

Agency approach to delivery of Social Insurance Schemes

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Organisation: Department of Social Development

Country: South Africa

Level of government: Central government

Sector: Social protection

Type: Organisational Design

Launched in: 2016

Overall development time: 7 month(s)

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Description

Together with an external research provider, we came up with the best institutional model for the delivery of Social Insurance Schemes in SA. Given the incoherence and fragmentation of the different administrations administering social insurance schemes in the country, we needed an institutional design for the implementation of the mandatory National Social Security Fund (NSSF) in the delivery of death, disability and retirement benefits, in the first instance. We came up with the Agency approach for the delivery of social insurance schemes.

The specific objectives were as follows: To review trends in resource allocation, assess the agency approach with emphasis on their modus operandi. A thorough engagement with stakeholders in social insurance administration was therefore necessary to enable government to come to terms or be informed about the current state of social insurance delivery, with the intention of timeously deploying intervention meant to correct service failures and/or gaps.

The Agency Approach is an outsourcing approach to the delivery of social insurance schemes in the country. It is quick, efficient and effective and builds public trust in the delivery of social protection to the populace. It consolidates the different administrations into a single hub of delivery, preventing double or triple dipping, and savings administrative costs. It is the most effective and efficient way of delivering social services to the poor.

Why the innovation was developed

- Given the incoherence and fragmentation of the different administrations administering social insurance schemes in the country, we needed an institutional design for the implementation of the mandatory National Social Security Fund (NSSF) in the delivery of death, disability and retirement benefits, in the first instance.
- In general, the purpose of this exercise was to conduct an evaluation of the agency approach to delivering of social insurance schemes.

Objectives

Enhance public trust, Improve effectiveness, Improve efficiency

Main beneficiaries

Elderly people, Ethnic or racial minorities, Families, General population, People with disabilities, Young people

Results

Results not available yet

- Improved efficiency and effectiveness is being seen in the first phase of pilot testing.

Development

Design

Together with an external service provider, I developed the idea. We realised that there was a need to consolidate administrations in order to maximise on cost savings and prevent double/triple dipping. That was how the idea was generated.

Design time: 1 month(s)

Testing

- We are undergoing a pilot phase of testing roll out. We have chosen a select few centres/administrations to test whether the agency approach to delivering social security would work.

Testing time: 3 month(s)

Challenges and solutions

- We encountered challenges with territoriality. We realised that different administrations were resistant to merging. However, we managed to convince them that no jobs would be lost during the process of consolidation and that this was the best way of delivering social services effectively and efficiently.
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Partnerships

Multiple partners

Other Public Sector

The Department of Labour, the Department of Health, the Department of Minerals and Resources. We established a Task-team to oversee the research study, as well as the pilot phase of implementation with partners.

Lessons Learned

Lessons Learned

- The need to manage territoriality of different administrations. This is a political process of alleviating people's nerves and concerns. Job security becomes a number 1 priority. People need to know that they are not going to lose jobs.
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Conditions for success

- Political acceptance of the innovation is necessary for effective roll out and implementation.
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