



Social Protection in the Philippines: Insights and Lessons from PIDS Studies

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OUTLINE OF PRESENTATION

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Nature, Objectives, and Framework

02

Social Protection Floor Initiatives:

- Social Health Insurance
- Income Security for Children
- Income Security for the Elderly
- Income Security for Working-Age Population

03

Labor Market Interventions

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Poverty Alleviation

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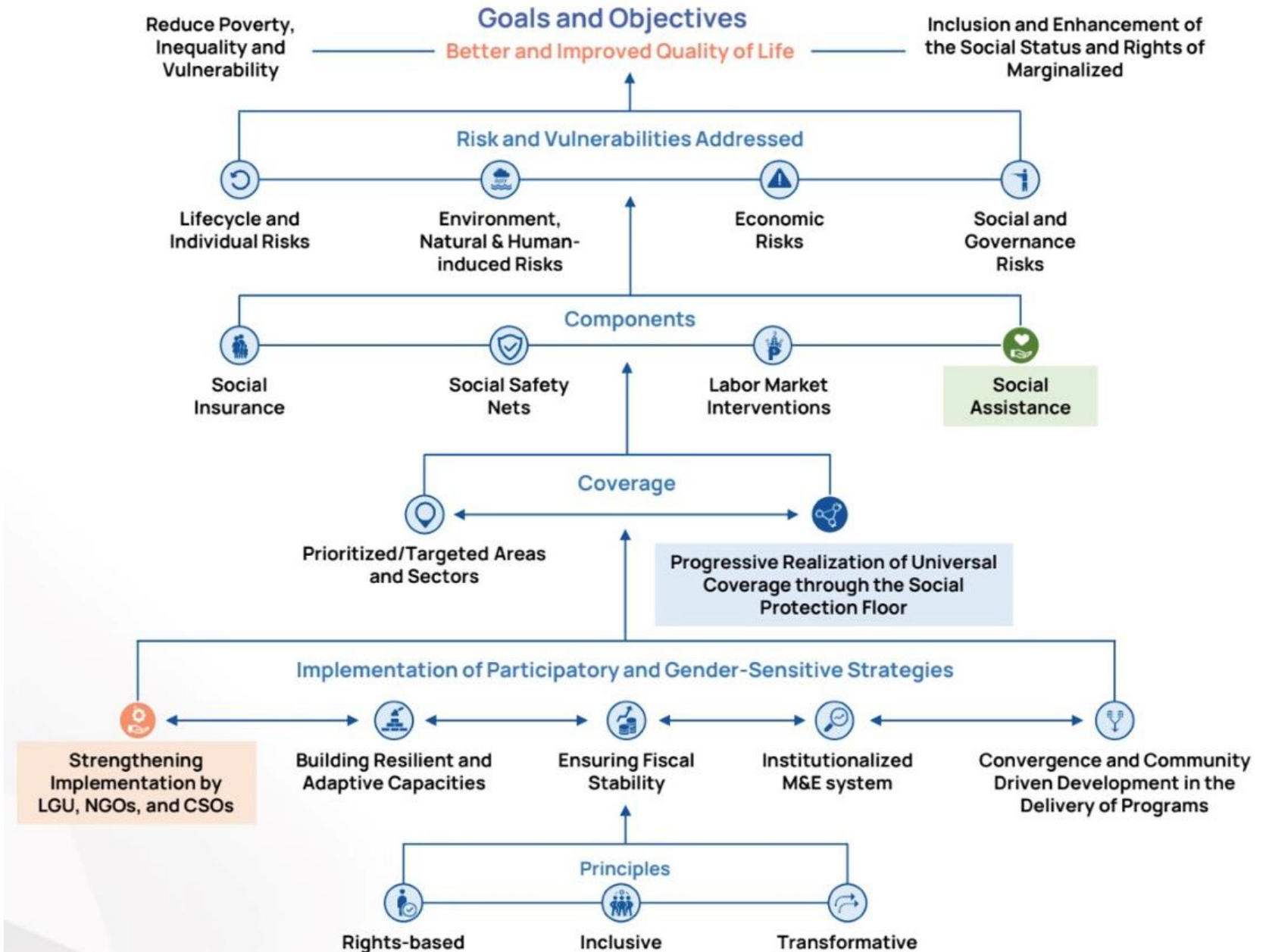
Concluding Remarks

Social Protection: Nature and Objectives

“Social Protection constitutes policies and programs that **seek to reduce poverty, inequality 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 2007)

Enhanced Social Protection Operational Framework of the Philippines

(Approved by the SDC in February 2019)



Social Health Insurance

Population Coverage

PhilHealth Estimate

- 89% in 2021, 90% in 2019, 93% in 2017, 87% in 2014; slowdown during the pandemic
- 2021: 37% indirect contributors (indigent, seniors, sponsored)

NDHS Estimate

- Health insurance increase from 42.0% in 2008 to 63% in 2013 and 68% in 2017 (NDHS)
- PhilHealth increased coverage from 38% in 2008, 60% in 2013, and 66% in 2017 (NDHS); mainly from automatic enrollment in PhilHealth of all Pantawid beneficiaries starting in 2011 but stopped growing upon reaching 4 million since 2014
- Coverage by socioeconomic class: PhilHealth: L 59.0%; LM 60.6%; M 62.1; UM 68.2%, H 79.2% (NDHS 2017)

PhilHealth Coverage

Year	Beneficiaries	Population	%Covered
2021	98,030,269	110,198,654	89
2020	95,999,756	109,956,016	87
2019	97,750,573	108,099,455	90
2017	96,973,681	104,519,910	93
2015	93,445,053	101,449,681	92
2014	86,224,256	99,558,078	87

Source: PhilHealth (various years) Stats and Charts

Social Health Insurance

Services Coverage



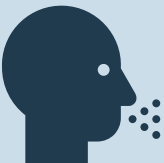
PhilHealth Report



Providers (health facilities, health professionals)



By member type and characteristics



By illness; no reference to total illness incidence

Uy et al. (2021)



Hospital- and inpatient-care-centric despite UHC's strong primary care focus; need to expand primary care benefits



Inequitable concentration of payment in NCR and Luzon (60%) that is home to 63% of licensed hospitals



Leverage power of PhilHealth as national strategic purchaser to promote primary health care and formation of service delivery networks

Social Health Insurance

Financial Coverage



PhilHealth Report

Expense by member type; need financial coverage by illness

Uy et al. (2021)

“Muted” financial coverage with high reliance on household out-of-pocket spending (44.7% of total health expenditures)

Summary

Statutory universal coverage is mostly achieved; the challenge is on improving service coverage, financial risk protection, and equity

Abrigo (2020)

- Benefits payments progressive
- Net contributors in early teens to mid-30s but net beneficiaries for a large portion of their life, starting in their late 50s
- Lower socioeconomic class transition earlier into a net beneficiary status
- Surpluses from higher-income individuals may not be sufficient to cover projected deficits

Income security for children



PANTAWID PAMILYA PROGRAM

4Ps as the primary intervention; impact not on current but the future income of children

- **Consistent positive effect on school attendance**, particularly for older students; still no assessment on the impact on learning (Orbeta, Melad, Araos, 2020)
- **Positive impact on health care utilization** but the impact on nutrition is mixed (Orbeta, Melad, Araos, 2020)
- 4Ps with social health insurance **induce greater hospital visits** (Abrigo and Paqueo, 2019)
- Distance and quality of education and health facilities matters (Abrigo, Astilla-Magoncia, Tam, forthcoming)
- 4Ps provide some **protection against supply-side limitations** (Abrigo, Astilla-Magoncia, Tam, forthcoming)



SCHOOL FEEDING PROGRAM

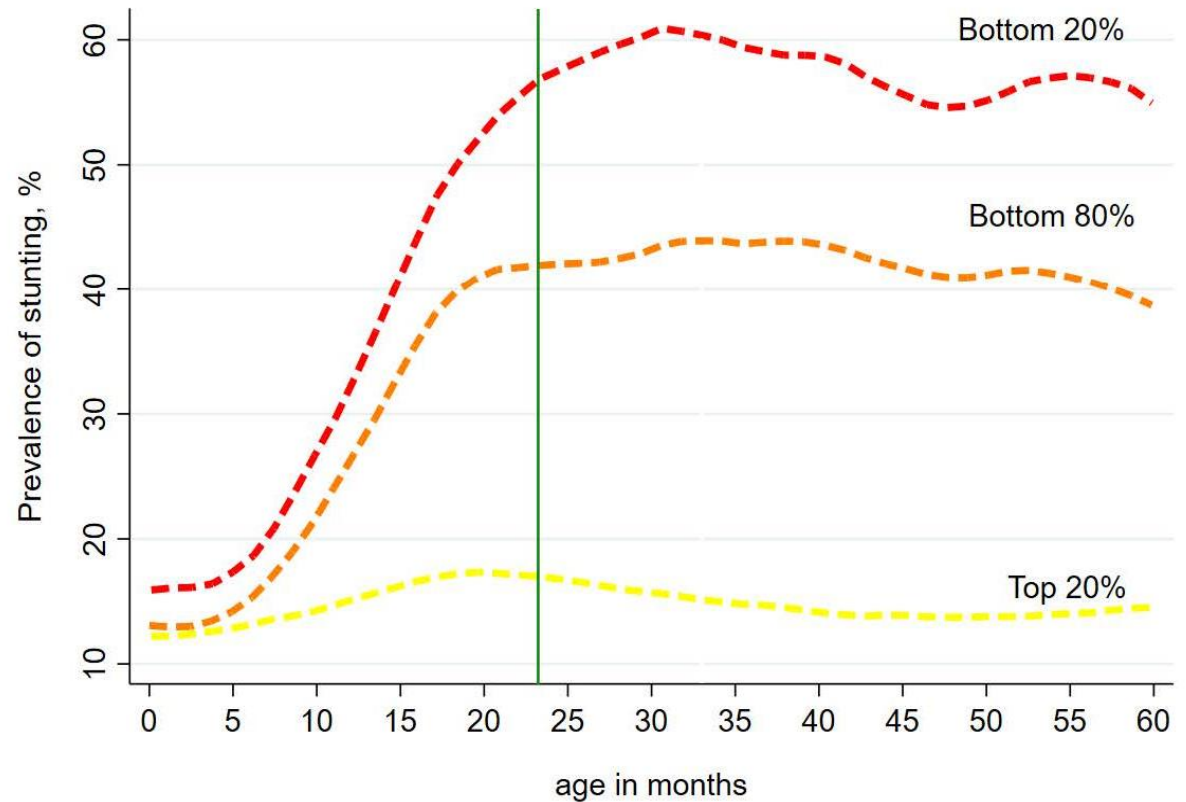
School feeding programs improve the attentiveness and sociability of beneficiary pupils; but nutritional gains from feeding programs are not sustained beyond the 100-120 day feeding cycle (Tabunda et al., 2016)



Income security for children

Chronic malnutrition develops in the first 1000 days of life; requiring strategic interventions for children between 6-24 months of age (Ulep 2021)

Prevalence of stunting, by age and socio-economic status



Source: Ulep, 2021

Income security for the elderly



Contributory Pensions (SSS and GSIS)

- Benefits need to be in synch with premiums
- Treat as private funds owned by members rather than public funds used to finance public objectives
- Funding is more assured with commensurate beneficiary contribution and sovereign guarantee

(Orbeta 2010, 2018)

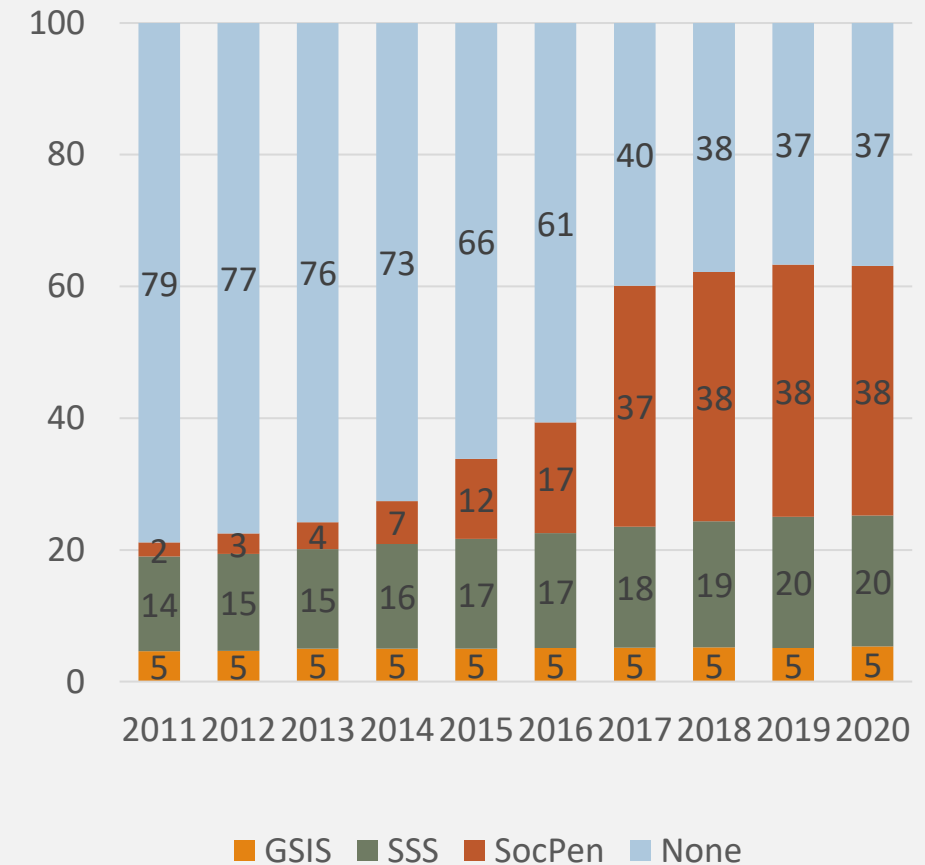


Non-contributory Pensions (Uniformed Personnel)

- Benefits need to be weighed against the fiscal burden
- Fiscal burden may be unsustainable (Orbeta, 2010; Debuque-Gonzales, Diokno-Sicat, 2022)

Income security for the elderly: Social Pension

- Albert et al. (2021)
 - Has considerably increased the reach of old-age pensions in the country
 - Inclusion, exclusion, and targeting errors persist, even after recent 2018-2020 validation of lists of program beneficiaries.
 - Viewed positively by both implementers and beneficiaries, even if the current cash assistance is measly: it is just less than a tenth (7.5%) of the average expenditures on food and health of the bottom half of the per capita income distribution (according to the most recent publicly available data from the FIES).
 - Adopt strategic policy actions, such as strengthening monitoring and evaluation mechanisms and relinking the definition of indigency to senior citizens' income levels to prevent system gaming.
 - Considerably increase the current number of staff managing SocPen given the workload for implementing the program.
- Amounts and frequency of payout need to be revisited (Reyes et al., 2019)
- The expansion increased coverage by 16 pp; shifted the demand of health care upwards (Abrigo, Halliday, Molina, 2019)
- Need more funding assurance (Orbeta, 2018)



Source: Albert et al. (2021)

Income security for working-age population

Risks/ Contingencies	Formal Sector Workers				Unemployed, Spouse, Dependent Children
	Government		Private (Domestic)	OFW	
	Civilian	Military			
Old age/ Retirement	GSIS	AFP-RSBS\1	SSS	SSS	SSS/Private
Maternity	GSIS		SSS		
Disability	GSIS, ECC		SSS, ECC	SSS, ECC OWWA	SSS/Private
Death / Survivorship	GSIS, ECC, HDMF (Pag-IBIG)	AFP-RSBS\1	SSS, ECC	SSS, ECC OWWA	SSS/Private
Separation/ Unemployment	GSIS	AFP-RSBS\1	SSS		
Sickness /Health	PhilHealth	PhilHealth	PhilHealth, SSS, ECC	PhilHealth, SSS, ECC OWWA	PhilHealth Private insurers (voluntary)
Funeral	GSIS, ECC	PVOA	SSS, ECC	SSS, ECC OWWA	
Life insurance	GSIS (compulsory plus optional), Private insurers (voluntary)	Private insurers (voluntary)	Private insurers (voluntary)	SSS, OWWA, Private insurers (voluntary)	Private insurers (voluntary)
Mutual Fund / Provident Fund	GSIS(optional), institution-based, HDMF (Pag-IBIG)	AFP-RSBS\1, HDMF (Pag-IBIG)	HDMF(Pag-IBIG), institution-based	SSS, HDMF (Pag-IBIG)	HDMF (Pag-IBIG) (voluntary)
Lending program	GSIS (salary, emergency, policy, housing), HDMF(Pag-IBIG)		SSS (salary, emergency, housing), HDMF (Pag-IBIG)	SSS, OWWA	

Laws cover almost every risk and cohort

Income security for working-age population

- **Actual coverage is far from universal**
- Only around half of private-sector employees are contributing
- Discriminates against women (Bayudan-Dacuycuy et al., 2021); Low coverage for own account and OFWs (Tabuga et al., 2021)
- Need for the appropriate design for evolving nature of work, e.g., platform work (Bayudan-Dacuycuy, et al., 2020, 2021)

Estimated SSS Coverage of Private Sector Workers

Year	Contributing SSS Members (000)			Workers (000)			Estimated Coverage (%)		
	Employees	Voluntary	OFWs	Private wage & salary workers	Own account	OFW Deployed	Private wage & salary workers	Own account	OFW Deployed
	[a]	[b]	[c]	[d]	[e]	[f]	[a]/[d]	[b]/[e]	[c]/[f]
2000	5,519	1,343	89	11,534	10,471	842	48	13	11
2005	6,034	1,463	112	16,438	12,263	989	37	12	11
2010	7,339	2,038	248	16,857	12,406	1,471	44	16	17
2011	7,666	2,050	273	18,078	12,604	1,688	42	16	16
2012	8,195	2,376	333	18,609	11,979	1,802	44	20	18
2013	8,624	2,550	403	19,191	12,178	1,836	45	21	22
2014	9,136	2,686	437	19,498	12,112	1,833	47	22	24
2015	9,753	2,966	470	20,264	12,370	1,844	48	24	25
2016	10,466	3,225	516	21,967	12,840	NA	48	25	NA
2017	11,142	3,604	591	22,341	13,190	NA	50	27	NA
2018	12,277	3,693	549	22,853	12,398	NA	54	30	NA

Training (Orbeta and Corpus, 2021)

Perspective of trainers and employers

- Financing determines demand and viability (e.g., allowance while on training)
- Misconceptions about TVET affect the training demand of trainees and trainers' supply
- Concern about the quality of training schools, trainers, and assessors
- Perception about training content (e.g., lack of soft skills such as communications skills, workplace discipline) and training regulations are not up to date with current industry practices or technologies
- Capacity for flexible learning delivery during the COVID-19 pandemic

Perspective of Trainees

- The issue with financing (e.g., allowance while on training)
- Information dissemination on training opportunities
- Provision of labor market information and employment facilitation
- Remote learning access

EMPLOYMENT GENERATION PROGRAMS

- Cost per generated employment is very high (Manasan, 2010)
- Coverage of identified beneficiaries is low (Manasan, 2010)
- Employment impact is “transitory and short-term” (Ballesteros and Israel, 2014)
- Job fairs do not increase overall employment but encourage the move towards the formal sector (Beam, 2016)
- SPES found its target of “relatively poor” beneficiaries; does not affect work readiness but increases confidence in finding a job; a costly way of preventing a dropout, and the small impact on employment makes it a costly way of generating employment (Beam, 2017)

WAGE-SUBSIDY

- No documented experience

Labor Market Interventions:

Strengthening Unemployment Insurance



Objective

Improve income security rather than protect current jobs



Strategy

Unemployment insurance with strong assistance to find the next employment

CURRENT PROGRAM

- SSS for members (private) (2019); GSIS for government
- 50% of creditable salary credit, for 2 months
- Severance pay – one-month pay or at least one-month pay for every year of service, whichever is higher (Labor Code PD 442)
- For PAG-IBIG members loan up to 80% of accumulated savings
- Job facilitation at the Public Employment Service Office (PESO)
- Fragmented
- No re-employment assistance

QUIMBO PROPOSAL

- Compulsory for formally employed, voluntary for self-employed and informal sector
- Contribution from government, employer, and employee
- 80% of salary, up to 3 months
- Include training, training allowance, and job counselling
- SSS for the first 5 years, Job Insurance Corporation (“PhilJobs”) after
- Endowment fund to subsidize premium contribution of workers and employers for first year as an economic stimulus
- Reserve fund for intertemporal risk pooling

Disaster-Related Response

(Domingo and colleagues, various years)



Have an enabling law Philippine Disaster Risk Reduction and Management Act (RA 10121)



Have a DRRM Plan (at least for 2011-2018); needs updating



Leadership needs to be clarified



Considerable DRRM Fund (Calamity Fund) unutilized because of confusing authorization



Improving and utilizing available information or better targeting and disaster resilience capacity building

Poverty Alleviation

Role of Multiple-Intervention Programs



Consistent good performance of multiple-intervention (“Graduation”) programs compared to single-intervention programs, particularly for the ultra-poor



Highlights the weakness of single intervention programs (e.g., credit, training, coaching, consumption subsidy, health insurance)



Recognizes the many and simultaneous challenges the poor are facing



Consistent with the convergence strategy in the SP framework



High cost of intervention challenge



Learnings from COVID-19



Importance of built-up systems in rapid response (e.g., 4Ps information and payment systems, Melad, Araos, Orbeta, 2021)



Need active labor market policies to reskill (Gonzales, Epetia, and Corpus, forthcoming)



Interoperable databases are vital in crafting effective and timely policies (Reyes, et al., 2022)



Impacts are uneven across socioeconomic classes (e.g., remote learning in Education (Orbeta, 2021); insurance claims (Uy et al., 2021)) and demand for health care of vulnerable groups (e.g., seniors, children, Ulep 2021)



Granular data needed for effective data-driven responses (Reyes et al., 2022)

CONCLUDING REMARKS

01

Mind the critical elements of risk pooling mechanisms: premium vs benefits; information asymmetry; moral hazard

02

Short versus long-term objectives

03

Built-in monitoring, evaluation, and learning particularly for direct interventions

04

Cost-benefit analysis of alternative provisions

05

Mind the sustainability of unfunded mandates

06

Statutory universal coverage is mostly achieved; the challenge is on improving actual coverage and improving efficiency

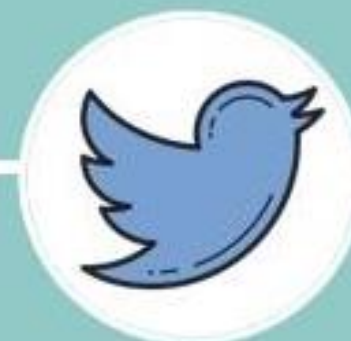
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