

Economic Policy and Social Protection Responses to Past Crises: Key Messages




In the last two decades, health and economic crises have had serious repercussions for child and family wellbeing - affecting incomes, health, education and care, work, and safety. When families and children struggle, the drag on social development and the economy can be deep and persistent.

New research from UNICEF Office of Research - Innocenti summarises the fiscal and social protection responses to health pandemics and economic crises since 2000. Findings include:

- The limited evidence on health pandemic planning and response shows this has not been child-focused, lacking child friendly strategies and policies.
- The 2007-2008 Global Financial Crisis saw an initial expansion in fiscal stimulus and the coverage of statutory social assistance and insurance in high and middle-income countries.

Low-income countries introduced temporary social transfers and public works programmes, while scaling school feeding programmes. Stimulus measures were often unequal, focusing on male-dominated industry. When a longer phase of austerity followed, efforts to mitigate the effects on families were short-lived, with severe ramifications for children.

- One-off emergency cash transfers were a common response to natural disasters. Cash transfers were rarely long-term.
- Weak social protection systems and low revenues constrained responses in low-income countries. High rates of informal labour limit social protection coverage and government budgets.
- Evidence shows the exacerbation of inequality during crises and austerity, and highlights an important mitigation role for social protection.

POLICY RESPONSES TO CRISES & THEIR IMPACTS		Income	Health	Education & Childcare	Work	Safety
 Fiscal Measures	Stimulus	Green			Orange	
	Austerity		Red	Red		Red
 Social Insurance	Health Insurance		Green			
	Unemployment Insurance	Green			Orange	
	Weather Insurance	Green				
 Social Transfers, Social Services, & Job Programmes	Cash Transfers	Green	Green	Green	Green	
	Food & School Feeding		Green	Green		
	School & Health Subsidies			Orange		
	Social Services		Green	Green		
	Job Programmes	Green	Green	Red	Green	

Green = positive impacts; Red = negative impacts; Orange = both positive and negative impacts

SOCIAL POLICY RESPONSES TO CRISES AND THEIR IMPACTS

The findings (summarised above) show that fiscal stimulus responses reduce poverty and protect family income, although some favour male-dominated sectors. Austerity measures have detrimental impacts on childcare; mental health; infectious diseases; and safety through increases in homelessness and crime.

Social insurance programmes protect families and children by safeguarding health care usage and protecting assets and agricultural production. Unemployment insurance alleviates poverty but can also contribute to long-term unemployment.

Social transfers have wide-reaching positive impacts on child and family wellbeing which may persist beyond the short term, especially in low- and middle-income countries (LMICs). However, these are influenced by targeting, coverage, transfer value, and duration. Spending on social services reduces child mortality and increases educational attainment. However, school subsidies can decrease school finances and scholarships may decrease equity by favouring the better-off.

Job programmes reduce poverty, unemployment, and poor mental health in high-income countries. While they reduced poverty in LMICs, job programmes also reduced school attendance when secondary school-age children were targeted.

LESSONS FOR RESPONDING TO COVID-19

Responses must address child vulnerabilities and gender inequality to achieve sustainable impacts.

Children are frequently an afterthought in pandemic planning and when designing social protection programmes. Gender inequality is often exacerbated during crises, as women lose their jobs, gain additional care responsibilities, and may experience gender-based violence.

Economic stimulus presents an opportunity to expand and strengthen social protection.

Early indications show that countries which focused on strengthening social protection following the 2008 crisis are better equipped to tackle the current crisis. In LMIC, short-term emergency social protection responses to COVID-19 can later be extended into permanent programmes or can act as a bridge to existing permanent programmes.

Social protection programmes must be equitable and inclusive.

Those who are near poor, newly poor, or informal workers are often excluded from targeted responses, even though they are very likely to fall into poverty. Countries should explore universal approaches, or at the very least, target all vulnerable groups by using broader definitions.

Austerity policies, if enacted, should avoid further entrenching inequalities that put at risk the living standards and lives of many families and children.

Political commitments to achieving the Sustainable Development Goals must be protected, and so it is critical that future policies shield the most vulnerable families from austerity.

Health systems must be strengthened

both before and during crises to ensure access to health care services to all, and specifically, pregnant women, people with preexisting conditions, and young children receiving preventative care at developmental stages (e.g. immunizations).

Integrated social protection systems are crucial.

Complex crises like COVID-19 call for multifaceted solutions. Countries must begin to integrate social protection with services, such as health care, social work, and child protection, to address multidimensional and multi-generational needs.