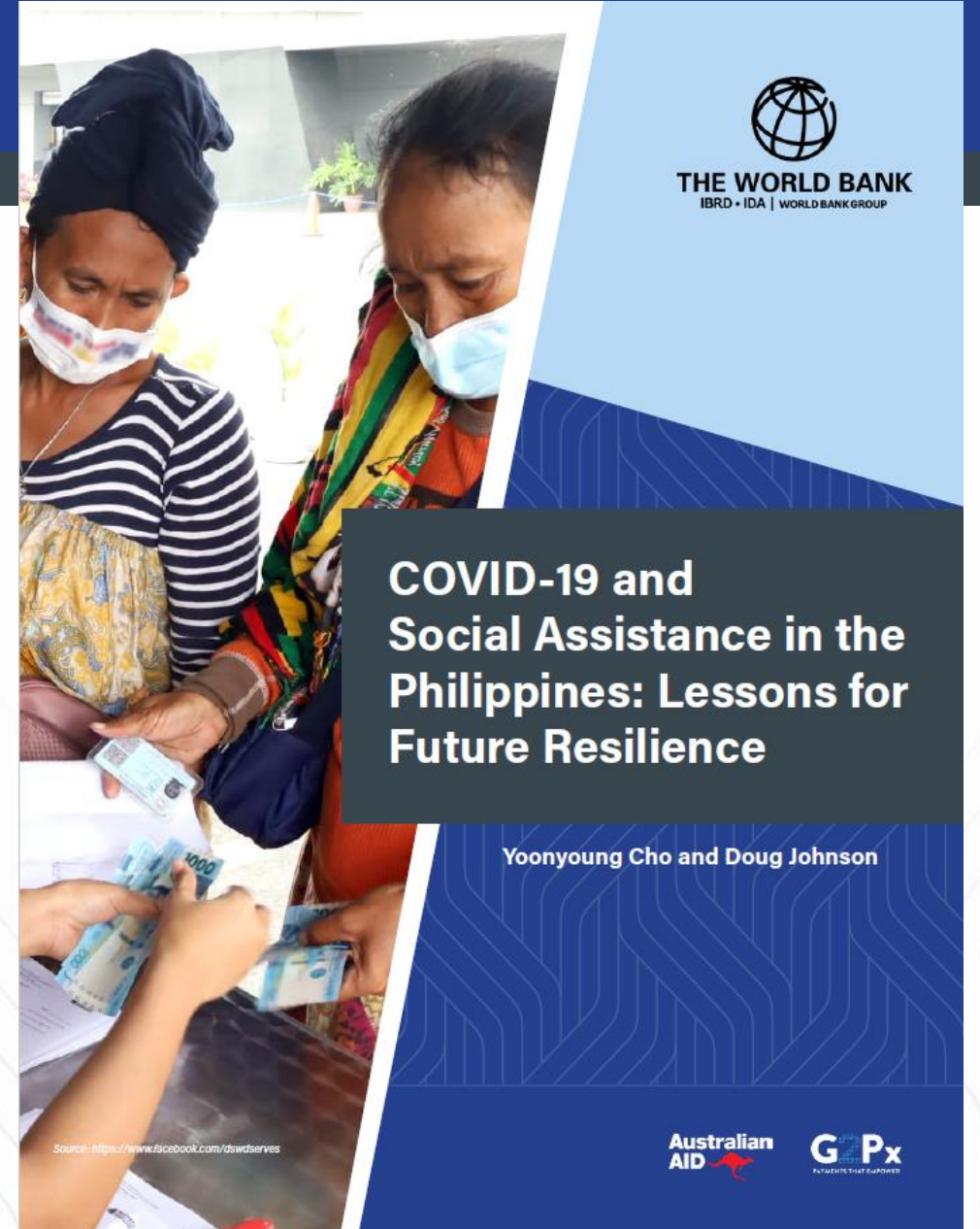


# COVID-19 and Social Assistance in the Philippines: Lessons for Future Resilience

---

July 7, 2022



# A Synthesis Essay: Looking back on the past 2 years of the pandemic...

- **Multiple phases of the pandemic**
  - Lockdown measures
  - Health policy environment
  - Social assistance & labor market responses
  - External environment
  
- **Focus on social assistance response**

Characteristics	Phase 1 Beginning – Q2 2020	Phase 2 Q3 2020 – Q1 2021	Phase 3 Q2 2021 – Q4 2021	Phase 4 Q1 2022
Lockdown measures	Stringent community quarantines, high compliance	Relaxed community quarantines	Mixed community quarantines, lockdown fatigue	Localized alert systems
Health policy environment	Huge uncertainty; heavy reliance on lockdowns	Modest confidence; marked by need for tracing, isolating, and treating, in addition to lockdowns	Growing confidence; marked by need for large vaccine procurement and distribution	Unprecedented COVID surge due to variants; booster vaccination drive; marked by uncertainty
Major COVID-19 SA programs including for displaced workers	SAP 1st tranche (cash, large scale, nationwide)	SAP 2nd tranche (cash, large scale, focusing on NCR and neighboring regions)	Local assistance or ayuda (cash and in-kind per LGU discretion)	Local assistance or ayuda (cash and in-kind per LGU discretion)
Major COVID-19 labor market programs	Limited wage subsidies and cash for work, increased demand for repatriation support of OFWs	Expanded cash for work, continuous repatriation and reintegration of OFWs; training and livelihood assistance	Continued programs, renewed commitment through the National Employment Recovery Strategy	Continued programs
External environment	Global recession/uncertainty	Economic rebounding/vaccine optimism	Vaccine optimism mixed with caution against variants' surge	Acknowledging a COVID endemic scenario

# Data used

- **Various nationwide and representative microdata**

- General population
- Low income population
- SA beneficiaries

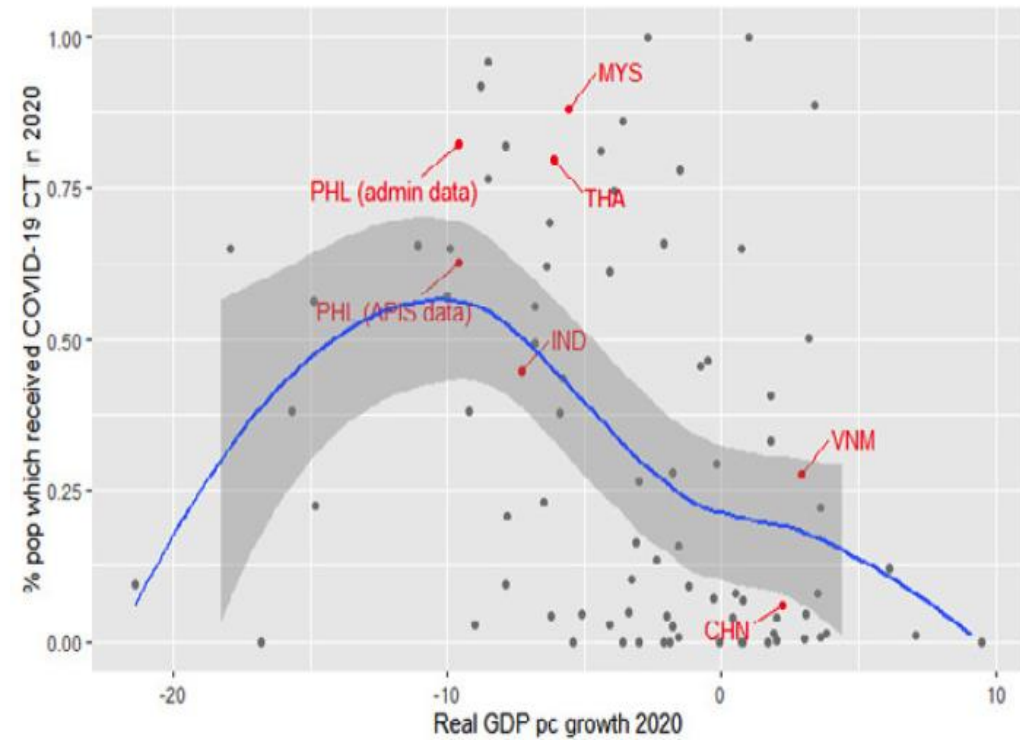
- **Social assistance**

- Coverage
- Adequacy
- Targeting
- Delivery

Data Source	Sample Coverage	Data during the pandemic	Description
Philippine Statistics Authority	Nationwide/households (APIS) Nationwide/households/adult individuals (LFS)	<ul style="list-style-type: none"> <li>• APIS 2020</li> <li>• Quarterly LFS (monthly from January 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• Household welfare measures and SP programs</li> <li>• Individual/household labor market activities</li> </ul>
Social Weather Stations (SWS)	Nationwide/adult individuals	Quarterly SWS pulse survey	Public sentiment on various topics such as food security, vaccine hesitancy, and government response
World Bank	Nationwide/households	High Frequency Monitoring Survey <ul style="list-style-type: none"> <li>• R1: July 2020</li> <li>• R2: Dec 2020</li> <li>• R3: May 2021</li> </ul>	Complementary to APIS and LFS, with more detailed information on COVID impact and coping mechanisms, SP support, and health and education situation
World Bank	Nationwide/low income households	Household Panel and Economic Surveys <ul style="list-style-type: none"> <li>• R0: Dec 2019</li> <li>• R1: April 2020</li> <li>• R2: June 2020</li> <li>• R3: August 2020</li> <li>• R4: October 2020</li> </ul>	Focusing on low income households with a sample of 4Ps beneficiaries and non-4Ps comparable/low income households; capturing the initial two phases of the pandemic; and comparing with the pre-pandemic period of late 2019
World Bank and Innovations for Poverty Actions (WB-IPA)	Four regions/recipients of digital payments of SAP 2	WB-IPA survey in April 2021	Focusing on experience of beneficiaries who received SAP 2 digitally

# Social assistance coverage

- Countries with greater shocks tend to implement larger coverage cash transfers
- Philippines experienced a greater shock vis-à-vis regional peers
- Large scale/rapid contingency financing through Bayanihan
- High coverage of the Social Amelioration Program (SAP)



Source: Log GDP per capita growth figures are from the January 2022 issue of the World Bank's Global Economic Prospects database. Data on the share of population receiving COVID-19 cash transfers in 2020 are from Johnson and Palacios (2022).

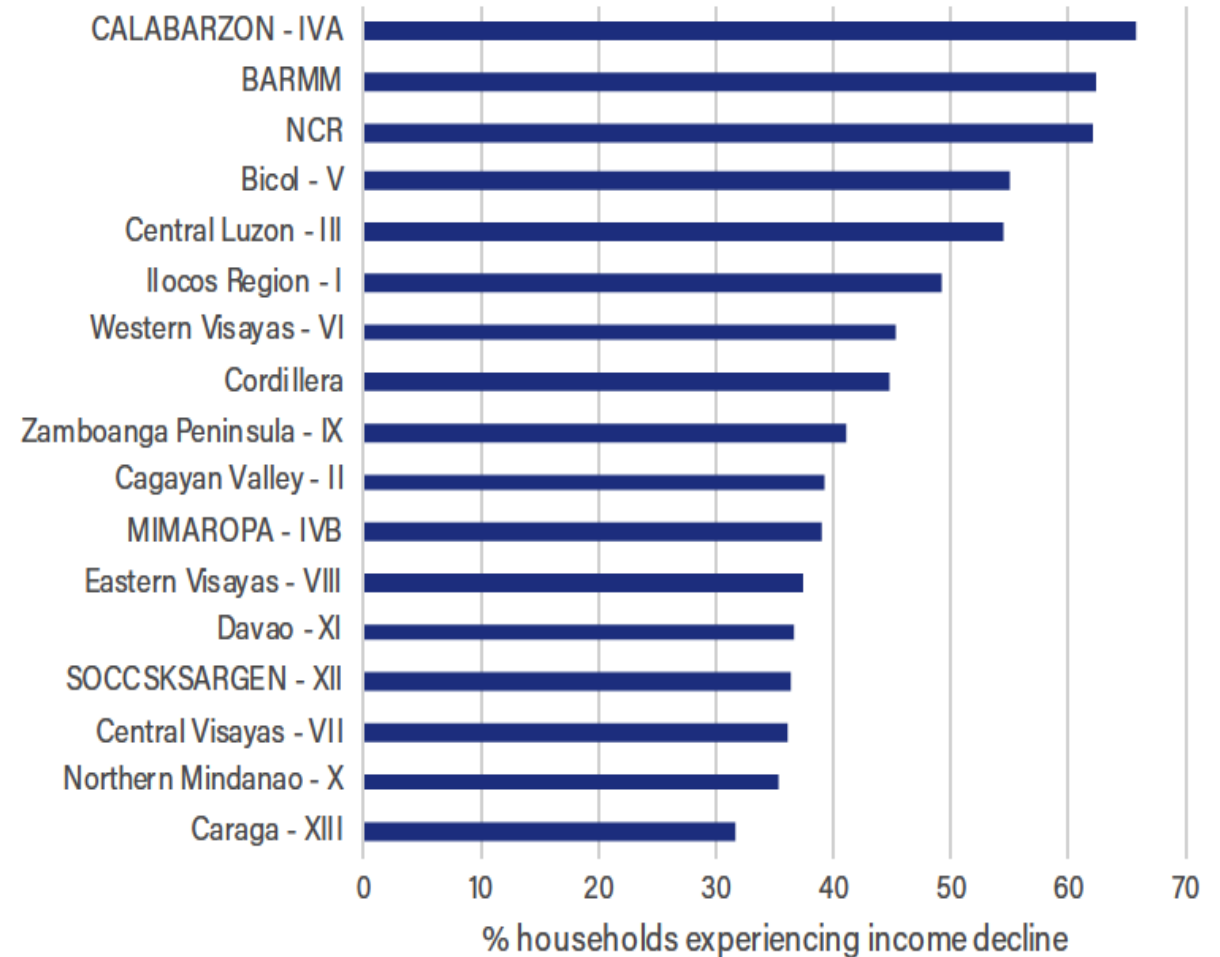
Note: PHL=Philippines; IND=Indonesia; MYS=Malaysia; THA=Thailand; VNM=Vietnam; and CHN=China



# Social assistance adequacy

- SA playing an important role of mitigating the negative shock
- Without social assistance, the poverty rate could have been higher by 2 percentage points
- Given the sheer magnitude of shocks and prolonged period of the pandemic...
- ...social assistance fell short of the daunting need – a large share of households report income declines, hunger, and mental health issues...

Share of households reporting income decline by region



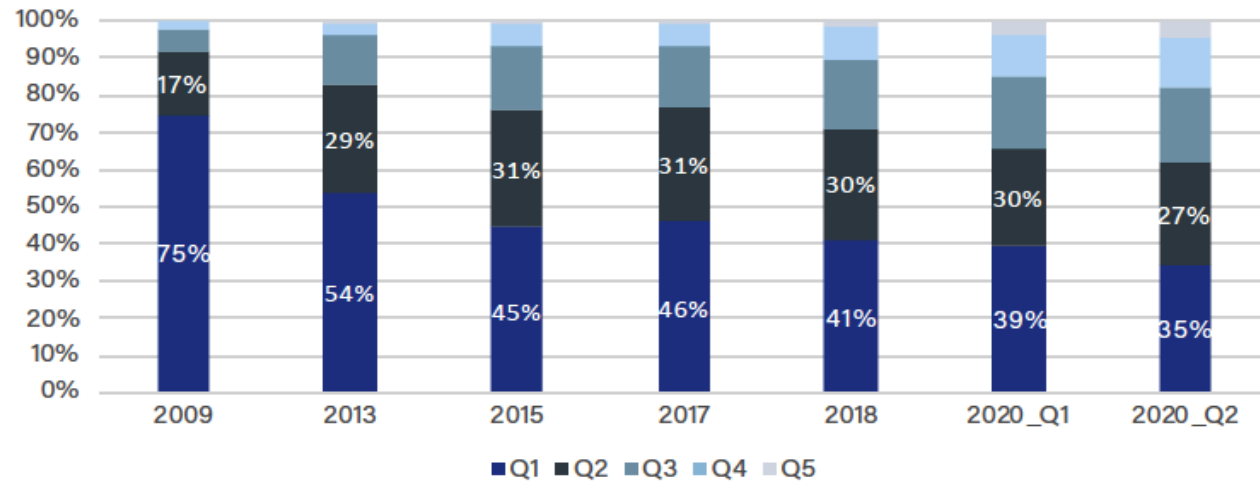
Source: APIS 2020

# Social assistance targeting (1)

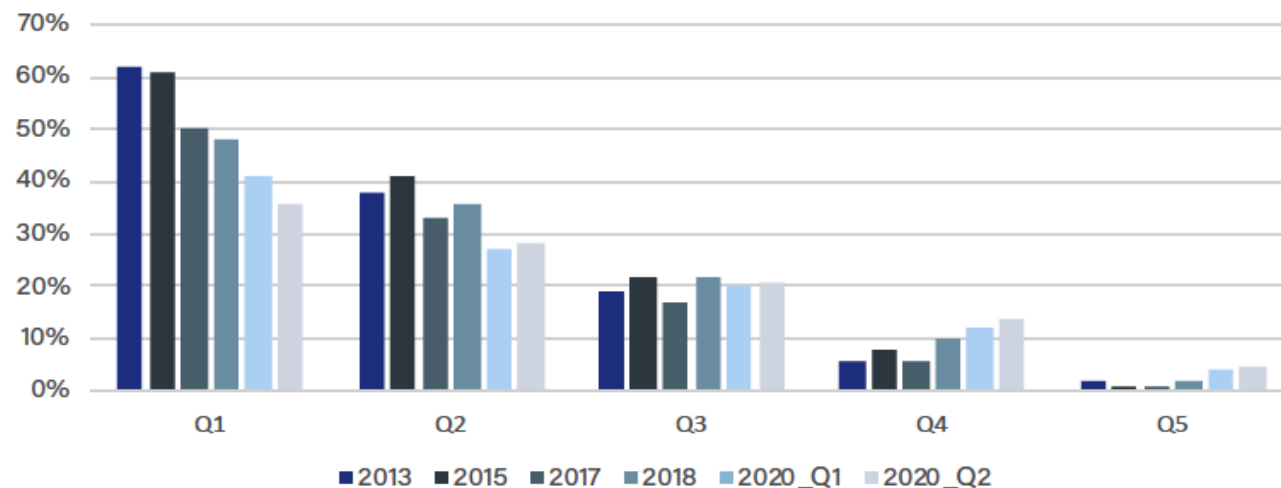
- Share of low-income populations in 4Ps significantly decreasing over time

- Coverage of 4Ps also declining significantly: only 35% of the poorest (Q1) households benefit from the program

Distribution of 4Ps beneficiaries by income quintile over time

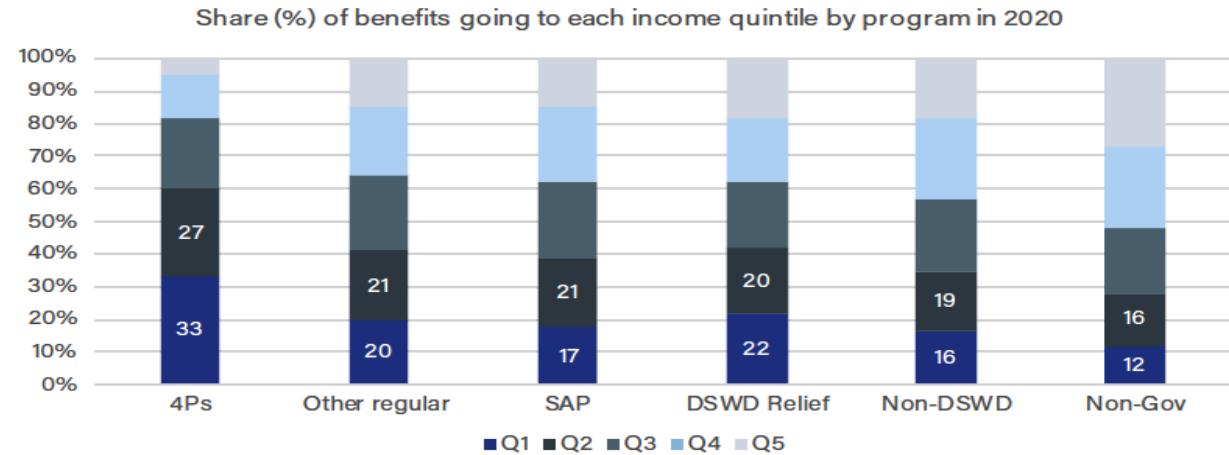


Share of households in each income quintile supported by 4Ps



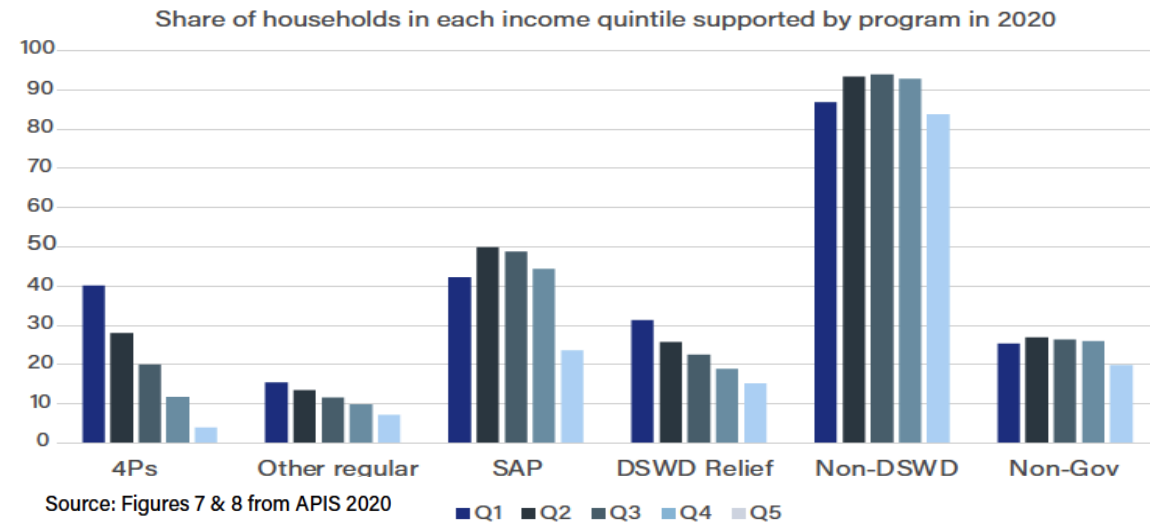
# Social assistance targeting (2)

Benefit incidence of various programs in Jan-Jun 2020



- Despite declining targeting performance...
- ....4Ps provides the most progressive support among available SA programs in the country.

Coverage of various programs in Jan-Jun 2020



# Social assistance delivery

- SAP 1 experienced huge challenges w/ manual process and physical cash delivery
- SAP 2 introduced digital cash delivery with 6 FSPs, but lack of clean beneficiary database delayed implementation
- Nevertheless, digital delivery with large agent network – promising results for client convenience
  - Travel, queuing, and processing time significantly reduced





## COVID-19, Typhoon Odette, War in Ukraine... repeated shocks requiring social assistance

- 
- Streamline contingency financing → improve disaster readiness
  - Establish clean database and better targeting → better fiscal efficiency, coverage and adequacy
  - Shift untargeted food to targeted cash assistance as soon as the market becomes operational → delivery efficiency
  - Diversify FSPs → digital payments and clients' convenience
  - Strengthen delivery systems using digital tools → efficient business process

# PhilSys holds a key

- Inclusive and clean database
  - Interoperable information systems and streamlined process
  - Dynamic registry and targeting mechanism
  - Financial inclusion and digital payments
- 
- → Human resources and attention concentrated on beneficiaries and citizens wellbeing



# Thank you!

The report can be found in [documents.worldbank.org](https://documents.worldbank.org) in this [link](#).