



issa

INTERNATIONAL SOCIAL SECURITY ASSOCIATION

10 GLOBAL CHALLENGES FOR SOCIAL SECURITY

AFRICA



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AFRICA

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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FOREWORD

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 challenges that confront social security systems. This report considers these challenges from the perspective of the ISSA's African member institutions.

The sequencing in order of importance of the ten challenges in the report has been determined by ISSA member institutions in Africa. I thank all of you for taking the time to complete the survey that has produced this insight and other valuable data.

It speaks volumes that coverage extension is the top challenge for member institutions in Africa. It is equally important to note that meeting public expectations is ranked the second most important challenge. The third-ranked challenge relates to health and long-term care. While the mandate for health care delivery is not the responsibility of many ISSA member institutions, improved access to health care is essential for all.

In spite of strong political will across the continent, the powerful message presented by these top priorities is clear: there is growing public demand for improved access to well-administered social security and health care programmes in Africa.

How best to address the challenge presented by this message will be one of the key discussion points at the ISSA Regional Social Security Forum for Africa 2017.

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 innovative solutions and good practices by social security institutions. And to support this, the ISSA is your privileged platform and partner.

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

Hans-Horst Konkolewsky
Secretary General

INTRODUCTION

In 2016, the International Social Security Association (ISSA) published a ground breaking report *Ten global challenges for social security*, prepared for World Social Security Forum in Panama. The analysis presented in this follow-up report is focused on Africa and incorporates feedback provided by ISSA member institutions in that region regarding the most important challenges they face.

| CAPTURING THE OPINIONS OF ISSA MEMBER INSTITUTIONS

To better understand the relevance of the ten global challenges for ISSA member institutions in Africa, the ISSA surveyed its members in the region. The ordered presentation in this report of the ten global challenges facing national social security systems in Africa is derived from institutions' survey responses. Respondents also provided valuable input with regard to the most significant internal and external challenges they face in respect of the emerging digital economy.

With a response rate among ISSA member institutions in Africa of over 50 per cent, the survey gives a unique insight into the reality of social security administration in Africa, and the nature of the challenges institutions are confronted with. Naturally, the particular relevance of each challenge, and the policy priority given to it, depends on regional and/or country specificities and constraints.

| RANKING THE PRIORITY CHALLENGES

Survey results rank "closing the coverage gap" first, followed by "higher public expectations" then "health and long-term care". The challenges of "employment of young workers", "inequalities across the life course", and "the technological transition" are ranked fourth, fifth and sixth respectively. "Labour markets and the digital economy" is ranked seventh while "new risks, shocks and extreme events", "population ageing" and the "protection of migrant workers" are ranked eighth, ninth and tenth, respectively.

The results affirm the challenges associated with low levels of social security coverage in Africa and underline that the realization of effective social security coverage extension is a major challenge for African policy-makers. Coverage extension remains a challenge due to low effective coverage rates, even in countries with a more comprehensive scope of legal coverage. Coverage extension thus requires innovative strategies in much of Africa, not least because of the predominance in many countries of informal and rural labour markets. Notwithstanding, the designs of most contributory social security programmes are still mostly tailored to meet the expectations and needs of formal economy employees.

The high ranking of the challenge "higher public expectations" is very revealing, reflecting a growing demand for improved service quality. The good governance of social security administrations is a precondition to meeting this demand. Technological advancements, especially when used by private-sector service delivery platforms, impose a demand-driven challenge on public administration, including social security systems. The advent of online

banking facilities, mobile payment facilities, and related e-services create expectations regarding service quality that will only continue to grow.

The ranking of the challenge of “health and long-term care” is not surprising. Total health coverage is below 20 per cent in the majority of African countries. Even so, in countries with a coverage rate greater than 20 per cent, health care is frequently neither available nor affordable. The renewed commitment of the United Nations 2030 Sustainable Development Goals (Goal 3: Good Health and Well-being) and the progressive implementation of improved access to affordable health care as part of national floors of social protection has bolstered the pursuit of improved health outcomes in Africa.

| THE IMPACTS OF THE DIGITAL ECONOMY ON SOCIAL SECURITY SYSTEMS

The survey responses draw attention to the impacts of the digital economy on the future of social security systems in Africa. For the external impacts, the results show that changing individual needs are the top concern, followed by changing labour markets and increases in non-standard forms of employment. These latter elements may culminate in an erosion of the financing base of contributory social security programmes. The increased automation and robotization of production and work processes was equally highlighted, albeit a current concern of relative minor relevance. It is not fully clear what impact the growth of the digital economy will have on jobs and employment prospects in Africa. Regardless, like in other regions, an increasingly diverse labour force will present a further challenge for social security systems to effectively extend sustainable and adequate coverage.

As regards the internal impacts of the digital economy on social security systems, the greatest challenge identified is the need to automate business processes. Other key priorities are human resource development to adjust to changing demands, the need for new service delivery models, and the identification of and investment in new relevant technologies and systems.

These new insights concerning the challenges facing social security administrations in Africa are important, as they will help guide the identification and development of appropriate responses. Future regional surveys of ISSA member institutions will permit the ISSA to track the development and success of national and regional responses to the identified ten challenges facing social security worldwide.

Ranked by order of importance to ISSA member institutions, each of the following chapters of this report address one challenge only. All are structured to first present the broader regional context, to then explain the nature of the challenge for social security systems, and then to offer concrete good practice examples of how ISSA member institutions are innovatively responding to the challenge. Each chapter concludes with and is supported by data infographics.

CHALLENGE 1





Closing the coverage gap

Social security is more than a fundamental human right. It is a powerful anti-crisis measure and vector to inclusive growth. However, most countries on the African continent have not been able to reap the full benefits that social security conveys to socio-economic development, growth and political stability due to low levels of coverage. The dominance of rural and informal labour markets has often acted to limit the extension of contributory social security schemes and programmes. As a remedy, impressive engagements to support the extension of non-contributory social security programmes have resulted in the dual expansion of universal health care and social pension programmes on the continent. To better cater for the majority who remain excluded from adequate social security coverage, additional measures include putting in place a suitable regulatory framework and incentives to strengthen the participation of informal economy and rural workers in contributory schemes.

Over and above being a right, social security is a developmental tool with the potential to impact positively on the life of a nation and the socio-economic and political well-being of its citizens. Inspired by the 1948 Universal Declaration of Human Rights and the International Labour

Organization (ILO) Social Security (Minimum Standards) Convention, 1952 (No. 102), African policy-makers are conscious of the need for the adequate extension of social security coverage on the continent. The adoption of ILO Recommendation concerning National ►►

Floors of Social Protection, 2012 (No. 202), has strengthened this determination.

Social security remains an unfulfilled right for the vast majority of citizens on the continent due to unsatisfactory effective coverage rates. The majority of social security programmes in Africa are oriented to meet the needs of formal economy workers. This design feature sits at odds with the labour market reality of many African economies which are dominated by high levels of informal, agrarian and own-account work. This has resulted in a mismatch between the institutional design and financing mechanisms of many social security programmes and the expressed social protection needs of populations, which are often characterized by high levels of income poverty and vulnerability to different forms of risk.

The immediate policy challenge is to better map social security interventions to the evolving socio-economic needs of the vulnerable population. The historic, and in some cases colonial, legacies of many social security programmes in Africa have often not proven responsive to the continent's socio-economic realities. Good practice evidence demonstrates that higher coverage rates and improved service quality are attainable. To do so, the financing strategies, benefit designs, and mechanisms for adhering to social security programmes must be tailored to the national context.

CHALLENGES FOR EXTENDING COVERAGE

To make concrete the effective and sustainable extension of social security coverage in Africa, greater political commitment must go hand in hand with a commitment to realizing improvements in social security administration. This is evidenced by the enhancement of administrative capability hinged on the use of modern information and communication technologies (ICT). However, implementing such improvements is normally resource intensive, which is challenging for many African countries, in particular for those that are confronted with low levels of coverage under contributory programmes, limited levels of public finance for social expenditures, and high levels of unmet needs and vulnerability among populations.

The required policy response may not just be to increase social expenditures – rather there is an equally strong case for making better use of the resources currently available. As such, national social policy priorities have to be determined, possible trade-offs understood and the correct incentives put in place to enhance participation as well as to reduce disincentives and the potential for fraud, error and evasion among all stakeholders. And the quality and adequacy of benefits and services must be assessed on an ongoing basis.

The effective and efficient extension of social security across Africa requires cohesive national policy responses. This involves an urgent need for a paradigm shift that places greater emphasis on addressing causes of socio-economic vulnerabilities, rather than just providing replacement income for selective insured risks. A first requirement is for legislative reform. Such reform makes it possible to widen legal coverage to previously excluded groups, such as informal and rural economy workers. And covering additional contingencies in the “benefits package”, in particular enhancing access to affordable health care, can serve as an incentive for higher affiliation to and greater compliance with the more commonplace old age, disability and survivors’ benefits schemes.

Efforts to extend social security coverage in Africa should have multi-strategic objectives (e.g. to support income protection, health protection, labour markets, access to education and nutrition levels) and multi-sectoral dimensions (e.g. public, private for profit, private not-for-profit). Conventional “stand alone” initiatives, such as contributory programmes for formal economy workers, will not guarantee an adequate and sustainable extension of social security. However, they do offer a solid foundation on which to build. While the realization of improvements in the management of public finances and the strengthening of the sustainability of benefit programmes are important objectives, these should not come at the cost of rendering benefits inadequate. Generally, the social and political legitimacy of social security programmes depends on successfully communicating a common awareness

and understanding across society of the socio-economic importance of social policy.

COVERAGE EXTENSION RESPONSES

Programme design and financing. Coverage extension is a top priority challenge in all sub-regions of Africa. In sub-Saharan Africa, where progress towards reducing poverty levels has been particularly slow, the African Union has called on member states to give greater primacy to social policy through the integration of social programmes into national budgets and development plans, and to cooperate and share information and experiences across countries. This can be galvanized by the effective implementation of legal provisions and the innovative design and administration of social security programmes.

The multiplicity of contributory schemes targeting formal economy workers purports that extending social security is only feasible in a formal economy environment. Interestingly, this is not the case. Tax-financed mechanisms are playing a fundamental role in bridging coverage gaps, particularly as regards access to health care and old-age income security. Countries such as Botswana, Cabo Verde, Lesotho, Mauritius, Namibia, Seychelles, South Africa and Swaziland have successfully

extended social security coverage through social pensions. Ghana and Rwanda have successfully implemented universal health care coverage that is financed to a large extent by tax revenues. In the case of Ghana this partly includes an innovative use of value added tax. Exceptionally, Mauritius has made important strides towards developing a comprehensive social security system, comprising contributory programmes alongside tax-financed social pensions and a tax-financed universal health care system.

Administrative and legal innovation.

Extending social security coverage in Africa may not require the radical institutional reform of existing social security bodies. Equally, innovative strategies in administration offer a fruitful departure point to extend coverage.

In Nigeria for example, the implementation of the Tertiary Institutions Health Insurance Programme by the National Health Insurance Scheme resulted in the extension of coverage. In Rwanda, the establishment of joint working partnerships and the enforced decentralization of operations by the Rwandan Social Security Board had a similar positive result. In the United Republic of Tanzania, the National Social Security Fund has successfully targeted difficult-to-cover group through the *Wakulima* and *Madini* programmes. ►►



“Innovative strategies in administration offer a fruitful departure point to extend coverage”

At programme level, the introduction of conditionality for some cash transfers has also permitted administrations to extend access to a wider set of social policies. For example, in Swaziland, the introduction of education and health components in conditional cash transfer programmes has resulted in an improvement in school attendance and reduced HIV prevalence.

In Cameroon, the enactment of the voluntary insurance law in 2014 has made possible the legal extension of coverage to workers in the informal economy. In South Africa, incremental changes in eligibility criteria and awareness-raising campaigns helped increase coverage of the Child Support Grant to 11.7 million poor children in 2015, representing 85 per cent of the target population.

The enabling role of ICT. In many African countries, the effective use of ICT has been one of the most important enabling factors for improving the implementation of social security extension and incentivizing the takeup of access to social security.

ICT-enabled facilities and services are making it increasingly possible and cost-effective to reach out and extend coverage to remote or vulnerable

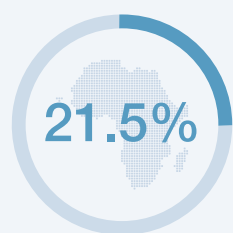
groups. ICT tools facilitate identification and registration, as well as the payment of contributions and even benefits delivery, thus permitting greater flexibility, improved quality of services and better adaptation to the needs of specific target populations. Of importance, the innovative use of ICT has greatly facilitated the building of trust in social security.

Examples include electronic contribution declarations in Cameroon, electronic service delivery channels in Uganda, electronic records management in the United Republic of Tanzania, or the use of mobile technologies for payments in Mauritania. Importantly, social security ICT interacts positively with efforts to build national registries and personal identification numbers.

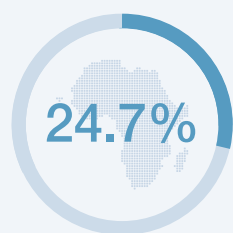
Though the political commitment to extend coverage is important, it is the policy results that matter. In this regard, public appraisal, not least regarding queuing times, delays in the treatment of claims, and the timeliness and certainty of receiving all benefits, will determine whether political promises are being fulfilled. ■

EFFECTIVE SOCIAL SECURITY COVERAGE

Percentage of Africa's population with access to social security protection

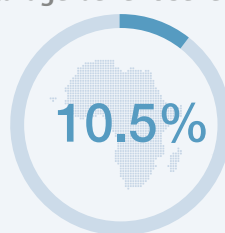


Old-age benefits



Medical benefits

African working-age population contributing to old-age benefit schemes

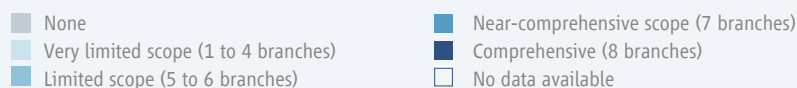
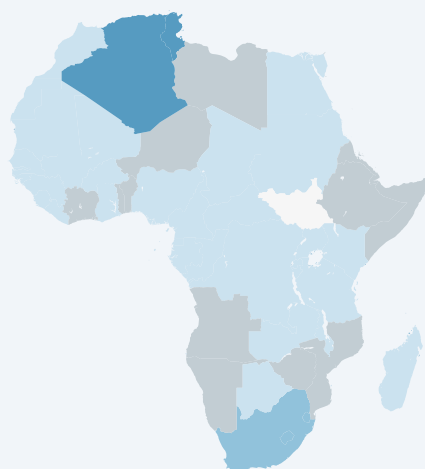


Old-age protection

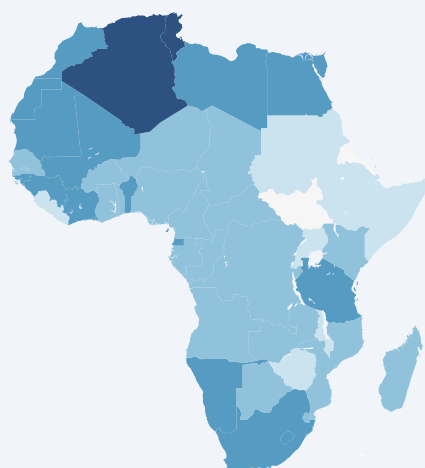
Source: ILO (2014)

TOWARDS COMPREHENSIVE LEGAL SOCIAL SECURITY COVERAGE

Statutory provision of social security programmes (1950)



Statutory provision of social security programmes (2014)



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

COVERAGE EXTENSION IS POSSIBLE



Over 100

New non-contributory programmes introduced in Africa from 1950-2015.



Over 120

Non-contributory social protection programmes in Africa in 2017



90%

Community-based health insurance coverage in Rwanda achieved by 2010

Sources: IPCIG (2016); The Lancet (2012)

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)

CHALLENGE 2





Higher public expectations

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 in Africa to become more user-centred and quality conscious.

In Africa as elsewhere, 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 confront public service delivery. The common thread is to have the user as the central, focal point of all services.

| PUBLIC EXPECTATION CHALLENGES

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 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, Algeria, Gabon, Kenya and Mauritius are just a few of the countries that have strengthened national databases 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 an important strategy. For example, the Social Insurance Institute-State Employees’ General Retirement Fund (*Institut de prévoyance sociale-Caisse générale de retraite des agents de l’Etat – IPS-CGRAE*) of the Côte d’Ivoire found that by reducing documentation requirements and establishing a data exchange system, retirees can receive their first pension in the month following retirement. Previously there was a two-year average waiting time.

Access is key to engagement. In the case of Madagascar’s National Social Insurance Fund (*Caisse nationale de prévoyance sociale – CNPS*), it remained difficult to reach a number of isolated geographic areas despite an increase in the number of branch offices. In collaboration with local authorities, mobile offices now serve the needs of remote areas, fully complemented by technology-equipped teams of multidisciplinary staff who, at the same time, facilitate the coverage extension activities of the CNPS.

In Mali, it used to take an inordinate amount of time for insured persons to access hospital

medical care. To improve access, the National Sickness Insurance Fund (*Caisse nationale d’assurance maladie – CNAM*) now provides insurance cards to members and beneficiaries, and has established service counters in partner hospitals to facilitate identity verification. CNAM attributes the rise in number of insured persons to the improved services. The new arrangement also contributes to the prevention of fraud in partner hospitals and health centres.

Innovate and re-engineer. A further strategy to improve service quality 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 simply requires the beneficiary to present in person to the CMR’s partner bank.

Cabo Verde’s National Social Insurance Institute (INPS) recently embarked on a modernization project to increase coverage and create greater efficiencies across the organization. New technologies facilitated the digitization and the re-engineering and decentralization of business processes, the integration of information systems to support interactive communication channels between the INPS and its clients, the up-skilling of staff, and a virtually paper-free work environment. Over 90 per cent of manual processes were automated, significantly reducing the processing time of pharmacies’ reimbursement claims from between 25 to 75 days to no more than two days.

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 “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 survivors' benefit claims from 30 days to a maximum of 48 hours, and from seven days to less than one hour for family benefit claims.

Morocco's Collective Scheme for Retirement Allowances (*Régime collectif d'allocation de retraite* – RCAR) capitalizes on its human resources to embed "Total Quality Management" in all its business processes, supported by a flexible IT system. Four years into its implementation, administrative costs have fallen by 14 per cent, other pension schemes and funds have been seamlessly integrated resulting in a 50 per cent increase in clients and a doubling of reserve funds, and client satisfaction has increased from 69 per cent to 82 per cent.

Go electronic, go mobile, go online.

The implementation of more integrated and user-centred services is facilitated by the wider adoption of electronic, mobile and web-based platforms supported by well-trained staff.

It is estimated that 46 per cent of the population of Africa (equivalent to more than half a billion people) had mobile service subscriptions as of end-2016. Greater accessibility to mobile cell phones is changing the delivery of all public services including those of social security.

Specific developments include the use of mobile phones to enrol in health insurance schemes (Nigeria), the electronic declaration of contributions (Cameroon), and the reorganization of member databases for better contribution collection and fraud prevention (Gabon), speeding up responses to member queries on accounts and reimbursements (United Republic of Tanzania), and the electronic monitoring of compliance to prescribed processes to reduce corruption (Morocco).

Also, a new wave of innovations is transforming health service delivery systems in Africa, including examples of mobile phones being used as part of public health initiatives on disease prevention and control. The Ghana Health Service provides data on health service delivery and outcomes as well as health information and services to rural women via mobile phones. In Kenya, a mobile phone app gives users access to up-to-date lists of licensed medical professionals and approved hospitals. In Mozambique, people diagnosed as HIV+ receive SMS reminders and educational messages to sustain treatment adherence and prevent the spread of HIV. In Nigeria, SMS technology and battery-operated printers enable health facilities to receive and print test results. In South Africa, health facilities provide support to pregnant women and new mothers through the MAMA SMS service. In Rwanda, ►►



“Social security administrations must be alert to the need to respond rapidly to satisfying public expectations”

mobile applications help track the health status of pregnant women and infants and promote early detection of preventable emergencies

The mobile telecommunications networks in Africa are recognized as the first complete infrastructure for the entire continent. Given that more than a third of the population lack an official form of identification, the technology is seen as the long-awaited solution to the challenge of birth registration. The ubiquity of mobile devices, both in terms of national penetration levels and geographic coverage, is helping social cash transfer programmes in Africa to scale-up and innovate. In Ethiopia, for example, government agents use integrated Near Field Communication (NFC) reader technology to provide monthly cash payments to qualified families. The NFC wristband contains

invisible personal identification information that can be read only by the agent's smartphone. Ethiopia's number-free device to process electronic payments to beneficiaries, Kenya's experience with e-payments, and Mozambique's tracking tool for social service referrals offered to cash transfer beneficiaries show the innovative ways through which mobile phones are helping social cash transfer schemes to overcome constraints and foster integration with other public service programmes.

There is renewed enthusiasm and energy for social security administrations in Africa to continue to deliver on their service quality mandate. The sharing of good practices in the regional community is stimulating an optimistic culture of innovation. ■

TRUST IN GOVERNMENT AND PUBLIC SERVICES



59 %

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



64 %

Percentage of respondents who see public employees as a positive influence

Source: Pew Research Center (2014)

E-GOVERNMENT IS PROGRESSING IN AFRICA



2003

11 countries had a one-stop-platform, and only 3 countries provided online transactions

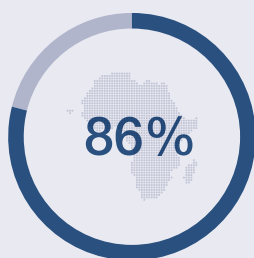


2016

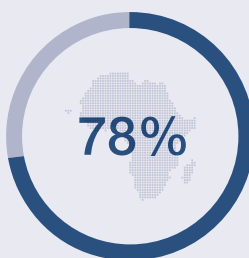
34 countries offer at least one single entry portal on public information or offer online services

Sources: UNPACS (2016); UN e-government survey (2016)

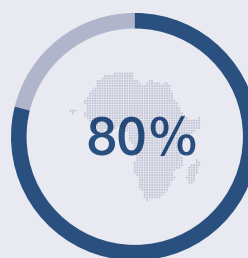
PRIORITIES OF ISSA MEMBERS IN AFRICA



Give priority to improving service accessibility and quality



Give priority to responding to evolving client/public demands



Give priority to strengthening public trust in the institution

Source: ISSA global member survey (2015)

CHALLENGE 3





Health and long-term care

The outlook for health outcomes in Africa is improving. This augurs well for the future, not least for the continent's vulnerable populations with progress being made towards the establishment of national floors of social protection, universal health programmes and more encompassing national health insurance schemes. As social security and health care systems continue to address important challenges, many countries are faced nonetheless with a triple disease burden of health emergencies and epidemics, communicable diseases, and noncommunicable diseases. Addressing these is rendered more complex by environmental health risks and, especially in some sub-Saharan economies, the seemingly intractable problem of poverty.

Economic growth and improved health indicators should be mutually reinforcing. As incomes rise, so do levels of health expenditure which, in turn, should lead to better health outcomes. Normally, healthier populations enable higher levels of economic productivity and growth.

Three positive trends are likely to support Africa's economic growth – and thus also positively influence health outcomes – in the coming years: a young demographic profile with a growing labour force; rising productivities associated with urbanization and development;

and the rapid uptake of technology that is surmounting some of the continent's infrastructure limitations.

A number of challenges remain to be addressed, especially in relation to numerous environmental health risks, such as high levels of pollution, unsafe food and water supplies, inadequate sanitation and waste disposal facilities, and informal residential settlements that lack basic services. In Africa, despite improvements in health indicators, structural inequalities in health outcomes persist. ►►

Africa's health experience over the last decade, however, has yielded a good harvest of strategies and approaches that have been proven to work, with effective interventions that can be scaled up to build and strengthen health care systems. Necessary in this regard are good information and surveillance systems; well-trained and motivated health-care workers; well-equipped health facilities with good laboratory services; and well-managed services, trusted by and functioning in partnership with community involvement.

CHALLENGES FOR SOCIAL SECURITY AND HEALTH CARE SYSTEMS

Over the last decade Africa has seen progress in health outcomes, particularly in confronting the triple disease burden. In many cases, public health interventions are more effectively addressing the incidence of infectious diseases, but their further expansion remains necessary.

Emergencies and epidemics. The recent containment of the severe Ebola virus epidemic in West Africa, the Zika virus outbreak in Cabo Verde and Guinea-Bissau, and the yellow fever outbreaks in Angola, the Democratic Republic of Congo and Kenya underline the region's health vulnerabilities and the need for vigilance, preparedness and swift, effective responses to health emergencies. Governments of the affected countries continue to work with health partners to strengthen surveillance, community mobilization, and to help ensure survivor access to counselling and medical care.

Old enemies in communicable diseases.

The World Health Organization (WHO) asserts that of the major contributors to mortality in Africa, at least six are infectious diseases: HIV/AIDS, tuberculosis (TB), malaria, diarrhoeal diseases, acute respiratory infections, and vaccine-preventable diseases.

In the fight against HIV/AIDS, official estimates suggest that the number of newly-infected adults and children declined by 19 per cent in the last 5 years, from 1.63 million to 1.37 million, and annual HIV-related deaths decreased to 800,000 from the 1.5 million peak in 2004.

New TB cases and deaths are on a decline, but a multidrug-resistant strain of TB has recently emerged. The mutually reinforcing catastrophic effects of HIV/AIDS and TB require that treatment of these two diseases be administered in tandem.

The incidence and mortality rates of malaria has declined by 42 per cent and 66 per cent respectively between 2000 and 2015. By 2020, it is anticipated that some African countries will have eliminated the local transmission of the disease.

The reductions in maternal, neonatal and child mortality rates have been achieved as the result of better education, prevention of mother-to-child transmission of HIV, community capacity building, and access to skilled care during delivery. Guinea-worm disease, polio and leprosy are now close to total eradication, and initiatives are underway to mass administer medicines for a number of tropical diseases. Political will and financial support are critical prerequisites to scale up known treatments for communicable diseases.

New enemies in noncommunicable diseases (NCDs).

A number of NCDs, such as cardiovascular diseases, chronic respiratory diseases, cancers, and mental and neurological disorders, are a growing problem in Africa, as is the rise in disabilities, road traffic injuries and complex disease interactions. Estimates show that by 2030, the burden of NCDs will equal that of communicable diseases, maternal and newborn deaths, and malnutrition combined.

Many NCDs are preventable because the risk factors are well-known, such as tobacco use, alcohol and substance abuse, physical inactivity and an unhealthy diet. However, the scaling up of preventive measures is constrained by the availability of resources as well as by health systems that were primarily developed to provide acute, episodic care rather than chronic care. Africa could take advantage of the lessons learned by developed countries, especially the quality and cost trade-offs in dealing with NCDs.

Ageing society leads to a growing number of older people who need care. Yet most African countries do not have policies on ageing. Commonly also absent is a well-defined policy

on long-term care for older adults. Long-term care provision in the majority of countries on the continent is centred on the family support system, wherein families have traditionally provided care for the frail elderly. Yet, in Africa the importance of filial piety is gradually weakening, as a result of rural exodus, migration and globalization, and there is a growing number of destitute elderly in rural communities who have little or no access to primary health care and social support facilities. Policy responses relating to ageing for older adults, such as the need for financial support, is most often not complemented with support for health and long-term care needs.

RESPONSES TO BUILD AND STRENGTHEN HEALTH CARE SYSTEMS

Enormous efforts are being exerted to build and strengthen the health care systems of the continent. Given the needs of vulnerable populations on the one hand, and resource constraints on the other hand, governments and national health programmes are hard pressed to balance provisions for both acute and chronic care of current and future generations.

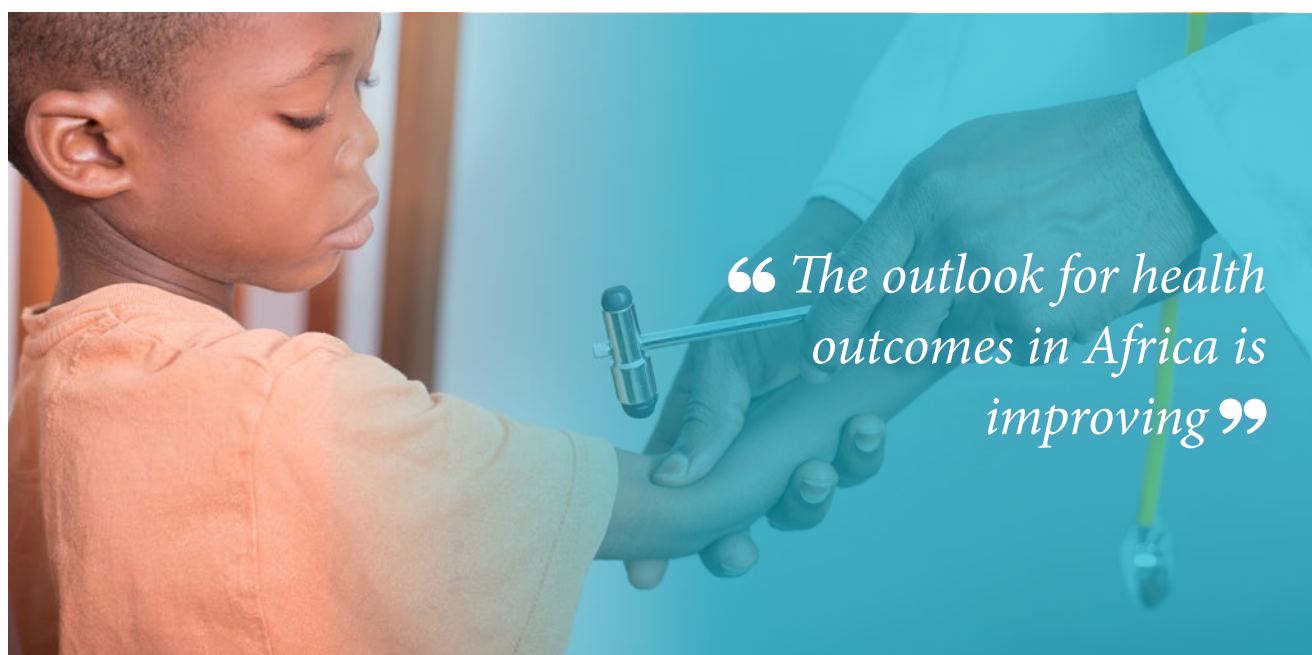
A number of strategies and approaches, however, have proven their value in building

effective health care systems in Africa, including their improved administration.

The use of mobile technology in the region opens up cost-effective innovative possibilities by leveraging, for example, the services of primary care clinics and the use of telemedicine to allow visual access to doctors. For instance, Kenya operates a Portable Eye Examination Kit (Peek), which is a unique smartphone-based system that can be used for comprehensive eye testing.

Low-cost health solutions for NCDs such as regular check-ups, prevention and health promotion activities are also being scaled up via mobile technology. In general, technology as well as traditional tools are being used innovatively to implement social security and health policies, measures and procedures.

Community-based participation. In Africa, “word-of-mouth” communication at the community level is key to the acceptance of health practices and interventions such as vaccines. The active participation of religious leaders and local “champions” can be just as important as that of national leaders. In a region where traditional healers are a trusted source of advice, including a role for them in the health system strengthens the opportunities for delivering better health care. ►►



“The outlook for health outcomes in Africa is improving”

Creating fiscal space for health services.

Governments are now using tax revenue from tobacco and alcohol sales and from fines paid for environmental pollution to finance health care services. Ghana uses a tax on mobile phones to support health expenditures.

Well-paid health workforce. The region's severe shortages of health workers are now being reversed in countries where compensation and work conditions have improved. Estimates suggest that one in four African doctors and one in twenty African nurses migrate to work in developed countries' health sectors. This "brain drain" represents a huge loss of investment and human capital for many African economies.

Harnessing mobile technological capacity.

Mobile technology is facilitating surveillance systems, the dissemination of diagnostic results and data-driven decision making thereby enabling early detection and rapid support to address diseases such as measles, polio, yellow fever, rotavirus and child bacterial meningitis. In Cameroon, for example, health personnel are equipped with mobile phones to communicate key epidemiological information at no cost. To date, coverage of the disease surveillance network has increased from 30 per cent to 98 per cent, thus improving the response time to the incidence of health epidemics.

Mainstreaming performance and quality.

Benchmarking, accreditation, genuine supervision, evaluation and constructive

feedback need to become part of standard operating procedures in health care services, from the community level upwards. Ensuring the availability of logistical supplies such as vaccines, medicines, diagnostic tests, equipment, training and support for health workers will save lives in the communities served by health workers. The scaling up of successful pilot programmes must be supported by strong logistical delivery systems that are monitored at all levels.

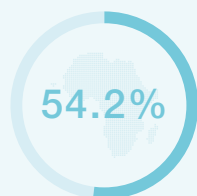
Ensuring the quality of long-term care provision for older people presents specific challenges, but African countries have a potential to surmount these. At the local level, better harnessing the culture of filial piety offers an innate building block for the development of requisite national long-term care systems across the continent. For institutional care provision, the WHO has identified three crucial approaches to the development of formal long-term care systems: the establishment of the foundations necessary for a system of long-term care, building and maintaining a sustainable and appropriately trained workforce, and ensuring the quality of long-term care. The Mauritian national policy on ageing, which is aimed primarily to address the welfare dimensions of ageing, serves as a good example of a national policy response on ageing and long term-care needs. ■

AFRICAN HEALTH IS IMPROVING



58 years

Life expectancy at birth in 2014 was 58 years, up from 50 years in 1990



Reduction in under five mortality rate in Africa 1990–2015



Reduction in maternal mortality rate in Africa 1990–2015

Source: WHO (2015)

INVESTMENT IN HEALTH HAS GROWN IN AFRICA, BUT MORE IS NEEDED



\$222

Per capita spending on health in Africa in 2013, up from \$95 in 1990



12.9 million

The shortfall of skilled health professionals in Africa by 2035



63%

Access to clean tap water

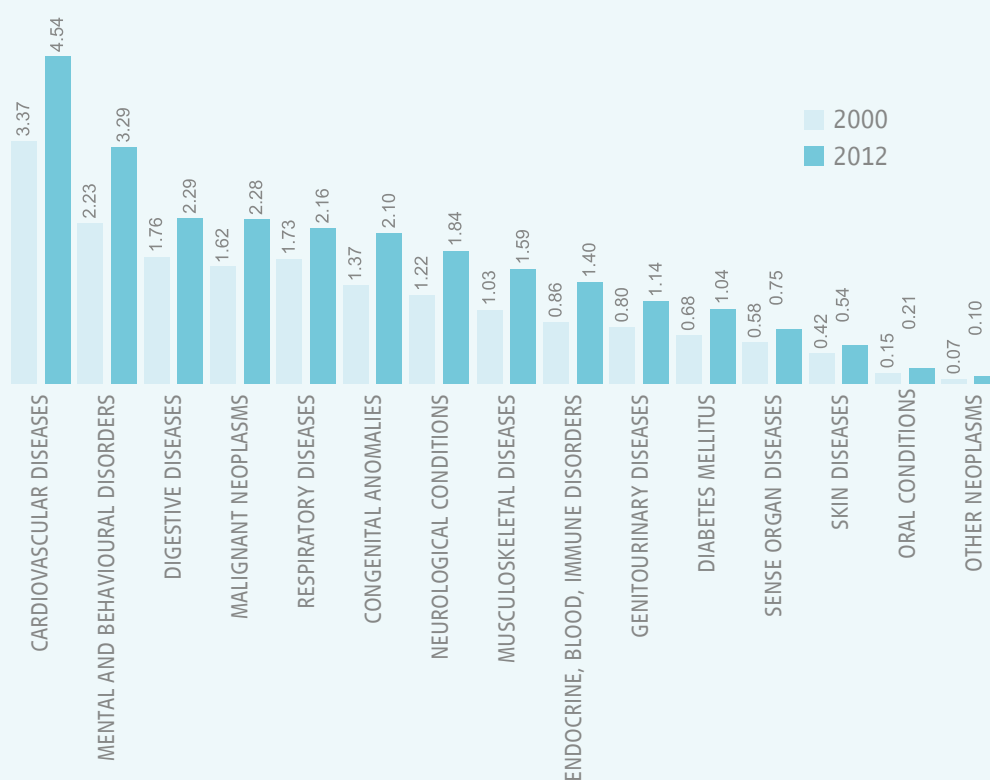


93%

Access to a cell phone services

Sources: WHO (2016); Accenture (2012); CNN (2016)

THE IMPACT OF NONCOMMUNICABLE DISEASE IS INCREASING IN AFRICA



Source: WHO (2016)

CHALLENGE 4





Employment of young workers

High levels of underemployment and unemployment among young women and men is a major challenge in Africa. 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 less than 3 per cent of the African workforce having access to unemployment protection, a challenge remains the healthy expansion of formal labour markets supported by the development of adequate education and training systems and employment promotion activities.

Africa is the world's youngest continent. Around 60 per cent of the population is younger than age 25, including about 200 million young people aged 15 to 24. By 2045, the number of young people will double. The Africa Union states that youth (aged between 15 and 35) account for 60 per cent of the total unemployed in Africa and 40 per cent of the working-age population. Many of those who have received some form of formal education often possess skills that do not match current labour market demands. Almost half of the 10 million graduates who leave Africa's universities each year cannot find jobs in the

formal economy. Nearly 80 per cent of young Africans who have found jobs are working in the informal economy.

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 view, with many younger workers losing their jobs. Though the global economy has since rebounded, and although Africa has a number of the fastest growing economies in the world, in many African countries revitalized growth has not been accompanied by a comparable ►►

growth of formal, fully-regulated jobs. In many African economies, levels of underemployment and unemployment remain high.

| LABOUR MARKET CHALLENGES AND YOUNG WORKERS

Across countries the policy priorities as regards underemployed and 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 North Africa. The alternatives may be limited. One may be to accept low-return opportunities (underemployment) in the informal economy. Emigration may be the considered response by some, with a huge loss in investment and human capital, the so-called "brain drain", for the national economy.

The longer-term social security implications of high levels of youth underemployment and unemployment require serious consideration. For Africa, the key issue is not simply that career gaps impact workers' acquisition of full contributory pension rights, rather it is also that workers do not have access to adequate social protection during their working years, including occupational safety and health protection in the workplace. Social security institutions equally lose the potential to improve their contributory revenues due to the restricted participation of young workers in contributory programmes. And to meet coverage objectives, public finance actors face a growing responsibility to adequately finance social programmes.

For workers in regulated employment a further challenge is a global trend seeing many pension schemes reducing their redistributive role and tightening the link

between individual contributions and future benefits. Shorter contributory periods combined with contributions paid on possibly lower levels of earnings equates with less generous pension entitlements. Also, young people are important consumers for national economies, and their consumption patterns are 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 current practice in Africa, as elsewhere, shows that such forms of support are less focused on the working-age population and more commonly targeted on societies' vulnerable youngest and oldest populations.

Employment insurance. Globally, just over one in every ten workers has access to some form of unemployment protection. In Africa the proportion is less than 3 per cent, the lowest for any world region. 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. A small number of countries in Africa (e.g. Algeria, Egypt, Mauritius, Morocco, South Africa and Tunisia) have put into place unemployment benefit programmes. These different programmes are essential to offer income security to workers when making the transition from unemployment to work. To be more effective, national authorities and all modern unemployment programmes should consider the specific needs of different groups of workers, in particular of younger women and men.

Supporting employability. One need is the creation of enough decent job opportunities while constantly enhancing the employability of new entrants to the labour market and those currently unemployed. Reportedly, only 3 million formal jobs are created annually in Africa despite the 10 to 12 million new entrants to the workforce each year. The challenge of youth employment is rising on the agenda of the African Union, and a number of regional agreements have been signed to confront unemployment on the continent.

The African Development Bank has launched the Jobs for Youth in Africa Strategy 2016–2025, which aims to increase inclusive employment and entrepreneurship, strengthen human capital, and create durable labour market linkages.

The labour market challenges for policy-makers 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. Efforts can also target specific sectors of the economy and include a gender dimension.

In Ghana, as part of the productive inclusiveness policies under the Support for Rural Income Generation to Targeted Poor Persons Pilot,

more than 3,000 women beneficiaries are receiving skills training as part of efforts to develop independent livelihoods.

Bundling of benefits. Unemployment programmes that have objectives that are broader than income replacement alone, and which offer access to a wide range of benefits and services, are not only more likely to be effective but should incentivize workers to affiliate to such schemes.

Under the Moroccan unemployment insurance programme, unemployed workers can not only claim unemployment benefits for six months but also continue to receive full social security entitlements including family allowance and health insurance coverage. Under the Workfare Programme in Mauritius, the government grants a Transition Unemployment Benefit to each eligible unemployed person for between one to 12 months. Workers registered in the programme must, within 14 days, opt for activities including job placement, training and re-skilling or starting up a small business.

Supporting job creation. Policy responses can also help counteract the negative impact of the emigration of skilled workers. In recent years, South Africa's Return Home for Entrepreneurship programme has successfully incited close to 400,000 high-skilled professionals to return home. It is suggested that each returning skilled ►►



“In many African countries revitalized growth has not been accompanied by a comparable growth of formal, fully-regulated jobs”

professional has helped create an average of nine new additional jobs, either directly or indirectly, in the South African economy.

Unemployment and underemployment challenges are often of a structural nature, which makes some of these more intractable to solutions. This is especially so in economies with large informal labour markets. Social security administrations cannot meet these 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. Yet many young women and

men are without such aid and may be totally unsupported in job-search activities and reliant on personal networks.

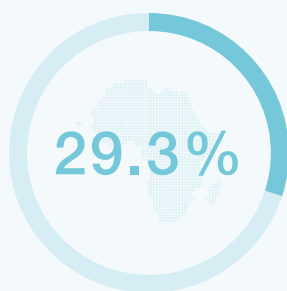
Global and regional economic cycles aside, to successfully reduce underemployment and unemployment among young workers, public policy is necessary to create an appropriately skilled workforce and the conditions that permit formal job creation. Also necessary is close collaboration and coordination among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

YOUTH UNEMPLOYMENT



71 million

Unemployed youth
(aged between 15
and 24) in 2016



Incidence of youth
unemployment in
Northern Africa



Incidence of youth
unemployment in
sub-Saharan Africa

Source: ILO (2016)

THE NEED FOR NEW JOBS



43%

Proportion of the global
youth labour force that is
unemployed or working poor



40 million

Number of people
entering the labour
market each year



400 million

The number of sustainable
jobs that need to be created
in Africa by 2050

Source: ILO (2015)

Source: Rockefeller Foundation (2016)

GLOBAL YOUTH UNEMPLOYMENT TRENDS

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



Sources: ILO; World Bank (2014)

CHALLENGE 5





Inequalities across the life course

An important policy concern across Africa is how to better address the multiple vulnerabilities and insecurities which impact to different degrees important sections of the population. In many African economies the incidence of inequalities are widespread and deep rooted. This can result in a severe fragmentation of society. Social security systems are important instruments with which to strengthen social cohesion, promote active inclusion and reduce inequalities in society. They help address income inequality as well as other inequalities, such as between genders, within labour markets, in access to health care and services, and between rural and urban areas. Effective access to social security supports people to mitigate risks and realize their potential across the life course.

In the years leading up to the 2007–08 global crisis, within country inequality in Africa appeared stable. However, taking the continent as a whole, inequality had increased. Since 2008, inequality in all African countries has increased further, driven by similar factors that have been observed in other regions of the world.

Particularly marked in the region are gender inequalities. Efforts to include women in social security are important. Women are proportionately more likely to be active in informal work, unpaid family work or

self-employment than are men, and are paid significantly less. There is a greater tendency for women to be excluded from contributory programmes, which typically provide better benefits. To ensure that all marginalized workers, including women, have access to benefits, social security institutions should use a variety of different administrative models and media tools.

Inequalities are multifaceted and may be linked, for instance, to different employment market opportunities, disabilities and health status, cultural/ethnic groups and rural/urban status. In order to fully assess the effectiveness of ►►

measures used to reduce the negative impacts of inequalities, the drivers of inequalities need to be understood. For example, given the continent's large informal economy, social security transfers offer more effective responses than income taxation to achieve poverty reduction. In economies with high levels of informality and inequalities, social spending outperforms the tax system as the most effective lever to redistribute wealth and improve opportunities across the life course.

For social spending to be effective in a context of high levels of inequalities, benefits have to be appropriate to respond to identified needs in society, but also should be delivered in a way that access to them does not depend on the health, income, employment or family status of beneficiaries. In addition, the ways in which benefits are financed usually have distributive impacts that need to be considered in the designing of systems. As one example, the common requirement for out-of-pocket health expenditures is a major risk factor that can send households into poverty. In some African countries, nearly 50 per cent of health expenditure comes from out-of-pocket payments.

Planning the appropriate sequencing of coverage extension measures is also important. Given the reality of financing constraints, choices need to be made by policy-makers. The introduction and extension of health coverage and family benefits are very effective responses to inequalities and can lead to effective leverage effects elsewhere in the economy. Such important insights regarding policy priorities and sequencing are increasingly better understood and more commonly acted upon.

CHALLENGES TO SOCIAL COHESION

Strong social security systems with wide and adequate coverage can support social cohesion and greater collective trust in a country's institutions. But the social security systems in Africa arguably have to contend with a number of specific challenges that make these efforts difficult to turn into reality.

The key challenges ahead include high levels of informality and non-standardized employment; an overreliance on certain economic activities; fluctuating natural resource prices; high levels of youth underemployment/unemployment; changing migration patterns and family structures; geopolitical instability and conflict; urbanization; environmental shocks; and, in some sub-regions, food shortages.

A number of these challenges have specific consequences for social security systems. For example, the relatively low proportion of workers in the formal economy means the contribution base is small, and this in turn poses financing challenges. The role of tax-financed provision is therefore gaining in relative importance in many countries, including supporting contributory programmes. However it is important to retain a link between the values of contributions paid and cash benefits received. National systems may also tap into the demand for savings vehicles when this is attractive for beneficiaries.

Effective social security systems should result in stronger and more productive societies. In principle, it is possible for even lower-income countries to gradually introduce and sustainably finance a minimum package of social benefits and services that includes access to basic health care, basic income transfers in case of need, and basic education. This has been underlined by the Social Protection Floor agenda.

RESPONSES TO REDUCE INEQUALITIES AND SUPPORT SOCIAL COHESION

Cross-sectoral and multi-actor responses.

The responses to reduce inequalities and support social cohesion are likely to require social security administrations to work constructively with other stakeholders. In Africa this may be seen with regard to the social protection roles played by large employers (e.g. health and safety for workers combined with public health initiatives extended to neighbouring communities), commercial service providers (e.g. banks, post offices, transportation), mobile phone operators (e.g. for the collection of contributions and paying benefits), and civil society (e.g. not-for-profit actors).

Inequalities are often rooted in structural factors in society, an observation that underlines that for responses to be successful they should consider cross-sectoral action as part of a strategic life course approach. Household income inequalities, for example, commonly span across generations. To address the income inequalities to be faced by future adults demands that action is taken at an early stage in the life course to improve the opportunities available to children.


Intergenerational and sectoral equity. Given the younger demographic profile of Africa, it is important that tailored benefits and services be provided to the young rather than relying solely on “trickle down” or indirect impacts from benefits directed to adults. Investment in early-years child development is critical. And with significant numbers of young workers aged 18–24 arriving on African job markets with limited formal employment opportunities, all efforts that support education and professional training and primary health care (e.g. in rural Côte d’Ivoire) should be prioritized.

Senegal has witnessed the progressive roll out of the *Programme national de bourses de sécurité familiale*, which is currently aiming to help move 300,000 households out of poverty through a trimestral grant allocation. This support is targeted at those with low revenues and school-aged children. The wider aims are to

reduce poverty and promote the growth of human capital.

A concern for national authorities is the financial sustainability of social programmes. In this regard, innovative forms of financing should be considered and governments should continue to evaluate existing spending commitments and revenue sources. Increasing attention is being given to assessing the role of universal public subsidies, such as for fuel consumption, which are deemed particularly regressive and thus do not tackle well inequalities. Such expenditures might actually reinforce existing structural inequalities. In such instances the case is strong for diverting the funds currently allocated to public subsidies to finance alternative social protection priorities or permit lower or subsidized contributions, for example for national health programmes.

As stated, the tax system is not the best lever for redistribution in economies with high rates of informal and rural employment. In such cases, cash transfers and subsidized and free services are more effective in combatting inequalities. For older and disabled workers with no access to contributory social security benefits, their likely progressive marginalization from even informal labour markets will result in heightened poverty. In such instances, and especially where national poverty rates are high, the provision of tax-financed cash transfers permits ►►



“Social security administrations must work constructively with other stakeholders”

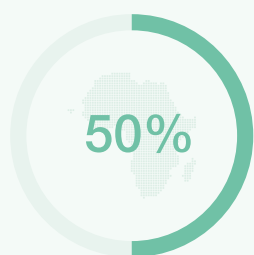
people to engage with local communities and markets and to invest in assets which support independent living.

Cash transfers are likely to have positive impacts at the household level, with particularly beneficial outcomes having been noted for vulnerable children who live in the same household as pensioners. In Zambia, a pilot cash-transfer scheme for older people caring for orphans has improved school attendance, while in South Africa girls living in a household with an older woman who receives a pension are 3–4 centimetres taller than girls in households with older women who do not receive a pension. Such interventions also support and promote gender equality by making women the payees.

Health policy. The reasons for health inequalities can be complex, but social security interventions can alleviate some of these. The introduction of universal health care in Kenya is focused on improving health status, the achievement of which can have highly beneficial effects across society by reducing vulnerabilities and improving future human capital.

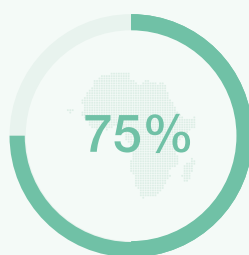
The evidence of policy responses in Africa shows that policy-makers and social security institutions are focused on addressing specific factors that underlie inequalities and tailoring the design, financing and delivery of interventions to reflect the characteristics of vulnerable and excluded groups. ■

INEQUALITIES ARE WIDENING



It is estimated that the **10** richest Africans have as much wealth as the poorest **50%** of the continent

Source: World Bank (2015)



75% of the world's poorest countries are in Africa

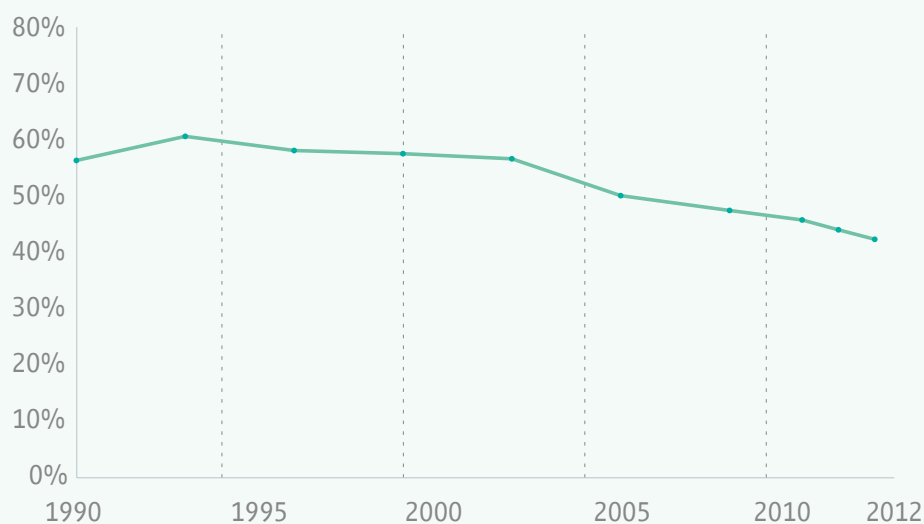


239 million people in Africa were undernourished in 2010

Source: The Borgen Project (2015)

POVERTY IS DECREASING

Share of population living in absolute poverty in sub-Saharan Africa, 1990–2012



Source: World Bank (2015)

ONGOING GENDER INEQUALITIES IN EMPLOYMENT

Unemployment rates in sub-Saharan Africa (2015)



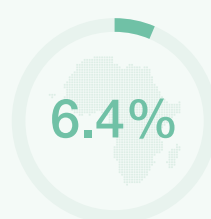
Young women



Young men



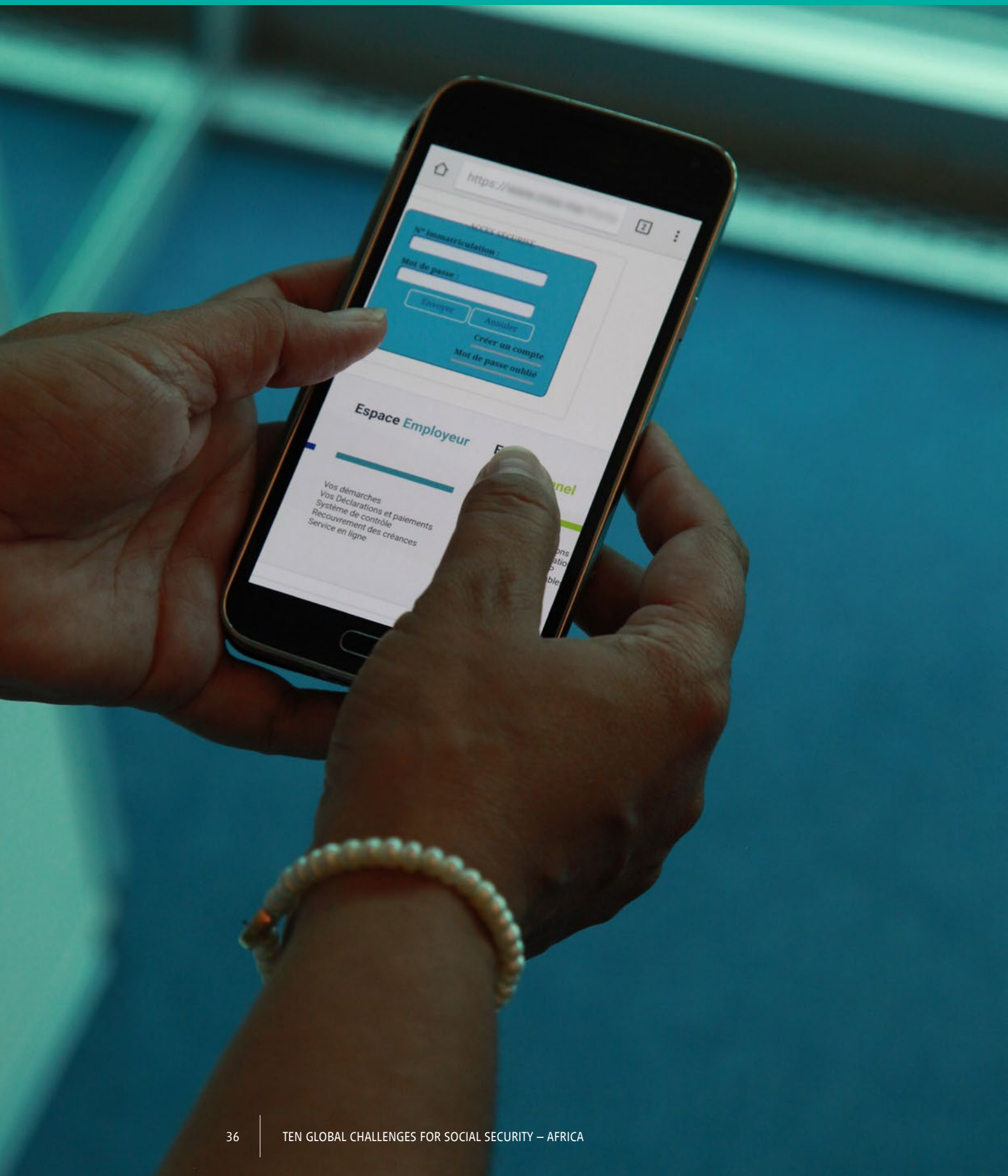
All women



All men

Source: ILO (2016)

CHALLENGE 6





The technological transition

Information and communication technology (ICT) is playing a strategic role in the administration and delivery of social security programmes in Africa, enabling improvements in the performance and service quality of social security administration. ICT is enabling not only the automation of specific processes, but the transformation of operations and services, to support the extension of the social security coverage. In this way, ICT has become a strategic enabler of innovative solutions to respond to societal transformations and challenges.

In Africa the main axes of technological innovation are biometrics and smart-cards, mobile technologies, Data Management and Master Data, data-driven Decision Support systems, and incipient e-government. The United Nations E-Government Development Index shows that the adoption of ICT by African government institutions is growing. A large number of African countries have implemented online governmental services, and public social security institutions 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.

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. Particularly in Africa, cutting-edge ICT enables institutions to make strides forward. The widening application and penetration of mobile technologies offers a salient example, overcoming the limited landline telecommunications infrastructure. ►►

| 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 is the quality of service offered by national ICT infrastructure and industry providers, which can be variable and impact customer choice and the delivery and maintenance of products. A third is the good management of complex technologies and systems, in particular of interoperability technologies which interconnect systems and institutions. Common ICT standards are essential for social security administrations and other public agencies, but these may be incomplete or absent. In turn, and in spite of progress, implementing the full cycle of connected social security processes can constitute a challenge for social security organizations.

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.

Access to accurate and reliable personal data is increasingly important for social security administrations. In turn, the potential for data to be more easily managed and mined is a further driver of innovation. Cybersecurity issues affect all countries however, and these grow with the intensification of data usage on web-based platforms.

Finally, the digital divide must be overcome for all citizens – effective access to coverage must also include vulnerable people and marginal groups. Regardless of mobile technologies, the digital divide in Africa is often characterized by an important rural-urban split, with people in rural areas being less well served and having lower levels of access.

| ICT: STRATEGIC RESPONSES

As an administrative advancement for social security operations that also supports the goal

of social security coverage extension, biometric technologies have been adopted in several African countries for personal identification purposes. These technologies, which are often used jointly with smart cards, improve the delivery of benefits and services.

An administrative tool. In Gabon, the National Social Security Fund (*Caisse nationale de sécurité sociale* – CNSS) has implemented a comprehensive modernization project integrating biometric technologies and smart cards into the contribution collection and benefits management processes. The project aims to uniquely identify all insured persons and beneficiaries, reduce unjustified payments, and to enable self-service entitlement validation and the monitoring of contributions. The project also fosters the use of banks and the automatic processing of entitlements.

In South Africa, a biometric smart card is used to pay benefits to 10 million beneficiaries. The project developed by the South African Social Security Agency (SASSA) consists of the biometric enrolment of 21.7 million recipients comprising beneficiaries, children, and procurators (agents), and has ensured the capture of extensive personal data and biometric information such as photograph, fingerprint image and voice print. The main innovation is a biometric smart payment card whose pin and biometric technology has the capability to ensure payment access anywhere and anytime, using multiple and beneficiary-preferred payment channels. The technology also generates certified proof of the amounts paid. With the introduction of the smart card by SASSA, the administrative cost decreased and recording biometric data permitted SASSA to identify 850,000 fraudulent grants.

The Côte d'Ivoire's Social Insurance Institute-State Employees' General Retirement Fund (*Institut de prévoyance sociale-Caisse générale de retraite des agents de l'Etat* – IPS-CGRAE), Guinea's National Social Security Fund (*Caisse nationale de sécurité sociale* – CNSS), and the National Social Security Institute (*Institut national de sécurité sociale* – INSS) of the Democratic Republic of Congo are carrying out similar initiatives to improve service delivery by means of more accurate personal identification.

With an exponential growth in worldwide data use giving rise to “Big Data”, a new data-driven ICT revolution is underway. Advanced data processing and data analysis technologies are used for customer profiling, and to extract other information from Big Data and large institutional databases. This so-called data-driven innovation (DDI), combined with Internet and mobile-based developments, can improve products, processes and organizational methods and extend effective coverage. For social security administration, ICT often spells the difference between services and processes that can or cannot be done.

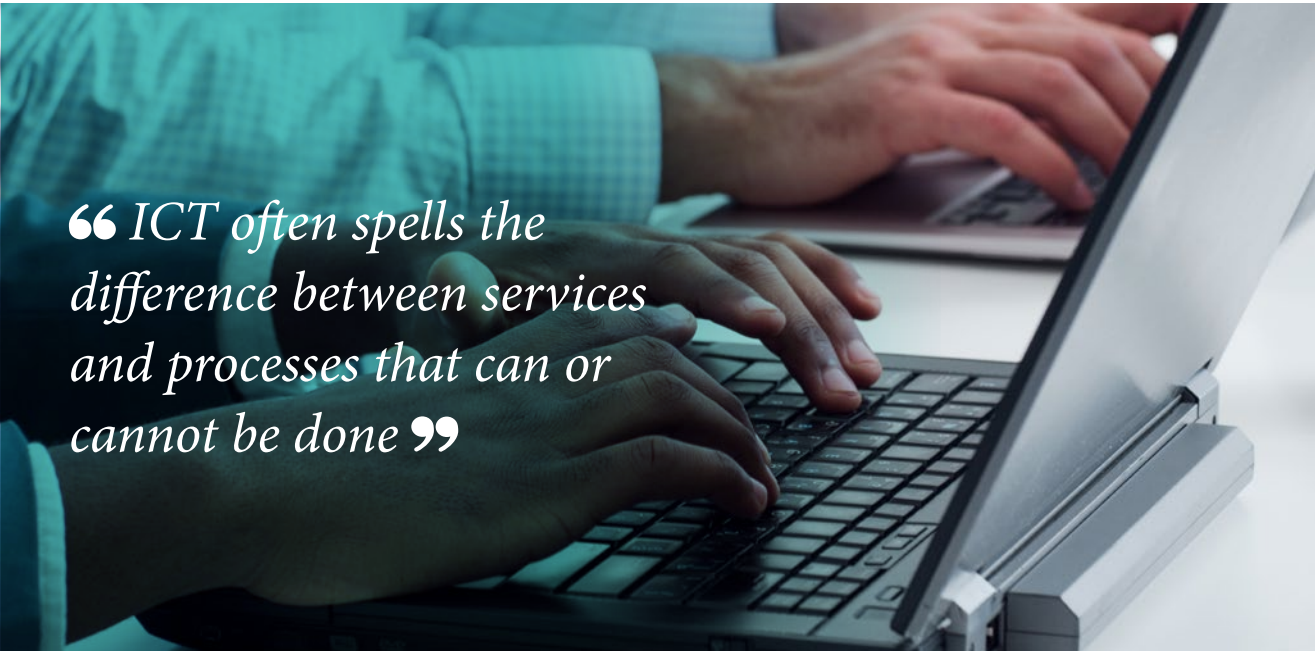
ICT as a strategic enabler. For the covered population, developments in ICT enable greater autonomy, flexibility and simplicity in accessing and verifying information and communicating with social security administrations. For those without adequate coverage, mobile ICT platforms support improved access 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 the efficiency and the quality and accuracy of processes by increasing their ability to perform reliable validations, controls and calculations.

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 service delivery. African countries have been pioneers in the adoption of mobile technologies. The well-known M-Pesa, a mobile-based payment service active in Kenya and the United Republic of Tanzania, is expanding to Democratic Republic of Congo, Egypt, Ghana, Lesotho and Mozambique. By using a cell phone, 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. ►►



“ICT often spells the difference between services and processes that can or cannot be done”

Some social security administrations have followed this lead. In Kenya, customers can also pay contributions and receive some cash social protection benefits, while in the United Republic of Tanzania contributions are payable to the GEPF Retirement Benefits Fund.

Elsewhere, the National Sickness Insurance Fund (*Caisse nationale d'assurance maladie* – CNAM) of Mauritania has developed a reimbursement mechanisms through partnerships using SMS to notify insured persons. Current partnerships with a pharmacy network and a private bank aim to improve customer services and geographic coverage.

Providing mobile-based services that are compatible with non-smartphones devices makes possible the offer of such services to a larger part of the population. The National Social Security Fund of Uganda has implemented a mobile-based “self-service menu” using Unstructured Supplementary Service Data (USSD) technology, which enables interaction with 2G cell phones (non-smartphones) and improves service quality when using SMS. In Nigeria, the National Mobile Health Insurance Programme (NMHIP) includes a mobile phone platform for self-enrolment into health insurance. With regard to smartphones, mobile applications (apps) providing better quality services are provided by a number of institutions in Africa, notably the National Social Security Fund of Morocco (*Caisse nationale de sécurité sociale* – CNSS), and the Public Service Pensions Fund and the PPF Pensions Fund of the United Republic of Tanzania.

Evidence-based policy. Leveraging on data constitutes another strategic capacity enabler for social security institutions. A number of projects have enhanced Data Management

as well as data-driven Decision Support systems. The implementation of “social registries” helps to better identify the target population, enhance eligibility determination and also support programme design and evaluation. When shared across government agencies, social registries become a decision support tool for holistic social programmes which should prevent the duplication of benefit payments. In Mauritius, the Ministry of Social Security, National Solidarity and Reform Institutions has implemented a social register as a tool to determine eligibility for social assistance schemes. Based on the social registry, the Ministry transformed its information technology (IT) system to improve member experience (transition to 100 per cent e-services, 24/7 access, etc.), to facilitate better coordination between government departments, and to have better information on beneficiaries to enable more appropriate responses. Other examples have been initiated in the United Republic of Tanzania and Tunisia to better track medical responses.

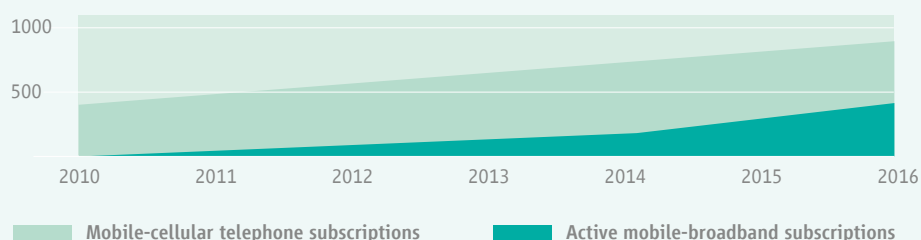
The UN E-Government Development Index reveals incipient e-Government developments in African countries, notably in Cabo Verde, Ethiopia, Kenya, Mauritius, Morocco, Seychelles, South Africa, United Republic of Tanzania, Tunisia and Uganda, developments which also support the implementation of integrated social policies.

The evidence suggests that the adoption of new technologies by social security administrators does not preclude a continuing role for human interventions. Through a smart and open-minded ICT application, the best use of these new opportunities for staff and clients will be achieved. ■

TECHNOLOGICAL TRANSITION

African ICT developments 2010–2016

	2010	2011	2012	2013	2014	2015	2016
Mobile-cellular telephone subscriptions (millions)	366	437	506	576	639	708	709
Active mobile-broadband subscriptions (millions)	14	22	51	93	121	181	218



Source: ITU database (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)

DIGITAL TRANSFORMATION IN AFRICA



15.4%

Percentage of African households with Internet access



25.1%

Percentage of the African population using the Internet

Source: ITU Facts and Figures (2016)

PROGRESS IN AFRICAN E-GOVERNMENT

Positive benefits of e-government



Better public service delivery



Wider access to social security



Improved literacy



Higher levels of financial and social inclusion

CHALLENGE 7





Labour markets and the digital economy

From a global perspective, 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 evolve. To be more fully thought through are the implications of these developments for African economies.

What might be the implications for African economies of the combination of greater economic integration caused by the globalization of the economy and a fragmentation and transformation of the labour market caused, in part, by the digital economy? Observation reveals that while globalization has brought some positives, it has led to increasing inequalities within countries and a shift towards greater rewards for capital at the expense of labour. This has resulted in increasing income inequality but it also means that traditional approaches – such as a redistributive taxation system – to address such inequalities are increasingly less effective or relevant in the new world of increasingly fragmented labour markets.

In Africa, despite fundamental economic changes in recent decades, 70 per cent of workers still work in the agricultural sector; therefore the intervention of social security systems should not only reflect this reality but also work with appropriate employment policies to improve the employment status of those working, whether in formal, informal, agrarian or fishing economies. Coupled with an economic strategy to improve the value added of industries, social security programmes should better support professional training and educational aims that support workers in this period of technological transition.

Indeed, in many countries the overwhelming challenge for social security institutions is the dominance of employment in informal



and rural settings. Estimates suggest that the informal economy represents 70 per cent of employment in sub-Saharan Africa and 62 per cent in North Africa. These workers comprise, to a very significant degree, of women and youth. North African economies also have high levels of unemployment. From a gender perspective, North Africa witnesses low average activity rates and also higher average unemployment for female workers. While legal social security coverage (contributory and non-contributory schemes, including voluntary coverage) covers around 33 per cent of African workers, effective coverage is significantly less. For example, in sub-Saharan Africa, less than 10 per cent of the labour force contributes to a pension system and earns rights to a contributory pension, with a likelihood of higher dependency on tax-financed programmes in the long term.

THE CHALLENGES OF THE CHANGING WORLD OF WORK

Any discussion of the emergence of the digital economy in the African context inevitably throws up a number of recurrent and conflicting points. Africa is the world's youngest region with a growing share of the world's working-age population; Africa's demographics are more favourable for old-age pension systems and for short- and medium-term economic growth; there remains a shortage of more productive, fully regulated formal jobs; and social security coverage is far from comprehensive.

The emergence of increased digitalization is a double-edged sword for the world of work. On the one hand, the increased digitalization of work processes may support efforts to formalize the labour market, at least in some sectors. The regulation of digitized processes may make some work more visible and thus "formal". Digital processes strengthen the capacities of national authorities to develop and utilize national registries, be it for tax collection, social security payments, or adherence to occupational safety and health regulations. These same process should permit workers and employers to affiliate and comply more easily with administrative processes.

On the other hand, the digital economy may lead to the destruction of some jobs in certain professions, leading to increased vulnerability and economic insecurity. All sectors will be touched upon to some degree. The digital economy will surely create new jobs, but these are unlikely to compensate the numbers that are lost. The digital economy will create new areas of economic competition, which may span national frontiers, creating demand for new skills sets and working practices. A challenge for labour law and social security law is that the flexibility that is a characteristic feature of new working practices should not become a synonym for deregulation, including the weakening of social security and occupational safety and health rights.

RESPONDING TO THE EMERGING DIGITAL ECONOMY

The appropriate responses to the challenges of new forms of work, including a transformation of labour markets towards a greater use of part-time and non-standard work, require an adaption of social security systems.

Adapting social security programmes.

It is already apparent that more flexible labour markets will require greater flexibility in the rules that determine access to social security. Some approaches include measures to eliminate or lower thresholds on minimum hours, earnings, or the duration of employment so that workers in non-standard employment are not excluded from eligibility. Another is to make systems more flexible with regards to the number of contributions required to qualify for benefits.

The first necessary step remains to ensure that coverage is extended to all workers. Thereafter, social security programme designs should look to be more innovative. The world of work is changing, and will continue to change, perhaps at a faster rate. The expectation is that workers' qualifications and skills will need to be upgraded more or less constantly, and it is here that social security programmes should seek to build synergistic links to training opportunities for workers. A response will be needed in particular for employees in non-standard

employment who are much less likely to receive professional training and personal development opportunities. The state and social security institutions have a role to play in this area.

Targeted responses have been shown to be feasible in African labour markets. For instance, the target recipients of aid under Ghana's project known as the Ghana Support for Rural Income Generation to Targeted Poor Persons Pilot are predominantly women. This suggests that similarly targeted responses are feasible to counter the possible impacts of the digital economy.

Adapting social security administration.

The internal workings of social security administrations already display a number of national responses concerning the digitalization of work processes. In terms of the management, communication and delivery of benefits and services, social security administrations have adopted a number of innovative projects and transformations. Not only do these complement other more conventional means of improving coverage extension and strengthening benefit access and delivery, but they also reflect the fact that social security institutions are public service pioneers.

In Africa as elsewhere, technological advancements often go hand in hand with the expectation of job losses. Despite this, African

countries have not witnessed large scale jobs losses: either because machines could not replace some manual tasks, or the technology has brought down costs so much that new markets have been unlocked, in turn requiring more workers to serve new customers.

An opportunity to extend coverage. Evidence points to the fact that the impacts of the digital economy on jobs and employment in Africa may be positive, offering an avenue for job creation and/or formalization and the extension of social security. In the worst case scenario, the impacts are likely to be a zero-sum game.

With the increase in the number of unemployed graduates on the continent, the digital economy provides new forms of working that respond to the expectations of Africa's younger workers. The penetration of the Internet, the development of online market places and changes in consumer behaviour are creating technology-enabled business models across the continent. These developments positively impact entrepreneurial and job creation initiatives with the potential of progressively absorbing the ever increasing number of young jobseekers.

The advent of the digital economy has created jobs and unleashed a new potential to stimulate employment in Africa. For example, one increasingly ubiquitous app-based taxi service has created over 4,000 economic ►►



opportunities for driver partners in South Africa since mid-2013. Similar developments were recorded in Nigeria and Kenya, with the creation of over a thousand economic opportunities in a two-year period. The “Silicon mountain” digital platform initiative in Cameroon serves as another example of entrepreneurial employment promotion, with over 20 start-ups. The on-demand recruitment app, Giraffe, in South Africa has attracted over 200,000 jobseekers since its launch in 2015, placing them in contact with hundreds of South African employers.

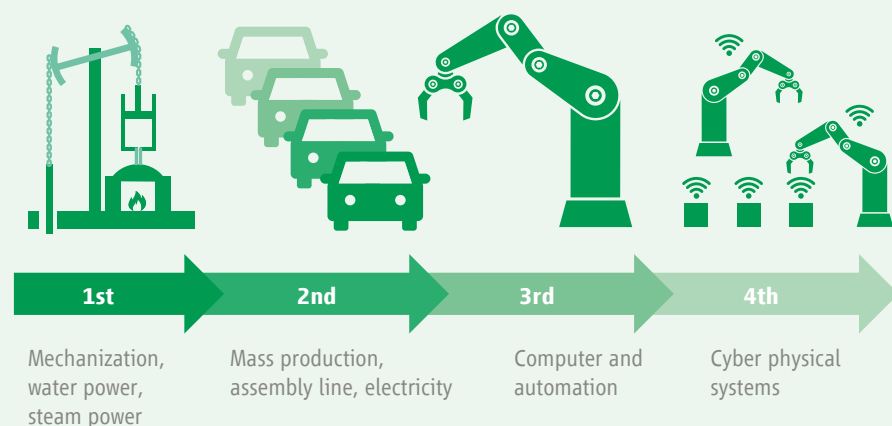
Owing to the digital economy, “impact sourcing” is a reality in Africa. Impact sourcing is an inclusive employment practice through which companies intentionally connect high-potential, disadvantaged youth to available jobs. The world counts over 240,000 impact-sourcing workers and African countries (Egypt, Kenya, Ghana, Morocco, Nigeria and South Africa) account for 39 per cent of this figure. The Rockefeller Foundation supports a range of partner

organizations to support and scale up impact sourcing, particularly in Africa with its very high numbers of unemployed youth.

Therefore the economic and employment outlook across Africa based on the likely impacts of digitalization is mixed. Though there are opportunities for job creation, stronger economic growth and improved public service delivery, other outcomes may be job losses, increasingly fragmented labour markets, the need to adapt labour codes to new forms of work, the non-standardization of some economic sectors, and the normalization of “atypical” employment.

The expansion of the digital economy is unlikely to address the biggest concern for many African labour markets, namely persistently high levels of workers engaged in weakly regulated economic activity with still limited access to social security protection. ■

THE FOURTH INDUSTRIAL REVOLUTION



Source: WEF (2016)

PRIORITIES OF ISSA MEMBERS

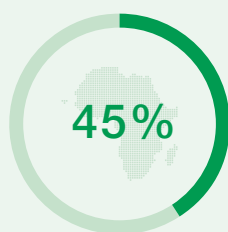
Member institutions that consider the labour market situation to be a priority challenge

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

Source: ISSA global member survey (2015)

THE FUTURE OF WORK

Digital technology and automation are transforming the world of work



Percentage of work activities that could be automated using already demonstrated technology



-7.1 million

Estimated number of jobs lost as a result of digital transformation 2015–2020



\$360 million

The reported earnings of the leading online work platform in Africa in 2012

Sources: McKinsey (2015); WEF (2016); Rockefeller Foundation (2014)

SELF-EMPLOYED AND FREELANCE WORKERS



+\$2.7 trillion

Potential increase in global GDP from online work platforms as a result of improved productivity and reduced unemployment



240 million

Estimated number of people in Africa who have access to the Internet



2.5 million

Jobs posted on two of the leading online work platforms in Africa in 2012

Sources: McKinsey (2015); OECD (2013); Elance (2015); Rockefeller Foundation (2014); ITU (2016)

CHALLENGE 8





New risks, shocks and extreme events

In an uncertain global context, societies and economies are exposed to different and often unpredictable economic, social, political and environmental shocks and extreme events. Social security systems not only absorb and attenuate the worst consequences of these but also act to reduce the frequency and severity of these risks in the first place. They therefore enable societies to be more robust, to recover more rapidly from downside impacts and to be better prepared for future events. In a world of growing uncertainty, social security institutions' roles in managing risk increasingly extend beyond labour market and life-cycle events.

Africa is particularly exposed to certain weather-related, environmental, geopolitical, population movements (voluntary and involuntary), health, socio-political and economic shocks. There are a number of examples of social security systems anticipating and responding to these risks. Even so, across the region as a whole this trend remains nascent.

| NEW CHALLENGES FOR SOCIAL SECURITY

As regards “new” challenges for social security in Africa, two initial questions have to be addressed. First, among the existing challenges faced by African social security systems,

which ones might social security systems be able to make a meaningful contribution towards addressing? Second, what emergent challenges will social security systems in Africa be confronted with more frequently in the years ahead?

With regard to the first question, it is clear that most social security systems in Africa have some leeway to become more comprehensive to address labour market and life-cycle risks, especially those experienced by the working-age population. Yet, a constraining factor will remain real limits to public social expenditure. This factor will also have a bearing on the ability of social security systems to address ►►

the emergent challenges introduced by the second question.

There are some key issues to consider. Despite some important differences in the size, structure and wealth of national economies, the continent is still very much exposed to changes in natural resource and food prices. Indeed trends in economic development tend to have a strong correlation to the prices of primary commodities, and despite their essential role (or because of their role) in the production process most African economies may be categorized as price takers, and not price makers. In turn, job creation, especially of decent jobs with social security coverage, remains unsatisfactory. In the last two years, sub-Saharan Africa has had the lowest economic growth forecast registered by the region in two decades. The recent commodity price plunge has left many investors concerned about the growth prospects of the continent's major economies. Depressed export earnings constrain an already limited capacity in public finance to buffer shocks which have been compounded. At the same time, access to other sources of capital has become more difficult, for instance through capital markets.

In addition, the African continent has a high exposure to political risks, which can induce important negative social and economic impacts. Such political risks take two main forms. First, when political transitions are not smooth or they are unplanned for, economic and societal shock may occur. Second, governments may overturn previous policies in respect of social protection, which can have a detrimental effect on long-term planning and public confidence.

Health shocks are all too common in Africa. Recent epidemics, such as Ebola and Zika, and emerging trends with sudden impacts, such as antibiotic resistance, require new ways of responding. However other changes to health status – such as a significant increase in those diagnosed with diabetes – are perhaps less on the radar screen of institutions and policy-makers and require preventive measures (healthy eating, exercise, etc.) in order to be properly addressed.

Voluntary population flows (migrant workers) and involuntary population flows (refugees, asylum seekers and internally displaced persons)

present further risks. Taking all countries together, Africa is a region with some of the highest internal migrant flows – for example, in West Africa alone estimates suggest there are at least 8 million internal migrants.

If these risks are relatively well understood and the potential for social policies to alleviate their impacts general acknowledged, if not always acted upon, the risks in Africa associated with climate change and environmental degradation are less well considered.

Africa is very vulnerable to environmental degradation and the potential impacts of climate change. An important number of the world's countries most at risk from climate change are in Africa, and over the past 25 years the number of weather-related disasters, such as floods and droughts, has doubled. Flooding is the most prevalent disaster in North Africa and the second most common in East, Southern and Central Africa. However, the most challenging issue in most regions remains drought. For example, in 2017 the drought in East Africa affects more than 12 million people across a number of countries. Africa has a higher mortality rate from droughts than any other region.

Changing land-use patterns, commercial cropping and urbanization all contribute to environmental degradation, which leads to a heightened risk of flooding, water shortages, population movements, threatened future food supplies, and heightened probabilities of diseases spreading. Alongside changing climatic patterns, it has become more difficult for governments across the region to improve food security and mitigate socio-political tensions. One in four people are thought to be undernourished in sub-Saharan Africa.

| RESPONDING TO NEW RISKS

Social security administrations represent some of the best placed agencies to respond to many of these risks and, in some countries, have experience of providing 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.

These responses demonstrate how professionally-run social security administrations can flexibly adapt to the challenges posed by different types of crisis events. Often they are the only nationwide actor with the required capacities. In spite of operational and resource constraints, which demand trade-offs, social security administrations have shown to be capable of adapting to new and diverse sets of risks.

Climate change and environmental shocks.

An increasing number of systems take into account climate change in their policy and delivery responses. Kenya's Hunger Safety Net Programme (HSNP) targets vulnerable households in the four most drought-affected counties in the country's arid and semi-arid lands with cash payments of between USD 20 and USD 27 per month. The HSNP has the capacity to deliver shock-responsive emergency payments to an additional 172,000 households when pre-agreed drought thresholds are triggered.

The Northern Uganda Social Action Fund (NUSAF) is the largest public works programme in Uganda and supports long-term adaptation through protecting and developing productive community assets, for example for soil and water conservation. In Ethiopia, the Productive Safety Net Programme (PSNP) has a strong public works component, with around 80 per cent of beneficiary households providing labour

to support the creation or rehabilitation of community assets including soil and water conservation projects.

Successful projects require good delivery and financing mechanisms; the PSNP incorporates a risk financing mechanism to pre-fund additional financial resources in the case of a shock. In Swaziland, the investment policy of the country's reserve fund explicitly takes into account climate change in its asset choice decisions.

Economic and political shocks. These require responses in the form of reactive cash and in-kind transfer programmes coupled with active employment measures to help return people to independent economic activity or work or re-training. Though partial unemployment schemes together with adequate short-term benefits are particularly useful, the loss of assets for workers in rural and informal economies requires different approaches.

Currently, most of the innovative responses to new risks are not administered by social security agencies, but the socio-economic policy aims of such interventions are evident. Crop insurance is one measure for rural communities, such as Kenya's National Agricultural Insurance Programme. Innovatively this programme also covers livestock insurance for herders. ►►



Refugees who have lost all their possessions and sources of income also require specific measures. Uganda, the African country with the largest refugee population of over 1 million, is rightly considered as a leading light in the treatment of refugees. Rights accorded to refugees include the right to work and the donation of a piece of land to cultivate. Access to elementary education is also to be provided to refugee children.

Health shocks. Matters of public health present a mixture of conventional challenges and new shocks. A recent case was the 2013–2016 epidemic associated with the Ebola virus in West Africa. Beyond the medical and quarantine measures introduced to tackle Ebola, one simple communication decision was to adopt radio as the medium for information sharing. This was used in a highly effective way to impart to populations the importance of preventive measures such as rehydration. As a health-related intervention, this approach was

deemed cost effective and more efficient than expensive post event medication.

More generally, a lesson here is that the continuing use of traditional media channels, as well as new social media, to convey tailored communication messages should be part of formal responses even for new risks.

Social security institutions need to work with other governmental and non-governmental actors and seek to broaden the remit of social security – for example, incorporate the issue of food security into social protection programmes. This will help programmes get the necessary buy in and population support, which should make them more robust to political changes in the future. Social security administrations should also 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 IN AFRICA



Seven of ten

Africa is home to seven of the ten countries most at risk from climate change



Two-fold increase

Over the past 25 years, the number of weather-related disasters, such as floods and droughts, has doubled



Higher mortality rate

from droughts than any other region

Source: Maplecroft (2015)

THE FINANCING CHALLENGE FOR DEVELOPING AFRICAN ECONOMIES

Lower market prices for primary products on global markets



=

Lower national income



=

Less ability to finance emergency responses



Source: IMF database

THE SCALE AND IMPACT OF RISKS



\$66.5 billion

Estimated cost of disasters in 2015



65.3 million

Number of forcibly displaced people and refugees in world

Sources: UNISDR (2015); UNHCR (2015)

CHALLENGE 9



Population ageing

Population ageing is most pronounced in industrialized countries. For many African economies the process of population ageing is less advanced, but it is occurring at a faster rate than seen in those countries that began the demographic transition earlier. 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. Though younger than in other continents, the African population is ageing as well. Even if older adults currently constitute only a small share of sub-Saharan Africa's total population (at present, 5 per cent of the region's population is aged 60+) this situation is changing. The growth rate of sub-Saharan Africa's older population will outstrip that of all other world regions before the end of this century. By 2050, it is estimated that 10 per cent of its population will be aged 60+. By 2100, Africa will see a 15-fold growth in the number of older adults, from 46 million

currently to 694 million. Moreover, the structure of the older population is changing, with a continuing increase in the proportion of persons aged 80+. This trend is occurring more rapidly in less developed regions. As a regional response to this evolution, and even if coverage for old-age benefits is less extensive than in other regions, a significant number of African countries have adopted national policy frameworks on ageing, or are implementing new social protection schemes for older people. The African Union has pronounced an Africa Common Position on the Rights of Older People (2013) and is presently drafting a Protocol on the Rights of Older People in Africa. ►►

This demographic trend impacts on social security and health care needs, as well as on social policy revenue sources and expenditures. For social programmes, population ageing leads to relatively reduced levels of contributions and increased expenditures. In addition, if the active labour force declines, to maintain levels of national economic output, the relative reduction in the proportion of persons of working age must be compensated by increased productivity and improved levels of formal labour force participation.

In North African countries, formal employment rates among women remain low compared to men, and female unemployment rates tend to be higher. Facilitating higher rates of female employment should make a contribution to increased GDP per capita 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 in the sub-region. As such, the challenges of ageing have an important gender dimension. Of equal concern for the future adequacy and sustainability of contributory old-age pension systems in North Africa are the continuing very high rates of youth unemployment.

| THE CHALLENGES OF AGEING

Faced with population ageing, a 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 benefit schemes that were often designed to reflect stable linear working careers and stable family structures. The migration of younger workers, including those who are the most qualified, and possibly the risk of civil unrest, can result from such lack of investment in the young.

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.

But how best to approach these issues in Africa requires specific attention. An important issue is that in spite of rising political commitment and the resultant increase in coverage, a large part of the African population still does not have access to adequate social security protection. For many African 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 African countries. Demographic projections show a growing need for increased action to extend and improve the adequacy of coverage. And health care challenges are likely to intensify.

In many part of Africa, the role of older people in making valuable contributions to society is openly recognized – from being a source of psychosocial care, providing care for sick children and orphaned grandchildren, to providing much needed financial support for the household. In traditional African societies, the elderly occupy a high status in the community. Relations between the young and the old continue to be marked by respect for the elderly and recognition of their accumulated wisdom, experience and authority. With increasing urbanization, migration and, in some countries more than others, the impact of HIV/AIDS, this traditional support network is being weakened.

There is an urgent need to develop and implement coordinated national policies for this older age cohort and to mainstream ageing issues in national development frameworks and poverty reduction strategies. Mauritius has developed such a coordinated policy through the “ageing with dignity” strategy, which articulates all stakeholders’ actions toward older people’s needs. Challengingly for public finance in this and similar cases, this has to be balanced with necessary further investment in children, youth and working-age adults.

A requirement is for national budgets to provide adequately for necessary social expenditures. For many African countries, the focus should be wider than conventional social security interventions, and include at least the basic provision of shelter, health care, food security, access to education and nutrition.

RESPONSES TO AGEING

Globally, 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 many contributory pension systems, increases in retirement ages are common. While financial sustainability challenges are being addressed in many pension systems, this may come in some instances at the expense of the adequacy of cash benefit levels.

Elderly poverty. In Africa, contributory pension schemes cover very few people, with most people working in informal or agrarian and fishing economies. In many African societies therefore, much of the population operates outside the security of a fully regulated, formal, wage-dependent job market. Economic indicators for the elderly show that households headed by older persons are among the poorest. For example, in Kenya and the United Republic of Tanzania, households headed by older people

have a poverty rate that is over 20 per cent higher than the national average. Poverty in old age often reflects poorer economic status earlier in life and, in the absence of interventions, is likely to be transmitted to the next generations.

As regards concerns about rates of old-age poverty, these may increase with a greater number of workers in non-standard careers living longer and approaching the end of their productive economic life. A clear response is the global trend to better assure a minimum pension income for all people of pension age. This trend has had its own dynamic in sub-Saharan Africa, with the implementation of universal and means-tested social pensions for the elderly. This internal dynamic has been complemented by external support from the World Bank, in terms of its “zero pillar” concept, and by the ILO’s 2012 Social Protection Floor agenda.

Addressing poverty among older women requires specific responses. Over and above their longer life expectancy, women face a number of challenges during their active working lives relative to men that can impact negatively on income security in old age. These include lower rates 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 ►►

“For many African countries, population ageing may occur in the absence of comprehensive social security provisions”



family care responsibilities, the male-oriented design of some pension systems, and the absence of gender-neutral annuities.

Investing in healthy ageing. 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 noncommunicable diseases and long-term care needs. Ghana and South Africa are two countries promoting greater awareness among older people of the risks of hypertension.

Staying active. Supporting employment and activity is equally important in the long run. 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 to register with formal retirement schemes.

Public information. Empowering people is a further strategy. Examples of such measures include delivering education programmes that provide information to the community about social security and risks. In Madagascar, the National Social Insurance Fund (*Caisse National de Prévoyance Sociale* – CNaPS) has developed an education programme on the right to social services which was implemented in 2014 through the introduction of Junior Clubs for children. The aim is for these to act as information vectors wherein activities will instil a social service culture in families. The establishment of clubs started in three pilot areas and was promoted by the CNaPS in collaboration with local stakeholders, mainly those responsible for school districts.

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 younger and older people to better mitigate health, income and employment risks across the life course. ■


AFRICA'S POPULATION IS GROWING AND LIVING LONGER



58 years

Life expectancy at birth in 2014 was 58 years, up from 50 years in 1990

Sources: WHO (2016); UN DESA (2017)

2017  1,256 million
 2030  1,704 million
 2050  2,528 million
 2100  4,468 million

256%

Africa's population projected to grow by 256% from 2017–2100



100 million

Africa's population aged 70+ will rise from 25 million in 2015 to 100 million in 2050

OLD-AGE DEPENDENCY IS INCREASING IN AFRICA

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

	2015	2050	2100
Total population (millions)	1,186	2,477	4,386
Child dependency ratio	73.8	52.0	34.1
Old-age dependency ratio	6.3	9.5	22.4

Source: UN DESA (2015)

THE COST OF AGEING

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

	2015	2050	2100
Developing countries	5.5	10.0	16.0

Source: IMF (2015)

PRIORITIES OF ISSA MEMBERS

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)

CHALLENGE 10





Protection of migrant workers

In global terms, Africa's share of migrant workers is low. Nevertheless, there are an estimated 15 to 18 million migrant workers across the continent. Further estimations suggest that an additional 8 million workers have migrated beyond the African continent. Across Africa, as is the case worldwide, access to social security protection remains weak for migrant workers – globally, only a fifth of such workers have the full protection and portability of their social security rights. Meeting the social security needs of all migrant workers is important if the global community is to realize the objective of social security for all. Although migrant workers are normally considered to have migrated voluntarily, across Africa there are also important population movements that can be considered involuntary. The involuntary migration of refugee populations raises separate but no less challenging social protection issues from a human rights perspective.

Currently across Africa, a number of countries are the main sources of migrants (voluntary and involuntary): Burkina Faso, Democratic Republic of Congo, Côte d'Ivoire, Nigeria, Somalia and South Sudan. The majority of these migrants move to other African countries. Important destination countries are Côte d'Ivoire, Ethiopia, Kenya, Nigeria and South Africa.

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. The gender dimension of migrant workers also has to be considered by national authorities, according to economic sector, the quality ►►

and security of the work done, levels of pay, exposure to health and safety risks, and the adequacy of social security protection.

| MIGRATION IMPACTS AND CHALLENGES IN AFRICA

Migration will continue, though the sources of flows and their magnitude will evolve. 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 may be attractive for host countries that are more advanced in the demographic transition and looking for ways to rejuvenate their demographic profile. Migrants bring many beneficial economic, demographic and social impacts to the host country, but they also generate a “brain drain” challenge for the sending country.

The remittances that African 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 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 leave their own dependants to accept work as domestic helpers and care givers. This results in “care deficits” in migrant-sending regions and 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 countries 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 trade-offs for social security programmes and the economy of extending coverage to migrant workers.

Extending legal coverage. Enhancing coverage extension ensures access to essential benefits and services to help mitigate various risks. An immediate response to meet the needs of migrant workers is to relax eligibility requirements (e.g. move away from citizenship towards residence criteria). This should contribute to enhancing social cohesion, facilitate economic growth and strengthen 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 obligations.

For instance, the National Social Security Fund (NSSF) in Uganda informs migrant workers that they are entitled in accordance with the national legislation for the payment of the repatriation grant when they leave the country before retirement. It serves as an important incentive

for the participation of migrant workers, since they know they can access their benefits when the need arises.

Many migrant workers are economically active in sectors that tend to be less subject to the employer-employee relationship that is fundamental to the design, administration and financing of many social security programmes. Often this relates to types of caring and home-based work done by many female migrant workers. Such types of domestic work are often weakly regulated and workers in this sector can present challenges for social security registration and administration. South Africa has played a leading role in improving the social protection of domestic workers, by offering access to unemployment benefits.

Administrative reform. By amending social security legislation and adapting benefits and contribution structures, the extension of coverage to migrant workers can be better achieved. For instance, a special centralized social security registry for domestic workers, including migrant workers, may be created. Such online systems enable 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.

International agreements. 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. Currently Africa has around 30 international social security agreements. 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 to overcome 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 practical challenges posed by migrant workers are many, but not insurmountable”

- the totalization of rights, where a right is conditional upon the completion of a qualifying period and which takes 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 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.

In Cameroon, the establishment of a bilateral agreement with France favours the participation of French nationals working in Cameroon to contribute to the National Social Insurance Fund (*Caisse nationale de prévoyance sociale* – CNPS). Of importance, social security benefits in Cameroon – as in many other countries on the continent – are residence based, and participation in mandatory schemes is employment-based, and not on nationality. This offers access to protection to migrant workers.

For regional groupings of countries, multilateral social security agreements offer a platform to facilitate closer cooperation. The adoption by the Economic Community of West African States (ECOWAS) of the General Convention on Social Security in 1993 has ensured the equality of treatment for cross-border workers and the preservation of their rights when living abroad. This multilateral agreement replaced all social security agreements previously concluded by ECOWAS member States (Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, Gambia, Chad, Guinea, Guinea-Bissau, Liberia, Mali, Nigeria, Senegal, Sierra Leone and Togo). Legal coverage extends to every worker who qualifies for social security benefits. ■

MIGRANT FLOWS



20,649,557
persons

International migrant
stock in Africa
(both sexes) in 2015



23 African
countries

Bilateral social security
agreements

Sources: UN DESA (2016); ILO/Natlex

MIGRATION AND SOCIAL SECURITY IN AFRICA



19%

Of African countries do not
have a recent data source
on total migrant stock



43%

Of African countries do not
have recent data on the ages
of international migrants



36%

Of African countries do
not have recent data on
the country origin of
international migrants

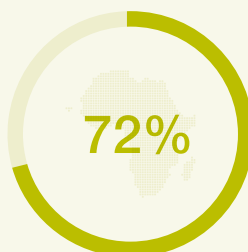
Sources: ISSA; ILO/Natlex ; UN DESA (2015)

MIGRANTS MAKE A SIGNIFICANT ECONOMIC CONTRIBUTION



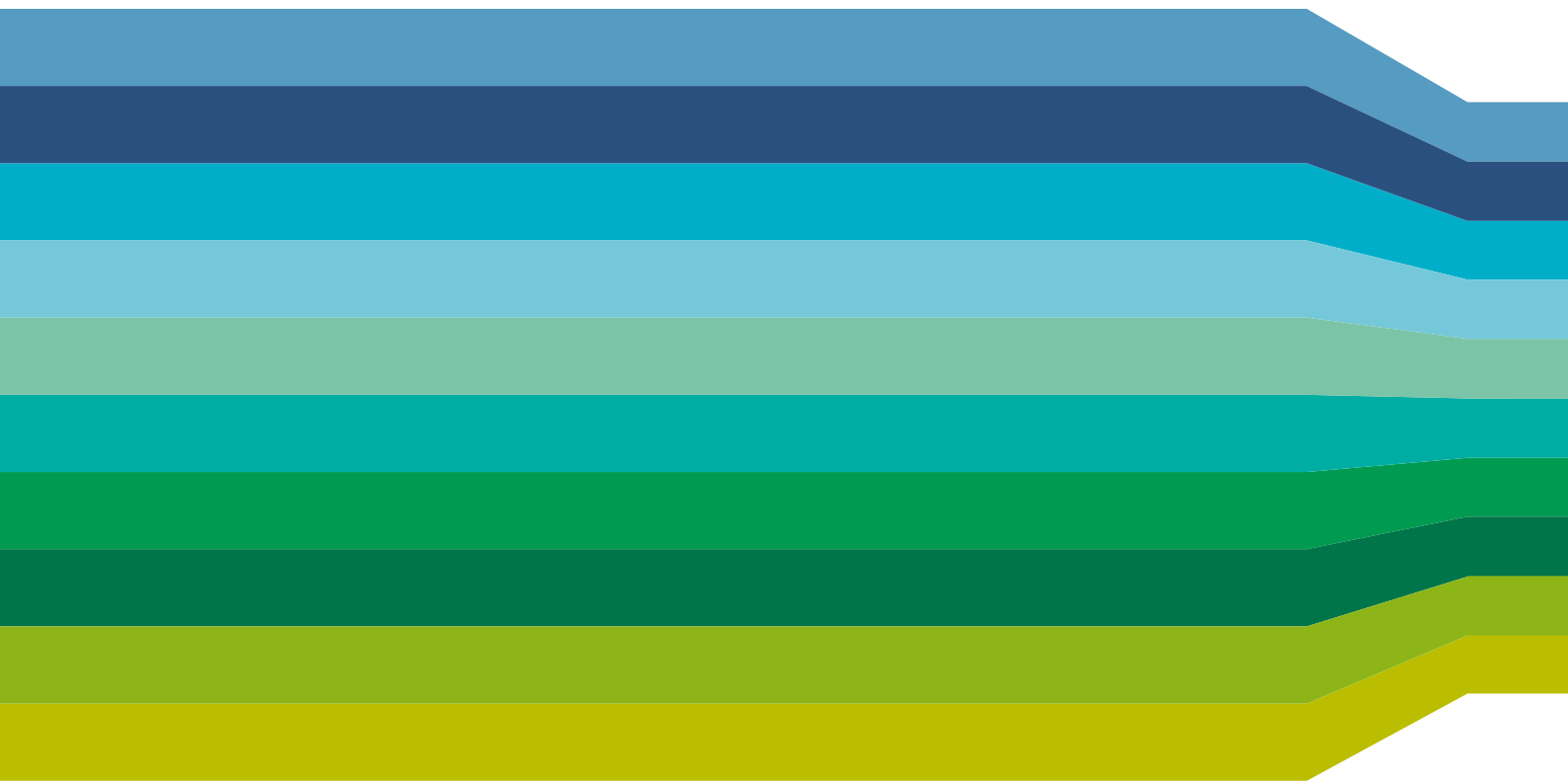
\$436 billion

Remittances of migrants
from developing countries



Percentage of migrants
of working age
(20 to 64 years)

Source: World Bank (2015)



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