

# SOCIAL SECURITY RESPONSES TO THE COVID-19 PANDEMIC

Priorities for social security



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The region of Asia and the Pacific is home to over 60 per cent of the global population. The COVID-19 pandemic provoked a crisis that destroyed millions of jobs and livelihoods. Across the region, its impacts and government responses to it have differed widely. While there were 640 million multidimensional poor people in the region in 2019, the pandemic's socioeconomic impacts may double this figure (ESCAP, ADB and UNDP, 2021). Like in other regions, the pandemic imperils progress towards achieving the United Nations Sustainable Development Goals, in particular by reversing gains in poverty reduction (ILO, 2021a, p. 19).

Social security measures have constituted an important component of government emergency responses to the COVID-19 crisis. While a few countries were obliged to adopt a "low-road" strategy of minimalist provision under

financial constraints and political pressure, many countries have pursued a "high-road" strategy by investing in reinforcing their social protection systems (ILO, 2021a, p. 18). Fiscal stimulus packages, adjustments in social security contributions and benefits as well as the adaptation of operational processes and service delivery approaches have contributed effectively to mitigate the social and economic impacts of the crisis. According to Bloomberg's COVID-19 resilience ranking conducted in April 2021, eight of the top ten performers are economies from Asia and the Pacific, with Singapore, New Zealand and Australia heading the list (*Straits Times*, 2021). As will be shown, the policy and administrative measures implemented by countries in the region to respond to the pandemic's social and economic impacts present a number of important take-home points.

## PROGRAMME AND POLICY CONSIDERATIONS

The national governments in the region have enforced many policies and programmes to contain the spread of the virus, ensure effective access to health care, support job and income security for those affected by the crisis, and ensure the timely and adequate protection of the population.

### Additional government budget allocations for the health system

Many countries in the region have channelled additional fiscal resources to their health systems through COVID-19 stimulus packages.

In China (Ke and Zhang, 2020) and the Republic of Korea, the respective central governments have committed to assume any cost not covered by health insurance to ensure free tests and medical treatment for all COVID-19 patients and suspected cases. The Government of Indonesia covers all COVID-19 related medical treatment through general revenues, and the Government of Singapore pays in full the hospital bills of actual and suspected COVID-19 patients.

In June 2021, in response to COVID-19, Malaysia announced an economic aid package, which includes direct cash transfers to citizens, assistance to small- and medium-sized enterprises, and additional health-care spending. The package earmarks significant direct fiscal spending for cash aid, unemployment assistance and wage subsidies (Das, 2021).

In July 2021, India launched a scheme supported by an online portal to provide financial assistance to families who have lost members to the virus, with a supplement paid if the deceased was the sole breadwinner (*Times of India*, 2021).

In Pakistan, one of the initial measures was to expand its national safety net institution, the Benazir Income Support Programme, to provide additional support to its 4.5 million women beneficiaries. The Government also scaled up its flagship cash transfer programme, *Ehsaas Kafalat*, to include 7.5 million additional families affected by the crisis, thus increasing by 85 per cent the programme's annual budget dedicated to cash transfers (Khan and Jamy, 2020).

### Extending and securing effective access to health care

Thailand extended financial protection to nationals as well as foreign residents for COVID-19 health expenses, by granting access to the Universal Coverage for Emergency Patients (UCEP). This measure enables patients to seek treatment at their nearest private or state hospital, free of charge (ILO, 2020).

In addition to providing a package that includes COVID-19 testing, referral and isolation, the Philippine Health Insurance Corporation advanced 30 billion Philippine pesos (equivalent to 583 million

US dollars) to accredited hospitals. An interim reimbursement mechanism provides health-care providers with liquidity to respond to the increased demand (ILO, 2020).

In Wuhan City, China, where in early 2020 the virus outbreak led to the collapse of the local hospital network, the national government mobilized 42,600 doctors and nurses from other areas to aid the city. Two new hospitals were built in record time, with a respective capacity of 1,000 beds and 1,600 beds.

### Temporary measures in the payment of social security contributions and tax obligations

As part of government response packages, many social security schemes have allowed enterprises to postpone, reduce or even waive social security contributions and taxes for a certain period.

In Brunei Darussalam, part of the stimulus package was a six-month deferment of mandatory contributions to the Employees' Trust Fund and Supplemental Contributory Pensions for local employees earning less than 1,500 Brunei dollars per month and those working for micro, small- and medium-sized enterprises (SMEs) with less than 100 employees.

From February 2020, sole proprietorships and SMEs in China were eligible for exemptions of up to five months from the employer contributions to the old-age, unemployment and work injury insurance schemes. For larger enterprises, employer contributions to the old-age, unemployment and work injury insurance schemes may be reduced by 50 per cent for up to three months. In addition, local governments were given flexibility to adjust employer contributions to the basic medical insurance fund between February and June 2020. Enterprises with significant reductions in earnings due to the crisis were allowed to postpone the payment of social insurance contributions for up to six months without any penalty. In view of the continuing risk of the pandemic placing some enterprises under financial pressure, the policy of the phased reduction of contributions for unemployment insurance and work injury insurance was extended until 30 April 2021 (ISSA, 2020).

Viet Nam suspended the payment of social insurance contributions to the retirement and survivorship fund for a maximum of 12 months, and removed late payment penalties for businesses facing difficulties caused by the COVID-19 crisis (ILO, 2020).

### Employment promotion policies and unemployment protection for different social groups

While social protection is financed through various means, it depends ultimately on insured workers' ability to work and earn an income (ILO, 2017). Various governments in Asia and the Pacific have attached great importance to job retention and unemployment protection policies during the COVID-19 crisis.

In April 2020, the Government of Hong Kong, China, announced a 137.5 billion Hong Kong dollars relief package that included

the Employment Support Scheme, which covered 50 per cent of employee wages up to a maximum. The benefit was paid through 260,000 employers to over 1.5 million employees for six months in two tranches. Self-employed persons with active Mandatory Provident Fund accounts on the 31 March 2020 were also eligible for the benefit (Fastlane Group, 2020).

In February 2021, Indonesia introduced the Unemployment Benefits Programme for workers who were members of the country's healthcare and pension schemes. Furloughed employees were eligible to receive cash stipends for up to six months as well as skills training and career guidance (Akset, 2021).

In April 2020, Jordan introduced five programmes to support unemployed workers during the pandemic. These include the work suspension allowances programme for employers covered by social security (*Tadamun I*) and a programme for those employers who are not (*Tadamun II*). The three other support programmes (*Musaned I*, *Musaned II* and *Musaned III*) include cash benefits depending on income level, and limited withdrawals from employees' unemployment accounts for a period of three months (ISSA, 2021b).

Japan relaxed its Employment Adjustment Subsidy qualifications to incentivize employers to retain workers through partial paid leave. The subsidy reimburses SMEs with two-thirds of the cost of the leave allowance, while large enterprises receive one half (ILO, 2020).

In June 2020, the Government of New Zealand unveiled a 390 million New Zealand dollar subsidy for employers with apprentices. With a duration of 20 months starting from August 2020, the scheme was applicable to apprenticeships in all fields and has benefitted 18,000 employers (Stuff, 2020).

## Income support through social assistance, cash transfers and other support

As part of the COVID-19 response, governments have put in place income support measures through social assistance and other tax-financed benefits. Cash disbursements to low- and middle-income groups ensure household consumption needs and stabilizes demand in the economy through multiplier effects.

For example, Australia expanded access to income support payments to caregivers of virus-infected persons. A one-off payment of 750 Australian dollars was paid to social security, veteran and other income support recipients and eligible persons, involving around 6.5 million lower-income citizens (Borys, 2020).

In March 2020, the Government of Japan began to subsidize companies until 31 March 2021, to cover the costs for paid leave of workers who had to care for children due to schools being closed as a result of the pandemic. The maximum daily subsidy per person was set initially at 8,330 Japanese yen (JPY) and was increased to JPY 15,000 on 1 April 2020 (OECD, 2020; ISSA, 2021c; Anshin Immigration & Social Security, 2020).

In March 2020, the Government of Thailand announced a cash transfer programme of 5,000 Thai baht for three months, to be paid to 9 million informal workers not covered by the Social Security Fund (Gentilini, Almenfi and Orton, 2020).

## ADMINISTRATIVE AND OPERATIONAL MEASURES TO IMPROVE BENEFITS AND SERVICES

As the International Social Security Association Good Practices database (ISSA, 2021a) reports, a great many innovations have been introduced by social security agencies to improve benefits and services. These operational and service delivery adjustments have enabled the implementation of emergency response measures and the continued delivery of social security benefits despite COVID-19 restrictions.

### Implementing emergency relief and special assistance

As part of government response packages, social security administrations have taken measures to help members cope with the pandemic.

In May 2020, the National Provident Fund of Fiji distributed lump-sum COVID-19 relief payments to its 7,000 active pensioners.

In Malaysia, the Social Security Organisation (PERKESO) extended services beyond its mandate by supporting the country's targeted COVID-19 screening programme.

Following the outbreak of the COVID-19 pandemic, the General Organization for Social Insurance of Saudi Arabia allowed employers to temporarily suspend wage payments and, instead, compensate employees through the unemployment insurance programme. Employees kept their jobs.

In Singapore, the Central Provident Fund Board through its Centre of Excellence for Citizen Disbursement administered the Government's social transfer schemes to support Singaporeans.

### Streamlining administrative service operations

In China, with a view to optimizing and securing benefit disbursement procedures, the social insurance agencies simplified the procedures to apply for unemployment insurance benefits, including the lifting of documentary requirements, application period and other bundled conditions.

The Fiji National Provident Fund (FNPF) rolled out its Robotic Process Automation, which automated the registration, application, approval and payment processes. Innovations on the FNPF mobile

app allowed members to apply directly for fund withdrawals, eliminating the need for in-person visits.

In Indonesia, the Social Security Administering Body for the Health Sector (BPJS Kesehatan) introduced an app for administrative services (PANDAWA) and a chatbot (CHIKA) to facilitate information access, as well as the use of smartphones for customer feedback. These measures allowed easy, fast and reliable services and minimized physical contact between members and the staff of BPJS Kesehatan.

In Jordan, the Social Security Corporation established a unified 24/7 call centre to receive applications that could not be submitted electronically. A digital branch processed and completed all e-transactions in one location. Over a million electronic transactions were completed in 2020, which accounted for 93.5 per cent of that year's transactions. This compares with 443,789 electronic transactions, 75.1 per cent, in 2019.

The Philippine Social Security System accelerated its Transformative Digitalization Initiatives to make its business processes and procedures more responsive, efficient and effective during the pandemic, and added more service delivery channels through various mobile apps and online platforms.

## Staff capacity building and teleworking

Although teleworking has been possible since the 1970s in a few countries, a wider shift to teleworking has occurred in Asia and the Pacific, as elsewhere, to mitigate the health and socioeconomic consequences of the COVID-19 pandemic (ILO, 2021b).

With the outbreak of COVID-19 in Australia, more than 2,100 public servants were seconded to Services Australia to respond to calls for help. Demand peaked in April 2020, with 11,898 staff assisting the agency, including 3,414 redeployed Service Australia employees. The unprecedented mobilization, training and deployment of staff enabled the agency to manage effectively all calls and claims.

In Malaysia, PERKESO established a Pandemic Management Committee to discuss and decide on issues related to COVID-19. PERKESO employees carrying out essential operations were divided into two teams that were rotated weekly to manage claims and other daily operations. Employees categorized as non-essential were requested to work from home. All meetings were held online, and staff were supported through PERKESO's Enrich Programmes that provided training and information on topics such as hygiene, mental health, myths on COVID-19 and new norms (Azman, 2020).

The Social Security System (SSS) of the Philippines observed social distancing measures in all local offices, scheduled transactions in select branches, shifted to online transactions, allowed teleworking for some staff, and provided support mechanisms to SSS employees who reported for work (Ignacio, 2020).

Saudi Arabia closed all governmental agencies as a safety response to the pandemic. However, the Public Pension Agency continued all business and services electronically through its website as well as through mobile apps, Twitter, Automated Voice Response System (AVR), and customer care contact centres. Remote training

courses for employees were held to ensure continuous work quality and efficiency, including five courses for branch employees and 14 courses for contact centre employees to maintain high quality standards of customer service.

## Towards telemedicine services

Beijing was among the first Chinese cities to extend online consultations and e-prescriptions through accredited hospitals from February 2020. This has enabled patients, particularly high-risk-groups such as older persons or those with chronic diseases, to receive medical services at home, settle bills online, and choose the delivery modality for receiving medication. Community health service agencies delivered needed medication to the homes of people aged 65 or older with chronic diseases or incapacities (ISSA, 2020).

Beginning in March 2020, BPJS Kesehatan of Indonesia implemented teleconsultations for curative, rehabilitative and preventive procedures. The Mobile KJN app, call centres, SMS and other cross-platform messaging applications ensured access to information. Teleconsultation together with an online pharmacy system that was introduced in 2018 ensure member access to easy, quick and effective health services. This is especially important for patients with chronic illnesses who receive regular monthly check-ups.

In the Islamic Republic of Iran, the COVID-19 pandemic has triggered and accelerated telehealth and e-prescription. By mid-2021, 47,000 out of 49,800 contracted health centres of the Iranian Social Security Organization (ISSO) were using e-prescriptions. At the same time, 11,600 non-contracted health service providers use an application programming interface (API) for e-prescriptions. The e-prescription rate has risen to 90 per cent.

## Towards contact-free online services

To reduce the risk of cross infections, all social security institutions in Asia and the Pacific have minimized in-person services and reduced on-site personnel movement. This has accelerated the adoption of e-services and made contact-free online services the dominant service delivery channel.

With Australia entering lockdown in March 2020, Services Australia expedited payments to the unprecedented volume of jobseeker claims by scaling up its existing automated service, the Straight Through Processing (STP). The accuracy of these automated payment decisions is over 99 per cent, which is well above agency targets.

In the Islamic Republic of Iran, the ISSO adopted a series of COVID-19 response measures, including the creation of online user accounts for every member, a smart system for the submission of insurance declarations and payrolls, as well as the use of electronic debt notifications for employers in place of paper-based ones, online communication of contribution clearance to employers/contractors, electronic payment of contributions, and digital payment of



unemployment benefits as part of the project 3070 – whereby 30 digital services will reduce in-person visits by 70 million.

In Saudi Arabia, an electronic platform, *Taqdeer*, was created in 2020 to serve the customers of the General Organization for Social Insurance (GOSI) in response to the challenges presented by the COVID-19 pandemic. The electronic platform has several contact channels: Contact us, to submit complaints and inquiries; Branch services, for submitting requests; Live chat; Call Me service; and virtual appointments. For the Public Pension Agency (PPA) in Saudi Arabia, digital transformation is one of the main pillars of

its strategic plan for the year 2022. It has merged 61 traditional branches to 17, transformed all services to electronic, and ensured that services are provided to clients with no need for in-person visits to the office.

In the United Arab Emirates, the Abu Dhabi Pension Fund maintained its business continuity in 2020 through 99.9 per cent service availability and zero system downtime, owing to efforts prior to the pandemic to provide a comprehensive range of services through one single point of access at any time and place. ■



## KEY MESSAGES

- The COVID-19 pandemic has exacerbated pre-existing vulnerabilities, triggered the first decline in human development in 30 years, and caused devastating public health and socioeconomic crises that may greatly undermine the prospects for the Asia and the Pacific region to meet the 2030 agenda of the United Nations Sustainable Development Goals.
- Governments in the region have introduced many policy measures and stimulus packages to protect the population and maintain social stability, regardless of differences in levels of socioeconomic development.
- With information and communication technology as an enabler, the region's social security administrations have played a critical role in implementing various crisis responses.
- The COVID-19 pandemic has accelerated the shift towards telemedicine in Asia and the Pacific. Consulting a health-care provider using a telephone, including by video or text, has become the new normal for many medical needs.
- The expansion of existing programmes as well as the introduction of new programmes, whether contributory or non-contributory, permanent or temporary, will contribute positively to the future coverage extension of social security programmes in the region.
- For many sectors and occupations, post-pandemic teleworking will most likely remain, involving a hybrid or blended form of home-and-office working arrangements (ILO, 2021e).
- The pandemic has underlined the important need for the Asia and Pacific region to continue building modern, more comprehensive and shock responsive social protection systems.



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