

Youth Summit 2022 Case Challenge Winners: Strengthening Social Protection for Informal Economy in East Asia and the Pacific (EAP)

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The COVID-19 pandemic has [exacerbated inequalities in education, health, income and access to opportunities](#). In this context, informal workers are amongst the most vulnerable by the pandemic, as they rarely have available social safety nets. In the East Asia and Pacific (EAP) region, [more than 60% of workers are self-employed or in small businesses](#) according to International Labour Organization. To recover from the impacts of COVID-19, governments worldwide need to develop more robust social protection for their people, especially those working in the informal economy, since a weak social protection system leads more people further into poverty.

This year's theme of the World Bank Group Youth Summit 2022 was "Unlocking the Power of Inclusion for Equitable Growth," and we the authors – global winners of the [Case Challenge: Unlocking the Power of Inclusion for Equitable Growth](#) – came up with the "BISA Program" – which is an initiative to enhance social protection for the informal economy in the EAP region.

The case presented for the Challenge was Farinda, an imaginary country in East Asia and the Pacific facing an economic downturn due to the COVID-19 pandemic. The key challenges Farinda faced included:

1. **Fragmented existing social protection programs.** Government programs on direct cash transfers, distribution of free key commodities, and tax reduction schemes for Micro, Small, and Medium Enterprises (MSMEs) and informal workers amidst economic shocks are not well coordinated, as if these programs are working in silos.
2. **Information gap in the available social protection programs.** Many people from vulnerable communities, such as older people, youth, women, informal workers, and MSMEs who are entitled to these benefits, often do not know that such social protection programs exist and that they have access to them.

3. **Widespread corruption and illicit transactions.** Corruption is widely present among government employees working closely in the distribution of benefits and delivering programs directly to the people.
4. **Aging population.** Like its neighboring countries in the EAP region, the large aging population of the imaginary Farinda is adding pressure to the government.

As a result, the recovery and development prospects of Farinda were affected by a high poverty rate, weak social protection and higher social gaps between men and women. Urgent and innovative approaches would be needed to strengthen the government's capability to respond to the needs of informal workers through coordinated and well-established social protection programs.

To execute these programs, as well as ensuring their implementation, it is essential the cooperation with the following stakeholders: the Ministry of Finance, the Ministry of National Development Planning, Multilateral Development Banks (MDBs), the private sector, non-governmental organizations (NGOs), and the media. In developing our implementation strategy, we also considered inclusiveness and sustainability aspects and the readiness of the country's infrastructure. These were our proposals:

- Set up a **one-stop portal** to simplify the dissemination of information to the public. This one-stop portal will facilitate the process of finding information available on social protection programs within the country while also keeping the citizens informed on which social protection programs they can access. Citizens can retrieve the data just by logging in to this portal. This portal will simplify the disbursement of funds to them and, in turn, allow the government to collect data on the effectiveness of these programs.
- **Expand the cash transfers for vulnerable groups** to reach more informal workers, youths, and women-led businesses. In addition, MSMEs should receive adequate financial support to better play their roles in stimulating inclusive development
- Improve **financial health and literacy** for informal workers, specifically women, youth, and ageing groups, to help them with their financial practices. To achieve this, digital facilities should be more accessible, and the overall financial literacy should be increased through empowerment initiatives that improve the saving behaviors among these vulnerable groups.

- **Skilling, upskilling and reskilling** for informal workers should be further promoted among targeted groups as a strategic response to changing skill demands in job markets. Social protection programs should strongly emphasize equity, especially gender equity, throughout the implementation process.

The country of Farinda may be a fictional country, but the social protection program will be helpful for a resilient recovery, especially to countries faced with above-mentioned challenges. Economic inclusion should be a priority of governments worldwide, especially in the EAP region, when moving forward from the pandemic. In achieving financial inclusion, emphasis should be placed on vulnerable groups, those hit hardest by economic shocks, like youth, women, the aging population, and most importantly, workers in the informal economy. COVID-19 provides us with an opportunity to press the restart button. And the time to act is now.

About the authors

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