
Jo Sharpe: Hello, you’re listening to the Social Protection Podcast.

Welcome to the next episode in our special six part series brought to you by ODI and GIZ in partnership with socialprotection.org. I’m delighted again, to welcome Francesca Bastagli from ODI as guest host for this series. We’ll be back with a regular episode in August.

Francesca Bastagli: Hello and welcome to this Social Protection Podcast special series.

I’m your host, Francesca Bastagli.

Today’s episode is part of a six episode series based on an ODI/GIZ funded project on social protection response to COVID-19 and beyond: lessons learned for adaptive social protection. Over these six episodes we’ll be asking: has COVID-19 marked a turning point for social protection? In our ODI/GIZ study, we covered six thematic areas each with an accompanying paper. Each week of this podcast, special series, I’ll be joined by the lead author of one of the papers along with an expert discussant. In this week’s episode, we look at social protection implementation and delivery.

The pandemic has led to disruption and new pressures on social protection systems. Pandemic containment measures such as lockdown regulations, restrictions on movement and social distancing requirements have in many contexts led to additional challenges to social protection implementation and delivery.

The rise in need and demand for social protection has also added pressures on operations. This includes rising demand among millions of people who require urgent support to cope with the crisis and who were not previously covered by any form of social protection policy. In a crisis of this scale, delivering assistance to the high number of people affected in a timely manner is key.

Across the world, as we see in our ODI study with GIZ, countries have adopted adjustments and innovations, including relying on new technologies to step up provision and extend social protection. What do we know about whether these adjustments have worked or not? What lessons are emerging for social protection in the longer term? Some of the innovations hold potential to strengthen social protection systems? Yet others raise questions about the inclusiveness and sustainability of adjustments moving forward.

Here to discuss these questions with me today is Christy Lowe, Research Officer at ODI’s Equity and Social Policy Programme and lead author of the paper National cash transfer responses to COVID-19: operational lessons for social protection system-strengthening and future shocks, which she co-authored with Anna McCord and Rodolfo Beazley.

Along with Christy we have Madhumitha Hebbar, a social protection expert working on MAINTAINS, a five-year FCDO funded research programme led by OPM as well as with
SPACE, the GIZ and FCDO funded Social Protection Approaches to COVID-19 Expert Advice Initiative. Christy, Madhumitha, welcome to the Podcast.

Christy Lowe: Hi Francesca. It's great to be here.

Madhumitha Hebbar: Hi Francesca, thanks for having me here.

Francesca Bastagli: The COVID-19 crisis has highlighted how powerful social protection can be, but it's also exposed the gaps and inequities in existing policies. As we see in the ODI study, some of the population groups most badly impacted by the crisis are also those that aren't covered by social protection or receive only weak and inadequate support.

Some of these gaps and inequities are linked to operational and implementation challenges that aren't new. Many of the adjustments to operational stages to social protection made since the onset of the crisis explicitly aimed to address these gaps and limitations, at least in the short term. Christy, what are the operational adjustments that governments have taken to reach those in need of assistance who are not included in existing social protections in advance of the crisis?

Christy Lowe: As you said Francesca, there were some operational reasons why people were excluded from social protection systems before the crisis. And one of those operational barriers was really to do with data limitations. And the fact that certain groups were simply not registered or not visible in the databases that social protection agencies use for their programming.

So to try to fill these data gaps during the crisis response, and to find those who weren't previously listed in social protection databases, governments had to use various approaches. One approach was to invite those in need of crisis assistance to apply for emergency programs. And this sometimes required registration in person, but given the need to avoid physical interaction, wherever possible, in the COVID response, we saw a much higher use of digital application systems than in the past. And that included applications online or by email also by SMS or even by WhatsApp. And for some countries, this was actually not a method they'd been using a tool in their routine social assistance’s systems.

So to give you an example, at Togo, in their urban cash transfer scheme for informal workers, which was known as NOVISSI and there the government didn't have any national social registry to draw on when the crisis hit. So what they did was to launch a new SMS registration system for people to apply via text messages.

And they managed to set up that system in only 10 days. And within three weeks of its launch, one in three adults in Togo had applied. In that case, the government of Togo was then able to process the applications by checking applicants of occupation and residence information against the data that they held in another database, which was the national voter ID database, which fortunately for them, they had just updated earlier that year because of elections.
That example then brings me on to the second major strategy that governments used during the crisis to try to find and select people who weren't in the social registries. And that was the approach of drawing on databases and information sources held outside of the social protection sector.

Sometimes that meant looking at other government agencies databases, but it also because of the need for really just a quick response, it also meant looking at what databases existed outside of government, that governments might be able to use. So for example, we saw in Sierra Leone, the government made use of informal worker associations membership lists to find people for that emergency cash transfer scheme.

Another interesting example is from Nigeria for their COVID urban cash transfer program. And they found that their pre COVID social registry, really had very minimal urban coverage. So what the government did was to start out by using satellite imagery data to find the highest priority, the highest poverty urban areas.

And they then looked to a whole host of differences sources to try to identify the priority households within those neighborhoods. As they, for example, looking at civil society, databases or NGO databases, but they actually even considered looking at a mobile phone and bank databases to try to figure out who was the most vulnerable during the crisis based on their bank account and phone top-up history.

I think my final point, if I may on this would be that when we think about the different approaches that governments used, these aren't mutually exclusive. And I think this is a key point. It was very common for governments to rely on multiple strategies, to reach the many different groups of people who were affected by the crisis and who needed emergency assistance.

So they often started out with the information in their social protection databases, and then added other identification mechanisms as they went along in a kind of iterative manner assumed basicly be pragmatic and start with what you've got, but then you also need to be proactive in assessing who's being missed by those strategies and developing targeted approaches to bring those people in.

**Francesca Bastagli:** So we've heard some really interesting examples of how governments have been tackling the data and information barriers to extending social protection to previously excluded groups. We've also heard about the potential benefits of relying on a range of different information sources. Madhumitha, how well did the approaches that Christy just described work in practice?

**Madhumitha Hebbar:** I touch upon one of the strategies that Christy mentioned, which in fact was one of the most popular ones during this crisis, which was on demand registration or self registration. Just basically allowing those who are in need to come forward and
register. Now the strategy by itself was not novel in that it was not uncommon pre COVID, but as Christy mentioned, many countries that switched to digital modes, of doing so instead of relying on physical interfaces. Now, from a technology standpoint, this kind of approach requires a very accurate estimation of demand and the surge capacity, as you can have a massive case of broken websites, outages, so on and so forth, that can cause quite a bit of beneficiary frustration as we saw in many countries. For instance, the emergency cash transfer for informal workers in Thailand, where any informal worker could apply for this benefit online was oversubscribed by nine times.

I think the government initially estimated about 3 million applicants, but in the end of that 27 million people applied. Which understandably meant that the technology infrastructure could not cope with that leading to widespread outrage among the beneficiaries, at least in the early days of implementation. From an equity perspective, digitalization can indeed make registration processes efficient and faster, but I think what's important to emphasize is that it's not efficient and faster for everyone. It does leave behind the digitally excluded. Who are also often the most vulnerable and therefore in need of social assistance.

And this was a concern even pre COVID, which only magnified further with the onset of the crisis and the rapid shift towards digital modes of registration. Where countries use some sort of intermediaries either in the form of civil society partners or e-government skills to help people go through these online experiences or where countries complimented the digital approaches with physical windows, instead of relying on a digital only approach, was fair, I think the risk of digital exclusion was lower.

Christy Lowe: Yeah, I absolutely agree with that Madhumitha. Those points really resonate with the findings that we saw in our research relating to digital registration systems. I think in terms of the effectiveness of the other approach that I mentioned that strategy of trying to find and select people by drawing on other government or non-governmental databases, I would say there were two big keys to its success, for that approach to really work well. One is that these other databases that you're drawing on really have to be good quality. So that means being up to date, being relevant for the type of information you need. And of course being inclusive because the aim here is to reach groups who are not included in social protection sector databases.

That was one key point. The other I think is to do with the arrangements in place to actually access that data quickly and securely when the crisis hits. So there, I think that the Nigeria case that I mentioned really comes to mind because although they did have all sorts of ambitious and really interesting ideas about how they could find vulnerable urban residents through various channels, in the end, they couldn't actually implement the program until early 2021. And that was in part because they didn't have a large scale high quality ID system to be able to rely on, to be able to link up different databases, using a unique identifier. It was also because the data protection arrangements that they had in place pre COVID, weren't really strong enough for these more advanced kinds of data exchange.
So that, that definitely kind of delayed and really hindered what they were able to do in rollout.

**Francesca Bastagli:** We’ve talked about the measures taken to promote the identification and enrollment of people into social assistance and cash transfer schemes in the crisis. What about the approaches used to deliver support specifically cash assistance and to deliver payments rapidly to the large number of people affected? Christy, what were these approaches and innovations?

**Christy Lowe:** In a lot of cases, old school manual distribution mechanisms was still required, but even there we did see some very interesting adjustments that governments made to try to reduce virus transmission risks, and reduce the amount of in-person interaction. So to give you an example in Sri Lanka, officials actually went to people's homes, to hand-deliver emergency cash payments where the recipients were particularly vulnerable to the virus and therefore needed to be shielding. In other cases, we saw in-person collection, people turning up to collect their payments in person, but there we also saw adjustments. So for example, staggering payment schedules so that not everyone would be collecting their payments at once or also introducing hygiene and social distancing measures at collection points.

Although admittedly, those measures weren’t always adhered to very well. Having said that I do think probably the most striking aspect of the crisis response in relation to payment delivery was the heavy preference for digital disbursement, wherever feasible. And that was obviously based on the theory that these digital payments would help to reduce in-person interaction and therefore reduce transmission risks.

So for example, where people could receive emergency payments through bank transfers, those were often used, but we also saw actually a much greater use during this crisis of mobile phone based payments than we had previously. So some countries such as Togo and such as Peru used mobile money or mobile wallets to make payments where they hadn't actually been using those mobile based mechanisms in their routine cash transfer programmes.

**Francesca Bastagli:** So growing reliance on digital dispersement and mobile money appears to have been common in many contexts and possibly accelerated by COVID-19. Governments will have faced challenges that made digital payments problematic before COVID, so gaps in banking systems or mobile networks, high dependence on cash for market transactions, low levels of digital and financial inclusion or literacy. Madhumitha, how did governments tried to get around these problems in the crisis? And how successful were they?

**Madhumitha Hebbar:** I think governments tried to tackle these challenges from different fronts. And it’ll be good to look at them case by case. The first challenge was actually to open some sort of digital account for those who were outside of the ambit of the financial system prior to COVID-19.
And one of the reasons why people were excluded pre COVID was to do documentation requirements and many countries temporarily ease account opening norms to ensure that people could actually get some sort of financial identity, that was the first approach. But some countries segmented account opening altogether where emergency cash transfer beneficiaries could withdraw cash from an ATM using a one-time payment receipt via SMS, rather than having the permanent financial account in their name.

And despite all of the focus on the digital in many countries, non-state actors continue to be important intermediaries, similar to how they were in the case of registration into these programs. For instance, Bangladesh, which is a country that I closely studied, 3 million government factory workers, open mobile financial service accounts in a record time of one month, a process that trade unions were instrumental in facilitating during this crisis. So once people did get some sort of financial account, the second challenge, which was a big challenge, even pre COVID, is related to cash out. Despite the considerable push towards digital finance over recent years, research has consistently shown that most beneficiaries immediately withdraw cash and their daily transactions continue to be cash based, which means that you do need to have financial infrastructure and the last mile network necessary to support the withdrawal off cash. Now, given the unprecedented load and limited scalability, transaction failures have been an issue in some countries, especially during the peak of the lockdowns when everyone was trying to access cash. The second thing is around having NFP points in the last mile, which has also been a challenge and continue to be a challenge even during COVID. Some countries, they try to mitigate this by adding temporary pay points or following staggered payment schedules to ease out the burden, which I think Christy also alluded to in her discussion earlier.

Francesca Bastagli: These approaches raised a number of questions on longer term social protection development. Are these adjustments and innovations here to stay? Will they help to address pre COVID operational limitations? Or is there a sense they may end up replicating or even reinforcing these challenges?

Madhumitha Hebbar: Historically countries have relied on poverty lists that are static. Despite the fact that poverty itself was by dynamic. In that sense, it's been very heartening to see COVID-19 normalize the idea of on demand support, that is support that is given any time an individual's livelihood is adversely impacted.

Does this signal a longer term change in how social protection is delivered? It's too soon to tell. This kind of dynamic inclusion faced a number of structural challenges, even pre COVID, which unfortunately cannot radically change overnight. Limited budgets are among the top...
reasons by countries rely on fix lists, because it gives them a way to control and rush in social protection provisioning.

So unless these underlying causes are remedied any commitments to dynamic inclusion by a self-registration based approaches could be hard to realize. I would definitely watch out for countries where COVID-19 has catalyzed long-term reforms to ensure this kind of responsiveness to changes in household wellbeing.

For instance, Cambodia is a very interesting case where the country scaled up their on demand model. Updating the social registry via local governments nationwide amidst the crisis. And is now permanently replacing static lists with this kind of responsive dynamic registration approach. Indonesia is another country that is looking at expanding the coverage of its registry from 40% to at least 60% and streamlining mechanisms to continuously update the data at the local level so that people can become eligible for social protection programs as and when their circumstances change. These will be important experiences to keep an eye on, to see how they tackle some of the structural challenges around financing and capacity as these experiences evolve.

Francesca Bastagli: We also talked about government efforts to proactively reach those affected by the crisis and previously excluded by social protection. Christy, you mentioned examples of how social protection agencies tapped into information from a range of databases from across government departments, NGOs and workers associations, and also companies like mobile network operators and banks. Were these practices accelerated during the pandemic because of the particular constraints on in-person data collection?

Do you think they’re likely to continue into the future post COVID? And if they’re here to stay, what is it about these innovations that promises to support progress towards more inclusive and adaptive social protection?

Christy Lowe: I do think that many governments look to rely more heavily on existing source of data during the crisis because the pandemic circumstances made in person registration and in-person assessments, particularly challenging.

As you alluded to Francesca, this was a pre crisis trend that has been accelerated. So we saw in Chile and Turkey, Jordan, before the crisis, all of their social registries were either on a continuous or on a very regular basis updating the entries, drawing on multiple government databases. In terms of the opportunities, there, yes, there definitely are some potential opportunities to improve service delivery. We all know how frustrating it is when you have to keep repeating the same information to multiple different government kind of agencies when you have a change of address or change of household circumstance. There’s some convenience benefits there potentially, and also being able to flag when someone suddenly becomes in need of assistance.

There can be benefits in terms of being more responsive there. But I would say that there are definitely many risks and challenges associated with this. And I think the former UN
special rapporteur on extreme poverty and human rights, Philip Alston, he wrote in 2019, a very powerful report about the risk of, I think he said stumbling zombie like into a digital welfare dystopia.

And that was in part based on looking at the experience of how this is playing out in high-income countries as well like Britain and like the Netherlands. And there are many concerns about how kind of advanced technologies and the use of data and algorithms are actually being used more to cut costs and to survey and even punish and exclude people from welfare systems rather than really being used to expand access in an inclusive and transparent way. And so I think depending on, of course, the data itself, which can often hold a number of biases and also depending on the way that it’s used, there are real risks that the digital welfare state may lead to further discrimination actually against particular marginalized groups if the approaches that are used aren’t well designed and implemented, and of course, regulated. It was encouraging to see this year that the focus of the latest world development report was on how data can be used best for development and the kind of policies and regulations that are needed to counter some of the risks.

But it’s really all about how that’s put into practice to protect people’s rights and promote their wellbeing in practice.

Francesca Bastagli: Christy, so you’ve made a reference to the digital welfare state or indeed digital welfare dystopia in relation to social protection management practices, particularly around those identification and selection stages of social protection implementation. But of course this applies to other aspects of social protection, to the type of transfers or services provided and the mechanisms used to deliver them. And in today’s episode, and then the ODI/GIZ study more widely, we’ve heard a lot about the widespread use of digital cash transfers as a crisis response instrument to this crisis.

What are your thoughts on whether the innovations and digital payments that we’ve seen during COVID-19 might help address some of the payment delivery limitations or whether indeed there are some concerns there. And what can governments do to try and address these challenges? If they’re looking to increasingly rely on digital payments in the future.

Christy Lowe: I think in relation to your first question about whether these kind of COVID practices are here to stay, that will definitely depend on where the governments see the biggest longterm opportunities and benefits. And when Madhumitha was talking about the effectiveness of different payment approaches during COVID, and she noted that some of them are really designed to be very temporary, she was talking about the use of one-time pins, to kind of a collect digital payments when you don’t have an account. Those types of measures I think were very much crisis response innovations and perhaps we’ll see them in future shock responses, but they wouldn’t make sense to introduce into routine systems because in those systems you’re making multiple payments over time, and so it makes sense to support people to open a full-time account in those cases. But there were also a number of digital payment practices that were used during COVID definitely, I think all set to
continue and the general trend of trying to increase the proportion of payments that are made through digital mechanisms that existed before COVID and COVID I think rapidly accelerated that. And the reason why governments are increasingly looking to digital payments is in part, because they do see potential to improve on some of the payment challenges that they had with manual mechanisms in the past. So there is the potential for digital payments to improve the speed, the efficiency, the convenience, and the transparency of payments in social protection systems.

And of course also to promote financial inclusion more widely. In certain cases, governments are already kind of acting on their COVID responses to institutionalize the digital payment approaches and the example that would be Togo. They've already got plans underway to switch to mobile money as their main mechanism for all cash transfers, not just the NOVISSI crisis response payments. And they're starting to look now at what it would take to provide universal access to mobile phone devices and mobile networks across the country to use mobile money in the routine cash transfer scheme that they have.

Madhumitha Hebbar: Well, there are benefits to be had as Christy mentions. I do worry about some logistics related to accountability that emerged from the kind of big jewel that digital payment service providers are playing in this sort of radical shift towards digital payments. Digitization of payments without adequate data protection standards does expose beneficiaries with low levels of digital and financial literacy to increasingly complex financial markets from which they have very little recourse. And in the worst case scenario, it does expose them to instances of financial fraud. And we have all did seen this materialize in the case of South Africa where social grant beneficiaries were targeted by predatory lending practices and in Brazil where the Bolsa Família recipients were targeted by a WhatsApp scan offering additional benefits.

Christy Lowe: Yeah, I completely agree with that. There are a lot of risks and I think one of the ways that we should think about trying to address those risks is also to think a bit more about focusing on both complaints and appeals systems within such protection systems and also the ongoing monitoring and evaluation efforts.

Because those two aspects of delivery are quite often neglected and they tend to be overshadowed or during the COVID response at least I think a lot of the focus was on the identification stages, the payment stage, but the sort of complaints and monitoring stage, those don't always get as much attention and they do need to be a major priority because really it's no use innovating and all the other aspects of delivery, if you don't have the mechanisms in place to make sure that innovations are actually working well for people and to correct and resolve issues when people are really struggling.

Francesca Bastagli: Madhumitha, Christy, as you know, the guiding question of this special series of the Social Protection Podcast is: is this a turning point for social protection? And we've talked a lot today about the adjustments and innovations to social protection implementation and delivery since the onset of COVID-19. But in conclusion, what do you
think are the most promising developments and which are the ones that you're concerned about? Is this a turning point in the delivery of social protection? Madhumitha, let's start with you.

**Madhumitha Hebbar:** The crisis has definitely given momentum to send up the pre COVID trends, but it doesn't necessarily represent a radical shift in the way things are done. Whether social protection programmes and systems will be more responsive to needs in the future, I think it's too soon to tell. I'm a bit skeptical if the extraordinary increases in budget that we saw during this crisis will become a permanent feature going forward. The digitalization of social protection delivery was already happening, but COVID definitely has given this trend a genuine impetus. And as I say, never let a good crisis go to waste. So COVID-19 has opened the door for more aggressive pursuit of digitalization along the social protection delivery chain, whether it's targeting registration, payments or groupings or trestle.

What is less clear is how much of this will be rooted in maximizing welfare versus minimizing costs. And I definitely hope it's more of the former than the latter.

**Christy Lowe:** I agree with the point that Madhumitha made around the certain operational approach is definitely being accelerated by COVID. And I think whether COVID is a true turning point will depend on much more on a broader investment in system capacity coming out of this crisis. So when we think about system capacity and the impact of COVID on the one hand, significant operational capacity has been developed during this crisis response in terms of new data, in terms of new learning. But at the same time, COVID is also put operational systems under intense pressure.

And that pressure, I think, unfortunately, is very likely to increase as fiscal space tightenings. And also I think when we look at system capacity and how that's been influenced by COVID, there has been a very heavy focus on certain aspects of social protection during the crisis. I'm thinking there obviously, of cash transfers, though we know very well that comprehensive social protection is about much more than just monetary transfers.

And it requires investment in a broader set of services and infrastructure, and that kind of narrow focus if that continues out of this crisis. And it was indeed a bit of a trend going into the crisis as well. If that continues, I think that could really be a hindrance to a broader system development.

So basically I think whether it's a turning point for a given country will depend on how that government along, of course, with international partners at how they respond to the wake up call that COVID has presented and how effectively they institutionalize the learning from this crisis and make those necessary investments to address the system gaps and weaknesses that we have seen, so that we can work towards more inclusive and adaptive and sustainable provision in future.

**Francesca Bastagli:** Thank you both Christy and Madhumitha.
Madhumitha Hebbar: Thanks Francesca and Christy, it's been great speaking to the both of you on this topic.

Christy Lowe: Yeah, thanks for me also.

Francesca Bastagli: If you'd like to read more about this topic, the paper by Christy, with Anna McCord and Rodolfo Beazley is available at ODI's website at odi.org, along with other papers and resources from the wider ODI/GIZ study, you can also check out the earlier podcast episodes from the special series and stay tuned for next week's episode.

We're all be discussing urbanization and social protection response to COVID-19 in urban contexts with Keetie Roelen from IDS and Ugo Gentilini from the World Bank.

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