.

With the member countries of the European Economic Area (EEA) and with Switzerland, Austria has signed a variety or far-reaching bilateral agreements on health care benefits in kind. An Austrian who is in need for health care in any other signatory country has to present a form (E-111, in the future replaced by a European Health Insurance Card) at the hospital or to the doctor. She is treated like a national of that country, pays the same deductibles, and has the same access rights to medical care. The costs for the treatment are then reimbursed by the Austrian health system to the health system of the country where the incident occurred.

Within the EU, there is also the possibility of direct annual transfers of funds between health systems of different countries. This is the case when a pensioner receives pensions from countries other than the country of her residence. In such a case the country in which the pensioner has contributed the most time will cover her health insurance, but instead of reimbursing the health system of the country of residence on a case by case basis, it will transfer an annual amount which reflects the average annual health costs for a pensioner in the country of residence.

Information has been provided by the Hauptverband der österreichischen Sozialversicherungsträger (Austrian Social Security Association) and the Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz der Republik Österreich (Austrian Ministry for Social Protection, Generations, and Consumer Protection).

France

French national law guarantees general exportability of contributory benefits like old-age, survivor, and other pensions. In addition, France has concluded around 30 social security agreements with countries outside the EU. These bilateral agreements are less advanced in their coordination of portability of social security rights than the EU agreements and do not cover complementary pensions, unemployment, and noncontributory allowances, but include provisions on the portability of old-age, survivor, disability, and work accident pensions. The older agreements only referred to the exportability of pensions within the territories of the signatory states while the more recent agreements grant exportability to all countries worldwide. In addition, the more recent agreements are more comprehensive in the sense that they cover migrants in general, including the self-employed, students, and pensioners, and not only wage earners.

Pensions are paid directly to the foreign-resident pensioner, with the exception of Mali where payments are handled by a local agency. Pensions are paid in euros either into a foreign-resident account at a French bank, an account at a foreign bank, or by international money order. In the latter two cases the pension is converted into the national currency at the official exchange rate. For small pensions (less than €137.38 a year) there is also the possibility to receive a lump sum payment at the amount of 15 times the annual pension entitlement instead of a monthly pension. The application

process for a pension is initiated by the social security authority of the country of residence.

In 2003, France paid 587,322 old-age pensions, 3,843 invalidity pensions, and 15,935 work accident pensions to residents of countries associated with France via a bilateral social security agreement, 126,819 of which chose to receive their pension into a non-resident account in France. In addition, France paid 744,293 old-age pensions, 5,582 invalidity pensions, and 26,164 work accident pensions to residents of another EU member states. Finally, 120,014 old-age pensions, 88 invalidity pensions, and 245 work accident pensions were paid to residents of third countries which had not concluded a bilateral social security agreement with France. Altogether, France transferred €3.39 billion for various types of pensions to residents of foreign countries in 2003.

The portability of health care benefits is regulated as described previously. For employees, the public health care system of the country of residence is responsible for coverage. For pensioners who are residents in a country with which France has concluded a bilateral agreement on health care and who do not receive a pension from that country, France transfers an annual lump sum amount to the country of residence which reflects the annual health expenses for a pensioner in that country. Local liaison organizations are responsible for the transfers, and a commission deals with any disputes. In practice this means that a person who receives a French pension is able to subscribe to the public health system of the country of residence and is then treated like a pensioner of the country of residence. All financial transfers are administered between the social security authorities of France and the country of residence. In 2003, France transferred €268 million for health care services abroad.

All migrants, including pensioners, who move their residence to a country with which France has not concluded a bilateral agreement on health care lose their coverage while staying abroad, but nevertheless have to continue to contribute the French health care system.

Monetary and fiscal problems are France’s main concerns with regard to portability of social security benefits. Although many states have provisions on the exportability of pensions, in particular African nationals who live in France often have difficulties receiving pensions from those countries while in France. The main problems are the official exchange rates that do not reflect market prices, the financial authorities of these countries that sometimes block transfers, and the bankruptcy of pension systems in Africa in general.

France is currently renegotiating the bilateral social security with the Maghreb countries and extending its current network of bilateral agreements to Asia, notably to Japan and Korea. Overall, France would welcome future agreements on social security that were negotiated on the European level and set up as multilateral agreements between EU member states and third countries, as has already happened in the Euro-Mediterranean Agreements with the Maghreb countries.

Information has been provided by Ministère des affaires sociales, du travail et de la solidarité de la République française, Division des affaires communautaires et

internationales, Direction des affaires sécurité sociale (French Ministry for Social Affairs, Labor, and Solidarity) and Mr. Fouad Benseddik, VIGEO, Paris.

Germany

Germany has concluded bilateral social security agreements with 18 countries outside the EU, including all its main migrant-sending countries like Turkey and the countries of the former Yugoslavia. It is also with these countries that Germany has included health care benefits in the bilateral agreements, namely Bosnia-Herzegovina, Croatia, Macedonia, Serbia and Montenegro, Tunisia, and Turkey.

In 2003, Germany transferred 38,454 pensions to Turkey (733 of which to German nationals), 2,448 pensions to Morocco (90 of which to German nationals), and 766 pensions to the Philippines (646 of which to German nationals. Pensions are either paid directly to the pensioner abroad, or through the social security authorities of the country of residence. For example, the Bayerische Landesversicherungsanstalten (LVA Bayreuth, Bavarian Social Insurance Association) is responsible for the transfer of pensions between Germany and Turkey for wage earners and therefore administers the major part of pensions exported to Turkey and vice versa. The LVA Bayreuth transfers a monthly lump sum in euros to the Turkish social security authorities with a list of all pension receivers with the respective pension amount in Turkey. The Turkish authorities do the same for former wage earners who receive a Turkish pension, but reside in Germany. As the German part by far exceeds the Turkish part, the Turkish pensions are simply subtracted from the German part and only the net amount is transferred from Germany to Turkey. The Turkish authorities then pay out pensions either in euros or Turkish lira into the receivers' bank accounts. In 2004, the LVA Bayreuth paid 34,634 pensions amounting to €164.2 million to former wage earners in Turkey.

The agreements that cover health care benefits ensure that employers and pensioners who move between states are continuously covered. As a general rule, employers and pensioners are always insured with the health care system of the country of residence. Tourists and pensioners who receive their pension from another country than the country of residence have access to health care in kind in the respective other country at the expense of their public health insurer at home. In that case, the health care system of the country where the costs occurred is reimbursed by the covering health care insurance on a case-by-case basis, although arrangements for lump sum payments seem to exist as well.

Pensioners who reside in one of the non-EU signatory states (Tunisia, Turkey, and the successor states of the former Yugoslavia), but receive only a German pension, have good, but nevertheless limited access to health care benefits in kind in their country of residence. They are entitled to receive any medical treatment in kind that cannot be expected to be delayed until the pensioner returns to Germany. The German health system reimburses the country of residence on a case-by-case basis.

Within the EU, pensioners who receive pensions from a country other than the country of residence, have nevertheless full access to all health care benefits in kind, and are treated just like a local pensioner. Reimbursements are transferred annually from the pension-

paying country (for example, Germany) to the country of residence, based on the average annual health care costs on the country of residence (see also the case study on France).

In the absence of bilateral agreements German pensions can still be exported according to national law, but reductions in the determination of the replacement rate may apply. In order to determine if a reduction applies the nationality of the migrant and the country of residence are decisive. If there is bilateral agreement with the home country in force (that is, the country of citizenship), then it usually includes an equal treatment clause with regard to exportability of pensions. Since pensions for German nationals cannot be reduced based on the country of residence, no reduction is applied, no matter what the country of residence of the migrant. If there is no bilateral agreement in force with the home country, than the country of residence is decisive in determining the rate of reduction. The reduction rate is 30 percent. Hence, a migrant from Algeria, which has not concluded a bilateral agreement with Germany, who lives in Algeria or any other country that has not concluded an agreement with Germany, has to accept a reduction rate of 30 percent.

To make things more complicated, there are two exceptions to this rule. The agreements between Germany and Tunisia and Germany and Turkey explicitly exclude nondiscrimination for exportability of pensions. Hence, for Tunisian and Turkish migrants who receive a German pension, it is decisive if the country of residence has a bilateral agreement with Germany. So, for both Tunisians and Turks no reductions apply if they reside anywhere within the EU or their home country. Yet, if they reside in a country with which Germany has not concluded an agreement (for example, Algeria, or Tunisia for a Turk and Turkey for a Tunisian), then migrants have to accept a 30 percent reduction.

Reimbursements for health expenses that occurred in countries with which no agreement has been concluded are only granted in exceptional cases. In general there are no such unilateral provisions in the national law, unlike, for example, in Austria. Nevertheless, reimbursements can be granted to students who stay abroad for educational reasons during the duration of their stay and for others up to a maximum duration of six weeks. In both cases the prerequisite is that no private travel health insurance can be obtained for reasons of age or previous medical conditions.

Information has been provided by the Bundesministerium für Gesundheit und Soziale Sicherung, Referat E23 Bilaterale Beziehungen in der Sozialen Sicherherheit außerhalb der EU der Bundesrepublik Deutschland (German Ministry for Health and Social Protection), Bayerischen Landesversicherungsanstalten (Bavarian Social Insurance Association, responsible for the transfer of pensions for workers and wage earners between Germany and Turkey), Bundesvereinigung der Deutschen Arbteitgeberverbände (German Employer’s Association), and the Turkish Social Security Institution. In addition, interviews have been conducted with Mr. Kenan Kolat, Türkischer Bund Berlin-Brandenburg (Turkish Association Berlin-Brandenburg), and Mr. Mustafa Doganay, Arbeiterwohlfahrt Berlin (Worker Welfare Association Berlin).

United States

The United States has concluded some 20 bilateral social security agreements with most Western European countries, Australia, Canada, Chile, and the Republic of Korea. All these agreements refer to the totalization of periods of insurance and the exportability of pensions. Most recently, the United States has concluded an agreement with Mexico, its most important migrant-sending country, but the agreement has not been ratified by the U.S. Congress yet.

None of the bilateral social security agreements the United States has concluded contain any provision on the portability of health care benefits. In addition, the U.S. national social law does not allow for the exportability of health care benefits. It has to be mentioned though that the U.S. system does not require compulsory health care insurance for employees as most other countries do. Therefore the U.S. system displays some incompatibility with the public health care system of other countries which aggravates portability.

Public health care benefits in the United States are available for pensioners through Medicare. Every pensioner who has contributed for 40 quarters to the public pension system during her career is eligible for Medicare benefits. The minimum requirement for periods of contribution, though, is not subject to the various totalization agreements the United States has concluded. Hence, only those retired immigrants who have contributed for at least 10 years to Medicare qualify for Medicare while working in the United States.

The U.S. system does not allow for any exportability of health benefits. In particular it is not possible to apply for reimbursements of health expenses that occurred abroad. Pensioners who are residents of a foreign country at least do not have to pay contributions to Medicare as the basic Medicare Part A program (which covers hospitalization) does not require contributions from pensioners. The more comprehensive Medicare Part B program, which covers other medical services, requires a minor monthly contribution of US$45.50. Any foreign resident who receives a U.S. pension and qualifies for Medicare is covered by Medicare once she returns to the United States.

Since the bilateral agreements the United States has concluded only refer to pensions, their main benefit stems from the totalization of periods of contribution. In the absence of a bilateral agreement migrants cannot benefit from totalization, but nevertheless the U.S. national social law allows for more or less full exportability of pensions. Except for a few countries like Cuba, the Democratic People’s Republic of Korea, and some former Soviet Union states, U.S. pension checks are sent to every county in the world, given the receiver has contributed for at least 40 quarters to the U.S. pension system. Hence, the main problems in the absence of bilateral agreements come from the lack of totalization which might result in lower pensions because of regressive replacement rate formulas or because the migrant does not qualify for a pension at all because she has not made sufficient periods of contribution in the United States.

A particular problem of the U.S. social security system is that undocumented migrants can pretend to have work permission by providing a fake 10-digit social security number to the employer. Employers and the employees then pay social security contributions into

a fake account. Currently, the SSA has collected about US$450 billion in such unclaimed accounts.[24] It is believed that up to US$35 billion can be ascribed to undocumented Mexican migrants.

Through the bilateral agreement with Mexico the United States hopes to disentangle those unclaimed accounts. The U.S. Congress has already passed legislation that enables migrants to claim the benefits associated with the contributions into fake SSA accounts if they can provide evidence about the amount and periods of contributions they paid prior to January 1, 2004 without facing deportation. The problem, though, is that providing such evidence is usually not easy since employers, perfectly aware of the actual residence status of their employees, do not keep records of contributions they pay on behalf of undocumented migrants, or even worse, withheld the contributions in the first place. Since January 1, 2004, every social security number has to be work authorized, which should prevent abuse in the future.

Finally, the current U.S. administration is planning to introduce a temporary work permission program for Mexican migrants. This would allow U.S. companies to recruit migrants in Mexico to work for a limited period of time in the United States. In order to ensure their return, salaries are planned to be paid directly into bank accounts in Mexico. The proposed totalization agreement between the United States and Mexico would be an important prerequisite to implementing such a program.

Information has been provided by the Instituto Mexicano del Seguro Social, Coordinacion de Asuntos Internacionales (Mexican Social Security Institution), and the U.S. Social Security Adminstration, Office of the Deputy Commissioner on Disability and Income Programs.

[24] Not all of this money comes from undocumented migrants. Unclaimed accounts can also occur when contributors change their names—for example when getting married—without informing the SSA.

Annex B: Assumptions on Regime Estimates

Table 3 to Table 7 of Annex C are calculated based on the sources as cited in the notes and the following seven assumptions:

(i) All legal migrants from countries that have concluded a bilateral social security agreement with their host country fall under Regime I. For example, all German nationals who legally reside in Austria are assumed to fall under Regime I, which in this particular case seems appropriate as the portability of most benefits, if not all, is guaranteed by EU law. In other cases, though, this assumption might be more problematic. A German national residing in the United States, for example, also falls under Regime I, although the bilateral agreement between the two countries does not cover health care benefits. Finally, not all migrants who are assumed to fall under this regime have access to portable benefits to the extent envisioned in the bilateral agreements due to bureaucratic obstacles, language barriers, or a simple lack of information.

(ii) All other legal migrants fall under Regime II, with the exception of migrants in the Gulf Region. This is probably the least problematic assumption as it basically accounts for all legal migrants worldwide who do not fall under Regime I or III. It merely states the obvious, namely that if there is no bilateral (or multilateral) agreement in place between the host and the sending country, then the portability of acquired social benefits is exclusively regulated by the national law of the host country. Clearly, the degree to which national law allows for portability varies widely across countries, so no general statement about the quality of portability of social security benefits for these migrants can be made. Nevertheless, the special provisions of the national social law of the Gulf States justify a separate regime for these host countries, as explained below.

(iii) All legal migrants in the Gulf Region fall under Regime III. The particularity of the national social law of the Gulf Countries is that they do not provide access to long-term benefits, like old-age pensions, for foreign nationals, neither on a voluntary nor on a compulsory basis. Clearly, with no access to these benefits in the first place, there is no issue of portability. Hence, migrant workers in the Gulf Region generally do not have access to pension plans, but at the same time they do not lose any contributions to the pension system upon return to their home country because there are no compulsory contributions. In principle, the migrant, who in the case of the Gulf countries can be assumed rather surely to return at some point to her home country, can either continue to contribute into the pension system of her home country, or make provisions for a private pension plan. On the other hand, in terms of short-term benefits, the employers in the region have to provide for health care insurance to their foreign employees.

Overall, this situation can be regarded as a second-best alternative to full portability of social security benefits by not obliging migrant workers to become part of the social security system for long-term benefits of the host country, while at the same time providing adequate benefits for short-term benefits like health care. The problem, though, is that at the same time these countries do not even allow migrant workers to voluntarily access long-term social security benefits, which might deprive migrants from certain sending countries of any possibility to join a public social security system. Finally, the

migrant's employers are obviously not obliged to contribute to the long-term benefits of their foreign employees, which might be significantly disadvantageous for the worker.

In summary, the special provisions in the national social law in the Gulf countries justify putting their migrant workers under a separate regime. Nevertheless, the assumption is a simplifying one since it is unclear to what extent other countries around the globe might have provisions comparable to the ones in the Gulf countries.

(iv) All undocumented migrants fall under Regime IV. This assumption excludes legal migrants who participate in the informal sector of their host country and should by definition also fall under Regime IV. For migrants falling under Regime IV the issue of portability of benefits only arises to a limited extent. Participation in the informal sector of both legal and undocumented migrants might be precisely caused by a lack of portability of benefits: In order to avoid an income loss through the loss of benefits associated with compulsory contributions, the migrant chooses to avoid compulsory contributions by working—at least part time—in the informal sector of the host country.

(v) If no plausible estimate of undocumented foreign nationals in a particular host country or region is available, then the assumption is that the number of undocumented foreign nationals equals 25 percent of the stock of legal foreign nationals in a particular host country or region. Hence, in the case that no plausible estimate is available, the number of migrants who fall under Regime IV is assumed to be 25 percent of the migrants who fall under Regime I to Regime III for any country or region. Since this assumption only refers to foreign nationals in a particular host country or region, this assumption applies to Table 3, Table 4, and Table 7. The assumption obviously leads to rather rough estimates, but is justified by empirical observations (Lucas 2005, Chapter II, p. 17). As regional estimates of undocumented migrants are rarely available, this assumption was applied to all regions except North America.

(vi) If the estimate on foreign nationals is only available for a group of countries, then the assumption is that the distribution of these foreign nationals over the different regimes follows the regional pattern. This, for example, is the case for a group of countries in Southern Africa. Since the classification for the different regimes relies on legal national provisions and bilateral agreements on the country level, a classification for migrants residing in a group of countries is not possible. In order to determine the distribution across the different regimes of foreign nationals listed for Southern Africa, the assumption is that the distribution follows the same pattern as for the rest of Africa. Since this assumption only concerns foreign nationals in host countries, it only applies to Table 3 and Table 4.

(vii) If no plausible estimate of the stock of undocumented nationals abroad from a particular sending country or region is available, then the assumption is that the global stock of undocumented foreign nationals is distributed according to the global shares of legal nationals abroad of each sending country or region. This assumption basically distributes the estimate of the global stock of undocumented migrants obtained in Table 3 over their sending regions according to the patterns of legal migrants. It is further assumed that none of the nationals coming from the EU, North America, or Oceania who reside in another country are undocumented. For Latin America, it is assumed that their

undocumented nationals abroad are all residing in the North America.[25] For the remaining stock of undocumented migrants, the assumption is that the share of global undocumented migrants from a particular sending region coincides with the share of global legal migrants from that particular sending region.

In summary, Assumption (i) potentially overestimates Regime I of fully coordinated portability since the content of bilateral agreements vary widely and might not cover all benefits; Assumption (ii) makes Regime II the residual, covering all legal migrants who do not fall under Regime I or Regime III. Regime II therefore subsumes a wide range of migrants having strongly differing access to portable social security benefits defined by the national law of each host country; Assumption (iii) potentially underestimates Regime III of no or limited access to portable social security benefits since other host countries outside the Gulf Region might have similar provisions, but are not covered by the estimates; Assumption (iv) potentially underestimates Regime VI of informal migrant workers since it does not cover legal migrants who participate in the informal sector of their host country; Assumption (v) is a simplifying assumption to estimate the stock of undocumented foreign nationals in a particular host country; Assumption (vi) simplifies the estimation of the distribution across regimes if the number of foreign nationals is only available for a group of countries; and Assumption (vii) finally simplifies the distribution of the stock of undocumented migrants across sending regions.

[25] For the United States, this number is estimated in Passel 2005.

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Table 1 Global estimates of official migrant stocks by region in 2000 (thousands)

Receiving\Sending Region	**Africa**	**Asia**	**Europe**	**Latin America**	**North America**	**Oceania**	**Unallocated**	***World***
Africa	11,534	382	231	9	6	4	n.a.	***12,165***
Asia	1,980	34,895	3,229	351	288	58	331	***41,131***
Europe	2,291	4,073	34,919	350	441	69	5,788	***47,931***
Latin America	1	144	1,685	2,930	426	0	621	***5,807***
North America	701	8,330	6,193	14,710	959	147	1,587	***32,626***
Oceania	323	1,463	2,656	n.a.	220	685	143	***5,490***
World	***16,830***	***49,286***	***48,914***	***18,349***	***2,340***	***963***	***8,470***	***145,150***

Note: n.a. for no information is available.
Source: Harrison 2004 and authors' calculations.

Table 2 Global stock of official migrants (thousands) and number of bilateral social security agreements by region

Region	**Africa**	**Asia**	**Europe**	**Latin America**	**North America**	**Oceania**	**Unallocated**	**World**
Number of foreign nationals in region	12,165	41,131	47,931	5,807	32,626	5,490	n.a.	**145,150**
Percentage of global stock	*8.4%*	*28.3%*	*33.0%*	*4.0%*	*22.5%*	*3.8%*	*n.a.*	***100.0%***
Number of nationals from region abroad	16,830	49,286	48,914	18,349	2,340	963	8,470	**145,150**
Percentage of global stock	*11.6%*	*34.0%*	*33.7%*	*12.6%*	*1.6%*	*0.7%*	*5.8%*	***100.0%***
Accumulated number of agreements per country(i)	***342***	***121***	***2,561***	***260***	***277***	***95***	***n.a.***	***3,656***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions). The total number of agreements worldwide is therefore half of 3,656, that is, 1,828.
Note: n.a. for no information is available.
Source: Harrison 2004 and authors' calculations.

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Table 3 Portability regimes globally: official and undocumented foreign nationals residing in region in 2000 (thousands)

Regime(i)	I	II	III	IV	Total
Africa	260	11,905	0	3,041	***15,206***
Asia	150	31,216	9,433	10,200	***51,000***
Europe	24,864	17,279	0	10,536	***52,679***
Latin America	1,947	2,339	0	1,071	***5,357***
North America	6,756	24,284	0	10,500	***41,540***
Oceania	2,615	2,730	0	1,336	***6,682***
World	***36,593***	***89,753***	***9,433***	***36,685***	***172,464***

(i) Definition of portability regimes: (I) access to social security benefits and advanced portability regulated by bilateral agreements; (II) access to social security benefits in the absence of bilateral agreements; (III) no access to portable social security, in particular no access to long-term benefits (like old-age pensions), not even on a voluntary basis, but some access to nonportable short-term benefits (like health care); (IV) undocumented but also documented migrants who participate in the informal sector of the host country and who have very limited access to social protection. For assumptions on estimates, see Annex B.

Note: Numbers differ from Table 1, Table 2, and Table 8 to Table 13 because this table includes estimates of undocumented migrants and ignores unallocated migrants.

Source: Harrison 2004, ILO 2005a, Lowell 2002, Passel 2005, and authors' calculations.

Table 4 Portability regimes globally: official and undocumented foreign nationals residing in region in 2000 (%)

Regime(i)	I	II	III	IV	Total
Africa	1.7	78.3	0.0	20.0	100.0
Asia	0.3	61.2	18.5	20.0	100.0
Europe	47.2	32.8	0.0	20.0	100.0
Latin America	36.3	43.7	0.0	20.0	100.0
North America	16.3	58.5	0.0	25.3	100.0
Oceania	39.1	40.9	0.0	20.0	100.0
World	***21.2***	***52.0***	***5.5***	***21.3***	***100.0***

(i) Definition of portability regimes: (I) access to social security benefits and advanced portability regulated by bilateral agreements; (II) access to social security benefits in the absence of bilateral agreements; (III) no access to portable social security, in particular no access to long-term benefits (like old-age pensions), not even on a voluntary basis, but some access to nonportable short-term benefits (like health care); (IV) undocumented but also documented migrants who participate in the informal sector of the host country and who have very limited access to social protection. For assumptions on estimates, see Annex B.

Source: Harrison 2004, ILO 2005a, Lowell 2002, Passel 2005, and authors' calculations.

Table 5 Portability regimes globally: official and undocumented nationals from region residing abroad in 2000 (thousands)

Regime(i)	I	II	III	IV	Total
Africa	1,937	13,989	903	4,922	***21,752***
Asia	4,188	37,264	7,833	14,415	***63,700***
Europe	27,489	20,527	697	8,916	***57,630***
Latin America	972	16,777	0	8,431	***26,180***
North America	1,453	787	0	0	***2,240***
Oceania	554	409	0	0	***963***
World	***36,593***	***89,753***	***9,433***	***36,685***	***172,464***

(i) Definition of portability regimes: (I) access to social security benefits and advanced portability regulated by bilateral agreements; (II) access to social security benefits in the absence of bilateral agreements; (III) no access to portable social security, in particular no access to long-term benefits (like old-age pensions), not even on a voluntary basis, but some access to nonportable short-term benefits (like health care); (IV) undocumented but also documented migrants who participate in the informal sector of the host country and who have very limited access to social protection. For assumptions on estimates, see Annex B.

Note: Numbers differ from Table 1, Table 2, and Table 8 to Table 13 because this table includes estimates of undocumented migrants and ignores unallocated migrants.

Source: Harrison 2004, ILO 2005a, Lowell 2002, Passel 2005, and authors' calculations.

Table 6 Portability regimes globally: official and undocumented nationals from region residing abroad in 2000 (%)

Regime(i)	I	II	III	IV	Total
Africa	8.9	64.3	4.2	22.6	100.0
Asia	6.6	58.5	12.3	22.6	100.0
Europe	47.7	35.6	1.2	15.5	100.0
Latin America	3.7	64.1	0.0	32.2	100.0
North America	64.9	35.1	0.0	0	100.0
Oceania	57.5	42.5	0.0	0	100.0
World	***21.2***	***52.0***	***5.5***	***21.3***	***100.0***

(i) Definition of portability regimes: (I) access to social security benefits and advanced portability regulated by bilateral agreements; (II) access to social security benefits in the absence of bilateral agreements; (III) no access to portable social security, in particular no access to long-term benefits (like old-age pensions), not even on a voluntary basis, but some access to nonportable short-term benefits (like health care); (IV) undocumented but also documented migrants who participate in the informal sector of the host country and who have very limited access to social protection. For assumptions on estimates, see Annex B.

Source: Harrison 2004, ILO 2005a, Lowell 2002, Passel 2005, and authors' calculations.

Table 7 Portability regimes of case study countries: official and undocumented nationals of case study countries residing abroad in 2000

Regime[i]	I	II	III	IV	Total
Mexico					
Thousands	30	7,868	0	5,900	13,798
Percentage	*0.2%*	*57.0%*	*0*	*42.8%*	*100%*
Morocco					
Thousands	1,186	109	45	335	1,674
Percentage	*70.8%*	*6.5%*	*2.7%*	*20.0%*	*100%*
Philippines[ii]					
Thousands	487	3,925	1,374	1,626	7,412
Percentage	*6.6%*	*53.0%*	*18.5%*	*21.9%*	*100%*
Turkey[iii]					
Thousands	2,632	157	120	727	3,636
Percentage	*72.4%*	*4.3%*	*3.3%*	*20.0%*	*100%*

(i) Definition of portability regimes: (I) access to social security benefits and advanced portability regulated by bilateral agreements; (II) access to social security benefits in the absence of bilateral agreements; (III) no access to portable social security, in particular no access to long-term benefits (like old-age pensions), not even on a voluntary basis, but some access to nonportable short-term benefits (like health care); (IV) undocumented but also documented migrants who participate in the informal sector of the host country and who have very limited access to social protection. For assumptions on estimates, see Annex B.
(ii) Numbers refer to 2001.
(iii) Numbers for Regime III refer to 1996. The number of undocumented migrants is assumed to equal 25 percent of the official migrants' stock.
Source: Harrison 2004, ILO 2005a, ILO 2005b, Lowell and Suro 2002, Migration Policy Institute 2005, Passel 2005, and authors' calculations.

Table 8 Africa: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Algeria	80	576	0.3%	1.9%	30
Egypt	162	1,293	0.3%	2.0%	9
Ethiopia	462	168	0.7%	0.3%	0
Morocco	24	1,255	0.1%	4.4%	58
Nigeria	744	2,115	0.6%	1.7%	2
South Africa	805	243	1.8%	0.6%	2
Sudan	365	430	1.2%	1.4%	2
Tanzania	212	150	0.6%	0.4%	2
Other	9,312	10,601	2.5%	2.9%	237
Total	***12,165***	***16,830***	***1.5%***	***2.1%***	***342***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 9 Asia: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Bangladesh	966	3,342	0.7%	2.6%	0
China	3,213	2,540	0.3%	0.2%	1
India	6,100	7,164	0.6%	0.7%	2
Indonesia	274	2,428	0.1%	1.2%	0
Iran	453	331	0.7%	0.5%	1
Japan	1,687	493	1.3%	0.4%	4
Korea, Rep. of	399	1,450	0.8%	3.1%	2
Malaysia	1,342	225	5.8%	1.0%	0
Pakistan	2,241	3,765	1.6%	2.7%	5
Philippines	160	4,086	0.2%	5.3%	21
Saudi Arabia	5,550	20	26.8%	0.1%	0
Thailand	444	1,607	0.7%	2.6%	1
Turkey	1,500	2,789	2.2%	4.1%	59
Vietnam	6	1,457	0.0%	1.9%	1
Other	16,796	17,590	5.8%	6.1%	24
Total	***41,131***	***49,286***	***1.1%***	***1.4%***	***121***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 10 Europe: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Austria	758	285	9.5%	3.6%	146
Belgium	862	66	8.4%	0.6%	167
Czech Rep.	201	77	2.0%	0.7%	10
Denmark	259	67	4.8%	1.3%	49
Finland	91	124	1.8%	2.4%	55
France	3,263	620	5.5%	1.1%	386
Germany	7,297	1,498	8.9%	1.8%	224
Greece	527	667	5.0%	6.3%	58
Hungary	127	92	1.3%	0.9%	18
Iceland	10	13	3.4%	4.6%	22
Ireland	151	638	4.0%	16.7%	20
Italy	1,388	3,045	2.4%	5.3%	112
Luxembourg	165	0	37.6%	0.0%	136
Netherlands	668	580	4.2%	3.6%	165
Norway	185	63	4.1%	1.4%	54
Poland	2,087	1,188	5.4%	3.1%	46
Portugal	208	1,761	2.1%	17.4%	95
Russia	13,233	10,191	9.1%	7.0%	7
Slovak Rep.	28	61	0.5%	1.1%	12
Spain	896	994	2.2%	2.5%	140
Sweden	477	93	5.4%	1.1%	66
Switzerland	1,384	44	19.3%	0.6%	124
UK	2,587	3,298	4.4%	5.6%	157
Ukraine	6,944	4,713	14.0%	9.5%	8
Other	4,136	18,535	2.7%	12.1%	284
Total	***47,931***	***48,713***	***6.0%***	***6.1%***	***2,561***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 11 Latin America: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Argentina	1,606	296	4.5%	0.8%	15
Brazil	771	630	0.5%	0.4%	22
Chile	115	402	0.8%	2.6%	28
Colombia	106	1,070	0.3%	2.5%	39
Mexico	406	7,898	0.4%	8.1%	6
Peru	53	528	0.2%	2.0%	9
Venezuela	1,025	199	4.2%	0.8%	13
Other	1,726	7,327	1.6%	6.7%	88
Total	***5,807***	***18,349***	***1.1%***	***3.5%***	***220***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 12 North America: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Canada	4,971	742	16.2%	2.4%	180
United States	27,625	1,292	9.8%	0.5%	97
Other	30	306	1.0%	10.5%	0
Total	***32,626***	***2,340***	***10.3%***	***0.7%***	***277***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 13 Oceania: official migrants (thousands) and international social security agreements in 2000

Country	Number of foreign nationals in the country	Number of nationals abroad	Foreign nationals as a share of local population (%)	Nationals abroad as a share of local population (%)	Number of agreements[(i)]
Australia	4,106	219	21.4%	1.1%	66
New Zealand	699	402	18.1%	10.4%	28
Other	274	342	3.4%	4.3%	1
Total	***5,490***	***963***	***17.7%***	***3.1%***	***95***

(i) Numbers refer to bilateral social security agreements per region, including all additional protocols and modifications to previous agreements. Since every agreement has two signatory states, worldwide every bilateral agreement is counted twice (although the two signatory states might very well be located in two different regions).
Source: Harrison 2004, ILO 2005a, United Nations 2003, World Bank 2004, and authors' calculations.

Table 14 Mexico: official migrants in major destination/sending areas in 2000 (thousands) and bilateral social security agreements

Region	Mexicans in the country or region	Foreign nationals in Mexico	Latest year of agreement
Africa	**n.a.**	**<1**	
Other	n.a.	<1	
Asia			
Other	n.a.	12	
Total	n.a.	12	
Europe	**n.a.**	**37**	
Italy	n.a.	3	---
Spain	n.a.	25	1994
France	n.a.	5	---
Germany	n.a.	5	---
Latin America and Caribbean	**29**	**85**	
Argentina	2	6	1990
Brazil	<1	2	---
Chile	<1	4	---
Colombia	2	7	---
Peru	<1	4	---
Venezuela	3	2	---
Other	21	60	
North America	**7,869**	**256**	
Canada	28	4	1995
US	7,841	252	---
Unallocated		**15**	
World	***7,898***	***406***	

Notes:
n.a. for no information is available.
--- for no agreement concluded.
Source: Harrison 2004, ILO 2005a, and authors' calculations.

Table 15 Morocco: official migrants in major destination/sending areas in 2000 (thousands) and bilateral social security agreements

Region	Moroccans in the country or region	Foreign nationals in Morocco	Latest year of agreement
Africa	**70**	**20**	
Algeria	10	2	1991
Egypt	10	4	1991
Other	50	14	
Asia	**65**	**n.a.**	
Turkey	20	n.a.	---
Other	45	n.a.	
Europe	**1082**	**4**	
Belgium	107	n.a.	2000
Denmark	n.a.	n.a.	1988
France	504	n.a.	1998
Germany	n.a.	n.a.	1991
Italy	160	n.a.	1994
Netherlands	111	n.a.	1984
Portugal	n.a	n.a.	1998
Spain	200	4	1998
Sweden	n.a.	n.a.	1982
North America	**38**	**n.a.**	
Canada	n.a.	n.a.	1998
US	38	n.a.	---
World	***1,255***	***24***	

Notes:
n.a. for no information is available.
--- for no agreement concluded.
Source: Harrison 2004, ILO 2005a, and authors' calculations.

Table 16 Official inflows of Moroccan nationals into selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total
Belgium	3.3	3.4	4.8	3.6	4.0	3.9	4.3	4.9	5.7	7.1	**45.0**
Germany(i)				3.8	4.3	4.1	4.5	5.0	5.6	6.0	**33.3**
Netherlands	7.2	5.9	3.2	3.1	4.3	4.5	5.3	4.4	4.2		**42.1**
Total	***10.5***	***9.3***	***8.0***	***10.5***	***12.6***	***12.5***	***14.1***	***14.3***	***15.5***	***13.1***	***120.4***

(i) Source: Migration Policy Institute 2005.

Source: OECD 2003.

Table 17 Official outflows of Moroccan nationals from selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total
Belgium	0.5	0.6	0.6	0.9	0.8	0.7	0.8	0.8	0.6	0.2	**6.5**
Germany				2.7	2.5	2.4	2.8	2.7	2.8	2.6	**18.5**
Netherlands	1.0	1.1	1.2	1.1	1.0	0.8	0.6	0.5	0.4		**7.7**
Total	***1.5***	***1.7***	***1.8***	***4.7***	***4.3***	***3.9***	***4.2***	***4.0***	***3.8***	***2.8***	***32.7***

Source: OECD 2003.

Table 18 Ratio of official outflows to inflows of Moroccan nationals for selected host countries (%)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total
Belgium	15.2	17.6	12.5	25.0	20.0	17.9	18.6	16.3	10.5	2.8	**14.4**
Germany				71.1	58.1	58.5	62.2	54.0	50.0	43.3	**55.6**
Netherlands	13.9	18.6	37.5	35.5	23.3	17.8	11.3	11.4	9.5		**18.3**
Total	***14.3***	***18.3***	***22.5***	***44.8***	***34.1***	***31.2***	***29.8***	***28.0***	***24.5***	***21.4***	***27.2***

Source: OECD 2003, Migration Policy Institute 2005.

Table 19 Philippine nationals in major destination areas in 2000 and bilateral social security agreements

Country	Permanent	Temporary	Irregular	Total	Latest year of agreement
Africa	***271***	***46,515***	***18,114***	***64,900***	
Egypt	53	1,018	1,400	2,471	---
Libya	75	4,350	485	4,910	---
Nigeria	18	10,500	1,500	12,018	---
Asia, East South	***70,349***	***817,144***	***511,363***	***1,398,856***	
Brunei	26	20,240	1,500	21,766	---
Hong Kong, China	404	171,485	2,000	173,889	---
Japan	65,647	138,522	36,379	240,548	---
Republic of Korea	1,510	13,781	15,235	30,526	---
Malaysia	310	58,233	363,000	421,543	---
Singapore	152	56,233	71,917	128,302	---
Taiwan	1,901	116,480	4,300	122,681	---
Asia, West	***1,546***	***1,232,962***	***118,287***	***1,352,795***	
Bahrain	61	26,356	5,000	31,417	---
Israel	41	9,058	21,136	30,235	---
Kuwait	92	53,067	10,000	63,159	---
Lebanon	19	19,825	5,500	25,344	---
Oman	18	18,551	1,500	20,069	---
Qatar	13	37,627	1,000	38,640	---
Saudi Arabia	239	897,000	18,000	915,239	---
UAE	373	128,604	38,000	166,977	---
Europe	***152,851***	***411,248***	***174,936***	***739,035***	
Austria	3,205	1,191	2,000	6,396	1982
France	925	4,804	26,121	31,850	1990
Germany	41,321	7,005	4,392	52,718	---
Greece	84	7,514	17,500	25,098	---
Italy	2,431	69,998	78,000	150,429	---
Netherlands	7,632	2,351	700	10,683	2001
Spain	33,643	5,687	4,000	43,330	1991
Switzerland	605	5,953	9,300	15,858	2001
UK	45,889	15,677	8,344	69,910	1989
Americas	***2,291,311***	***236,745***	***773,537***	***3,301,593***	
Canada	338,561	21,146	4,000	363,707	1999
US	1,910,844	60,373	532,200	2,503,417	---
N Mariana Islands	80	16,205	3,705	19,990	---
Guam	41,541	434	2,025	44,000	---
Oceania	***220,200***	***50,009***	***29,699***	***299,908***	
Australia	204,075	687	2,041	206,803	---
New Zealand	16,045	236	100	16,381	---
Papua New Guinea	63	1,661	7,339	9,063	---
Sea-based workers		**255,269**		**255,269**	
World	***2,736,528***	***3,049,892***	***1,625,936***	***7,412,356***	

Note: --- for no agreement concluded.
Source: ILO 2005a, Lucas 2005.

Table 20 Official inflows of Philippine nationals into selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Accumulated
Australia[(i)]	5.9	3.7	4.2	4.1	3.2	2.8	2.8	3.3	3.2		2.8	**36.0**
Japan	57.5	48.2	58.8	30.3	30.3	43.2	47.6	57.3	74.2	84.9		**532.3**
Total	***63.4***	***51.9***	***63.0***	***34.4***	***33.5***	***46.0***	***50.4***	***60.6***	***77.4***	***84.9***	***2.8***	***568.3***

(i) Numbers refer to Philippine-born permanent settlers.

Source: OECD 2003.

Table 21 Official outflows of Philippine nationals from selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Accumulated
Australia[(i)]	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.7		0.9	**6.7**
Japan	57.3	43.3	50.8	44.2	16.4	31.5	35.0	43.4	55.5	68.7		**446.1**
Total	***57.9***	***43.9***	***51.4***	***44.8***	***17.1***	***32.2***	***35.7***	***44.0***	***56.2***	***68.7***	***0.9***	***452.8***

(i) Numbers refer to Philippine-born.

Source: OECD 2003.

Table 22 Ratio of official outflows to inflows of Philippine nationals for selected host countries (%)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Accumulated
Australia[(i)]	10.2	16.2	14.3	14.6	21.9	25.0	25.0	18.2	21.9		32.1	**18.6**
Japan	99.7	89.8	86.4	145.9	54.1	72.9	73.5	75.7	74.8	80.9		**83.8**
Total	***91.3***	***84.6***	***81.6***	***130.2***	***51.0***	***70.0***	***70.8***	***72.6***	***72.6***	***80.9***	***32.1***	***79.7***

(i) Numbers refer to Philippine-born.

Source: OECD 2003.

Table 23 Turkey: official migrants in major destination/sending areas in 2000 (thousands) and bilateral social security agreements

Region	Turks in the country	Foreign nationals in Turkey	Latest year of agreement
Africa	**n.a.**	**400**	
Algeria	n.a.	20	---
Egypt	n.a.	50	---
Morocco	n.a.	20	---
Sudan	n.a.	10	---
Other	n.a.	300	
Asia	**>1**	**1,100**	
Iran	>1	n.a.	---
Europe	**2,692**	**n.a.**	
Denmark	35	n.a.	1999
Austria	136	n.a.	2000
Belgium	56	n.a.	1978
Finland	2	n.a.	---
France	208	n.a.	1990
Germany	1,999	n.a.	1984
Netherlands	100	n.a.	---
Norway	3	n.a.	1978
Sweden	16	n.a.	1978
Switzerland	80	n.a.	---
UK	58	n.a.	---
North America	**97**	**n.a.**	
US	97	n.a.	---
World	***2,789***	***1,500***	

Notes:
n.a. for no information is available.
--- for no agreement concluded.
Source: Harrison 2004, ILO 2005a, Migration Policy Institute 2005, and authors' calculations.

Table 24 Official inflows of Turkish nationals into selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Accumulated
Austria							5.9	7.2	7	7.7	**27.8**
Belgium	2.7	2.5	3.6	2.5	2.5	1.4	2.4	2.2	2.8	3	**25.6**
Denmark	1.1	0.7	0.6	0.8	1.2	1	1.2	1.1	0.9	0.9	**9.5**
Germany	80.6	67.8	63.9	73.6	73.2	56	48	47.1	49.1	54.6	**613.9**
Netherlands	9.1	7.8	4.3	4.8	6.4	6.5	5.1	4.2	4.5		**52.7**
Switzerland	5.3	4.8	3.8	3.8	3.4	2.9	2.6	3	2.8	3.1	**35.5**
Total	***98.8***	***83.6***	***76.2***	***85.5***	***86.7***	***67.8***	***65.2***	***64.8***	***67.1***	***69.3***	***765.0***

Source: OECD 2003.

Table 25 Official outflows of Turkish nationals for selected host countries (thousands)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Accumulated
Austria							3.8	3.7	3.6	3.5	**14.6**
Belgium	0.6	0.6	0.8	0.6	0.5	0.5	0.6	0.6	0.4	0.3	**5.5**
Denmark	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	**1.9**
Germany	40.3	45.5	46.4	43.2	43.5	46	45.1	40.9	39	35.9	**425.8**
Netherlands	1.8	1.7	1.6	1.6	1.5	1.1	0.9	0.7	0.6		**11.5**
Switzerland	2.9	3	3	2.7	2.5	2.3	2.3	1.5	1.3	1.1	**22.6**
Total	***45.8***	***51***	***52***	***48.3***	***48.1***	***50.1***	***52.9***	***47.6***	***45.1***	***41***	***481.9***

Source: OECD 2003.

Table 26 Ratio of official outflows to inflows of Turkish nationals for selected host countries (%)

Host country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Accumulated
Austria							64.4	51.4	51.4	45.5	**52.5**
Belgium	22.2	24.0	22.2	24.0	20.0	35.7	25.0	27.3	14.3	10.0	**21.5**
Denmark	18.2	28.6	33.3	25.0	8.3	20.0	16.7	18.2	22.2	22.2	**20.0**
Germany	50.0	67.1	72.6	58.7	59.4	82.1	94.0	86.8	79.4	65.8	**69.4**
Netherlands	19.8	21.8	37.2	33.3	23.4	16.9	17.6	16.7	13.3		**21.8**
Switzerland	54.7	62.5	78.9	71.1	73.5	79.3	88.5	50.0	46.4	35.5	**63.7**
Total	***46.4***	***61.0***	***68.2***	***56.5***	***55.5***	***73.9***	***81.1***	***73.5***	***67.2***	***59.2***	***63.0***

Source: OECD 2003.