Staff
Nassreena Sampaco-Baddiri
Country Director, Philippines

Karisha Anne Cruz
Policy Associate

Luciana Debenedetti
Senior Policy & Communications Associate



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Cash Transfers in the Philippines: Empowering Households for Economic Recovery

RECOVR Policy Analysis Series

Introduction

Amidst the continuation of the COVID-19 pandemic and the emerging economic recovery, cash transfers can provide timely lifelines and economic assistance to households in need. Encouragingly, the Philippines government rapidly moved to institute a number of emergency assistance programs when the pandemic struck, including the Social Amelioration Program (SAP)[1] launched in early April. These programs have been able to help cushion Filipinos from immediate economic fallouts from lockdowns and slowed commercial activity. Understanding how Filipinos have fared over the past few months, and what challenges they continue to face, is critical for the government's design and delivery of social assistance programs moving forward.

Key Findings and Takeaways from the Philippines RECOVR Survey

- **Hours worked and earnings dropped significantly.** While 67 percent of respondents worked at least one hour during February 2020, only 40 percent worked at all in the prior week from the survey. Of those still working, over 50 percent of respondents reported decreased earnings.
- **A large proportion of people received government aid, but still have had to deplete savings to make ends meet.** Eighty-nine percent of households had received government support in response to COVID-19, mostly in the form of food and cash assistance. Nevertheless, seventy percent of respondents said they have had to deplete their savings since February 2020 to pay for basic needs.
- **More than a quarter of respondents had to limit portion sizes at mealtimes.** Poor respondents were 10 percentage points more likely than wealthier respondents to say they had difficulty buying the amount of food they usually buy.
- **The results suggest that further assistance in the form of cash transfers is needed during this crisis period.** Although a large proportion of vulnerable households have received assistance, the results suggest that households are still struggling to meet basic needs.
- **The inclusion of digital options within the SAP offers an opportunity to enhance the delivery of the transfer.** However, it is critical to ensure that targeting is sufficient, equity is centered within program design, and the program builds upon existing digital financial infrastructure.

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Amidst the continuation of the COVID-19 pandemic and the emerging economic recovery, cash transfers can provide timely lifelines and economic assistance to households in need. The Philippines government rapidly moved to institute a number of emergency assistance programs when the pandemic struck, including the Social Amelioration Program (SAP) launched in early April 2020. These programs have been able to help cushion Filipinos

from immediate economic fallouts from lockdowns and slowed commercial activity.

Understanding how Filipinos have fared over the past few months, and what challenges they continue to face, is critical for the government's design and delivery of social assistance programs moving forward. IPA partnered with the Department of Social Welfare and Development to develop questions focused on employment and economic activity to help guide decisions and shape social assistance policies with data. The RECOVR survey, conducted from June 18-July 1, reached 1,389 respondents. This brief summarizes survey findings on the scale and extent of economic vulnerability in the country during the COVID-19 pandemic and makes recommendations for cash transfers and social assistance program design.

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