10 GLOBAL CHALLENGES FOR SOCIAL SECURITY
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The International Social Security Association (ISSA) is the world’s leading international organization for social security institutions, government departments and agencies. The ISSA promotes excellence in social security administration through professional guidelines, expert knowledge, services and support to enable its members to develop dynamic social security systems and policy throughout the world. Founded in 1927 under the auspices of the International Labour Organization, the ISSA counts more than 320 member organizations in over 150 countries.

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Global levels of social security protection are at an all-time high, and coverage continues to increase. Based on strong political commitment and excellence in administration, social security is transforming lives and shaping societies in all regions of the world.

The global community of social security professionals and experts that make up the membership of the International Social Security Association (ISSA) is committed to sustaining and further extending social security protection in line with the objectives of the United Nations Sustainable Development Goals for 2030. In order to reach this ambitious objective we need to better understand the challenges that we face and develop appropriate responses.

This is the reason why the ISSA has prepared this report, which spotlights ten of the most important global challenges that confront social security systems. This report is based on research and consultation of more than 280 government departments and social security institutions around the world.

These ten challenges will frame the discussions at the most significant triennial social security event – the ISSA World Social Security Forum 2016.

Besides facilitating a better understanding of the rapidly changing context for social security, this report provides interesting examples of innovative responses by ISSA member institutions to successfully adapt to the identified challenges.

While the outlook for social security is a positive one, it is evident that to respond to current and future challenges requires the further development and sharing of innovations, good practices and solutions by social security institutions. And to support this, the ISSA is your privileged platform and partner.

I hope you find this report stimulating and inspiring, and that it will further strengthen your engagement in our unique Association.

Hans-Horst Konkolewsky
Secretary General
Coverage extension
Social security is more than a fundamental human right. Social security also helps to address a wide array of socio-economic challenges, and society is more resilient as a result. This is especially so when coverage of the population is adequate and comprehensive. Globally, access to social security has never been higher and extreme poverty has declined considerably. Major recent progress shows that national coverage gaps are being bridged, but important challenges remain. To this end, the extension of coverage is an obligation for all nations, as acknowledged in the United Nations Sustainable Development Goals for 2030, and as seen in the ILO’s promotion of national floors of social protection.

The social security coverage gap is closing. Significant progress has been made in Africa, the Americas and particularly in Asia and the Pacific. At the global level, the remaining challenge for policy-makers and social security administrations is to more fully address the inequalities in access faced by particular groups such as informal economy workers, rural workers, self-employed workers and women. This is a multifaceted and dynamic challenge, not least because of differing national circumstances. Factors that can influence efforts to extend coverage include:

- level of national economic development;
- political stability;
- maturity and legal scope of the national social security system;
- national labour markets;
- size of traditional or rural economies vis-à-vis the formal wage-based economy;
- effectiveness of the tax system and mechanisms for contribution collection;
- level of urbanization; and
- geography.

However, not all workers and citizens have stable incomes to contribute to social security programmes. Tax-financed coverage extension is one response. When selecting policies, a set of trade-offs must be carefully
Coverage extension

considered. For instance, contributory and non-contributory cash benefit levels must be sufficiently differentiated to incentivize paying contributions. Other incentives should be built into programme designs, in particular administrative procedures that facilitate easy access and compliance. And punitive measures must suitably discourage fraudulent behaviour and the mis-use of social security programmes.

Recent experience shows that universal social security coverage especially for old-age protection and health care is achievable and affordable. This is true for countries at different levels of economic development. Coverage can be extended through clever combinations of mandatory contributory programmes, subsidized contributory programmes, tax-financed programmes, voluntary programmes and in-kind benefits.

For all coverage extension efforts, allocating unique personal identifiers – a social security number, for instance – and ensuring subsequent identity management is a critical first step. Personal identifiers empower the covered population to engage with the social security system and its administration. This makes possible equitable access at least to national floors of social protection that offer income protection and access to needed health care.

Personal identifiers also support schemes’ integrity, as well as national and international coordination. The expectation is that minimum universal coverage should be progressively extended to provide comprehensive protection against a wider number of life-cycle and labour market risks. Schemes should ensure the predictability, quality, adequacy and portability of that protection.

Safeguarding and strengthening the financial adequacy of benefits and quality of administration and services are important dimensions of coverage, even for rich OECD economies. For example, many European family benefits have been strengthened. Countries may also be looking at the adequacy of their current long-term care provisions. For all programmes, a cash benefit that is too low to satisfactorily address the risk for which it is designed offers little meaningful coverage. And benefits must be paid correctly, on time and keep pace with the cost of living – they should be regularly and appropriately adjusted. This has not always been so since 2007–08, with adjustments in some countries sometimes being ad hoc and insufficient.

The challenges for adequate health care can be more complex. In the last decade access to health protection has been extended to over 1.5 billion people who were previously excluded. African Union member states have made a commitment to social protection – for many the year 2025 is the target date to realize universal health coverage under national social protection strategies. The expectation is that improved access must be matched with health care services of predictable quality, delivered by a suitably qualified and sufficiently staffed workforce.
COVERAGE EXTENSION RESPONSES

Coverage extension is a top global priority. The creation of the Social Protection Inter-Agency Cooperation Board gives a new supporting mechanism alongside important existing multilateral and regional platforms for international coordination and advocacy. Between countries, bilateral social security agreements are the main legal instruments to guarantee and permit the portability of worker’s acquired social security rights. Some country-level developments see a more integrated and strategic role for social security and health care in national development strategies. The general trend is for greater synergies and connectivity between tax systems and social policy agencies.

It was previously argued that countries had to reach a level of economic development before they could consider universal models of social security. The evidence in many developing economies has shown this is not true. In recent years, China has extended coverage to an additional 70 million people annually. Similarly, South American countries have achieved important progress since the late 1990s using both tax-financed and contributory mechanisms. This has accompanied progress in formalizing labour markets, which in turn has contributed to reduced inequality in wages.

While many countries have extended coverage towards universal health care in particular, progress in building national floors of social protection is also seen in extending access to cash transfers and universal social pensions. Others have introduced more comprehensive coverage. For example, the unemployment benefit schemes introduced recently in Jordan, Morocco, Saudi Arabia, South Africa, Thailand, Tunisia and Viet Nam. These cases demonstrate confidence in the growth of formal economic activity and in the relevance and sustainability of social security systems.

Modern labour market trends and the changing nature of career paths, family structures and caring responsibilities have reinforced the view that the financing roles played by social security contributions and general tax revenues are essential and necessarily complementary. Also, individual savings and insurance products may supplement formal social security income protection. Flexibility in meeting social security financing needs is vital. Administrative practices and processes are also now more flexible, not least when supported by modern ICT platforms and mobile technologies. The use of smart-card solutions for contributions and benefits payments or mobile front offices to improve accessibility are two examples. These and other responses are required to bridge remaining coverage gaps, especially for rural and informal economy workers.

“Better service delivery is an enabler for better levels of coverage”
Common developments within social security administrations are the introduction of one-stop shops and piggybacking service delivery on new technologies. Other developments include the innovative design and financing of benefits that incentivize social security coverage, even for difficult-to-cover populations. Extended social security coverage has been shown to be achievable, with good service delivery acknowledged as an enabler for better levels of coverage.

Coverage is being extended to rural populations, informal economy workers, workers with short-term contracts, and migrant workers. A specific goal is coverage extension to women, who are often active in precarious forms of employment.

The SIMPLES system of Brazil and Monotributo systems of Argentina and Uruguay which enable the payment of social security benefits to low-income, self-employed workers and informal workers after the payment of a partially subsidized contribution show how innovation can successfully extend coverage.

Crucially for all coverage extension initiatives, national government must display leadership and vision. For example the very large steps taken to extend coverage by China and Rwanda, represent more than a desire to satisfy the fundamental human right to social security. It is also a strategic decision about the kind of societies these countries wish to build. Policies should equally support wider goals such as employment in the formal economy and strengthening the tax base.

Social security administrations should systematically measure and evaluate the progress made in coverage extension. This should be paired with a long-term national strategy based on social dialogue, public information campaigns and advocacy of a “social security culture” which defines the commitment to reach universal coverage.

Such a commitment also implies a pledge to invest in social security capital infrastructure, ICT and human resources. This is one important lesson to be taken from recent Chinese experience. To do the job being asked of them over the long term, to extend coverage to all, social security administrations require the correct tools and adequate resources.
GLOBAL SOCIAL SECURITY COVERAGE
Percentage of the world’s population with access to social security benefits

- 52% Old-age benefits
- 61% Medical benefits
- 33% Work injury benefits

Coverage extension is possible

+1.5 billion
Increase in people accessing social health protection in last decade

TOURWARDS UNIVERSAL SOCIAL SECURITY COVERAGE
Statutory provision of social security programmes (1950)

PRIORITIES OF ISSA MEMBERS
Member institutions that consider extension of coverage to be a priority challenge

World 56%
- Africa 87%
- Americas 52%
- Europe 30%
- Asia and Pacific 55%

Source: ISSA global member survey (2015)

Sources: Social Security Administration / ISSA, Social security programs throughout the world. Data consolidated by the International Labour Office.
Social cohesion

TEN GLOBAL CHALLENGES FOR SOCIAL SECURITY

CHALLENGE 2
Social security systems are important instruments with which to build social cohesion, promote active inclusion and tackle inequalities in society. In these roles, tackling income inequality is just one objective. Social security systems also help address other inequalities, such as between genders, in labour market opportunities or in access to health care and services, and enable people to mitigate risks and realize their potential across the life course.

Social security systems are sometimes referred to as safety nets, primarily to prevent poverty. The suggestion is that people who fall into such nets are saved from becoming destitute. While this role is important, modern social security systems achieve a great deal more. This is especially so when working alongside national tax systems, health care providers, occupational health and safety inspectorates, public employment services, employers, education systems and public services.

As focus points for investing in people, tailored social investment measures are highly effective in helping people to rise above risks and inequalities throughout their lives. This results in their fuller inclusion as active members in society. In many societies the multiple redistributive objectives of social security programmes play a powerful role in breaking the cycle of intergenerational poverty in vulnerable households.

| CHALLENGES TO SOCIAL COHESION |

We know that strong social security systems with wide and adequate coverage lead to higher levels of social cohesion. This translates into greater collective trust in a country’s institutions. But many social security systems are confronted by a number of challenges that may make this harder to achieve. For some, political and financial challenges threaten to scale back social security programmes. Also, labour market developments may act to limit the opportunities for workers to contribute fully to social security programmes, and thus to actively help themselves. Financial pressures combined with a need “to do more with less” has seen the more common use of the smart targeting of interventions on those identified as most in need. In some countries a greater role is being accorded to individual responsibility for managing risks.
Social cohesion

The role of tax-financed provision is gaining in relative importance in many countries, including to subsidize contributory programmes. In pension programmes especially there is also a tightening of the link between the value of contributions paid and cash benefits received. This is principally to respond to the financially sustainability challenge posed by longer life expectancy and population ageing. This shift may also act to reduce social security’s redistributive role. At the same time, increases in the pensionable age translate into less generous lifetime benefit rights accrued under many contributory programmes. The increasing engagement of social security systems in support of greater individual empowerment, through the wider use of proactive measures in support of the labour market and preventive health measures, is an important development that now complements the goals of universality and adequate income protection.

Many workers are faced with more insecure forms of employment. There is also a growing incidence of inequality and poverty among prime-age groups in some OECD countries since the 2007–08 crisis, and a growing concentration of wealth in many societies. If social cohesion is to be resilient, all these sources of tension must be tackled.

**RESPONSES TO SUPPORT SOCIAL COHESION**

The sustainability of all social security systems depends on the support of all sections of society. In particular, this must include the middle classes.

In many countries, the increased use of targeting of social security’s financial resources is supporting financial sustainability while enabling improvements in tailored responses to meet the needs of vulnerable groups. Public trust in social security systems and positive perceptions of social cohesion can be achieved by carefully balancing and communicating the need for financial as well as social and political sustainability.

Targeted support for the most vulnerable must not come at the expense of alienating the better off. This is true for all countries. In some developing economies though, where coverage may be limited, large universal public subsidies, such as for fuel consumption, tend to be captured mostly by higher-income groups. There is a need therefore to continually assess the equity outcomes of all social security measures, including for targeted support and subsidies.

What responses can social security administrations adopt in support of maintaining social cohesion? Priority must be given to the extension of adequate coverage. Thereafter, the challenge for all social security systems is to become progressively more responsive to the evolving social security needs of all across the life course.

Many developing countries deliver tax-financed social pensions for older people as part of their national social protection floors. These have been shown to help reduce household poverty levels and to generate wider positive impacts for self-reported health and well-being, as well as social inclusion. In countries with high levels of old-age poverty, the provision of tax-financed cash transfers permits older people to engage with local communities and markets and to invest in assets which support independent living. Generally, cash transfers strengthen individuals’ economic security and economic assets. They help to build local economies, improve access to education, nutrition and health care, and with greater levels of empowerment cement a higher degree of social cohesion.

For all countries with a growing share of the total population aged 60+ the importance of these kinds of transfers for social cohesion will increase. More generally, cash transfers that mitigate covariate shocks such as the impacts of natural disasters also safeguard social cohesion in communities.

But what about younger age groups? Conditional cash transfers (CCTs) targeted at vulnerable younger population groups strengthen civic participation and the cohesiveness of local communities. This is especially so in countries with high levels of inequalities in income and in access to services. These social investments seek to overcome and prevent cycles of intergenerational poverty. They are paid on the
condition of fulfilling actions such as enrolling children in school or attending regular medical check-ups. At the national level, they are proactive investments in upcoming generations. When partnered with essential public services, they can contribute to reduced inequalities and enhanced social mobility and cohesion.

To support the youngest in society, CCTs commonly invest in child development. But they also promote gender equality by making women the payees. Efforts to include women in social security are important. Globally, women are proportionately more likely to be active in informal work, unpaid family work or self-employment than are men. There is a greater tendency for women to be excluded from contributory programmes, which typically provide better benefits. Improving the representation of women in many social security programmes is an opportunity for realizing meaningful and lasting progress not only towards “social security for all” but for strengthening social cohesion.

The many forms of universal provision that typically characterize European welfare states – offering support to people across their lives – are seen as major factors in explaining lower levels of inequality and the relative stability of many European societies. Yet a number of factors are feeding concerns about rising levels of inequality, including the:

- growth of non-standardized employment;
- weakening of labour regulation;
- stagnation in wage growth;
- high levels of unemployment;
- higher levels of footloose capital; and
- changing migration patterns.

Regardless of the support offered by labour market activation measures, it is uncertain what these trends might imply for perceptions in the long term of social cohesion.

In the search for responses, the recent past offers some guidance. The social and economic shocks of the 2007–08 global crisis were best cushioned in those countries that used targeted interventions built upon a comprehensive social security system. Risks were controlled and more rapid recovery supported. Social cohesion was seen to have been maintained.

Current resource constraints and national policy priorities are pushing forward a greater role for proactive and preventive measures in social security programme design. The progressive aims of these measures, especially to empower people and support employability and rehabilitation, also help control costs, strengthen the sustainability of social security, support more flexible labour markets, and promote independent living and economic activity.

Financial as well as social and political sustainability underpin public trust in social security and positive perceptions of social cohesion.
Though it may be difficult to measure precisely, it is possible for social security administrations to gauge whether they are fulfilling their role in positively contributing to social cohesion. In many countries this is being done by creating an inclusive dialogue with the covered population.

As a practical response, all social security administrations should survey public opinion regarding two important questions: the relevance of benefits and services and the perceived quality of service delivery. With higher public expectations, analysis of responses should reveal not only whether social security systems are doing the right things and doing them well, but offer a measure of how well they continue to contribute nationally to upholding social cohesion. Such findings should be used to complement communication activities such as France’s efforts to inform people about their rights to social security. Furthermore, analysis should be undertaken to show how benefits and services impact poverty levels, health outcomes, educational achievement, and activity in labour markets. This should accompany wider efforts to coordinate and tailor personalized benefits and services.

The message is clear: the social security of populations is essential for social cohesion, which in turn, is indispensable for the stability required to confidently work and invest. This builds stronger and more productive societies.
INEQUALITIES ARE WIDENING

Increase in income inequality since the 1980s (OECD)

Of the global population owns 1% of the world’s wealth (Credit Suisse)

Of the global population owns 86% of the world’s wealth (Credit Suisse)

GLOBAL POVERTY IS DECREASING
Share of population living in absolute poverty by world region, 1981 to 2012

SOCIAL TRANSFERS REDUCE THE RISK OF INEQUALITY AND POVERTY
At risk of poverty rates, before and after social transfers (EU countries, 2014)
Population ageing is a global reality. So far it has been most pronounced in industrialized countries. For many developing economies the process of population ageing has begun but it is occurring at a faster rate than seen in other countries currently more advanced in the demographic transition. This will present particular challenges. To ensure the financial sustainability of social security systems and to meet the needs of all people in ageing societies, national systems of social protection must complement their protective role with strengthened investments in health, employment and empowerment. The response requires better coordinated social security systems that protect and support people through tailored measures throughout their lives.

Unprecedented increases in life expectancy combined with declining birth rates have significantly impacted demographic structures. The world population is ageing. By 2050, the global share of persons aged 60+ will grow from the current 11.7 per cent to 21.1 per cent. The number of people aged 80+ is expected to grow more than threefold in the same period. Moreover, the structure of the older population is changing, with a continuing increase in the proportion of persons aged 80+. Generally, this trend is occurring more rapidly in less developed regions.

Currently, 66 per cent of all older people live in developing countries. This figure will rise to 80 per cent by 2050. In 2015, 901 million people were aged 60+. This will reach 2.1 billion in 2050, with Asia being home to two-thirds of this increase.

These demographic trends impact on social security and health care needs, income sources and expenditures. Population ageing leads to relatively reduced levels of contributions and increased expenditures. In addition, to maintain levels of national economic output, the reduction in the proportion of
persons of working age must be compensated by increased productivity and improved levels of formal labour force participation.

In many economies, the growth of female labour participation underlines that formal employment rates among women have remained low compared to men. Facilitating higher rates of female employment should make a contribution to stronger labour output in ageing societies and provide the basis for further economic development and growth. It will also make an important contribution to the sustainability of social security systems, including pension schemes.

**THE CHALLENGE OF AGEING**

Faced with population ageing, the challenge is to ensure the financial sustainability of social security systems while they adapt to meet evolving needs and provide adequate levels of income security and services. Also, to satisfy demands for intergenerational equity, providing income security and needed care for older persons must be balanced with investment in younger generations.

Progressively more flexible life courses and increased labour market mobility are particular challenges for many old-age retirement schemes that were often designed to reflect stable linear working careers and nuclear family structures. Changing attitudes to the concepts of retirement and “old age” have been seen in some countries through the replacement of retirement ages by flexible pensionable ages.

Responses to the growing incidence of chronic health conditions are essential to ensure accessible and sustainable health care systems. Tackling health risk factors related to changing lifestyles requires new approaches and calls for prevention and early intervention across different settings.

An important issue is that in spite of rising political commitment and the resultant increase in coverage, a large part of the world population still does not have access to adequate social security protection. For some developing countries, population ageing may occur in the absence of comprehensive social security provisions. The risk of poverty in old age remains a major challenge in many countries. Demographic projections show a need for increased action to extend and improve the adequacy of coverage. Care challenges are likely to intensify both for informal family carers and formal care systems. Long-term care financed by social insurance contributions is found in only a handful of countries.

**RESPONSES TO AN AGEING WORLD**

Current reform trends indicate an evolution of the core parameters of social security systems. In view of population ageing and the related sustainability challenges posed to pension systems, increases in retirement ages are common not only in OECD countries but in middle-income countries. Also, the targeting of social security benefits and services is increasing.

One demographic feature of population ageing is falling fertility rates. As part of the response, social security benefits can support efforts to increase the birth rate. In countries with an ageing and – in the absence of positive net in-migration – a projected declining population, consideration may be given to progressive family policies. These can include financial support to facilitate child care, and parental leave opportunities for fathers and mothers. French and Russian experiences suggest that such measures can contribute to an increase in the birth rate.

Developments in health care systems include streamlining to reduce inefficiencies, a greater focus on prevention and health promotion, and offering adapted services for persons with chronic conditions and long-term care needs. Generally, complementary provision is being encouraged and the role of individual responsibility continues to grow.

While such changes to scheme parameters may lead to short- and longer-term savings, they will not be sufficient alone to appropriately address the adequacy and sustainability challenges resulting from demographic trends. This has been one of the lessons of recent pension reforms.
While financial sustainability challenges are being addressed in many pension systems in OECD countries, this may come in some instances at the expense of the adequacy of cash benefit levels. As regards concerns about rates of old-age poverty, these may increase with more workers in non-standard careers approaching retirement. A clear response is the global trend to better assure a minimum pension income for all people of pension age.

Poverty among older women requires specific responses. Women face a number of challenges during their active working lives relative to men that can impact negatively on future pension income. These include lower levels of employment, lower wages, more interruptions to career paths, structural and cultural factors that limit access to certain employment opportunities (regardless of educational qualifications), higher levels of family care responsibilities, the male-oriented design of some pension systems, the absence of gender-neutral annuities, and higher divorce rates.

Complementing the focus on scheme parameters, social security solutions must look holistically at limiting the need for benefits and services while supporting labour market participation, activity and productivity. Meeting the challenges of population ageing requires a stronger emphasis by social security systems on proactive and preventive measures. Protection must be complemented by supporting people, economies and societies through effective investments in health, employment and empowerment.

Health is one key component of human capital. Investments in reducing health risk factors and in improving health care creates healthier, more inclusive and more productive societies. In many countries efforts are underway to increase health promotion and the early detection of risk factors, as well as to improve access to structured and coordinated health care services. Proactive and preventive approaches have always been important for health systems, but are now viewed more so to prevent and control the growth of non-communicable diseases.

An increasing number of elderly people will require full-time care. As one response, offering contribution credits to unpaid carers should be considered. This supports people’s care needs and strengthens the income security of the carer when she or he reaches retirement. Supporting home-based care also reduces the burden on institutional care provision. For some people, there are significant psychological benefits of care provided at home.

Supporting employment and activity is equally important. The longer a person remains away from work, the more likely it will be that she or he will risk exclusion from the labour market and require long-term social security benefits.

“Demographic trends impact on social security needs, income sources and expenditures”
The use of social security measures to prevent or shorten a period of absence from work as a result of unemployment, ill-health or an occupational accident is most common in more developed economies. This is complemented by tailored measures for younger and older workers.

Malaysia’s Return to Work programme assists those with employment-related injuries and those claiming a disability pension to return to work using a disability case management approach. Around three quarters of participants in this recently developed programme are successfully returning to work.

Empowering people is a further strategy. Social security approaches can facilitate individuals to self-manage risk and navigate through an increasingly non-linear life course. Investing in education and capacities to better control health risk factors improves employability and reduces poverty risks. Social security measures that support knowledge and skills development can better enable productive activity and greater income security, which can help break patterns of intergenerational poverty.

Examples of such measures include the delivering of education programmes on social security and risks in various social settings, such as schools. Uruguay’s Social Insurance Bank (Banco de Previsión Social – BPS) has produced a series of education manuals that explain social security and risks in an adapted format. Social security information on an individual basis, such as pension information and communication provided in Sweden or the United States, also contributes to enabling individuals to better plan their retirement and manage related risks.

Importantly, a major objective of a number of programmes in developing countries is social investment and empowerment. Brazil’s Bolsa Família programme has provided financial aid to poor families on the condition of school attendance and compliance with certain health programmes.

The nature of social security systems is changing. Social security administrations have a major role to play in developing and delivering social investment measures that empower people to better mitigate health, income and employment risks. This does not imply leaving people to their own devices. To the contrary, the aim is to support system sustainability as well as adequacy in ageing societies, and to support people across the life course.

The policy lessons of national administrations whose covered populations are more advanced in the demographic transition will help those with younger demographic profiles select appropriate good practices in preparing for population ageing.
Average global life expectancy increased by 5 years between 2000 and 2015 (WHO)

The number of people aged 80+ will triple between 2000 and 2050 (WHO)

Projected world population in 2100, increased from 7.3 billion in 2015 (UN)

Sources: WHO (2015); UN (2015)

The ratio of older dependants to the working-age population (15-64 years) is growing

Consider demographic evolution is a significant challenge

Source: OECD (2015)

Projected levels of public expenditure on pensions and health (% GDP)

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Source: IMF (2015)

Member institutions that consider demographic evolution to be a priority challenge

World 61%
Africa 79%
Americas 71%
Europe 70%
Asia and Pacific 55%

Source: ISSA global member survey (2015)
Employment

CHALLENGE 4

Agentur für Arbeit

22 | TEN GLOBAL CHALLENGES FOR SOCIAL SECURITY
Employment of young workers

High levels of unemployment and underemployment among young women and men is a global challenge. The coordinated responses of social security administrations, public employment services and education and training institutions can help improve employability and reduce levels of unemployment, underemployment and inactivity. To achieve these goals, social security systems are looking beyond their conventional role as providers of income protection. With only a tenth of the global workforce having access to unemployment protection, a challenge remains the healthy expansion of formal labour markets.

In many countries, young people (aged 15 to 24) present complex challenges for social security systems. More than other age groups, younger workers have great difficulty in entering formal stable employment. Over two-fifths of the world’s young workers do not have decent jobs. In some national labour markets younger workers may be mainly active in the informal economy, while in others they may often be inactive and unemployed. Not all of those who are unemployed will have access to social security benefits. Others may seek to prolong periods in full-time education. European debates show that some young people, especially women, may not be in either education, employment or training.

It is known that economic downturns tend to affect employment rates among younger workers more than older workers. The evidence of the 2007–08 global crisis supports this with many younger workers losing their jobs, reaching unprecedented levels in southern Europe. Though the world economy has since rebounded, in many countries revitalized growth has not been accompanied by a comparable rate of job creation. In many economies, levels of long-term unemployment remain high and jobless growth is a worrisome trend.
| LABOUR MARKET CHALLENGES AND YOUNG WORKERS |

Across countries the policy priorities as regards unemployed workers vary. In situations of high unemployment and ageing populations a trade-off by social security systems may be necessary. The financial sustainability challenge facing some pension systems favours older workers remaining in active employment for longer. A challenge in some economies may be to balance this option with different actions that help younger workers enter employment.

In economies with younger demographic profiles there are often insufficient numbers of new decent jobs being created for large numbers of new job-market entrants. Good job opportunities for better educated young workers remain particularly rare in some regions, such as North Africa and the Eastern Mediterranean – the alternative may be to accept low-return opportunities in the informal economy. Emigration may be the considered response by some, with a huge loss in potential for developing economies. In some regions, unemployment is significantly higher among women.

The longer-term social security implications of high levels of youth unemployment remain relatively under-discussed. For all workers, career gaps impact their acquisition of full contributory pension rights.

A further challenge for low-paid workers especially is that many pension schemes have reduced their redistributive role and tightened the link between individual contributions and future benefits. Shorter contributory periods combined with contributions paid on lower levels of earnings equates with less generous pension entitlements. Also, young people are important consumers for national economies, and their consumption patterns important economic drivers. Continuing high numbers of underemployed or unemployed young workers act to limit economic activity and growth.

| RESPONDING TO THE NEEDS OF YOUNG WORKERS |

Benefits for the working-age population are typically part-funded by workers, as are most unemployment benefits. While it is important to encourage activity, a part-funding approach penalizes those with fractured work histories, especially those who often transit in and out of work. A common response to all forms of economic insecurity is to provide tax-financed income support. But practice shows that such forms of support are less focused on workers and more commonly targeted on societies’ vulnerable youngest and oldest populations.

Globally, just over one in every ten workers has access to some form of unemployment protection. Generally, coverage is typically higher in more developed economies, though cuts in social budgets have also weakened some unemployment protection measures in recent years. While this may help incentivize job searches, it presupposes the availability of suitable work.

Progress is being made to better protect workers. In recent years, for the first time a number of countries in African and Asia have put into place unemployment benefit programmes. These new programmes are essential and their introduction should offer income security to workers when making the transition from unemployment to work.

To be more effective, all modern unemployment programmes should consider the specific needs of different groups of workers, in particular of younger women and men.

One need is the timing of responses, since a rapid response is more likely to result in a worker’s earlier return to employment. Many of the youth guarantee schemes in Europe that offer access to training or employment are designed to intervene within the first three months of unemployment.

Since 2013, the European Union (EU) has advocated the introduction of a Youth Guarantee for all young people up to age 25. The aim is for an offer of a quality job, continued education, an apprenticeship or a traineeship within 4 months of leaving formal education or
becoming unemployed. Denmark and Germany introduced Youth Guarantee schemes in 2014. The Danish scheme tailors interventions to two sub-groups (aged 15–17; aged 18–29), but the common goals are that each young person has clear requirements, expectations and guidance to progress in the labour market or educational system. The longer-term aim is lower unemployment levels among young workers. Among EU countries, Denmark already has relatively high rates of youth employment and low rates of youth unemployment.

The labour market challenges for policy deciders are numerous, but multiple responses exist. To tackle unemployment and address the mismatches between workers’ skills and employers’ demands, social security systems can push for early and active interventions, as well as (re)training and education across the life course. Good practice in developed economies suggests that coordinated programmes of cash benefits, activation measures, negative income tax instruments and progressive tax systems offer a pathway to tackle unemployment and poverty.

The unemployment and underemployment challenges in developing country labour markets are frequently greater and the structural nature of some of these make them more intractable. This is especially so in economies with large informal labour markets. Of major concern is a growing and increasingly marginalized and vulnerable labour force working in precarious conditions without even basic social protection. Higher numbers of underemployed but well-educated youth create particular challenges. The objective must be to create decent employment opportunities for young – as for all – workers who are currently without jobs or training relevant to their needs and aspirations.

The experiences of many national social security administrations suggest that interventions should be multiple and staged in a manner that acknowledges the dynamic nature of risks. For unemployed young workers, risk factors should be identified and specific actions put in place at all stages. Beyond income protection, younger workers frequently need activation measures, such as skills (re)-training, and such measures should have a gender dimension.

Top-level political support for active labour market policies may be necessary not only to drive employment growth but to counter the potential risk of social instability and unrest among the marginalized working-age population.

Social security administrations cannot meet the challenges alone. Apprenticeship systems that operate as an integral element of labour markets in some countries are viewed as a factor in lower unemployment rates among young workers. They help bridge the transition between education

“ All modern unemployment programmes should consider the specific needs of different groups of workers, in particular of younger women and men”
and work, while providing valuable employment and life skills. Such systems require national-level collaboration between employers, trade unions and governments, including the setting of wage levels and labour market regulation.

Many young women and men are without such aid and may be totally unsupported in job-search activities and reliant on personal networks. Opportunities are likely to come to those with more powerful networks, regardless of their professional and human skills or level of educational attainment. The greatest return from investment in the coordination of social security and public employment services will be for unsupported workers.

The actions of social security administrations in coordination with public employment and education and training services can help the transition of young workers into professional training and education or suitable decent work.

Global and regional economic cycles aside, to successfully reduce unemployment among young workers, public policy is necessary to create an appropriately skilled workforce and the conditions that permit job creation. Also necessary is close collaboration and coordination among different public institutions and employers’ and workers’ organizations.
YOUTH UNEMPLOYMENT

71 million
Unemployed youth (aged between 15 and 24) in 2016 (ILO)

40%
Youth are 40% of the world unemployed (ILO)

USD 300 billion
Wages lost annually as a result of youth unemployment (OECD)

Sources: International Labour Organization (2016); OECD

THE NEED FOR NEW JOBS

43%
Proportion of the global youth labour force that is unemployed or working poor (ILO)

40 million
Number of people entering the labour market each year (ILO)

600 million
The number of productive jobs that need to be created over the next decade (ILO)


GLOBAL YOUTH UNEMPLOYMENT TRENDS

Global youth unemployment 2000–2014 (% of total labour force aged 15–24)

Sources: ILO; World Bank (2014)
CHALLENGE 5
Many economies are witnessing an increasing de-standardization of employment patterns, involving greater flexibility in working time, evolving work arrangements, and a break with the traditional linear life-course career path. The shift to the digital economy, the so-called “industry 4.0”, is expected to accelerate these trends, with many job categories at risk of being replaced by technology. Faced with this prospect, the financing, delivery and legal frameworks of social security systems must adapt.

Unlike previous technological revolutions, digitalization is evolving at an exponential pace. Given that we live in a multifaceted, interconnected world, this is rapidly transforming national economies as well as our patterns of social interaction.

THE CHALLENGES OF THE CHANGING WORLD OF WORK

Around us the world of work is changing, and so must social security systems. The big challenge for large national institutions of social protection is to keep up with the pace of change.

In the world of work we see an increasing number of self-organized production systems, “crowdwork”, that operate independently with people working from home or...
from the other side of the globe, delivering in real time.

We increasingly see the use of drones, 3D printers and robots contributing to many countries’ national economic output. In the near future, robots may increasingly replace many tedious, arduous or dangerous forms of human labour. This is a good thing.

Social security and occupational safety and health (OSH) systems developed in response to the risks associated with the societal structures, labour markets, labour relations and production technologies of the “industrial” mid twentieth century. The likely decline of certain forms of work and of some professions, and the trends towards individualization, flexibilization and “informalization” that characterize new forms of work, such as “cloud working”, pose serious challenges for the traditional financing of many social protection programmes.

Working conditions are evolving in many sectors. In some there is already more flexibility in working hours. If imposed, this may be viewed by workers as a source of insecurity. But there may be positives too. One is an expected reduction in work-related accidents and diseases, as it may become more possible for dangerous work tasks to be automated. The Fukushima incident illustrates how robots can help prevent exposure to major risks, such as radioactivity. Though an extreme case, lateral thinking shows the untapped possibilities of human-centric robot technologies. There are risks also. Greater reliance on robotics can only remain positive if this continues to be underpinned by strong regulations to protect workers and prevent workplace accidents and injuries. Robots should not be used as a justification for a weaker emphasis on workplace prevention.

People working alongside high-performance and fatigue-proof robots and new technological processes will have to adapt. A key issue is how the use of digital tools, new machines and artificial intelligence will impact employment in traditional sectors and whether it will stimulate job creation in new industry 4.0 occupations.

| RESPONDING TO THE DIGITAL ECONOMY |

The economic and employment outlook based on the likely impacts of digitalization is mixed. Though there may be opportunities for stronger economic growth and improved social well-being, other outcomes may be job losses, increasingly fragmented labour markets, the need to adapt labour codes to new forms of work, the further feminization of some economic sectors, and the normalization of “atypical” employment.

For social security systems the effects of digitalization threaten the financial sustainability of contributory programmes. It also creates the need to extend legal coverage to new categories of worker. For OSH practitioners, a risk to be considered may be new forms of psychosocial pressure and workplace stress. These kinds of stress already contribute to around half of all lost working days in Europe. Another potential risk may be how to ensure compliance with OSH standards amongst the increasing number of people working in the digital economy under non-traditional, individualized conditions.

In the labour market, digital communication technologies are transforming the way some services are regulated and delivered. More forms of work-on-demand via phone apps in the “gig economy” are matching supply and demand by using under-utilized assets, such as residential accommodation for rent, transportation and cleaning services.

Some of these services may be offered on the grounds of there being no legally identifiable employer-employee relationship. In practical terms, these platforms, and the new work practices and non-conventional employment relationships they represent, imply a need for regulatory reform. In some national jurisdictions, some operations may currently side-step national labour codes and social security and OSH legislation.

For digital entrepreneurs, the Internet offers a “third party” platform connecting “clients” and “service providers”. In some cases, a challenge has arisen because new production processes or work operations have not taken fully into account the social security and safety and health
of workers from the outset. This should be done on legal grounds to protect workers, as well as to improve the commercial effectiveness, reputation and sustainability of new “digital” enterprises.

In this brave new world of work, and while awaiting the necessary updating of regulatory codes, the formal place of employer-employee relationships may be weakened. However some countries have moved to address this loophole.

The Swiss statutory accident insurance (SUVA) and the Swiss Pension fund have decided that companies providing app-based taxi services should be considered an employer and should pay social security contributions. The reason being that, in Switzerland, a taxi driver who fully depends on jobs provided by the operational headquarters of a company is not legally self-employed. And a legal case against app-based taxi services in France led to fines being imposed on employers for not adhering to transportation legislation.

Legal responses to digitalization present an important first step to uphold the social protection and labour rights of workers and to counter employers’ avoidance of contribution payments. Social security administrations should actively lead calls to enforce the full payment of social security contributions based on declared “gig” earnings.

The European Parliament is discussing a draft motion that calls for the most sophisticated autonomous robots to be classified as “electronic persons”. The draft motion argues that such robots should be linked to a fund established to cover their legal liabilities and calls for owners of robots to be made liable for paying social security contributions with respect to these. For tax purposes it is also proposed that employers should declare savings made in respect of social security contributions when robots replace human labour.

In spite of these developments, the future scenario for many elements of conventional social security is uncertain. Amongst the Sustainable Development Goals (SDGs) adopted in 2015, the eighth is to promote inclusive and sustainable economic growth, full and productive employment and decent work for all. The question for labour markets and social security systems is what might be possible if many forms of work have been replaced by automated processes and new technological solutions?

The international discussion on implementing universal basic income (UBI) mechanisms (from Alaska to India to Switzerland) is one debated response. Overall, public opinion remains sceptical about UBI. Two important questions are how much it might cost, compared to, say, a social protection floor, and how might UBI support the need...
for access to essential social and health care services for all age groups?

Though the nature of work is changing, the evidence of recent developments suggests that it is unlikely to disappear. New forms of crowdwork organized using digital platforms reveal that work in the modern economy often entails small, repetitive tasks. The important message here is that some tasks still remain best done by people. In medical care, new technology is vital to improved health, but there are other tasks and decisions in this sector that are unlikely to be replaced by digital interventions, even in the long term.

Similarly, for the users of social security services, it is far from certain that the “human touch” will ever be completely digitized. The digital economy does put into question the nature of the benefits and services that will be required. It also challenges the manner in which these can be adequately financed, and who will be responsible for paying contributions. Another question is where responsibility will lie for enforcing and respecting OSH regulations and rights to compensation.

Social security administrations are no less impacted by digitalization than other providers of public services. Overall, much of this impact is positive. Already there have been improved quality outcomes for service delivery. The perceived threat to service delivery posed by the imminent retirement of many social security administrators in ageing countries has diminished – because technological solutions have compensated for such losses.

For administrators, the upside of the digital economy is the rapid offer of new digital solutions. The downside is when existing institutional practices evolve slower than changes in the world of work. Take the case of when legal codes and regulations become outdated. While these will certainly be updated, the challenge is that this will happen at a slower pace than is desirable to offer seamless protection to all workers in all forms of work.
**Digital Economy**

**The Future of Work**
Digital technology and automation are transforming the world of work.

- **45%**: Percentage of work activities that could be automated using already demonstrated technology (McKinsey).
- **-7.1 million**: Estimated number of jobs lost as a result of digital transformation 2015–2020 (WEF).
- **65%**: Children entering primary school today that will work in job types that do not yet exist (WEF).

**Sources**: World Economic Forum (2016); McKinsey (2015)

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**Self-Employed and Freelance Workers**

- **+ USD 2.7 trillion**: Potential increase in global GDP from online work platforms as a result of improved productivity and reduced unemployment (McKinsey).
- **16.5%**: Percentage of workforce that is self-employed (European Union countries, 2013).
- **9.7 million**: Registered freelancers worldwide on Elance virtual work platform (2015).

**Sources**: McKinsey Global Institute (2015); OECD (2013); Elance (2015)

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**Priorities of ISSA Members**

Member institutions that consider the labour market situation to be a priority challenge.

- **World 65.8%**
- **Africa 79%**
- **Americas 71%**
- **Europe 70%**
- **Asia and Pacific 55%**

**Source**: ISSA global member survey (2015)

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**The Fourth Industrial Revolution**

1st: Mechanization, water power, steam power
2nd: Mass production, assembly line, electricity
3rd: Computer and automation
4th: Cyber Physical Systems

CHALLENGE 6
Health and long-term care

The health and long-term care risks and challenges facing social security and health care systems continue to evolve. In spite of improvements in health, inequality in health outcomes remains a challenge. Though the global population is ageing, the extent and nature of this process is uneven. In terms of health outcomes, the extra years of life gained are not all lived in good health. Achieving social protection systems’ core objectives requires that health-related challenges are anticipated correctly, proactive and preventive responses put in place and appropriate benefits and services provided.

People are in general living longer and in better health, but this global picture hides an increasing variation of outcomes, including increasing inequality in health. The wealthier are living longer and in better health, while some lower socio-economic groups have even seen a fall in life expectancy. Health outcomes can also be influenced by geographical factors combining with socio-economic status. Though the gender longevity gap is reducing, women continue to live longer than men. However, women actually spend fewer years of their life in good health. Healthy life expectancy is now increasing more slowly than regular life expectancy. With more people living to older ages the nature of the health burden and the required medical care responses have changed. For example, the majority of people diagnosed with a cancer are aged 60+, and there have been large increases in cases of Alzheimer, particularly in European countries.

End-of-life health costs can be significant and may include an extended need for full-time care. In addition to the increasing number of years lived in poor health, the rise of non-communicable diseases (NCDs) has significant financial, policy and administrative implications. Global mortality resulting from chronic NCDs now exceeds that of communicable, maternal, perinatal and nutritional conditions.

Mental disorders account for about 12 per cent of the global burden of disease.
Between 1990 and 2010, measures of opioid-use disorders and eating disorders increased by over a quarter and for schizophrenia by over 10 per cent.

The emergence of new health challenges and year-on-year rises in medical costs above inflation are likely to lead to significant health budget implications unless new approaches are considered.

| CHALLENGES FOR SOCIAL SECURITY AND HEALTH CARE SYSTEMS |

In all societies, structural inequalities and cash poverty have an important incidence on health status and outcomes. In addition, in more developed economies particularly, key drivers for premature mortality are NCDs such as cardiovascular diseases, cancer, diabetes and chronic respiratory diseases. The increased incidence of NCDs, which are particularly costly for society because of direct medical expenses and indirect costs (absence from work, lost productivity), and multi-morbidity (a simultaneous occurrence of different health conditions) raise new challenges. Social security systems must respond to these.

By 2012, NCDs accounted for 68 per cent of global mortality with more than 40 per cent of the 38 million deaths from NCDs occurring prematurely (before age 70). Almost three quarters of all NCD deaths (28 million), and the majority of premature deaths (82 per cent), occur in low- and middle-income countries, which are home to over 80 per cent of the world population.

In many countries, there is a strong correlation between lifestyle and health status, which is often linked to household income level. The negative health effects of immoderate alcohol consumption, tobacco use and obesity remain serious challenges. In addition, environmental influences, not least the workplace, are important factors for psychosocial and physical ailments.

The nature of disability is changing, with a movement in assessments away from physical towards mental conditions. This will continue, with an increasing number of cases arising at younger ages and also among women. This change requires heavily tailored responses.

Providing long-term care (LTC) for growing elderly populations is likely to be increasingly challenging due to escalating costs and to changing patterns in family structures that limit traditional support networks.

More than half of the world’s older persons – some 300 million people – lack quality LTC. Only 5.8 per cent of the world’s population live in countries with universal access to LTC. Around 80 per cent of LTC provision is provided informally, and 90 per cent of formal care is provided by women. Studies suggest there is a shortfall of around 14 million formal LTC workers worldwide. A growing trend is that a significant number of elderly people live alone.

| RESPONSES TO ADAPT HEALTH AND CARE SYSTEMS |

Many health systems still focus most resources on acute rather than chronic care. Similarly, many social security systems focus more on providing compensation for an assessed contingency, rather than addressing the underlying factors that contributed to the need for benefit provision. A nascent trend though is for health care and social security institutions to adopt innovative measures which anticipate future challenges.

Given the growing care burden and rising medical costs, social security administrations are focusing more on preventive measures, involving coordination with other stakeholders as well as targeted services and benefits. Here, working with other national and supranational organizations is required.

Also necessary will be better purchasing and negotiating positions with respect to medication. The focus on preventive measures requires further investment, but if done properly it may lead to a reduction in the need for expensive medication.

As a core issue, the training and development of medical staff to fill employment gaps is critical. Unlike the delivery of cash benefits,
many medical and caregiving tasks cannot easily be automated and will continue to require staffing. Given that the overwhelming proportion of carers – both informal and formal – are women, addressing the issues are likely to support other society measures to reduce gender and income inequalities.

**NCDs require proactive and reactive responses.** The rise in importance of NCDs in the global health burden underlines that this is a major public policy challenge to be addressed at society level. Social security administrations and public health actors have an essential role to play, not least in advocating for behavioural changes that can help control rising social expenditures.

Regular health check-ups can be used as an opportunity for imparting health information and lifestyle counselling, as well as for providing medical assessments. In the Republic of Korea, targeted screening has improved cancer screening rates. This has been coupled with health promotion centres and improved health care information.

A public health strategy is similarly required. In Hungary, a Decree on nutrition standards for public catering seeks to ensure that school children receive a balanced diet as well as proper physical, psychic and mental development. A number of countries and cities have introduced “soda taxes” – for example, Mexico and Philadelphia – which aim to help reduce obesity rates.

**Workplace health promotion.** Social security administrations can support the efforts of employers to adapt the workplace to the needs of an ageing workforce and to promote improvements in health and well-being.

A starting point can be for social security administrations to coordinate efforts first with large local employers who also have the capacity to reach out to local communities. Social security administrations should recognize that many health risks, for older as well as younger age groups, straddle the boundaries that separate workplace and non-workplace environments. The measurable benefits for work injury insurance are seen in terms of reductions in absenteeism and reduced sick leave costs. This translates into greater worker satisfaction and well-being, along with improved workplace productivity.

**Palliative care is cost-effective.** Early interventions are cost-effective. Palliative care is one approach to address the impacts of an ageing population. The provision of palliative care within two days of an advanced cancer diagnosis can reduce costs by around a quarter, compared with no intervention.

**Mental health issues and learning difficulties are not a hindrance to active living.** The underlying causes of increasing mental health cases need to be addressed. In line with the broader objectives of social [37]

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"Healthy life expectancy has been increasing more slowly than regular life expectancy"
investment and active living, social security administrations can support active inclusion.

The Swiss system of disability insurance supports initiatives for those with learning difficulties such as dyspraxia, attention-deficit hyperactivity disorder, and dyslexia. While there is a recognition that those severely affected may not be able to work, the vast majority, with suitable support, can not only work effectively but bring different skills to the workforce.

**LTC responses must be effective.** Social security and health care systems should move to support responses to LTC challenges that prioritize putting in place new legal provisions and financing. Currently, LTC is being met by both informal and formal provision. This may not be a sustainable model. The wider costs of informal care (including carers’ health, productivity, mental well-being, and job opportunities), plus the lack of skills of informal carers, requires the development of innovative responses.

At present, only Germany, Israel, Japan, Luxembourg and the Republic of Korea have instituted contributory LTC insurance. South Africa has means-tested entitlements for dependants (but not for formal care). Measures to support informal carers should include limited pension credits for informal care periods.

**Retirement ages with greater flexibility.** For social security administrations, different health statuses of people of the same age suggests a broader range of retirement ages, as well as flexible and partial retirement. Also required are workplace preventive measures to reduce the numbers of physically demanding jobs and, through job rotation and other means, to provide less demanding work activities to those who have experienced a loss of work ability.

Flexible retirement, as found for example in Finland and Sweden, can be an effective approach to encourage the postponement of full retirement when aligned with appropriate health and labour market mechanisms. Another avenue is working with employers to improve active ageing policies to facilitate workers to stay in employment longer. It is important that adequacy is maintained, particularly for those without or with only limited supplementary provision.

To guide social security administrations, tackling inequality in health outcomes involves not only the coordinated actions of many actors, but the coherent design of proactive responses and appropriate benefits and services. These must anticipate and prevent risks as well as meet people’s needs correctly.
GLOBAL HEALTH IS IMPROVING

Healthy life expectancy at birth was 63.1 years globally in 2015, increased from 56.9 in 1990 (WHO).

Global life expectancy for children born in 2015 (WHO).

Since 1990, child deaths have almost halved (WHO).

THE GROWING NEED FOR LONG-TERM CARE

World trends in the share of the population aged 80+, 1960–2050 (in percentage).

THE IMPACT OF NON-COMMUNICABLE DISEASE IS INCREASING

Non-communicable diseases are the largest global cause of death and disability (WHO).

Deaths result from non-communicable diseases each year (NCD Alliance).

Nearly 30% of the world’s population are either obese or overweight (Lancet).
In an uncertain global context, societies and economies are exposed to different and often unpredictable economic, societal, political, migration and environmental shocks and extreme events. Social security systems absorb and attenuate the worst consequences of these. They enable societies to recover more rapidly from downside impacts and to be better prepared for future events, anticipated or otherwise. In a world of growing uncertainty, social security programmes’ roles in managing risk increasingly extend beyond labour markets and the life cycle.

In the immediate aftermath of the 2007–08 global financial and economic crisis, many social security administrations were acclaimed for their agile delivery of complementary policy responses to cushion people, economies and society from downside risk events. These responses were essential, though not in fact unexpected. Social security systems have been used recently to provide support to populations facing catastrophic losses to livelihoods due to climate-related events and disasters, as well as meeting the particular but varied needs of refugee populations. All these responses share important similarities. They demonstrate how professionally-run social security administrations can flexibly adapt to challenges posed by different types of crisis events. Often they are the only nationwide actor with the required capacities. Yet even the most flexible of social security administrations are confronted by role limitations. For all administrations, a challenge is the trade-off between fulfilling a broader policy remit and the operational reality of finite financial and human resources.

NEW CHALLENGES FOR SOCIAL SECURITY

The current global context can be characterized by a growing series of challenges and uncertainties. While these depend on the context and vary in importance, they include:

• continuing economic instability;
• jobless growth;
• high levels of unemployment;
• low rates of wage growth;
• widening inequalities;
• fiscal restraint; and
• ageing societies

These aspects co-exist with positive progress in other areas, such as poverty reduction and improved access to health care.

In comparative terms, because some policy challenges evolve relatively slowly, their likely impacts can be more predictable and responses better prepared. For other new challenges, this may be less so – unexpected shocks, by definition, force immediate responses and leave little time for preparation. Also, the frequency of unpredicted shocks is increasing. As one example, there were 198 natural disasters in 2015 – a record. This compares to less than 50 per year in the 1970s and between 50 and 100 per year in the 1980s. In total, the region where the impacts of these have been most pronounced is Asia and the Pacific, but globally the number of disaster-related deaths has declined.

While economic uncertainty remains a predominant concern, geopolitical uncertainty has become increasingly present. In addition, the number of climate change-related extreme events continues to rise. In response, we have witnessed greater multilateral efforts and initiatives such as the United Nations Climate Change Conference, COP 21, held in Paris in 2015, and various international peace conferences regarding regional conflicts.

| RESPONDING TO NEW RISKS |

In spite of operational constraints and external pressures, social security administrations have shown to be capable of adapting to new and diverse sets of risks.

**Natural disasters and environmental risks.** The ISSA region of Asia and the Pacific is considered the most vulnerable to natural disasters, environmental degradation and the potential impacts of climate change. A heightened risk of flooding, water shortages, changing land-use patterns, increased pressure to migrate, threatened future food supplies, and heightened probabilities of diseases spreading are some of the non-conventional social policy challenges increasingly on social security systems’ radar screens. All of these demand innovative, additional and, often, fast-reaction responses.

The Philippines, which is among the countries most susceptible to natural disasters, has taken the lead in showing how responses can be developed and delivered effectively. The country’s Pantawid Conditional Cash Transfer Programme, a conditional tax-financed programme designed originally for extremely poor households to support improvements in health, nutrition and children’s education, offered a flexible model as a post-disaster social security response to Typhoon Yolanda.

There are precedents in responding to tropical cyclones in the Atlantic too. In the United States, Hurricane Katrina affected 1.6 million social security recipients in 2005. A number of emergency procedures were put in place, including special hotlines, additional staff employed to expedite claims for death, survivor and disability benefits, the creation of temporary offices, and liaison with the postal service to ensure benefit payments.

In Brazil, the *Bolsa Verde* conditional cash transfer scheme is specifically targeted at populations in the Amazon region and pays USD 320 annually to more than 70,000 ultra-poor families, conditional on recipients abstaining from harmful ecological activity such as illegal logging. The twin goals are therefore poverty eradication and nature conservation.

India’s Mahatma Gandhi National Rural Employment Guarantee is a job creation scheme for rural workers. The public works enabled by the scheme include activities in water conservation, drought prevention (reforestation) and flood control. These have led to increases in the groundwater level, improved soil fertility and improved land productivity. The improved prospects experienced by rural households is also supporting a cultural revolution – the empowerment of women and marginalized groups.

The success of such programmes requires innovative, flexible and population-centred
professionally-run social security administrations can flexibly adapt to challenges
Ebola in a number of countries used the most efficient form of communication – radio – and emphasized the importance of preventive measures such as rehydration. Such approaches were cost effective and more efficient than expensive post event medication.

For social security administrations, many of the above examples underline the importance of effective communication. Overall the examples demonstrate that social security administrations can respond in an effective manner, but global uncertainties present new challenges. To be clarified is just how far social security systems can comfortably go – institutionally, financially and politically – as regards meeting new challenges while continuing to address conventional risks. A response by social security administrations should be to develop a proactive risk management strategy that looks beyond conventional financial and investment risks to also include environmental and other risk factors.
CLIMATE CHANGE AND NATURAL DISASTERS AFFECT HEALTH AND SOCIETY GLOBALLY

250,000
Projected additional deaths per year caused by climate change, 2030–2050 (WHO)

198
Number of natural disasters recorded in 2015 (UNISDR)

USD 2-4 billion
Annual health costs directly related to climate change by 2030 (WHO)

Sources: WHO (2016); UNISDR (2015)

THE IMPACT OF ECONOMIC CRISIS ON UNEMPLOYMENT
Unemployment, total (% of total labour force), 2000–2014


THE SCALE AND IMPACT OF RISKS

USD 66.5 billion
Estimated cost of disasters in 2015 (UNISDR)

USD 225 billion
Combined losses of social security reserve funds in 2008 (ISSA)

65.3 million
Number of forcibly displaced people and refugees in world (UNHCR, 2015)

Sources: UNISDR (2015); UNHCR (2015); ISSA (2010)
With over 1 billion internal and international migrants worldwide, the higher numbers and greater diversity in the nationalities of migrant workers present administrative challenges for social security systems. In spite of progress, the social security protection of migrants globally remains weak, with only a fifth of migrant workers having the full protection and portability of their social security rights. Once considered mainly a South to North issue, the global nature of migrant flows has evolved. Success in meeting the social security needs of all migrant workers worldwide is an important component of realizing social security for all.

The number of migrant workers is increasing in many countries and the number of migrant-sending countries is growing. Migrant workers face the same kinds of risks as other workers, requiring protection against unemployment, illness, disability, old age, maternity and survivorship. But they also face risks that stem from the act of migrating, which may further heighten their vulnerability.

While women comprise around half of international migrants there are important gender differences by economic sectors, the quality and security of the work, levels of pay, exposure to health and safety risks, and the adequacy of social security protection.

Internal migrants also face social security challenges. This is especially so in large countries, and particularly those with a federal structure, multiple cultures and linguistic groups, and a fragmented social security system. China, for example, has close to 40 million farmers-turned-internal migrant workers. A pressing issue for social security decision-makers is how to effectively extend adequate and comparable coverage to all workers.
MIGRATION IMPACTS AND CHALLENGES

Migration will continue, though the sources of flows and their magnitude will evolve. In a context of demographic ageing, migrants must be considered as an important resource, and their effective integration in the labour market as an investment.

Migrants working in the regulated economy are typically those who have the financial means to move country or region, are commonly in the cohort aged 20–39, with their education completed and paid for, and are already economically active. Such workers tend to be younger than the general population, which is attractive for host countries looking for ways to rejuvenate their demographic profile. Migrants bring many beneficial economic, demographic and social impacts to the host country. These include an injection of skills and competencies that may not exist or be in short supply – migrant workers are often entrepreneurial and hardworking.

The remittances that migrants send home are hugely significant for their domestic economies. Yet remittances often come at the cost of trade-offs for migrant-sending countries. One trade-off stems from developments in global care chains and the manner in which they affect women particularly. With ageing populations, the increasing labour force participation of women, and the insufficient public provision of care in developed countries, there is a heightened demand for domestic workers and carers for children, the elderly and for those who are sick or disabled. Consequently, many women in developing countries are leaving their own dependants to accept work as domestic helpers and care givers in more developed countries. This results in “care deficits” in migrant-sending countries.

Of course, migrant workers also raise policy challenges for migrant-receiving countries. Salaries may be depressed by the offer of competitive migrant labour and questions of cultural differences and social integration have to be managed.

For social security administrations the practical challenges posed by migrant workers are many, but not insurmountable. These can arise out of the atypical work-career characteristics of many migrant workers, such as short careers in the host economy, with frequent job change, and periods of activity in the informal economy. An administrative challenge in some developing countries in particular remains the absence of electronic files and the continuing use of paper records.

The widening use of ICT in social security administration reflects its practicality in the exchange of information and data. For some countries, ICT costs can be prohibitive. Other challenges for migrants’ coverage include cross-country differences in social security concepts, terminology and practices, political and legal barriers, and data availability.

SOCIAL SECURITY RESPONSES TO MEET MIGRANT WORKERS’ NEEDS

In addition to an affirmed human rights’ rationale for extending coverage and offering equality of treatment, there are many positive trade-offs for social security programmes and the economy of extending coverage to migrant workers.

Extending coverage ensures access to essential benefits and services to help mitigate various risks. It enhances social cohesion, facilitates economic growth and strengthens public support for social security programmes. Broadly speaking, efforts to formalize labour markets are strengthened, the potential for exploitation is weakened and mobility strengthened.

Importantly, migrant workers are often net contributors to the social security system. To minimize stresses and to facilitate social cohesion, social security systems are proactively developing appropriate responses. Effective public communication is a first step to inform migrant workers of their social security rights and entitlements.

An innovative approach adopted by the General Organization for Social Insurance of Saudi Arabia is the proactive registration of expatriate workers as soon as they arrive in the country. Inter-agency cooperation ensures increased efficiency,
higher data quality, accuracy, fair and just compensation and virtually 100 per cent social security coverage of expatriate workers, who comprise more than 80 per cent of the country’s private-sector workers.

But many migrant workers are economically active in areas that tend to be less subject to the employer-employee relationship, which is fundamental to much of social security administration and financing. Often this relates to types of caring and home-based work done by many female migrant workers. Such types of work are often weakly regulated and workers in this sector can present challenges for social security registration and administration.

By amending social security legislation and adapting benefits and contribution structures, the extension of coverage to migrant workers can be achieved. The Federal Administration of Public Resources of Argentina has created a special centralized social security registry for domestic workers, including migrant workers, thereby granting them the same rights as all other workers. This online system enables the declaration of employment relationships within the informal economy. The positive impacts include higher levels of registered labour, facilitating compliance by employers, guaranteeing the quality of the information held and increasing contributions and coverage.

Bilateral social security agreements are a cross-frontier mechanism to extend portable coverage to international migrant workers. Worldwide, there are hundreds of such agreements – with the vast majority concerning the countries of the European Union and Western Europe. These help verify the personal identity and eligibility of migrant workers to social security, and permit the calculation of entitlements and their portability. Not only do such agreements set down the rules regarding treatment, they enable coordination measures to support how the administration of cases is undertaken and how effective communication is made between different stakeholders.

For social security administrations a hurdle is that bilateral agreements can take significant time to implement. Once in place, their strengths include:

- Transparency, so that provisions for a migrant worker are governed by the legislation of only one country at any given time.
- The protection of acquired rights, which should be independent of where rights are accrued and there should be no restriction on the payment of benefits for which the worker has qualified in any of the countries concerned.
- The totalization of rights, where a right is conditional upon the completion of a qualifying period and which takes

“The social security rights of migrant workers globally remain weak”
account of periods served by the migrant worker in each country she or he has worked.

• Preventing the “double contribution” that may be paid by temporary workers in a host country.

For regional groupings of countries, multilateral social security agreements offer a platform to facilitate closer cooperation. The Conférence interafricaine de la prévoyance sociale (CIPRES) in Central and West Africa; the Multilateral Ibero-American Convention on Social Security signed by Spain, Portugal and 12 Latin American countries; the Caribbean Community (CARICOM) agreement on social security; the MERCOSUR agreement among Argentina, Brazil, Paraguay and Uruguay; the Gulf Cooperation Council agreement, and the 2005 Baku Declaration among countries of Eurasia are flagship examples.

For social security administrations to meet the social security needs of migrants, robust identity management is essential and appropriate administrative and management measures are required – this is most effectively delivered under a bilateral agreement. These permit greater cooperation, strengthen administrative capacities and help exchange good practices. This can involve working with others stakeholders to support the identification and affiliation of migrant workers. Despite progress, globally, no more than one in five of migrant workers has the full protection and portability of their social security rights enshrined by an agreement signed between their country of origin and the host country – those that do are normally workers moving between developed country labour markets.

Other effective administrative responses include the set-up of mobile offices and procedures to encourage affiliation, tailored multilingual communication, and the use of appropriate communication channels. The National Pension Service of the Republic of Korea is one body providing specialized pension services for foreign nationals. Among countries with well-established and large flows of worker migration, the creation of a common ICT system to manage social security entitlements should be considered. The MERCOSUR countries have done exactly this, with a system linking all member administrations, that enables data protection and privacy, effective data exchange, as well as offering savings for beneficiaries as regards banking fees and foreign exchange transactions.
GLOBAL MIGRANT FLOWS
The number of international migrants is growing

Number of international migrants by income group of country or area of destination, 2000 to 2015

MIGRATION AND SOCIAL SECURITY

2,000+
Bilateral social security agreements covering 136 countries

20%
Estimated percentage of migrant workers with full social protection and portability rights

7
Major multilateral social security agreements covering migrant workers

MIGRANTS MAKE A SIGNIFICANT ECONOMIC CONTRIBUTION

USD 436 billion
Remittances of migrants from developing countries (World Bank, 2015)

72%
Percentage of migrants of working age (20 to 64 years) (UN DESA)

70%
Migrants accounted for 70% of the increase in the workforce in Europe over the past ten years (OECD)

Sources: World Bank (2015); UN DESA (2016); OECD (2014)
Information and communication technology

CHALLENGE 9
Information and communication technology (ICT) plays a strategic role in the implementation of social security programmes, enabling improvements in the performance and service quality of social security administration. ICT enables not only the automation of specific processes, but the transformation of operations and services, making it a strategic enabler of innovative solutions to respond to societal transformations and challenges. Three main axes of innovation are mobile technologies, Big Data and e-government.

In transforming social security administration, ICT supports user-centric services that better satisfy higher client expectations and empowers users by enabling “self-service”, anytime and anywhere. It also facilitates the implementation of large-scale social programmes, such as integrating different institutions while coordinating with others, even across national frontiers. ICT further strengthens the social protection of the population by fostering an effective application of social protection laws.

In developing countries, cutting-edge ICT enables institutions to make great strides forward, even to leapfrog the good practices of more developed countries. The widening application and penetration of mobile technologies in Africa is a good example, overcoming the limited landline telecommunications infrastructure.

The United Nations E-Government Development Index shows that the adoption of information and communication technology (ICT) by government institutions is growing – all UN member States have implemented online governmental services, and public social security organizations are part of this trend.

For social security administrations, ICT solutions facilitate the implementation of increasingly comprehensive social security systems. This enables the better coordination of individual programmes as well as the implementation of advanced service delivery mechanisms. To improve outcomes, innovations in ICT extend the scope and impact of social policies while simplifying the delivery and enhancing the quality of the services.
In this way, ICT is a strategic enabler of innovative solutions in social security administration, particularly those based on mobile technologies, inter-institutional integration and Big Data management.

**ICT-RELATED CHALLENGES**

The intensive application of ICT presents challenges. One is to ensure the quality and cost-effectiveness of ICT-based social security systems. Delays, underestimated costs and overspend in budgets are risks in the development of many ICT projects. A second can be the underdeveloped nature of national ICT markets, which impact customer choice and the delivery and maintenance of products. A third is the good management of complex technologies and systems, and in particular interoperability technologies which are essential for interconnecting systems and institutions. Common ICT standards are essential for social security administrations and other public agencies, but these may be incomplete or absent. The digital divide must be overcome for everyone – those who are most commonly excluded from effective access to coverage include vulnerable people and marginal groups.

Further challenges are data quality and data protection. These are required conditions for a reliable and compliant use of a growing volume of detailed data. Data Management now constitutes a key discipline for modern social security institutions. Developments in this area consist of the implementation of Master Data and Decision Support systems.

On the one hand, access to accurate and reliable personal data is increasingly important for social security administrations and, on the other hand, the potential for data to be more easily managed and mined is a further driver of innovation. Cybersecurity issues, however, affect all countries, and these grow with the intensification of data usage on web-based platforms. The threat of hacking and the theft of personal data are universal and constant concerns.

**ICT: STRATEGIC RESPONSES**

With an exponential growth in worldwide data use, giving rise to “Big Data”, a new data-driven ICT revolution is taking place. Advanced data processing and data analysis technologies are used for “customer profiling”, and to extract other information from Big Data.

This so-called data-driven innovation (DDI), combined with Internet and mobile-based developments, can improve products, processes and organizational methods. It can also meet global social policy challenges, such as the health and social protection needs of vulnerable populations. In turn, advances in artificial intelligence could provide the background to increase the automation of social security e-services. Virtual assistants and natural language processing could support regulatory enforcement mechanisms as well as enhance customer support and case management.

For social security administration, ICT often spells the difference between services and processes that can or cannot be done. As such, ICT is indispensable in the administration of social security systems.

For the covered population, developments in ICT enable greater autonomy, flexibility and simplicity in accessing and verifying information and communicating with social security administrations. For those without adequate coverage, mobile ICT platforms support improved access to coverage. They support not only the payment of contributions and the receipt of cash benefits but can facilitate access to diagnostic health care treatment and the sharing of patients’ vital health data among frontline health care professionals.

ICT has improved the performance of social security administrations by lowering administrative costs through streamlined workloads, helping to reduce errors and identify fraud, and improving benefit adequacy by supporting contribution collection and the calculation and delivery of benefits. High-performance data processing technologies enable administrations to improve not only the efficiency but the quality and accuracy of processes by increasing their ability to perform reliable validations,
controls and calculations. The progressive movement to “paperless” administration creates significant economies and may even support environmental policy objectives.

ICT is the foremost strategic enabler of innovative solutions in social security administration. The growth of shared information resources and operational platforms permits the design of new organizational models based on multi-actor configurations. However, implementing ICT solutions requires social security administrations to ensure their compatibility with existing platforms, to generate internal skills in the use of new tools, and to deliver service quality and cost-effectiveness.

Mobile-based services offer a highly visible success story, transforming the delivery of social security services worldwide. One example is M-Pesa, a mobile-based payment service mainly active in Kenya and the United Republic of Tanzania. It works on any cell phone, including very basic models commonly found across rural Africa. Customers deposit and withdraw cash from their accounts by exchanging cash for an electronic value at a network of licensed agents, usually located in retail outlets. In Kenya, customers can also receive some cash social protection benefits, while in the United Republic of Tanzania contributions are payable to the GEPF Retirement Benefits Fund.

The use of Big Data is another success story for administrations. Big Data and analytics technologies are being used, for instance, in France, Italy (National Employment Accident Insurance Institute – INAIL), Spain (Tesorería General de la Seguridad Social – TGSS), and Uruguay (Banco de Previsión Social – BPS) for detecting evasion and fraud in social security contributions. These institutions are applying predictive analysis using contribution collection as well as benefits-related databases in order to enlarge the information base for the analysis. Compliance enforcement has been improved in these countries.

The National Health Insurance Service of the Republic of Korea has implemented a Big Data project covering all the social security information of the entire population (50 million people) collected since 2001. This includes demographic data, contributions paid, benefits received and medical data. The Big Data includes data from several national databases and is used to support decision-making and to predict the incidence of diseases and other social risks. The de-identification of personal information ensures compliance with data protection regulations.

What do these developments mean for social security strategic human resource management and planning? ICT developments have reduced the social security workforce requirements for a number of

“ICT is a strategic enabler of innovative solutions in social security”
tasks, mainly through the implementation of automated systems and self-services. Yet, a successful ICT application requires skilled human resources not only for managing the ICT portfolio, but to define new, transformed processes and services which can take fuller advantage of ICT.

Decision-making activities related to policy and programme design, as well as case management and client services, require expert human intervention. There are also tasks, roles and decision-making in medical care for instance that cannot readily be replaced by ICT-based interventions. Technological innovation is unlikely to alter this fact soon. Socio-cultural characteristics also continue to make human contact important for service delivery.

Social security administrators are looking to the future with optimism: the adoption of new technologies and a continuing role for human interventions are not mutually exclusive. The best use of these new opportunities for staff and clients will be achieved through a smart and open-minded ICT application.
TECHNOLOGICAL TRANSITION

![Graph showing global ICT developments 2007–2016](image)

Source: International Telecommunications Union/ICT indicators database (2016)

DIGITAL TRANSFORMATION

1 billion
Global number of households with Internet access

@ 47%
Percentage of the world’s population which is using the Internet

3.6 billion
Mobile broadband subscriptions worldwide

Source: International Telecommunications Union (2016)

PROGRESS IN E-GOVERNMENT
E-government is progressing in all regions

2003
45 countries had a one-stop-platform, and only 33 countries provided online transactions

2016
90 countries offer one or more single entry portal(s) on public information or online services, or both, and 148 countries provide at least one type of online transactional service

Source: UNPACS (2016)

PRIORITIES OF ISSA MEMBERS
Member institutions that consider managing innovation and technological developments to be a high priority

World 76%
Africa 80%
Americas 79%
Europe 75%
Asia and Pacific 68%

Source: ISSA global member survey (2015)
Public expectations

CHALLENGE 10
Public perception of social security is an important barometer for public administration. Social security administrations are an important face of government, especially in critical periods of people’s lives. The advent of social media, the growing voice of new middle classes in many countries, greater political momentum behind the human right to social security, and greater public vigilance on matters of service quality are driving social security administrations to become more user-centred and quality conscious.

Many social security administrations pride themselves on being among their country’s leaders in quality public service delivery. This has been made possible through new technologies and innovations in business processes.

To better meet public perceptions and expectations of service quality, social security administrations are seeking out new avenues to improve service quality and become more user-centred. This has to be done while remaining realistic about the resource constraints that can face public service delivery. The common thread is to have the user as the central, focal point of all services.

PUBLIC EXPECTATION CHALLENGES

With social media increasingly being used to communicate and inform on matters of general public interest, social security administrations must be alert to the need to respond rapidly to satisfying public expectations. One important issue may be the perceived fairness of the system. Another is control over access to, and the protection of, personal information that is a requirement for putting into place a truly customized user-centric experience. Ultimately, a negative public perception concerning service quality can represent a major reputational risk for a social security administration.

The broader, complex challenge for social security administrations is the
Public expectations

simultaneous realization of improved services, organizational cost efficiencies, increased positive feedback and higher levels of public trust. Satisfying these multiple goals should go a long way towards meeting higher public expectations.

**RESPONDING TO THE CHALLENGES**

**Know your clients.** For social security administrations, a first requirement for the meeting of public expectations is to have good information about current and potential service “users”. Some countries have data platforms that provide comprehensive civil registration and vital statistics. Many others carry out regular surveys, polls, dialogues and consultations to gauge public opinion and expectations about social security services.

In the recent period, Ireland, Gabon and Mauritius are just a few of the countries that have strengthened national data bases to collect, collate and analyse information about beneficiaries’ needs.

**Engage with your clients.** Focusing on the insured person and other clients as the starting point for the development of service design and delivery processes is a further important strategy. The aim is to encourage engagement and even the co-design of public services by clients.

The South American region is a well-known leader in client engagement. In the late 1990s, Brazil and Uruguay introduced the SIMPLES and Monotributo systems to simplify the payment of taxes and social security contributions for self-employed workers and informal businesses. Higher-income informal workers have looked on these developments favourably. A challenge for both countries has been to more successfully engage with and cater to the needs of poorer workers.

In Europe, France is home to a number of interesting innovations in co-design. In one case, questions concerning open data, service improvements and innovations have been addressed by the National Family Allowances Fund (Caisse nationale des allocations familiales – CNAF) through meetings organized between civil society and volunteers from among the CNAF’s employees.

French efforts to promote citizen-centred services, including a strengthened voice for clients in service design, reflect wider changes in the roles of many national social security administrations and their relations with the public and public agencies. France also exhibits the wider importance of policy learning based on international good practices. Its Emploi Store, which offers a unique digital service point for multiple labour market services, is based on Dutch and Swedish experiences.

**Innovate and re-engineer.** A further strategy to realize service quality improvements is to innovate and re-engineer business processes. For pension funds, “proof of life” is important to verify continuing entitlement to pension payments. The Pension Fund of Morocco (Caisse marocaine des retraites – CMR) has simplified its process into a single step that now only requires the beneficiary to present in person to the CMR’s partner bank. Proof of life can also verified and cross-checked using national registries, as is the case in Mexico. When a death certificate is registered, pension payments are automatically blocked, preventing error or fraud.

To cope with reductions in its operating budget since 2010, Belgium’s National Employment Office (Office national de l’emploi – ONEM) has responded with lean management techniques, e-government applications, increased digitalization, optimization of training and knowledge management, and teleworking. These have enabled the ONEM to meet commitments and even exceed them in some areas, notably with user and employee satisfaction rising. Similar types of improvements have been seen in countries as distant and different as Australia and Malta.

**Empower the organization’s workforce.** A highly empowered workforce is another strategy to build client satisfaction. It is known that client satisfaction and employee empowerment are mutually reinforcing goals. Key factors that impact employees’ performance are training programmes, leadership training, performance management programmes, reward
and recognition, skills auditing, and internal communication.

The “Total Office” one-stop shop of Cameroon’s National Social Insurance Fund (Caisse nationale de prévoyance sociale – CNPS) pivots on the effective deployment of human and ICT resources to support service delivery. Results show an impressive reduction in the processing time by staff of old-age, disability and survivor’s benefit claims from 30 days to a maximum of 48 hours, and from seven days to less than one hour for family benefit claims.

The Chinese social security system previously delivered services through more than 8,000 agencies. The reform launched in 2009 is seeking to standardize 90 per cent of operational procedures and services by 2017, a massive undertaking that involves supporting 180,000 staff nationwide to improve service delivery.

**Go electronic, go mobile, go online.** The implementation of more integrated and user-centred services is facilitated by the wider adoption of electronic and web-based platforms supported by well-trained staff. In its broadest form, some countries are introducing a whole-of-government approach to digital services that provides secure, integrated online access to government departments. This is the case in Australia, which has seen the Department of Human Services adopt myGov, which supports over 7 million active accounts and sees a daily average of 130,000 people signing in and 126,000 mail items delivered.

Equally significant are the many specific developments such as the adoption of biometric cards that better control contribution records (Gabon) and web platforms for the electronic submission of documents (China). Other related developments include providing retiring workers with Internet access to relevant retirement information (Canada), permitting domestic workers, who are typically women, to register online for coverage (Argentina), and helping citizens self-register and manage data to access health care (Indonesia).

In a growing number of countries there is a shift to the use of apps that provide easy-to-use and accessible services through mobile applications. In all cases the aim is for reduced administrative costs, improved data control, and higher user satisfaction.

Social security administrations continue to deliver on their service quality mandate. The sharing of good practices in the social security global community is stimulating an optimistic culture of innovation. A practical question for social security administrations is whether it is possible to constantly innovate? The likely

“Social security administrations are seeking out new avenues to improve service quality”
answer is favourable – ever higher public expectations suggest that standing still is not an option. The resource constraints that confront many social security administrations also act as an opportunity for progressive innovation.

To meet the expectations of women and men for quality user-centred services, social security administrators should use their collective knowledge and experience. At all times, social security administrations should systematically measure and evaluate the effectiveness of progress achieved and then fine tune their actions. A final set of actions is to communicate to the public what has been achieved and what will be achieved in future. In Sweden the Social Insurance Agency’s communication strategy was created precisely to inform the general public in this way. Somewhat unexpectedly, this is achieved using puppets – a traditional medium that conveys the core messages to all population groups in a clear, concise, inclusive and equitable manner. In Spain, a positive relationship between the social security system and citizens is nurtured through the Tu Seguridad Social (Your Social Security) web platform. This affords a private space to every citizen with all relevant information, contribution records, rights acquired or being acquired, and other documents.
TRUST IN GOVERNMENT AND PUBLIC SERVICES

59%  
Percentage of respondents who have a positive impression of their government (emerging and developing countries) (Pew)

40%  
Percentage of respondents who express confidence in their national government (OECD countries)

64%  
Percentage of respondents who see public employees as a positive influence (Pew)

Sources: Pew Research Center (2014); OECD (2015)

BETTER DIGITAL CHANNELS WILL IMPROVE ACCESS TO PUBLIC SERVICES

71%  
Percentage of respondents who say it is the same or easier to access public services compared to private services online

63%  
Percentage of respondents who agree that digital interactions will make government/public services more easily accessible

51%  
Percentage of respondents who believe that the ability to interact digitally with government/public services would encourage them to be more engaged

Source: Accenture (2012)

PRIORITIES OF ISSA MEMBERS

Responding to public expectations is a strategic priority for ISSA members

81%  
Give priority to improving service accessibility and quality

73%  
Give priority to responding to evolving client/public demands

68%  
Give priority to strengthening public trust in the institution

Source: ISSA global member survey (2015)