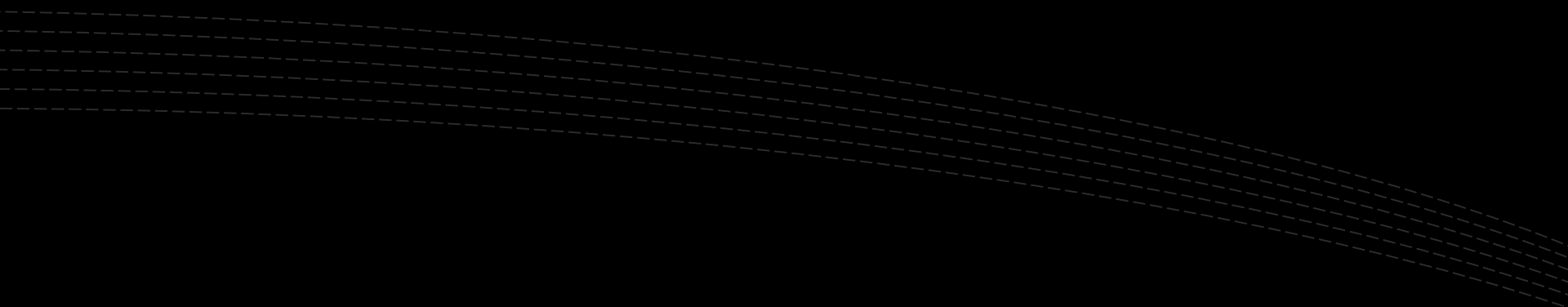


A close-up photograph of a person's hand holding a black ZTE mobile phone and a white envelope. The envelope has 'ZTE' and 'GSM' logos. The background is a textured, reddish-brown surface.

Social Protection Programs in the Time of a Pandemic: Re-evaluating what we know

- **Jenny C. Aker**
- **The Fletcher School
Tufts University**
- **April 2020**

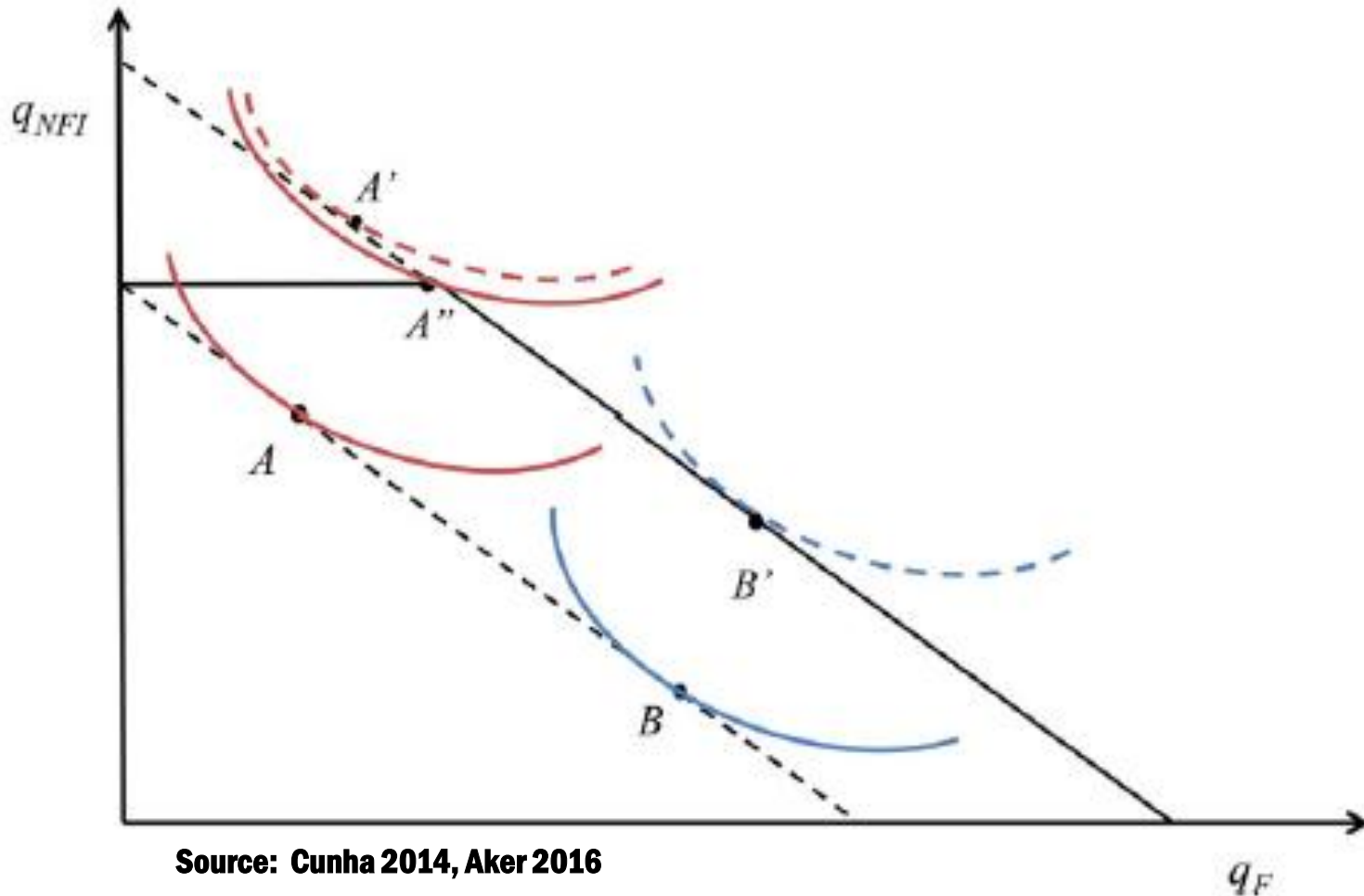
Source: Concern Worldwide



SOCIAL PROTECTION: WHAT WE KNOW

#1 | Payment Modalities: Welfare

Under certain assumptions, cash transfers should maximize welfare impacts



Source: Cunha 2014, Aker 2016

#1 | The Debate in Social Protection Programs

- **How should society support poor households in a time of crisis?**
- **The usual concerns:**
 - **Targeting** (inclusion and exclusion)
 - **Payment modalities** (cash or in-kind)
 - **Payment mechanisms** (cash or electronic)

#1 | Payment Modalities: Cash or In-Kind?

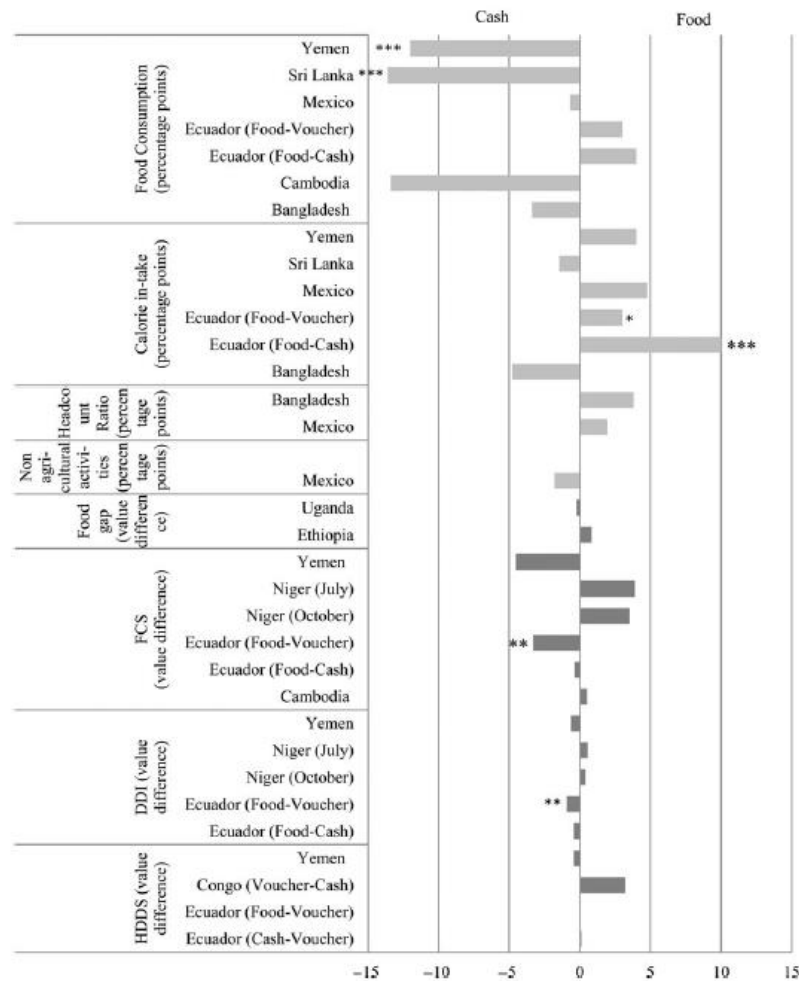
- How should society support people in crisis?
- The usual concerns:
- Targeting (inclusion and exclusion)
- **Payment modalities (cash or in-kind): Welfare, impact, costs**
- Payment mechanisms (cash or electronic)



#1 | Payment Modalities: Impacts

No *systematic* evidence of one transfer modality over the other

Figure 3. Summary of Relative Impacts by Transfer Modality and Indicator.

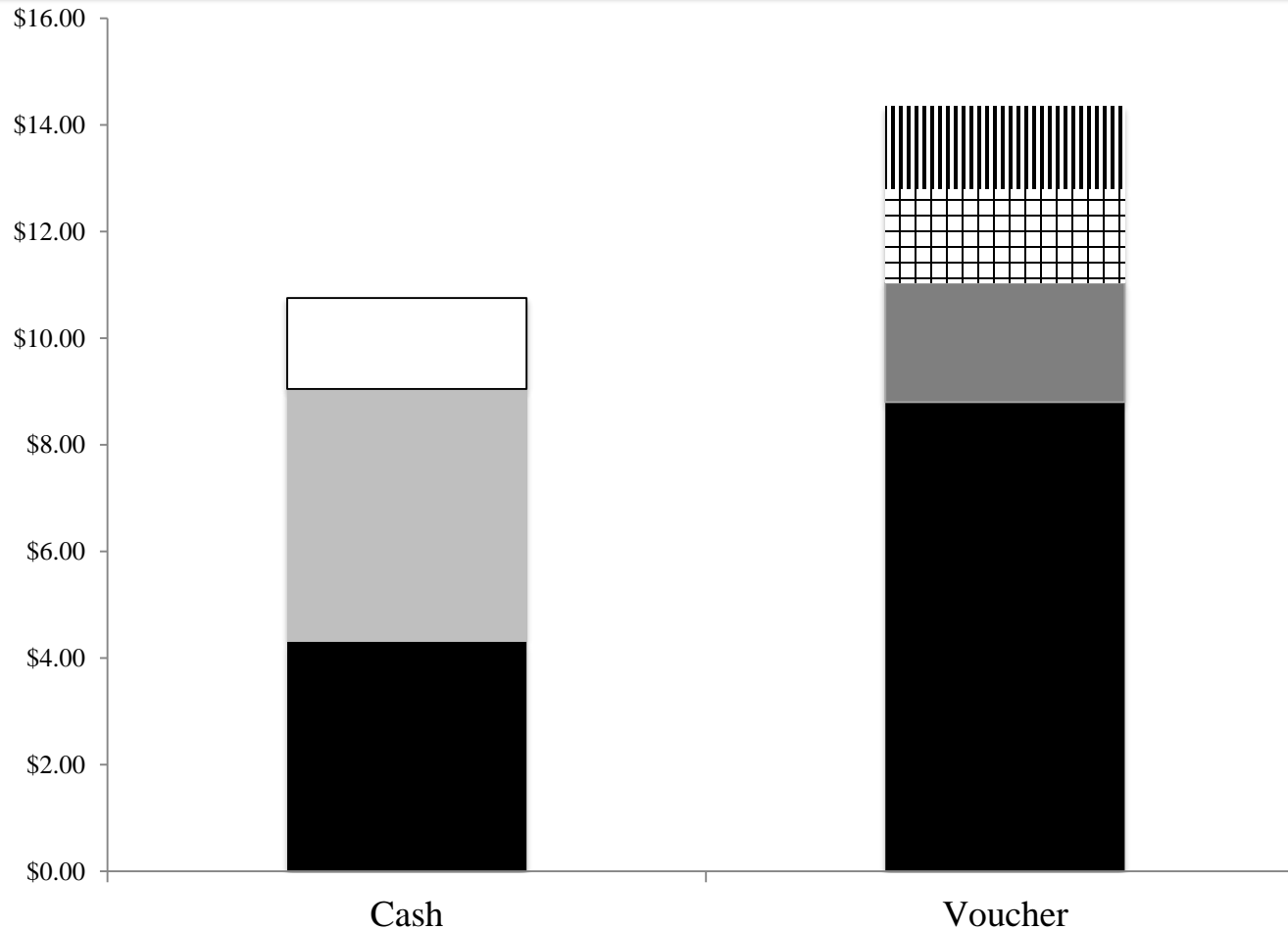


Source: Gentilini 2016

#1 | Payment Modalities: Costs

Cash is (generally) more efficient than vouchers and in-kind transfers

**Per
Recipient
Cost of
Cash versus
Vouchers In
eastern
DRC**



Source: Aker 2016

#2 | Payment Mechanisms: Cash or Electronic?

- How should society support crisis?
- The usual concerns:
- Targeting (inclusion and exclusion)
- Payment modalities (cash or in-kind): Welfare, impact, costs
- Payment **mechanisms** (cash or electronic): **Logistics, costs, impacts**



#2 | Payment Mechanisms: Logistics of Cash

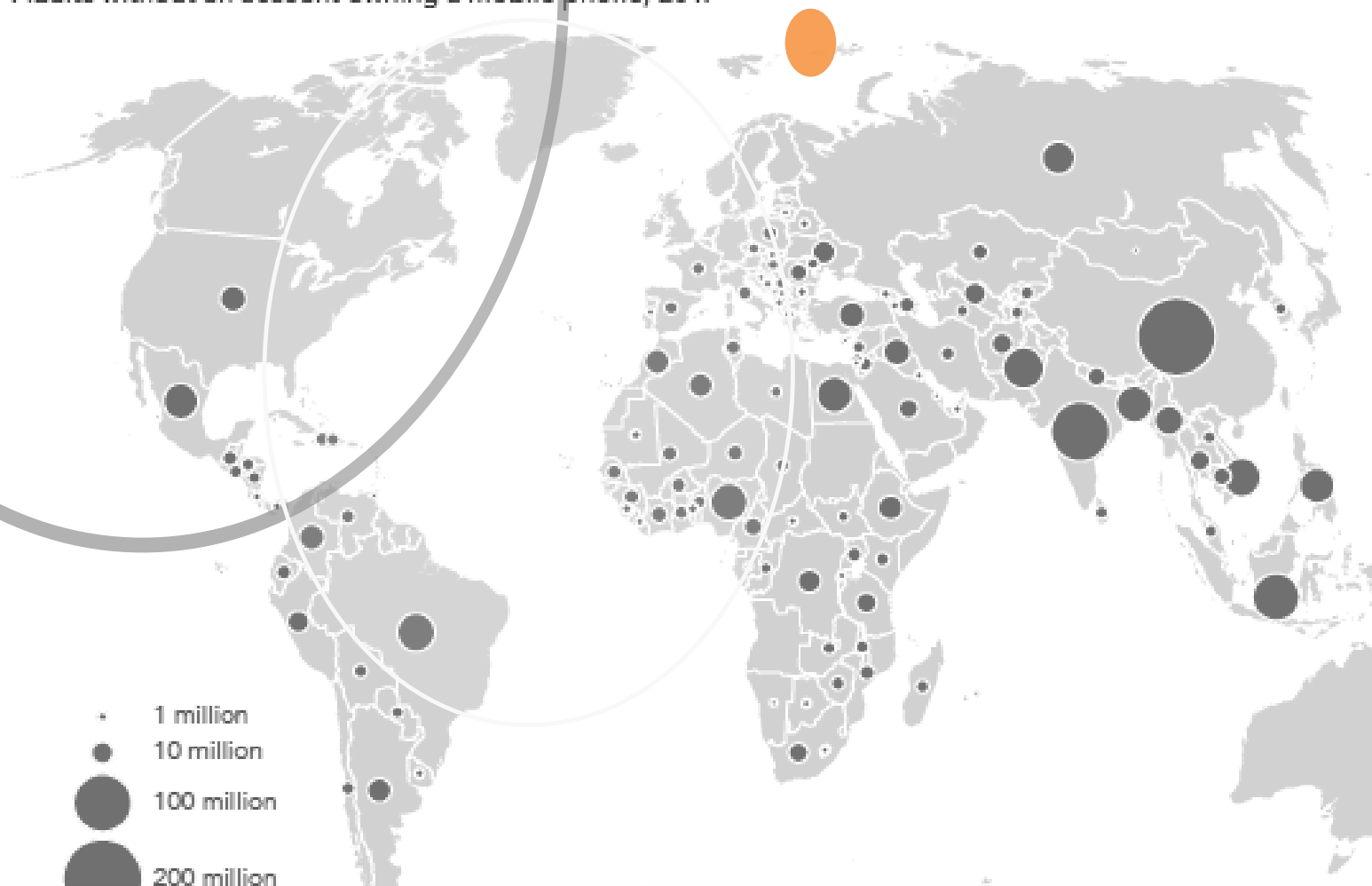


#2 | Payment Mechanisms: Logistics

Two-thirds of unbanked adults have a mobile phone

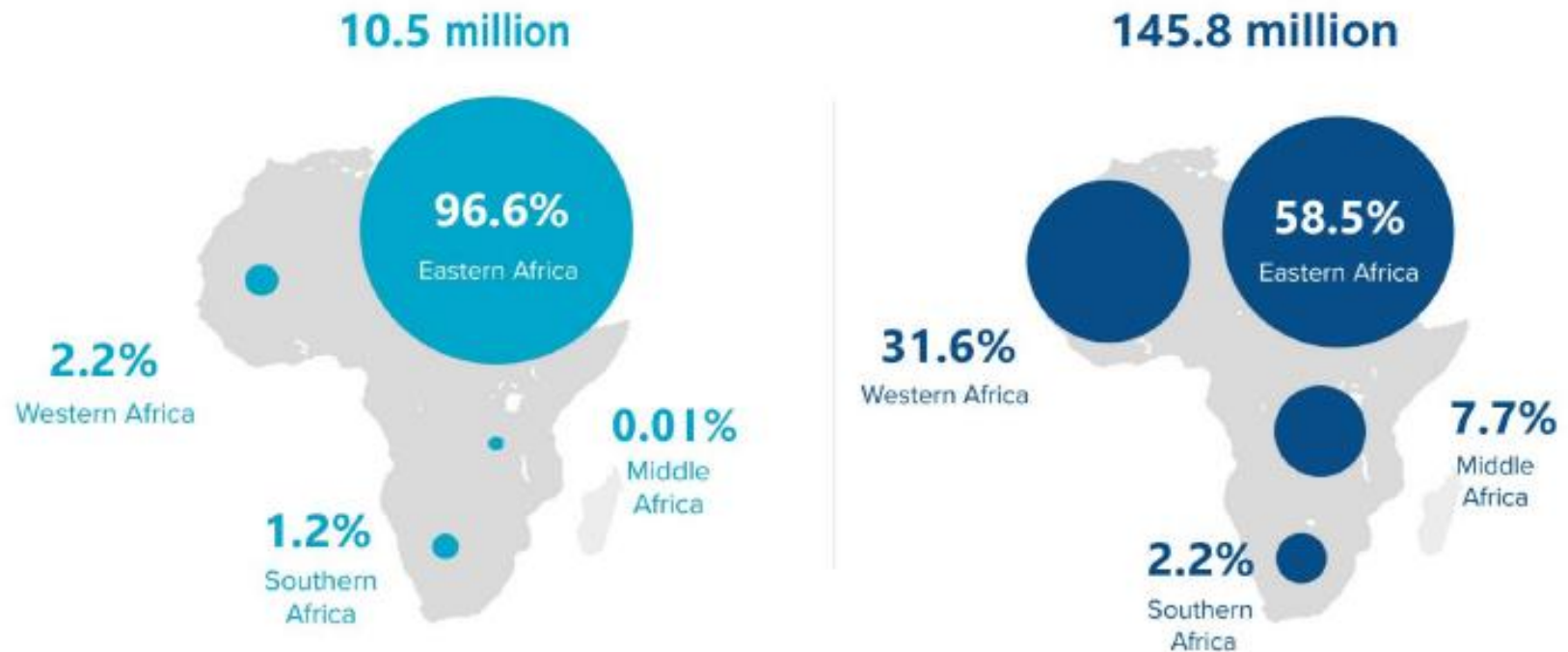
Adults without an account owning a mobile phone, 2017

Source: FINDEX 2017



#2 | Payment Mechanisms: Logistics

300 mobile money deployments across 95 countries with 866 million registered users

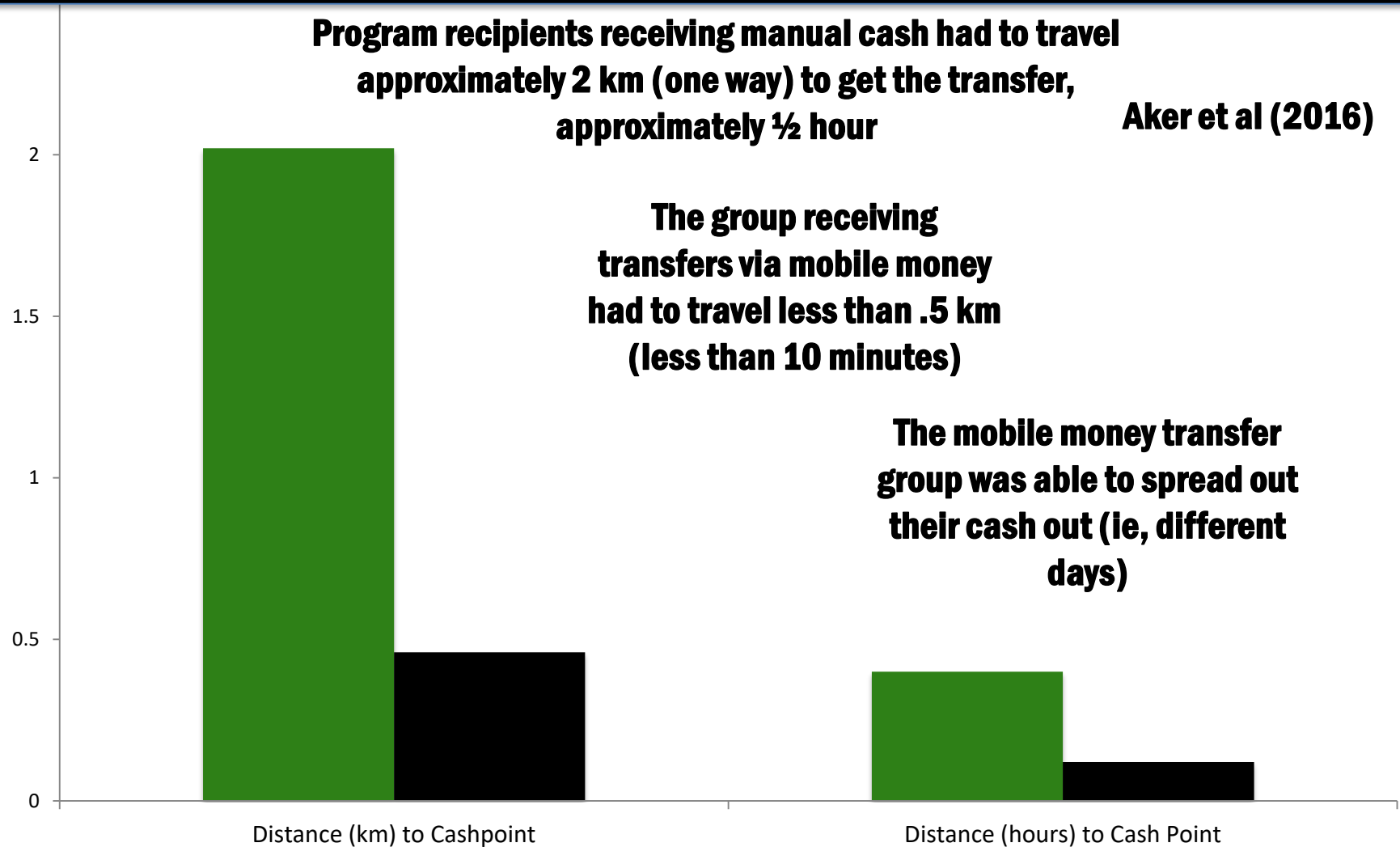


Sub-Saharan African total active accounts 2010 / 2018

Source: GSMA 2018

#2 | Payment Mechanisms: Costs

Beneficiaries of mobile money cash transfers had to travel shorter distances in Niger



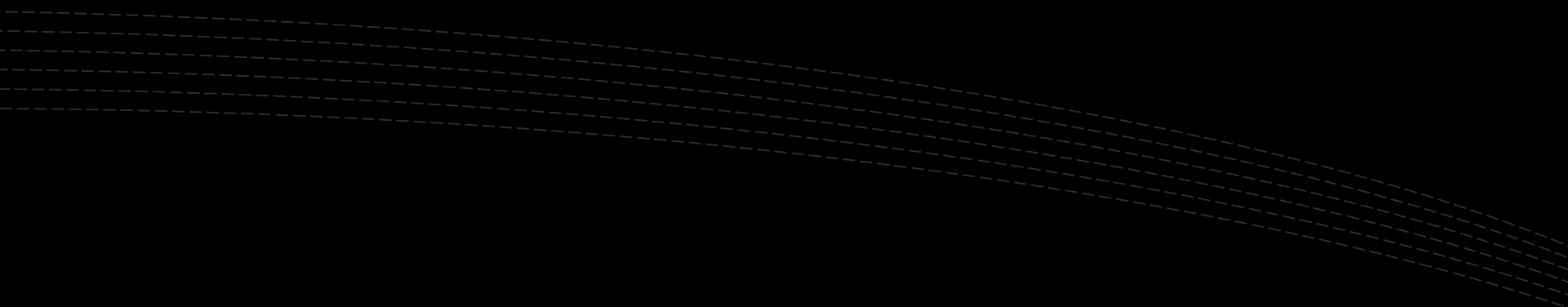
Jenny C. Aker

Cash, In-Kind, Electronic, Manual

#2 | Payment Mechanisms: Impacts

Beneficiaries of mobile money cash transfers had to travel shorter distances in Niger

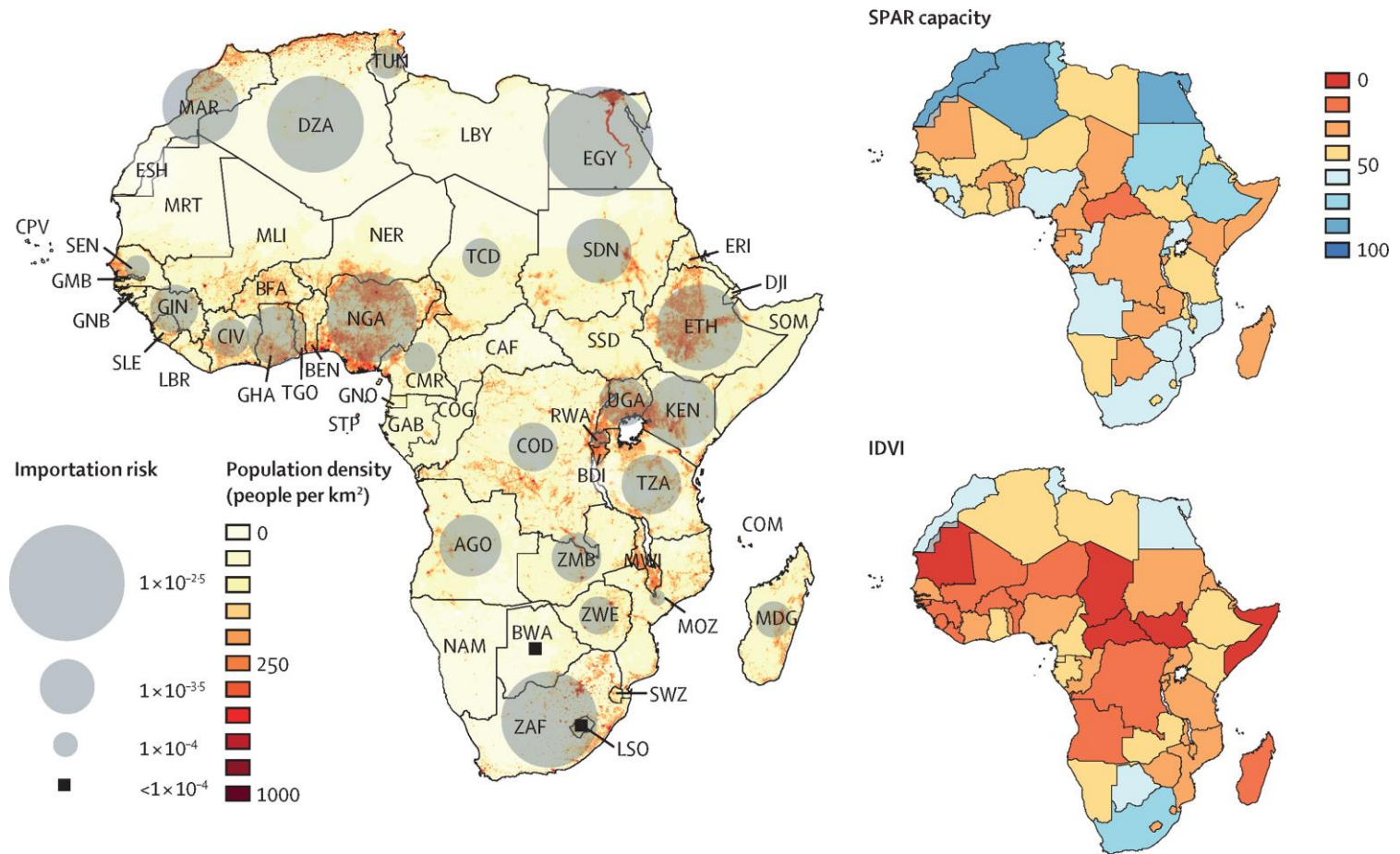
- **Mobile money and private transfers smooth consumption and reduce poverty (Jack and Suri 2014, Blumenstock et al 2016, Jack and Suri 2017)**
- **Mobile money and public transfers improve food security and assets as compared to manual cash transfers in the short-term (Aker et al 2017)**
 - **Shapiro and Haushofer 2016, Shapiro and Haushofer 2018, McIntosh and Zeitlin 2018**



THE CURRENT CRISIS

#3 | The Poor are in the Informal Sector

60% of the world's poor earn their livelihoods in the informal economy, 90% in some SSA countries



#3 | Markets are in Flux, which affects supply

32 countries in Africa have closed their borders

32

Full border
closures¹

9

International air
traffic closures

5

Travel restrictions
to and from specific
countries

3

Entry restrictions²
for travelers from
specific countries

Most Member States have imposed **mandatory quarantine** for all travelers or travelers arriving from high risk areas



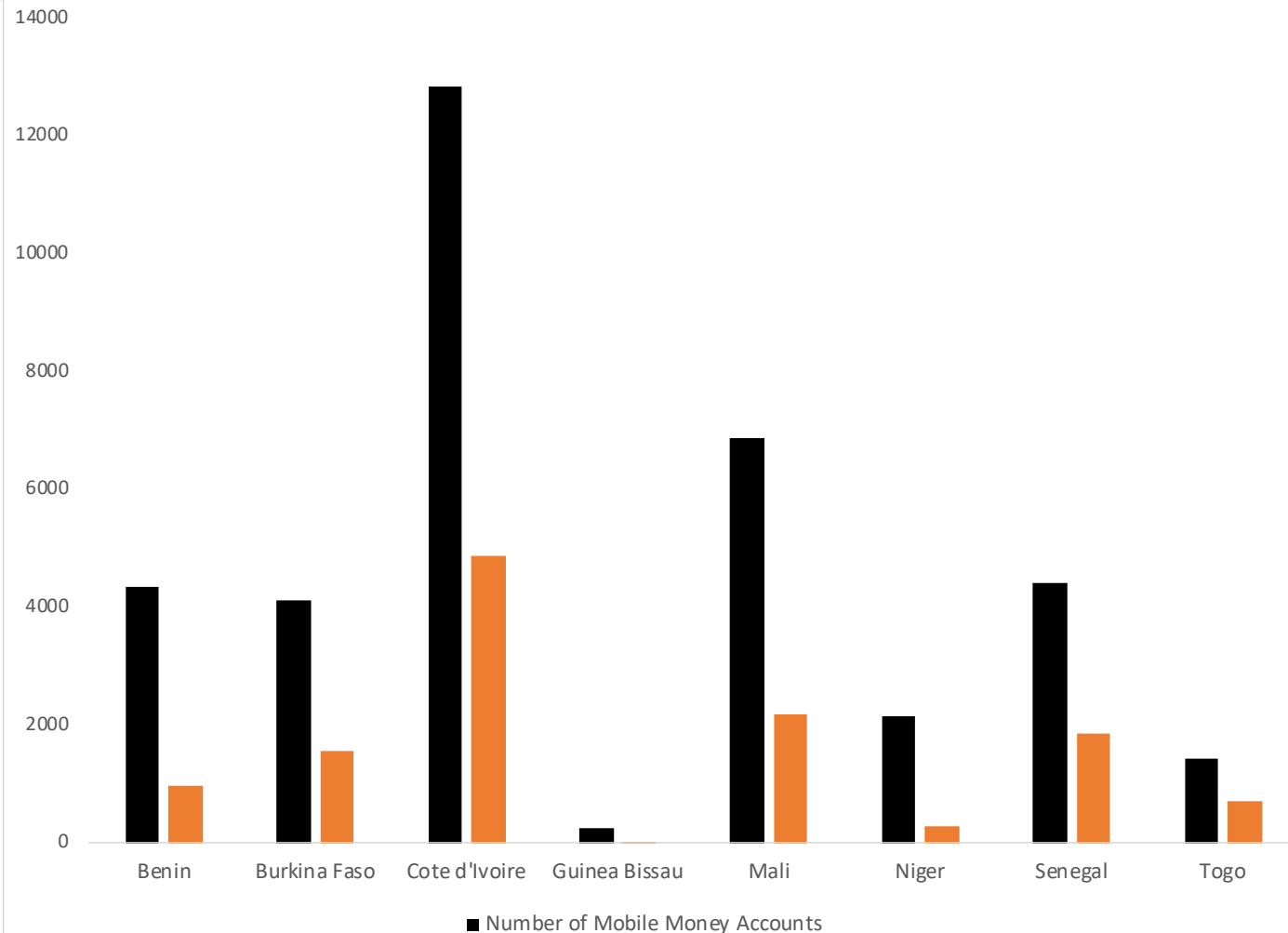
1 Some countries still allow cargo, freight and emergency transport into and out of the country; Some MSs will still allow citizens and residents to enter but all borders are essentially closed

2 Banning entry or suspending visa issuance



#3 | Mobile Money Adoption is Heterogeneous

The number of active users is far below total subscribers, and ranges from 1-20% in West Africa



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#3 | Mobile Money Agent Density is a Challenge

There are 228 agents per 100,000 people in Sub-Saharan Africa, with large differences by country

Mobile money agents have
7x more reach than ATMs and
20x more reach than bank
branches

Per 100,000 adults:

● 11 Banks

● 33 ATMs

● 228 Mobile money agents



Banks



ATMs

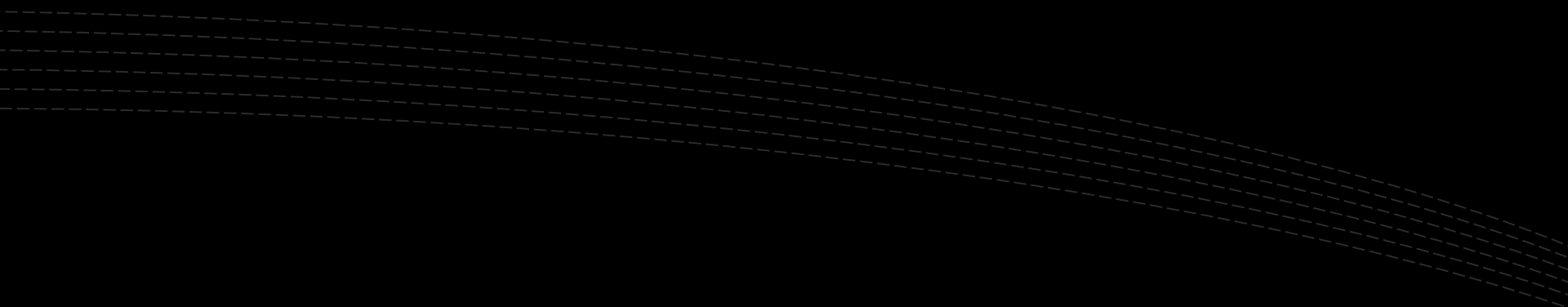


Mobile Money
Agents



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CONSIDERATIONS

#4 | Social Protection Design

Objectives, Markets, and Infrastructure

1. What is the objective of the transfer?

- **Are households urban or rural, agricultural or non-agricultural?**
- **Is the transfer designed to replace all income or certain expenditures? Will people still need to travel and find work?**

2. How are markets faring?

- **Will there be sufficient supply for cash transfers or vouchers? How can and will we know? And can food distributions be designed to minimize spread?**

3. Is the mobile money infrastructure sufficient to distribute payments, especially in rural areas?

- **Even with sufficient agents, will the location and timing of payments increase crowding? Can they be spread out?**

#4 | Social Protection Design

Objective, Markets, and Infrastructure

- 1. Think carefully about who the transfer is targeting and what is supposed to do, and what indicators it will affect**
 - **Can cash transfers be combined with phone or SMS information?**
- 2. Track data on food supplies and prices via phone surveys**
 - **If distributions are more appropriate, see if design can maximize social distancing**
- 3. Build or support existing mobile money systems**
 - **Use “envoie-code” if people aren’t registered**
 - **Register more agents, especially vendors and traders**
 - **Spread out payments to avoid crowding**

