INCITEGov Policy Note

Beyond *Ayuda:* An Overview of Global Best Practices in Social Protection

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I. Introduction

Social protection systems have become a cornerstone of national development strategies, evolving from fragmented, reactive safety nets into integrated, adaptive architectures capable of promoting equity, resilience, and opportunity. In recent decades, especially following the COVID-19 pandemic, countries have expanded coverage, improved delivery systems, and deepened impact through innovation and reform. This policy note synthesizes global best practices in social protection outside the Philippines, in the hope that it helps inform reforms in the Philippines' own social protection mechanisms.

II. Integrated social protection systems

Modern social protection systems function best when organized as coordinated systems, not fragmented programs. Countries like Brazil, Chile, and Indonesia exemplify this by linking various schemes under a unified framework.

- Brazil's **Bolsa Família** (which became **Auxílio Brasil** under Jair Bolsonaro) is a flagship cash transfer program linked to education, health, and labor services. Its backbone is **Cadastro Único**, a national registry that integrates data for over 20 social programs.
- Chile's Social Protection System uses the **Registro Social de Hogares** (**RSH** or **Social Household Registry**), which covers 80% of the population and feeds into programs like **Ingreso Familiar de Emergencia** (a pandemic-era cash transfer) and **Subsidio Único Familiar** (a child benefit for poor families).
    - In RHS, Households voluntarily apply and provide information on income, family composition, housing, education, health, and other conditions. This self-reported data is then cross-checked with administrative records (e.g., tax, social security, health system databases).
    - The RHS then assigns a score to households based on the percentiles of vulnerability, and that is used to prioritize access to benefits.

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  - Families must update their information when their circumstances change, and the registry is validated against government databases to minimize errors.
- Indonesia has integrated **Program Keluarga Harapan (PKH)**, a conditional cash transfer for poor families, and **Bantuan Sosial Tunai (BST)**, an unconditional transfer for vulnerable households, into a larger digital ecosystem linked to the **Data Terpadu Kesejahteraan Sosial (DTKS)** registry.
  - DKTS contains information on the bottom 40% of households in terms of welfare status (by income and living standards). That's roughly 96 million individuals.
  - Local governments (kabupaten/kota) help update and verify household data, which includes demographics, housing conditions, employment, and assets.
  - DKTS is managed by the Ministry of Social Affairs (Kemensos), but cross-checked with other administrative data and updated through community validation.

These systems move beyond reactive assistance toward long-term poverty reduction and resilience by:

- Coordinating assistance across ministries and sectors;
- Using shared data infrastructure (registries, IDs); and
- Supporting dynamic inclusion for those newly in need.

Integrated systems are also crucial to avoid duplication of multiple social protection systems that serve the same purpose:

- Before **Bolsa Família** (2003), Brazil had several overlapping cash transfers (for school attendance, food, fuel, etc.), each managed by different ministries and prone to local patronage. Lula's government consolidated them into one flagship program with clear rules and a national registry (**Cadastro Único**). This avoided overlaps, cut administrative costs, and reduced discretion of local politicians.
- Mexico merged fragmented subsidies into one conditional cash transfer program called **Oportunidades / Progresa**. By embedding it in federal law, it reduced scope for politicians to create parallel patronage-based handouts. Though dismantled in 2019, for two decades it exemplified how consolidation reduces duplication.
- Initially, local governments and ministries rolled out multiple small assistance schemes that overlapped. By creating **DTKS (Data Terpadu Kesejahteraan Sosial)**, the national government forced programs to reference a single household registry. Eventually, subsidies like food, fuel, and cash transfers were channeled through DTKS, limiting the proliferation of "*padrino*" programs at the local level.
- In South Africa, in the 1990s, apartheid-era welfare was fragmented by race and geography. Post-apartheid reforms consolidated them into a unified grant system

(child grants, pensions, disability grants) managed by the **South African Social Security Agency (SASSA)**. By centralizing, they eliminated overlapping programs that were once distributed by provincial patronage networks.
- Egypt historically had dozens of subsidies and relief programs (especially food and fuel), many politically motivated. The government rationalized them into two main cash transfers: **Takaful** (conditional, for families with children) and **Karama** (unconditional, for elderly/disabled). Meanwhile, energy subsidies were cut, and savings redirected to these programs, streamlining delivery and curbing patronage.

Without a unified database or registry, agencies will tend to design overlapping programs for the same target groups, often used for political ends (e.g., discretionary *ayuda* vs. institutionalized 4Ps).

III. Dynamic social registries and digital targeting

Countries have expanded coverage efficiently using dynamic social registries and digital technology to identify and enroll households:

- Togo's **Novissi Program**, launched in 2020, used voter ID and geospatial data to deliver emergency UCTs via mobile money to informal workers especially during the pandemic.
    - It was entirely digital and mobile-money based. Beneficiaries registered via USSD codes on basic mobile phones. Transfers were sent directly to their mobile money accounts.
    - Eligibility was verified using Togo's voter ID database and geolocation (to identify residents in lockdown areas). Later, the program incorporated machine-learning–based poverty targeting, using satellite imagery and mobile phone data to identify poor communities.
- Pakistan's **Ehsaas Emergency Cash** program scaled up rapidly during COVID-19 using the National Socio-Economic Registry (NSER) and biometric verification via NADRA IDs.
    - Payments were made through biometric verification at designated retail outlets and banks, reducing fraud and duplication.
- South Africa's **Old Age Pension** and **Disability Grant** are universal, noncontributory and means-tested schemes with strong impacts on poverty and hunger reduction.

Even so, there remain exclusion and inclusion errors. That is why in some contexts, universal or near-universal programs reduce exclusion and simplify delivery:

- Mongolia's **Child Money Program** provides monthly transfers to all children, ensuring coverage even in remote areas.
    - Initially targeted to poor households, then expanded to cover all children under 18. At times, eligibility has shifted back and forth between universal and means-tested, depending on fiscal conditions and government priorities.
    - Largely funded from Mongolia's mineral revenues (especially copper and coal), reflecting the country's reliance on natural-resource rents. In a way, it also served as a way to redistribute the country's mining wealth directly to households.
- Argentina's **Universal Child Allowance (AUH)** is not strictly universal, but covers nearly all children, especially after extensions.
- In Nordic countries (e.g., Sweden, Finland, Norway), universal child allowances are provided regardless of parental income.
- The United Kingdom's **National Health Service (NHS)** offers tax-funded, universal access to healthcare.
- Thailand's **Universal Coverage Scheme** ("30 baht scheme") provides nearly universal access to healthcare.

Precision targeting works best with solid data infrastructure. Where administrative capacity is weak, universal or simple categorical approaches may be more equitable and cost-effective.

IV. Adequate protection and gender equity

While expanding coverage is essential, ensuring that benefits are adequate is equally critical. Ideally, cash transfers should be calibrated to household needs, regularly adjusted for inflation, and designed to empower women through ownership and control of benefits. Many low-income countries still deliver cash transfers that represent less than 15% of poor households' income. Some programs have adjusted benefit amounts based on household composition, vulnerability, or geography:

- Brazil's **Auxílio Brasil** varies amounts based on the number of children and their ages.
- Lesotho's **Child Grant Program** provides flat-rate cash plus child support top-ups, with higher allocations for remote or hard-to-reach communities.

Even in systems with broader female participation, such as in India and Indonesia, transfer values received by women are often lower than men's, due to household-level targeting or informal biases.

- India's COVID-19 response under **PMGKY** directed UCTs into bank accounts held by women, improving their control over household resources.
- Programs like Indonesia's **PKH** encourage maternal enrollment and include education conditions for girls, helping to close gender gaps over time.

V. Digital and adaptive systems

Many countries now deliver social protection via end-to-end digital systems, improving speed, transparency, and reach:

- Chile's **Ingreso Familiar de Emergencia (IFE)** was deployed during COVID-19 using RSH-linked data and digital payments via bank transfers and prepaid cards.
- Peru's **Bono Familiar Universal** created a centralized digital portal for self-registration and payments, expanding access to informal and previously uncovered workers.
- India's **Pradhan Mantri Jan Dhan Yojana (PMJDY)** enabled over 400 million low-income citizens to open bank accounts. Mainly an effort toward financial inclusion, it was also a crucial platform for delivering emergency support during the pandemic.
    - During COVID-19, cash transfers were delivered through these accounts, many targeting women via the **Pradhan Mantri Garib Kalyan Yojana (PMGKY)**.
    - Linkage with Aadhaar (biometric ID) and mobile phones led to the formation of the so-called "JAM Trinity" (Jan Dhan–Aadhaar–Mobile).

According to the World Bank's Digital SP Playbook, strong digital systems include the following features:

- Unique IDs (e.g., Aadhaar in India, NADRA in Pakistan)
- Interoperable platforms across ministries
- Grievance and monitoring portals
- Real-time dashboards for program managers

Countries that had shock-responsive infrastructure in place before COVID-19 fared better:

- Indonesia used **PKH** and **Bantuan Pangan Non Tunai (BPNT)** to scale up food and cash transfers.
- Argentina's **AUH (Asignación Universal por Hijo)** provided a quick disbursement base for emergency top-ups.

Moving forward, countries are embedding climate risk indices, early warning systems, and geospatial mapping into targeting frameworks. Adaptive delivery systems are not just for crises; they should be institutionalized as part of routine service delivery.

VI. Governance, transparency, and financing

Institutionalizing social protection ensures continuity through political and economic cycles:

- **South Africa's social grants** and **Brazil's Bolsa Família** are protected by law, making them entitlements rather than political favors (in the case of Brazil, there's automatic enrollment via **Cadastro Único**).
- India and Pakistan provide grievance redress via hotlines and SMS systems, increasing trust and participation.

Transparent targeting, digital audit trails, and citizen engagement are essential to reduce leakage and improve accountability.

At the same time, sustainable social protection systems are often those that are shielded from political interference. Countries have adopted several strategies to ensure that programs continue across administrations:

- Systems such as Chile's **Registro Social de Hogares (RSH)** and Brazil's **Cadastro Único** use transparent, rules-based targeting, reducing room for patronage.
- Argentina's **Asignación Universal por Hijo (AUH)** and India's **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)** have become politically untouchable due to their broad acceptance.
- Pakistan's **Benazir Income Support Programme (BISP)** is embedded in the national budget and has survived multiple political transitions with donor and public backing.

The World Bank's *State of Social Protection Report 2025* notes that over $7 trillion annually is spent on subsidies—many of them regressive (e.g., on fuel, fertilizers, or utilities). By redirecting these subsidies to well-targeted cash transfers, countries can increase equity and fiscal space. Examples include:

- Indonesia, which reduced fuel subsidies and used savings to fund **PKH** and **BPNT**.
- Egypt, which restructured bread and fuel subsidies and expanded **Takaful and Karama**, a conditional/unconditional transfer pair for poor households and elderly/disabled.

Strong governance and smarter resource allocation are vital for the sustainability and fairness of social protection systems.

VII. Conclusion and recommendations

Global experience shows that well-designed social protection systems can reduce poverty, build resilience, and promote opportunity. Countries at the forefront—like Brazil, Chile, Indonesia, India, Pakistan, and South Africa—demonstrate the value of:

- Investing in foundational systems (dynamic social registries, IDs, payment platforms)
- Combining coverage with adequacy and integration
- Embedding shock-responsiveness and gender equity
- Institutionalizing governance and ensuring fiscal sustainability

To better align with global best practices, the way forward for the Philippines is to move from fragmented schemes to people-centered, adaptive systems. Here are some preliminary suggestions:

- ***Move from fragmented ayuda to an integrated system***
  - Establish a unified social registry (similar to Brazil's Cadastro Único, Chile's RSH, or Indonesia's DTKS) that consolidates data from DSWD's Listahanan, PhilHealth, DepEd, PSA, and other agencies.
  - Use this as the backbone for targeting across programs, so that *ayuda*, 4Ps, health subsidies, and scholarships are not siloed.
  - Enshrine automatic enrollment and clear eligibility rules to reduce patronage and politicization.
- ***Move toward a unified, universal registry***
  - Consolidate Listahanan (DSWD), PhilHealth member databases, DepEd scholarship lists, PSA census data, etc. into one interoperable platform.
  - Require by law that all agencies reference this registry when designing or implementing social protection programs.
  - If eligibility is rules-based and registry-driven, politicians can't as easily create parallel, patronage-driven *ayuda*.
  - Like Chile and Indonesia, updates should be cross-checked with administrative data (tax, health, education, employment) and validated by LGUs.
- ***Strengthen digital delivery and targeting***
  - Build on the Philippines' growing digital payments infrastructure (GCash, PayMaya, LandBank cash cards) to deliver transfers faster and more transparently.

  - Explore mobile-based enrollment and payments (like Togo's Novissi) and biometric verification (like Pakistan's NADRA) to cut leakages and speed up shock-response.
  - Invest more in grievance redress systems (SMS, hotlines, portals) to improve trust and accountability.
- ***Expand coverage with simpler or universal schemes***
  - Where data capacity is weak, consider categorical or universal programs (e.g., universal child benefit, universal old-age pension) to minimize exclusion.
  - A child grant (like Mongolia's CMP or Argentina's AUH) could be a strategic start: affordable, politically popular, and effective at reducing poverty.
  - Over time, shift *ayuda* into permanent, predictable entitlements rather than one-off discretionary relief.
- ***Ensure adequacy and gender equity***
  - Calibrate transfer amounts to meet household needs and adjust for inflation.
  - Prioritize direct transfers to women's accounts in particular, boosting their control over resources (as in India's PMGKY).
  - Tailor benefits for vulnerable groups (e.g., elderly, PWDs, remote areas) with top-ups or differentiated amounts.
- ***Institutionalize governance and financing***
  - Protect core programs by law (e.g., 4Ps Act), making them entitlements rather than political favors.
  - Reallocate from inefficient and populist subsidies (e.g., free tuition law, rice price subsidies) toward more progressive and well-targeted cash transfers, as done in Indonesia and Egypt.
  - Enact laws that guarantee predictable annual appropriations for core programs (e.g., 4Ps, child or pension grants), insulating them from political cycles.
  - Strengthen oversight with digital audit trails and open data on beneficiaries and budgets to curb corruption.
  - Explore greater "sin tax" earmarks (tobacco, alcohol, sugary drinks) for health insurance and cash transfers.
  - In the wake of the Mandanas ruling, earmark part of the National Tax Allotment (NTA) for social protection, linked to the national registry, while providing matching grants or performance-based transfers for LGUs that meet delivery standards.
  - In the case of natural resource windfalls, consider a natural resource dividend model (à la Mongolia CMP or Alaska PFD) where extractive revenues directly finance social protection.
- ***Embed shock-responsiveness and adaptiveness***
  - Incorporate early warning systems (e.g., for typhoons, El Niño, inflation surges) into the registry to trigger automatic scale-ups.

- Design *ayuda* not as ad hoc giveaways but as part of a national adaptive social protection framework, so that expansions during crises are rule based and quick.
- Establish a Social Protection Stabilization Fund within the budget, triggered by early warning systems (typhoons, El Niño, food inflation). This is to reduce reliance on congressional insertions and presidential discretion when disasters strike, speeding up *ayuda* delivery.

In short: the Philippines should consolidate its fragmented social protection schemes into an integrated, rules-based, digital, and adaptive system, while moving away from politicized *ayuda* toward entitlements that are broad-based, adequate, and shielded from patronage. ■

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