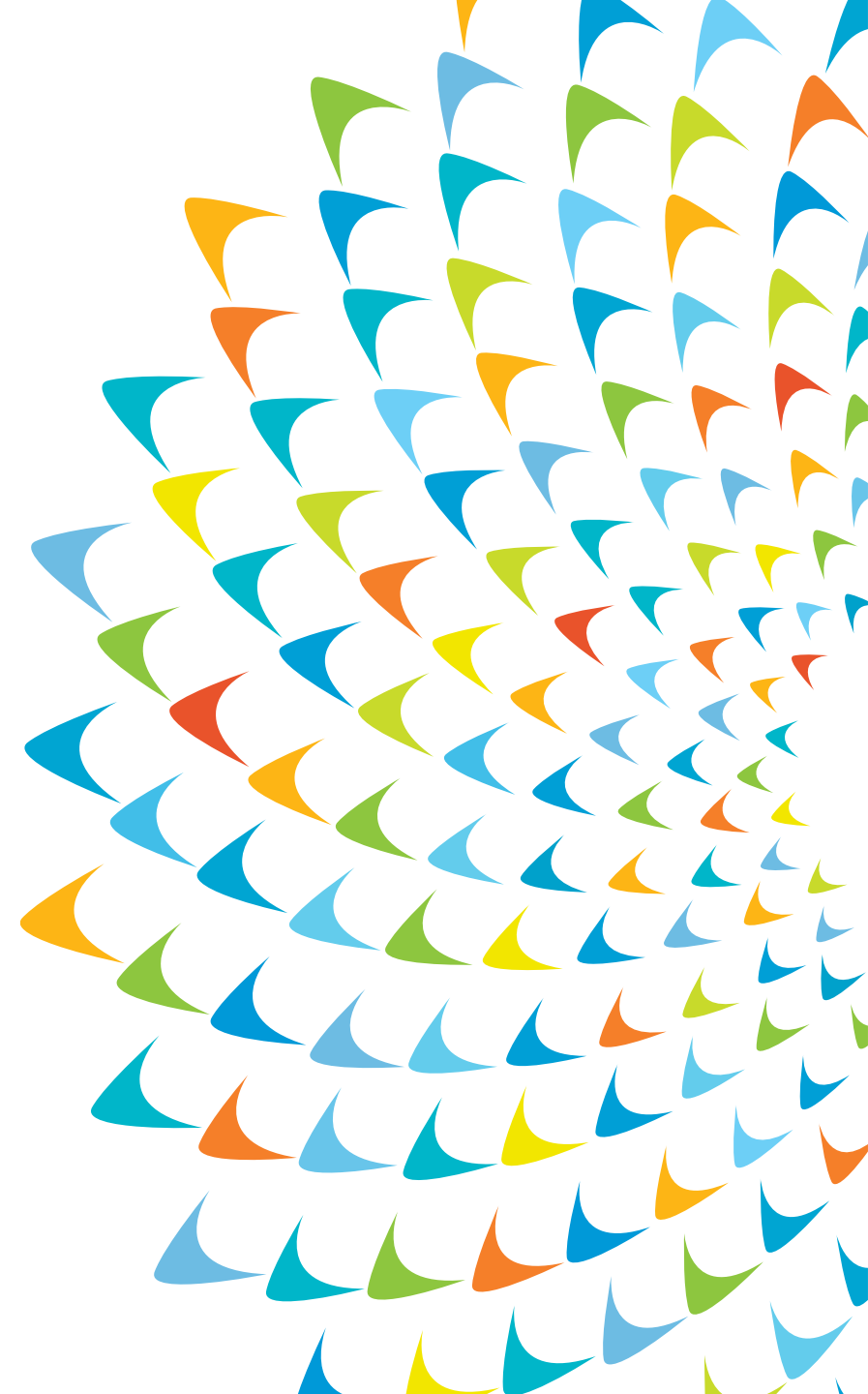




# Rethinking Social Protection Reform in the Post-Pandemic Recovery

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# COVID-19: A snapshot of socio-economic impacts in Southeast Asia

**Output** contracted by about 4% in 2020 after growing by 4.4% in 2019. Modest recovery and growth in 2021 of 3%.

**Extreme poverty** rose by 5.4 million in Southeast Asia in 2020 due to the severe decline in economic activity. In 2021, another 4.7 million fell below the extreme poverty threshold compared to the 2020 no-COVID-19 baseline scenario.

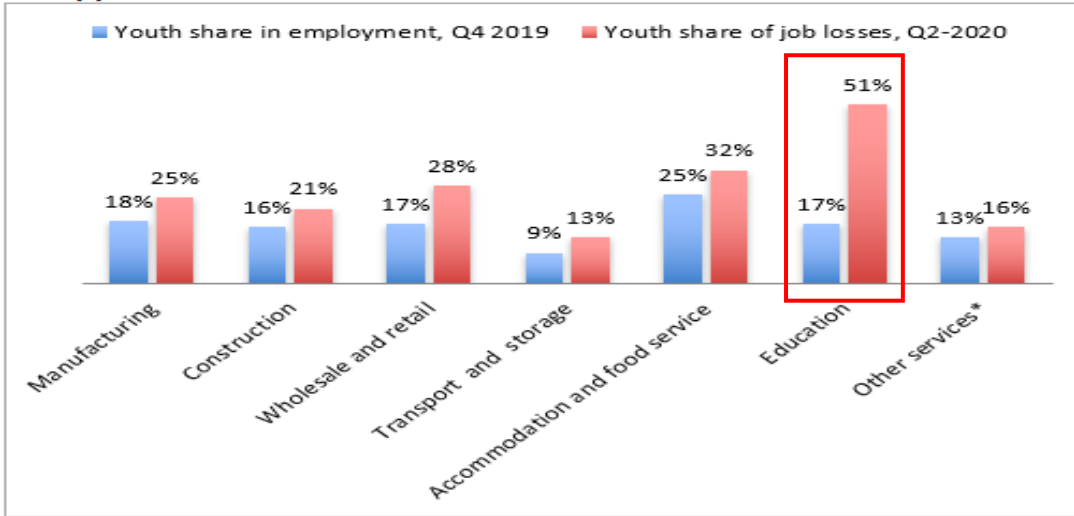
**Employment** in the region in 2020 was 10.6 million less than the no pandemic scenario.

**Poverty and unemployment** will likely persist for some time following the pandemic as inactive workers become de-skilled and poor people's access to economic opportunities further deteriorates.

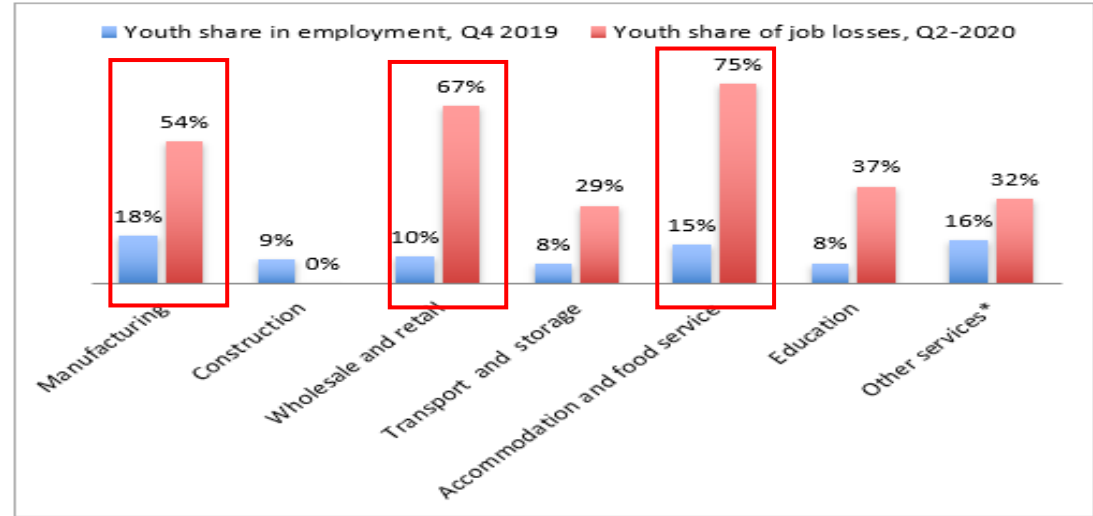
# Youth share in job losses higher than their share in employment across most heavily affected sectors

Youth share in sectoral employment and in job losses Q2-2020

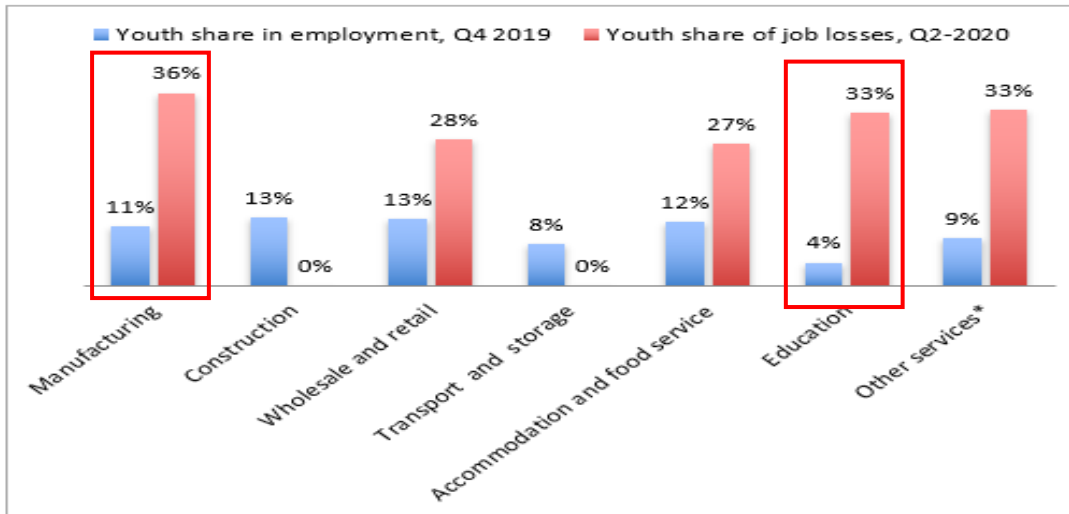
## Philippines



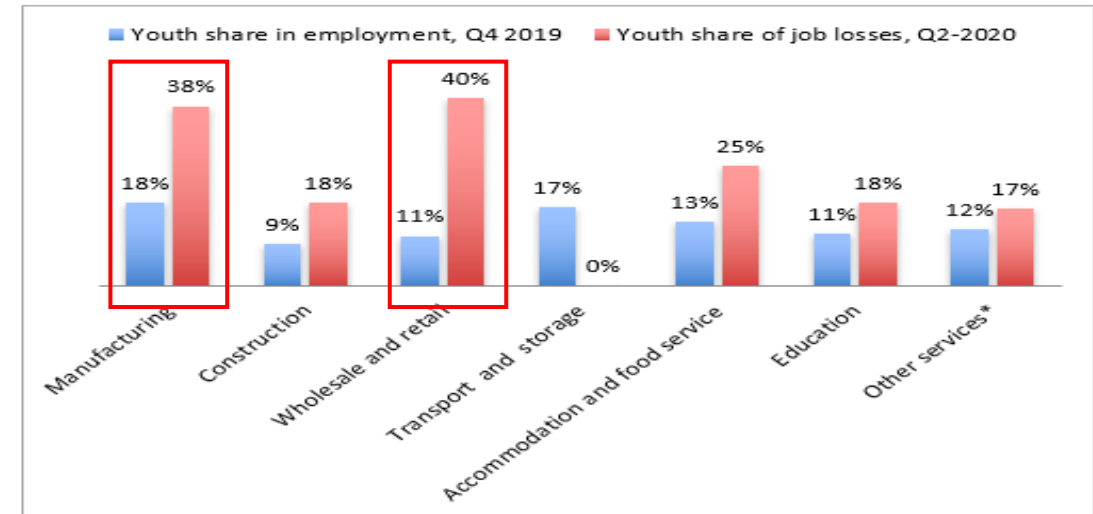
## Viet Nam



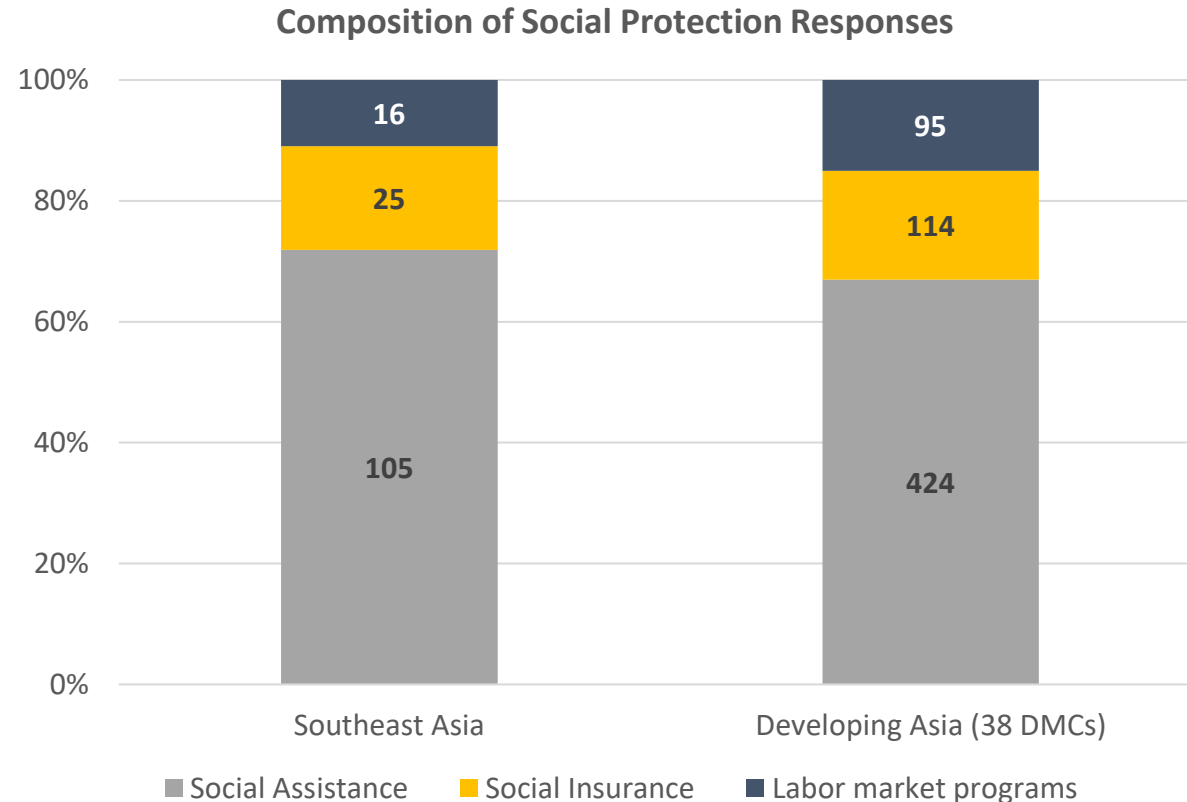
## Thailand



## Indonesia



# Social Protection: A Critical Pillar of Support in Southeast Asia during COVID-19



Between March 2020 and May 2021, **Southeast Asian economies** planned or put in place **146 social protection measures**.

**Social assistance accounted for over 70% of the social protection response** in Southeast Asia with 105 measures launched by 8 DMCs reaching over 113 million individuals.

- Nearly 50% of social assistance measures were in the form of unconditional cash transfers (UCTs), while food/in-kind transfers represented 17% of social assistance.
- UCTs averaged 3.3 months in duration and doubled in size in some countries.

**8 DMCs in SE Asia introduced a total of 25 social insurance measures** – paid sick support, pensions, unemployment benefits, health insurance, and social security contributions.

**7 DMCs in SE Asia introduced 16 labor market measures**, the most common of which were in the form of wage subsidies and job activation measures including vocational training.

Source: ADB staff based on data from [Gentilini et al. \(2021\)](#): Social protection responses to COVID-19 – May 2021 edition.

# Challenges in Social Protection

## Low social protection coverage



### Asia Pacific

Less than half of the population in the region, **just 46%**, is covered by at least one social protection scheme (exc health). There is also significant variation in coverage across the lifecycle and occupation groups.

### Southeast Asia

Southeast Asia has one of the lowest rates of coverage, standing at **just 33%**. Significant variation exists across countries, with Thailand covering 68% and Cambodia only 6.2% (31% affiliated to social health protection).

## Low social protection expenditure



Low coverage is strongly associated with underinvestment in social protection. Countries in the region spend on **average 4.9 % of GDP** on social protection (excluding health).

Southeast Asia also lags in terms of social protection expenditure, investing **only 2.7% of GDP** on average. Timor-Leste spends 8%, while Indonesia and Cambodia both spend less than 1.5%.

## High fragmentation and underdeveloped systems



High degree of fragmentation with multiple schemes, incoherent mandates, and contradictory approaches across the region. Building coherent and integrated systems is critical.

Southeast Asia is vulnerable to health, economic, and environmental shocks. Systems lack shock-responsiveness and SP infrastructure remains underdeveloped.

# Some are left much more vulnerable than others

## Older Persons

Vulnerable to job losses, remittance decreases and domestic transfers; despite an increase in old-age pension coverage, benefit levels remain inadequate (less than 10% of GDP per capita in SE Asia).



## Persons with disabilities

Only 1 in 5 persons with disabilities across the region covered by disability benefits. Higher coverage in Cambodia (71%) compared to others.



## Children

Less than 1 in 5 children in Asia and the Pacific receive child or family benefits. Higher coverage in Indonesia (26%) and Philippines (31%).



## Informal Workers

Informal workers and migrants make up nearly 78% of the employed population in Southeast Asia. Most are not covered by any form of adequate social protection.



## Women

Increased vulnerability and risk due to informality, unpaid care work, and gender-based violence. Coverage of maternity cash benefits ranges between 2-30%.



# Social Protection Reform Opportunities in Southeast Asia

- COVID-19 has increased awareness and demand for shock-responsive social protection (e.g. on-demand dynamic registries, linkages with early warning and disaster risk management systems, etc).
- Growing demand to strengthen and better integrate social protection delivery systems (e.g. ID systems, socioeconomic registries, MIS, digital payments, M&E, digitized business processes, etc.).
- Potential appetite within the broader government machinery to consider necessary reforms for sustainable financing of social protection to increase expenditure and coverage levels.
- Domestic resource constraints may restrict transformational changes overnight, but opportunities exist to strengthen systems gradually, support inclusion, improve M&E, and explore innovative solutions such as the graduation approach (e.g. Philippines DOLE pilot) and other employment-generating/empowerment programs (e.g. Indonesia's Kartu Prakerja)

Thank you!

**ADB studies and reports available at:**  
<https://www.adb.org/publications/covid-19-labor-markets-southeast-asia>

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