Social Support in the Context of COVID-19 Pandemic in the Kyrgyz Republic

The Ministry of Labor and Social Development (MoLSD) of the Kyrgyz Republic – 2020
The Kyrgyz Republic

Capital: Bishkek

Total area: 199.9 thou. sq.km

Total permanent population: 6.5 million (women – 50.4 %
men – 45.6 %)

including:
younger than working age: 34.2 %
working age: 58.0%
older than working age 7.8 %

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younger than working age: 34.2 %
working age: 58.0%
older than working age 7.8 %
The Dynamics of Social Indicators (2017-2019)

Social indicators (som)

Poverty and extreme poverty rates (%)

Poverty and extreme poverty reduction suggests that between 2017 and 2019 economic conditions were conducive to income growth.
The Dynamics of Social Indicators (2017-2019)

Total and official unemployment rates (%)

While total unemployment is declining, official unemployment is on the rise, suggesting a better coverage of the unemployed with public services.

External labor migrants (thou. people)

Every year the number of outbound labor migrants is growing.
LABOR MARKET

POPULATION – 6.5 million

ECONOMICALLY ACTIVE POPULATION 2.5 million (39% of the total population)

EMPLOYED 2.382 million (93.8% of economically active population)

UNEMPLOYED 156.3 thou. (6.2% of economically active population)

Total officially registered unemployed 78.6 thou.

Official unemployment rate – 3.1%
There has been a dramatic increase in the number of low-income benefits recipients (almost 9% vs. beginning of the year) and officially unemployed (5%).
<table>
<thead>
<tr>
<th>Subsistence level, by socio-demographic group</th>
<th>Q2 2019</th>
<th>Q2 2020</th>
<th>As % to respective period of the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>4,739.07</td>
<td>5,478.91</td>
<td>115.6</td>
</tr>
<tr>
<td>Working age population</td>
<td>5,292.61</td>
<td>6,147.16</td>
<td>116.1</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>men</td>
<td>5,414.80</td>
<td>6,306.26</td>
<td>116.5</td>
</tr>
<tr>
<td>women</td>
<td>5,240.52</td>
<td>6,109.95</td>
<td>116.6</td>
</tr>
<tr>
<td>Pensioners</td>
<td>4,224.81</td>
<td>4,911.39</td>
<td>116.3</td>
</tr>
<tr>
<td>Children</td>
<td>4,035.67</td>
<td>4,617.67</td>
<td>114.4</td>
</tr>
<tr>
<td>of which aged:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 – 7</td>
<td>3,591.93</td>
<td>4,076.60</td>
<td>113.5</td>
</tr>
<tr>
<td>7 – 14</td>
<td>4,187.74</td>
<td>4,817.85</td>
<td>115.0</td>
</tr>
<tr>
<td>14 - 17</td>
<td>4,556.21</td>
<td>5,243.17</td>
<td>115.1</td>
</tr>
</tbody>
</table>
Social trends in the context of COVID-19 exposure

Active labor market policy (*people*)

<table>
<thead>
<tr>
<th>Данные на 01.07.2019 г.</th>
<th>Данные на 01.07.2020 г.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Трудоустроено</td>
<td>Трудоустроено</td>
</tr>
<tr>
<td>12747</td>
<td>6939</td>
</tr>
<tr>
<td>Направлено на</td>
<td>Направлено на</td>
</tr>
<tr>
<td>оплачиваемые</td>
<td>оплачиваемые</td>
</tr>
<tr>
<td>общественные работы</td>
<td>общественные работы</td>
</tr>
<tr>
<td>9247</td>
<td>7073</td>
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<tr>
<td>Направлено на</td>
<td>Направлено на</td>
</tr>
<tr>
<td>профессиональное</td>
<td>профессиональное</td>
</tr>
<tr>
<td>обучение</td>
<td>обучение</td>
</tr>
<tr>
<td>3832</td>
<td>2635</td>
</tr>
</tbody>
</table>
Social trends in the context of COVID-19 exposure

Restrictive measures introduced in Kyrgyzstan and in other countries resulted in:

- restricted access to public services for vulnerable groups (due to movement restrictions);
- loss/deterioration of permanent income sources;
- less access to staple foods for vulnerable groups (due to declining purchasing power caused by price increase and lost/reduced income);
- loss of earnings for external migrants and their return to Kyrgyzstan (the State Migration Service forecasts suggest that more than 100,000 labor migrants plan to go back home. According to the KR MFA, as of mid-July 2020, some 23,000 have already returned to the country).
Social support measures implemented in the context of COVID-19 exposure

**Objective**

• Analysis of COVID-19 implications for poverty and vulnerability, including child poverty

**SOLUTION**

Analyze COVID-19 implications for poverty and vulnerability, including child poverty, and develop recommendations re. social support measures targeted to low-income benefits recipients. Assessment of the new measures impact on improving benefits coverage as well as their implications for poverty rate.

(UNISEF and WB).

**Outcomes:**

There is a risk of child poverty increase by 7% (from 29% to 36%), under pessimistic scenario - to 55%.

**Measures:**

Relax eligibility criteria.

Increase social benefits.
Social support measures implemented in the context of COVID-19 exposure

**Issue**

- restricted access to public services for vulnerable groups (due to movement restrictions)

**Social support measures**

- The KR Government decided that no documents would be required in order to extend the following: government allowances, cash payments, disability benefits, unemployment benefits, validity of socio-medical assessment certificates, reexamination for disability with further missing time credit and without changing the disability group, effectiveness of contracts with, and payments to, personal assistants providing care to children with disability in need of permanent care, effectiveness of agreements on placing a child with a foster family, validity of health resort institutions vouchers;

- a stronger emphasis on interagency electronic data sharing;

- members of parliament initiated and passed a law whereby application for government allowance can be submitted in the place where such application actually takes place (facilitating access to government allowances for internal migrants and individuals without registration)
Social support measures implemented in the context of COVID-19 exposure

**Issue**

- loss/deterioration of permanent income sources

**Social support measures**

- expanding low-income benefits coverage by including families that lost their incomes (between March and June 2020 the number of beneficiaries has gone from 312.8 to 339.2 thou. - a 8.4 % increase);

- registration of individuals who lost their jobs with the employment service to facilitate their job placement, self-employment, retraining or participation in paid public works (between March and June 2020 the number of registered unemployed has gone from 97.5 thou. to 100.2 thou. – almost a 3 % increase).
Social support measures implemented in the context of COVID-19 exposure

**Issue**

- less access to staple foods for vulnerable groups (due to declining purchasing power caused by price increase and lost/reduced income)

**Social support measures**

- A temporary “hotline 1227” was set up (any person in need of food assistance can call 1227 during working hours and apply for such assistance):
  - selection of families in need is done by committees set up at the local governments;
  - food is purchased with funds from special account opened for the MoLSD, and is donated by individuals/legal entities;

- A temporary information resource “1227-tunduk” was designed; it helps to:
  - apply for food assistance via internet/mobile phone;
  - record, monitor and generate reports on applications received, food assistance obtained, food assistance received by families (471 thou. families received food assistance via 1227 and ”1227-tunduk”);

- The State Reserve Fund provided low-income families with flour, sugar.
Social support measures implemented in the context of COVID-19 exposure

**Issue**

- loss of earnings for external migrants and their return to Kyrgyzstan

**Social support measures**

- assign low-income benefits (in case of no/low income);
- registration with employment service
Planned social support measures in the context of COVID-19 exposure

**Planned social support measures**

- Further expansion of low-income and unemployment benefits coverage of individuals who lost their jobs (and their families)

- Better social support to the vulnerable populations through a permanent free hotline

- Analyze performance of the existing system of government allowances in emergencies and develop emergency response standards for the system
- Pilot mechanisms of cash benefits provision to vulnerable families in emergencies, and develop proposals for improving the current regulations
- Provide social assistance staff with PPE, sanitizers and sanitation materials

**Development partner**

- EU
- World Bank
- ADB, UN WFP
- UNICEF
Planned social support measures in the context of COVID-19 exposure

Planned social support measures

- Pay temporary cash compensations to low-income benefits recipients in the amount of food staples price increase differential

- Temporary relaxation of eligibility criteria for low-income and unemployment benefits:
  - vehicles should not be considered during means testing to determine low-income benefits eligibility;
  - unemployment benefits eligibility shall be granted to individuals who contributed for 3 months during the last year (current requirement – uninterrupted contributions record during 12 months over the last 3 years)

- Provide cash to low-income families to encourage employment/self-employment (social contract), provide training and support in the course of seeking employment/self-employment

- Further improve automation of social benefits provision

Development partner

World Bank
Planned social support measures in the context of COVID-19 exposure

Planned social support measures

Support under ongoing project
- support the development of the Employment Promotion Program for 2021-2025
- support the training of unemployed (e.g. web design etc.)
- develop digital skills of SP staff
- design a web portal for staff training + enhance zanyatost.kg web page

Development partner
- GIZ 2020

Enhance capacity of the MoLSD in managing labor market policy (macro level)
- Improve LMIS + base to support labor market analysis
- Develop a policy to mitigate the negative impact of Covid-19 on labor market

Development partner
- GIZ 2021-2023

Enhance capacity of social protection bodies to quickly implement labor market policies
- Develop and implement new employment promotion tools (including job counseling and start-ups support)
- Support refresher training of unemployed
Planned social support measures in the context of COVID-19 exposure

Communication and awareness-building activities to prevent COVID at the workplace and help organize work in the context of the pandemic; support in developing standard operating procedures for legal entities to prevent the spread of coronavirus infection (COVID-19).

A rapid assessment of the COVID pandemic implications for the economy and labor market, assessment of COVID impact on enterprises in Jalal-Abad region (a questionnaire under the skilled labor demand analysis).

Development partner: ILO
Planned social support measures in the context of COVID-19 exposure

**Planned social support measures**

- TA and expert advice to develop regulations and pilot the Social Contract - a program to provide low-income families with cash to encourage employment/self-employment.

- Provide poor families with food assistance (6,315 tons) and cash payments conditioned upon participation in agricultural infrastructure improvement and agricultural skills development projects and self-employment.

- Provide food assistance and protective equipment to PWDs, pensioners, children orphans residing in 22 institutions.

- A survey of below-the-poverty-line households to assess the COVID-19 crisis implications for the standards of living of the most vulnerable families.

- Provide 53,611 school students with 116 tons of food rations under the hot school meals program.
THANK YOU !