

SOCIAL PROTECTION AND EMPLOYERS

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1. The presentations in session 5 clearly demonstrated the link between social protection and employment opportunities, including the creation of new enterprises and development of skills:

- Thailand's Universal Coverage Scheme has a salutary effect on economic growth, household consumption, government consumption, import/export, and productivity, all contributing positively to the Thai economy.

- Brazil's Bolsa Verde is an effective platform in empowering poor families in preserving the environment where they depend for their livelihood, sustenance and survival.

- India's LabourNet is an excellent example of a social enterprise that creates sustainable benefits for workers in the informal sector by deploying an end-to-end wholistic solution such as registration, social security, skill enhancements, job linkages, and social inclusion. The beauty of LabourNet lies in its ability to tap the potentials of workers in informal sector and providing them concrete opportunities for skills acquisition and skills upgrading so that they become more employable and better prepared for subsequent absorption in the semi-formal and formal labor markets, where the pay is higher and working conditions are better.

- Indonesia's public works program as an effective tool to generate temporary employment as part of fiscal stimulus. The analysis of Emma shows that public works program and cash transfer can exist side by side.

2. In more concrete terms, Social Protection should result to greater opportunities, higher standards, and better quality of life being made available to more of a country's citizens especially the poor, marginalized and underprivileged. If social protection interventions do not bring about these impacts, then social protection fails. If social protection is designed as a dole-out, then it promotes and engenders a culture of dependence. This is a culture which I suppose all of us, including the private sector where I identify myself with, reject.

3. Let me now segue into the role of the private sector, specifically business and employers, in social protection. Social protection is a concept not entirely alien to business. Social protection is in many respects embedded in Corporate Social Responsibility. Through CSR, business provides and delivers support and services to some of the sectors which are the target beneficiaries of social protection. These include the transient poor and chronic poor. The interventions of business through CSR are normally in the areas of education, health, livelihood and entrepreneurship, and environment. Business delivers the wide array of services, assistance and interventions by initiating and synergizing partnerships from different sectors, managing projects prudently and leveraging funds. The objective is to promote corporate citizenship as a model for poverty reduction by working with the communities to enhance the impact of the business sector's contribution in poverty reduction and environmental sustainability.

4. With your indulgence, I would like to share with you something more specific and within my territorial jurisdiction. As of 2011, there are 820,255 business enterprises operating in the Philippines. Of these, 99.6% are micro, small and medium enterprises (MSMEs) and the remaining 0.4 % are large enterprises. MSMEs generated a total of 3,872,406 jobs in 2011 vs 2,473,336 for the large enterprises. This indicates that MSMEs contributed 61% of the total jobs generated by all types of business establishments that year. I suppose the situation in many other developing countries is similar to the Philippines where MSMEs predominate.

5. It is in the MSME sector where the beneficiaries of social protection have greater chances of employment. Absent the requisite sophisticated skills and educational attainment, they will certainly find it difficult to be absorbed by large enterprises. One way of maximizing the potentials of MSMEs in so far as profitability and sustainability are concerned is their active involvement and full integration in the value-chain (forward and backward linkages, as economists call them). This is where the private or business sector could come in with its expertise in providing or leveraging access to financing, credit, or capital; developing and identifying markets for products; transferring technology; providing management training; and promoting safety and health.

6. In session 3, the Malaysian panel member ended his presentation by saying that "employment is the best form of social protection." Rightly so because employment provides income security.

7. Private sector must be included in mapping out full anti-poverty program. The imperative is inclusive, not exclusionary growth. Business and government need to work together to identify areas that offer higher levels of employment and income to people.

8. Even if we build the infrastructure that we need in a non-inclusive growth environment, only the rich and educated will benefit the most as they will know how to use them properly and productively, unlike the poor and uneducated. Only the educated or the entrepreneurs or the professionals would benefit from this kind of economic growth, leading to income inequality where the rich gets richer and the poor poorer.