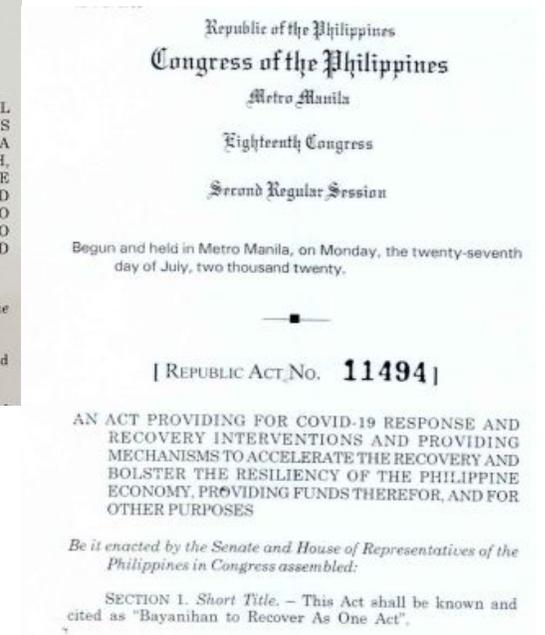
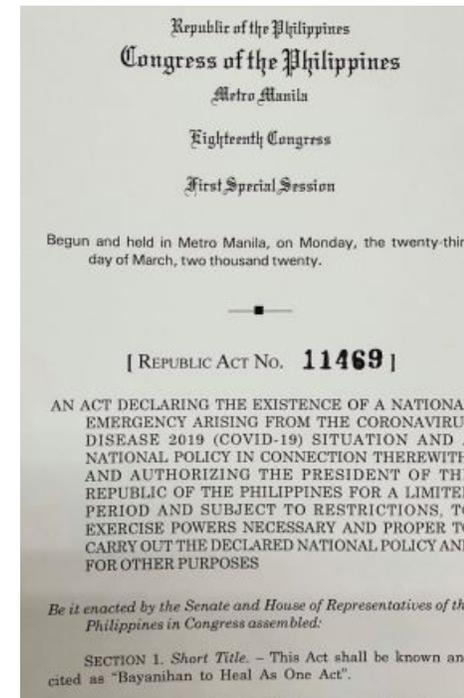

AN UNUSUAL PARTNERSHIP: PANDEMIC, EMERGENCY AID AND FINANCIAL INCLUSION

**Justine Veron Requejo
Earla C. Langit**

COVID-19 Timeline in the Philippines

- **March 16, 2020** - Enhanced Community Quarantine in the entire island of Luzon
- **March 25, 2020** - passage of Republic Act No. 11469, “Bayanihan to Heal as One” (1st Tranche Distribution)
- **June 1, 2020** - General Community Quarantine
- **September 15, 2020** - passage of Republic Act No. 11494, “Bayanihan to Recover as One” - (2nd Tranche Distribution)



Various Subsidies Extended to Filipinos

Program	Amount (AUD1:P38.04)	Beneficiaries	Number of Beneficiaries
Emergency Subsidy Program (ESP)	AUD131.43 (P5,000) to AUD210.29 (P8,000) for two months	low income households, informal economy workers, indigent senior citizens, persons with disabilities, indigenous peoples, homeless and other vulnerable populations	32,439,252



Source: Rappler

Various Subsidies Extended to Filipinos

Program	Amount	Beneficiaries	Number of Beneficiaries
Covid-19 Adjustment Program (CAMP)	one time AUD131.43 (P5,000)	workers in private establishments that have adopted flexible work arrangements or temporary closure during the pandemic	3,151,060



Source: Rappler

Various Subsidies Extended to Filipinos

Program	Amount	Beneficiaries	Number of Beneficiaries
Abot Kamay ang Pagtulong (AKAP) Program	one time AUD282.86 (P10,000)	overseas Filipino workers who have been laid off temporarily or permanently from their employment abroad	518,649



Source: Rappler

Various Subsidies Extended to Filipinos

Program	Amount	Beneficiaries	Number of Beneficiaries
Tulong Panghanapbuhay sa Ating Disadvantaged / Displaced Workers (TUPAD) Program	10 days' worth of regional minimum wage after rendering emergency employment (disinfection / sanitation of dwellings and surrounding areas)	displaced, seasonal and underemployed workers in the informal sector; senior citizens less than 75 years old who are not receiving pensions except the social pension for indigent senior citizen	1,445,023



Source: Rappler

Various Subsidies Extended to Filipinos

Program	Amount	Beneficiaries	Number of Beneficiaries
Small Business Wage Subsidy (SBWS) Program	AUD131.43 (P5,000) to AUD210.29 (P8,000) for two months depending on the regional minimum wage	workers of small businesses in the formal sector	6,186,268 employees of 208,291 establishments



Number of Filipinos who Received Financial Aid

66% or 50.7 million

Filipinos received financial support from the government

- 58% - SAP-ESP
- 2% SBWS
- 2% loan from government institution



Source: Inquirer

Pandemic Aid vis-a-vis Financial Inclusion

- **SAP-ESP:** Land Bank of the Philippines, GCash, Rizal Commercial Banking Corporation (RCBC), Robinson's Bank, PayMaya and Starpay
- **CAMP, AKAP, TUPAD:** Money Remittance Centers (e.g., Palawan Pawnshop)
- **SBWS:** SSS Multipurpose ID, bank accounts, PayMaya, Remittance Center (e.g., MLhuillier)



Beneficiaries Receiving Aid thru Formal Channels

In 2021, 7 in 10 received their financial assistance through an account



Number of Unbanked Pre-Pandemic vs 2021

34.3 million (2019)

51.2 million (2021)

- Formal account increased from **29% to 56%**
- E-money account grew from **8% to 36%**
- Bank accounts grew from **12% to 23%**



Factors that Affected Account Opening and Account Usage



- To save money (40%)
- **To receive** salary, pension, benefits, or **financial assistance** (28%)
- To facilitate payment-related transactions (78%), **including financial assistance (56%)**, cashless payments/purchases (40%), and sending money (38%)

Observations: Inclusion of Financial Inclusion in Government Assistance Program

DOLE vs DSWD Experience

- DOLE did not identify “promotion of financial inclusion” as one of the opportunities moving forward
 - Institutionalizing social protection programs for displaced workers;
 - Investing and continuous improvement in ICT infrastructure;
 - Developing a crisis continuity plan to continue servicing clients;
 - Migrating programs and services to online/digital platforms as part of the new normal operations, and collaborating with tripartite partners to holistically address issues and concerns
- DSWD recognized and identified the need to enhance the use of various payment channels. Some of its recommendations include:
 - Increase access of the poor to financial services;
 - Evaluate the capability of Financial Service Providers (FSPs);
 - Intensify partnerships with other Money Service Businesses (MSBs) such as M Lhuillier and Palawan Express to minimize the employment of special disbursing officers (SDOs).



Source: BSP

Sustaining the Momentum - Efforts Moving Forward

National Strategy for Financial Inclusion 2022-2028

- Promoting inclusive digital finance, strengthen financial education and consumer protection, enhance access to risk protection and social safety nets, and enhance agriculture and MSME financing ecosystem

Some of the Proposed Policies / Bills

- Internet Transactions Act - effective regulation of commercial activities through internet or electronic means
- E-Governance Act - enhancement of electronic government services and processes





**Financial inclusion as a key ingredient in
government financial assistance programs.**

Limitations of this Study

- Very little data on the number of beneficiaries that were required to open bank accounts or digital financial accounts to facilitate payment of aid; therefore, difficult to make a strong correlation between the pandemic aid distribution and financial inclusion
- The extent to which the act of opening an account has facilitated the financial inclusion of the beneficiaries (e.g., in terms of access to credit, etc.) remains to be seen and should be subject of a more in-depth study in the future.





Thank you.

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