

Executive Summary

This paper examines how social protection has responded to the needs of the vulnerable during the COVID-19 pandemic. It starts by analysing the role of a shock-responsive social protection and the approaches countries adopted in expanding social protection during the COVID-19 pandemic. The paper then moves into the Malaysian context. It analyses the impact of COVID-19 on vulnerable populations in Malaysia and assesses Malaysia's adopted social protection measures in response to the COVID-19 pandemic. The final section reviews the lessons learnt for social protection during the COVID-19 pandemic. Policy recommendations to further strengthen Malaysia's social protection system will also be made in the last section.

The role of a shock-responsive social protection is to respond swiftly to address poverty and vulnerabilities of households caused by a large-scale shock. The effectiveness of shock-responsive social protection is determined according to three features: timeliness, adaptive capacity, and adequacy of support. Existing social protection programmes can be adapted in five potential ways: design tweak; piggybacking; vertical expansion; horizontal expansion; and alignment.

Countries have largely expanded their social safety net programs during the COVID-19 pandemic in three approaches: universal approach; 'self-registration' approach; and leveraging on social protection registry. Countries such as Hong Kong, Singapore and the United States have adopted the universal approach. The experience of Thailand and Colombia have been utilised as an example to demonstrate the 'self-registration' approach and leveraging on social protection registry, respectively.

COVID-19 has exacerbated the existing vulnerabilities of the poor and economically vulnerable in Malaysia. Furthermore, new vulnerabilities that were not prevalent before COVID-19 have also emerged during this pandemic. These vulnerabilities stem from issues relating to food security, loss of livelihood, digital divide, disruption of access to healthcare for non-COVID patients, mental health, and gender disparities.

Malaysia has adapted its existing social protection programmes to respond to the COVID-19 pandemic. Most of the new social protection programmes piggybacked on existing programmes. The assessment of Malaysia's COVID-19 social protection programmes demonstrates that most of the announced measures are designed to 'cope' in nature, short-term, and target groups that are vulnerable to the loss of livelihoods and food insecurity. Other vulnerable groups, such as the informal workers, non-COVID-19 patients, school children and women, are insufficiently protected by COVID-19 social protection programmes during this pandemic. Nonetheless, most of the COVID-19 social protection programmes have a high disbursement rate.

The COVID-19 pandemic has highlighted gaps in our predominantly employment-based, social protection system. It has amplified the need for a comprehensive social protection system as many segments of our society are insufficiently protected by the system, as seen above. Factors that contribute towards this challenge include the lack of integration of social protection measures and databases, the lack of monitoring and evaluation of social protection measures, the inadequate protection our social protection provides for the informal workers and other vulnerable non-working groups and the digital and urban-rural gap. There is a need to integrate our social protection measures and databases, as well as extend social protection coverage and improve the level of adequacy to those who are not protected and insufficiently protected.

Some of the key recommendations included in this paper are:

- Integrate and coordinate all social protection programmes into a system rather than viewing it as fragments of programmes.
- Establish an integrated social protection database for efficiency, effectiveness, and coordination
- Ensure monitoring and evaluation of the social protection programmes to track progress and coverage
- Investigate the factors that lead to the low take-up rate of EPF's i-Saraan Scheme and SOCSO's Self-Employment Social Security Scheme by informal workers and create appropriate incentives for them to contribute voluntarily to these schemes.
- Expand internet connectivity to cover both urban and rural areas to ensure digital inclusivity.
- Increase access to financial services to those who are excluded from traditional banking, such as deploying mobile bank services in inaccessible rural areas.
- Improve social assistance programmes' level of adequacy to ensure that other vulnerable non-working groups are sufficiently protected.