COVID-19 AND CASH TRANSFERS:
EXPERIENCES AND LESSONS FROM
LATIN AMERICA

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Presentation overview

1. Social protection infrastructure at the time of the pandemic
2. Social protection responses: huge variation
3. Causes and policy implications of the different responses
Social vulnerability in Latin America is concentrated in children

Poverty by age (%) ECLAC 2019

Poverty rate of children vs the elderly, selected countries (ECLAC 2021)
2. Measuring breadth and adequacy of cash transfers (Blofield, C. Giambruno, F. Filgueira)

Transfers to the socially most vulnerable households

- Cash transfers to children (existing programs)
- New, emergency cash transfers to ‘informal’ households

Breadth/coverage

- CCTs: share of all children covered
- Informal households: share of total/informal employed population covered

Adequacy

- Amount as share of ECLAC national urban extreme poverty line per capita, per member of a four-person household, over first full year of pandemic
Non-contributory cash transfers toward children & informal households for first year of pandemic (CEQ paper, Blofield, J. Pribble, Giambruno 2021)

Evolution of coverage of existing cash transfer programs to children before and during COVID-19 in ten Latin American countries

Peak Coverage in new emergency cash transfer programs in relation to total and informal employed population during April 2020-March 2021

- Pre COVID (2019) as % of population under 18
- Peak 2020 coverage as % of population under 18
- March 2021 coverage as % of population under 18

% of occupied population recipient of new transfer to informals
% of occupied population that are informal (non contributing in social security)
Adequacy of cash transfers in Latin America during first full year of pandemic

Adequacy of existing cash transfers as a percent of the extreme poverty line, April 2020-March 2021 period, quarterly average and twelve-month average

Adequacy of emergency cash transfers as a percent of the extreme poverty line, April 2020-March 2021, quarterly average and twelve-month average
## Variation in scope of policy response during first year

*(Blofield, C. Giambruno, J. Pribble CEQ 2021)*

<table>
<thead>
<tr>
<th>Adequacy Level</th>
<th>Broad Coverage</th>
<th>Restricted Coverage</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Adequacy</td>
<td>Brazil &amp; Chile</td>
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<tr>
<td>Mixed/Low Adequacy</td>
<td>Argentina, Costa Rica, Peru, Uruguay</td>
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<tr>
<td>Low Adequacy</td>
<td>Bolivia</td>
<td>Colombia &amp; Ecuador</td>
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<tr>
<td>No Change</td>
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<td>Mexico</td>
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</tbody>
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2. The politics of policy response during crisis conditions
(M. Blofield, J. Pribble, and C. Giambruno)

SETTING: PRESIDENTIAL DEMOCRACIES

CRISIS (March 2020): Leaders motivated to respond

- Unified vs divided government
- Social protection system
- Scope of initial policy response
- Fiscal space
- Policy maintenance
- State capacity
- Speed of delivery
Cash transfer breadth in MENA, SSA and Asia, select countries (L. Rochowski 2021)

Evolution of coverage of existing cash transfer programs to children before and during COVID-19 in select Asian, Sub-Saharan African and MENA countries

Coverage in non-contributory cash transfer programs of adults under 65 years, in relation to total and informal employed population, before and following COVID-19 (peak coverage)
Policy implications

- Policy design:
  - Eligibility criteria: transparent or clientelistic; inclusive or restrictive
  - Demand-driven (you can self-identify and apply) or govt selects according to existing databases
  - Targeting mechanism (individual or household; child, mother, ‘head of household’)

- Policy delivery: in-person, bank account, electronic, mobile phone app
  → Mobile phones have best reach; need to bolster internet connectivity

Broader implications

- The strengthening of broader social protection floors