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Introduction: Exploring the long-term social policy consequences of COVID-19

Tim Dorlach
University of Bayreuth, Germany

The COVID-19 pandemic, which broke out in early 2020, has posed massive challenges for welfare state institutions, especially labor market, social assistance, healthcare, education, and pension policies (Dorlach, 2023: 99). Social policy scholars swiftly contributed to meeting these challenges by tracking and beginning to explain countries' varied social policy responses to the pandemic (e.g. Béland et al., 2021; Blofield et al., 2023; Cook and Ulriksen, 2021; Devereux, 2021). So far, the empirical focus of most of this research has naturally been on 'initial' or 'early' social policy responses that governments introduced in 2020 and 2021. One consistent finding of this literature on social policy during the pandemic has been that initial policy responses have been mostly 'temporary and targeted' (Dorlach, 2023: 97) and thus 'only stopgap measures' (Leisering, 2021: 412).

It is important to continue and deepen this line of research on governments' initial social policy responses during the pandemic, not least in preparation of the (probably inevitable) next global pandemic. At the same time, researchers should now also begin to explore the long-term social policy consequences of COVID-19, thus going both beyond the short term and beyond explicit policy responses. While there is no sharp and uniform line to demarcate the end of the pandemic, it seems that COVID-19 as a global crisis is now increasingly a thing of the past in most parts of the world. Indeed, in May 2023, the World Health Organization lifted the Public Health Emergency of International Concern declaration for COVID-19 (Nolen, 2023). In the field of social policy, most countries had already phased out many of their short-term response measures by 2022. This does not mean, however, that the effects of COVID-19 on welfare state development are now over, especially if the pandemic really constituted a 'critical juncture' (Béland et al., 2021: 251). Scholars should therefore start to think more systematically about social

Corresponding author:
Tim Dorlach, University of Bayreuth, Fritz-Hornschuch-Straße 13, 95326 Kulmbach, Germany.
Email: tim.dorlach@uni-bayreuth.de

policy *after* the pandemic and how it relates to existing theories of welfare state development (see Dorlach, 2021).

Theoretically, one can distinguish at least three different scenarios of social policy development after the pandemic. In the first (optimistic) scenario, the pandemic results in genuine *expansion* or at least *consolidation* of the welfare state. Such expansion or consolidation would likely be rooted in increased political awareness of social needs and popular demands regarding social policy. In the second (neutral) scenario, the pandemic has only minimal social policy consequences over the long term and results in the *maintenance* of pre-pandemic welfare state institutions. In the third (pessimistic) scenario, the pandemic leads to actual *retrenchment* of the welfare state. Such retrenchment would likely be related to the economic repercussions of the pandemic and resulting budget cuts. The ways in which these scenarios materialize will of course vary across both countries and policy areas.

The articles in this Forum seek to initiate an academic debate of the long-term social policy consequences of the COVID-19 pandemic. The Forum builds on an earlier research project, carried out during the height of the pandemic in 2020/2021, that reported and analyzed the initial COVID-19 social policy responses of 36 countries in the Global South (Dorlach, 2023). For this Forum, we selected six countries from our original sample and invited their authors to conduct follow-up analyses of social policy development since that initial phase of the pandemic. These six countries are Azerbaijan, Costa Rica, Morocco, Peru, South Africa, and South Korea. We purposefully selected this subsample according to the findings of the original country case studies, which indicated that the pandemic could have significant long-term social policy consequences in these six countries. In other words, they were most likely cases of post-pandemic welfare state expansion/consolidation or retrenchment. In the following, we provide a brief overview of the other contributions to this Forum, roughly ordered from the most expansionary to the most retrenching social policy consequences of the pandemic.

Hicham Ait Mansour and Younes Benmouro examine the case of Morocco, where the introduction of a new universal social security scheme was announced in October 2020 during the height of the pandemic (see Ait Mansour, 2021). As Ait Mansour and Benmouro find in their contribution, a new framework law was indeed adopted in March 2021, followed by a series of decrees to implement the envisioned ‘generalization’ of social protection. One of these decrees, passed in November 2021, expanded compulsory medical insurance by incorporating low-income households that previously only had access to (more limited) social assistance benefits. The Moroccan case therefore seems to be one of post-pandemic welfare state consolidation and probably even expansion, depending on how social security coverage and expenditure continue to develop.

Jaemin Shim’s analysis focuses on South Korea, whose president at the time, Moon Jae-in, announced his vision for a ‘Korean New Deal’ in June 2020, with the goal of strengthening and expanding the country’s social security system (Shim, 2021). In his contribution to this Forum, Shim demonstrates that this grand announcement was indeed followed up by several legislative reform measures that significantly increased the coverage of unemployment and work injury insurance, for example, through the inclusion of artists and various types of service workers. He cites estimates that the coverage of unemployment insurance expanded by nearly 1 million workers. Other relief measures, notably a cash transfer program, were quickly phased out and thus proved to be only stopgap measures. In sum, Shim finds that the pandemic has led to the ‘elaboration and extension’, that is, consolidation – but not a fundamental transformation – of South Korea’s pre-pandemic welfare state institutions.

Ndangwa Noyoo studies the case of South Africa, where the pandemic motivated the government to announce, in July 2020, that it was considering the introduction of a new basic income grant (BIG; Noyoo, 2021). In his Forum contribution, Noyoo traces how this important policy debate around a potential BIG has unfolded. In May 2020, South Africa introduced a special cash transfer program, the Social Relief of Distress (SRD) Grant, to provide short-term relief during the pandemic. Originally only intended for a 6-month period, the program has since been extended several times, most recently until March 2024. Parallel to these relief measures, the South African government has reiterated repeatedly that it was committed to introducing a BIG to support all those who do not receive any other social grant. The government recently announced its plan to replace the temporary SRD Grant with the permanent BIG. If the envisioned BIG is really introduced, then COVID-19 *could* end up resulting in a real long-term expansion of the South African welfare state.

Farid Guliyev’s contribution on Azerbaijan highlights an interesting case of *delayed* welfare state expansion due to the pandemic. Azerbaijan had previously initiated the gradual introduction of mandatory health insurance when it launched regional pilot programs in 2017. Mandatory health insurance was meant to be introduced nationally in 2020, but this step was postponed due to the pandemic (Guliyev, 2021). In his contribution to this Forum, Guliyev follows up on the fate of Azerbaijan’s delayed health reform. Guliyev highlights that the pandemic had a dual effect on health insurance reform. While it led to a delay of its introduction, it also strengthened the very rationale for the reform. Nation-wide mandatory health insurance was eventually introduced in April 2021, providing a basic benefits package for all citizens. The pandemic therefore had a complex effect on Azerbaijan’s welfare state. While it delayed the expansion of health insurance, which can be interpreted as a form of temporary retrenchment, it might also have increased political support for mandatory health insurance and thus contributed to its consolidation.

Koen Voorend and Daniel Alvarado Abarca analyze the case of Costa Rica, one of the oldest and most advanced welfare states in the Global South, which has, however, come under fiscal pressure since the 1980s. Voorend and Alvarado Abarca initially viewed Costa Rica’s swift and substantial social policy response to COVID-19 as an opportunity to consolidate the Costa Rican welfare state by ‘strengthening universalism’ (Voorend and Alvarado, 2021). In their Forum contribution, they argue that this hope was not fulfilled, as almost all of Costa Rica’s social policy response measures to the pandemic were soon discontinued, including in healthcare, pensions, and social assistance. The dominant theme of Costa Rican social policy debates has again become the arguable need for austerity measures, from which the pandemic only provided a temporary relief. Austerity pressures were reinforced by a 3-year credit agreement with the International Monetary Fund reached in 2021. Without substantial political changes, welfare state retrenchment currently seems very likely. The COVID-19 pandemic therefore did not result in any long-term consolidation of Costa Rica’s welfare state, but instead in a return to the pre-pandemic status quo. In fact, the pandemic probably even increased the likelihood of welfare state retrenchment due to its economic effects.

Javier Olivera's analysis of the Peruvian case shows that COVID-19 may also have profoundly negative social policy consequences. Early in the pandemic, in April 2020, Peru began allowing members of the country's private pension system to withdraw substantial parts of their pension savings to solve short-term liquidity problems (Olivera, 2021). Olivera's contribution to this Forum traces the six reforms, passed between April 2020 and May 2022, that led to private pension system withdrawals worth a staggering 10% of gross domestic product (GDP), representing almost half of all pre-pandemic private pension savings. Olivera highlights that these withdrawals will lead to substantial long-term reductions in pension levels, especially for relatively older and poorer individuals, which Peru's public pension system is currently unprepared to compensate. While Peru's social policy response to the pandemic thus provided significant short-term relief, it also resulted in a de facto retrenchment of pensions over the long term, especially if no new public pension programs will be introduced to compensate for these pandemic-related losses.

Together, the contributions to this Forum confirm that the COVID-19 pandemic is beginning to reveal substantial long-term social policy consequences beyond the immediate response measures that governments implemented during the pandemic. At the same time, this Forum also demonstrates that the nature of these long-term social policy effects is clearly heterogeneous, ranging from expansionary (as in Morocco) to retrenching (as in Peru). Future research should continue to trace the long-term social policy consequences of COVID-19 and use existing theories of welfare state development (see Dorlach, 2021) to explain the marked variation in the direction of post-pandemic welfare state development.

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Author biography

Tim Dorlach is Junior Professor of Global Nutrition and Health Policy at the University of Bayreuth, Germany. He holds a PhD in Political Sciences and International Relations from Koç University in Istanbul. His research focuses on the politics of social, health, and nutrition policy in the Global South. Recent publications include 'The Causes of Welfare State Expansion in Democratic Middle-income Countries: A Literature Review', *Social Policy & Administration* 55(5) (2021) and 'Social Policy Responses to Covid-19 in the Global South: Evidence from 36 Countries', *Social Policy & Society* 22(1) (2023).