Global Network

Social Protection in the Philippines: A case study on the country’s social security model and conditional cash transfer program
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THE GLOBAL NETWORK

With the aim of achieving decent work for all, the Global Network works to empower women and men who are activists in NGOs, trade unions, associations of informal workers and grassroots movements to build capacity, exchange experiences and coordinate joint actions, at both regional and international level.

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1. Introduction

Social protection addresses the levels of vulnerabilities, deprivations and risks to the poorest segment of society and security for the relatively non-poor against life shocks such as natural calamities, etc. (Norton, Conway and Foster, 2001: p.6). In effect, social protection may comprise of public policies and programs designed to address poverty and reduce vulnerabilities of the very poor. These set of policies and programs are geared towards “promoting efficient labor markets, diminishing people’s exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income” (Ortiz, 2001). Social security can be differentiated in the sense that this refers to schemes or programs addressing “income security” and “availability of medical care” (ILO World Social Security Report 2010/11). Social security programs are based on the Social Security (Minimum Standards) Convention No. 102 approved in 1952. While various forms of social security systems exist in countries all over the world only 20 percent of the global population are covered (ILO World Social Security Report 2010/11). The spate of natural calamities that struck various parts of the world, the recent financial crises in the developed and developing world and the implications of an increasing globalized world economy have stirred renewed interest and need to strengthen social protection for the most vulnerable in society. The recent global financial crisis and effects of the El Nino phenomenon in the Philippines has mobilized the review and study of the country’s social security protection programs.

This paper aims to explore the implications of the provision of or the absence of social protection policies on vulnerable individuals. In the simple scenario, this is accomplished through an analysis of the cases of two women workers from the informal sector who are currently enrolled in the Pantawid Pamilyang Pilipino Program (4Ps), the Philippine version of the conditional cash transfer program implemented by Latin American states as well as a number of African countries. The paper proceeds as follows: part II gives the Philippine social protection framework as well as the existing programs under this umbrella and the public spending on social protection over the past five years. Part III is the case study on the Pantawid Pamilyang Pilipino Program as well as the real-life experiences of two women from the informal sector. Part IV presents the civil society’s part in the pursuit of social protection for everyone. The last part concludes.

2. Country Context

Social Protection in the Philippines

The development of social protection policies in the country reached a milestone when an insurance program for the civil servants, the Government Service Insurance System, was established sometime in 1930s.\(^1\) It replaced the then existing pension schemes for government employees provided by earlier laws.\(^2\) In the late 1950s, the Social Security System, a similar insurance program, was created for the private sector. Since their establishment, these two insurance programs had undergone several adjustments.

These programs prove that social protection policies in the Philippines were already in place even before major economic shocks hit the country, however, the existing insurance schemes, labor and welfare programs, and risk mitigation policies were not popularized collectively as social protection. In 2007, the government adopted an official social protection definition and framework. Resolution No. 1 Series of 2007 of the Social Development Committee of the

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\(^1\) The Commonwealth Act No. 186 that was implemented in 1936 created the GSIS. The last amendment to the GSIS law was done in 1997 through Republic Act No. 8291. The legislative history of the GSIS is available at http://www.gsis.gov.ph/default.php?type=main&id=30.

National Economic and Development Authority defines social protection as the set of “policies and programs that seek to reduce poverty and vulnerability to risks and enhance the social status and rights of the marginalized by promoting and protecting livelihood and employment, protecting against hazards and sudden loss of income, and improving people’s capacity to manage risks,” (SDC Resolution No.1, 2007).

The Philippine definition presents the dual purpose of social protection as a poverty alleviation and containment tool and as a social status enhancer. Its first role recurs in the Asian Development Bank’s conception of social protection as “policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income.” This formulation, however, differs from above as it shifts attention from the social to efficient markets, where social protection brings welfare gains through corrections in inefficient markets. Ortiz (2001) provides a broader differentiation of social protection, which focuses as well on risks inherent in markets and is not totally different from the ADB’s, in fact echoes the same theme as in the earlier definition except for one, poverty reduction. In Ortiz’s description, social protection works only as a poverty containment policy; it “reduce[s] vulnerability by diminishing people’s exposure to risks and enhancing their capacity to protect themselves against hazards and interruptions/loss of income” (Ortiz, 2001; 2). However, social protection is not being equated with poverty reduction in this sense. While some view social protection as poverty reduction policies, due perhaps to their intersections, such claim is still contested. Sta. Ana (2002), with reference to the Medium Term Philippine Development Plan’s zeroing-in on poverty reduction, proposes to retain the dividing line between social protection and poverty reduction. According to Sta. Ana (2002), there can be two justifications for this: first, social protection overlaps with poverty reduction policies but, certainly not totally; and second, social protection does not cover the poor only but the non-poor as well. One may cite social insurance as an example of policies that give benefits not exclusive for the poor. Moreover, at least in the context of developing states, insurance programs often exclude those who cannot afford the premium, normally those at the poverty line, thus making it clear that they do not reduce poverty incidence but rather safeguard others from becoming poor.

The ADB’s social protection has five categories: labor market programs, both active and passive; social insurance; social assistance; micro and area-based schemes, and; child protection (Ortiz, 2001). Social protection in the Philippines, on the other hand, is realized in four components. Except for singling out child protection as in the ADB’s categorization, the entirety of the Philippine social protection components mirror the ADB’s.

- **Labor Market Programs.** These measures aim at improving employment opportunities through labor market interventions that would increase the available jobs and improve workers’ skills. Though centered on job creation, labor rights are not put to compromise as these measures also secure workers’ rights at work, specifically in terms of compensation, benefits, and health and safety.
  - Skills trainings through TESDA (Technical Education and Skills Development Authority)
  - Special Program for Employment of Students
  - Sagip Batang Manggagawa (Save Child Worker)
  - DOLE Integrated Livelihood Program
  - Private education student financial assistance
  - Reintegration program

- **Social Insurance.** Risk mitigation is the primary concern of social insurance. It involves pooling of resources to “spread risk across time and classes,” (SDC Resolution No. 1, 2007). The conventional mechanics apply; beneficiaries pay a certain premium to prevent loss of income or employment even when adverse circumstances occur.
  - Philippine Health Insurance Corporation (PhilHealth)

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• Social Welfare. Social welfare programs are direct assistance to the poor. They come in the form of cash or in-kind transfers and social services to the poorest and marginalized.
  o Pantawid Pamilyang Pilipino Program (4Ps)
  o Education assistance program
  o NHA (National Housing Authority) Resettlement program
  o PCSO (Philippine Charity Sweepstakes Office) Individual medical assistance program

• Social Safety Nets. Mostly risk-coping programs, these mechanisms provide relief to people affected by shocks and uncertainties. They include subsidies, emergency assistance, emergency loans, and employment programs.
  o Price subsidy programs
  o Emergency employment
  o Disaster management program

Spending on Social Protection

Table 1. Public spending on social protection

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (Millions)</th>
<th>Spending on Social Protection (Millions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5,444,038</td>
<td>5,715,971,000</td>
<td>0.105</td>
</tr>
<tr>
<td>2006</td>
<td>6,031,164</td>
<td>5,715,971,000</td>
<td>0.095</td>
</tr>
<tr>
<td>2007</td>
<td>6,648,619</td>
<td>14,598,274,000</td>
<td>0.220</td>
</tr>
<tr>
<td>2008</td>
<td>7,409,371</td>
<td>11,579,331,000</td>
<td>0.156</td>
</tr>
<tr>
<td>2009</td>
<td>7,678,917</td>
<td>17,879,222,000</td>
<td>0.233</td>
</tr>
</tbody>
</table>


Table 1 shows the annual Philippine government spending on social protection. Using the figures from the General Appropriations Act of the past five years, total public spending on social protection is computed as the sum of all appropriations for social protection programs and projects that fall under the categories of social protection of the Department of Labor and Employment, the government agency responsible for the employment programs of the Philippines and the Department of Social Welfare and Development, the government arm in combating poverty and promoting the welfare of the citizens. The computation also includes the budget allotment for the National Food Authority, which subsidizes the price of the staple food of the country; the Philippine Crop Insurance Corporation, which provides insurance for farmers; and the fund appropriated for expenditures during calamity periods. Although the social insurance programs of the GSIS, SSS, and the PhilHealth highly qualify as social protection, they are excluded in the computation because technically, although they are initially funded by the government, most of their funds come from members contributions. Other social protection programs may also be excluded in this computation. Emergency employment programs of some government agencies, for instance, although continuous, do not appear as an expenditure item in the agency budget. To simplify the process, the estimation considers only the spending on social protection that is reflected in the national budget. The resulting approximation may fall below the actual total expenditure, but since the major programs are covered by the computation, the variance from the actual value may not be very significant.

4 Crop insurance falls under the micro- and area-based schemes in ADB’s social protection components.

5 The social protection spending for 2006 is assumed to be the same as it was in 2005 because the government adopted the same budget for being unable to come up with a new budget.
The ratio of social protection spending to gross domestic product has not breached the one-percent level for the past five years. Public spending peaked in 2009 at 0.233 percent of GDP. In the wake of the US sub-prime crisis, while it was expected that the government, aware of its vulnerability to the crisis, would improve spending on social protection, the opposite occurred. In 2008, public spending on social protection failed to adjust to the expectations of a crisis as it fell drastically. This was followed, however by government’s announcement of a fiscal stimulus to cushion the impact on the Philippine economy of the then sub-prime crisis in the US. In 2009, however, when the impact of the financial crisis became more felt, the government already improved its appropriations for its social protection programs.

Baulsch, Weber, and Wood (2008) pegged the Philippines’ expenditure on social protection at 2.2 percent of the GDP. This estimation included all expenditures of both the government and the private on all the social protection categories identified in ADB’s definition of social protection.

Problems in social protection

Coverage. Except for the insurance programs that appear as market goods covering at least those who have the capacity for shouldering the premium, social protection programs such as the current conditional cash transfer excludes a number of vulnerable groups. There are also other programs that cater to the risk mitigation demand of other vulnerable groups. The localized nature of social protection policies thus requires the creation of a separate program for each of the vulnerable group.

Inadequacy of benefits. Insurance programs in particular provide miniscule amount of benefits to its members. Thus, services become less meaningful to a member especially that the value of these services fail to adjust with inflation. Sta. Ana (2002) relates this observation in health insurance policies that cover very limited amount of the medical care expense, and pension payments to retirees.

Lack of resources to finance social protection. An inquiry raised in the recently held National Expenditure Program Forum sponsored by the chairman of the Senate Blue Ribbon Committee hit the inadequacy on the part of the government that while substantial increase in the budget allocation of the DSWD to upscale the conditional cash transfer program was made, no respective increase in allotment was made for local government units, which are supposedly the partners of the DSWD in implementing its 4Ps. The financing of social protection programs is critical especially if a government relies on it for reducing poverty.

Government failure in the delivery of social protection. Governance issues hamper the effective implementation of social protection programs. Sta. Ana (2002) gives, as an example, the case of non-remittance by employers of insurance contributions of social security members. On the other hand, the conditional cash transfer program of the government still faces a problem of inefficient targeting. The absence of effective mechanisms to check on these errors causes the failure of even a well-crafted social protection measure.

Appointments in the Philippine bureaucracy especially in filling up executive positions are often driven by political motives. Some appointments are part of the political reward system and in these cases the appointments also strengthen the control of the government over the operations of the bureaucracy. The shifting of accountability of implementing agencies from the general public to the government of the day creates a moral hazard. For example, the problem with politics becoming involved in the implementation of public policies is that the inclusive nature of these policies, especially social protection programs, may be disregarded so that only few would benefit from them.

Non-coherence of social protection policies and development programs. Social protection policies in the country are scattered across various government agencies. Moreover, each social protection program appears as stand-alone policy that lacked synergy with the general

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6 The Forum on the 2011 National Expenditures Program was held last November 20, 2011. Civil society groups, private actors, and public officials attended the forum.
development plan. For instance, in creating employment opportunities, the investment climate of a country, and all its aspects, must also be given sufficient attention since jobs would mainly be generated by private investments. On the other hand, conditional cash transfer programs such as the one being implemented in the country should be in sync with improvements in education and health, the social services tapped by the project. The effectiveness of social protection in reducing poverty is also a function of its synchronicity with the development plan and thus merits consideration.

3. Real Life Stories: 4Ps Recipients

Conditional Cash Transfer

Conditional Cash Transfer

One of the direct ways to arrest the increasing incidence of chronic poverty, including its multidimensional nature, is through conditional cash transfers. Cash transfer would literally lift poor families from poverty, other things constant, and as long as the cash grant is sustained. In the long run, however, cash transfers alone are less likely to suffice to stop the recurrence of poverty. So in order for the program to be more viable and effective long term poverty solution, conditions are imposed with the cash grants. These conditions would guarantee that the cash transfer would not become one of the myopic anti-poverty policies as they seek to empower poor citizens through investment in human capital.

In 2008 the Philippine government, through the Department of Social Welfare and Development initiated its version of the conditional cash transfer program popularized by Latin American countries. The Pantawid Pamilyang Pilipino Program (4Ps) started as “Ahon Pamilyang Pilipino” bearing a set of conditions designed to improve human capital of the target families from the extreme end of poverty.

Box 1. The Pantawid Pamilyang Pilipino Program “Conditionalities”

<table>
<thead>
<tr>
<th>To avail of the cash grants beneficiaries should comply with the following conditions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pregnant women must avail pre- and post-natal care and be attended during childbirth by a trained health professional;</td>
</tr>
<tr>
<td>2. Parents must attend Family Development Sessions (FDS);</td>
</tr>
<tr>
<td>3. 0-5 year old children must receive regular preventive health check-ups and vaccines;</td>
</tr>
<tr>
<td>4. 3-5 year old children must attend day care or pre-school classes at least 85% of the time.</td>
</tr>
<tr>
<td>5. 6-14 year old children must enroll in elementary or high school and must attend at least 85% of the time.</td>
</tr>
<tr>
<td>6. 6-14 years old children must receive deworming pills twice a year.</td>
</tr>
</tbody>
</table>


The selection of the beneficiaries of the cash grant is very critical. The DSWD has to make sure that the program reaches out to its targets otherwise its impact would be very minimal. While the program’s targeting system through the proxy-means test is effective in minimizing leakages, its monitoring system may present impediments to the achievement of the programs objectives. The 2008 audit report on DSWD conducted by the Commission on Audit finds that there is a need for an effective monitoring system of the 4Ps. DSWD distributed booklets to track the beneficiaries’ response (Consolidated Annual Audit Report on the DSWD, 2008). A documentary by Maki Pulido shown in GMA 7 on November 2, 2010 reveals that originally, the government planned to use an electronic device to carry out the monitoring. However, the use of such device was deferred indefinitely due to some technical inadequacies. Conditional cash

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However, with a very small savings rate, one should expect a very slow capital formation as well.
transfer programs require continuous supervision and monitoring of development and progress of the beneficiaries. If this requirement is not met, the proper evaluation of the impact of the program will be compromised.

In its first run, the program stretched to accommodate 337,416 households from 27 provinces and 12 urbanized cities (DSWD Annual Report, 2008). In 2009, 4Ps saw an expansion in coverage as it supported more than double of the beneficiaries in the previous year. The cash grants for 692,798 households amounted to 7.272 billion pesos in this year (DSWD Annual Report, 2009). DSWD reports that as of the second year of implementation, the 4Ps has made 39,650 pregnant women avail of pre- and post-natal services, encouraged 789,446 children with ages 0-5 to be immunized and undergo preventive health check-ups, and maintained at least 85 percent attendance rate of children aged 3-14 in day care centers, elementary and high schools (DSWD Annual Report 2009, p25). By the end of 2010, the program is expected to reach out to 1 million families (The Pantawid Pamilyang Pilipino Program, UD).

**Debates**

Despite the positive outcomes of the 4Ps, the program has not yet gained applause from several groups and public officials, especially that the program will see an expansion next year. The contention comes from several points of view hitting several aspects of the program. First, 4Ps has been associated with the other direct transfer programs of the former Arroyo administration. These programs are hailed as dole-outs, myopic band-aid solutions. The one-time cash subsidy for electricity consumption and the financial support for the elderly, both implemented in the form of direct cash transfers, met a wave of disapproval. The 4Ps has been identified with these programs due mainly to its similarity in its being a cash transfer program. An article entitled ‘Warning Raised vs. Gov’t ‘Dole-out” by L. Fernandez in the ‘Philippine Daily Inquirer’ on September 15, 2010 reports that Representative Milagros Magsaysay of Zambales proposed that the government instead divert its resources to supporting skills development so that the poor will become more qualified for work. The same article quotes Senator Juan Ponce Enrile doubting the supposedly positive impact of the 4Ps on poverty; in fact he expects that the cash disbursement under the program will only widen the income gap between the poor and the rich. The senator sees the cash grants to go through the hands of the poor and to the rich’s “bank accounts” as the poor, more inclined to consuming, end up spending their cash grants for goods and services provided by businesses of the rich.

The pessimism toward the conditional cash transfer program is also rooted in its political implications. In the same news article by Fernandez, Representative Edcel Lagman warns the public of the possible exploitation of the program for partisan interest. The program’s inherent exposure to partisan politics may undermine the efforts for effective selection of beneficiaries and instead be an opportunity for political elites to redirect resources toward rewarding their political subordinates. This is very possible considering the political environment the Philippines has.

Second, Fernandez’s article also reports the former president Gloria Arroyo’s, having been involved in the implementation of the 4Ps which her administration started, concern about the problems that may arise in the implementation of the program. The complexity of the program requires trained personnel to effectively carry out the implementation process. The current Aquino administration plans to aggressively expand the program to widen its coverage. This plan will surely need more financing. Without the availability of qualified personnel in DSWD, the implementing agency, the program is on the verge of wasting resources.

Lastly, while 4Ps as a relief measure is undisputed, its impact on overall poverty is still debated. While the international financial institutions such as the World Bank and the ADB support the popularization of the program as a poverty reduction tool, and the current government placed it as the center-piece of social protection policies, the representative of the Akbayan partylist, Walden Bello, clears that the program should not be treated as a poverty reduction program but rather as a containment tool. This, however, does not mean killing the program. Rep. Bello follows “I would see CCTs as a stopgap measure, to keep millions above the water line until reforms show results,” (Bello, November 3, 2010).
The civil society has also joined the heated debate on the issue of expanding 4Ps. The Social Watch Philippines released its position on the controversial expansion of the 4Ps through a paper that hit several aspects of the program based on their assessment. The first three points are of greater significance to the core issues of 4Ps. First, the 4Ps has a limited range of targeted vulnerabilities. Because it covers only mothers and children 14 years old and below, it ignores the social protection needs of other vulnerable groups such as the persons with disabilities and the elderly (Social Watch Philippines' Position Paper on the Pantawid Pamilyang Pilipino Program (4Ps), October 4, 2010).

Second, the group stressed the need to view 4Ps as part of a web of development programs especially that its conditionalities are tied to supply-side factors (Social Watch Philippines' Position Paper on the Pantawid Pamilyang Pilipino Program (4Ps), October 4, 2010). For mothers to be able to avail of maternal check ups there must be adequate medical services at their disposal. Likewise, for children to be able to experience early improvement in literacy there must be enough support for education. Son (2008) admits that conditional cash transfers assume that “the supply of social services for education and health is in place,” (Son, 2008: p3). Thus it is imperative that the government, while spending a sizable amount of its budget on conditional cash transfers must also invest in social services tied to the program.

Third, in the survey done by Social Watch Philippines, respondents reveal a great valuation of employment opportunities despite expressing gratitude for the cash grants and its attached benefits (Social Watch Philippines' Position Paper on the Pantawid Pamilyang Pilipino Program (4Ps), October 4, 2010). More over the survey results show the superiority of job generation over conditional cash transfers in terms of self-rated impact on poverty. The group thus joins the broad movement that pressures government to prioritize employment generation above all poverty reduction programs.

The perceptions that the 4Ps is a dole out and that it is an insufficient poverty solution stand as the two most popular criticisms of the program. The DSWD falsifies these claims. Dinky Soliman, secretary of the DSWD, in the documentary of Pulido last November 2, 2010, stressed that the program involves participation and responsibility especially on the part of the beneficiary hence it is clearly not a dole-out program. The public perception that the 4Ps is a monolithic anti poverty errs in failing to see other government initiatives to combat poverty.

Case 1: Laila

It was another day for a snack vendor from a small community in Caloocan, Laila, 36 years old, to earn her daily living to sustain a family of eight members. She rushed to pick her items, stuffed in a basket, and off to sell them to the neighborhood. The basket contains afternoon Filipino snack: turon, a banana fries wrapped in pita bread-like food wrapper; banana-cue, banana fingers coated in sugar and then fried; and peachy-peachy, a delicacy made from cassava and coated with desiccated coconut. Every afternoon, she carries the food basket around the neighborhood to sell them. She earns a hundred pesos on the average. If she is able to sell food items for seven straight days, she gets 700 pesos a week. This does not always happen though as she is only able to ration food four to five times a week only. With her husband who works as an errand boy in a local market, they could earn 1700 pesos a week if Laila could sell for seven straight days. Her husband could earn roughly 1200 a week, if there is work to be done. Although she admits her family runs short of cash sometimes, Laila and her husband have always prioritized their children’s schooling. Second to food expenditures, they spend most of their income in their children’s school needs.

They did not know that they are being eyed as target beneficiaries of the conditional cash transfer program of the government, Pantawid Pamilyang Pilipino Program. “Nag-CI sila e. Nagbahay-bahay sila, at saka inalam talaga yung kalagayan mo muna bago ako makapasok diyan. Kung ilan yung kita ng asawa ko, ano ang hanap-buhay ko, tinignan din yung bahay ko, kaya ako nakapasok din diyan.” [They interviewed us. They went from house to house, they

8 Not her real name.
asked for my job, how much my husband earns. They also examined our house.]” Laila did not know anything about the program. She did not expect anything after the interview. “We did not know anything about it. The opportunity for us to be enrolled in the program just came.”

Laila’s family has been in the program for three years. She received a sum of 4200 pesos which covers her first three months in the program. Supposedly, all the beneficiaries should receive the cash grant every month, however, Laila said the cash transfer has become intermittent. “Sa bagong-bagong labas namin, nakakuha ako ng 4200. Tapos katagalan, umaabot na siya ng tatlong buwan bago kami makakuhang ganun.” [I received 4200 pesos initially. Later on, it took three months before we are able to receive cash again.] Prior to her acceptance in the program, she recalls they were given a set of tasks to accomplish to be able to receive cash. “Yung perang makukuha namin, gamitin namin sa mabuti, hindi namin gamitin sa masaka kasi bawal ang sugal, ang pagbibinggo ipinagbawal yun.” [The cash we will receive should be put in good use. We should not spend it on things like gambling, bingo.] Food, health services, and schooling are what become of the money she receives. She is even able to buy her children vitamins.

The 4Ps entrusts the handling of the cash grant to the most responsible member of the family. In Laila’s case, she holds the cash and she does not give any amount to her husband. She said her husband does not mind it since the money is supposed to be used for the welfare of their children.

The cash grant may have become a part of Laila’s earnings, however, to immediately see Laila’s family as becoming too reliant on the cash grant is premature. The cash grant is definitely less than what both Laila and her husband earn. When asked what has changed since their enrolment in 4Ps, Laila’s reply was short, “OK lang naman. Kahit naman wala pa, ngayon na meron pa rin, OK lang naman. Wala naman sa akin yun e.” [It was OK. When there was no cash grant it was OK. With the cash grant it was still OK. I am not too concerned about it.] She knows they can not solely rely on the cash grant, yet she still sees it as a significant income support. “Ang masasabi ko diyan, wag silang umasa. Matuto din sila ng paghahanap-buhay.” [You cannot really rely too much on the cash grant because it is not permanent. We have to learn to [support] ourselves.] Laila does not think the cash grant can solve poverty. It requires hard work to graduate from poverty.

**Case 2: Biday**

A mother of five children, Biday, who once worked as a sales lady, makes all needed preparations to start another afternoon’s work. She is a food vendor and every after lunch, her work commences as she begins buying the ingredients and cooking them as well. Her net earnings that reach 500 pesos a month supplement the earnings of her husband from operating their tricycle business. Her husband earns a net of 7000 pesos every month.

Just like any other ordinary Filipino family, most of the earnings of Biday’s family are spent on food, and schooling. They do experience spending bottlenecks but according to her, they only go through this when a member of the family gets sick. “Masikap naman kasi siya e [mister] kaya pag nagkakasakit lang yung mga bata doon kami nagigipit. Siyempre yung binibili namin ng pagkain, pinapagamot namin sa bata.” [My husband works hard, so we run out of cash only when my children get sick. What we are supposed to spend for food we use to hospitalize our child.] When she rated their overall living conditions on a 1-5 rating scale with 1 being the worst, she placed her family at the number 3 level. “Nasa 3 kami. Normal lang,” [our living condition is normal] she said.

They have been enrolled in 4Ps since 2008. “Magtatatlong taon na. Kasi after anim na taon, wala na kami. Tapos na ang, six years lang ang kontrata namin.” [This will be the third year. After six years, we will be out of the program. Our contract is effective only for six years.] The 4Ps was initiated during the Arroyo administration. Biday narrated how they were interviewed by personnel from the Department of Social Welfare and Development. “E di [pinuntahan kami]

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9 Not her real name.
dito, tapos ininterview kami. Tinignan yung bahay namin, yung mga gamit namin, tapos kung ilan ang anak ko. Kasi pinagbubuntis ko pa lang ‘tong [bunso], yun.” [They came here and they interviewed us. They examined our house and our appliances, and asked about my kids. I was conceiving my youngest child then.] Biday did not expect anything from the interviews the DSWD conducted in their locale. They were even surprised when they were informed about their inclusion in the program.

“Nung unang nagpaano sila, ang natanggap namin ay 4500.” [We initially received 4500 pesos.] According to Biday, they are supposed to receive 1500 pesos every month. Three-hundred pesos are allotted for children of school age. For her child who does not attend school yet, they give her 500 pesos. Since 4Ps is a conditional cash transfer program, Biday has to comply with the conditions imposed on them. otherwise, they will be stripped from the list of beneficiaries. “...Basta pag may meeting, aatend ka. Makikinig ka sa mga kondisyon nila na ano.” [We have to attend a meeting and listen to their conditions.] She failed to identify any specific conditionalities though. “Ang ano nila, gamitin namin sa magandang paraan yung pera. Gamitin para sa mga bata. Hindi yung pansusugal mo, hindi.” [We just need to put the money in good use. We have to use them for our children. We should not spend them on gambling.]

Biday lets her husband withdraw the cash from an ATM, but she keeps the money. The cash grant is intended for use to support children’s schooling and their family’s healthcare needs. Biday, however, admitted she sometimes used it for other purposes.10 Her family was one of the victims of the flood that devastated most of Metro Manila in late 2009. Their house was swept by the raging water from an overflowing dam not very far from their community. Since then, they have been using the cash they receive to rebuild their house. Sometimes she uses the cash grant as a capital to operate her selling of food especially when they have spent all their money for their needs. She admits though that she earns more than what she receives as cash grant. The cash grant is incomparable also with their total earnings since it will appear very small.

Surely, the cash grant has relaxed their budget constraint, but Biday is confident that her family did not rely excessively on cash grants. “Ay hindi ako maaapektuhan kasi hindi ko naman yan inaasahan e,” [I won’t be affected if the cash grant is lifted because we do not really rely on it] she answered when asked about her reaction if the cash transfer is stopped. Biday showed ambivalence, though, as to the capacity of 4Ps to alleviate poverty, “pwede rin kasi nakakatulong din na ang inaasahan nila ay mabigyan sila, tapos hindi na sila nagtratrabaho. Pero sa akin, mas gusto ko na maghanapbuhay para kahit hindi ako bigyan, OK lang sa akin.” [Maybe, the program does help people. But you can not be sure about other recipients who would refuse to work because they get cash anyway. As for myself, I would choose to work so that when I no longer receive cash from the program, it would not make any difference.]

How sustainable is the cash transfer program?

One of the arguments against 4Ps is the expectation that the program would encourage excessive reliance on cash transfer. The common perceived consequence of this is the withdrawal of beneficiaries from seeking gainful employment or any other sources of income. In this scenario, the poverty reduction that can be attributed to the program may occur only in the short term since the cash grant will only be given to beneficiaries in a span of five years.11 This pessimism implies that for the program to have a lasting impact, the support given to the program must be continuous as well. However, for a developing country whose resources are

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10 To the extent that a family regularly receives cash grants so that in the event that a beneficiary’s source of income becomes impaired their economic capacities remain at least unaffected, such transfers also serve as insurance for the beneficiaries with at least one source of income. Biday’s case, for example, attests to this as she revealed that she sometimes used the money from the 4Ps to finance her small business in times when she runs out of capital. The insurance properties of cash transfer programs make up its second role which is to prevent poor families from plunging further to poverty; the first role is to lift them out of being poor.

11 Provided that there is compliance among beneficiaries.
so limited, this creates sustainability problems. The cases presented above reflect a rather
different scenario totally deviant from this pessimistic expectation.

Two general inferences may weaken this pessimistic expectation. First, the amount of the grant
is significantly small so that the recipient is not discouraged from participating in the labor
market or seeking other sources of income. The other reason theorizes on the possible being
well-off of the beneficiary, i.e., the beneficiary is a product of targeting errors. Personal behavior
and expectations may also reinforce these two possibilities. Recall that the beneficiaries are
informed of the limited period of enrollment in the program. Such information may influence the
behavior of beneficiaries so that because they perceive the cash grant as temporary, the
benefits of engaging in market work are less likely to be overwhelmed by the value of the cash
grant even in the short term.

In an interview with the implementing agency of the 4Ps, the DSWD affirms that the amount of
the transfer was deliberately set low because the program literally provides immediate relief
(‘pantawid’ in Filipino). This would also, in a way, control the reliance of beneficiaries on the
cash grant. The agency does not deny also the existence of ‘lemons’ among the beneficiaries.
The targeting system leaves a very small margin of error, which although insignificant, is still
real. Therefore, the non-poor in the program can be seen as a natural occurrence.

4. Civil Society Organizations Advocacy Strategy

Labor Movement in Social Insurance

The newly installed Aquino government started its administration with a serious revamp of its
line agencies as part of its reform agenda. This time, the progressive labor movement is now
able to directly participate in the government as it gained strategic positions in various public
offices including two of the governmental financial institutions that handle the social protection
concerns of workers from the public and the private sectors. Danny Edralin, trade union leader
for the hotel and restaurant unions, was appointed recently as one of the representatives of the
labor sector in the nine-member Social Security Commission which acts as a policy-making and
quasi-judicial body of the Social Security System. On the other hand, Mario Aguja, PhD., former
representative of the Akbayan Citizen’s Party and also public sector union leader, was chosen
to hold the seat of one of the trustees in the governing body of the Government Service
Insurance System, the SSS counterpart for the public sector.

Social Security System (SSS): “Broadening the coverage?”

The Social Security System (SSS) is the counterpart of the GSIS in giving social security
services such as insurance and retirement benefits to workers from the private sector. The
system was created by a law in 1957. Every worker is entitled to the benefits offered by the SSS
regardless of whether a certain worker comes from either the formal or informal economy.

Nearly two decades after the establishment of the GSIS, the Social Security System was
created to provide for the insurance needs of workers from the private sector. In the 90’s, the
coverage of SSS was expanded to include workers from the informal sector: the self-employed
workers in 1990; farmers and fishermen in 1992; and domestic workers, migrant workers and
workers with monthly earnings not exceeding Php 1000.00 (dela Rama, 2009: p5).

Now that there is a clear opportunity for the labor sector to actively participate in the crafting of
social protection policies, the workers are one step closer to attaining their aspirations for the
recognition of their rights. Danny Edralin has vowed to push for policies that would greatly

12 Senator Edgardo Angara comments on the 4Ps as unsustainable (As More Filipino Families Suffer
from Hunger, Civil Society Groups Ask: “Why are some politicians opposed to the pro-poor programs in
the President’s budget?, September 23, 2010).

13 A significant number of leakages however is alarming.
benefit the workers, to whom the SSS is created for. This includes creation of new services or expansion of benefits for the members of the SSS. He proposes a process of pooling the labor sector’s issues on social protection through consultations with all the stakeholders from the labor movement.

Last October 28, 2010, the series of consultation seminars was started with a forum held in LEARN Worker’s House. Workers from various industries and labor formations attended the forum organized by the Alliance of Progressive Labor as part of its continuous education of the workers on their rights, especially on social protection.

Government Service Insurance System: “Internalizing reforms?”

The Government Service Insurance System (GSIS) is a social security institution that provides a set of services to employees of public offices that range from insurance and retirement benefits to several types of loans. It was established in 1936 through the enactment of a law that sought to replace a pension scheme being used during the early days of the Philippine government.

Mario Aguja’s approach to pushing for reforms within the GSIS works through two channels: pressure from the top through his office and at the same time the same pressure from the bottom through grassroots organizing. He calls this “the sandwich approach”. While the SSS is deemed well-managed, GSIS is confronted by issues stemming from inefficient operations, apart from the clamors for expansion of benefits and services of the system which is of relatively less significance, and this is what Dr. Aguja targets for reform. The institutional shortages and errors inherited from the previous administration range from unfriendly frontline service delivery to inefficiencies caused by politicization of the bureaucracy especially in filling up vacancies. However and perhaps an area that should merit more concern at this moment is the failure that occurred in the GSIS database system. This is perhaps the most serious governance problem that would surely backfire on the members. Sure, there are substantial benefits and services for the members, but if these services are inaccessible they are no different from being useless.

LEARN and APL’s Advocacy for Full Employment

The Labor Education and Research Network, with the Alliance of Progressive Labor, has been firm in its position on protection of workers’ rights, the creation of jobs and prioritizing the employment of Filipino workers. These organizations link with other labor formations and civil society organizations to support the current initiative of the Akbayan Citizen’s Action Party to legislate a law that would guarantee regular jobs to workers. As a response to the growing concern over the proliferation of flexible work arrangements, the labor movement through the Akbayan filed House Bill No. 00303, also known as the Security of Tenure Bill, which attempts to amend and add certain provisions to the Labor Code of the Philippines with the intention of strengthening workers’ rights to secure jobs.

Although the introduction of the Security of Tenure Bill highlights LEARN and APL’s advocacy on employment generation, the bill represents only a part of the totality of efforts geared toward protection of workers’ rights. The grassroots organizing to create vehicles to advance rights at work of employees and the conduct of seminars, forums, and activities to supplement skills on unionism and to strengthen solidarity among the workers have been continuous.

5. Conclusion and Recommendation

Social protection is no longer new in Philippine development agenda. A number of policies that have been in place can attest to the country’s awareness of social protection. A more material issue, however, concerns whether these policies have been effectively implemented. Thus there is shift from initial advocacies for the formulation of social protection policies to advocacies for good governance in the implementation of these policies.

The 4Ps is not a stand-alone anti-poverty measure. The fact that its success depends also on supply-side factors such as the availability of health care and educational facilities implies that its functionality is also determined by the amount of support given to the overall development
strategy, and not just on 4Ps. If development were a process, 4Ps could be considered a
catalyst of this process as it speeds up the inclusion of the vulnerable individuals, for whom anti-
poverty programs are intended. This assumes the presence of the other aspects of
development. However, relaxing this assumption implies that there must be a similar provision
of support not just to a single poverty reduction program such as the 4Ps but also to all aspects
of development. Thus this situation reverts to reality which is exactly the case of the
underdeveloped Philippine society.

Given the space for the Filipino labor movement to intervene in policy-making in social
protection, a critical mass from the ground needs to be consolidated to support the few trade
unionists within the social security institutions of the current administration. There is a need to
mobilize and strengthen the advocacy of trade unions and civil society groups on social
protection. This calls for heightened coordination and networking among the organized labor
and civil society groups to reach the formal and informal workers on the need for a consolidated
social protection advocacy.

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