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### **A Philippine Social Protection and Economic Recovery Plan (Summary)**

by

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# A Philippine Social Protection and Economic Recovery Plan

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The world is facing its biggest public health crisis in a century. Containing the crisis via a lockdown requires an intentional contraction of the economy of unprecedented proportions. This deliberate and unavoidable drawdown in market activity will put businesses at risk of destruction, with hundreds of thousands of Filipinos likely to lose their source of livelihood. Many households will be plunged into poverty. Without assistance, those who are already poor will find themselves at the literal threshold of life and death as they battle both the virus that is ravaging their health and well-being, and the economic hardship that will almost certainly exact a social—if not physical—death. Even those who are currently economically-stable risk joining the ranks of the vulnerable.

The government must act quickly to ensure that businesses can survive, jobs are secure, and vulnerable members of society are protected. The message must be decisive and formidable: “We will not let businesses fail, and we will not let people go hungry—whatever it takes.”

Our plan begins with recognizing that the economic contraction is immediate and sharp—but temporary. There will be a real output loss in the economy, but this is necessary to contain the spread of the virus. The objective is to alleviate the economic, social, and psychological hardships caused by the reduction in economic activity and to minimize any permanent damage to the economy. Doing this will involve providing emergency financial and nonfinancial aid to the most vulnerable households, guaranteeing the viability of businesses and maintaining the employment of their workers, and creating an economic environment which will allow the economy to recover quickly and continue on a growth trajectory when the public health crisis eventually wanes.

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## **Social Protection**

Guarantee that no one, most especially the vulnerable, go hungry. Secure supply chains and ensure that essential services remain open. Immediately distribute emergency financial and non-financial aid to the most vulnerable. Provide financial relief to vulnerable households. Protect the health of individuals. Enforce anti-price gouging and anti-hoarding laws. Provide support to agriculture and ensure its supply chains are unimpeded. Mobilize local governments. Put in place a coherent, comprehensive, and compassionate containment plan for Metro Manila and its vicinity, and anticipate that this may need to be extended to other cities.

## **Preserve Jobs and Businesses**

Workers' jobs must be preserved. Small- and medium-scale enterprises (SMEs) must be assisted through various schemes including access to credit and tax relief. Improve the ease and lower the cost of doing business. Provide emergency loans to SMEs conditional on them retaining their workforce. Target the benefits to the industries who are most severely affected by the crisis.

## **Provide Liquidity**

The BSP should be ready to deploy unconventional monetary policy measures and provide the economic resources necessary to deal with the crisis to put it in good stead to return to a normal growth trajectory post-crisis.

## **Transparency and Accountability**

The balance of power between the branches of government must be maintained. The power of the purse should remain with the Legislative Branch to maintain fiscal responsibility.

## **Conclusion**

Life will change for the vast majority of individuals, at least for some time. Much is being asked of us—citizens, businesses, and government. What we are proposing is a social insurance package that aims to minimize the economic hardship of all who are forced to retreat for the collective good.

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