



Social protection responses to the Covid-19 crisis

Country responses in Asia and the Pacific

25th March 2020

This brief outlines the implications of the Covid-19 crisis for national social protection systems and highlights specific social protection responses taken in countries in the Asia and Pacific region. It builds on a more comprehensive ILO Brief which offers policy considerations regarding the role of social protection in responding to the possible impacts of COVID-19 crisis.¹

ILO will update this note as new data and information become available in this rapidly evolving situation.

Disclaimer: Owing to the exceptional circumstances generated by this global health pandemic, there has been intense activity in terms of the breadth of national responses and therefore not all information contained in this document could be fully confirmed by utilising official legislation or legal bulletins.

Visit the ILO website for regular updates on responses to the COVID-19 crisis.

 ilo.org/covid19

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¹ ILO (2020). Social protection responses to the Covid-19 crisis. Country responses and policy considerations. *Spotlight Brief*. ILO: Geneva.

Introduction – The situation and its challenges

Having originated as a public health crisis, the COVID-19 pandemic has also developed into a global economic crisis, with severe and potentially lasting impacts on economic activity, employment and trade.

Existing estimates suggest that the crisis may result in a US\$2 trillion shortfall in global income (UNCTAD 2020), halve global growth from 2.9 per cent in 2019 to 1.5 per cent for 2020 (OECD 2020) and increase global unemployment by at least 25 million (ILO 2020).

With daily information coming in on unprecedented jumps in unemployment claims and more severe than expected production losses,² and with certain countries just now starting national lockdowns, the expected costs of the pandemic on the economy and labour markets are likely to be both more prolonged and more hard-hitting than was estimated in the ILO's initial global release.

Beyond the tragic loss of human life, the crisis will likely inflict a tremendous human cost in other ways, increasing poverty and inequality, and affecting even more those who are already the vulnerable (Diwakar 2020).

Governments face a double challenge: containing the health pandemic, while at the same time coping with its economic and social impacts. These dire threats highlight the need for a strong and coordinated policy response.

The role of social protection in responding the crisis

Social protection measures are a necessary part of any adequate crisis response. They:

- ▶ Ensure that people can effectively access health care.
- ▶ Support job and income security for those affected by the crisis.
- ▶ Contribute to preventing poverty, unemployment and informality
- ▶ Bolster economic and social stability and peace.
- ▶ Are powerful economic and social stabilizers.

In the absence of social protection, efforts to curb the spread of the virus are hampered, as follows:

- ▶ The absence of universal health protection exposes and stigmatises groups at risk, reduces their willingness and ability to seek treatment and increases the overall risk of contagion.

² In China, for example, the National Bureau of Statistics announced an increase in the urban unemployment rate to 6.2 per cent in February 2020, the highest rate on record, and a jump from 5.2 per cent in December 2019. (National Bureau of Statistics of China 2020)

- ▶ The absence of sickness benefits or paid sick leave leads to the perverse situation where people go to work sick, putting their own health in jeopardy and risking further contagion.
- ▶ The absence of unemployment protection measures, including partial unemployment or partial income compensation, reduces the ability of companies to preserve jobs while coping with the financial impact of the crisis.

Past crises – financial, economic and health – have brought with them lessons learned, for example:

- ▶ Previous epidemics, such as SARS, MERS and Ebola, highlight the need to combine effective health interventions with social protection measures, in any adequate government policy response.
- ▶ The 1997 Asian financial crisis and more recently the financial and economic crisis of 2008 demonstrated the key role of social protection in stabilizing household incomes and aggregate demand, and contributing to recovery³.

Addressing the needs of vulnerable groups as a matter of priority.

- ▶ This includes older persons and persons with disabilities or chronic diseases who are at particular risk during this crisis.
- ▶ In countries with a large informal sector, most workers are not covered by statutory social protection. These workers need to be at the centre of policy efforts.
- ▶ Due to the special features of this crisis, those working in non-standard forms of employment, such as gig workers using digital platforms, and the self-employed are particularly at risk. Their services are in high demand and essential, but they are themselves unprotected by existing schemes of social security⁴.
- ▶ Domestic workers are also at significant risk. They work in private homes, a workspace which is often weakly regulated and where workers' rights are rarely enforced. In addition, the large majority is informally employed, which increases even further their vulnerability to the crisis.
- ▶ Migrant workers, including domestic migrant workers, are another particularly vulnerable group to the impacts of the COVID-19 crisis. Not only are these workers rarely covered by the social security schemes of recipient countries, they also face additional challenges when they return to their countries of origin and to their families (ILO 2000)
- ▶ Particular attention should also be given to the needs of homeless people and those in informal settlements, who live in congested dwellings and often lack access to

³ The lessons learned from the 2008 crisis have been summarized in several publications (ILO 2010; 2011b; 2014; 2017; Social Protection Floor Advisory Group 2011).

⁴ Services such as transportation, storage, delivery as well as remote work and collaboration platforms providing high skill services are in high demand. Existing, social security provisions (sick leave, unemployment insurance) often do not provide replacement to these categories of workers (Mishra 2019) but could be adapted (ILO, 2020c; OECD 2020) .



water and sanitation, and for whom increased hygiene and social distancing are often impossible (Wilkinson 2020).

- ▶ Women are the majority of health workers. Most of them are also parents and care givers, and responsible for procuring water and fuel for household consumption. In addition, they are overrepresented in the most vulnerable forms of work, including informal employment (UN Women 2020). Ensuring the gender-responsiveness of policy responses is essential.

Strengthening health and social protection systems is therefore of critical importance to respond to the COVID-19 crisis.

Effective responses depend on inclusive social dialogue and the participation of social partners and other stakeholders in tackling the causes and consequences of crisis, ensuring an effective crisis response, recovery and social stability (ILO 2020a).

Many countries, including countries in the Region, have already taken extraordinary measures to strengthen their social protection systems as a response to the COVID-19 crisis.

National social protection responses

Access to affordable health care

Guaranteeing access to affordable health care is critical first and foremost to ensure that lack of coverage does not prevent persons from seeking care and to prevent the impoverishment of individuals/household due to out-of-pocket payments directly related to seeking care. Not only financial but also geographical access of care is essential, particularly for those in rural areas.

Health systems preparedness to face unprecedented demand for hospitalization – and particularly ICU beds – is critical to limit preventable deaths. This implies providing immediate and significant additional financial and material resources to the health sector.

In response to COVID-19, many countries have taken measures to enhance access to affordable health care, close gaps in social health protection and extend financial protection. Some examples are:

- ▶ Australia, China, Japan, Korea, New Zealand, Philippines, Singapore, Viet Nam are examples of countries in the region that channelled additional fiscal resources into the health system through their COVID-19 stimulus packages.
- ▶ The Philippine Health Insurance Corporation (PhilHealth) released PHP 30 billion (US\$583 million) in advance to accredited hospitals. It uses its interim reimbursement mechanism to provide health care providers with liquidity to respond adequately to the increased demand.
- ▶ In addition, as of 19th February, PhilHealth package includes COVID-testing, referral and isolation packages (PhilHealth 2020a).
- ▶ China adopted a new policy on comprehensive health care reform, which aims at building a multi-level medical security system that integrates prevention, testing and treatment measures within social health protection packages (ILO 2020d).



- ▶ Health Insurance in China started to reimburse online consultations for chronic and common diseases to reduce the risks of spreading the virus through face-to-face contact at health centres (ILO 2020d).
- ▶ In China since 23 January, those who contracted COVID-19 at work became eligible for employment injury benefits (ILO 2020d).
- ▶ Thailand extended financial protection against health expenses to both nationals and foreign residents, through granting access to the UCEP (Universal Coverage for Emergency Patients) to COVID-19 patients. This measure enables patients to seek treatment at their nearest private or state hospitals free of charge (The Thaiger 2020).
- ▶ In Viet Nam, quarantining, testing and treatment of positive cases started to be funded by the Government Budget, according to the Law on Communicable/Infectious Disease Prevention.
- ▶ Social Health Insurance (SHI) members' treatment of COVID-19 cases in Viet Nam will be covered with SHI funds, while the normal reference mechanism is temporarily exempted.
- ▶ In Singapore, where public health care is provided through a combination of public and private providers, the Government has decided to pay the hospital bills in full for all suspected COVID-19 patients (Min 2020). In addition, private general practitioner clinics under the Public Health Preparedness Clinics (PHPCs) scheme will be activated to care for patients with respiratory symptoms where Singapore citizens and permanent residents will pay a flat subsidised rate of SG\$10 (US\$6,85) for consultation and treatment and the elderly will pay SG\$5 (US\$3.43) (Channel News Asia 2020b).

Sickness benefits: ensuring income security during sick leave

Policies related to sickness benefits have become a central issue in countries impacted by COVID-19.

Workers who cannot rely on sickness benefits or paid sick leave entitlements, especially affecting those in non-standard forms of work, may be forced to report to work while sick or reluctant to self-isolate, thereby potentially passing on the virus to colleagues and clients. This might also result in situations where there are lengthy waiting periods for the payment of sickness benefits or paid sick leave entitlements. Inversely, when financially protected individuals might be more prone to testing.

Several governments have taken measures to extend publicly financed sickness benefits to workers who are not otherwise entitled to paid sick leave. Examples of national practices include:

- ▶ Japan extended access to cash sickness benefits to persons who are in quarantine or diagnosed with the coronavirus. It simultaneously waived the requirement for obtaining a medical certificate (ISSA 2020).
- ▶ Some countries have waived waiting periods. Australia eliminated the ordinary one-week waiting period for income support, including sickness allowance (Government of Australia 2020).
- ▶ The PhilHealth COVID-19 package includes an isolation package that provides financial support (PHP 14,000) (US\$273.6) for persons under investigation in quarantine (PhilHealth 2020a).



- ▶ In Vietnam, infected individuals quarantined outside of the home are entitled to a daily food allowance of VND 60,000 (US\$2.59), while those quarantined at home receive VND 40,000 (US\$1.72).⁵
- ▶ Singapore will pay the employers of workers in quarantine SG\$100 (US\$68.5) per day throughout the duration of their quarantine. The benefit will also be paid to self-employed workers (Ministry of Manpower of Singapore 2020).

Unemployment protection: preventing job losses and supporting those who lost their jobs

In responding to the COVID-19 crisis, many governments utilise their unemployment protection schemes to ensure income security for workers.

Countries use in particular four main instruments: expansion of unemployment benefits; wage subsidies, expansion or introduction of partial unemployment benefits to compensate for crisis-induced reductions in working hours⁶; and employment services to complement income support to unemployed workers.

An additional measure put in place was the relaxation of job seeking pre-conditions associated with unemployment insurance payments. National examples include:

- ▶ China has provided temporary unemployment assistance for workers, meaning that unemployed workers who do not meet the conditions for unemployment social insurance can apply for unemployment assistance (lower benefit level than unemployment insurance) (ILO 2020d).
- ▶ Malaysia announced a new monetary assistance scheme amounting to MYR 600/month (US\$135) for up to six months for employees given no-pay leave. The scheme is eligible for those given no-pay leave from March 1 or contributors to the employee insurance scheme (EIS) with monthly pay of below MYR 4,000 (US\$900) (The Edge Markets 2020).
- ▶ Japan relaxed its Employment Adjustment Subsidy qualifications as a way to incentivize employers to retain workers by paying a leave allowance and by letting employees take partial paid leave. The subsidy reimburses two-thirds of the leave allowance for SMEs or a half for large enterprises (Gentilini, Almenfi, Orton 2020). This
- ▶ is important, as upon recovery from the crisis, Japan can mobilise these workers (owing to the continued employment relationship), much quicker than those countries that have let workers go indefinitely.

⁵ Given that the average monthly wage in Vietnam is US\$150, this would slash an individual's income by 2-3 times while remaining in quarantine and unable to work." (Phuong et al. forthcoming).

⁶ Such benefits have played a critical role in supporting recovery after the 2008/09 crisis: for example, in Germany, partial unemployment benefits allowed employers to retain their workers during the crisis, avoiding firing and rehiring costs and quickly respond as markets pick up again, thereby allowing for a quick crisis recovery (ILO 2011). The average reduction in working time was 30.5 per cent, which corresponding s to the equivalent of about 432,000 full-time jobs. A loss of jobs of this magnitude would have resulted in an increase in the unemployment rate of about one percentage point (ILO 2011a, 66–67).



- ▶ The Republic of Korea facilitated access to its employment retention subsidy programme; and temporarily increased the wage subsidy for companies if they keep their employees on paid-leave or leave-of absence programmes, from 50 to 66 per cent of the wage for large companies, and from 66 to 75 per cent of the wage paid for SMEs (OECD 2020).
- ▶ For 2020 and 2021, SSO in Thailand is legislating an increase in unemployment benefits and its duration up from 50 per cent and 180 days to 70 per cent and 200 days for cases of lay-off. For work cessation due to voluntary termination or end of contract, benefits will increase from 30 per cent to 45 per cent maintaining the 90 days limit.
- ▶ SSO will also provide wage subsidies for people on leave-without-pay in companies temporarily closed down following the government instructions to prevent the spread of the virus. A replacement of 50 per cent up to 60 days will be paid. After this period, beneficiaries might still benefit from the unemployment benefit described above.
- ▶ Finally, Thailand's support package included the possibility for SME's to deduct three times the expenses incurred in salary payment from April 2020 to July 2020 for the employees who are members of the Social Security Office (SSO) and receive a monthly salary of 15,000 THB (US\$456). To qualify, SMEs have to maintain the same number of workers during the period as were insured by the SSO at the end of December 2019 (Bangkok Post, 2020).
- ▶ The Social Security System in the Philippines mobilized PHP 1.2 billion (US\$23.5 million) to cover unemployment benefits for displaced workers. This will cover unemployment insurance benefits for a projected 30,000 to 60,000 workers who will lose their jobs as a result of possible layoffs (Department of Finance Philippines 2020).
- ▶ In the Philippines, the Department of Labour and Employment encouraged enterprises to adopt flexible work arrangements (i.e. telecommuting, work from home, reduced work days/hours, rotation of workers and forced leave). Part of this incentive is the provision by the Government of a one-time cash assistance of PHP5,000 (US\$97.6) per worker in private establishments where flexible working arrangements are introduced (Department of Labor and Employment Philippines 2020).
- ▶ Still in the Philippines, the Technical Education and Skills Development Authority (TESDA)'s Scholarship Programs will support affected and temporarily displaced workers through upskilling and reskilling. It includes free courses for all who would like to acquire new skills from the convenience of their own homes, mobile phones and computers through the TESDA Online Program (Department of Finance Philippines 2020).
- ▶ Singapore launched a Jobs Support Scheme worth SG\$1.3 billion (US\$890 million) to help firms retain local workers. Employers will receive an eight per cent cash grant on the gross monthly wages of each local employee on the Central Provident Fund payroll for the months of October to December (subject to a monthly wage cap of SG\$3,600 (US\$2463.8) per worker). Payment to employers will be made by the end of July) (Channels News Asia 2020).
- ▶ Hong Kong, China increased its annual funding for employment programmes and raised the allowance ceiling for on-the-job-training (Government of Hong Kong, 2020).



- ▶ The Republic of Korea foresees job retraining for workers who have lost their jobs. The Government may provide wage support for small merchants and increase job seekers' allowance for young adults and reintroduce job seekers' allowance for those from low-income households (Gentilini, Almenfi, Orton 2020).
- ▶ Australia extended coverage of the Job Seeker Programme and the Coronavirus supplement to sole traders; self-employed; casual workers and contract workers who meet the income tests as a result of the economic downturn created by the Corona virus (Government of Australia 2020).
- ▶ Under the Job Seeker Program, Australia waived the mutual obligation responsibility (i.e. the condition of job seeking) for those who have caring responsibilities, or who need to self-isolate (Government of Australia 2020).
- ▶ The Government of Indonesia established a new scheme called 'Pre-employment Card Programme'. The programme has been prepared to primarily aim at up-skilling 2 million young workers by paying a lump-sum allowance of IDR 500,000 (\$US34.32) per participant to cover accommodation and transportation costs during the training programme (Jakarta Post 2020).

Old age, survivor and disability benefits

In view of the particular vulnerability of older persons and persons with disabilities, old age, survivor and disability benefits have a particularly important role to play in ensuring income security for those affected by the crisis.

Some countries have put measures in place to advance the payment of pensions or to increase their level.

- ▶ In Hong Kong, China, the welfare support package includes an extra one month allowance of Old Age Allowance, Old Age Living Allowance, or Disability Allowance which are non means-tested schemes. The amount of assistance payable per month of Old Age Allowance is HK\$1,385 (\$US 178.57) (Gentilini, Almenfi, Orton 2020).
- ▶ Singapore's welfare measures include a SG\$100 (US\$68.5) *passion silver card* top-up for all seniors (Gentilini, Almenfi, Orton 2020).
- ▶ In Australia the payment of a one-off AU\$750 (US\$431.9) will includes those who have commonwealth seniors health cards (i.e. pensioners) (Gentilini, Almenfi, Orton 2020).

Providing income support through social assistance, cash transfers and other support

In view of the rapidly deepening economic consequences of the COVID-19 crisis, many governments have put in place measures to provide income support to the population through social assistance or other tax-financed benefits.

Cash disbursements to low- and middle-income groups is an effective response to ensure continued consumption, as these households have a high propensity to use a large portion of transfers on goods and basic necessities, and this has an income multiplier effect.

As macro-economic stabilisers, cash transfers are particularly effective, since they can take effect with less delay than other discretionary fiscal measures. They have an inbuilt counter-cyclical impact that can act as automatic stabiliser.

Measures taken by governments include the scaling up of existing social assistance benefits (including cash and in-kind benefits); increasing the adequacy of benefits; advancing payments; relaxing the eligibility criteria to increase coverage; creating new social assistance benefits.

Some countries included also the payment of a one-off generalised income support to all residents (“one-off Universal Basic Income”).

Additional measures to cover the cost of nutrition, fuel and utilities might also be necessary in some countries. The closure of schools may entail the need to find other mechanisms to provide food assistance to replace free school meals. Price controls of staple goods and services may be required to prevent speculation and thereby maintain the purchasing power of low-income households.

Examples of measures being implemented in some Asian countries include:

- ▶ In India, the state of Uttar Pradesh announced it will make direct online payments to poor and daily wage workers who lose work due to the COVID-19 impact. Vegetable vendors, construction workers, rickshaw pullers, auto rickshaw drivers, and temporary staff at shops will be targeted by this measure (Aljazeera, 2020).
- ▶ The Kerala state government in India has started measures to deliver food for mid-day meals to over three 300,000 children studying in 33,115 rural child care centres, which have been closed due to the COVID-19 pandemic. This is to ensure the supply of meals to these children is not disrupted (Gentilini, Almenfi, Orton 2020).
- ▶ In Hong Kong, China, 1.33 million recipients of the standard Comprehensive Social Security Assistance Payment, Old Age Allowance, Old Age Living Allowance, or Disability Allowance received a one-off extra allowance starting on 7 January (Government of the Hong Kong Special Administrative Region 2020a).
- ▶ Meanwhile HK announced a one-off universal cash transfer of HK\$1,280 (US\$165) for its 7 million adult residents, with the objective of boosting economic GDP growth by 1 per cent this year (Gentilini, Almenfi, Orton 2020).
- ▶ The Government of Hong Kong, China, also paid one month's rent to lower-income tenants living in public rental units and expanded the eligibility of the work incentive transport subsidy (Gentilini, Almenfi, Orton 2020).
- ▶ In Australia, a one-off payment of AU\$750 (US\$431.9) will be paid to social security, veteran and other income support recipients and eligible persons, assisting around 6.5 million lower income Australians. The explicit goals are to promote income security and stimulate aggregate demand (Gentilini, Almenfi, Orton 2020).
- ▶ Malaysia announced the expansion of its Bantuan Sara Hidup (BSH) payment (cash transfer for vulnerable households). It includes the anticipation of “Phase 2” of payments (expected to start in May but now moved to March 2020) (MYR 760 million (US\$171.1 million) will benefit 3.8 million BSH households). BSH recipients will also receive an additional MYR 100 (US\$22.5) to be credited to their registered bank account as well as MYR 50 (US\$11.2) in e-cash, which will be disbursed in May 2020. Adding that will involve MYR 500 million (US\$112.5 million), which will benefit an additional five million BSH recipients (Malay Mail 2000).



- ▶ The Islamic Republic of Iran is planning to support around 3 million lower-income families with no permanent jobs with cash transfers of up to 6 million rails (US\$ 400) in four stages (Gentilini, Almenfi, Orton 2020).
- ▶ Singapore will provide a one-off payment as a quasi-Universal Basic Income. As part of a SG\$1.6 billion (US\$1.1 billion) Care and Support Package all Singaporeans aged 21 and above will receive a one-off cash transfer of SG\$300 (US\$205.38), SG\$200 (US\$136.9) or SG\$100 (US\$61.5), depending on their income. Cash-payouts will also be given to families with children and elderly parents. Additionally, it will include a SG\$100 (US\$61.5) supermarket voucher to lower-income households (Channels News Asia 2020).
- ▶ Singapore will also enhance its Wage Credit Scheme. The scheme currently co-funds wage increases for Singaporean employees earning a gross monthly wage of up to SG\$4,000 (US\$2738.4). This will be raised to SG\$5,000 (US\$3422.9) for qualifying wage increases to benefit more Singaporean workers (Channels News Asia 2020).
- ▶ To further help low-wage workers, the Singaporean Government will provide a Workfare Special Payment. Singaporeans on Workfare will receive 20 per cent more for work done in the past year, with a minimum cash pay-out of SG\$100 (US\$61.5) (The New Paper 2020).
- ▶ As part of a package to support the taxi and private-hire car drivers affected by the COVID-19 outbreak, about 40,000 eligible drivers in Singapore will receive up to SG\$20 (US\$13.7) per vehicle per day for three months – paid for equally by the Government and operators (Channels News Asia 2020a).
- ▶ In Indonesia, the government provided extra funding for the Affordable Food Program to help 15 million low-income households buy staple foods. Such additional funding was for US\$324 million. As part of the overall stimulus package, low-income households will also receive IDR 200,000 (US\$13.97) per month in financial benefits, an increase from IDR 150,000 (US\$10), for the next six months (ASEAN Business News 2020).
- ▶ The city of Seoul will implement a financial assistance program for low-income workers, the self-employed, part-time workers and free-lancers, who are not benefiting from existing financial aid systems. The support is between KRW 300,000 (US\$238.9) to KRW 500,000 (US\$398.1) to be paid in the form of mobile voucher or pre-paid card (Seoul Metropolitan Government 2020).
- ▶ The city of Osaka in Japan plans to offer free lunches for all students at city government-run elementary and junior high schools from April depending on the school re-opening. The programme would save parents between JPY 50,000 (US\$ 470) and JPY 60,000 (\$US538) per child per year (Gentilini, Almenfi, Orton 2020).

Family leave and care policies

Many countries impacted by COVID-19 have implemented or are planning to implement school and university closures. These closures have added another challenge for parents. Consequently, family leave policies have moved to the centre stage. In addition, many other workers have to provide care to infected family members. As a result, some governments have expanded statutory sick pay, sickness benefits or other benefits to provide support to workers who have to take care of sick family members or self-isolate.

- ▶ In Japan, the Government has announced a subsidy to compensate enterprises that introduce family leave for workers affected by school closures to ensure the continued payment of salaries (OECD 2020).
- ▶ Also in Japan, the Government will provide JPY 4,100 (\$36.82) to freelance workers who are forced to stay home owing to school closures (Anadolu Agency 2020).
- ▶ In the Republic of Korea, the Government will issue vouchers worth 2.4 trillion won to low-income households as children shift from day care institutions to home care. The package also gives parent employees up to five days of childcare leave along with KRW 50,000 (US\$39.63) per day (Gentilini, Almenfi, Orton 2020).
- ▶ Australia expanded access to income support payments to persons required to take care of someone affected by COVID-19 (Government of Australia 2020).
- ▶ In Singapore, employers are advised to be supportive of employees' caregiving needs by allowing employees to use their full leave entitlements and to be flexible in granting paid or unpaid time-off (Ministry of Manpower Singapore 2020a).

Temporarily modifying the payment of social security contributions and tax payments for enterprises

In order to alleviate liquidity constraints on enterprises, many governments have decided to allow enterprises to postpone the payment of social insurance contributions and taxes.

- ▶ In China, provinces are allowed to exempt medium, small and micro-sized enterprises from employers' contribution to three social insurance schemes for up to five months, namely: pension, unemployment and employment injury. Larger enterprises can reduce their contribution by 50 per cent for up to three months (ILO 2020d).
- ▶ The Chinese province of Hubei can apply more favourable measures. The measure waives SMEs' contributions for up to five months as well (depending on impact), and halves large enterprises' contributions for up to three months (depending on impact). Enterprises classified as being in "operational crisis" can apply to delay contribution payment for up to six months (ILO 2020d).
- ▶ Viet Nam suspended the payment of social insurance premiums into the retirement and survivorship fund for a maximum of 12 months and without late payment interest charges for businesses facing difficulties cause by the COVID-19 epidemic.
- ▶ The Employee Provident Fund in Malaysia reduced worker contributions from 11 per cent of their salary to four per cent. This is expected to increase the cash on hand in households by some MYR 10 billion (\$US2.25 billion) (The Star 2020).
- ▶ In Thailand, the SSO will reduce financial contributions by both employees and employers from five to four percent for six months with an extension of the deadline for financial contributions by both employers and employee for 3 months (NNT 2020).
- ▶ In the Philippines, PhilHealth extended the deadline to pay contributions for its self-paying direct contributors. They can now pay their first quarter contributions on or before 30 April instead of 31 March and without interest (PhilHealth 2020b).

While such measures can provide important short-term relief to affected enterprises, it is essential that they are temporary, and do not undermine the financial sustainability of government budgets and social security institutions, especially in times when social protection

systems need to increase expenditure to meet increased demands. It is also important to assure that this suspension of contributions will not affect future entitlements.

Adapting administrative procedures and delivery mechanisms

A range of low tech and straightforward administrative responses can be used to speed up the treatment of request or the processing of claims and subsequent disbursement of benefits.

Waiving requirements for in-person visits (e.g. unemployment insurance) or encouraging persons to complete claims online or by telephone has also been utilised. These measures are more efficient while also supportive of physical distancing protocols. Examples follow:

- ▶ China increased the use of online platforms for social security services (e.g. for unemployment insurance) to avoid physical contact for claim approval, payment and related services (ILO 2020d).
- ▶ Also in China, MOHRSS issued a notice on managing social insurance services during the outbreak of COVID-19. It requested the social insurance administrations at all levels to consult with financial departments and explore ways to secure pensions paid monthly through online services (ILO 2020d).
- ▶ In the Philippines, the PhilHealth filing period for claims was extended from the usual 60 days to at least 120 days in favour of the health care providers (PhilHealth 2020b).
- ▶ In Australia several measures were put in place to accelerate the claim process (for instance through online and mobile channels) and to streamline the application process by reducing temporarily existing requirements (Government of Australia 2020).

Conclusions⁷

- ▶ The crisis has illustrated the need to reaffirm the principles of social solidarity that underpin universal social protection, and its centrality to ensuring socially just societies (ILO 2020d; ILO 2019a, 2019b).
- ▶ Robust social protection systems have in place financial buffers to address the double challenge of increased expenditure and reduced revenue, yet a large-scale crisis requires significant additional funding for social protection, to ensure adequate and comprehensive benefits and services to all those who need them.
- ▶ Further efforts will be necessary for those countries that do not yet have sufficiently solid health and social protection systems in place, to ensure an immediate crisis response, and to sustain efforts in the post-crisis period.
- ▶ Supporting a strong and rapid social protection response will require urgent allocation of sufficient resources. The costs of no or delayed action will be even higher.

⁷ For further details see ILO (2020). Social protection responses to the Covid-19 crisis. Country responses and policy considerations. *Spotlight Brief*. ILO: Geneva.



- ▶ Social protection must be seen as an investment and not as an additional cost. Previous crises have confirmed social protection's vital role as a social buffer and economic stabiliser, integral to the smooth and successful functioning of society.
- ▶ Lessons from previous crises show that well-designed large-scale interventions are more effective than piecemeal approaches (ILO 2020a).
- ▶ Fiscal stimulus packages, where possible, must further scale up support as needed, drawing, in particular, on tax-financed provision to complement existing provision.

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