

DEVELOPMENT RESEARCH NEWS

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Flattening the curve is not enough

IN MITIGATING THE impact of the coronavirus disease 2019 (COVID-19), the goal of the government should not be confined to flattening the epidemic curve but must extend to limiting prolonged disruptions in the economy.

In the study *“Projected disease transmission, health system requirements, and macroeconomic impacts of the coronavirus disease 2019 (COVID-19) in the Philippines”* released by state think tank Philippine Institute for Development Studies (PIDS), authors Michael Abrigo, Jhanna Uy, Nel Jason Haw, Valerie Gilbert Ulep, and Kris Francisco-Abrigo contended the COVID-19 pandemic is not merely a public health issue but an economic and social issue as well.

On March 16, President Duterte imposed an enhanced community quarantine (ECQ) in Luzon, prohibiting people from leaving their homes except for purchasing basic necessities and health emergencies.

The Luzon-wide ECQ, originally set to last until April 12, lasted until April 30.

This was further extended to May 15 in some high-risk areas, while low- to moderate-risk areas were placed under general community quarantine (GCQ), less strict than an ECQ.

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Editor's Notes

The novel coronavirus (COVID-19) pandemic is so far the most daunting health emergency the Philippines has experienced. It triggered not only a public health issue but also a socioeconomic crisis that caught the country and many parts of the world off guard. Addressing this problem requires a timely and strategic response from policymakers to contain the pandemic while mitigating the adverse impacts on the economy. As discussed in our banner story, a gradual reopening of the economy, coupled with containment measures and the provision of safety nets to affected sectors, is the soundest strategy. At the time of writing this note, this strategy is already underway. The months ahead will be a critical period as the country struggles to recover from the pandemic while finding ways to stem the still rising cases.

This issue also highlights equally important public health concerns that we should not lose sight of during the battle against COVID-19. These concerns are interrelated, impinging on the country's strategic response to the pandemic and other risk factors. For instance, the pandemic has brought into sharp focus the capacity of our health system and the essential role of local governments in delivering health services. Working in the frontlines, our health human resource is a vital asset, with or without a pandemic. But as revealed in this issue, we have a highly uneven supply of health workers in terms of their geographic distribution across the country, which can significantly affect people's (Page 22)

With the steady rise of COVID-19 cases in Metro Manila, Laguna, and Cebu City, the government decided to put these places under a modified ECQ from May 16 to 31, while downgrading other moderate-risk areas under GCQ.

This is the status quo as of writing.

According to PIDS researchers, the ECQ can buy time for the government to buttress hospital and laboratory testing capacity and equip healthcare workers with proper protection.

However, they explained that ECQ must be coupled with other measures, such as early testing and isolation.

Otherwise it will only delay the progression of the outbreak, but could still result in a large number of people being infected.

"Aggressive efforts to implement early testing and, more importantly, earlier isolation of the majority of symptomatic cases to prevent them from infecting other susceptible individuals will be crucial to suppress the outbreak," the authors said.

Even if ECQ were to be partially lifted, the authors noted that the outbreak may be contained through better contact tracing, social distancing, enforced isolation protocols, and reduced delays in time to seek care for symptomatic cases.

In particular, the government should be able to isolate 70 percent of all COVID-19 symptomatic cases.

Meanwhile, the results of simulations done by PIDS researchers revealed that under

a worst-case scenario, that is without intervention, the COVID-19 outbreak in the Philippines will peak in August 2020, with approximately 18.9 million people infected with COVID-19.

Meanwhile, under a best-case scenario, that is with partial ECQ and aggressive testing and isolation of COVID-19 carriers, the impact could be reduced drastically to only 900,000 cases with the peak predicted to occur in May or June 2021.

"In the absence of more aggressive public health interventions, a successive wave of infections could rise months after the ECQ," the authors warned.

If there will be no improvement in government's ability to isolate symptomatic cases once ECQ is lifted, the country's health system would require "1.51 million beds, 456,000 intensive care unit beds, 246,000 ventilators, 727,000 doctors, 1 million nurses, 91,000 medical specialists, and 36 million personal protective equipment (PPE) sets on the peak day of the outbreak in August 2020", according to the report.

Economic impact

Despite the value of restrictions on movement in curbing COVID-19 cases, the PIDS researchers clarified that setting the economy on "freeze" for a longer period has its own share of unintended consequences.

Results of the PIDS study suggest that extending quarantines without early care seeking, isolation, and detection of COVID-19 cases could increase the country's economic losses.

Placing Luzon alone under an ECQ by one month is estimated to cost the country at least PHP 150 billion in foregone economic activity.

The cost of inaction is even larger. For example, in a no-intervention scenario, the results indicate losses of about PHP 2 trillion in foregone gross value added (GVA) as a result of weaker household demand alone as more workers are unemployed for extended periods of time.

Authors' projections from combined disease transmission, microsimulation, and macroeconomic models suggest that the country's GVA may decline between PHP 123.5 billion and PHP 2.5 trillion due largely to weak domestic and export demands.

Among the basic economic sectors, the services industry is the worst-hit, with estimated foregone revenues of as much as PHP 356.9 billion.

Within the services sector, the transport, storage, and communication industry is expected to suffer the most due to expected declines in tourism activities.

Other industries in the services sector, such as manufacturing and wholesale and retail trade, are also projected to incur substantial losses due to weaker global and domestic demand.

Safety nets for businesses, too

Given the social and economic shock of COVID-19, the national government should be ready to deploy massive safety net

programs to ensure that households have access to food and other basic necessities.

Based on the distribution of household incomes in 2015, about 3 in every 5 Filipinos have limited capacity to subsist without additional support if community quarantines were extended beyond one month.

"Interventions do not need to be confined to the poor, displaced workers, and other at-risk populations, but also to firms, particularly micro, small, and medium enterprises," the paper proposed.

It added that the government must ensure that households have a continuous source of income, the greatest safety net of all, by allowing economic activities wherever it is safe and possible.

"Some businesses may be repurposed to help in the interventions against COVID-19," it suggested, referring to garments factories to produce PPE and distilleries to produce alcohol.

Post-ECQ strategy

Both health and economic risks from COVID-19 can be contained through a "gradual and calibrated transition to a risk-based strategy that combines relaxation of economic restriction while controlling the spread of the virus", according to PIDS study.

As such, the government should expand its capacity to detect and isolate individual cases, and identify close contacts, as well as protect high-risk population groups, including healthcare workers.

It should also continue implementing public health measures, such as physical distancing and handwashing, and treat as many patients as possible, particularly those falling under severe and critical cases.

To implement these, the general strategy should not be hospital-centric, but must embrace a whole-of-government approach.

"Efforts to control the transmission of the virus should start in local communities,



Garment factories may be repurposed to produce personal protective equipment to ensure continuous source of income during the COVID-19 pandemic.



Rather than focusing on hospital-centric measures, the study urges government to start virus control efforts within local communities. (Photo by Philippine Red Cross/Facebook)

and hospitals shall serve as the last line of defense,” it said.

It also highlighted the critical role of local governments in implementing public health programs and surveillance.

The government should also scale up testing capacity and contact tracing and decongest health facilities by expanding isolation and quarantine facilities outside of hospitals for mild cases or suspected cases with mild symptoms.

It also needs to provide a more humane approach for enforcing quarantine and isolation for suspected and confirmed cases, give a wider range of protection and support to health workers, and remove all bottlenecks on PPE production and importation. **GGM**

Gov’t urged to revisit design of health devolution

In addressing health concerns, local governments need more than devolved powers alone.

In a study titled *“Efficiency of local governments in health service delivery”*, researcher Janet Cuenca from state think tank Philippine Institute for Development Studies (PIDS) explained the devolved functions should be supported by enabling factors, particularly strong fiscal capacity of local government units (LGUs).

Currently, the Philippine healthcare system is devolved pursuant to the 1991 Local Government Code.

Under the devolved setting, LGUs have assumed the major role in the delivery of basic services, including health care, and the maintenance and operation of government facilities, such as health facilities.

Along with these immense responsibilities, the Code vests on LGUs the power to

generate their own revenues by levying taxes, fees, and charges.

It also provides for a higher LGU share in internal revenue taxes, known as internal revenue allotment (IRA), and national wealth.

Both measures are aimed at providing adequate resources to LGUs in their exercise of powers and functions devolved to them.

In this sense, the Code bestows full fiscal autonomy, involving both expenditure and income, on LGUs when it comes to health services, according to Cuenca.

Mismatch

As in the case of other Philippine laws, however, the reality on the ground is not as ideal as the letter of the Code.

Several issues, such as mismatch between the fiscal capacity and devolved functions of LGUs, threaten the promise of health devolution in the Philippines.

Cuenca found that the financing of health service delivery at the local level depends heavily on block grants, such as IRA.

She explained that the own-source revenue of LGUs is simply not enough to finance their health service delivery, particularly maintenance of hospitals, which she described as “costly” on the part of LGUs.

Unfortunately, there is a mismatch between the cost of devolved health facilities and IRA transferred to LGUs, a long-standing issue for majority of LGUs.

LGUs’ lack of financial resources may be addressed by the recent Supreme Court ruling on IRA that assures LGUs of bigger share in tax collections.

Previously, the 40-percent share of LGUs in government taxes was computed based solely on the collection of the Bureau of Internal Revenue.

In the 2019 case of *Mandanas v Executive Secretary*, the Supreme Court ruled that computation should include all national taxes, such as collections of the Bureau of Customs, Bangsamoro Autonomous Region in Muslim Mindanao, and the national government in the form of value-added and excise taxes.

“This recent development will surely improve the fiscal capacity of the local governments. However, whether local governments will prioritize health given the fiscal space remains to be seen,” Cuenca explained.

Creeping renationalization

In her another PIDS study titled “Fiscal decentralization and health service delivery”, Cuenca also urged the government to revisit some sections of the Local Government Code that encourage the existence of two-track delivery systems.

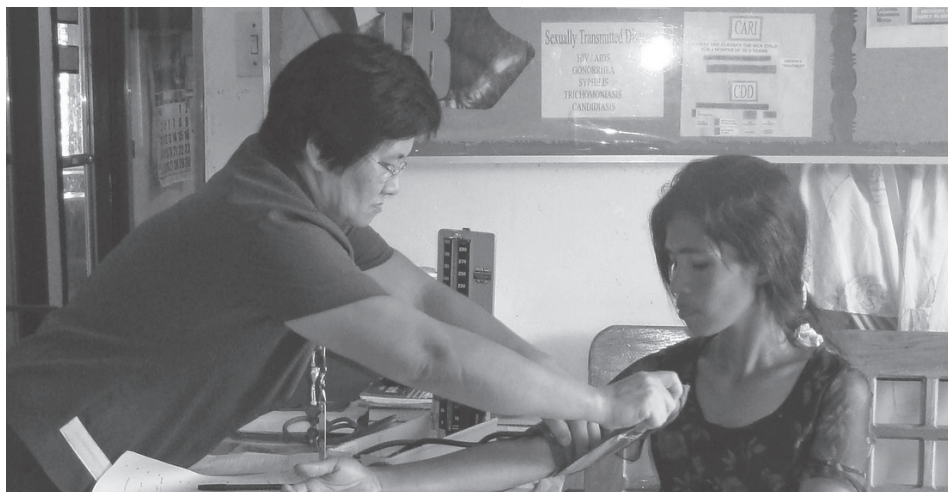
For instance, Cuenca noted the increasing spending of the Department of Health (DOH) for devolved functions, such as the maintenance and operation of health facilities and deployment of health personnel, which weakens health devolution.

While this appears to be “creeping renationalization”, Cuenca said the Code itself allows DOH to “provide or augment the basic services and facilities assigned to a lower level of LGUs when such services or facilities are not made available or, if made available, are inadequate to meet the requirements of its inhabitants”.

According to the researcher, this system “brings about confusion and weak accountability between levels of government, as well as inefficiencies in health service delivery”.

She argued that the design of health devolution determines the success in bringing about efficiency gains from fiscal decentralization.

In this regard, the government must revisit the design of health devolution and ensure appropriate assignment of expenditure responsibilities across levels of government and unambiguous and clear assignment of functions, she added. **RGV**



Local government units struggle to deliver health services effectively due to insufficient fiscal capacity. (Photo by World Bank/Flickr)

Ensure timeliness of childhood vaccination program



In 2017, only 10 percent of Filipino children aged 12 to 24 months have received complete and timely basic vaccination, research says.

“THE PHILIPPINES’ NATIONAL expanded programs in immunization (EPI) should aim for both high immunization coverage levels and timely administration of vaccines.”

This, according to Valerie Gilbert Ulep and Jhanna Uy, research fellow and supervising research specialist, respectively, at state think tank Philippine Institute for Development Studies (PIDS), in their study titled *“Too early, too late: Timeliness of child vaccination in the Philippines”*.

For years, the country’s EPI, which provide access to safe and effective vaccines against common diseases, “has focused primarily on immunization coverage as their metric for performance”.

“However, an equally important indicator of effective vaccine delivery

remains unmeasured—the timeliness of administration,” Ulep and Uy explained.

Using the data from 1993 to 2017 Philippine National Demographic and Health Survey, the PIDS researchers assessed vaccine coverage and timeliness of administration in the last 25 years.

Coverage refers to “the proportion of children aged 12 to 24 months who were immunized regardless of the timing of immunization” while an immunization is considered “timely if a child received the vaccine according to the national immunization schedule’s recommended age range for the vaccine and dose”.

The PIDS study covered four vaccines, namely, Bacillus Calmette-Guerin against tuberculosis, oral Polio vaccine, Diphtheria-

Pertussis-Tetanus (DPT), and measles vaccine, for routine childhood immunization as implemented by the Department of Health (DOH).

They found that the Philippine EPI have suffered from inconsistent coverage and timeliness of administration.

“Only 10 percent of Filipino children had complete and timely basic vaccination in 2017,” the authors said, which means that only these children had “all their vaccines and doses administered on time”.

In terms of coverage, the rich (top 20%) had higher coverage for all vaccines and doses than the poorest (bottom 60%) section of the population.

In terms of timeliness, data show that it was poor regardless of socioeconomic status.

This means that a large portion of Filipino children do not receive basic vaccination on time.

Furthermore, people rely heavily on government as about 95 percent of vaccinated children obtained vaccination from public facilities despite the large and increasing number of private facilities.

Importance of timely childhood vaccination

According to the World Health Organization, at least 3 million deaths due to vaccine-preventable diseases are averted every year because of vaccination.

However, the timeliness of its administration is crucial as it affects the efficacy of vaccines in targeting diseases.

“Untimely vaccination has been the cause of infectious disease outbreaks in several countries despite having high immunization coverage,” they added.

They cited China, Israel, and Russia, which experienced measles outbreaks due to untimely vaccination despite having vaccine coverage of more than 95 percent.

Since their inception in 1976, EPI have significantly achieved milestone vaccination targets.

For instance, the Philippines eliminated polio in 2000, and maternal and neonatal tetanus in 2017.

However, in recent years, it experienced large declines in vaccination coverage, which started in 2013.

As such, “incidence of vaccine-preventable diseases, such as measles, pertussis, and

diphtheria, has dramatically increased,” the authors noted.

Even the previously eliminated polio resurfaced in September 2019 with a reported case in southern Philippines.

Among the member-countries of the Association of Southeast Asian Nations, “the Philippines had the lowest DPT vaccination coverage” in 2018, Ulep and Uy said.

Despite the steady increase in the budget for EPI, the immunization programs still struggled to achieve their “medium-term national target of fully immunizing 95 percent of Filipino children”.

Ways to improve EPI's weak performance

To improve the performance of EPI, authors recommended the redesigning of vaccine supply chain.

This can be done “by shifting from a state-run supply chain management, which is proven to be inefficient, to innovative modalities, such as private sector outsourcing”.

Currently, DOH handles the procurement of vaccines and manages its supply chain while the private sector has limited role in vaccine provision.

The government can tap this large network of private facilities to expand coverage and promote timely vaccination.

Any glitch in the vaccine supply chain system can greatly affect vaccination coverage and timeliness, particularly in the Philippines, where 95 percent of children rely on government health facilities for at least one of their vaccines.

They clarified, however, that the program's weak performance cannot be solely attributed to the government.

The attitude of parents or caregivers toward vaccination also affects the extent and timeliness of vaccine administration.

From 2016 to 2018, a staggering decline in vaccine confidence among parents was noted. The authors noted that there is a growing number of parents, not necessarily oppose to vaccines, but practicing “alternative vaccination schedules” and chose a later date for vaccination.

Factors, such as distance to health facilities, financial affordability, and cultural acceptability, also contribute to the overall performance of the vaccination program. **MJLS**



In recent years, there is a noted decline in vaccine confidence among parents, which may have been influenced by some parents practicing alternative vaccination schedules. (Photo by Department of Health – Tarlac/Facebook)

PH lacks healthcare workers



Aside from these factors, the study also noted other demographic characteristics, such as age, as factors in the choice of location of healthcare workers.

They also favor working in areas where there are hospitals and tertiary education facility.

Exodus of healthcare workers

From 2000 to 2015, the country saw “a substantial increase in the number of board passers among health professionals, except for dentists”.

For instance, the number of physicians that passed the board examinations roughly tripled, from about 1,900 in 2000 to 5,500 in 2015.

Despite this increase, “many of these Philippine-trained healthcare professional do not necessarily end up working in the Philippines,” according to the study.

In 2010 alone, about 13,900 healthcare professionals, largely nurses, were instead hired abroad, per data from the Philippine Overseas Employment Administration (POEA).

Figures from POEA also revealed that more than 92,000 nurses have left the country to work abroad since 2012, equivalent to almost 19,000 nurses leaving every year.

ABOUT 3 IN every 4 Philippine cities and municipalities have insufficient supply of healthcare professionals, says a study by state think tank Philippine Institute for Development Studies (PIDS).

In 2016, the World Health Organization proposed a threshold of 45 physicians, nurses, and midwives per 10,000 population.

For the Philippines, however, less than a quarter of its cities and municipalities have achieved this density to date, according to PIDS researchers Michael Ralph Abrigo and Danica Aisa Ortiz in their study titled, “*Who are the health workers and where are they?*”

Worse, this limited supply of healthcare workers tends to be concentrated geographically.

Healthcare workers are “more likely to work in areas with greater earning potentials and in communities close to where they are trained”, Abrigo and Ortiz revealed.

This “highly uneven distribution” of healthcare workers “can greatly affect access to healthcare services”, they added.

Surprisingly, healthcare workers “from ethnolinguistic minority are less likely to work in areas with high ethnic concentration”.

Abrigo and Ortiz revealed that “higher income potential is the main driving force among healthcare workers in choosing a location to practice their profession.”

While the Philippine Nursing Act mandates an entry-level salary grade 15 for government nurses, equivalent to PHP 32,053 as of writing, a nurse still receives an average salary of about PHP 18,000 a month.

Small private hospitals offer even lower rates.

As a result, a number of licensed nurses are already pursuing nonnursing-related jobs, such as employment in the business process outsourcing industry, because of higher salary offers compared to hospital work.

Currently, the demand for healthcare workers, particularly doctors and nurses,

has increased in other countries due to the corona virus pandemic.

As a response, the Philippine government has temporarily banned doctors, nurses, microbiologists, and other healthcare workers from leaving to work abroad.

Address uneven distribution

To address the uneven distribution of healthcare workers across the country, Abrigo and Ortiz urged the government to “boost household incomes through local economic development” to “ensure economic viability of any professional practice, particularly in health care”.

They added that “supporting private healthcare practice through the country’s social health insurance system or similar voucher scheme may provide

greater incentives for those practicing in underserved areas.”

Technology can also be used as an alternative mode of service, particularly in conducting remote medical consultations and diagnosis, as well as in record management.

The PIDS authors also urged the government to study the possibility of certifying some healthcare skills that may be done by other types of medical professionals.

For this, they cited the experience in other countries, such as the United States, Canada, and the United Kingdom, where nurses are certified to assess patients’ needs, interpret diagnostic and laboratory tests, and even prescribe medication and formulate treatment plans. **MJLS**

Poor families, seniors mostly bear out-of-pocket medical payments

Amid the continuous expansion of the country’s social health insurance (SHI) coverage, many families of poor children incur high out-of-pocket (OOP) payments in financing their medical needs.

A study by state think tank Philippine Institute for Development Studies (PIDS) titled “*Social protection and demand for health care among children in the Philippines*” revealed that despite the increase in population coverage of the Philippine Health Insurance Corporation (PHIC), or PhilHealth, in the past years, “the financial protection it provides against healthcare costs had remained small, resulting in high OOP payments.”

“Health insurance coverage by design could reduce the OOP spending by individuals. However, it may also induce greater demand for health care, which, ultimately, increases



OOP spending,” according to the authors Michael Abrigo and Vicente Paqueo, PIDS research fellow and distinguished visiting research fellow, respectively.

As of June 2018, the PHIC population coverage reached 100 million, which translates to about 94 percent of the projected Filipino population of 106 million in the said year, according to a PhilHealth statement.

In 2010, household beneficiaries of the government’s conditional cash transfer (CCT) *Pantawid Pamilyang Pilipino* Program (4Ps) were automatically enrolled in the PhilHealth, which provides essential healthcare services ranging from inpatient and outpatient care, preventive services and diagnostic examinations, to special benefit packages that seek to protect member beneficiaries from catastrophic health expenses.

The PhilHealth, however, covers medical costs only up to prescribed benefit ceilings, causing other patients and their families to pay the difference themselves.

“Any fees in excess of the case rates provided by PHIC are borne by the patient or by the health facility depending on the individual’s membership type,” said the authors.

In 2011, PHIC launched the no-balance billing (NBB) policy to ensure that “no other fees or expenses shall be charged or paid for by the patient-member beyond the packaged rates.”

The policy is implemented primarily among vulnerable groups like the poor and the elderly who are confined in government facilities.

However, “poor households who are supposed to be fully covered by SHI were charged OOP for healthcare, which is evident of potential implementation failure of the PHIC’s NBB policy,” authors said.

Data from the 2018 Philippine National Health Accounts estimated household OOP payments at PHP 413 billion, which comprised 53.9 percent of the current health expenditures (CHE) during the said year.

The Philippine Statistics Authority said that health spending was collectively financed by the government through subsidies as well as compulsory contributory financing schemes at PHP 260.6 billion or 34 percent of the CHE and voluntary payment schemes at PHP 93.3 billion or 12 percent.

Abrigo and Paqueo noted that enrolment in the country’s SHI induced poor families to visit healthcare facilities and avail of medical services for their children.

They added that insured children were less likely to incur OOP payments by 9.2- to 38.6-percentage points compared with noninsured children.

However, families of insured and noninsured children were still inclined to “pay for health services or medicines not available in hospitals where they were confined”, which accounted for “about 97 percent of all hospitalized children in our sample”, said the authors.

“With a base rate of 98.2 percent of noninsured children paying OOP for hospitalization, this still leaves about 60 to 90 percent of poor households in our study sample exposed to paying for

hospitalization either partly or wholly on their own,” Abrigo and Paqueo said.

Seniors also burdened with OOP expenses

Another PIDS study titled “Expanding health insurance for the elderly of the Philippines” found that similar increase in OOP spending was observed among seniors in the Philippines.

Abrigo, in collaboration with Timothy J. Halliday and Teresa Molina, associate and assistant professors of economics, respectively, at the University of Hawai‘i at Manoa, reported that seniors in the Philippines who availed themselves of the SHI “ended up spending more than double their medical expenses”.

In 2014, the Expanded Senior Citizens Act (ESCA) in the Philippines was amended, granting health insurance to all Filipinos aged 60 and older. Previously, only indigent seniors are included in the mandatory coverage by the PHIC. Meanwhile, the passage of the Universal Health Care Law in early 2019 has automatically enrolled all Filipino citizens in the National Health Insurance Program of the government.

“A 16-percentage point increase in insurance coverage among seniors was noted following the implementation of the policy,” authors reported

Similar to the observation among children of 4Ps beneficiaries, this upsurge in OOP spending among seniors was driven mostly by “the increases in outpatient and drug expenditures, which are typically not covered by the insurance”. (Page 13)

Leveraging Services for Regional Development in PH

The Philippine services sector, which consists of a diverse range of industries from retail and business services to education and health, is the biggest contributor to the economy. However, the sector has an uneven performance at the regional and subsector levels.

This infographic provides an overview of the services sector—the various

industries that fall under this classification and their contribution to the economy. It also looks at overall trends and patterns of performance.

Finally, it summarizes some key findings and offers some recommendations to further develop services at the regional level. **GGM**

Significance of Services in the Economy

The services sector is composed of a diverse range of industries. Some services are used as inputs in production, while others are consumed directly to enhance human capital and well-being.

Various services are utilized in goods production, either as inputs (such as R&D, design, marketing, or engineering services included in the value of a good) or as trade enablers (such as logistics services or e-commerce platforms). They are crucial to agriculture, manufacturing and all other economic and social activities.

With transport, health, education, financial services, and information and communications technology (ICT) services playing a critical role in development, the United Nations Conference on Trade and Development (UNCTAD) believes that achieving the 2030 Agenda for Sustainable Development is largely a services agenda.

The classification of services

DISTRIBUTIVE SERVICES*

Wholesale and retail trade; repair of motor vehicles and motorcycles

Transportation and storage

Information and communication

Public administration and defense; compulsory social security***

PRODUCER SERVICES

Financial and insurance activities

Real estate activities

Professional, scientific, and technical activities

Administrative and support service activities

PERSONAL SERVICES

Accommodation and food service activities

Arts, entertainment, and recreation

Other Services**

SOCIAL SERVICES

Education

Human health and social work activities

Based on the latest International Standard Industrial Classification Revision 4 on which the Philippine Standard Industrial Classification 2009 is based.

*Distributive services could also be considered as part of producer services.

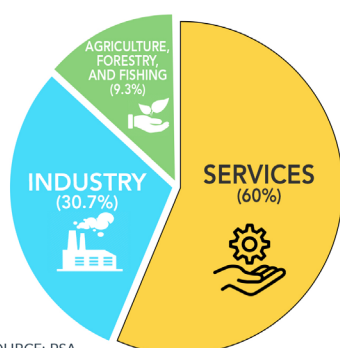
**Other service activities include repair of computers and personal and household goods, salons, laundry, funeral services, and pet care and grooming, among others. It also includes activities of membership organizations.

***Public administration and defense is also part of the services sector.

Is the Philippines a Services Economy?

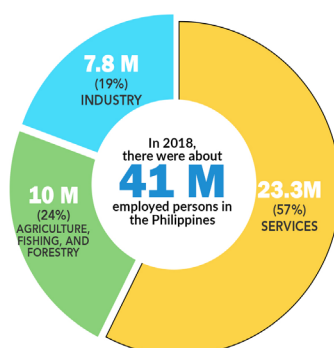
The Philippines has been described as a services-based economy because of the significant contribution of the sector in terms of total output and employment. In 2018, services accounted for 60 percent of gross domestic product (GDP) and almost 57 percent of employment.

Share (%) to GDP by major industry group, 2018



SOURCE: PSA

Distribution (%) of employed persons by major industry group, 2018

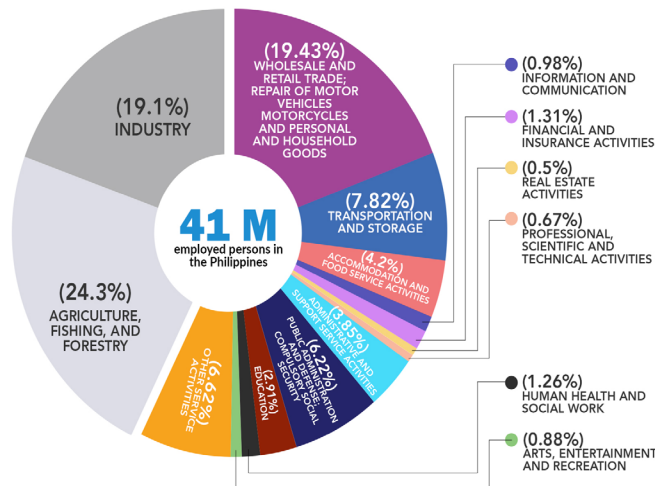


Services Subsectors: Employment and Growth Patterns

More than half of employed persons were in the services sector. Workers in the **wholesale and retail trade; repair of motor vehicles and motorcycles** had the largest share of the total employed in 2018.

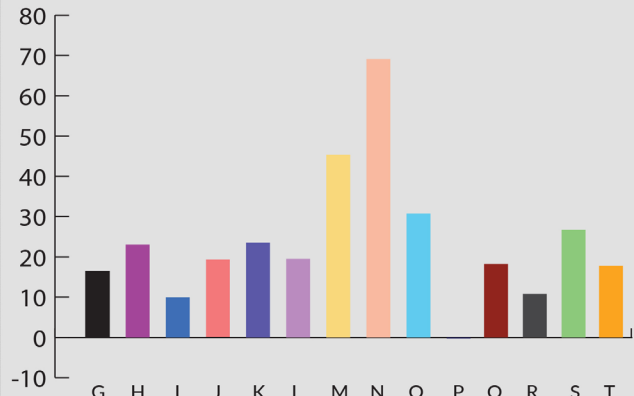
Except for education, all subsectors expanded from 2012 to 2018, with **administrative and support service activities** leading with a 69-percent jump.

Employment in services subsectors (as % of total employment), 2018



SOURCE: PSA Labor Force Survey Annual Estimate

Change (%) in employment in services by subsector, 2012-2018



G=Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; H=Transportation and Storage; I=Accommodation and Food Service Activities; J=Information and Communication; K=Financial and Insurance Activities; L=Real Estate Activities; M=Professional, Scientific and Technical Activities; N=Administrative and Support Service Activities; O=Public Administration and Defense; P=Education; Q=Human Health and Social Work Activities; R=Arts, Entertainment, and Recreation; S=Other Service Activities; T= Total for services

SOURCE: PSA 2012 and 2018 Labor Force Surveys

Some Findings and Recommendations

FINDINGS

What accounts for the growth of employment in services industries at the regional level? What has been the impact of national or macroeconomic, industry-specific, and region-specific factors?



- The overall growth of the economy from 2012 to 2018 positively contributed to generating employment in services.



- Sectoral effects were negative in a few industries. In education, industry-specific factors were quite strong relative to the national effect; it was the only sector that registered a lower total employment during the period. Other industries with adverse (albeit weak) industry effects were: accommodation and food service activities and arts entertainment and recreation. In contrast, administrative and support activities and professional, scientific, and technical activities exhibited robust positive sectoral effects.



- In terms of region-specific factors, 109 out of the total 204 regional service industries (53%) displayed locational disadvantages.

RECOMMENDATIONS

- Both demand-side and supply-side factors influence the expansion of services. Conduct further studies to understand the drivers or inhibitors of services growth at the regional level and address the locational weaknesses in the relevant services industries.

- Develop localized roadmaps and design regional development strategies to factor in constraints unique to each region, such as its typographic characteristics.

**POLICY
ISSUE AT
A GLANCE**

This infographic is based on PIDS Discussion Paper titled *Regional Analysis of the Philippine Services Sector* written by Ramonette B. Serafica and Jean Colleen M. Vergara, senior research fellow and former research analyst, respectively.

Poor families, seniors... from page 10

"Increased interaction with doctors might have provided insured patients with more information about their health or caused them to value their health more, therefore increasing their demand for health care," authors explained.

Further, it is also likely that seniors availed of more inpatient services, which are covered by the insurance. However, these usually come with other services that are not covered by the insurance, which "lead to higher utilization of both outpatient services and medicines", authors added.

Greater awareness among the poor

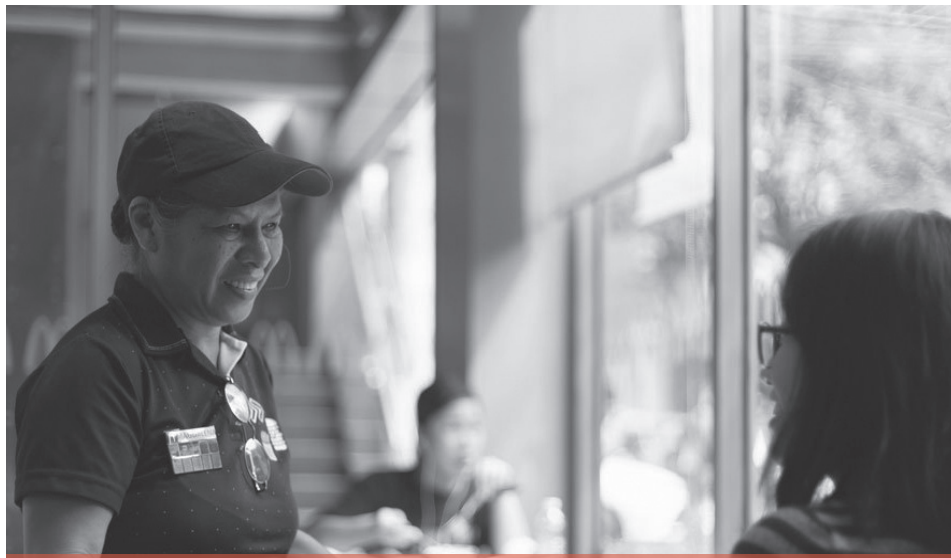
Prior to the ESCA amendment, the Philippines had been providing health insurance coverage to the poor, although enrollment rates among the lowest income group have since been low, suggesting they have low awareness of their eligibility for the program.

"In a very short period, the ESCA substantially increased insurance coverage rates among elderly Filipinos," authors noted.

In general, "social protection programs in the Philippines have contributed to better access to healthcare services and greater financial security against catastrophic healthcare spending," authors added.

Given that health insurance can increase OOP spending, the government must ensure that the "increased expenditures reflect higher use of necessary care." In addition, policymakers must see to it that doctors are not charging higher prices to newly insured patients, particularly poor patients who will be burdened by the additional medical expenses. **EGR, GGM**

Working 'seniors' could fuel universal health care



Providing more work opportunities for senior citizens can ease the country's social health insurance burden. (Photo by McDonald's Philippines)

THE GOVERNMENT SHOULD support "willing" and "able-bodied" senior citizens to remain part of the workforce despite their age to unburden the country's universal health care (UHC) program.

This is one of the "multiple-win" solutions the Philippine government may adopt to sustain its social health insurance (SHI) system amid the country's transition to an ageing population, according to Michael Ralph Abrigo, senior research fellow at state think tank Philippine Institute for Development Studies (PIDS).

In his study titled "*Financing universal health care in an ageing Philippines*", Abrigo revealed that the country's SHI system is

under pressure because of the nation's ageing population.

The PIDS researcher cited the findings of the United Nations in the 2017 World Population Prospects, which predicted that at least 7 percent of the country's population will be aged 65 years and older by 2035.

This figure may double by 2069, where at least 14 percent of Filipinos will be within that age range, Abrigo said in an earlier study.

This population ageing poses a challenge to the fiscal sustainability of the government's UHC policy.

Under the current UHC policy, all Filipinos are automatically enrolled in the National Health Insurance Program (NHIP).

It clothes them improved access to health services, while shielding them from enduring financial hardship as a result.

“As shown in previous studies, however, health spending among the elderly is generally higher relative to other generations in a population,” Abrigo explained.

As such, “the demographic shift in population age distribution may pose heavy burden not only on the government but also on households financing the government,” he added,

This is because one of the consequences of an ageing population is a narrower tax base that can help fuel the country’s SHI system.

While relying on this tax base comprised of prime working-age employees may improve equity, Abrigo said “this may induce perverse health-seeking behaviors as a result of the weaker connection between incentives and individual actions that impinge on health.”

For instance, “people might visit hospitals for unnecessary medical procedures simply because it is now cheaper to do the same with insurance,” he said.

Instead, he recommends broadening the tax base, such as by supporting willing and able elderly to continue working, as stated earlier.

The government has recently pursued steps to make the workforce more open to senior citizens.

These include senior citizen-friendly policies, such as the Anti-Age Discrimination in Employment Act, which penalizes firms relying on age as basis to reject an employment application.

Since the passage of the law in 2016, the number of employed senior citizens has climbed to 1.8 million, from 1.5 million in 2013, according to the 2018 Labor Force Survey.

The Department of Labor and Employment has also partnered with private firms and state universities and colleges to open employment opportunities to elderlies.

Still, labor groups, such as the Trade Union Congress of the Philippines, are calling for improved participation of senior citizens. They claim the opportunities available to elderlies are currently concentrated in restaurants rather than in other industries.

Aside from supporting senior citizens who prefer to remain part of the labor force, Abrigo added the tax base may also be expanded through greater investments in human capital.

“These investments may increase labor productivity and improve later health outcomes. These, in turn, may contribute to expanding the tax base and lowering the aggregate health costs for SHI systems,” he explained.

Other “multiple-win” solutions revolve around strengthening the incentives that may induce better population health and decrease burden on government finances.

According to the PIDS researcher, a good example of this measure is the use of tax revenues from tobacco and alcoholic beverages to finance NHIP and other government services.

“This may be applied to other products that have potentially negative impacts on population health and therefore SHI systems, such as sugary, salty, and fatty foods,” he added,

Another direction may be to introduce tax-exempt medical savings or investment accounts from which individuals may draw to finance future health expenditures, similar to that in Singapore and the United States, on top of that provided through the SHI system.

“Since these are savings from the citizens, they may be used in the economy as additional capital for those who need them like what a regular bank does with savings,” Abrigo explained.

However, unlike insurance where there may be moral hazard and other problems because of the weak link between individual actions and payments, these health savings accounts give incentive for individuals to try to remain healthy for them not to deplete their own savings.

This not only aligns individual behaviors with their related future health costs, but also promotes capital accumulation that contributes to greater economic productivity. **RGV**

Child's health and nutrition not a top priority among PH LGUs



Local revenues are not enough to finance child health and nutrition programs in the provinces.
(Photo by World Bank/Flickr)

Local government units (LGUs) need to increase their health spending to address the malnutrition problem among Filipino children aged three years and below.

An integrative report on the early childhood care and development for the first 1,000 days of life (ECCD-F1KD) initiatives revealed that LGUs, particularly in Northern Samar, Western Samar, and Zamboanga del Norte, lack the financial base to deliver health and nutrition programs and services.

The ECCD-F1KD initiative, spearheaded by the Department of Health—through the National Nutrition Council—ensures that vulnerable children have access to health,

nutrition, responsive care, quality early stimulation, and learning opportunities during the first—and most critical—three years of their life.

According to the study team led by Michael Ralph Abrigo (Zamboanga del Norte), Connie Bayudan-Dacuycuy (Northern Samar), and Aubrey Tabuga (Western Samar), research fellows at state think tank Philippine Institute for Development Studies (PIDS), health and nutrition programs were not among the top priorities of key officials in the selected study sites.

“While there is some awareness of the extent of the malnutrition problem, the perception gathered is not to the level that

merits urgency and high priority in the local government agenda,” the authors explained.

This is despite the country's high malnutrition rates with 1 in every 3 children below five years considered stunted based on 2015 estimates.

Health and nutrition not a priority

Under the 1991 Local Government Code, the delivery of basic services, including health care, is assumed by the LGUs.

Some LGUs rely heavily on their internal revenue allotment (IRA) to finance health and nutrition plans, among other regular expenditures, while others have income-generating projects and are able to raise funds from sources like nongovernment and private donors, such as some municipalities in Samar.

Although LGUs “prioritize, to some extent, health and nutrition and allocate funds to its programs, these do not comprise the top priorities,” the authors said.

For instance, municipalities in Northern Samar allot at least 80 percent of their funds on general public services, which include expenses to support the local administrative functions of LGUs.

In Zamboanga del Norte, local governments are also confronted with issues, such as high poverty incidence and diverse geographies.

These limit the LGUs' ability to generate local funds to afford the demands of their constituents, including health services.

"For population, health, and nutrition services, local government spending per person per year averages around PHP 120," the integrative report revealed.

In the case of Western Samar, the authors found that F1KD programs are lumped together with other programs related to gender and development.

"The lumped budgeting system makes it difficult to ascertain the actual amount and percentage of resources going into ECCD-F1KD efforts."

Health human resource issues

Likewise, the human resource component of the ECCD-F1KD initiative also needs adequate budget allocation, particularly in terms of capacity building.

In the case of Western Samar, where municipalities often work with a limited number of health workers, midwives decry being overburdened and highly dependent on support from volunteers, which include barangay nutrition scholars and barangay health workers.

On the other hand, some volunteers in a number of LGUs in Zamboanga del Norte were assigned full-time work yet do not enjoy the benefits of a regular health human resource (HHR).

A volunteer could be in charge of monitoring as much as 150 young children and 110

pregnant women while receiving a meager monthly allowance "between PHP 350 and PHP 1,200", authors of the Zamboanga del Norte study stated.

Further, volunteers do not have security of tenure and may be replaced any time. High turnover rates among volunteers also require regular training of new ones.

"However, in one LGU, the nutrition budget does not include an item for training of volunteers; the LGU merely relies on the provincial and regional levels for capacity building," the authors pointed out.

This is even worse for some geographically isolated and disadvantaged areas (GIDAs) in Northern Samar where there are no midwives or volunteers assigned.

The authors urged the government to prioritize GIDA areas, in terms of HHR deployment and inclusion in the local government agenda, to ensure access to health services in these areas.

Policy recommendations

To address funding issues, policymakers must realize the dire consequences of malnutrition in children.

Decisionmakers must gain more appreciation of the "necessity to spend a reasonable amount of resources in implementing and sustaining ECCD-F1KD initiatives", the authors emphasized.

"When children are protected from diseases, are well-nourished, and live in

stimulating and protective environments, they develop and reach their full potential."

As such, local governments are urged to continuously enhance economic activities to improve tax revenues that can support ECCD-F1KD programs, as well as improve their constituents' ability to access health and nutrition services.

"Support of the local chief executive (LCE) is also crucial because the final decision on the prioritization of programs rests on the LCE," the study team said. Best practices may also be shared and adopted among LGUs to improve program and service delivery.

Aside from proper training and reskilling among health workers, LGUs are also encouraged to reconsider the available health infrastructures in their communities vis-à-vis available HHR.

Likewise, balancing the workload of health workers, as well as ensuring health access in isolated areas must also be taken into consideration.

Given limited resources, LGUs should focus on "critical interventions that are known to have substantial impacts on improving child nutrition". These include maternal nutrition during pregnancy, infant and young child feeding, and prevention and control of infections, among others.

A multifaceted approach that requires participation among government agencies, donors, civil society organizations, and LGUs will also ensure that there are enough resources to sustain efforts toward good health and nutrition. **CPSD**

Lack of formal job prejudices women's social protection



FILIPINO WOMEN, COMPARED to men, are less likely to be covered by social insurance because of their lower participation in formal employment.

A study by Aubrey Tabuga and Carlos Cabaero, research fellow and research analyst, respectively, at the state think tank Philippine Institute for Development Studies (PIDS) titled *“Towards inclusive social protection program coverage in the Philippines: Examining gender disparities”* found that labor participation rate for women has been decreasing through the years.

This puts women at a disadvantage in social protection programs.

Tabuga and Cabaero examined access of women to social protection programs, such

as the Social Security System (SSS), the Government Service Insurance System (GSIS), and the National Health Insurance Program provided by the Philippine Health Insurance Corporation, commonly known as PhilHealth, using data from the Philippine Statistics Authority’s in 2016 and 2017. They also analyzed the social insurance aspect of the *Pantawid Pamilyang Pilipino* Program (4Ps).

“Social insurance schemes in the country cover only those who are formally employed as required by law.” As such, many women who are not part of the formal employment are “unlikely to be protected by social insurance program”, the authors said.

The disadvantage of women in social protection programs was also revealed in

a 2012 study by the Asian Development Bank (ADB), which showed a gender gap in the employment sector with 44.5 percent of women under vulnerable employment compared to 39 percent in men.

“Although there is only a slight difference between men and women who have access to social protection programs at 18 percent and 14 percent, respectively, a closer analysis shows a disparity in its composition,” Tabuga and Cabaero explained.

Majority of women (54%) who do not have social insurance are unemployed while 7 in 10 men who do not have social insurance are employed.

The authors also reported that women without social insurance are generally composed of private household workers, unpaid family workers, and self-employed.

During the last decade, there was a decline in the rate of women’s labor participation in the country. “From 50 percent in 2005, it dropped to 46 percent in 2017,” the authors said.

The huge “gap between male and female participation rates at almost 30-percentage points” is alarming.

“A clear driver of exclusion for women’s access to social protection is their



*Majority (98%) of female agricultural workers in the country do not have social insurance, study says.
(Photo from Thor Garlan/Pexels)*

inability to partake in the economy,” the authors explained.

Women tend to be part of the unpaid work or informal economy where “earnings are unstable and usually low” because of “social conventions that the role of women in society is only for caregiving and looking after a household”, the authors furthered.

In fact, “about one-third of women of working age are economically inactive” because of household duties while “only 2 percent of men are in similar circumstances.”

While there is a high percentage of unemployed having no access to social protection programs, still, even workers were not covered by social insurance.

In 2017, an estimated 8.3 million Filipino women workers have no membership in both SSS/GSIS and PhilHealth, which is

equivalent to 69 percent of the total workers in the country, according to the study.

Workers in the agriculture sector have the highest proportion of nonmembership in SSS/GSIS and PhilHealth with as much as 98 percent of female workers and 95 percent of male workers not covered by these programs.

Further, the study also found that employment in a private establishment or the government greatly increases the likelihood of women having social insurance, noting that those employed in the service and industry sectors are more likely to have social insurance than those in the agriculture sector.

Meanwhile, the 4Ps has contributed to increasing coverage through its automatic enrolment of beneficiaries in PhilHealth. “Although there are still quite a significant

number of 4Ps beneficiaries who are yet to be covered at least based on 2017 data,” the authors added.

To improve women’s access to social protection programs, the study urges the government to prioritize women in the agriculture sector, the self-employed, unpaid family members, and household workers in intervention programs.

All employed workers should be provided with access to social insurance given that “48 percent of women working in the private sector and 44 percent of government workers do not have social insurance,” the authors said.

Moreover, “a more holistic and integrative approach” is needed unlike “for men where more targeted mechanisms” can be applied. Reactionary measures like provision of cash transfers and subsidies are not enough. “It is essential that innovative schemes are truly inclusive and long-term interventions facilitate job expansion apart from improving the employability of women and men,” the authors added.

The study also pointed out the need to implement development strategies that will facilitate and provide enabling policy environment to attract more local and foreign investments.

Lastly, the authors emphasized that a “long-term solution for ensuring adequate social protection for all is an integrative framework that improves skills and employability of the people, but at the same time, foster an environment that allows for robust development of the agriculture, services, and industry sectors so that people can obtain decent jobs.” **JOA**

Granular data crucial in designing rural interventions



More specific data on the socioeconomic profiles of agricultural workers can help policymakers craft better rural development policies. (Photo by uusc4all/Flickr)

UNDERSTANDING THE SOCIOECONOMIC realities of agricultural workers, especially in the rural areas, is essential in designing effective programs targeted for them. In the Philippines, however, gaps in existing data and literature exist, making it challenging to come up with informed decisions.

A study recently published by the Philippine Institute for Development Studies (PIDS) titled *“Agricultural employment and the rural household: A characterization for selected provinces in the Philippines”* addressed just that.

Roehlano Briones, PIDS senior research fellow, revealed that although “several facts can be discerned from existing secondary data, numerous gaps exist that point to key

unknown characteristics or trends in labor markets.”

A comprehensive socioeconomic profile is important in “designing relevant productivity-oriented and social protection programs” targeted for agricultural rural households.

For instance, while data on “daily basic pay is available, there is no information on the activities for which wage income is being earned. One cannot relate pay information with other variables, such as skill level, or community variables, such as access to fixed capital,” Briones said.

Further, data on critical community indicators, such as access infrastructure like roads and ports, and technology like farm

machinery, are essential as they “determine the level of development and economic diversification at the barangay level as well as potential displacement of labor by machinery”, which may affect the livelihood of rural households, the author explained.

As such, the PIDS study provided a comprehensive socioeconomic profile of agricultural workers in rural areas by looking into the full range of labor and economic activities of the households, including patterns of employment and seasonality, other relevant worker and household characteristics, and the community-level context in terms of infrastructure.

Although declining, a broader look at the characteristics of agricultural workers still highlights the “visible underemployment” prevalent in the sector, averaging at around 18 percent in the past five years.

The study showed that agricultural business operators and workers work overtime for about 32 to 35 hours, respectively. These increase as workers find diversified occupations and businesses, allowing them to generate income from other sources.

Further, “agricultural workers are paid lower than average, both in terms of the basic and overall pay,” while for business operators, the daily pay equivalent varies.

Gender disparities among workers likewise exist, with most agricultural workers being male. Female workers are “especially disadvantaged in terms of basic daily pay” as they earn less than male workers, Briones reported.

In terms of age, the study found that most of the agricultural workers belong to the 25-54 age bracket, noting that earning prospects are highest for this age range.

Briones noted that “aggressive expansion of quality schooling remains very much a policy imperative for rural Philippines” given that more than half of agricultural workers have low levels of schooling.

Level of schooling, however, does not guarantee increased pay. There is a “tendency for higher schooling to lead to more basic working hours, but little tendency to increase basic daily pay”. Therefore, “there is little correlation between amount of schooling and basic daily pay,” he said.

Meanwhile, findings showed that “the better the state of rural infrastructure of a barangay, the higher the daily basic pay and weekly working hours of agricultural workers”. This means that basic daily pay

tends to increase with better access to potable water and secondary school.

The same is true for access to farm machinery in a barangay—as access increases, daily basic pay becomes higher, and, at times, weekly working hours increase.

On the other hand, distance from the nearest municipal hall affects workers’ pay.

“The farther a barangay is from the nearest municipal hall, the lower the average daily basic pay and weekly working hours as well as the greater the variability of basic daily pay,” said the author.

“Investments in rural infrastructure are critical to sustained rural transformation and inclusive growth,” Briones said.

Transportation, storage, and communication boost farm production and better connectivity promotes transition to nonfarm work.

Based on these findings, Briones concluded that “individuals of working age are more likely to become an agricultural worker if they are male, older, less educated, and are in a barangay with better rural infrastructure and more remote from the urban center.”

Likewise, weekly working hours are greater for agricultural workers that are younger, better educated, and located nearer the urban center.

Despite covering only the large agricultural provinces in the country, Briones said the findings and themes observed from the study will be useful in designing rural welfare programs and thus urged the government to conduct similar surveys in other areas.

“Development of a detailed socioeconomic profile will facilitate identification and prioritization of issues, constraints, and opportunities facing agricultural workers, leading to the design of relevant productivity-oriented and social protection programs,” Briones explained. **GBDC**



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RESEARCH DIGESTS

RPS 2020-03

Nontariff Measures in the Philippines: A Preliminary Analysis Using Incidence Indicators

by Francis Mark A. Quimba
and Sylwyn C. Calizo Jr.

As several countries have reduced tariff rates, other forms of regulatory measures that impact on trade have proliferated. These regulations, collectively known as nontariff measures (NTMs), can be imposed on imports and exports. Using descriptive indicators, NTMs could be measured with coverage ratios, frequency indices, and prevalence scores. Across the different government agencies, it has been found that the Department of Agriculture and the Department of Environment and Natural Resources both implement the most number of NTMs with 422 and 103 NTMs, respectively. Moreover, both agricultural goods and manufactured goods have been shown to be highly regulated at 92.2 percent and 93.9 percent, respectively, albeit agricultural goods have a higher prevalence score (19.8) compared to manufacture goods (8.9).

RPS 2020-02

Are We Missing Out on the Demographic Dividend? Trends and Prospects

by Michael Ralph M. Abrigo, Rachel H. Racelis,
J.M. Ian S. Salas, Alejandro N. Herrin,
Danica Aisa P. Ortiz, and Zhandra C. Tam

The Philippines is slowly ageing. In a little over a decade, the country's elderly will comprise at least 7 percent of the total population. This rising tide may pose some substantial burden on the country's resources. Nonetheless, the same economic and demographic forces that will eventually lead to population ageing may also provide potentials for economic growth. This paper documents the country's historical experience of the demographic dividend using new National Transfer Account time-series estimates for the Philippines. These estimates also reflect how the interaction between public policy and population ageing may affect household welfare and fiscal balance in the foreseeable future.

PN 2020-06

Answering Critical Questions on Small-scale Mining in the Philippines

by Ludwig John H. Pascual, Sonny N. Domingo,
and Arvie Joy A. Manejar

This *Policy Note* revisits small-scale mining in the Philippines and its promise of ensuring employment and economic opportunities. Among others, it finds that informality besets the small-scale mining sector due to several institutional, regulatory, and social issues confronting the sector and its stakeholders. For instance, the study reveals that its regulatory boards are not representative of key stakeholders that can positively contribute to the development of the sector. Moreover, enforcement of mining laws has become an avenue for extortion by scrupulous government personnel and child labor also pervades the sector to date. The study recommends the formalization of the small-scale mining sector through the implementation of a national research program, sector profiling, and stakeholder analysis. It also urges the enhancement and strict implementation of the People's Small-scale Mining Program, as indicated in the Small-scale Mining Act, among others.

DP 2020-16

PIDS-BSP Annual Macroeconometric Model for the Philippines: Preliminary Estimates and Ways Forward

by Celia M. Reyes, Connie B. Dacuycuy,
Michael Ralph M. Abrigo, Francis Mark A. Quimba,
Nicoli Arthur B. Borromeo, Lora Kryz C. Baje,
Sylwyn C. Calizo Jr., Zhandra C. Tam,
and Gabriel Iñigo M. Hernandez

This paper discusses the estimation of an annual macroeconometric model (MEM) that will be used for policy analysis and forecasting with respect to the opportunities and challenges brought about by new developments. The formulation of an annual MEM is useful in assisting major macroeconomic stakeholder, such as the National Economic and Development Authority and the *Bangko Sentral ng Pilipinas* (BSP) in their conduct of policy simulations, macroeconomic surveillance, and economic analysis. Given this backdrop, PIDS and BSP have collaborated to

estimate an annual MEM, which has four blocks, namely, the real sector, fiscal sector, trade sector, and monetary sector. Using an Autoregressive Distributed Lag model approach, these sectors are modeled separately although the linkages with each other are specified. These sectoral models are then put together and a test on the predictive accuracy of the forecast of the overall model is done. Some ways to further improve the annual MEM are provided.

DP 2020-14

Barriers to Application of Weather and Climate Information in Smallholder Vegetable Farming in Benguet

by Sonny N. Domingo, Adrian D. Agbon,
Ma. Divina M. Olaguera, Anna Jennifer M. Umlas,
Katrina Mae C. Zuluaga, and Celia M. Reyes

This paper aims to understand the current barriers to the access and use of weather and climate information in agricultural decisionmaking as a means to cope with the changing climate. The study finds that, while farmers see the value of using weather and climate information, there is a lack of localized weather and climate information applicable to the microclimate of Benguet. The provision of information must also be supported with other interventions, such as access to low cost credit, to address the farmers' lack of resources to enact optimal decision alternative.

DP 2020-10

Barriers to Application of Weather and Climate Information in Cut Flower Production in Benguet

by Sonny N. Domingo, Anna Jennifer M. Umlas,
and Katrina Mae C. Zuluaga

This paper explores the barriers in the application of weather and climate information to cut flower production in Atok, Benguet. The study finds that aside from producers' access to proper dissemination of hydrometeorological information, other barriers like financial, infrastructural, and capacity barriers exist. These include issues, such as lack of working capital to implement optimal decision alternatives in adverse weather conditions, the lack of reliable phone service and power to disseminate and access information, and the absence of forecasts that are either laymanized or translated into the vernacular.

Editor's Notes (continued from page 2)

access to health care in underserved areas. Another is the untimely vaccination of children, which, if unabated, can bring about the resurgence of vaccine-preventable diseases.

Since the start of the community quarantine, we have witnessed our leaders' response on the ground. Evident is the wide variation of responsiveness to the pandemic, which mirrors the widely varying standards of health services across local government units (LGUs). Studies on health devolution released by PIDS and featured in this issue point to the resource and capacity constraints faced by many LGUs in financing essential health services and maintaining health facilities that have become part of their mandate with the enactment of the 1991 Local Government Code. One such service pertains to interventions in early childhood care and development in the first 1,000 days of life to prevent malnutrition among young children. As this issue reveals, health and nutrition programs for vulnerable children are deficient at the local level, such as in Northern Samar, Western Samar, and Zamboanga del Norte, owing to their LGUs' lack of sufficient financial resources and low prioritization of health and nutrition amid competing priorities. The same study also reveals the need to address the limited number of health workers in these parts, which was earlier discussed in this note, and the meager remuneration given to regular health personnel and volunteers despite the heavy workload.

This issue also underscores the importance of social protection, such as social insurance, in these difficult times. The pandemic has created a health emergency with dire socioeconomic consequences, especially for the poor and the marginalized. Strengthening social protection is essential to mitigate the adverse impacts of this crisis. Compared to men, women are disadvantaged, as many of them are not in the formal labor force but working as private household workers, unpaid family workers, and self-employed. In terms of the national health insurance program, the protection it provides against healthcare costs appears inadequate as there is still a high level of out-of-pocket expenses incurred by enrolled individuals. Most affected are the vulnerable sectors, such as low-income households and senior citizens.

Completing this issue is an article that discusses the need for more specific data on the socioeconomic profiles of agricultural workers in designing productivity-enhancing and social safety net programs for rural communities. We also feature an infographic on the Philippine services sector, which encompasses a diverse range of industries, from retail and business services to education and health. We derived the data in making this infographic from a study conducted by PIDS before the pandemic. As we move toward the post-COVID era, the landscape and nature of these service industries will undoubtedly change in response to the new normal. **SVS**

About DRN

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