

Bilo, Charlotte (Ed.); Brito, Roberta (Ed.); Peres, Aline (Ed.); Balboni, Mariana (Ed.)

Working Paper

What's next for social protection in light of COVID-19: country responses

Policy in Focus, No. 47

Provided in Cooperation with:

International Policy Centre for Inclusive Growth (IPC-IG)

Suggested Citation: Bilo, Charlotte (Ed.); Brito, Roberta (Ed.); Peres, Aline (Ed.); Balboni, Mariana (Ed.) (2021) : What's next for social protection in light of COVID-19: country responses, Policy in Focus, No. 47, International Policy Centre for Inclusive Growth (IPC-IG), Brasilia

This Version is available at:

<https://hdl.handle.net/10419/248830>

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Policy in Focus

A publication of
The International Policy Centre for Inclusive Growth

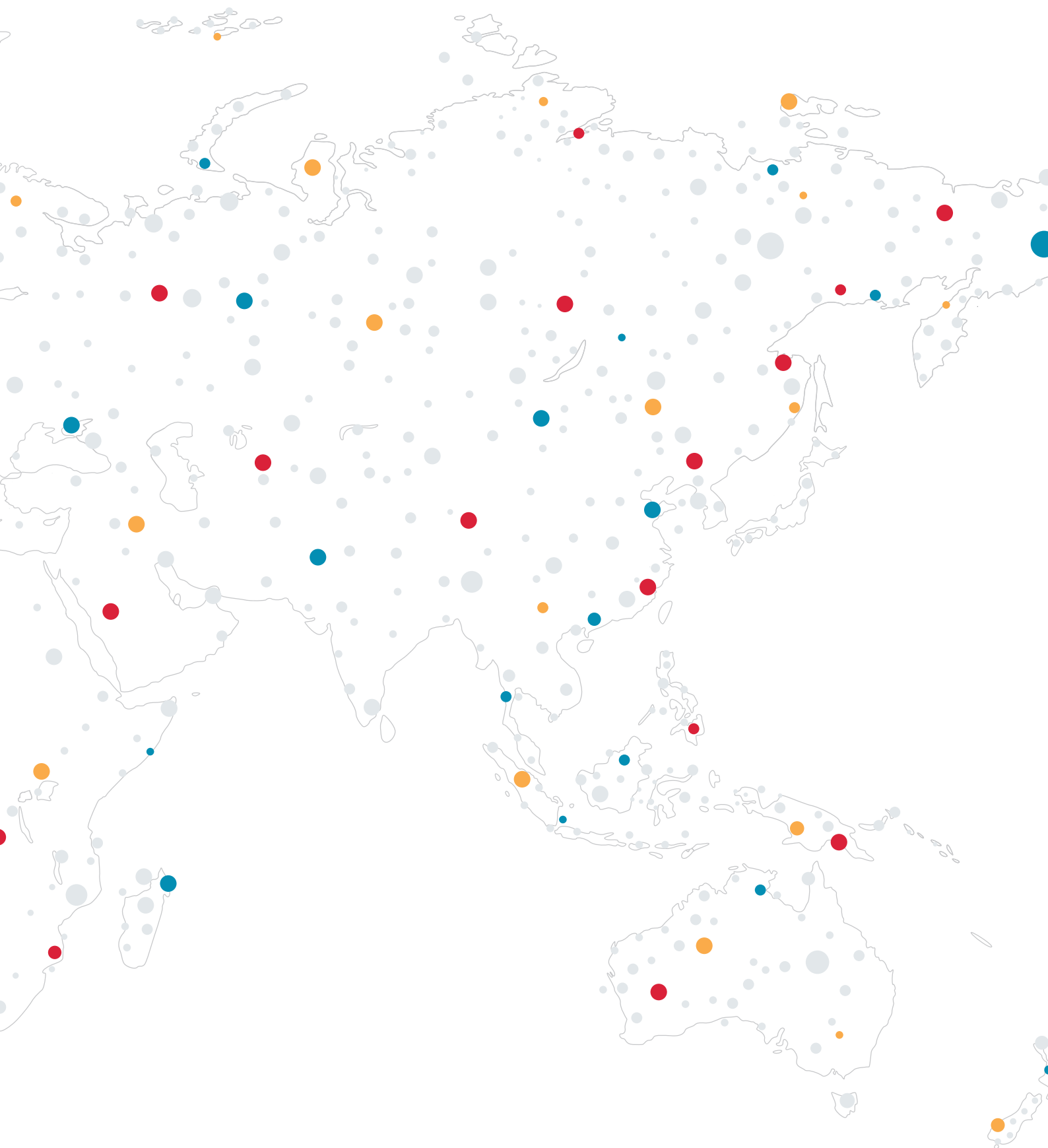
Volume 19, Issue No. 1 • March 2021



What's next for
social protection in light of
COVID-19: country responses

policy^{international}
centre for inclusive growth





Policy in Focus



Published by the International Policy Centre for Inclusive Growth (IPC-IG)

Policy in Focus, Volume No. 19, Issue No. 1, March 2021

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country responses**

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Director: Katyna Argueta

IPC-IG Research Coordinators: Alexandre Cunha, Fábio Veras Soares, Mariana Balboni and Rafael Guerreiro Osorio

Specialist Guest Editors: Charlotte Bilo, Roberta Brito, Aline Peres and Mariana Balboni (IPC-IG)

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Acknowledgements: The Editors would like to express their sincere appreciation to João Pedro Dytz, Luis Vargas Faulbaum, Maya Hammad, Anna Carolina Machado, Yannick Markhof, Nurth Palomo, Camila Pereira, Lucas Sato, Fábio Veras Soares and Anaïs Vibranovski for reviewing and translating some of the articles in this issue. We would also like to thank the whole socialprotection.org team and all partners who made the e-conference 'Turning the Covid-19 crisis into an opportunity: What's next for social protection' (5-8 October 2020) possible. This issue is a direct result of the conference.

ISSN: 2318-8995

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Editorial

The wide-ranging consequences of the COVID-19 crisis have had a huge impact on the world of social protection. The importance of providing comprehensive and adequate social protection benefits to all has become more evident than ever. The pandemic has alerted national governments and the international community to the urgency of accelerating progress in building and expanding social protection systems and programmes to leave no one behind. Governments across the globe have mobilised a huge number of resources and effort to protect those who have been most affected by the crisis. So far, countries with more solid social protection foundations have been able to respond more rapidly and efficiently.

In this context, from 5 to 8 October 2020, the socialprotection.org team organised a global [e-conference](#) titled 'Turning the COVID-19 crisis into an opportunity: What's next for social protection?'. The conference functioned as a virtual live space for the global social protection community to share innovative ideas and practical insights, and brainstorm about the future of social protection in a post-pandemic world. The e-conference also marked socialprotection.org's fifth anniversary, consolidating the platform's position as the leading tool for knowledge-sharing and capacity-building on social protection.

To ensure the active participation of a broad and diverse audience, a total of 72 sessions across three different time zones were organised, with inputs from partners and collaborators across 55 different organisations. Sessions were held in English, French and Spanish, with simultaneous translation. This effort guaranteed the involvement of more than 2,100 participants among social protection practitioners, policymakers, academics and enthusiasts from all over the world.

On the first day of activities, a regional lens was used to assess the various social protection responses across different regions. Day 2 applied a thematic approach to address specific questions related to COVID-19 and beyond through round tables, expert clinics and virtual booth talks. The third day was reserved for side events organised by some of our partners. Finally, on the fourth and last day of the event, special guests reflected on the discussions, lessons learned and conclusions of the previous days.

As a collaborative platform, socialprotection.org aimed at providing an extensive range of methodologies during the conference, with a focus on giving each attendee the opportunity to make their own personal learning journey, develop practical take-aways and action points from the conference and share results during the event and beyond. Besides sending questions and engaging in discussions before, during and after the event, participants were invited to participate in a [self-reflection activity](#) on their country's responses to the COVID-19 crisis by adding notes to a virtual wall created especially for the event. To demonstrate their commitment to social protection, participants were also asked to list practical actions that they could pursue.

Adapting face-to-face engagement to online formats, with participants from different country and institutional backgrounds, was a learning experience itself and demanded meticulous planning and creativity from our team members and partners, who worked around the clock to make this conference as participatory and inclusive as possible.

Given the success of the e-conference and to further disseminate its key discussions, the socialprotection.org platform and the International Policy Centre for Inclusive Growth (IPC-IG) have developed two special issues of [Policy in Focus](#). This first issue focuses on experiences from countries in Asia, the Middle East and North Africa, sub-Saharan Africa, and Latin America and the Caribbean, as well as the overall lessons for the future, including shock-responsive and universal social protection. The second issue provides a thematic focus, delving in more depth into the main topics discussed during the round tables, such as financing, universal basic income, linkages to food security and employment, as well as gender-, child- and disability-sensitive programmes, among others. All articles were written at the end of 2020 by panellists and/or organisers of the conference. For the recordings of all sessions and more information about the conference, see: <https://is.gd/EyfPGn>.

We hope that the following set of articles contributes to the debate by communicating the urgency and importance of providing comprehensive and adequate social protection to all—especially in times of crisis.

Aline Peres, Mariana Balboni, Charlotte Bilo and Roberta Brito

How countries in the global South have used social protection to attenuate the impact of the COVID-19 crisis?¹

Charlotte Bilo,² Maya Hammad,²
Anna Carolina Machado,² Lucas Sato,²
Fábio Veras Soares³ and Marina Andrade²

Unprecedented social protection measures have been adopted worldwide in response to the COVID-19 pandemic, with a view to: (i) supporting the infected population so that they can afford the direct and indirect costs of treatment; (ii) compensating workers for the immediate loss of income and jobs due to restrictions on business operations as part of containment measures, and incentivising compliance with them; and (iii) responding to the negative impacts of the pandemic on employment, incomes and livelihoods beyond the immediate effects of partial or total lockdowns. The pursuit of these objectives by countries, particularly in the global South, has revealed the crucial importance of building inclusive, comprehensive and efficient social protection systems that can be rapidly scaled up in times of crisis.

Since the outbreak of the pandemic in March 2020, the IPC-IG research team and partners have mapped at least 786 (as of January 2021) social protection responses in the global South (in 129 countries and territories), namely social assistance, social insurance and labour market measures. While this number is impressive, it does not say much about how many people they cover and how adequately their benefits meet people's needs. This article aims to: (i) provide an overview of the main social protection measures adopted in the global South to respond to the COVID-19 crisis; (ii) highlight innovations in the process to identify, register and deliver social protection measures to beneficiaries in the context of the crisis; and (iii) analyse their coverage and adequacy. The findings presented here are based on information collected through a tracking matrix with the

objective to provide inputs for the assessment of the shock-responsiveness of countries' social protection systems.⁴ Preliminary findings of the analysis were presented during the regional panels of the global e-conference organised by socialprotection.org on 5 October 2020.⁵

Policy overview

The majority (61 per cent) of the measures mapped were classified as social assistance, followed by 26 per cent for labour market, and 13 per cent for social insurance. In sub-Saharan Africa (SSA) social assistance measures represented 77 per cent of all measures adopted. The region also had the smallest share of social insurance measures (4 per cent). These numbers can be explained by the large size of the informal sector and the consequent low level of social insurance coverage.

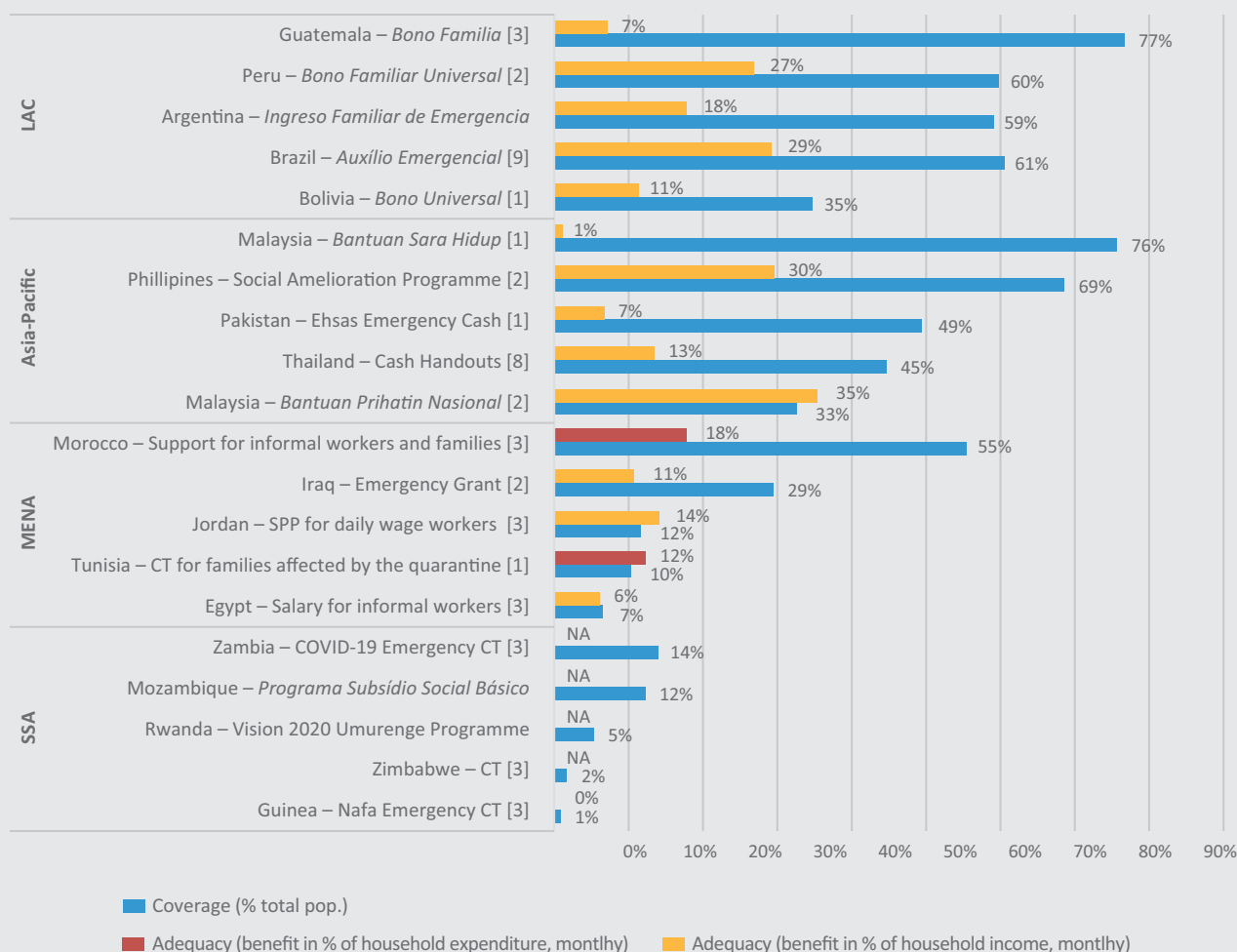
The literature on shock-responsive social protection broadly classifies social protection responses into horizontal and vertical expansions. Horizontal expansions refer to: (i) the inclusion of new beneficiaries in existing programmes,⁶ even if only temporarily; and/or (ii) the creation of new (emergency) programmes, which can also be linked to existing programmes or at least build or piggyback on their systems (e.g. payment mechanisms, registries). Vertical expansions refer to: (i) increases in benefit values; and/or (ii) adding a new component (e.g. additional services) to existing programmes.

Looking at all the social protection measures mapped, 70.5 per cent were horizontal expansions, either through existing programmes (13.5 per cent) or emergency schemes (57 per cent). On the other hand, 23.3 per cent of the measures were vertical expansions through increases in benefit values (11.5 per cent), the introduction of new components for beneficiaries (11.3 per cent) or a combination of both approaches (0.5 per cent).

Emergency cash and in-kind transfers were the most prevalent social assistance instrument used in the global South. Except for Latin America and the Caribbean (LAC), subsidies on food, utilities, housing and bills were also common, especially in SSA. Furthermore, while very few measures adapting school feeding programmes were identified in South Asia (SA), East Asia and Pacific (EAP), SSA and the Middle East and North Africa (MENA), a sizeable number were found in LAC.⁷ An important policy change that was observed during the crisis was the shift from targeting only the poorest populations to also including the 'missing middle', mainly informal workers who were often not receiving any social protection benefits before (see the articles on [Morocco](#), [Brazil](#), [Colombia](#) and [Chile](#) in this issue). In total, 76 out of 384 programmes for which information was available explicitly included informal workers.

As for social insurance, unemployment insurance and contributory pensions were the most prevalent instruments used globally. Out of 31 responses through unemployment insurance instruments, 14 countries created new temporary unemployment benefits to protect workers who lost their jobs due to the COVID-19 crisis. The other 17 responses adapted existing schemes mainly by waiving certain requirements such as the minimum contribution period or extending the duration of benefits and/or increasing values. Moreover, contributory pensions permitted anticipated withdrawals (of provident funds) or payments of benefits. Other measures included the expansion of or changes to the coverage of health insurance services (more prevalent in EAP and LAC) or adjustments to sick leave rules (especially in MENA). It should be noted that most horizontally expanded measures (69.8 per cent) exclusively targeted workers in formal employment.

FIGURE 1: Coverage and benefit level of selected cash transfer programmes



Notes: In some cases, the benefit amount depends on the number of household members; therefore, maximum values were considered here. In the case of benefits paid per person without a cap per household, the average household size was considered. The number in square brackets indicates the number of payments, when this information was available. In some cases, numbers are based only on announcements. For expenditure and income, the latest data available were used and adjusted for inflation.

Source: Authors' elaboration based on the social protection response mapping, as of February 2021.

Labour market measures were introduced to support firms to retain workers on the payroll and struggling self-employed workers or owners of micro and small firms. Wage subsidies were adopted as a mechanism to compensate for reduced working hours and the suspension or termination of contracts. The case of Jordan is worth highlighting, as even businesses that were not registered in the social security system could register for wage compensation, hence contributing to their formalisation. All regions (though only two measures in SSA) lowered or deferred social security contributions for wage workers and their employers. Fewer measures were

implemented to protect self-employed workers, but when adopted they usually included lowering or deferring social security contributions (as implemented in MENA and LAC) and subsidised credit (as implemented in SA and SSA).

Innovative mechanisms for beneficiary identification, registration and payment

Providing a rapid expansion of social protection to respond to COVID-19 (including the identification and registration of beneficiaries and the logistics of benefit distribution) while respecting health and safety requirements was a great challenge for most countries.

Open registration (online portals) was the main mechanism used to identify potential beneficiaries, followed by social security or tax databases and existing social registries/beneficiary databases (see the articles on [Indonesia](#) and [Cambodia](#) in this issue).

Togo's emergency *Novissi* programme was notable for its rapid delivery. The programme relied on open registration through a USSD-mobile-based platform that enabled the country to identify potential beneficiaries, cross-check applicants' eligibility through the voter identification database and deliver assistance through mobile

wallets approximately five days after the programme's announcement.⁸ Chile's *Bono de Emergencia* relied on the social registry to identify new beneficiaries and delivered assistance within two weeks (see the article in this issue). Finally, Morocco's Emergency Support for Informal Workers programme combined the use of the existing medical assistance beneficiary (RAMED) database and SMS for verification, with a web portal to enable open registration for those not in the database (see the article in this issue). This procedure allowed a first batch of payments to be made to those registered in the RAMED database within three days of the start of the programme.

Coverage and adequacy of responses

Figure 1 shows a number of selected cash transfers (most of them new interventions) in terms of their adequacy (the benefit provided as a percentage of household income or expenditure) and coverage (the number of beneficiaries as a percentage of the population). We chose the five largest programmes for each region for which data were available.

Special attention should be paid to the frequency of payments (see the square number in brackets for the number of payments), as some schemes, despite their high coverage or benefit value, were designed to offer one-off payments (such as the *Ehsaas Emergency Cash* in Pakistan, for example, which paid one sum covering four months; see also the article on [Pakistan](#) in this issue). Most programmes adopted a three-month benchmark for

the duration of the emergency measures, which seemed to be the assumption regarding the duration of the pandemic, or at least the number of months for which some containment measures would be necessary to reduce the number of cases and avoid the collapse of the health care system. When it became evident that the pandemic would last longer, some countries started extending the duration of transfers, even if reducing the number of beneficiaries and/or the size of benefits (e.g. Brazil, Chile, Colombia and Thailand).

In terms of coverage, LAC and EAP reached a higher proportion of their population with cash transfers. On the other hand, the adequacy of measures is generally low, with most programmes providing less than 20 per cent of households' national average income or expenditure.

Conclusion

The COVID-19 pandemic and its consequences for people's health and well-being are likely to continue during the coming years. As of January 2021, vaccination campaigns have started in more than 40 countries, bringing renewed hope to all. Yet mid- and long-term policies to tackle rising poverty levels and increased vulnerability will be key to guaranteeing that we can build back better after the crisis.

Social protection has gained significant importance over the course of 2020, with most countries in the global South making significant advances in the area, not only

“ The COVID-19 pandemic and its consequences for people's health and well-being are likely to continue during the coming years.



Photo: World Bank/Henitsoa Rafalia. COVID-19 testing, Madagascar, 2020 <<https://is.gd/LNU8I4>>.

“ The protracted economic crisis is putting pressure on national budgets, and the continuation of new or expanded programmes will require more than just emergency budget allocations.



Photo: IMF Photo/Saiyna Bashir. Porters waiting for passengers to hire them for work, Karachi, Pakistan, 2021 <<https://is.gd/LNU8l4>>.

by providing—often for the first time—(emergency) cash transfers for the so-called missing middle, but also by introducing technological innovations (such as e-wallets and digital registration) and mobilising resources quickly. This can lay the ground for improving the coverage and shock-responsiveness of social protection systems. Yet, for this to happen, it is key that the lessons learned and the gains made during the COVID-19 responses are incorporated into the national social protection systems, such as by leveraging databases used for emergency responses, for example.

It has also become clear that the protracted economic crisis is putting pressure on national budgets, and the continuation of new or expanded programmes will require more than just emergency budget allocations. A national debate on progressive tax reforms and, in some contexts, debt relief, with support from the international community, will be needed. To end on a more positive note, this crisis has certainly put international and national discussions about the importance of social protection systems that provide protection to all when they need it on another level. ●

Latin America and the Caribbean, the Middle East and North Africa, sub-Saharan Africa, and East Asia and the Pacific. In addition to the type of policy responses, the mapping also includes information on coverage, benefit level, target groups, implementation and registration details as well as financial and legal framework etc. The indicators were developed by the IPC-IG jointly with Valentina Barca and Rodolfo Beazley (see also the second webinar on COVID-19 social protection responses on the socialprotection.org platform: <<https://clck.ru/TLqhN>>). The mapping is based on publicly available information in several languages and other mappings, including: “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures: <<https://clck.ru/TLqfx>>; the International Labour Organization’s Country policy responses: <<https://clck.ru/TLqiF>> and Social Protection Monitor databases: <<https://clck.ru/TLrdb>>; as well as the International Social Security Association’s Coronavirus country measures database: <<https://bit.ly/3kPQ5fH>>.

5. See: <<https://clck.ru/TLqeb>>.

6. Some existing measures were not expanded but had certain design tweaks applied, such as changes in delivery methods and waiving of conditionalities, for example. For this article, measures that had only implementation changes were excluded.

7. After the disruption of school activities, at least 21 countries in the region converted them into take-home rations, distributed cash or adopted mixed approaches to tackle food insecurity among students and their families. For more information, see also Rubio, M., G. Escaroz, A. Machado, N. Palomo, and L. Sato. 2020. “Social Protection and Response to Covid-19 in Latin America and the Caribbean. 2nd Edition: Social Assistance” City of Knowledge: United Nations Children’s Fund. <<https://is.gd/gLqi9S>>.

8. The programme was announced on 8 April, and information indicates that beneficiaries had already received payments by 14 April. See Togo First. 2020. “Social safety is key in the fight against Coronavirus, Faure Gnassingbé affirms.” Togo First website, 14 April. <<https://clck.ru/TLqjA>>.

1. The authors would like to thank all IPC-IG researchers and partners who contributed to the mapping that this article draws on.

2. International Policy Centre for Inclusive Growth (IPC-IG).

3. Institute for Applied Economic Research (Ipea) and IPC-IG.

4. The mapping was conducted by the IPC-IG and partners and financed by the UNDP Brazil Country Office and GlZ, covering countries in

How might the lessons from the response to COVID-19 influence future social protection policy and delivery?

Rodolfo Beazley,¹ Valentina Barca¹
and Martina Berghaller²

Introduction

The COVID-19 pandemic has triggered an unprecedented global use of social protection schemes and systems to provide support to those affected by the crisis, especially in high- and middle-income countries (Gentilini, Almenfi, and Orton 2020). It poses a huge challenge to the sector for a range of reasons: its global reach, speed, widespread effects on many different segments of a country's population, and its uniqueness—meaning most countries did not have previous experience to rely on. Although the effects of the crisis expanded quickly, the full understanding of these effects, their duration and depth evolved slowly.

What is certain is that the ongoing role of the social protection sector in the pandemic response is a unique experience which should inform future policies and programming. Although it is not possible to foresee how the COVID-19 crisis will change the sector in the medium to long term, we present some policy issues that are likely to shape future global and national debates, as well as some operational innovations in service delivery that are likely to have long-term effects. These ideas are largely based on the presentations and discussions from the global e-conference³ organised by SocialProtection.org in early October 2020, on the many knowledge products and events available during 2020 and on the evidence and material generated by the Social Protection Approaches to COVID-19 team (SPACE).⁴

The main lessons learned from the COVID-19 crisis at policy level

The COVID-19 crisis has put social protection at centre stage as a shock response tool, and it is likely that the demand of societies for stronger and more inclusive systems will increase. Although

social protection systems are very diverse across countries and regions, the crisis has both exposed limitations and revealed potential policy options to address them.

Including the 'missing middle' and vulnerable populations

The impact of COVID-19 and the containment measures implemented in many countries have been especially devastating for informal workers, who make up more than 60 per cent of the total global workforce. At the same time, the crisis has shed further light on the extent to which informal workers are not covered by social protection schemes. On the one hand, they are not poor enough to benefit from social assistance; on the other, they are excluded from social insurance schemes usually dedicated to workers in the formal sector.

This situation represents an immense challenge to governments: to deliver timely and effective social protection measures to informal workers and their families in the wake of this crisis. Many countries have met the challenge, via a combination of strong political will and innovative delivery approaches. At the same time, the role of informal workers in 'essential' activities, such as food production and distribution, informal care work or waste picking, has increasingly been recognised. This provides a window of opportunity to link informal workers with social protection systems in the medium term—including by establishing a long-term bridge between social assistance and social insurance, as well as other livelihood support measures.⁵

Similar is the case of other vulnerable populations, such as refugees and migrants, who have been severely affected by the crisis and are often excluded from social protection schemes. The COVID-19 crisis has shown the urgency of developing strategies (and legal backing) to integrate these populations into national systems, or alternative strategies for ensuring their coverage.

Overcoming the rural 'bias'

In many low- and middle-income countries, cash transfer programmes have low coverage in urban settings and have been typically designed to address the needs of the rural population. The pandemic has shown the need to improve coverage in urban areas (though not at the expense of rural coverage), while adjusting programme design (e.g. eligibility criteria) and service delivery mechanisms to contexts with different characteristics: higher mobility, higher opportunity costs, informal settings where service delivery is challenging (i.e. high crime rates, limited access to government services), less reliance on community structures, greater penetration of mobile phones and the Internet, among others.

Building a 'systems' approach

The crisis has also highlighted that some fundamental issues remain unresolved in the sector. Many social protection systems are fragmented and patchy in practice, and fail to provide a social protection floor.⁶ Moreover, even though many of national social protection programmes and systems are legally constituted as being rights-based, in practice they exclude large segments of the population and do not address all the basic needs mandated. In other cases, the funding source (contributory or non-contributory) and the type of labour market participation (formal or informal) lead to very different entitlements and unequal treatment. Various experts see the post-pandemic period as an opportunity to invest in more comprehensive, coherent and universal systems. This would include moving away from individual 'programmes' to 'systems' that combine a range of social assistance programmes (not just narrowly targeted ones) and social insurance components, moving away from 'benefits' towards rights-based 'entitlements'. Interestingly, the concept of Universal Basic Income—defined as a transfer that is provided universally, unconditionally, and in cash—is also gaining traction in global debates (e.g. with a Temporary Basic Income being proposed

by the United Nations Development Programme),⁷ although no country has a 'true' Universal Basic Income scheme in place yet (Gentilini et al. 2020).

Accelerated coordination across sectors, actors and government layers

In some countries, the response to the pandemic has relied on some degree of collaboration or coordination between national social protection and other key actors such as humanitarian agencies, but also local actors, including civil society organisations, the private sector and communities.^{8,9} The pandemic seems to have accelerated a pre-existing process of greater collaboration of the social protection community with other sectors, which may lead to stronger partnerships in the future, focused on common outcomes (SPACE 2020).

Increased and predictable financing

Coverage gaps in social protection revealed during this crisis are closely linked to significant financing gaps. Part of the crisis response has entailed the mobilisation of considerable amounts of financial resources to finance temporary social protection measures. Strategies observed in different contexts include budget reallocations, national debt and deficit measures, tapping state reserves and contingency funds, as well as external sources of financing, such as loans or grants from international financial institutions, which have played an important role in supporting countries' financial stability (Almenfi et al. 2020).

Experiences with these different financing modalities can inform the design of measures to strengthen the financial resilience and responsiveness of social protection systems to future shocks. The potential role of linking social protection to disaster risk financing mechanisms to ensure that additional funds are available and can be quickly disbursed when needed has been particularly highlighted by this crisis (Poole et al. 2020).

The timely and efficient delivery of benefits to affected populations is, however, not exclusively reliant on available financial resources, but also requires effective implementation mechanisms.

The main lessons learned at operational level

COVID-19 has posed a serious challenge to the implementation of routine social

protection programmes, as well as specific measures designed to respond to the crisis. This is not only because of the scale and speed of the shock. 'Containment' measures such as lockdowns, school closures and social distancing norms have also posed significant barriers to the timely and effective delivery of social protection measures.

Many countries have pushed the boundaries of service delivery. Recent innovations and new approaches are likely to have long-term effects on the implementation of social protection programmes, with some countries advancing more rapidly compared to what would have been a 'normal' evolution ('leapfrogging'). Below we present some of the main innovations.

Leveraging existing data and information systems

The need to reach large segments of the population swiftly has led to an unprecedented use of pre-existing databases to provide additional support to existing beneficiaries and to identify/complement information on new beneficiaries (people likely to be affected by the crisis and in need of support). Prior to the pandemic, there were very few experiences of this globally, for good reasons (Barca and Beazley 2019). In the COVID-19 response, many countries have leveraged beneficiary registries, social registries and other information sources such as civil registration and vital statistics, informal worker organisation data, farmer registries, tax and social insurance data, mobile money provider data, among many others—often with identification systems acting as a backbone (Barca and Beazley 2020; Gelb and Mukherjee 2020; World Bank 2020).¹⁰ This was done both to 'target in' and 'target out'.

The crisis has promoted the exchange of data within and beyond the social protection sector and highlighted the potential of pre-positioned data for rapid responses to large-scale shocks. It has also re-emphasised the importance of having data-sharing protocols and mechanisms in place—alongside adequate data protection legislation—as well as data that are inclusive, current and relevant for the response to covariate shocks, among other dimensions (Barca and Beazley 2019).

This experience will certainly shape future investments in social protection information systems. There is already increasing interest

in issues related to the interoperability and integration of information systems, as well as the development of effective mechanisms for the continuous updating of data. It will be critical to reap this opportunity while ensuring it focuses on and serves the right objectives—ensuring the inclusion of those in need while strengthening policy coherence within the sector and across sectors—while not exacerbating risks (Chirchir and Barca 2019).

Innovative mechanisms for mass registration and enrolment

Many countries have set up innovative mechanisms for registering new beneficiaries quickly, while also safeguarding social distancing, using online platforms, helplines and unstructured supplementary service data technology, alongside reliance on local government offices. The data collected through the registration processes were often complemented with pre-existing data (see above) to assess eligibility (Barca and Beazley 2020).

The innovation in this regard has been tremendous, allowing programmes to register millions of potential beneficiaries in a few days—further enabled by simplified eligibility criteria and a 'pay now, verify later' approach. This contrasts with 'regular' mass registrations, which are usually very cumbersome, costly and time-consuming, particularly for poverty targeted programmes.

Although the new mechanisms have faced many challenges and the extent to which they managed to reach the intended populations (especially those most vulnerable) still needs to be assessed, it is very likely that these innovations will have effects on future registration and enrolment processes in many countries, with some evidence of change already happening (e.g. South Africa and Peru). The challenge will be to set up the capacity required to sustain these efforts and shift towards more on-demand approaches to registration (Barca and Hebbbar 2020).

Nimble and flexible payment mechanisms

The delivery of benefits during the COVID-19 pandemic has been seriously constrained by mobility restrictions and social distancing. This has helped to break new ground, particularly in relation to electronic transfers.¹¹ Although the shift to electronic delivery is not new,

the pandemic has fostered innovations including (but not limited to) relaxing the processes and requirements for opening remote bank/mobile money accounts and enabling cardless transactions.

The innovations in payment delivery are likely to have long-term effects. This is because, as a result of these innovations in several countries, many more people have bank/mobile money accounts and experience of government-to-person payments. In addition, the experiences of new modalities, collaboration between private- and public-sector providers, and registries containing account details, are likely to promote a profound transformation in social protection payment delivery in many countries.¹²

Conclusion

Responses to the pandemic have shown the importance of social protection in crisis contexts, while also stressing the significant provision gaps in many countries and shedding light on many fundamental issues that are still unresolved: the sector's role in promoting economic inclusion, resilience, social justice and many other outcomes is still limited. However, the momentum created by the response to the pandemic may enable progress on these issues in the near future.

Due to the unique characteristics of the pandemic, social protection has also broken new ground, especially in a few countries where routine systems were stronger, and particularly in relation to service delivery. It is likely that many

of these innovations are going to have long-term effects on the sector.

The increased interest in and demand for social protection, and the current increased spending in this sector, is only one side of the coin; countries are also likely to face important fiscal constraints (and pressures for austerity) in the near future, which may put social protection spending at risk. Moreover, evidence is already showing that the pandemic is exacerbating pre-existing needs and inequalities, and that social protection is going to be even more necessary than before. Consequently, the sector is likely to face a scenario of resource constraints and increased needs, which is going to require courageous policy choices.

Finally, despite the sudden interest in social protection as a (large-scale, covariate) shock response tool, it is important to recognise that its core role is to provide adequate support to those in need, regardless of whether the need is caused by an individual shock, a large shock, a life-cycle stage or a chronic condition. ●

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Photo: ILO. Worker receives her emergency employment payment, Day Cotabato, Philippines, 2020 <<https://is.gd/LNU8I4>>.

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2. Independent consultant.
3. See: <<https://clck.ru/TDLra>>.
4. See: <<https://clck.ru/TDLqV>>.
5. For a SPACE background note with options for providing social protection to informal workers, see <<https://clck.ru/TDLpJ>>. For SocialProtection.org Clinic 7, see <<https://clck.ru/TDLoy>>.
6. See the International Labour Organization's 2012 Social Protection Floors Recommendation (No. 202) at <<https://clck.ru/TDLsy>>.
7. See: <<https://clck.ru/TDLs7>>.
8. For a SPACE guidance note for embedding localisation in the response to COVID-19, see <<https://clck.ru/TDLsP>>.
9. For a SPACE note with options for linking humanitarian assistance and social protection in the response to COVID-19, see <<https://clck.ru/TDLnG>>.
10. For a SPACE guidance note on the rapid expansion of social protection caseloads, see <<https://clck.ru/TDLof>>.

The COVID-19 crisis:

A turning point or a tragic setback?

Shahra Razavi¹

The COVID-19 pandemic, which started as a major public health challenge, quickly morphed into a protracted socio-economic crisis with which countries are still grappling. The crisis, as many have argued, has been a great revealer, laying bare the structural inequalities of class, gender, race and migration status that fracture our societies, while exposing yawning gaps in social protection systems.

While those with secure employment, adequate health care coverage and ample savings have been able to weather the storm, 61.2 per cent of the global workforce—2 billion workers, 1.6 billion of whom have been affected by the COVID-19 crisis and/or work in the hardest-hit sectors—remain uncovered by social protection systems, making them and their families particularly vulnerable to poverty (ILO 2020d; 2020c). Invariably, they have not been able to count on the protection provided by contributory social security schemes, nor have they been well served by narrowly targeted cash transfers.

‘Safety nets’ for poor people have proven to be neither safe nor appropriate in contexts where poverty is extensive and for the kind of systemic shocks that have become more frequent in our globalised world (Kidd and Athias 2019; Mkandawire 2005). During this pandemic, it is not just those living in extreme poverty who are being adversely affected by its socio-economic disruptions, but also those who seemed to be getting by relatively well. In response, many governments have put in place measures to reach workers in the informal economy: Viet Nam, for example, provided cash transfers to workers who had lost their jobs but were ineligible for unemployment insurance, while Costa Rica introduced a new emergency benefit, for three months, to employees and independent workers (both formal and informal) who had lost their jobs and livelihoods, and a smaller transfer to those who were working reduced hours.

International human rights and social security standards are very clear that all persons—regardless of the existence, type and duration of their employment relationship—should enjoy the right to social security.² However, for a long time, those promoting labour market deregulation have portrayed informality as an inevitable process (Packard et al. 2019), rather than proposing active transition strategies towards formalisation and decent work. The corollary to a deregulated labour market has been an unfounded ideological assault on the relevance and effectiveness of the social insurance model, while sanctioning means-tested ‘safety nets’ to catch those unable to pull themselves up by their bootstraps. COVID-19 has shown (once again) the limitations of such residualist approaches that only respond when people fall into abject poverty (and not even effectively so, given the well-known errors of exclusion). In doing so, the current crisis has hopefully created some consensus on the need to extend social protection to the millions of workers in the informal economy, the so-called ‘missing middle’ (ILO 2020a; 2020e).

Extending social protection to workers in the informal economy

Countries that have invested in social insurance and tax-financed life-cycle schemes are clearly faring much better than those that built their systems on narrowly targeted programmes alone (ILO 2020a). This underlines the importance of building contributory schemes that cover all types of workers (and decent jobs) against measures that undermine acquired rights, such as waiving contributions, and creating jobs with due regard to their quality. The importance of supporting the transition from the informal to the formal economy must be at the centre of these efforts.

Workers in the informal economy are a very diverse group—from wage workers in agriculture and domestic service, to the self-employed, including urban own-account workers and contributing family workers in smallholder agriculture, as well as those in

emerging new forms of employment, such as work on digital platforms. In addition to tax-financed life-cycle benefits, social insurance can be an effective mechanism in this respect, as it can cover people in different situations throughout their life cycle and support labour mobility, and life and work transitions (ILO 2019a). This requires concerted policy action and clear recognition of the considerable diversity of workers.

Extending contributory social protection coverage to self-employed workers with no recognised employer is particularly difficult given the double contribution challenge, meaning that in the absence of an employer the worker has to make the entire contribution, which in the case of employees is usually shared with employers (ILO 2019b). Yet there are a number of countries that have extended both legal and effective coverage to self-employed workers by making concrete adaptations to their social security systems. Argentina, Brazil and Uruguay, for example, have simplified their contribution and tax payment mechanisms (through a ‘monotax’) to allow self-employed workers and micro-enterprises to pay a single flat payment instead of various social security and tax contributions. Other countries have adapted their contribution modalities by making them seasonal rather than monthly, lowering the contributions, or not requiring any contributions from some groups with limited contributory capacity (with governments stepping in to subsidise their contributions from general revenue to enhance solidarity) (ILO 2019a).

In the process of making such adaptations, several useful lessons have been learned. Voluntary coverage does not usually lead to a significant extension of effective coverage, nor to the creation of sufficiently large risk pools to provide adequate provision; it may also lead to adverse selection³ and undermine the sustainability of the scheme. It is also becoming increasingly clear that specific schemes for workers in the informal economy that



Photo: IMF Photo/Saiyna Bashir. Informal worker sells cellphones accessories at a stall in Saddar, Pakistan, 2021 <<https://is.gd/LNU8I4>>.

“The extension of social protection to workers in the informal economy must bring a clear value to people that they can see, thereby building trust in the system.

are separate from those for formal workers can create disincentives for workers to formalise, or even create perverse incentives for their informalisation. Most importantly perhaps, the extension of social protection to workers in the informal economy must bring a clear value to people that they can see, thereby building trust in the system. This requires a social protection system that effectively delivers the benefits and services that meet workers' and employers' needs, as well as meaningful participation of workers' and employers' organisations, including the representatives of workers in the informal economy.

Financing much-needed investments in social protection

Building universal and comprehensive social protection systems that can make the right to social security a reality for everyone—as called for in Convention 102 and Recommendation 202 on social protection floors—requires fiscal capacity. While the COVID-19 crisis has exposed severe gaps in coverage and adequacy and underscored the urgency of investing in social protection systems, it has also clearly shown the global inequities in fiscal capacity.

Nearly 90 per cent of the global fiscal response to the COVID-19 crisis has taken place in advanced countries (averaging about 5 per cent of countries' gross domestic product—GDP). Shockingly, less than 3 per cent of the total global stimulus has occurred in lower-middle-income and low-income countries, creating a 'stimulus

gap' (ILO 2020b). Many of these countries already face severe fiscal constraints, including over USD1 trillion of scheduled external debt repayments in 2020 and 2021.

According to the latest ILO estimates (Durán Valverde et al. 2020), the additional resources needed to close the global financing gap in social protection has increased by approximately 30 per cent since the onset of the COVID-19 crisis. Developing countries would need to invest an additional sum equal to about 3.8 per cent of their average GDP to meet the annual financing required to close coverage gaps in 2020, while for low-income countries (a subset of developing countries) the additional resources required are close to 16 per cent of their GDP.

This underlines the urgency of mobilising resources from diverse sources. However, in doing so, particular attention needs to be paid to the equity of tax collection—for example, by taxing the wealthy and politically connected, and challenging corporate accounts for potential transfer mispricing (Moore and Prichard 2020).

While domestic resource mobilisation must remain the cornerstone of national social protection systems, for low-income countries international support is also critical, especially in the current context of falling commodity prices, disruptions in export revenues and dwindling remittances.

It is equally important that countries are able to sustain their levels of social spending when the immediate health

crisis subsides, to ensure that people are protected against the adverse economic and social consequences that are likely to persist for longer, and to counter the danger of growing poverty, joblessness and inequality. Rather than calling for another round of austerity—already in full force in many countries—it is urgent to streamline the policy frameworks of all relevant actors, including the international financial institutions, with the principles set out in international human rights instruments and social security standards. This is particularly relevant for fiscal policies, so that they can accommodate, rather than undermine, much-needed investments in universal social protection systems.

Today we are at a turning point. We can turn the COVID-19 crisis into an opportunity to build robust, comprehensive and universal social protection systems and resist the self-defeating push for austerity that is on the horizon if not already here. Or we can stumble zombie-like through this crisis and leave ourselves exposed to and unprepared for future shocks. ●

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2. The Universal Declaration of Human Rights of 1948 (Arts 22 and 25) and the International Covenant on Economic, Social and Cultural Rights of 1966 (Arts 9 and 11) recognise social security, including social insurance, as a human right. International labour standards, which have been adopted by governments, workers and employers of the ILO's 187 Member States, highlight the need to extend social protection coverage—notably, the Social Protection Floors Recommendation of 2012 (No. 202) and the Transition from the Informal to the Formal Economy Recommendation of 2015 (No. 204). They are based on the recognition of social security as a human right and the general responsibility of the State to guarantee the due provision of adequate benefits and the sustainability of social protection systems.
3. People who are in poor health and older are more likely to become affiliated, while those who are younger and enjoy better health may not see a reason for doing so.

“ We can turn the COVID-19 crisis into an opportunity to build robust, comprehensive and universal social protection systems and resist the self-defeating push for austerity that is on the horizon if not already here.



Photo: Acácio Pinheiro/Agência Brasília. Mother and her child during the COVID-19 pandemic, Brasília, Brazil, 2020 <<https://is.gd/2eaEG2>>.

The main lesson of COVID-19: Making social protection universal, adaptive and sustainable

Michał Rutkowski¹

Social protection is at the forefront of countries' responses to COVID-19. The coverage of programmes such as cash transfers, for example, has increased by over 200 per cent relative to pre-crisis levels, while their generosity has doubled (Gentilini et al. 2020). Building on such an overall 'success story', social protection systems need to be strengthened to meet the challenges of the future. This includes three broad shifts:

- Social protection would need to become universal and cover all people and not just a few (Rutkowski 2018). This also includes supporting workers independently of where and how they work (World Bank 2019).
- It needs to 'adapt' to become more responsive and resilient to shocks as well as to dynamic economic, social and demographic forces (Bowen et al. 2020).
- Social protection needs appropriate and sustainable financing (Almenfi et al. 2020). The COVID-19 crisis has amplified the need to enhance social protection along all three of these dimensions.

Against this background, this article discusses some key considerations.

Underpinning the evolution to comprehensive social protection systems is the need for sound delivery systems

The COVID-19 pandemic is highlighting how countries with effective delivery platforms (such as digital identification systems, digital payment systems and integrated social protection information ecosystems) are able to quickly scale up existing or introduce new social protection programmes for the general population, as well as for specific subsets who are more vulnerable (e.g. women and girls,

poor people, informal workers, elderly people, persons with disabilities, migrant workers, people living in remote areas, and refugees). For instance, countries in East Asia, such as Malaysia or Thailand, that had better delivery infrastructure could scale up COVID-19 responses more widely and rapidly than regions with more limited delivery systems (Mason et al. 2020).

Examples from across the world have shown that there are promising innovations that can improve the delivery of social protection systems (Lindert et al. 2020). India's 'JAM Trinity'—three innovations in the widespread availability of basic bank accounts (the *Jan Dhan Yojana* programme), unique biometric identification (*Aadhaar*) and mobile phone ownership that permit a new approach to direct benefit transfers to the poorest households—is a powerful example of what is already possible when technology is used judiciously. So are new pension systems for the informal sector in the country (pinBox), as well as schemes in Ghana (MTN Mobile), Kenya (MBAD) and Benin (ARCH) that use the power of default and auto-enrolment to increase insurance coverage.

Informal-sector workers and the 'missing middle' need help

Informality currently pervades around 80 per cent of labour markets in developing countries. Nearly 2 billion informal workers are not registered in social protection systems. They cannot afford social insurance and do not qualify for social assistance. These workers form a bulk of what is considered a 'missing middle' (Packard et al. 2019). Supporting informal-sector workers directly does not mean 'giving up' on formalisation. Rather, it means being able to work within existing constraints presented by informal contexts, while leveraging opportunities to gradually formalise from the bottom up. Existing cash transfer programmes can provide a cost-effective foundation from which to reach informal workers and connect them to economic inclusion opportunities (World Bank, 2021).

Social protection needs to further 'urbanise' to reach universality

Deep urban vulnerabilities have been exposed: while cities present opportunities for more effective delivery, because of the density of the population, they also present a range of new quandaries in terms of, for example, information systems (with data becoming rapidly outdated), institutional linkages (e.g. engaging at the local level with city municipalities) and working in slums or informal settlements. As part of COVID-19 responses, a new generation of urban safety net programmes is now starting to expand in a dozen African cities, including Kinshasa, Monrovia and Antananarivo (Gentilini et al., 2021).

Yet support to urban dwellers needs to go beyond social safety nets and include social insurance. At the same time, it is unlikely that existing social insurance programmes for formal workers would be able to cover the informal sector. In fact, those programmes typically operate on the notion of payroll taxes (social security contributions) that by definition do not exist in the informal sector. Therefore, social insurance needs to be reformed to include not only traditional schemes but also innovative micro social insurance options. These may allow informal workers to save small amounts of money on a regular basis, improve coverage, and lower social costs to finance pensions and other social contingencies.

Approaching universal coverage—the role of universal basic income

If universality is the direction of travel, what guiding principles could help guide expansions of coverage? The notion of 'progressive universalism', borrowed from the health sector, may help guide the expansion in ways that prioritise poor and vulnerable people but do not exclude the rest of the population (Packard et al. 2019; Rutkowski 2018; Gentilini 2018).

This article discusses one specific trajectory towards achieving universality:

the unconditional provision of cash to everyone, or universal basic income (UBI). UBI looks alluringly simple on the surface, but its implications are complex and largely unknown. In fact, the scale of UBI makes it a systemwide intervention, not just a programme. As such, it may affect, for instance, several labour market issues such as unemployment insurance, severance pay, unionisation, contributory pensions and minimum wages. UBI is bound to address some problems in social protection systems, but it is also poised to amplify others. With no UBI programme of national scale currently in place, most debates are shaped by informed views and inference from smaller-scale schemes, rather than from hard evidence and actual practices. We should be humble about what we do know and what we do not regarding UBI (Gentilini et al. 2020).

Financing expanded coverage levels

The COVID-19 pandemic poses new financing challenges. The world now has an additional 115 million people living in poverty, but lower revenues to support people in need. New pandemic-related spending is currently over twice as large as the response to the Great Recession of 2008–2009, and spending on social protection has increased by more than 20 per cent (although unevenly between countries). Yet the sources and the levels of domestic financing have varied considerably across the income spectrum, with the share of such resources being nearly zero in low-income countries, 37 per cent in lower-middle-income countries, 47 per cent in higher-middle-income

countries, and 100 per cent in high-income countries (Almenfi et al. 2020).

So where will financing for future expansions come from? Several options emerge via taxes: for one, closing loopholes and exemptions in regressive value-added tax (VAT) will generate considerable revenues. For example, Viet Nam could increase tax revenues by 11 per cent by moving to a uniform VAT rate of 10 per cent. Excise taxes, for example on tobacco, are another source of potential revenue. In 2015, sub-Saharan African countries collected less than half the level of excise taxes as Europe did, at just 1.4 per cent of gross domestic product (GDP).

Carbon taxes have become increasingly prevalent. It is estimated that nationally efficient carbon pricing policies could raise substantial amounts of revenue—above 6 per cent of GDP in China, Russia, Iran and Saudi Arabia. These taxes could be paired with the elimination of energy subsidies, which amount to USD333 billion globally (World Bank 2019). Spending on such subsidies often dwarfs that on social assistance: in the Middle East and East Africa region, the ratio is 3:1. Other forms of recurrent taxation may include immovable property taxes and a fair corporate tax system, which is currently plagued by loopholes in the international tax architecture. Just as technology improves delivery systems for social protection programmes, it can also facilitate tax collection by increasing the number of registered taxpayers and social security contributions.

“The world now has an additional 115 million people living in poverty, but lower revenues to support people in need.



Photo: E. Raboanalay/ILO. Woman lost her formal job during the COVID-19 pandemic, Antananarivo, Madagascar, 2020 <<https://is.gd/LNU8l4>>.



Photo: ILO/F. Latief. Shopping at supermarket, Indonesia, 2020 <<https://is.gd/LNU8l4>>.

“ The road ahead to make systems universal, adaptive and sustainable, as well as attuned to the changing nature of work in a COVID-19 world, would require bold vision, critical investments and broad-based partnerships.

To sum up, the response to the COVID-19 pandemic has been significant, at both national and global levels. But there is no time for complacency: the road ahead to make systems universal, adaptive and sustainable, as well as attuned to the changing nature of work in a COVID-19 world, would require bold vision, critical investments and broad-based partnerships—all of which are within our collective reach. ●

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1. Global Director, Social Protection and Jobs Global Practice, World Bank.

Emergency Aid: The Brazilian response to an unprecedented challenge

Nilza Yamasaki¹ and Fabiana Rodopoulos²

Since February 2020, Brazil has faced the greatest challenge of the current generation: the COVID-19 pandemic. The enactment of Law No. 13.979 of 6 February 2020³ indicates the beginning of the federal government's mobilisation to deal with this unprecedented situation. The social isolation measures taken to avoid the propagation of the new coronavirus affected all segments of the population, especially the most vulnerable and informal workers who depend on a regular circulation of people to earn their living.

In February, the federal government declared a 'state of public health emergency of national importance'; in March, the National Congress issued Legislative Decree No. 6 to allow an increase in public spending beyond current limits until the end of 2020. Law No. 13.982 of 2 April 2020⁴ created Emergency Aid (EA). Five months later, Provisional Measure No. 1.000 of 2 September 2020 established the Extension of the Emergency Aid (EEA). The objective of both EA and EEA was to guarantee a regular flow of income to members of the population with lower levels of per capita income, due to the continuing economic crisis generated by the COVID-19 pandemic.

Operational design of EA

The operationalisation of the benefits involves the following steps: identification and selection of target groups; concession and payment of benefits; communication with beneficiaries; budgetary and financial management; and administration of the beneficiaries' demands.

The selection of beneficiaries targeted three groups: i) people in families receiving cash transfers from the *Programa Bolsa Família* (PBF);⁵ ii) people already in the Single Registry⁶ as of 2 April 2020 but who were not receiving

PBF or any other social protection benefit; and iii) informal workers, individual micro-entrepreneurs, self-employed people and unemployed people who applied via a digital registration platform and whose data were gathered in what is treated as the Extra Single Registry, as detailed below.

The eligibility criteria require that EA and EEA recipients be 18 years or older and part of a family with a monthly income per person of up to half a minimum wage (BRL522.50 or USD103.53)⁷ or total monthly income of up to three minimum wages (BRL3,315 or USD620.08). They may not have a formal job or be receiving social assistance or social insurance benefits.

For the first two target groups, the evaluation of the eligibility criteria and granting of benefits was automatic, based on data in the Single Registry, which already had socio-economic information on approximately 28 million families, of whom 22 million had a monthly per capita income of less than half a minimum wage. The third group of beneficiaries had to apply for the benefits through a digital platform (app and website) made available by *Caixa Econômica Federal* (CAIXA), a State-owned bank, five days after the promulgation of Law No. 13.982/2020, allowing a significant number of registrations in a short period of time.

The Ministry of Citizenship and the *Empresa de Tecnologia e Informações da Previdência* (Dataprev), a public company that manages data from individuals benefiting from several governmental programmes, are responsible for the verification of the legal requirements to access the emergency benefits. Citizens whose application for benefits is denied may contest this decision, either by correcting their data or by providing additional information to demonstrate that the situation motivating the denial has changed.

Verification of the eligibility criteria is undertaken by crossing data from the Single Registry and the Extra Single Registry with different administrative registries of the federal government.

The eligibility status of beneficiaries is reassessed before the payment of each EEA transfer. In addition, this benefit incorporated new eligibility criteria to guarantee its focus on poor households, such as by verifying the person's taxable income and assets accumulated in 2019. There were also exceptional cases of revision of eligibility when recommended by external and internal control agencies.

After the granting of the benefits, CAIXA credits the value to the bank account indicated by the applicant or to a digital savings account accessed through the app 'CAIXA TEM'. The payment of the emergency benefits promoted a mass inclusion of the population in the banking system, particularly among those with lower income levels, resulting in around 48.6 million new savings bank accounts. In addition, from December 2020 to March 2021, PBF beneficiaries will start receiving payments through a digital savings account.

EA and EEA benefit design

The EA paid five transfers of BRL600 (USD112.23). Female single-parent families received double transfers (BRL1,200 or USD224.46), demonstrating a strong gender-sensitive dimension of the programme. There was a limit of three transfers to eligible families, which means that they could receive a total amount of BRL1,800 (USD336.70).

The EEA paid up to four transfers, starting only after the fifth and last EA payment. Due to the high fiscal impact of EA and because of the beginning of the economic recovery, the value of the EEA transfer was reduced to BRL300 (USD56.11) a month. There was a limit of two transfers of BRL600 (USD112.23) per family, and EEA's final payment date was set for 31 December 2020.

PBF beneficiaries began to receive the emergency benefits in April 2020. PBF families were eligible for EA only when the emergency benefit was higher than their monthly PBF benefit, which on average is around BRL190 (USD35.54). For those families, the PBF benefit was suspended while EA and EEA payments were being made. Also, the PBF's education and health conditionalities were waived.

Around 95 per cent of PBF families received five EA transfers. Differently from EA, in which the PBF benefit was substituted, in EEA the value paid to PBF families was complementary, calculated by the difference between their regular PBF benefit and the value of EEA. If the family received more from PBF, the original benefits were maintained. After the last payment of the two emergency benefits, regular PBF benefits will resume.

The regular calendar of PBF payments was maintained for both EA and EEA. For almost 17 years, the beneficiaries have been receiving their PBF benefits according to a calendar based on the final digit of their Social Identification Number.

Coverage of EA and EEA⁸

As of November 2020, 68.2 million people (around 32 per cent of the Brazilian population) were eligible for EA. The Single Registry allowed to identify 10.5 million people eligible for the EA among the non PBF beneficiaries and an additional 19.5 million in households that benefit from the PBF; the remaining 38.2 million were registered through the Extra Single Registry (online application). The budget of the programme in 2020 was BRL233 billion (USD43.58 billion), and the average value of the benefit was around BRL588.06 (USD110). As of October, EEA was paid to 50.7 million people, with a budget of BRL20.1 billion (USD3.75 billion) in that month.

As of November 2020, the PBF covered 14.27 million families, with 12.4 million of them receiving EEA, corresponding to around 16 million direct beneficiaries. The resources transferred through EEA totalled BRL4.19 billion (USD784 million). Approximately 182,700 PBF families are still receiving the EA benefit, at a cost of BRL119.35 million (USD22.32 million),

and an average benefit of BRL811.07 (USD151.71) per family. Finally, 1.8 million families are receiving only the PBF benefit, with an average transfer of BRL191.34 (USD35.79) and at a cost of BRL2.73 billion (USD510 million).

Challenges and lessons learned

EA and EEA are the largest income transfers in Brazilian history, considering both the number of beneficiaries and the size of the allocated budget. The Ministry of Citizenship faced many challenges before starting to pay these benefits: creating the legal framework and institutional arrangements; allocating extraordinary resources to the new benefits; constructing a governance structure; signing contracts with executing institutions; and designing a payment system for different types of target groups.

The main challenge was to identify and pay benefits to millions of 'invisible' people—those who were not previously identified in official databases used to select target groups for social protection programmes—through the intensive use of technology. On the other hand, there are still segments of the population who are not digitally included, as it was important to maintain the traditional ways of identification available, allowing the 'ultra-vulnerable' to register for the Single Registry at local social assistance agencies. In a country as diverse as Brazil, one single solution could not be suitable to all.

An important lesson we take from this experience is the need to promote the integration of official databases, at least at the federal level. Many operational procedures depend on the existence of links between different administrative registries, allowing the identification of potential beneficiaries, the periodic revision of eligibility, etc. Finally, it was paramount to allow people considered ineligible or who had their benefit cancelled to contest the decision through an official grievance mechanism.

Next steps and looking ahead

In a post-pandemic context, the economic situation will remain challenging. In addition to the people who have already been living in a chronic situation of

income insufficiency, millions of others who have lost their jobs or livelihoods due to the pandemic will face great hardship.

This dramatic scenario requires a quick response from the federal government to mitigate the suffering of the most vulnerable families. Among other measures, it is important to stress the need to enhance and expand the PBF to include more families, especially after the termination of the EA and EEA in December 2020.

Further, the Single Registry will face an intensification of the use of technology and artificial intelligence, allowing citizens to register themselves through digital platforms. Another goal is to integrate the Single Registry with other official databases and start employing predictive information for managerial purposes. The use of artificial intelligence in the Single Registry will improve the identification of citizens through facial recognition, allow the realisation of 'proof of life' and offer virtual assistance for citizens.

These improvements in the Single Registry will promote an 'intelligent distribution of opportunities', based on the matching of socio-economic profiles with job requirements and training openings. They will also help to identify private partners willing to donate to individuals and families in the Single Registry. Finally, the new Single Registry will facilitate the interaction between the government and the public in the Single Registry through social networks. ●

1. National Secretary of the Single Registry.
2. National Secretary of Citizenship Income.
3. See: <<https://www.in.gov.br/en/web/dou/-/lei-n-13.979-de-6-de-fevereiro-de-2020-242078735>>.
4. See: <<https://www.in.gov.br/en/web/dou/-/lei-n-13.982-de-2-de-abril-de-2020-250915958>>.
5. Created in 2003 to unify previous federal income transfer programmes, the PBF is a conditional cash transfer programme under the non-contributory branch of the Brazilian social protection system.
6. Created in 2001, the Single Registry is a federal database that identifies and characterises the low-income segments of the Brazilian population.
7. Based on the exchange rate of 1 December 2020: USD1 = BRL5.346.
8. The data presented in this section come from PBF, EA and EEA payment records for October 2020.

Tools to protect families in Chile:

A State at the service of its people

Alejandra Candia¹

Over the last three decades, Chile has experienced an improvement in various indicators related to social welfare. According to the analysis carried out by the Ministry of Social Development and Family in conjunction with the United Nations Development Programme (Ministerio de Desarrollo Social y Familia and UNDP 2020), during this period there has been a significant decrease in the income poverty rate in the country.

Within its main conclusions, this exercise highlights that, using the same measure of poverty as we use today, around the beginning of 1990, almost 70 per cent of people in the country had an income level that was below the official poverty line. Three decades later, the poverty rate had been reduced by nearly 60 percentage points, reaching 8.6 per cent in 2017, according to the latest National Socio-economic Characterisation Survey (*Encuesta de Caracterización Socioeconómica Nacional*—CASEN).

However, despite these significant advances in social matters, during the last year we have been confronted, like the rest of the world, with the coronavirus pandemic, an emergency that has not only had a strong global health impact but has also had serious social and economic effects, as it has brought with it loss of income, unemployment and consequences for people's quality of life, especially for the most vulnerable members of society.

The pandemic has affected a large proportion of households during these emergency months, as we will review in this article. Faced with this complex scenario, as a State we have acted through a considerable range of measures that aim to support our families to face this unprecedented economic and social crisis in these difficult times.

A social protection network: a comprehensive response to the crisis

Although the impact of the crisis during 2020 has been widespread, in Chile not

all households have been affected in the same way and to the same extent. According to the main results of the first round of the COVID-19 social survey, a joint undertaking carried out by the Ministry of Social Development and Family, UNDP and the National Institute of Statistics (*Instituto Nacional de Estadísticas*—INE) in July 2020 to identify the socio-economic impacts of COVID-19 on households, almost 60 per cent of households nationwide had seen a decrease in their income during the pandemic, and 44.6 per cent had even seen their income decrease by half or more (Ministerio de Desarrollo Social y Familia, UNDP, and INE 2020).

This same survey found that 48.8 per cent of households reported having insufficient income to cover their needs. This scenario was even more difficult for households headed by a woman, with 52.7 per cent in this situation, and for lower-income households, where almost two thirds of those belonging to the first and second quintiles of the income distribution faced this problem. With respect to employment, the scenario was even more dramatic, given that 27.4 per cent of households had no employed person at the time of responding to the survey. This corresponds to an increase of 13.5 percentage points with respect to the situation before the emergency.

The mission of the Ministry of Social Development and Family is to contribute to the design and implementation of policies focused on eradicating poverty and providing protection to vulnerable groups, or those groups that, without being vulnerable, may be affected by adverse events that could lead them to a situation of vulnerability. It is precisely on these objectives that we have focused and worked tirelessly since the beginning of the pandemic in which our country has found itself since March 2020 and whose duration is still unknown, ensuring that the State protects families, with the necessary flexibility at a complex time with dynamic scenarios and uncertain duration.

We are facing an unprecedented crisis, and we are monitoring its effects and consequences on people's lives by different means. In times of emergency, the role of the State is fundamental to avoid or reverse the setbacks that families may suffer, so we have strengthened a State that is at the service of its people through a considerable social protection network that includes various instruments designed to protect the health, income and employment of households in times of emergency. It includes direct transfers such as the *Bono Covid-19* (COVID-19 Benefit), *Ingreso Familiar de Emergencia* (IFE—Emergency Family Income), *Préstamo Solidario* (Solidarity Loan) and *Bono a la Clase Media* (Middle-Class Benefit), measures to protect families' sources of employment such as the *Ley de Protección al Empleo* (Employment Protection Law) and *Subsidios al Empleo* (Employment Subsidies) in the economic recovery stage, in addition to the delivery of *Créditos con Garantía Estatal* (State Guaranteed Credits), among other measures.

Flexibility and opportunity for an uncertain 2021

As of December 2020, the Ministry has made progress through various tools to reach all families who need our support. One of the main tools—and with the greatest coverage—has been the IFE, a benefit that began operating in May and that goes directly into the pockets of the families that need it most, allowing us to provide a relief to the households whose source of income has been affected by the confinement measures or the health crisis. Through its six instalments, which were part of an important agreement reached between the government and some of the political forces of the country announced in June, IFE coverage increased each month, reaching 8,267,106 people and 3,350,056 households—that is, at least one out of every three people nationwide—providing relief to millions of families who needed support to cope at times when the public health measures were stricter due to the advance of the pandemic.

Among the beneficiaries of this support were those households that depended on mostly informal income, as well as pensioners, with the result that around 80 per cent of households that received IFE were in the most socio-economically vulnerable income bracket, more than half were headed by women, and 61.4 per cent had only informal income and were severely affected. In each of these cases, always taking into consideration the health safeguards to be respected to protect people's health, and especially those groups at risk, at the time of applying for this benefit, families were given the possibility of choosing their payment method: either in person at bank branches or the *Caja de Compensación* (Compensation Fund), or through an electronic deposit into their bank account, which was the channel most commonly chosen by the families.

However, even though the public health situation in the country has improved significantly compared to what we experienced in mid-June 2020, when the peak of the health emergency was recorded, we are following the progress of the emergency closely to anticipate a possible resurgence and are also working to continue supporting those territories and communes that continue to face a complex public health situation that directly impacts their ability to generate income.

This is why in the recently approved work and recovery budget for 2021, President Sebastián Piñera included new tools to support families, understanding

that, despite the gradual easing of the lockdown restrictions, there is still uncertainty regarding the direction that the health emergency will take before the vaccination process against COVID-19 is completed, as well as the duration and extent of the socio-economic consequences of this pandemic.

Among the support instruments that were added to this social protection network and that began to operate in December 2020, the first was the *Bono Covid Navidad* (Christmas COVID Benefit), an economic benefit for all households—more than 3.3 million families—receiving the sixth IFE instalment of CLP25,000 per household member (approximately USD36), rising to CLP55,000 (approximately USD72) per person if the family lived in a commune that had been quarantined (phase 1 in the Step-by-Step Plan) during the last week of November, according to information provided by the health authorities.

In addition, thinking about strategies for the coming months and acting in anticipation of a possible new, complex public health scenario during the first quarter of 2021, we sought to have a support mechanism for families that could be activated in a timely and flexible way to be able to react whenever the situation warranted it.

Thus, it was established in the Budget Law that one or more new IFE payments may be distributed in 2021, targeted by commune or locality as needed. This benefit will reach

those who received the sixth IFE instalment in November 2020 in geographic areas to be defined. However, understanding the dynamics of the socio-economic situation of households in the face of this crisis, it also includes the possibility of adding those households in the *Registro Social de Hogares* (Social Registry of Households) that have at least one transfer payer such as the *Subsidio Único Familiar* (Single Family Subsidy), have at least one beneficiary of the *Seguridad y Oportunidades* (Security and Opportunities) subsystem (which integrates transfers and programmes) or belong to the most vulnerable 60 per cent of the population according to socio-economic characterisation.

Our commitment will always be to continue working in search of all the mechanisms and instruments required to act with the timeliness that each of the different stages of this health and socio-economic crisis demands of us. We will continue tirelessly in this mission to support all the families who need us in these times of emergency. Likewise, as a government we have the priority task of creating tools and support to reduce the setbacks we will face in terms of inequality and poverty.

Having passed this situation, the challenge for the future in terms of social policy will be to reverse the structural deficiencies of the most vulnerable families that became so evident in the current crisis, such as informality among workers, in addition to understanding vulnerability as a problem not only anchored to the income of individuals and households. We are convinced that vulnerability is related to people's well-being and quality of life, so this change of perspective will require good analytical tools that allow us to measure and identify those areas that we must work on to continue advancing as a society. ●

Ministerio de Desarrollo Social y Familia and UNDP. 2020. *Evolución de la pobreza 1990–2017: ¿Cómo ha cambiado Chile?* Santiago: Ministerio de Desarrollo Social y Familia. <<https://bit.ly/3bQie1U>>. Accessed 2 March 2021.

Ministerio de Desarrollo Social y Familia, UNDP, and INE. 2020. *Encuesta Social Covid-19. Resumen Principales Resultados*. Santiago: Ministerio de Desarrollo Social y Familia. <<https://bit.ly/3sFZHMw>>. Accessed 21 January 2021.



Photo: FAOAmerica/Max Valencia. Mother and daughter shopping during COVID-19 pandemic, Chile <<https://is.gd/d9Gfbv>>.

1. Sub-secretary of Social Evaluation, Chile's Ministry of Social Development and Family.

Colombia's experience in addressing the COVID-19 crisis

Laura Pabón¹

In recent decades, Colombia has faced economic crises that have left several lessons and learnings. In 1999 the country experienced one of the worst crises, as its gross domestic product (GDP) contracted by 4.5 per cent, the incidence of poverty increased from 50.3 per cent in 1997 to 59 per cent in 2000 (DNP 2001), and income distribution also deteriorated.² The loss of employment had negative consequences for human capital and household welfare. Many poor households had to reduce spending on food and withdrew their children from school and university to overcome the 1999 crisis. At best, the middle class moved their children to public schools from private ones. However, an important institutional framework to protect households from future risks emerged from this crisis, the Social Protection System—created by Law 789 of 2002—and the *Red de Apoyo Social*, which gave life to *Familias en Acción* (Families in Action), the flagship conditional cash transfer programme in the country.

In the aftermath of the COVID-19 pandemic, a series of measures were taken to protect income loss and support human capital accumulation of the poorest households in the country. Therefore, additional or extraordinary payments were established for the beneficiaries of cash transfer programmes such as *Familias en Acción*, *Jóvenes en Acción* and *Colombia Mayor*. The main cash transfer programme is *Familias en Acción*, an economic incentive for households living in poverty with underage children, on the condition that they comply with health and education requirements.³ *Jóvenes en Acción* aims to promote human capital training among young people living in poverty by providing a conditional cash transfer to enable them to continue their technical, technological and professional studies.⁴ The *Colombia Mayor* programme provides monetary assistance to senior citizens living in extreme poverty.⁵

Given that the country did not have in place any unconditional cash transfer programmes targeting households living in poverty and experiencing economic vulnerability, and due to their lack of protection in the context of the COVID-19 pandemic, the national government implemented the *Programa Ingreso Solidario* (PIS—Solidarity Income Programme). This programme was designed and operationalised in less than three weeks to rapidly provide transfers to households that would be affected by the confinement measures introduced. The PIS provides cash transfers to 3 million households living in poverty and extreme poverty, as well as to families considered economically vulnerable according to the Sisbén database who were not previously covered by other cash transfer programmes. The programme started in April 2020 and was planned to last until December 2020; however, it was recently extended until June 2021.

A value-added tax (VAT) compensation programme, which was created prior to the pandemic to mitigate the impact of sales tax (VAT) revenue, was also implemented. It was supposed to benefit 300,000 poor households, but with the emergency, coverage was extended to 1 million households in the country. In the first year of its operation, the programme covered households living in extreme poverty already receiving other cash transfer programmes. In 2020 the VAT compensation programme benefited 700,000 households from the *Familias en Acción* programme, and 300,000 households that are part of the *Colombia Mayor* priority list.⁶ Before the COVID-19 crisis, cash transfer programmes covered 2.5 million households, representing 38 per cent of households living in poverty and vulnerability. Today, 89 per cent of poor and vulnerable households, about 5.9 million households, receive at least one transfer from the national government.⁷

It is important to note that this rapid response package was also accompanied by other initiatives to support the poorest households, such as deliveries of food

parcels. Through the *Instituto Colombiano de Bienestar Familiar* (Colombian Institute of Family Welfare), the entity in charge of comprehensive protection of early childhood, adolescence and the well-being of families, nearly 1.7 million food parcels have been delivered to children under 6 years old to ensure their nutrition. Furthermore, for school-age children, the Ministry of Education has been delivering school food parcels to some 5.5 million children enrolled in public schools.

As part of the employment protection measures, the *Programa de Apoyo al Empleo Formal* (PAEF)⁸ was launched to support companies with the payment of their formal payroll. This programme subsidises the equivalent of 40 per cent of the minimum wage of payrolls of micro, medium and large enterprises. Through the PAEF, nearly 3.2 million jobs have been protected in the country. At the same time, a programme to assist workers under contractual suspension⁹ was launched to provide a monetary subsidy to workers with suspended contracts due to the emergency who earned up to four legal monthly minimum wages.

Challenges in programme implementation

The PIS has been the main programme to mitigate the effects of the pandemic on household income. One of its major operational challenges was the beneficiary identification and selection process. As the *Departamento Nacional de Planeación* (DNP—National Planning Department) had to avoid mass requests for applications for household enrolment in the programme that would cause agglomerations, a master database was created with information from Sisbén¹⁰ (individual targeting instrument) and information from social programmes. Households living in poverty or economic vulnerability that did not receive transfers from the national government were identified from this database. Based on this list, a cross-checking process with other administrative records was conducted to eliminate deceased people and those with high incomes.¹¹



Photo: IMF Photo/Joaquin Sarmiento. A local prepares street food, Medellín, Colombia, 2021 <<https://is.gd/LNU8l4>>.

“ In the aftermath of the COVID-19 pandemic, a series of measures were taken to protect income loss and support human capital accumulation of the poorest households in Colombia.

The second challenge in the implementation of the PIS was the payment scheme. The database of potential beneficiaries had to be cross-checked with the databases of the credit reference centres, to identify those households that had a deposit product and received their payments through them. For unbanked households, it was necessary to implement different strategies for opening digital deposit products. In particular, the government worked in coordination with mobile phone companies, which sent information via text messages to guide beneficiaries to open mobile bank accounts and receive the transfer through these channels.

Key lessons learned and next steps

In general, the pandemic has enabled the implementation of a master database, which is a first step to the creation of a national social registry. It will include household information as well as information on national and regional benefits received. The PIS has also allowed us to make significant progress towards banking inclusion. Around 851,000 beneficiary households accessed the financial system for the first time through digital products. As a further step, it is necessary to move towards the implementation of a social household registry that provides more dynamic and updated information on households' socio-economic status and the benefits and assistance they receive. To achieve this, it is necessary to ensure the interoperability of Sisbén

with administrative registers, to have better-quality information to monitor households and improve the targeting of any type of social assistance.

Likewise, progress will be made by developing a platform for cash transfers. The aim is to advance towards a unified mechanism for conditional and unconditional cash transfers that will be delivered electronically, and improve payment monitoring. ●

DNP. 2001. “Coyuntura económica e indicadores sociales.” *Revista de Sistema de Indicadores Sociodemográficos para Colombia SISR*, No. 30. Bogotá: Departamento Nacional de Planeación. <<https://bit.ly/3b9K61Z>>. Accessed 2 March 2021.

1. Director of Social Development, National Planning Department, Colombia
2. The Gini index rose from about 0.533 in 1997 to over 0.566 in 2000.
3. The programme currently benefits about 2.6 million households. Transfer amounts vary according to the number of children and adolescents in the household and their ages. The average value of the transfer is COP145,000 (approximately USD45) every two months. The programme focuses on families living in poverty and extreme poverty, families that are victims of forced displacement, and indigenous people. The selection of families living in poverty was made through the Identification System of Potential Beneficiaries (Sisbén III) and the databases of Red Unidos.
4. This programme benefits young high school graduates between 16 and 24 years old who must demonstrate poverty and vulnerability through Sisbén, or the records of victims, indigenous people, *Unidos* and the *Instituto Colombiano de Bienestar Familiar*

(ICBF—Colombian Institute of Family Welfare). In 2020, around 320,000 young people benefited. The average transfer value is COP356,000 (approximately USD195) every two months.

5. Colombia Mayor benefits about 1.6 million senior citizens through a monetary transfer of COP80,000 (approximately USD24) per month. Programme beneficiaries are selected according to age (women over 54 and men over 59) and Sisbén score (below 43.63 in urban areas and 35.26 in rural areas).

6. The priority list comprises those senior citizens who to date are not beneficiaries of the programme but who are on the priority lists of each municipality; therefore, once a new allocation is released for the programme, the people who are on this list will have access according to their ranking.

7. According to the DNP, using information from the master database up to September 2020. The master database integrates information from Sisbén with information about people benefiting from social inclusion transfer programmes.

8. Created by Decree No. 637 of 2020.

9. Created by Decree No. 770 of 2020.

10. The Sisbén is an information system that ranks the population from the poorest to the least poor according to socio-economic characteristics. The third version of the Sisbén (Sisbén III) is currently in operation, and information is being updated throughout the country to transition to Sisbén IV. The master database was built on the Sisbén database, using the most recent information for each person, either from Sisbén III or Sisbén IV.

11. The databases of the Administrator of the Resources of the General System of Social Security in Health (ADRES) and of the Integrated Contribution Settlement Plan (PILA) were used to exclude beneficiaries for the following reasons: (i) death (ADRES); (ii) having a Base Contribution Income above four legal monthly minimum wages (PILA) in the last month and having contributed in the same period (PILA); and (iii) being a specific exception (pensioners).

Lessons learned from Jordan's national social protection response to COVID-19¹

Manuel Rodriguez Pumarol,² Ahmad Abu Haider,³ Nayef Ibrahim Alkhawaldeh,⁴ Muhammad Hamza Abbas⁵ and Satinderjit Singh Toor⁶

Background and scope

Jordan has a small, open economy with unique challenges as well as opportunities. The economy depends mainly on services, tourism, remittances and foreign aid. Given its location in the heart of the Middle East, the country is very sensitive to the region's economic and political volatility. Persistent water and energy challenges and the influx of massive numbers of refugees fleeing violence in neighbouring countries have put more pressure on an already debt-burdened economy. On the other hand, Jordan has one of the youngest populations in the region, with 63 per cent of the population under 30 years of age (Department of Statistics 2019). Hence, significant investments in young people have the potential to accelerate development and progress towards the Sustainable Development Goals in Jordan. However, with one of the highest youth unemployment rates in the world, this potential remains largely unrealised.

Most recently, the ongoing global COVID-19 pandemic and associated lockdown measures have caused unprecedented negative socio-economic impacts affecting broad segments of society, especially the most vulnerable. Real economic growth is projected to contract significantly, by 5 per cent in 2020 (World Bank 2020), compared to positive growth of 2.2 per cent in 2019. The unemployment rate rose significantly, by 3.8 percentage points in the second quarter of 2020 compared to the same period in 2019, reaching 23 per cent, and with higher levels among youth and females. With the exacerbation of the COVID-19 pandemic, some of the structural economic and social challenges facing the Jordanian economy have come to the fore, such as the dilemma of daily wage workers and the large size of the informal sector, which absorbs more than 41 per

cent of the labour force (Jordan Strategy Forum 2020). These challenges, along with Jordan's vulnerability to shocks, show the need to prioritise and enhance social protection measures to increase resilience and mitigate the negative socio-economic impacts of the pandemic. Hence, the importance of institutionalising the lessons learned from the COVID-19 crisis to improve emergency preparedness, and to build a shock-responsive social protection system. This article reflects on social protection measures taken by the country during the first six months of the pandemic (March to August 2020), highlights emerging challenges and provides key lessons learned.

Social protection sector response: Management and coordination mechanisms

Despite registering a limited number of cases during the early phases of the COVID-19 pandemic—only 453 confirmed positive cases by the end of April—Jordan implemented one of the strictest lockdowns globally. While these measures helped to contain the virus initially, they came at a high cost, both socially and economically. According to a recent socio-economic assessment of its beneficiary population undertaken by United Nations Children's Fund (UNICEF) Jordan, the number of vulnerable households with a monthly income of less than JOR100 (around USD140) doubled after the onset of the COVID-19 pandemic, and only 28 per cent of households reported having adequate finances to sustain themselves for a two-week period. Furthermore, 80 per cent of these vulnerable households reported resorting to at least one negative coping strategy to try to meet their basic needs (UNICEF Jordan 2020).

Since the onset of the crisis, Jordan has implemented a series of responses in different areas of its national social protection system. Three months into the crisis, the country managed to provide more programmes and social protection interventions than any other country in

the Middle East and North Africa region (United Nations 2020). This rapid response was enabled by key policy changes that Jordan's social protection sector has undergone in recent years with support from UNICEF and other development partners, such as the expansion of the National Aid Fund, the launch of the National Social Protection Strategy 2019–2025⁷ and the operationalisation of the National Unified Registry. These mechanisms included updating the targeting system for social assistance based on multidimensional poverty indicators, establishing online registration for social assistance programmes and using digital payment systems.

Another important factor that facilitated the rapid response was the creation of new financing and coordination mechanisms that benefited from existing structures to guide and monitor the social protection sector response. The overall response has been led by the national Social Protection Committee formed at the beginning of the crisis and headed by the Ministry of Social Development, which has contributed significantly to coordinating the interventions by various institutions and following up on the overall objective of expanding coverage to a larger segment of the population affected by the pandemic. To support with financing the COVID-19 response, a Relief Fund was created under the Central Bank to enable donations from individuals and the private sector. Around JOR114 million (around USD160 million) in donations was received by August 2020, which was mainly used to support social assistance interventions, whereas part of the donations was used to strengthen the response of the health sector (UNICEF Jordan and Jordan Strategy Forum 2020).

Overview of social protection interventions

The following provides an overview of Jordan's national social protection response during the first six months of the COVID-19 pandemic, in line with the three pillars of the National Social Protection

Strategy: opportunity (decent work and social security), empowerment (social services) and dignity (social assistance).

- **Decent work and social security:**

The Government of Jordan introduced several measures to protect workers and vulnerable households from the adverse effects of the pandemic. Through the issuance of Defense Orders No. 1 and 6, temporary measures mandated all formal private-sector firms to keep their workers, and set restrictions on wage cuts while providing some relief to firms. Guidelines were updated regularly to review sectors most impacted by the crisis, and to ensure the feasibility of measures taken to the extent possible. However, most of Jordan's interventions have been in the social insurance sector, including several programmes initiated by the Social Security Corporation (SSC), supporting an estimated over 960,000 workers during the crisis. The programmes instituted by the SSC were designed to help workers to access finance and firms to gain some liquidity through reductions in subscription contributions, unemployment allowances, and advance payments on assured income. This allowed some workers who have been put on temporary leave or have had their working hours reduced to receive support when their employers have partially or fully stopped operating. The new schemes have encouraged

more firms to register under the SSC, which has led to an expansion in coverage and formalisation of more than 14,500 establishments.

- **Social assistance:** A total of 395,000 households were supported with cash assistance through different programmes by the National Aid Fund during the COVID-19 pandemic. Most notably, a new emergency cash assistance programme was implemented, which covered more than 240,000 daily wage workers affected by the crisis. The daily wage workers received temporary cash support for six months through e-wallets, with the first payment processed and distributed within 10 days of announcing the programme. In addition, 155,000 households that were already supported by National Aid Fund programmes prior to the pandemic continued to receive cash support during the crisis. Furthermore, more than 600,000 food parcels and vouchers were distributed to vulnerable families.
- **Social services:** Jordan carried out a series of measures to ensure the continuity of social services, including health, education and protection. This entailed introducing national modalities for e-learning (online and television) and an online teacher training portal, along with specific educational interventions for targeted vulnerable groups. Health measures

included providing free treatment for COVID-19 patients, implementing a national campaign for awareness and prevention, and establishing a temporary medicine delivery service for targeted groups. As for protection services, guidelines were established for care centres managed by the Ministry of Social Development to prevent infection and provide protection by regulating visits, providing information on safe hygiene practices, ensuring staff rotation and maintaining sufficient food and hygiene supply.

Lessons learned, priorities and recommendations

While Jordan has implemented a rapid, coordinated social protection response to the COVID-19 pandemic, several challenges have emerged that require attention and action, given the expected protracted nature of the crisis and its social and economic impacts. Some challenges were evident in the areas of social services, with lockdown measures creating substantial disruptions in both access to and provision of services related to health, education and protection. This is partly related to the digital gap between different groups of society, but also to the nature of some services that require in-person support. For example, the education of children with disabilities was halted entirely at one point, and many vulnerable children were excluded from access to education. A recent assessment shows that children from vulnerable families



Photo: Central Laboratories, Ministry of Health, Jordan. Equipment for diagnostics of COVID-19, Jordan, 2020 <<https://is.gd/2eaEG2>>.

“ Jordan carried out a series of measures to ensure the continuity of social services, including health, education and protection.

“ Jordan has shown resilience in pursuing development goals despite regional volatility, fiscal constraints and economic shocks.

had limited access to both the national online learning platform and an Internet connection at home (UNICEF Jordan 2020). This shows the importance of investing in the provision of technological solutions for vulnerable households to enhance equity and inclusion.

The lockdown also resulted in an increase in domestic abuse, with more negative implications for children and women, as the restrictions on movement represented an additional obstacle to help-seeking behaviours (UNFPA 2020). Furthermore, schools (from kindergarten 2 to grade 12) were still closed at the time of writing this brief (December 2020), which will negatively impact the long-term development and educational attainment of children, especially for vulnerable children. Efforts should be made to ensure safe opening of schools and children's continued access to education. The government should also maintain the current policy of keeping nurseries open, to allow children's continued access to early childhood development opportunities and to help families, particularly working mothers, to maintain livelihood opportunities and active participation in the labour market. The pandemic has also shown the importance of adopting and using digital solutions to improve the efficiency of the health sector and its capacity to respond to shocks.

Jordan has shown resilience in pursuing development goals despite regional volatility, fiscal constraints and economic shocks. While there has been significant progress in strengthening the national social protection system, the major lesson learned from the COVID-19 pandemic is the importance of further investment in emergency preparedness to make the national social protection system better equipped to face shocks. The development of a shock-responsive social protection system for Jordan should take gendered needs and vulnerabilities into account and focus on system preparedness and more durable solutions for all three pillars of the national system outlined in the National Social Protection Strategy 2019–2025. This will also require continuing the efforts to enhance alignment and interoperability between the humanitarian and the national systems, and facilitate a harmonised

approach, especially in the area of social assistance. In parallel, the use of economic modelling should be institutionalised to understand how the economy might react to shocks or changes in policy, to assess implications for different social groups and inform evidence-based responses. ●

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2. Chief of Social Protection and Policy, UNICEF Jordan.
3. Director of Policies, Jordan Ministry of Social Development.
4. Social Policy Specialist, UNICEF Jordan.
5. Social Policy Specialist, UNICEF Jordan.
6. Social Protection Officer, UNICEF Jordan.
7. For more information about Jordan's National Social Protection Strategy, please see <<https://www.unicef.org/jordan/reports/jordan-national-social-protection-strategy-2019-2025>>.

Morocco's social protection response to COVID-19 and beyond—towards a sustainable social protection floor

Karima Kessaba¹ and Mahdi Halmi²

From the early stages of the COVID-19 outbreak in March 2020, Morocco adopted drastic measures to contain the pandemic. Over nine months into the crisis, as of 30 November, Morocco has registered 353,803 cases of COVID-19 and 5,789 deaths, with an average fatality rate around 1.6 per cent (Worldometer 2020).

At the start of the outbreak, an Economic Watch Committee (*Comité de veille économique*) was formed under the authority of the Ministry of Economy and Finance and the Ministry of Interior, comprising other key ministries, the Central Bank and various business leaders. A COVID-19 Solidarity Fund was launched and raised up to USD3.4 billion to finance emergency health expenditure and economic and social protection support measures.

Nevertheless, there are fears that a sharp rise in poverty is imminent. In March 2020 it was estimated that almost 10 million Moroccans were at risk of falling into poverty, with workers in the informal sector³ being the segment of the population most exposed to income insecurity (Haut-Commissariat au Plan, United Nations in Morocco, and World Bank 2020).

The Government of Morocco has introduced several social protection measures to combat the impacts of the COVID-19 crisis. A recent study (Abdelkhalek, Boccanfuso, and Savard 2020) highlighted that with the measures put in place by the government, child poverty has risen to 5.1 per cent, instead of the 10 per cent expected in the absence of these measures.

Morocco's emergency social protection measures for COVID-19

The Moroccan government has made considerable efforts to provide support to citizens in difficulty as a result of this pandemic. Through two newly created

digital portals, the government has provided cash transfers to workers in both the formal and informal sectors.

Formal workers in companies facing payment difficulties were able to receive a fixed monthly allowance of MAD2,000 (about USD220) through the National Social Security Fund, in addition to the suspension of social security contributions for their employers. The workers were asked to submit monthly applications via the portal from March to June 2020, while their employers had to submit a declaration on their behalf or make the application for them. For the tourism sector, assistance was maintained until the end of 2020.

In parallel, to mitigate the socio-economic impact on the most vulnerable groups, Morocco quickly rolled out a social assistance programme (*Opération TADAMON*) to support workers in the informal economy and poor households. It consisted of emergency cash transfers disbursed for three months, between March and June 2020, and financed by the COVID-19 Fund. The benefit levels were MAD800 (USD88) for households of two people or less, MAD1,000 (USD110) for households of three or four people, and MAD1,200 (USD132) for households of more than four people.

The process for workers in the informal sector differed slightly depending on whether households were covered by the Medical Assistance Scheme (RAMED) or not. If the household had a RAMED card, the request was made by a simple SMS, and if the household was eligible, instructions for collecting the allowance were sent to the beneficiaries. If the household did not have a RAMED card, an application with the necessary information could be submitted online through a newly created dedicated website.⁴ Eligibility was then reviewed, and instructions for the collection of the allowance were sent by mobile phone. Valid applicants—whether they applied by SMS

(RAMED) or through the dedicated website (non-RAMED)—were able to withdraw their allowance from bank branches, public and private money transfer offices and ATMs through the mobilisation of a network of 16,000 distribution points as well as 250 mobile units to serve rural areas.

To allow a quick and large outreach, several communication and awareness-raising campaigns were implemented. The government also used the non-RAMED submission website as a grievance mechanism to collect claims for the emergency cash transfer programme. By mid-June, 1.6 million claims had been accepted and applicants enrolled in the emergency cash transfer programme, and 400,000 had been rejected as ineligible.

At the end of July, the government completed the distribution of the three planned temporary transfers to 5.5 million households (about 65 per cent of the total population), representing a cumulative cost of USD1.7 billion. The country's overall social protection response to COVID-19 was financed by both the reallocation of domestic spending and dedicated fundraising campaigning through the COVID-19 Fund.

While the emergency and short-term mitigation measures implemented by Morocco were vital during the immediate crisis, it was also critical to adjust policies in the medium and longer term, as highlighted by a survey on the socio-economic and psychological impact of COVID-19 on households, with a focus on the impact on children. This survey was conducted between April and June 2020 by the High Commission for Planning (*Haut Commissariat au Plan*), with support from UNICEF (see Figure 1). It consisted of two rounds of a rapid remote survey (via mobile phone) with a nationally representative panel of households. The results were used to inform the ongoing responses to COVID-19, and

included evidence on impacts on health, education, social protection, employment and psychological aspects. The second round of data collection included specific questions on children's well-being in the context of a progressive exit from the containment phase.

The COVID-19 crisis undoubtedly highlighted the need for adequate, comprehensive and extended social protection for Morocco. On 29 July the King of Morocco pledged to make the provision of social security to all Moroccans a national priority for the next five years. This will include a progressive realisation of universal coverage, by extending coverage of the medical insurance scheme and family allowances (child benefits) by 2022–2024. This will be done, first, by widening the contributory medical insurance and family allowances schemes to include the part of the formal sector currently absent from those schemes (liberal professions and self-employed people such as doctors, architects, lawyers, para-medical professionals etc.) and the informal sector with contributory capacity. Second, social

assistance will be extended by replacing RAMED with unified and enhanced basic medical insurance (*Assurance Maladie Obligatoire*—AMO) and developing a non-contributory family allowance programme similar to the contributory programme in terms of value, both of them targeting vulnerable households.

In addition, the reform will also include an extension of contributory old-age pensions and unemployment benefits by 2025. These strategic decisions show how Morocco has made the COVID-19 crisis an opportunity to accelerate its social protection reform in accordance with its 2020–2030 integrated social protection public policy, which was validated by the government in November 2019 with UNICEF's support.

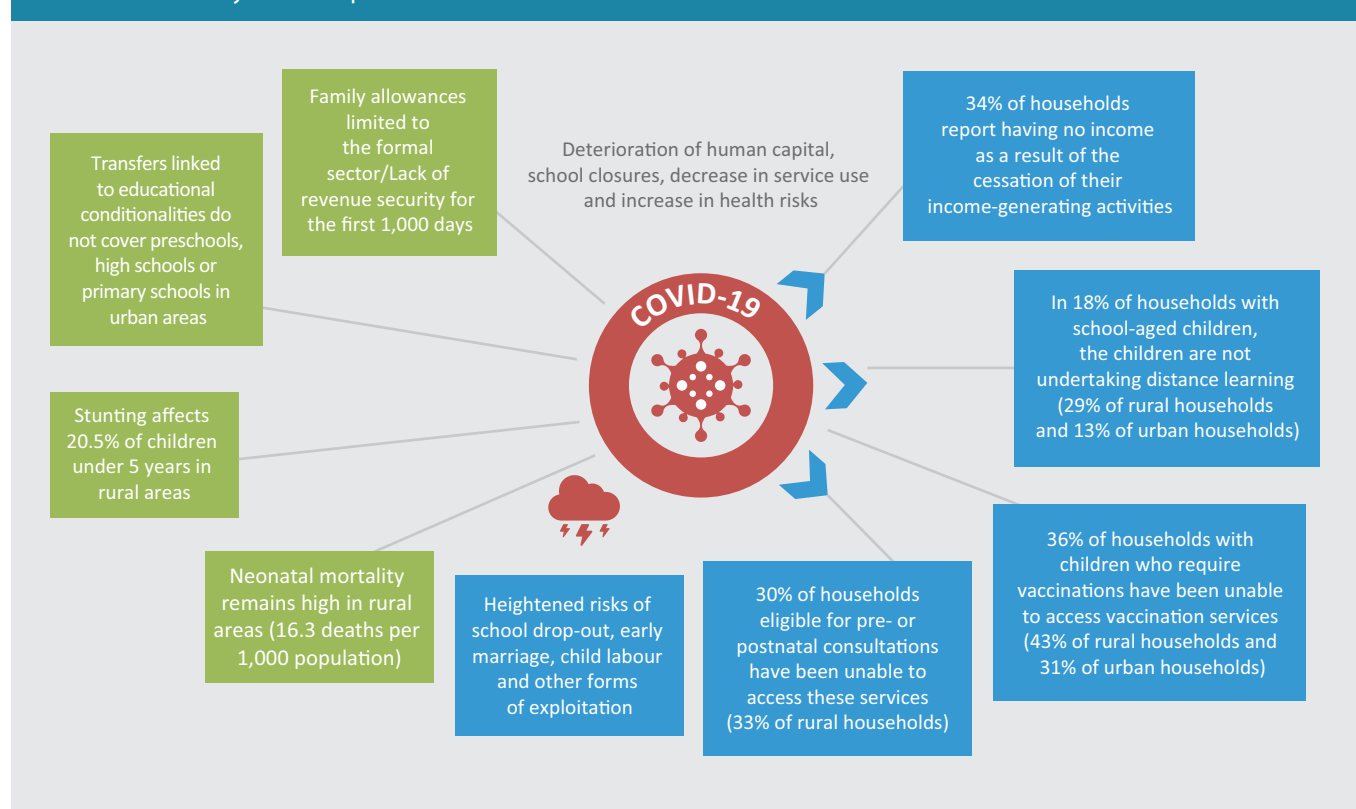
Morocco's challenges to extend integrated social protection

Given the complexity and the large size of both the formal sector absent from contributory schemes and the informal sector in Morocco, several challenges need to be overcome to achieve universal coverage of medical health and family

allowances. Indeed, the labour force belonging to the formal sector but absent from the mandatory basic health insurance (AMO), commonly referred to as non-salary workers (*travailleurs non-salariés*), is an agglomerate of very different categories.⁵

An important challenge for Morocco will be to simultaneously close the social assistance gaps among poor workers in the informal economy and poor households, in a context of changing poverty dynamics, while at the same time extending contributory schemes to non-poor informal workers who have the capacity to contribute. The challenge is to avoid errors of exclusion and/or inclusion, with two parallel contributory and non-contributory systems for the same programmes (AMO and family allowances). This will require intensive and smooth horizontal and vertical coordination between the different social protection actors. The effective national deployment of the Unified Social Registry (*Registre Social Unifié*), with its new means-testing formula, planned for 2023–2025, together with an integrated management information system for

FIGURE 1: Survey on the impact of COVID-19 on children



Source: UNICEF Morocco.



Photo: USAFRICOM. Healthcare workers receive equipment for COVID-19, Morocco, 2020 <<https://is.gd/2eaEG2>>.

social protection programmes, can act as a catalyst and convener for the coordination of multiple actors and enhanced targeting.

Another challenge for Morocco is to effectively reach the most vulnerable through efficient social assistance. To achieve this, Morocco is working towards enhancing its social welfare services (*Etablissements de protection sociale*), by improving the status of social workers and by developing harmonised and unified governance of programmes. Afterwards Morocco will need to improve the funding for social welfare services. Such harmonised and enhanced social welfare can become a cornerstone for the operationalisation of the social protection extension policy in the field, to ensure that every vulnerable person, especially homeless people, persons with disabilities and migrants, not only lives in a household with sufficient financial resources but also has access to quality basic services and is reached by social protection interventions.

The challenge of ensuring the financial sustainability of social protection in the context of an economic recession due to COVID-19 is also central. Morocco will need to extend contributory schemes to the informal and undeclared economy. This will require considerable efforts of creative collaboration and social dialogue among the government, the part of the formal sector not included in contributory schemes and the much diversified and not always organised population of informal workers. This will also necessitate mechanisms that

recognise the diversity of those workers—and their possible transition in and out of informality—while providing them with mechanisms that are fair, efficient and sustainable. This will also necessitate the assessment of current and future contributors and current revenues and expenditures but also of the socio-economic profile of workers to be covered, including by gender, age group, occupational sector/category, region, employment and income details, and contributory capacity. Up to now, the Moroccan Ministry of Labour has extended the AMO to 6 subcategories among the 60 identified, and dialogue is under way on 15 others.

The government has also recently proposed an innovative single tax contribution to replace the flat-rate scheme previously applied to self-employed and own-accounts workers, called the Unified Professional Contribution (*Cotisation Professionnelle Unifiée*—CPU), calculated on the basis of turnover and the category of workers. This will be a simplified way to broaden the tax base, while allowing the extension of the universal medical insurance (AMO) in a first step. It will then also include family benefits for this segment of the population. The CPU contribution scheme will be available for individuals with an annual turnover of under USD50,000 or USD200,000, according to the worker's category. In terms of taxes, it includes a single tax of 10 per cent on the profits. The profits will be calculated by applying a fixed coefficient (varying from 1.5 per cent to 60 per cent depending on the sector of activity and its segment) to the

turnover declared by the taxpayer. It will also include a social insurance (AMO, pension, family allowance) contribution in the form of a scale of fixed amounts according to the level of the annual tax paid. Up to now, six levels of payments are provided for the AMO contributions. In parallel, the government will need to strengthen the payment infrastructure with the aim of increasing access to bank accounts.

Also, to ensure financial sustainability, the reform of social protection is an opportunity for Morocco to rationalise or redeploy existing programmes, mainly the commodity (flour, sugar and butane gas) subsidy fund and its replacement by universal child benefits (*allocations familiales*). The reorientation of the budget of the subsidy fund will begin in 2021 and will be gradual. The goal is to direct this budget towards cash transfer programmes, starting with family allowances and building on the comprehensive, reliable and interoperable household database that will be provided through the *Registre Social Unifié*. ●

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4. See: <www.tadamoncovid.ma>.
5. According to current data from the Ministry of Labour in Morocco, the population of non-salary workers includes 14 categories and 60 subcategories of liberal professions (doctors, pharmacists, nurses, midwives, psychologists; legal, finance, accounting and insurance professionals; construction workers etc.) and independent workers (individuals engaged in commercial activity, in agricultural activity, in the transport sector, self-employed entrepreneurs, artists, craftsmen and in general all self-employed people engaged in any income-generating activity).

The role of Namibia's civil registration and identity system in the country's COVID-19 social response

Anette Bayer Forsingdal,¹ Tulimeke Munyika² and Zoran Đoković³

To mitigate the financial impact of the COVID-19 pandemic on residents and national economies, governments across the world have rolled out social protection grants and credit schemes. Distributing emergency social grants is one way to financially support affected groups that might otherwise not be able to meet their basic economic needs during a lockdown. In Namibia, the government distributed an emergency income grant (EIG) for unemployed citizens at a total estimated cost of NAD561.7 million (USD32.5 million).

This article outlines the design of Namibia's EIG. It highlights the role of the integrated civil registration and identity system—known as the National Population Registration System (NPRS)—in distributing the EIG. Grants were distributed rapidly to almost 770,000 eligible citizens out of a total population of 2.4 million. This was the first time the Namibian government had used electronic identity data to facilitate social protection programming and the distribution of grants. The NPRS, which is operated by the Ministry of Home Affairs, Immigration, Safety and Security, is a relatively new system. It has been designed, developed and implemented systematically by the government over the past 10 years, forming the cornerstone of its e-governance interoperability framework and enabling the exchange of data (Bayer Forsingdal and Munyika 2020).

The information in this article is largely based on a technical brief produced by the United Nations Economic Commission for Africa with support from the Centre of Excellence for CRVS Systems (Đoković et al. 2020), as well as other recent publications on the Namibian civil registration and identity system by the same organisations.

The emergency income grant

Within the first month of the lockdown, the Namibian government put together a three-part economic stimulus and relief package for COVID-19, with the aim to:

- support the Ministry of Health and Social Services in procuring medication and medical equipment;
- support companies by offering affordable credit lines as well as financial support to employees who had lost their jobs because of the economic slowdown; and
- provide interim relief for the most vulnerable members of the adult population—unemployed people and those employed in the informal economy who had lost their income because of the COVID-19 restrictions—by providing a one-off EIG of NAD750 (USD40) in cash for eligible persons.

Eligibility for the EIG was restricted to the following persons:

- Namibian citizens;
- persons aged 18–59 (those below the age of 18 were excluded because they are supposed to be in school and not working, while those aged 60 and above are supposed to receive a pension);
- those who were unemployed or had lost their jobs or incomes as a result of COVID-19 in the informal sector (those in the formal sector were excluded even if they had lost their jobs, because they would be covered under a different scheme under the Social Security Commission); and
- those who were not receiving any other government grants.

The application process opened on 14 April and closed on 8 May 2020. By 5 May,

970,720 people had applied for the EIG, which was much higher than the forecasted 749,000 applications. Data published by Deloitte (2020) indicate that a total of 747,281 Namibians benefited from the grant, at a cost of NAD561.7 million (USD32.5 million); however, later data showed that a total of 767,450 persons benefited (Đoković et al. 2020).

Application procedure

The application procedure was extremely efficient. Individuals could apply through self-nomination by sending a free text message containing their surname and ID number from a mobile phone, even if the phone did not belong to them. The process was intuitive and simple. If individuals met the eligibility criteria, the funds would be transferred to them via an e-wallet at the bank of their choice—a bank account was not required. The entire process, from application to receipt of the grant, took no more than 72 hours.

Verification of eligibility

The civil registration and identity system became indispensable in verifying age, citizenship, whether the applicant was alive and the ID number. The 2016 Inter-censal Demographic Survey Report (Namibia Statistics Agency 2016) indicates that 82.9 per cent of the population were in possession of an identity card, while 93.5 per cent of deaths were registered; this is a good level of coverage to enable verification. If these eligibility criteria were met, the verification process would then query other databases, such as the tax system and the Namibia Students Financial Assistance Fund (NSFAF) database, to determine eligibility. Applicants with a taxable income would be registered in the Income Tax Automated System, which could indicate whether they were in employment and, therefore, ineligible. Likewise, a student receiving a student loan from the government would also appear in the NSFAF system and would, therefore, be excluded from the EIG.

By July 2020 a total of 2,286,947 applications had been received and verified against the NPRS. This very high number of applications was caused by individuals submitting the same identity information multiple times or by the repeated entry of the same applications. By the same date, 767,450 eligible applications had been verified for the EIG.⁴ Reasons for rejecting applications included the following: 4,190 ID numbers that were used to apply were found to belong to deceased persons; 3,464 applicants were either under 18 or over 59 years old; and 144,637 applicants provided information that did not match the information in the NPRS. A private auditing company provided its services for free to audit the financial transfers to detect whether any were made fraudulently.

The capacity to distribute such a large-scale scheme in such a short time is the result of strategic investment in the civil registration and identification system. Moreover, civil registration and identity management were regarded as essential services; therefore, officials were recalled from lockdown to the office and had to work overtime to process pending applications for and print identity cards in response to increased demand due to the EIG scheme. From 30 March to 30 April 2020, 17,343 identity cards were printed in Windhoek and dispatched daily to the 14 regions countrywide so that people could collect them and apply for the grant before the deadline.

Namibia saw a slight decline in both birth and death registration in the first months of the lockdown. However, it is expected that people who were prevented from registering these vital events because of the circumstances will come forward later. It should be noted that timely birth registration continued, because a birth certificate is required for registration for medical aid. Similarly, timely death registration continued, because without a death certificate, neither a burial nor a claim for death benefits is possible. Moreover, the birth and death notification systems, operated by the Ministry of Health and Social Services, and the mortuaries, operated by the Namibian Police, continued to function unaffected (Bayer Forsingdal and Munyika, 2021).

Legal framework

The successful distribution of the EIG showed that Namibia's digitised and interoperable government information and communication technology systems are fully capable of verifying or sharing data across all government systems, and, importantly, that it can happen in real time. However, this service is not fully operational yet, due to the lack of an enabling legal framework. Section 14(2) of the Identification Act, 1996 (Act No. 21 of 1996) allows for information from the NPRS to be shared with government offices, ministries, and agencies if there is a justifiable reason for it, but this sharing provision does not extend to the private sector.

Given the emergency nature of the COVID-19 pandemic, the secrecy provision

“ Namibia saw a slight decline in both birth and death registration in the first months of the lockdown.



Photo: Mike & Clare. Himba Children in Namibia, 2004 <<https://is.gd/wmTgWa>>.



Photo: Mother and Child in Namibia, 2016 <<https://is.gd/LNU8l4>>.

(Section 14(2)) was temporarily suspended to allow identity verification in the administration of state grants. This enabled MobiPay, the private company contracted by the government to administer the EIG, to do so lawfully. This decision followed extensive but timely consultations.

The Ministry of Home Affairs, Immigration, Safety and Security conducted verification according to internationally recognised good practices. All applicants had to provide consent for the institutions involved to verify their personal data. The Ministry did not allow MobiPay direct access to the NPRS; instead, MobiPay supplied digital lists of personal data that were then processed against the NPRS.

Conclusion

The distribution of the EIG has demonstrated various take-home lessons:

- It demonstrated the need for a well-functioning civil registration system and the benefits of long-term and strategic investments in building robust digitised civil registration and identity systems and enabling interoperability among government databases.
- The distribution of the EIG has also demonstrated the importance of having a unique and trusted legal identity to implement the scheme.
- The EIG, and the existing social grants alike, highlight the need for individuals to promptly apply for national

documents such as birth certificates, death certificates and identity cards.

- The civil registration, identity and social protection systems are mutually beneficial and function best in tandem. The EIG has, with no uncertainty, highlighted the opportunity to heighten collaboration between social protection systems and civil registration and identity management.
- Implementing a large-scale grant scheme requires significant financial resources; therefore, it is all the more important to ensure that only eligible beneficiaries receive the grant. Measures aimed at eliminating or reducing human involvement and automating the verification process provide more assurance against corruption or fraud. Built-in automated validation prevents individuals from using fake ID data or ID data of deceased persons to access funds.

It is praiseworthy that the EIG application process was accessible from wherever applicants were, provided that a mobile phone network was available. This provided equal access to rural population groups and prevented public gatherings for the purpose of application, and thereby reduced the risks of spreading COVID-19.

The administration of the EIG was, however, not without any problems. There were complaints of delays extending beyond the 72 hours for

payment, which were necessary in the event that an application required further verification. Some applicants had to appear in person at the nearest constituency office with their identity card for verification. There were also complaints that people who were not in possession of an identity card could not apply for one. This was, unfortunately, the case, as new identity card applications require the physical taking of fingerprints, which represents a high risk of COVID-19 transmission. However, as alluded to above, this highlights the need to obtain national documents on time.

It is clear that if another social grant has to be administered, the collaboration between the stakeholders will build on the foundational lessons learned from the administration of the EIG during the COVID-19 pandemic. ●

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1. Centre of Excellence for Civil Registration and Vital Statistics Systems, International Development Research Centre.

2. Ministry of Home Affairs, Immigration, Security and Safety, Government of the Republic of Namibia.

3. Consultant.

4. Updated number provided by the Ministry of Home Affairs, Immigration, Safety and Security.

The Republic of Congo's social protection response before and during COVID-19: Perspectives from the *Lisungi* programme

Martin Yaba Mambou,¹ Lisile Ganga² and Cinthia Acka-Douabele³

Introduction

The Republic of Congo has two social protection schemes: a contributory and a non-contributory one. The former is social insurance, which is essentially a social security scheme for the formal sector, targeting public servants and employees of private and semi-public companies and covering about 15 per cent of the population. The latter includes two main components: cash transfers (the redistribution of resources to poor and vulnerable people) through the *Lisungi* programme, and social assistance services (services targeting victims of abuse, violence, exploitation and social exclusion).

Lisungi: A government-led programme with support from technical and financial partners

The *Lisungi* cash transfer programme, targeting the most vulnerable households, has conditionalities such as schooling and vaccination of children from beneficiary households, as well as follow-up prenatal medical appointments for pregnant women. Since the beginning of the programme in 2015, 50,447 people, within 9,824 households (approximately 0.96 per cent of the country's population), have received at least one conditional transfer of XAF23,500 (approximately USD44) per month (World Bank 2020).

According to the mid-term evaluation carried out by the National Institute of Statistics (INS 2019), participation in the *Lisungi* programme has yielded the following results:

- 35.4 per cent of households have developed adaptation or resilience capacity to cope with poverty-related shocks;

- 68.6 per cent of households in the programme intervention zones increased their food consumption by at least 15 per cent;
- 93.5 per cent of children aged 6–14 attend primary school, 89.2 per cent of whom have a regular attendance rate (compared to 84 per cent on average in 2017); and
- 56.2 per cent of children aged 0–11 months are fully vaccinated (compared to 47 per cent in 2017).

As part of the scale-up of the programme, and with funds from the World Bank and the French Development Agency (*Agence française de développement*—AFD), refugees and indigenous populations are also going to be covered by the programme.

With the COVID-19 outbreak, the Republic of Congo, like other countries in the region, created multisectoral and community responses to reduce the economic and social impacts of the pandemic on households' living conditions.

Through a USD50 million fund from the World Bank, the government granted an emergency, one-off XAF50,000 (USD91) transfer to 200,000 households—about 15.8 per cent of the households in the country (World Bank 2020).

As part of the TELEMA project, funded by the AFD and promoting economic inclusion of vulnerable populations, 5,000 people living in poor households have also benefited from food assistance through the distribution of food parcels (AFD 2020; MASAH 2020). With support from the World Food Programme (WFP), food vouchers were also distributed

to around 7,000 poor and vulnerable households in the capital, Brazzaville (Ondzé 2020).

The government has also launched a sensitisation campaign to inform the population about personal preventive measures to avoid the spread of COVID-19 and other information about the disease. This could facilitate poor children's and elderly people's free access to public health centres in the two main cities of the country—Brazzaville and Pointe-Noire—and in the Pool region (World Bank 2020).

Since lockdown measures have had a greater economic impact on urban areas than rural areas, the areas selected for implementation of the social protection response were primarily urban areas and the administrative centres of the country's various regions.

The strategy adopted to determine eligibility of poor households and populations for government social assistance programmes is based on that of the *Lisungi* programme. This strategy, in turn, uses the targeting mechanism of the Unified Social Registry (*Registre Social Unique*—RSU), considered the basis for a global vision of social assistance. The process begins with the registration of households in the RSU, followed by socio-demographic surveys that determine their eligibility, community validation of the selected households for the *Lisungi* programme and, lastly, the cash transfer.

Thus, to target eligible households, these socio-demographic surveys were conducted among 500,000 households to measure vulnerability in the selected areas, and their results were recorded in the RSU. Each household surveyed

had a household identification code or a social identification number (*numéro d'identification social*—NIS).

The community validation was first carried out by district leaders in urban areas and village leaders in rural areas. Committees responsible for the validation of beneficiary lists were established by an inter-ministerial decree of 6 June 2020; they comprise members of the local authorities—mayors and sub-prefects.

As a result of the strategy to respond to the economic crises related to COVID-19, the RSU had registered 828,221 households seeking social assistance by 14 September 2020, spread across all religions of the Republic of Congo.⁴ This is the largest national database with information on poor and vulnerable populations.

It should be noted that due to the demographic weight of Brazzaville and Pointe-Noire, on the one hand, and the economic impact of the lockdown on these two large agglomerations, on the other hand, the Congolese government set a quota of 100,000 households in Brazzaville and 60,000 households in Pointe-Noire. The other 40,000 households were distributed among agglomerations in other *departments* of the country.

In addition, the WFP has also used data from the RSU to deliver emergency food parcels to 10,190 households meeting pre-established criteria in six districts of Brazzaville, as part of the response to COVID-19 (WFP 2020).

Programme beneficiaries are paid in cash through banks, microcredit institutions or telephone operators, according to the choice of the beneficiary and their accessibility. Payments through banks are made directly at *Banque Postale* counters on presentation of a beneficiary card, which is authenticated through biometric data. For payments through telephone operators (mobile money), beneficiaries receive telephone SIM cards, then the accounts are created and provided with electronic money.

Nevertheless, challenges remain

Despite these encouraging results, new challenges have emerged. This is particularly the case for a new category

of vulnerable people—workers in the informal sector, who represent the majority of the working population. An assessment of the economic and social impacts of the COVID-19 pandemic by the United Nations (2020a) shows that:

- 78 per cent of households declared that their income had decreased in the three months prior to the survey;
- 83 per cent of households had contracted debts in the three months prior to the survey (40 per cent by borrowing money for the purchase of food, and 34.5 per cent for health expenses); and
- with regards to child nutrition, only 48.2 per cent of children aged 6–23 months met the minimum requirements for a healthy diet—i.e. they consumed food from at least four food groups and had at least two meals per day.

Conclusion and way forward

In sum, the COVID-19 crisis has revealed households' vulnerability to shocks in the absence of solid and large-scale social protection mechanisms. In view of the socio-economic impacts identified, the pandemic is expected to weigh more heavily on the living conditions of Congolese households than previous shocks and worsen the economic recession that began in 2015 (World Bank 2020).

To cope with this situation, it is necessary to strengthen social protection and invest in resilience and community response systems. Above all, this involves:

- an extension of social transfers, making the best possible use of the lessons learned from the *Lisungi* programme, to cover as many vulnerable households as possible;
- faster implementation of universal health coverage; and
- implementation of an inclusive recovery plan that takes into account the most vulnerable households and a national solidarity fund to effectively support the resumption of socio-economic activities in the context of COVID-19. ●

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1. Protection Specialist, UNICEF Congo; drafted the article.

2. Social Policy Specialist, UNICEF Congo; revised the article.

3. Head of Education, Protection and Adolescent Development, UNICEF Congo; revised and finalised the article.

4. Information from the WFP database.

Tackling poverty amidst COVID-19:

How Pakistan's emergency cash programme averted an economic catastrophe

Sania Nishtar¹

In March 2020, as Pakistan came to terms with the scale and severity of the COVID-19 pandemic, the government swiftly implemented a nationwide lockdown to control the outbreak. Lasting over two months, the resulting financial and social disruption was significant.

With the onset of the national lockdown, the economic turmoil was unprecedented. Despite an existing social protection system, there was an urgent need to cater to the immediate loss of livelihoods that ensued. The lockdown in Pakistan—the fifth most populous country in the world—affected the livelihoods of 24.9 million workers (11.4 million daily wage workers in the formal and informal economies, and 13.5 million self-employed workers in the informal economy) (Pakistan Bureau of Statistics 2018). Given that the average Pakistani family has 6.4 members, it is estimated that the disruption affected around 160 million people, roughly two thirds of the country's total population (ibid.).

The poverty on the streets was more than a statistic; it could be seen in the stories of every other Pakistani's life. Labourers found themselves suddenly unemployed, with their families on the verge of starvation. Hawkers who would rely on daily sales from their stalls were forced out of work. Staff from otherwise busy hotels and restaurants were suddenly left sitting at home. Domestic workers such as part-time gardeners, security guards, drivers and industrial daily wagers were laid off. Fishermen, miners, transport contractors, bus drivers and hawkers in bus stations were suddenly out of a job. Beauticians and barbers, otherwise making a decent living, found themselves with no customers. Millions of shopkeepers with their savings consumed faced hunger, living behind the shutters of their closed shops. Private-school teachers received severance letters;

electricians, welders, painters, carpenters, plumbers, car mechanics and construction labourers did not know where their next meal was coming from; and taxi drivers did not see a passenger for weeks on end. This was the story repeated across industries and geographies.

Pakistan's social protection response to the COVID-19 crisis

In response to the economic impact of the pandemic, the Government of Pakistan launched the *Ehsaas* Emergency Cash (EEC) programme, allocating PKR203 billion (approximately USD1.2 billion) to deliver one-time emergency cash assistance to 16.9 million families at risk of extreme poverty. Each low-income household received a one-time payment of PKR12,000 (USD75)—enough to buy staple food items for the next three months (Nishtar 2020).

The EEC programme was unique in its response because it leveraged existing digital capabilities that had been established over the previous year as part of *Ehsaas*, the Government of Pakistan's new umbrella social protection strategy designed to address poverty and inequality in the country. *Ehsaas* is the main programme through which the government aims to build a welfare state. It has a total of 140 initiatives, with the objective to provide safety nets, financial access to health care, scholarships and incentives to students, livelihood opportunities, and financial and digital inclusion. Some key programmes include conditional cash transfers for education (*Waseela-e-Taleem*) and nutrition (*Nashonuma*), unconditional cash transfers targeted at women to decrease poverty and improve financial literacy (*Kifalat*), and safety nets to enable protection against catastrophic risks (*Tahafuz*).

In 2019, a year before the COVID-19 outbreak, several initiatives had already been rolled out to streamline various social protection services within the

country. These included a new biometric payment system, a demand-side SMS-based request-seeking platform and a new wealth-profiling big data analytics mechanism. The EEC programme augmented the digital infrastructure already in place and followed a hybrid targeting approach to identify beneficiaries.

The first step involved acquiring names of the 'known poor' from the national poverty database, the National Socio-Economic Registry (NSER). This cohort comprised women from families with a proxy means test (PMT) score of 0–16.17/100 in the NSER, who were regular recipients of a monthly stipend of PKR2,000 through the *Kifalat* programme. They were given a 50 per cent top-up of their regular benefit amount (totalling a four-month stipend of PKR12,000). About 4.7 million beneficiaries were served in this category.

The second step, which became the hallmark of the programme, was an aggressive promotional campaign asking all individuals nationwide who wanted emergency relief to send in requests to an SMS short code service. Their poverty status was validated by cross-checking that the PMT score against their Citizens' National Identity Card (CNIC) number was between 16.18 and 38/100. These names were then shortlisted using advanced data analysis techniques that compared every individual's unique national identification number across various wealth-profiling metrics (travel, taxes, billing, asset ownership data and government employment status). Approximately 3.6 million beneficiaries were served in this category.

The third category of beneficiaries included individuals who informed district-level government officials about their need. This category was necessary because Pakistan's NSER was created in 2011, and work on upgrading the 2019 NSER was still under way; hence, there was

“ The lockdown in Pakistan—the fifth most populous country in the world—affected the livelihoods of 24.9 million workers.



Photo: PASS website. EEC programme beneficiaries in Mastung, Balochistan.

a risk that some people may have been left out of the database. To address this, districts were allowed to assemble lists of individuals in need. Wealth proxies were used as exclusion criteria during the data analysis process, and provincial quotas (in terms of the number of beneficiaries) were calculated according to their share of the population in the 2017 census. Some 3.7 million beneficiaries were included this way. An additional 1.7 million beneficiaries were served as a spillover from lists of beneficiaries from the second and third categories.

The fourth category of beneficiaries included labourers and workers who lost their jobs during the lockdown. This category was included by the Prime Minister in May 2020. Individuals applied for the emergency cash through the *Ehsaas* labour portal. Similar wealth proxies were applied to these applicants as to the third category of beneficiaries, reaching a total of 1.2 million beneficiaries. Payments were biometrically verified, and citizens could check their eligibility status on a web portal.

The programme received 139 million requests, of which 66 million were unique. Some 16.9 million individuals were declared eligible (each individual equates to a household, as only one member per household may be an eligible beneficiary). Around 65 per cent of all rejected applications were rejected due to wealth profiling, 20 per cent due to household duplication, and the remaining due to high PMT scores and unverified CNICs.

Over 14.8 million individuals collected their payments before the closing date of the programme on 30 September. For beneficiaries who experienced issues with biometric verification, or those who were next of kin of deceased beneficiaries, the deadline for collecting the funds was extended by a month.

Implementation and impact

The disbursement process encountered many challenges. The largest social protection operation in the country was rolled out with lockdowns in effect, public transport suspended and a looming risk of disease spread. Additional challenges were related to logistics, connectivity, liquidity, cyber-attacks, biometric failures and limitations of data-driven messaging.

Real-time monitoring and evaluation made it possible to address challenges quickly. Along the way, several important decisions were made. These included creating public–private partnerships at various stages. For example, partnerships with commercial banks allowed a 60 per cent lower transaction fee than those of treasury banks. Similarly, tax breaks were introduced to incentivise retailers involved in disbursing the transfer, so that they would work willingly in a difficult environment. To address low rates of financial and digital literacy among the population, communication campaigns about the EEC were adapted.

The impact of the EEC programme on the ground was remarkable. By November

2020, the programme had disbursed almost PKR180 billion (USD1.1 billion) in cash (Poverty Alleviation and Social Safety Division 2020). Additionally, the programme exhibited remarkable flexibility to include additional people as the crisis continued and affected more people than anticipated. The programme initially started with around 12 million expected beneficiaries and expanded to 16.9 million expected beneficiaries.

Expressed in monthly terms, the PKR 12,000 handouts covering 4 months represented an increase of 12.9% (or ~13%) of average monthly household income of the poorest quintile (Pakistan Bureau of Statistics 2020). A ‘pulse check’ telephone survey, conducted while the programme was being implemented, showed that 97 per cent of beneficiaries used the full amount of the transfer during the lockdown, and 93 per cent of the transfer was spent on sustenance alone, indicating that the transfer was necessary to provide basic needs to millions of families (Poverty Alleviation and Social Safety Division 2020b). In addition, beneficiaries across the programme had a positive experience with the disbursement process, and only 11 per cent of beneficiaries faced problems because of incorrect biometric verification, expired national identity cards or the demise of the primary beneficiary.

Throughout the implementation process, various quick, iterative decisions were made to ensure that issues were handled as soon they became apparent. For

example, when the programme started, several beneficiaries could not send SMS messages to enrol themselves in the programme because their phones did not have credit. As a result, the fee for the messages was quickly waived, and all text messaging to the 8171 helpline was made free of charge. Similarly, the condition of having a valid national identity card was also waived for beneficiaries who had expired cards, and deadlines for payments were extended for those who faced issues with biometric verification.

In addition, collaborations with provinces were essential to ensure that a programme that was conceived at the central level would be delivered seamlessly across every part of the country. Therefore, at various touchpoints, extensive consultations with provincial Chief Secretaries were made to ensure that stakeholders at every level of governance were aligned on both the functioning and the impact of the programme. Additionally, the Punjab government dedicated resources for 700,000 additional beneficiaries, showing the province's trust in the EEC programme.

Lessons learned

The EEC programme demonstrated how cash transfer programmes can be deployed to counter the socio-economic fallout due to external shocks such as the COVID-19 pandemic. For Pakistan, this has been a watershed period in terms of government functioning, making it more agile, data-driven, experimental, and ambitious. The programme accelerated the adoption of cost-effective, digital initiatives that enabled new ways of coordinating across multiple stakeholders and deploying a whole-of-government approach. It also bolstered confidence in the government's ability to execute well and at scale.

The legacy of this programme is not just short-term relief. EEC will be an important component of the redesign of social protection after COVID-19 and will help in the reimagining of social welfare envisaged in *Ehsaas*—the most ambitious social protection programme to assist marginalised people that has ever been launched in Pakistan. Next steps will include creating a one-window *Ehsaas*—a single-window information and service approach for better access to multiple *Ehsaas* programmes, to create awareness,

integrate service delivery under the *Ehsaas* umbrella, ensure transparency and improve government-to-citizen service delivery. Another priority moving forward is the 'One Woman, One Bank Account' initiative, whereby limited mandated bank accounts created for all women as part of the *Kifalat* programme will be linked to mobile wallets. The mobile wallets will serve as branchless banking accounts, and will deepen digital and financial inclusion through improved service offerings for saving, borrowing and risk mitigation.

The case of Pakistan provides useful lessons for other countries. It shows that by combining telephones, Internet connectivity and unique national identification numbers, a digital and innovative demand-based social protection system can be created to enable people in distress to seek social support during crises. In addition, this experience has taught us the importance of a coordinated response in government that comes through strengthening institutions and developing partnerships. ●

“The EEC programme demonstrated how cash transfer programmes can be deployed to counter the socio-economic fallout due to external shocks such as the COVID-19 pandemic.

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1. Federal Minister and Special Assistant on Poverty Alleviation and Social Protection to the Prime Minister of Pakistan, Office of the Prime Minister of Pakistan.

Cambodia's social protection response to COVID-19

Theng Pagnathun,¹ Sabine Cerceau²
and Emily de Riel³

Background

Cambodia has been hailed as a success story in Asia as a developing economy, with official poverty rates declining from close to 50 per cent in 2007 to around 13 per cent in 2014 (World Bank 2017).

While the COVID-19 pandemic has thus far remained limited in Cambodia, with 326 confirmed cases as of 1 December out of a population of 16 million, the associated economic downturn is impacting key sectors of exports, tourism and foreign direct investments in construction (WHO 2020). The Asian Development Bank and the Cambodian Ministry of Economy and Finance have estimated that the economy could shrink by 5.5 per cent in 2020, after growing by 7 per cent in 2019 (ADB 2020). This could translate into 570,000 Cambodians losing jobs, and push an additional 1.3 million Cambodians into poverty, potentially bringing the poverty rate back up above 10 per cent.

Bracing for the economic impact of COVID-19, the Royal Government of Cambodia moved quickly to fund and scale up a cash transfer programme for poor households.

Cambodia's social protection context before COVID-19

The Government of Cambodia launched the National Social Protection Policy Framework in 2017, intended as the guiding, overarching government strategy for social protection until 2025. It sets out a comprehensive set of social assistance services and social security schemes, including financing and governance mechanisms.

The National Social Protection Council (NSPC) was established the same year, bringing together 17 ministries and government entities involved in social protection initiatives. It brought the range of services under one roof to facilitate coordination, learning, policy-setting and scale-up of food and nutrition programmes, benefits for orphans and vulnerable children, health insurance schemes, pensions, cash transfer programmes and more.

Before COVID-19, as of early 2020, 506,000 households (approximately 15 per cent of the population) were identified as poor through the country's poverty identification system known as IDPoor, thereby qualifying for a number of social services. Developed within the Ministry of Planning since 2005, the

IDPoor system uses a proxy means test implemented by community members themselves to identify households living in poverty. Each year approximately a third of villages on a rolling basis conduct the extensive community-led process, ensuring all urban and rural areas are covered during a three-year period. Since 2011, all services for poor people—whether provided by the government or non-governmental organisations—are required by law to use IDPoor to target beneficiaries.

Currently households with an IDPoor 'equity' card can access several national programmes—for example:

- free access to health care under the Health Equity Fund;
- financial assistance via the Cash Transfer Programme for Poor Pregnant Women and Children (0–2 years old); and
- the Scholarship Programme for Children in Primary and Secondary Schools.

Additional social protection programmes under the NSPC's purview are being started or added, also linked to IDPoor. Social service providers can access up-to-date poverty data and predefined reports, and request special subsets of data via the online platform at <https://mop.idpoor.gov.kh/>.

The social protection response to the COVID-19 crisis

The Royal Government of Cambodia responded rapidly to the pandemic. It developed a USD1 billion package to minimise the economic shock for poor people and those groups particularly impacted. The key support policy is a USD300 million cash transfer programme for poor populations, approved in May 2020.

The existing infrastructure already set up for the government's Cash Transfer Programme for Poor Pregnant Women



Photo: IAEA Imagebank. COVID-19 Equipment, Cambodia <<https://is.gd/WcEK6M>>.



Photo: GIZ/Conor Wall. Some beneficiaries of Cambodia's cash transfer programme.

and Children served as a model to expand cash transfers to all households identified through IDPoor. Any IDPoor equity card holder can register with an administrator at commune level and receive an account from an e-payment provider. The households can withdraw the monthly payments at a local branch of the e-payment provider. The benefit rates are USD20 per month for rural households, plus an additional USD4 per household member. Urban households receive more: USD30 per month, plus USD7 per household member. Additional payments are authorised for those living in extreme poverty, people with disabilities, children, elderly people, and people living with HIV/AIDS. A five-member rural household classified as very poor under IDPoor therefore receives USD44 per month.

Payments have been made monthly since June 2020, with the government planning to decide in March 2021 whether to extend payments, and for how long.

Operational implementation during COVID-19

The cash transfer programme is implemented primarily by the Ministry of Planning (MOP) and the Ministry of Social Affairs, Veteran and Youth Rehabilitation (MOSVY). The MOP is responsible for beneficiary identification through IDPoor, including making data on eligible households available to the MOSVY, which manages registration, benefit calculations and payment processes.

While existing IDPoor equity card-holding households were eligible for the cash transfer programme, the government recognised that additional households were going to require support as the economic impact of the pandemic continued to unfold. A mechanism was needed to rapidly identify and register households experiencing changes that made them newly eligible for IDPoor.

The MOP had already begun to develop an 'on-demand' IDPoor (OD-IDPoor) process in 2017, intended as a commune-level means to identify households that may have moved or changed status between full IDPoor assessment rounds. The use of handheld tablets for data entry and authorising commune councils to review household interview results, rather than sending them to the provincial level, had been piloted as part of a more streamlined process to ensure greater inclusion.

The COVID-19 crisis called for urgent nationwide implementation of the OD-IDPoor process, accelerating the roll-out that had been planned for 2020–2022. Movement restrictions and social distancing requirements added an additional challenge by limiting the possibility of in-person training for implementers—namely, the commune councils that were charged with reviewing new applications.

The MOP supported the implementation process by providing personal protective equipment and strict hygiene rules for in-

person training at the province level. The majority of contact was remote, however, with MOP staff providing implementation support via phone, telegram and web-based meetings, and support visits where necessary. The MOP also created printed training materials and online tutorial videos accessible via the OD-IDPoor app.

The OD-IDPoor roll-out meant that a household could apply for and receive their IDPoor equity card within weeks, and then immediately go to a registration site in their commune to sign up for the cash transfer programme, where their eligibility data would already be visible in the system, and payments could be authorised. The United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the German Development Agency (GIZ), on behalf of the Australian and German governments, financed two tablets for each commune to respond to the large number of interviews being conducted during the crisis.

Due to a high level of commitment from local stakeholders, the nationwide implementation of OD-IDPoor was successfully completed in all of Cambodia's 1,646 communes in a period of only a few weeks in May 2020.

Results

About 191,000 newly poor households have been added to the IDPoor database since mid-May using the OD-IDPoor process. This means that as of November 2020, 697,000 households (3 million individuals) were eligible to receive the cash transfer benefit. Nearly USD200 million has been disbursed to date.

An example of the impact of the programme can be seen in the family of Noun Seang (89) and her daughter Sar Var (49), who are equity card holders.⁴ The elderly woman suffers from arthritis and can no longer climb the stairs to her house. Remittances from her son-in-law, who worked as a labourer in Phnom Penh, have stopped since the pandemic spread globally. The family has no land to farm but do have a loan to repay. Both women are illiterate and are grateful that the commune chief came to their house to inform them of the cash transfer programme. "I hope we'll be able to have breakfast every day now," notes Seang.

“The COVID-19 emergency cash transfer accelerated the expansion of the country’s first large-scale cash transfer programme and has paved the way for future social protection programmes beyond the current crisis.



Photo: Kelsea Clingleffer/UNDP Cambodia. COVID-19 safe training, Siem Reap, Cambodia, 2020
<<https://is.gd/O1NBNS>>.

Challenges and lessons learned

First, the implementation of a cash transfer programme helps those most affected by the socio-economic crisis, while at the same time accelerating consumption and stimulating the economy, preventing further loss.

Second, the COVID-19 emergency cash transfer accelerated the expansion of the country’s first large-scale cash transfer programme and has paved the way for future social protection programmes beyond the current crisis. Much of the necessary structure was in place, including IDPoor to identify households in need of assistance, and an existing smaller cash transfer programme for pregnant women and very young children. However, much was learned in adapting and scaling up the programme, including in building the necessary data linkages, policies and roll-out strategies.

Third, the use of digital technologies was a key success factor, particularly in supporting implementation during a pandemic. OD-IDPoor and the cash transfer programme use digital technologies for data collection and management to ensure faster turnaround times. The use of tablets reduces labour and paper for questionnaires, makes data available immediately in the national database, improves data quality and facilitates payments to beneficiaries.

Finally, fast-tracked implementation of the cash transfer programme and OD-IDPoor

required a great amount of inter-ministerial collaboration, and was only possible because of intense communication and coordination efforts from all relevant stakeholders at all levels of planning and implementation, especially the MOP, the MOSVY, the Ministry of Interior and the NSPC. Development partners such as GIZ, UNICEF, UNDP and others worked in close partnership with the Royal Government of Cambodia to ensure alignment and contribute resources to the emergency response. ●

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1. Delegate of the Royal Government of Cambodia in charge of the Directorate-General of Planning.
2. Social Protection Advisor, *Gesellschaft für Internationale Zusammenarbeit* (GIZ).
3. Independent consultant.
4. These case studies were part of a larger photo project in which GIZ, on behalf of the Australian Department of Foreign Affairs and Trade (DFAT) and the *Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung* (BMZ), and in cooperation with the MOP, captured beneficiary voices.

How to overcome the impact of COVID-19 on poverty in Indonesia?

Fisca Aulia and Maliki¹

Introduction

The COVID-19 pandemic has caused a decline in economic growth due to the large-scale constraint on people's physical mobility, restricting their labour force activities and economic production and decreasing their income. While all economies have been affected to a greater or lesser extent, the crisis will hurt poor people most, especially in developing countries. This is true even for regions that have achieved significant progress in reducing poverty during the era of the Millennium Development Goals. According to Sumner, Hoy, and Ortiz-Juarez (2020), for instance, poverty headcount rates could increase for the first time since 1990 in East Asia and the Pacific.

According to the Central Statistics Agency (BPS), Indonesia made history in 2018 by reaching the milestone of single-digit poverty (9.82 per cent) for the first time since its independence in 1945 (Cabinet Secretariat of the Republic of Indonesia 2019). While impressive considering the country's slow macroeconomic growth and large population, this achievement may be short-lived. Following the pandemic, poverty could rise, undoing years of positive trends in poverty alleviation.

This article aims to shed light on the question of what needs to be done for Indonesia to sustain its ongoing fight against poverty and mitigate the adverse effects of the COVID-19 pandemic on poor people. Most important, it offers reflections on some of the lessons learned from the pandemic that Indonesia can take to make its social protection system more shock-responsive in the future.

Indonesia's social protection response to COVID-19

To prevent the wider spread of the virus, the government has implemented a number of policies, such as large-scale social restrictions and encouraging people to use cashless financial transactions. These

have been applied especially in the areas that have had high numbers of confirmed COVID-19 cases, such as Jakarta and West Java.

The first case of COVID-19 in Indonesia was at the beginning of March 2020. As of November 2020, more than 510,000 people had tested positive, of whom at least 16,350 had died. The crisis has hit every level of society, but poor and vulnerable people are the most severely affected.

COVID-19 has impacted poor people in a number of ways, including: reductions in labour activity, shorter working hours, pay cuts and reduced non-labour income, illness (not only COVID-19 but also other illnesses as a result of restricted access to health services), increased out-of-pocket health expenditure at the expense of food consumption, as well as supply shortages of essential consumption goods. These factors explain why the pandemic has hit the informal sector the hardest.

Having effective social protection programmes in place to protect those most vulnerable is undeniably important, as is ensuring that those who need assistance the most—the bottom 40 per cent of the income distribution—receive it. To this end, the Indonesian government has issued a fiscal stimulus package in the form of expanded social assistance and increased benefit levels. The measures include the following:

- The benefits of the regular conditional cash transfer (*Program Keluarga Harapan (PKH)*—Family Hope Programme), covering 10 million beneficiary families or the bottom 20 per cent of the population, were increased by 25 per cent. They were also distributed monthly, instead of quarterly, until December 2020.
- The existing food assistance programme *Sembako* was expanded from 15.5 million to 20 million families,

covering the bottom 30 per cent of the population, and its benefits increased from food worth IDR150,000 to IDR200,000 (from around USD10 to USD12 per month).

- Social cash assistance, targeting outside Jakarta and metropolitan areas, was paid to 9 million families in the 30th to 40th percentile of the population, who did not receive benefits from PKH or *Program Sembako*. This is one of the new programmes due to COVID-19, paying IDR600,000 (USD43) per month from April to December 2020.
- Food assistance equal to IDR600,000 (USD43) was paid monthly from April to December 2020 to 1.9 million affected families in Jakarta and the metropolitan areas. The beneficiaries were micro-businesses, seasonal arts workers and other informal workers who were not PKH or *Sembako* beneficiaries.
- Electricity subsidies, consisting of free (for consumers in the 450 VA power category) or half-priced (in the 900 VA power category) electricity, were awarded to 27.7 million lower-income households (the poorest 40 per cent of the population).
- Unconditional cash transfers from the Village Fund (*BLT Dana Desa*) were given to 10–12 million families, paying IDR300,000 (USD20) per month from April to December 2020.²

While the first five programmes listed above use the Integrated Social Welfare Database (*Data Terpadu Kesejahteraan Sosial*—DTKS), the unconditional cash transfers from the Village Fund were provided to those not registered in the DTKS. Instead, they were identified through local governments, such as village heads, who identified the 'new poor', targeting mostly informal workers (for more on the DTKS, see next page).

Poverty outlook

Indonesia was expected to experience a decline of 2 per cent in gross domestic product (GDP) growth by the end of 2020. This will certainly influence the poverty rate. Based on a simulation exercise by the Ministry of National Development Planning (Bappenas), without any special interventions the national poverty rate will be around 11.12 per cent, which implies a potential increase in the number of poor people of 5.2 million. If true, this will hamper the target poverty rate set in the Annual Government Working Plan 2020, which is between 8.5 per cent and 9.0 per cent by the end of 2020. However, taking the various interventions into account (see Figure 1), Bappenas estimates suggest a poverty rate of around 9.7–10.2 per cent by the end of 2020. Yet it is impossible to be certain about the magnitude of the impact. For instance, if the pandemic is not suppressed within the next month or so, Indonesia's economy could contract beyond the government's projection.

In August 2020, President Joko Widodo announced in front of Parliament that the government would allocate IDR366.5 trillion (USD24 billion) to accelerate

the National Economic Recovery (PEN) programme in 2021, with up to IDR110.2 trillion for social protection. With the social protection programmes reformed and additional interventions in place, Indonesia can potentially limit the number of newly poor people to only 1.92 million. If the efforts are well coordinated and the economy recovers in 2021, the poverty rate could be around 9.2–9.7 per cent in 2021, and it is highly likely that the current trend of reducing the number of poor people by an average of 1 million per year can be sustained.

Learnings from the crisis and challenges ahead

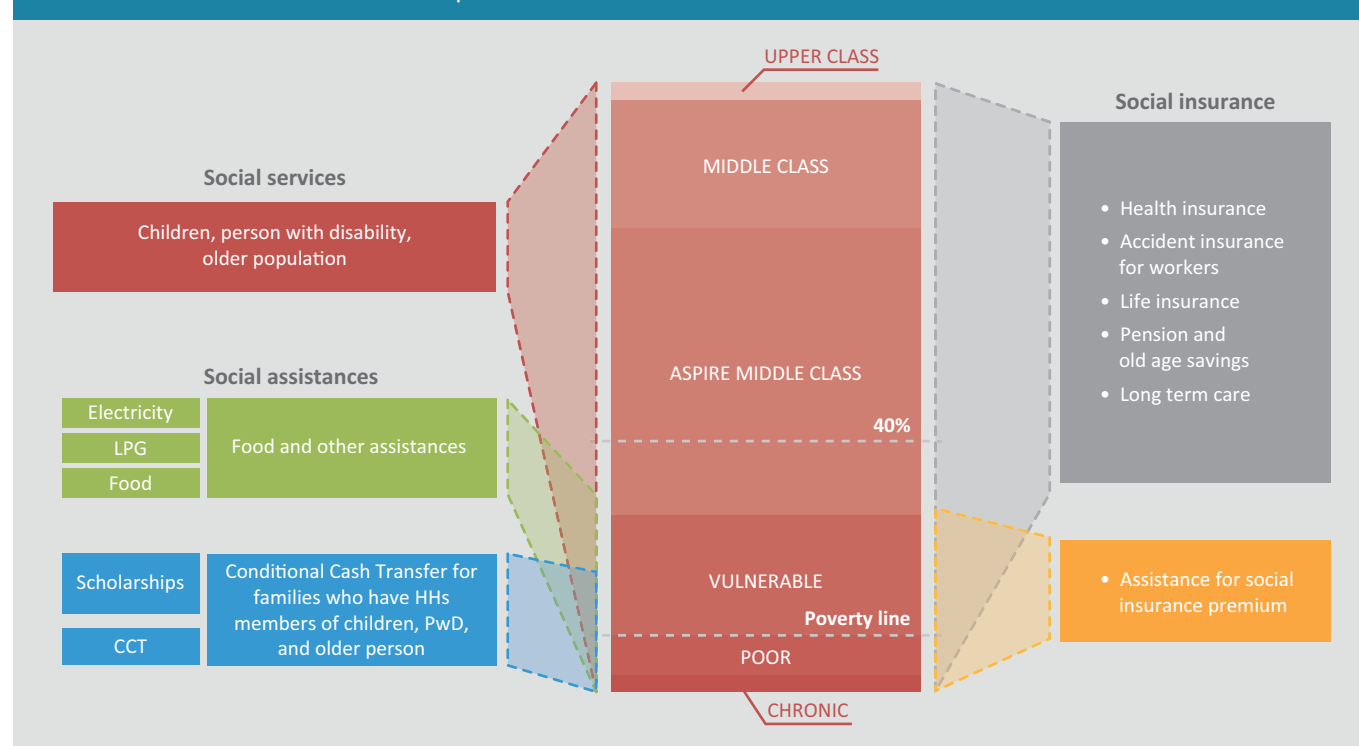
Lessons learned from the past economic crises in 1997–1998 and 2005 have led to significant improvements in policy planning. Specific examples include the DTKS and the digitalisation of the social assistance system. The DTKS was established in 2005 based on the *Pendataan Sosial Ekonomi* survey, which included basic information on 19 million households in the bottom 30 per cent of the income distribution. It was subsequently expanded and currently contains social, economic

and demographic information on 24.7 million households, representing the poorest 40 per cent of the population (OECD 2019). The DTKS is the main database for several social protection programmes.

COVID-19 has prompted the government to increase the number of households in the DTKS, registering the names and addresses of not only poor and vulnerable households but also lower-middle-class households that are at risk of falling into the vulnerable category in the case of a crisis (the 'aspiring middle class'; see Figure 1). This will enable the government to respond to the effect of the current pandemic or other catastrophic events in the future. Bappenas is mandated by the President to expand the current DTKS, with the aim to cover up to 100 per cent of the population by 2024.

Indonesia today has better administrative capacities than ever before to assist its poor citizens. Besides using a national unified database system and a service and referral system for a rapid response to complaints, it now counts on an improved system of verification and validation. Moreover, the country has a more

FIGURE 1: Indonesia's vision of social protection reform



Source: Internal presentation, Directorate of Poverty Alleviation and Community Empowerment, Bappenas.



Photo: ILO/F. Latief. Man with disability during the COVID-19 pandemic, Indonesia, 2020 <<https://is.gd/LNU8l4>>.

“Rebuilding a social protection system that adapts to the needs of poor people as the pandemic spreads further remains the main challenge.”

consolidated proxy means test, using the DKTS to select beneficiaries, and a more integrated targeting system for those programmes not yet using proxy means-testing. COVID-19 has also fostered some innovations which can be leveraged in the near future, such as building interoperable systems to advance effective delivery.

However, rebuilding a social protection system that adapts to the needs of poor people as the pandemic spreads further remains the main challenge. To fully integrate all the social assistance and social insurance to form a comprehensive social protection system, all programmes offered by the central government, local government and others should be integrated by using one data system to ensure accurate targeting and that all households receive the appropriate intervention. Moreover, the full digitalisation of payment mechanisms and revision of the programme graduation concepts will be needed.

Moreover, success still depends on local-level state capacity for the efficient execution and management of safety net schemes. Even for the Bappenas projections to materialise under a non-negative growth scenario, local government officials must be more proactive in identifying and targeting people falling into poverty due to the pandemic, who are mostly in the informal sector. After several months of social assistance interventions and the end of large-scale movement restrictions, the

economic empowerment programmes for informal workers are essential to help them return to work when the economy restarts.

In summary, this crisis has shown that accurate data are needed to target the poorest members of the population. Coordination among stakeholders is also crucial to ensure that programmes are well integrated, and funding must be sustainable. Another important factor is the development of adaptive social protection programmes. We have learned a lot from the current pandemic that they are a crucial mitigation tool to minimise the effect of disasters. ●

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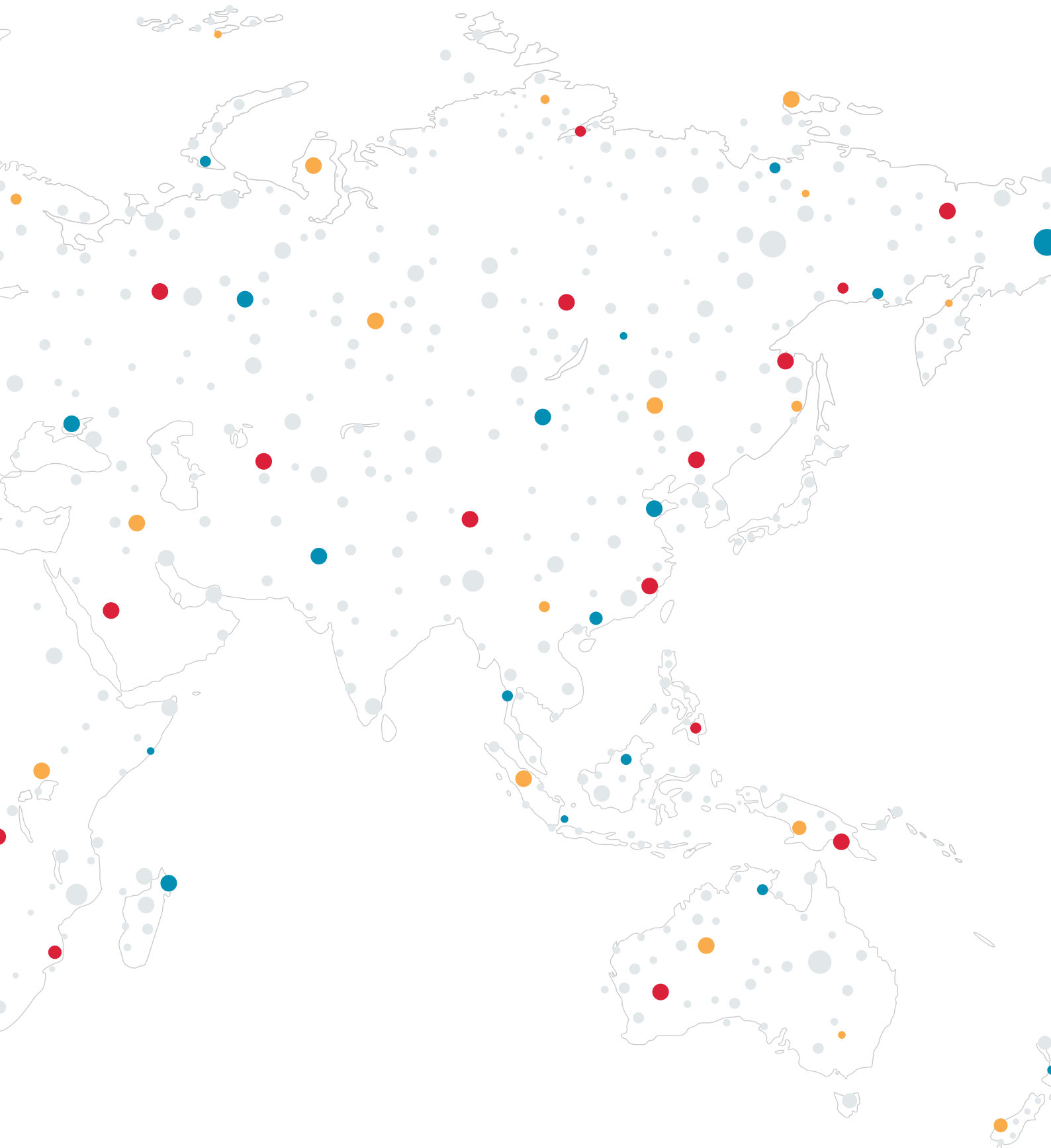
OECD. 2019. *Social Protection System Review of Indonesia*. Paris: OECD Development Pathways, OECD. Publishing, Paris. <<https://doi.org/10.1787/788e9d71-en>>. Accessed 3 February 2021.

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1. Ministry of National Development Planning (BAPPENAS).

2. The initial benefit was IDR600,000 (USD43) per month, but due to budget restrictions it was cut to IDR300,000 (USD21).





It is key that the lessons learned and the gains made during the COVID-19 responses are incorporated into the national social protection systems

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Charlotte Bilo, Maya Hammad, Anna Carolina Machado, Lucas Sato, Fábio Veras Soares and Marina Andrade

Finally, despite the sudden interest in social protection as a (large-scale, covariate) shock response tool, it is important to recognise that its core role is to provide adequate support to those in need, regardless of whether the need is caused by an individual shock, a large shock, a life-cycle stage or a chronic condition.

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Rodolfo Beazley, Valentina Barca and Martina Bergthaller

Today we are at a turning point. We can turn the COVID-19 crisis into an opportunity to build robust, comprehensive and universal social protection systems and resist the self-defeating push for austerity that is on the horizon if not already here.

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Shahra Razavi



International Policy Centre for Inclusive Growth (IPC-IG)

SBS, Quadra 1, Bloco J, Ed. BNDES, 13º andar
70076-900 Brasília, DF - Brazil
Telephone: +55 61 2105 5000

ipc@ipc-undp.org • www.ipcig.org

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ISSN: 2318-8995