

SOCIAL SECURITY RESPONSES TO THE COVID-19 PANDEMIC

Priorities for social security



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Effective access to adequate social protection plays a crucial role in promoting sustainable development, social cohesion and socioeconomic resilience. In recognition of this, African governments have expressed a renewed commitment to expand the scope and extend social security coverage to the vast majority of the population on the continent during the last decades. However, effective coverage rates remain generally low and vary within countries and across branches of social security due to low labour participation in the formal economy (ILO, 2017).

While countries are committed to bridge existing coverage gaps, the COVID-19 pandemic, as well as the negative socioeconomic impacts of restrictive emergency measures imposed by national authorities to curb the spread of the

virus, risk reversing progress made towards achieving Universal Social Protection for all, in line with the 2030 Sustainable Development Goals agenda.

Nevertheless, the COVID-19 pandemic has propelled developments in social security systems. The recent period has witnessed unprecedented political commitment to expand the scope of social protection in Africa culminating in the development of a range of social policies and programmes as well as innovative administrative and operational measures to optimize the provision of social security benefits and minimize disruptions in service delivery.

GROWING NEED FOR SOCIAL PROTECTION AND HEALTH-CARE BENEFITS AND SERVICES

Prior to the pandemic, African governments had expressed a renewed commitment to pursue a course towards Universal Social Protection for all. This is evidenced in the inclusion of social protection in regional and national development strategies, improved investment in non-contributory social protection programmes and the expansion of contributory social security schemes to cover typically excluded population groups such as the self-employed and informal workers. At the same time, African social security systems are also pursuing generalized improvements and new developments to enhance the administrative capability of social security institutions, to administer and deliver social security benefits and services in a timely and consistent manner. Key to this has been the adoption of modern ICT solutions and strategic partnerships to create awareness and to foster outreach.

Amidst this reality, the COVID-19 pandemic has heightened demand for benefits and services and challenged the adequacy, capability and stability of social protection and health-care systems in responding to the pandemic and its negative socioeconomic spillovers.

Interestingly, Africa and African countries recorded lower infection rates during the first wave of the pandemic vis-à-vis the other continents and more economically advanced countries. However, the acute shortfall in effective access to social security protection left governments with greater challenges in responding to the socioeconomic challenges presented by the pandemic. Key among these challenges was responding to the accrued and growing need for social protection and health-care benefits and services, amidst shrinking fiscal space due to the global economic slowdown and rising job losses.

Nevertheless, the COVID-19 global pandemic may be seen to represent an opportunity and a challenge for social security in Africa. On the downside, the COVID-19 pandemic has exacerbated the existing strains under which social protection systems operate. On the upside, it has given new momentum to social security developments. In practical terms, there has been unprecedented political commitment to social protection culminating in the introduction or expansion of social assistance programmes, as well as to emergency policy measures in response to the pandemic's negative socioeconomic impacts. On the administrative front, the pandemic has created a new dynamic in social security administration, leading to the adoption as well as the adaptation of online and digital solutions to guarantee consistent service delivery while minimizing disruptions to the continuity of social protection services offered by social security institutions.

PROGRAMME AND POLICY CONSIDERATIONS TO OPTIMIZE BENEFITS AND SERVICES

Social protection and employment share proximity and mutuality under the social justice and decent work agendas. On the one hand, employment through decent work provides a means to an income alongside the accumulation of social security rights. On the other hand, social security plays a crucial role in providing basic income security to the poor without employment income and to replace lost income when contingencies occur.

Furthermore, social security plays a crucial role in building more resilient, equitable and stable societies. The COVID-19 pandemic has had a heavy toll on jobs. Yet the pandemic context has also acted to highlight the relevance of social protection in the life of a nation, underpinning the resilience of people and the stability of society. The pandemic occasioned an increase in risk events covered by social security programmes, notably unemployment, sickness, work injury and death. This led to an escalation in demand for social security benefits and services, alongside the need to respond to the unprecedented public health and socioeconomic crises.

In response to the pandemic's immediate socioeconomic impacts, countries undertook rapid and sometimes radical measures to improve and enhance the provision of social protection benefits and services. These took several forms ranging from the introduction of new or the expansion of existing social assistance programmes, implementing situational adjustments to social contributory social security schemes, adapting labour market policies, altering public works programmes as well as adopting new financing approaches.

Introduction of new and expansion of social assistance programmes

Social security schemes in the quasi totality of African countries are predominantly social insurance programmes, and are generally pensions and work injury programmes. Nevertheless, some countries have categorical social pension programmes.

For many covered workers, the pandemic disrupted economic activity and the accrual of contributory social security rights over time and exacerbated the need for unemployment, work injury and sickness benefits to protect active-age population groups amidst high rates of informal employment. Paradoxically, only ten of the 54 African countries have unemployment insurance schemes, covering 5.6 per cent of the unemployed population on the continent (Algeria, Cabo Verde, Egypt, Mauritius, Morocco, Mozambique, Seychelles, South Africa, United Republic of Tanzania (hereafter, Tanzania) and Tunisia). Furthermore, sickness insurance is generally based on employer liability arrangements – in a context of high levels of informal employment and own account work.



Considering the widespread negative impacts of the pandemic on employers and jobs, as well as the underdeveloped nature of unemployment insurance, governments could not rely on existing arrangements to provide social security protection to the vast majority of the population during the COVID-19 and post-COVID-19 eras. In many cases, the response was the introduction or expansion of social assistance programmes. Data compiled by international organizations including the International Labour Organization (ILO), the International Social Security Association (ISSA) and the World Bank reveal that social protection interventions in response to the COVID-19 pandemic were predominantly social assistance, accounting for 86 per cent of social protection interventions in Africa (Gentilini et al., 2020).

The prevalence of social assistance measures in response to the pandemic reaffirms the prevailing social security coverage deficits in Africa. It underlines the need to extend social insurance coverage in terms of scope – i.e. the introduction of new types of benefits, extent – the inclusion of new population groups, and the improved adequacy – i.e. top-up/periodic revaluation – of benefits. Notwithstanding, some countries sailed through the first wave of the crisis by operationalizing situational parametric reforms on contributory social security schemes.

Situational adjustments on social insurance schemes

Responding to the crisis required a mix of measures to address the public health and health-care challenges, to protect people and livelihoods as well as empowering employers in a bid to secure jobs and sustain the economy.

Under identical circumstances, different realities warranted different strategies to a common challenge. Each country adopted measures reflecting the political choices and capability to finance and deliver social security and health care protection to the population. While the greater majority – 86 per cent, made recourse to social assistance, a non-negligible 8 per cent of social protection interventions were in the form of social insurance, bringing about situational adjustments on pre-existing schemes.

In Cabo Verde, for instance, the government cancelled the contributions to the Pension Fund for three months. In Côte d'Ivoire, the government offered health insurance premiums for beneficiaries of financial support in the form of cash transfers for three months. Other countries – Algeria, Cameroon, Madagascar, Mozambique, Seychelles and Uganda – deferred social security contributions for an average period of three months alongside the cancellation of penalties and fines for the late payment of contributions.

Elsewhere on the continent, Morocco maintained health insurance coverage for workers laid off by employers due to the pandemic, while Rwanda removed the waiting time conditionality for health insurance protection. In Cameroon, the government revalued family allowance benefits by 60.7 per cent for a period of three months and accelerated a 20 per cent revaluation of those pensions in payment before the 2016 parametric reforms.

Algeria, Egypt, Ethiopia, Morocco, Mozambique and South Africa provided sick leave and/or unemployment benefits for workers affected by the pandemic and its consequences. However, the prolonged nature of the pandemic has imposed growing financial strains on social protection schemes, necessitating labour market interventions to dilute the escalating need for social protection benefits and services by securing jobs and promoting employment.



Labour market policies and fiscal measures

Besides the social assistance and social insurance measures adopted to address the socioeconomic challenges posed by the pandemic, governments had a more compelling duty to enhance the resilience of the economy and protect jobs. Due to inadequate social security coverage in the vast majority of African countries, economy recovery and job protection plans were thought of only in terms of a post-pandemic response. Nevertheless, countries with well-developed health care and social protection systems were more resilient to the pandemic, having focused on limiting the spread of the virus through lockdowns and addressing its economic consequences through social protection and labour market interventions.

In Mauritius for instance, owing to the fact that the country has well-developed health-care and social protection systems, the government response to the pandemic geared towards enhancing the resilience of the economy. It implemented a series of fiscal measures through the Wage Assistance Scheme and the Self-Employed Assistance Scheme, providing financial support to employees and self-employed workers who became redundant during the imposed lockdown and

quarantine. These were achieved through the enactment of the COVID-19 (Miscellaneous Provisions) Bill and the Quarantine Bill into law at the onset of the crisis.

Similar developments occurred in Morocco with the introduction of the new unemployment benefits, the provision of government assistance to companies in difficulty and wage subsidies to those in the tourism sector. In South Africa, the government set aside financial resources for income support payments to workers whose employers were not able to pay their wages and expanded the Employment Tax Incentive to include all employees earning below 6,500 rand, with a subsidy of 500 rand, for four months beginning 1 April 2020 and ending on 31 July 2020.

Botswana, Burundi, Cabo Verde, Djibouti, Egypt and Ethiopia equally adopted wage subsidies and/or employment tax incentives as economic stimulus and job protection interventions in response to the COVID-19 pandemic. The importance of economic stimulus and fiscal measures to enhance resilience and/or reboot the economy and secure jobs cannot be overemphasized. However, these measures come with the risk for governments of becoming financially constrained and losing control of the macroeconomic environment. In this regard, it is imperative to pay due regard to new approaches to finance social protection and promote employment creation and jobs protection.

New financing approaches

Conventionally, social benefits and services are financed by governments, employers and workers and to a lesser extent foreign aid and/or donor funding. A quick reading of the ISSA COVID-19 Monitor, the World Bank review of social protection and jobs responses to COVID-19 (Gentlini et al., 2020) as well as the ILO's COVID-19 and the World of Work Monitor reveal that countries relied heavily on orthodox strategies to finance social protection benefits and services in response to COVID-19. However, the outbreak of the pandemic brought about new approaches to finance social protection in Africa.

In Gabon for instance, the government announced a fund to support the vulnerable during the economic and health crisis triggered by COVID-19. The President contributed 2.1 billion francs CFA (XAF) (equivalent to 3.4 million US dollars (USD)), to cover health-care cost for individuals and families not covered by the National Health Insurance and Social Guarantee Fund for a period of six months. Part of the funds amounting to XAF 250 billion (USD 410 million) was used to finance exceptional social and economic measures, including businesses' financial support, partial payment of wages, freezing of rents for the lowest incomes, and free public transport.

In Côte d'Ivoire, the government established a Solidarity Fund in April 2020 to provide financial support to households and vulnerable populations impacted by measures imposed to curb the spread of the virus. In Ghana, the Social Security and National Insurance Trust announced the setting aside of 500,000 Ghanaian cedis from the social security reserves as a donation to support the government's COVID-19 relief efforts.

Other countries adopted fee and premium waivers in lieu of traditional subsidies and/or cash transfers to target population groups. These measures contributed to reducing exposure to the risks of poverty and vulnerability and the corresponding need for increase expenditure on social protection benefits and health care services. They equally contributed in sustaining consumer demand during the economic downturn.

ADMINISTRATIVE AND OPERATIONAL MEASURES TO MINIMIZE DISRUPTIONS

With the application of programme and policy measures previously described, social security administrations in Africa, especially ISSA member organizations, had a crucial role to play by adopting administrative and operational measures to minimize disruptions to benefits and service delivery during lockdowns.

Technological transitions have informed the modernization of social security administration in Africa. In particular, ISSA member organizations on the continent are leveraging technologies to respond to rising public expectations, promote efficacy and improve efficiency in social security administration.

The outbreak of the COVID-19 pandemic, as well as measures to curb the spread of the virus, held the potential to disrupt social

service delivery. However, this challenge became an opportunity to accelerate the modernization and digitalization of social security administration in Africa via process automation and e-services to guarantee business continuity as well as making recourse to digitalized identification and payment in support of virtual and remote work.

Automation and e-services

Before the COVID-19 pandemic, ISSA member organizations had begun a journey towards the automation of key business processes and the implementation of e-services. Nonetheless, the measures introduced to curb the spread of the virus accelerated the pace of adoption of such digital solutions in social security administration across the continent. As stated, the outbreak of the pandemic catalysed the materialization of contingencies and equally triggered the introduction of new or the expansion of social assistance programmes. Naturally, these come with an escalation of workloads to identify and register new beneficiaries, receipt claims, manage cases and deliver benefits and services remotely amidst measures – lockdowns, social distancing and quarantines – imposed to curb the spread of the virus.

In Kenya for instance, the Local Authorities Pension Trust capitalized on advanced e-services to switch from physical to virtual administration and remote working. Through the electronic document management solution, the custom pension management solution, the CPF Member App, biometrics, the CPF Chatbox, WhatsApp for Business and Mobile call centre, the scheme was able to guarantee public service delivery through the first wave of the pandemic and lockdowns unperturbed.

In Morocco, the outbreak of the pandemic accelerated the implementation of the digitization strategy of the Pension Fund of Morocco (*Caisse marocaine des retraites* – CMR). Earmarked for 2023 with four main objectives – advanced automation of business processes, transition to artificial intelligence, dematerialization of operations and phygital client relations, the outbreak of the COVID-19 pandemic favoured the anticipation of automation and dematerialization of core business processes. Similar developments were seen in countries such as Algeria, Côte d'Ivoire, Madagascar, Mauritania, South Africa and Tunisia, where the social security institutions accelerated the digital journey in response to the exigencies imposed by the COVID-19 pandemic.

Nonetheless, in most instances automation and digitalization do not culminate with the transformation of the physical to virtual working arrangements needed in the "new normal".

Digital solutions for identification and payment

Beyond the quest and pursuit for modernity brought about by technological transitions, the pandemic and the resulting requirements of social distancing, remote work and confinements necessitate recourse to digital solutions to attain virtualized work

environments for social security administrations. Furthermore, for benefits in payment requiring the satisfaction of certain conditions such as proof of life, adopting digital identification such as biometric recognition is increasingly being deployed.

For instance, the National Social Insurance Fund (*Caisse nationale de prévoyance sociale* – CNPS) of Cameroon and the National Social Security Fund (*Caisse nationale de sécurité sociale* – CNSS) of Guinea have employed biometric recognition for the identification and proof of life of beneficiaries. However, the social distancing and remote work requirements imposed by COVID-19 will require a transition from biometric recognition to more advanced digital solutions, such as facial recognition. Morocco’s Inter-professional Retirement Fund (*Caisse Interprofessionnelle marocaine de retraites* – CIMAR) epitomizes the use of facial recognition for the remote identification and proof of life of pensioners, with a corresponding reduction in exposure to the risks of contamination inherent in use of some biometric devices by multiple clients.

The web and mobile applications for social security of Algeria’s National Social Security Fund for Non-Salaried Workers (*Caisse nationale de sécurité sociale des non-salariés* – CASNOS), and the online payment of contributions, online clearance certificates and electronic receipts introduced by Cameroon’s National Social Insurance Fund (CNPS) are other examples of good practices that will remain relevant in the post COVID-19 context. Similar developments such as the e-Cotisations and e-CM of Côte d’Ivoire’s Social Security Institution - National Social Insurance Fund (*Institution de prévoyance sociale - Caisse nationale de prévoyance sociale* – IPS-CNPS) will have similar merits in the post-pandemic context.

The Pension e-Service of the Seychelles Pension Fund and the generalized use of mobile money and electronic banking services in the collection of contributions and payment of benefits will equally be of lasting greater importance in administering social security schemes.

Despite the advanced developments in response to the exigencies brought about by the COVID-19 pandemic, it is highly likely that social security organizations will have to address new challenges, notably the digital divide and the risks of error, evasion and fraud inherent in the accelerated digitalization of social security

operations. Success in addressing these risks will henceforth determine the prospects of social security administration.

CONCLUSION

The COVID-19 pandemic leaves social protection at a crossroads in Africa. On the one hand, the pandemic brought about an escalation in demand for social protection benefits and services in the public finance context of shrinking fiscal space for social protection due to economic downturns. On the other hand, it has led to an unprecedented political commitment to social protection, culminating with the introduction or expansion of social assistance programmes, triggering situational adjustments of contributory social security schemes as well as the adoption of new financing approaches for social protection in Africa.

On the administrative front, measures imposed to curb the spread of the virus, notably lockdowns, social distancing and remote work, prompted the adoption and adaptation of advanced digital and online solutions and the adjustment of work arrangements to ensure business continuity amidst lockdowns. However, these developments come with a higher exposure to the risks of error, evasion and fraud, which social security institutions will have to contend with.

Notwithstanding the uncertainty concerning the future trajectory of the COVID-19 pandemic as well as of its possible negative socioeconomic consequences, the importance of the stabilizing role to be played by social security systems cannot be overstated. Promoting decent work and addressing exclusion from social security coverage, as well as enhancing the effectiveness of voluntary insurance and the collection of contributions, will be crucial in developing adequate, responsive and sustainable social protection and health-care systems with improved and sustained access to benefits and services. ■

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KEY MESSAGES

- The COVID-19 pandemic, as well as the negative socioeconomic impacts of measures imposed to curb the spread of the virus, has been a major setback for social security systems, with risks of reversing progress being made towards Universal Social Protection for all in line with the 2030 agenda for Sustainable Development goals.
- The COVID-19 pandemic has prompted an unprecedented commitment to social protection in Africa leading to the introduction and expansion of social assistance programmes, situational adjustments to social insurance schemes, and the adoption of new financing approaches for social protection.
- Owing to ongoing improvements, such as the automation and digitalization of social security administration, ISSA member organizations in Africa have been able to adapt and adjust measures as well as adopt new, evolving solutions to ensure business continuity in the context of lockdowns and remote work.
- The COVID-19 pandemic, as well as the measures imposed to curb the spread of the virus, has accelerated the automation and digitalization of social security administration, bringing about higher exposure to the risks of error, evasion and fraud in social security systems.
- The generalized context of uncertainty underlines the need for a reinforced commitment to social security, to achieve and maintain comprehensive and universal social protection in Africa, with effective access to affordable and sufficiently responsive health care and social security benefits and services.



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