

**ECLAC Second Regional Seminar on Social Development: "Social Security and the Protracted Crisis: An Opportunity to Combat Inequality in the Framework of a Welfare State in Latin America and the Caribbean".**

**August 30th – September 1st, 2022**

**Panel 1**

**“An opportunity for a strengthened welfare state in the region: towards building universal, comprehensive, resilient and sustainable social protection systems”**

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**Minister of Social Transformation, Human Resource Development, & the Blue Economy**

**Reflections on the situation of Social Protection Systems in the context of the protracted crisis and the opportunities to advance towards a Welfare State in the Region.**

# Reflections on the situation of Social Protection Systems in the context of the protracted crisis

- **The protracted COVID-19 global health pandemic has impacted every aspect of life, such as labour, social security inclusive of health and pension systems; and further to, have widen the socio-economic gaps and inequalities, especially in existing fragile tourism dependent small island developing states like Antigua and Barbuda.**
- **The strengthening of social protection and social security systems, and the gains or progress that such systems made over the years, faced devastating setbacks and a regression that surpasses any natural disaster recovery.**
- **In the past when countries such as Antigua and Barbuda were met with challenges of a catastrophic climate event, the recovery period has relatively been shorter and faster compared to, what this current health crisis has demonstrated.**
- **The social and economic resilience of the citizens and government in light of natural disasters have always been admirable.**

**From the onset of the global health crisis, 71% of the working population employed mainly in the services and tourism industries, were the most heavily impacted as we saw unemployment surge.**

**This also caused ripple effects as we experienced an immediate decline in our country's GDP, and contributions to education, health and social security systems. More specifically, we had instant shortfalls in contributions, 41% receipts disappeared.**

**This made it difficult to provide short- and long-term coverage to beneficiaries inclusive of pensions, funeral grants, invalidity benefits, and sick and maternity leave with the mandatory national shut down and closure of our borders. This basically continued with mandatory curfews, limited business activities and restricted operating hours.**

- **As the country opened to some levels of normality, there were and still existing some tourism service industries that account for approx. \$10M ECD in social security contributions that have not been recovered.**
- **As of August 2022, Antigua and Barbuda with an approx. population of 100,772, have had 8,949 covid-19 cases, with 8,751 recovered cases and 145 deaths and 53 active cases.**
- **Approx. 75% of the total eligible population (12yrs and older) i.e., 62,171 persons have been fully vaccinated, while partially vaccinated amounts to some 2,005 persons.**
- **However, even with a high rate of vaccination compliance, the rates of infections were and remains highest amongst the working age population, between 19-64yrs, with over some, 6,700 persons who are also, the economically active population and the main contributors to social security systems.**

- **This in itself provided a challenge as there was an upsurge in the short-term claims such as sick leave benefits and funeral grants. As a result, this cohort of the population, the economically active, were now the frequent unhealthy population with the recurrent sick claims, regular quarantine restrictions, and overall disruptions in business activities.**
- **Funeral grants also increased as the system saw a combination of deaths directly and indirectly related to covid-19, and those of natural causes.**
- **With the surge in maternity claims came mixed results, as the demand for quality social protection in the form of social security short-term benefits further increased. On the other hand, with an ageing population like most of the other Caribbean islands, an increase in the birth rate, albeit, a short-term boom, with little to none-existent infant or maternal mortality, was a welcomed benefit to our ageing population issues.**
- **Invalidity claims have also been increasing as a consequence of an intensification of non-communicable diseases such Hypertension, Diabetes, Cardiovascular Diseases, Glaucoma, Asthma and Cancer, rendering it impossible for some persons to maintain full time employment.**

- **As a result of the pandemic a transition into remote work led to a reduction in full time employment. As economic activities commenced thriving again, several business models evolved into part-time employment or full redundancy arrangements, resulting in immediate unemployment and part-time employment increasing from approx. 300/400 persons to 700/800 persons, overall, directly impacting social security and medical benefits receipts.**
- **Generally, the strain on the health sector highlighted the limited resources such as beds, ventilators, PPEs, medications, other equipment and so on; and an increased demand for health care professionals and services, inclusive of mental health and psychosocial support, geriatric care, and sexual and reproductive health care.**

# Opportunities to advance towards a Welfare State

## – Solutions to the protracted crisis

- **The demand and pressure on the government to provide adequate, quality and timely social protection as it relates to social security and medical benefits, are never ending. In looking ahead, as a country we have yet to see what the full impact of ‘Long Covid’ on population will look like, as we are now painfully aware, it will show its ugly head.**
- **Ideally, in the Caribbean context, social security/medical insurance or benefits should have a contingency reserve in place that covers at least three (3) months, however in Antigua and Barbuda, we have only been able to safeguard a one-month contingency reserve.**
- **As a consequence of the pandemic, the immediate shortfall of long-term benefits such as social pensions had delays up to the three (3) months; while short-term benefits experienced up to six (6) months and possibly more.**

- **Therefore, to remedy some of the interruptions which directly impacted social protection and social security systems such as health and pensions, the central government had to provide net transfers or subventions into the various systems; which are operated by quasi-governmental agencies namely, the Antigua and Barbuda Social Security Board (ABSSB), Medical Benefits Scheme (MBS) and the Social Protection Board.**
- **This was to allow for the continuous flow and quality of social protection assistance. For the most part, central government provided up to 70% of the transfers until contributions were stabilized, which provided adequate coverage of social pensions, which are now current.**
- **Consequently, the Antigua and Barbuda Social Security Board had to source additional funding from the central government for short-term benefits coverage such as sick leave, maternity benefits and funeral grants.**
- **In addition, there was a significant increase in the health-sector expenditure equivalent to 0.5% of GDP was directed toward the purchase of critical medical supplies, equipment and personnel.**



- **One of the most important socio-economic effects of the pandemic which rings true for most Caribbean territories is the absence of unemployment benefits or insurance for formal and informal workers. The establishment of Economic Impact Payment or Stimulus mechanisms will be critical for instances such as COVID-19 or any health pandemic, natural or man-made disaster, and future economic crisis.**
- **There is a CARICOM proposal for all the social security agencies in the Caribbean region to tackle this very issue of unemployment insurance, that should be sustainable to mitigate against any future risks.**
- **Additionally, allocating a substantial amount equivalent to 3 - 4% of GDP towards a contingency reserve for social security systems, in order to alleviate hardship to our most vulnerable population; while strengthening our social protection mechanisms as we transition into modern welfare states.**



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