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PROTECTING OUR FUTURE: STRENGTHENING SOCIAL PROTECTION FOR CHILDREN DURING THE POST- COVID-19 RECOVERY PERIOD*

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EXECUTIVE SUMMARY

The COVID-19 pandemic has had significant negative impacts on children, including increased child poverty, disrupted schooling and learning, increased food insecurity, and disrupted services for children with disability. Social protection systems, including social assistance programs, have played a crucial role in mitigating the adverse effects of the pandemic on children. However, the coverage of these programs has been inadequate, leaving some children without necessary support.

Strengthening social protection systems for children is essential to protect them from the negative impacts of the pandemic, reduce child poverty, and ensure their well-being. This can include (i) ensuring the continuity and timeliness of social protection programs; (ii) increasing program coverage and benefit; (iii) improving the targeting mechanisms to reduce exclusion errors; and (iv) investing in child-related social protection systems, such as the internet for school program.

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THE IMPACTS OF THE COVID-19 PANDEMIC ON CHILDREN: EVIDENCE FROM INDONESIA

The evidence presented in this policy brief is based on several findings from two studies conducted by The SMERU Research Institute in collaboration with UNICEF, the UNDP, and Prospera. The first study is related to child poverty (Yusrina and Musthofa, forthcoming), while the second is an analysis of panel data from over 12,000 nationally representative households across all 34 provinces in Indonesia collected in October 2020 (first round) and February 2022 (second round) (UNICEF et al., 2021; 2022).

a) Child poverty worsened because of the COVID-19 pandemic.

The national poverty rate in Indonesia has continued to decrease in the past decade, albeit slowly. However, before the COVID-19 pandemic in 2020, child poverty was more prevalent than overall poverty. In September 2019, the child poverty rate was 11.6%, higher than the national poverty rate of 9.2%. Statistics Indonesia (BPS) reported that the child poverty rate increased to 12.6% a year later because of the pandemic (Figure 1). This increase translates to around 244 thousand children being pushed into poverty.

b) Limited internet access and motivational issues have become major obstacles to schooling from home.

The COVID-19 pandemic has had a profound impact on children's education particularly because of school closures during the pandemic's early wave. Despite efforts to implement online learning, resource-related constraints and unfavorable learning environments have disrupted children's ability to learn from home. For example, three-quarters of households with children reported that they faced constraints on learning from home especially because of limited internet quota as well as inadequate internet network and equipment. Education spending increased during the pandemic, as households had to cope with these challenges. As a result, parents were in more difficult situations owing to the economic downturn, as explained by a qualitative informant from Bima, West Nusa Tenggara.

It is hard for me [to provide the internet quota for children to study online], especially when the [internet] package costs more than 50 thousand rupiah [which I bought] once a week. I was also a bit embarrassed [using WiFi at the village office] because we entered someone's office. (Male, teacher and corn farmer, Bima, 23 February 2022)

Motivational issues have also prevented optimal learning outcomes. More than half of households reported that their children had difficulty focusing and were less motivated to learn. Testimony of a student highlights her struggle trying to understand the teacher's explanation during an online learning activity.

It's better to meet face-to-face because I understand the lessons better. What the teacher is saying is clearer. Sometimes, if they are explained through Zoom or Google Classroom, I don't understand them. (Female, first-grade student of a vocational high school, Depok, 1 March 2022)

While the overall school dropout rate in Indonesia has remained relatively low compared to other countries, approximately a third of households reported that their children were learning less frequently during the pandemic if compared to the prepandemic status quo, regardless of the learning mode (online, face-to-face, or hybrid). These findings indicate that children have lost out on learning, which could have lifelong impacts and erode the country's human capital (UNICEF, 2022).

c) Households' income plummeted and they have resorted to unhealthy coping mechanisms.

The COVID-19 pandemic has not only directly affected the health of households, but it also has significant socioeconomic impacts on children's well-being. Households, especially those with children, have experienced a decrease in income and been forced to resort to negative coping mechanisms, such as increased indebtedness and asset depletion. The worsening economic conditions are also reflected in the increasing levels of food insecurity (Figure 2). For example, a qualitative informant in Pekanbaru stated that his daughter was underweight and suffered from indigestion since he was unable to provide nutritious foods for his family. An informant in Kulon Progo also reported that her children frequently complained about the meal because she could only provide them with rice and vegetables. Additionally, households with children are more likely to report feelings of anxiety and dissatisfaction compared to those without children.

d) Children with disability faced additional hurdles.

Children with disability have also been disproportionately affected by the COVID-19 pandemic. Nearly half of households having members with disability experienced disruptions to their daily activities because of the pandemic. Specifically, one-tenth of these households reported disruptions to school activities and had difficulty accessing necessary medical services or healthcare facilities. Additionally, almost one in five people with disability who rely on assistive technology faced challenges in obtaining or maintaining their devices during the pandemic, which may have long-term implications, as experienced by a child informant with disability in Yogyakarta. It was also reported that the participation in the National Health Insurance (JKN)/Social Security Implementing Agency (BPJS) Health could not guarantee that they receive the routine services needed. Furthermore, households still have to bear the extra costs for, among other things, transportation and vitamins/supplements, which add to their financial burden.

MITIGATING ROLES OF SOCIAL ASSISTANCE PROGRAMS

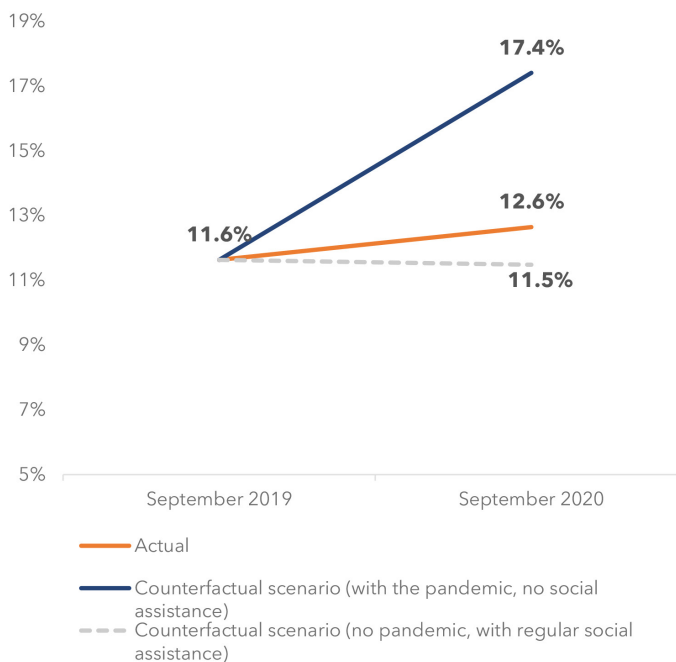
The following evidence shows the mitigating roles of social assistance programs implemented during the COVID-19 pandemic on child poverty, food insecurity, and school participation.

a) Social assistance programs have kept millions of children away from being poor.

Figure 1 illustrates the impact of the COVID-19 pandemic and social protection programs on child poverty rates

in 2020 based on the studies by Yusrina and Musthofa (forthcoming) and Suryahadi, Izzati, and Yumna (2021). The figure depicts three scenarios: the actual poverty rate in September 2020 and two counterfactual scenarios. The actual child poverty rate of 12.6% reflects the combined impacts of the pandemic and social protection programs. The first counterfactual scenario shows what the child poverty rate in 2020 would have been if the pandemic had not occurred; this scenario indicates that the poverty rate would have been 11.5%. The second counterfactual scenario shows what the poverty rate in 2020 would have been if the pandemic had occurred but no social protection programs had been implemented; this scenario indicates that the poverty rate would have risen significantly to 17.4%. This means that social assistance programs during the COVID-19 pandemic have mitigated about 6% (17.4% minus 11.5%) of the children, or equivalent to 4 million children, pushed into poverty.

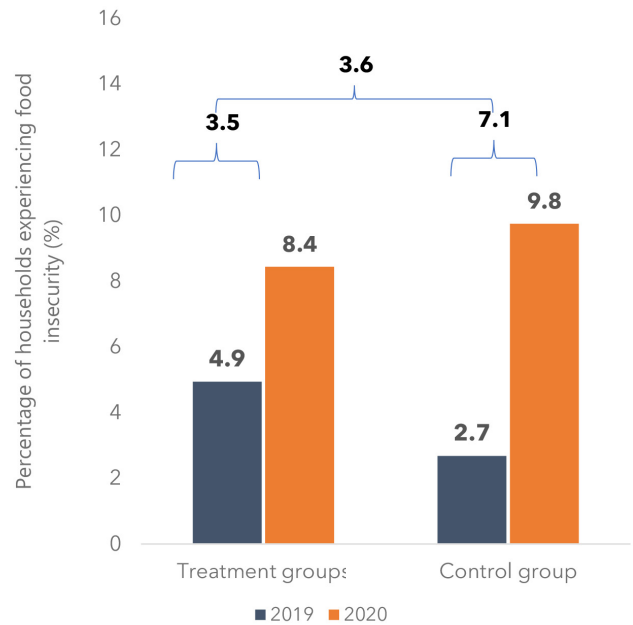
Figure 1. Mitigating Roles of Social Assistance Programs during the COVID-19 Pandemic on Child Poverty



b) Social assistance programs can suppress food insecurity prevalence.

Findings from the research by UNICEF et al. (2022) indicate that households receiving social assistance experienced significantly lower rates of food insecurity, especially moderate to severe food insecurity, than those that did not receive it. Over the course of 2019 and 2020, the proportion of households experiencing moderate to severe food insecurity among the treatment group (households receiving social assistance) increased by only 3.5 percentage points, which is roughly half the 7.1 percentage-point increase observed among the control group (households not receiving social assistance). This suggests that social assistance, on average, played a significant role by reducing a potential increase in food insecurity by 3.6 percentage points (Figure 2). In addition to the overall impact, social protection programs were effective in reducing food insecurity among poor households, households with children, female-headed households, and households having members with disability.

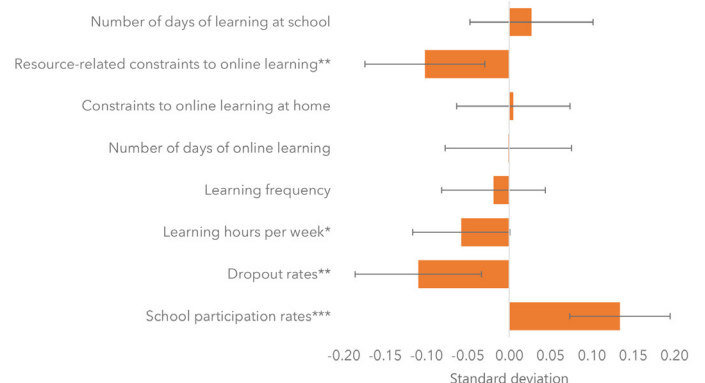
Figure 2. The Effect of Receiving at Least One Social Assistance Program on Moderate and Severe Food Insecurity



c) Internet quota assistance can prevent children from dropping out of school.

According to the same study (UNICEF et al., 2022), the provision of internet quota assistance was strongly linked to improved school participation by approximately 3 percentage points, representing a relative effect of 3% compared to a baseline of 95%. Additionally, the program resulted in a significant decrease in school dropout rates, with a reduction of 1.3 percentage points or a relative effect of 56% compared to a baseline of 2.3%. The effects were both substantial and economically meaningful, as illustrated in Figure 3 (the effects are standardized). There was insufficient evidence to determine the programs' impact on learning intensity. However, the provision of internet quota assistance eased households' financial burden of obtaining resources for learning from home.

Figure 3. Standardized Effects of Internet Quota Assistance on Various Learning Indicators



Note: The figure shows the standardized effects with a 95% confidence interval; see the text for the equivalent effects in percentage points.
 *Significant at 10%
 **Significant at 5%
 ***Significant at 1%

POLICY RECOMMENDATIONS

While social protection programs in Indonesia have had a positive impact, there remain several challenges that hinder their effectiveness in mitigating the adverse effects of the pandemic on children's well-being. To address these challenges, the following policy recommendations are proposed with the aim of strengthening Indonesia's social protection system.

a) Ensuring continuity and timeliness of social protection programs

It is important to ensure the continuity of social protection programs to avoid early withdrawals from the support provided for households, especially those with children. While the recovery process is still in progress, many households may have not fully recovered yet. For example, several programs introduced in 2020 and 2021 to mitigate the crisis caused by the COVID-19 pandemic were no longer implemented in 2022 and 2023. Such discontinuation of social protection programs can cause hardships for the beneficiaries and may lead to a reversal of the progress made.

It is also crucial to ensure that social protection programs are implemented in a timely manner, especially during emergencies. There should be no delays in the distribution of social assistance, as it provides necessary support for households in need.

b) Increasing coverage and benefit

The coverage of social protection programs should be increased to reach more households, especially those with children. More than half of the intended households—especially poor households and households with children—do not receive cash transfers or, in other words, they are excluded from social assistance programs. Increased coverage can be achieved by improving targeting mechanisms, expanding the eligibility criteria, or introducing new social protection programs. The budget allocation for social protection programs can be optimized by reallocating unproductive subsidies, such as fuel subsidies, to direct cash transfer programs. Cash transfers can provide households with more flexibility to allocate resources according to their needs.

c) Improving targeting mechanisms to reduce under-coverage (exclusion errors)

The government should improve the existing targeting system. Social protection program administrators can use all the mechanisms available to reduce exclusion

errors, where the intended households, especially those with children, are not covered. Mechanisms, such as a unified database (the proxy-means test/PMT approach), community targeting, self-registration, and geographical targeting, can be combined to improve program targeting. A unified database can be improved to ensure that potential beneficiaries are not excluded, while community targeting and self-registration can help identify those in need who may have been missed in the previous targeting. Meanwhile, geographical targeting can be used to focus on areas with higher poverty rates.

Additionally, policymakers can utilize digital technology to improve programs' efficiency, reduce administrative costs, and enhance transparency. For example, digital databases and monitoring systems can be used to track program beneficiaries and reduce errors in targeting and distribution. Digital payment systems can also be used to help reduce leakages and increase efficiency in transferring cash to beneficiaries.

d) Expansion of child-focused social assistance programs

The government can further develop child-focused social protection programs, such as the internet for school program, for all school-age children, including those with disability. The impact of such a program is economically meaningful, as it can retain school participation and lessen the burden of online learning. The government can develop other programs with less strict conditions to give flexibility to the beneficiaries to optimize the assistance. ■

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