

How Digital Tools Increase Access to Government Services and Social Programs Through On-time Renewals of IDs



Sending SMS reminders increased the probability of on-time renewals of IDs by 12 percentage points, while also allowing citizens to renew their IDs online only increased renewals by 8 percentage points.



Providing an online option (instead of in-person renewals) was less effective due to a poor user experience with the online procedure.



The poorest individuals who received reminders were also more likely to receive transfers from an emergency in-kind transfer delivered through digital vouchers.

CONTEXT

In Panama, a valid ID is required for a variety of processes. While obtaining and renewing an ID is free and required by law, more than 15 percent of citizens whose IDs expired in 2018 had not renewed by late 2019. The regular renewal process requires two in-person visits.

Due to the COVID-19 pandemic, having an ID acquired extra relevance. Starting April 2020, the government rolled out an in-kind transfer program to deliver digital vouchers. The vouchers were linked to the bar and QR codes in the IDs, effectively turning ID cards into debit cards for the purchase of necessities.

PROJECT

We conducted an experiment in Panama to analyze the effect of two policy tools to induce renewal of ID cards:

- i) SMS reminders about the expiration date through SMSs and
- ii) offering the option to renew IDs remotely through an online platform.

We randomly allocated citizens whose IDs were set to expire between January 2020 and August 2020 into a treatment group (reminders and online renewal) and a control group. Differences between the treatment and the control groups can be attributed to the intervention.

RESULTS

The intervention was successful at increasing renewals on time and may have prevented the exclusion of needy individuals from accessing social programs. The probability that an individual in the treatment group renewed her or his ID increased by 10 percentage points, relative to the control group. In addition, there is a difference between the two digital policies. Simply sending reminders increased the renewal rate by 12.3 percentage points, while also offering an online renewal option only increased the probability of renewal by 8.8 percentage points.

The online platform had a reasonable take-up rate, but very few individuals that decided to start the renewal process online completed the process online. Roughly 28 percent of individuals who were offered the online renewal option started the process online, but only 6 percent of them were able to finish the renewal process online, implying a success rate of 21 percent and suggesting that a poor user experience with the platform was an important barrier to completion. Indeed, the online renewal option was only effective among younger and more-educated individuals.

The intervention, by increasing the ownership of valid IDs, also increased the probability of receiving funds from a government emergency in-kind transfer program by 11 percent, relative to the control group. These effects were concentrated among people living in lower-income localities (*corregimientos*) and who were likely those in higher need for economic support during the onset of the COVID-19 pandemic. Overall, the intervention, by inducing access to new IDs, also improved the efficiency of public spending by reducing exclusion errors in Panama's flagship COVID-19 social program.

Key Concept



SOCIAL PROGRAMS

Programs designed to protect vulnerable citizens from risk and insecurity by providing financial or other aid.

POLICY IMPLICATIONS

The results suggest that relying on technology to improve citizen services can be effective, but that making available new technologies may not be enough to deliver transformative effects. For instance, using technology to automate the provision of reminders is a powerful tool to increase ID renewal rates, as is usually the case with tasks that are infrequent though important. In contrast, only providing access to digital tools may not be enough. There can be usability problems—particularly for older, less-educated, and lower-income individuals—so usability is an important consideration in designing software and processes.

More broadly, the barriers to obtaining identity documentation—a key input for interacting with the government—can also limit access to public services, good and benefits. In the case of Panama, the renewal of IDs had an important effect on the ability of individuals to claim their benefits. Thus, guaranteeing broad coverage of IDs is an important policy objective. Policies to increase ownership of valid ID documentation can reduce inclusion errors in government programs. This means that broader ID ownership can improve the efficiency of social programs.

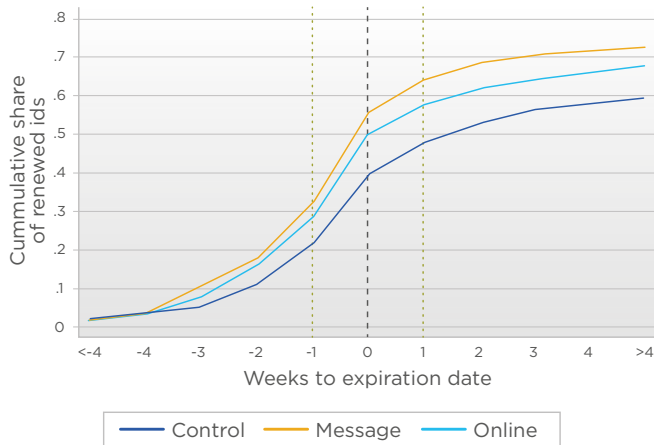
Key Concept



DIGITAL TOOLS

Resources characterized by electronic, particularly computerized, technologies.

Figure 1. Probability of On-Time ID Renewal



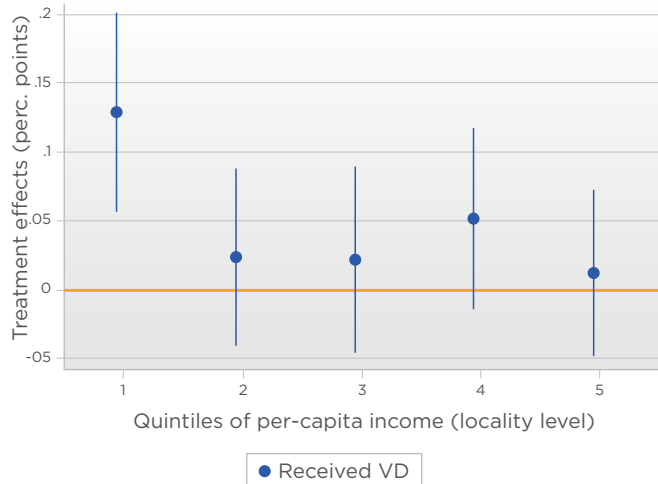
Note: Treated individuals were more likely to renew the ID on time. This effect was driven by individuals who only received reminders.



FULL STUDY

Reyes, A.M., B. Roseth, and D. Vera-Cosio. 2021. *“Technology, Identification, and Access to Social Programs: Experimental Evidence from Panama.”*

Figure 2. Effect of Receiving Reminders on the Probability of Receiving Benefits of Social Programs



Note: The effect of receiving reminders on the probability of receiving benefits of social programs is higher for individuals with lowest per-capita income (lower quintile).

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