

ABND in the Philippines:

Summary of the Core Group (CG) Meeting

04 September 2015

Participants

1. Bureau of Workers with Special Concerns (BWSC), Department of Labor and Employment (DOLE): Ahmma Charisma Satumba, Cyrus C. Policarpio
2. Planning Service, DOLE: Adeline de Castro
3. Coalition of Services of the Elderly (COSE): Aura Sevilla
4. Department of Budget and Management (DBM): May L. Pinga
5. Department of Social Welfare and Development (DSWD): Bonn Michael Canoza
6. Employees' Compensation Commission, DOLE: Riza Daguplo
7. Employers Confederation of the Philippines (ECOP): Robert Ela
8. Federation of Free Workers (FFW): Julius Cainglet
9. Government Service Insurance System (GSIS): Mario Q. Ang
10. International Labour Organization (ILO): Ma. Lourdes Macapanpan, Katharina Bollig, Anne-Lore Fraikin
11. National Anti-Poverty Commission (NAPC): Lian Rivera
12. Philippine Statistics Authority (PSA): Charles Miraflores
13. United Nations Children's Fund (UNICEF): Augusto Rodriguez

Overview

On September 4, a Core Group meeting, chaired by the Department of Labour and Employment (DOLE), was held as part of the ABND exercise that is currently being conducted in the country. The objective of the meeting was to further develop the existing draft scenarios of the recommendations to be costed, in preparation for a final costing workshop, to be conducted on September 28 and 29.

The Core Group briefly reviewed and validated the revised assessment matrix, including inputs from sectoral consultations, as well as assessed the scenarios for costing, which were developed during the RAP workshop in June. The scenarios were further enriched and the various costing methods, including their data requirements, were discussed. The costing of scenarios is conducted in the Rapid Assessment Protocol (RAP), an ILO costing model aimed at providing preliminary cost projections of proposed amendments to the current social protection schemes in the Philippines. The scenarios were discussed according to social protection floor (SPF) guarantees and schemes.

SPF 1 – Health

PhilHealth

Subsidize social insurance premiums for the informal sector by the government

- The questions on how to define the informal sector, and whether to provide a subsidy to all workers in the informal sector, were raised. It was agreed that the subsidy should target primarily vulnerable and poor informal sector workers, who could be defined using vulnerable employment and working poverty according to specific industries and occupations as proxies. The Labor Force Survey (LFS) data includes vulnerable employment, defined as self-employed workers and family workers without pay. The data will be further disaggregated by industry and occupation in order to arrive with an estimated number and/or rate of vulnerable informal sector workers. Another, data source is the merged Family Income and Expenditure Survey (FIES)-LFS, which can be used working poverty numbers/rate by basic sector to arrive with an estimated number and/or rate of vulnerable informal sector workers.
- Additionally, the question on whether a full subsidy of 100% should be provided by the government, or whether only a certain share of the PhilHealth premium should be subsidized. It was decided to conduct the costing for a 50%, 80% and 100% subsidy.

SPF 2 – Children

Pantawid Pamilyang Pilipino Program (4Ps)

For the 4Ps, various recommendations will be costed, the priority will be given to the increase in the benefit amounts, followed by an increase in coverage.

Increase the health and education grants

- The specific amounts were not set during the meeting, but options include an increase of the health and education grant by a fixed amount, and/or indexing the amounts on inflation.
- It was mentioned that DSWD is already discussing a potential increase in benefit amounts internally, however, no specific amounts were set yet.
- It was pointed out that data on the age breakdown of current 4Ps beneficiaries would be needed to cost such scenarios. The data will be provided by DSWD.

Expand coverage

- Regarding the coverage, it was pointed out that priority should be given to cover more than three children per household (if applicable), as currently, the education grant is limited to three children per household. In the scenario for costing, all eligible children in 4Ps beneficiary households would receive the benefits.

- Secondly, it was discussed that the number of households covered by the 4Ps should be increased, as not all households meeting the criteria are included in the programme yet.
- In order to cost such scenarios, data on the age breakdown of current 4Ps beneficiaries, the average household size of 4Ps beneficiary households and the average age of children in these households, is needed. Additionally, data on how many households, included in the NHTS-PR and meeting the eligibility criteria, are not covered yet, should be provided.

Provide a fortified cereal mix to 6-24 months old children under 4Ps

- It was decided to provide food or cereal vouchers to 4Ps beneficiary families with children aged 6-24 months. The vouchers are meant to be supplied on a monthly basis by FNRI DOST, in partnership with LGUs.
- It was agreed to tentatively set the amount of the voucher at PHP200. However, there is no justification for setting it at this specific amount, and the final amount is yet to be decided in consultation with DSWD.

Supplementary Feeding Program (SPF)

Provide meals to all children in school, for the whole school year, instead of only 120 feeding days

- It was mentioned that the cost could be determined, based on the cost per day, per student, currently amounting to PHP13-15 for two meals.

SPF 3 – Working Age

Social Security System (SSS)

Introduce an unemployment insurance scheme with job search assistance

- Participants agreed, that a meeting with representatives from DOLE, FFW, ECOP, ILS and ILO should be conducted, in order to come up with specific costing options for this recommendation.
- Generally, for the costing exercise, the focus will be on a job search allowance under the unemployment insurance scheme, while the job search assistance will be excluded from the RAP.
- It was agreed that various benefit replacement rates, i.e. 45%, 60% and 90%, and time periods for payment, i.e. 3 to 6 months, will be considered in the model.

Partly subsidize social insurance premiums for the workers in the informal sector, by the national government

- This recommendation was made by the Social Security Commission (SSC) under the SSS, and still needs to be validated with the involved stakeholders.
- The subsidy should be targeted at low-income informal sector workers, earning less than PHP8,500.
- During the meeting it was not decided how big the subsidy from the national government would be.

Technical Education and Skills Development Authority (TESDA)

Provide a daily sustenance allowance to low-income people enrolled under TESDA

- The amount of the daily sustenance allowance was not decided, however options, such as a share or multiple of the poverty line or minimum wage, were discussed.
- Moreover, it remains to be agreed upon, how to define low-income trainees. The most feasible options would be to target enrollees living below the poverty line.
- Another option that came up in previous discussions, namely to provide TESDA trainees under the DTS programme with a minimum wage and social security coverage, was not discussed.

Employment Guarantee Scheme

Introduce a guaranteed employment scheme, providing wage-employment for a defined number of days per year

- In order to develop a specific scenario for this recommendation, examples and experiences from other countries, such as India and Bangladesh, were cited.
- Furthermore, the specifics of an employment guarantee scheme were explained, for instance that it is not a social safety net, only employed during emergencies, but a regular all-year-round programme.
- It follows that a new scheme should be introduced, rather than including it under an existing scheme, such as Community-Based Employment Program (CBEP), which is by its definition a monitoring and reporting system, mainly used for emergency employment programmes.
- It was decided to proceed with the costing of an employment scheme, guaranteeing 50 to 100 days of employment, with the specific number yet to be defined. The scheme should target unemployed and underemployed primarily, specifically the ones in low-skilled and low-paid occupations and industries. Beneficiaries of the scheme would do manual, mainly infrastructural, work, and be paid according to the applicable minimum wage. By paying at the minimum wage level, such a scheme could even improve the bargaining position of low-paid workers not employed under the scheme, as it provides them with an alternative way of temporary employment.

- Furthermore, it was elucidated that social insurance benefits and an allowance, in case the state fails to provide employment within a certain period of time, should be considered in designing the programme. That is, if the government fails to provide employment within for example 15 days, the beneficiary will be paid 30% of the minimum wage for 30 days. If even after 30 no employment is provided, the applicant will receive 50% of the minimum wage for the days without employment, up to 100 days.

SPF 4 – Elderly

Social Pension for Indigent Senior Citizens

Increase the present amount of social pension for the elderly and index the benefits on inflation

- It was decided to cost various scenarios, wherein the pension amount provided to the pensioner differs. The lower option will constitute a benefit amount of PHP750, while the higher option amounts to PHP1,500. Moreover, benefit amounts will be costed as indexed on inflation.
- Additionally, it is assumed that from 2016 onwards, all eligible elderly, aged 60 years and above will be covered.

Extend the coverage of the social pension to cover more elderly, who are not receiving any pension income

- As currently only a small share of elderly receive any kind of pension income in the country, COSE developed various options on increasing the coverage. These options include among others:
 - Redesign the current social pension and extend coverage to all senior citizens aged 60 years and above for universal coverage.
 - Develop a universal scheme limited older people above a certain age (e.g. those 70 years and over); and employ a means test for 60 to 70 year olds.
 - Target all elderly aged 60/65 and above and use some form of pensions test, i.e. senior citizens receiving a contributory pension from SSS/ GSIS are not eligible for universal pension.
 - Target all elderly aged 60/65 and above and use a pension test with taper, wherein SSS/GSIS pensioners are not excluded completely, but the amount of the social pension tapers away, as the other pension income increases.
- It was agreed, that COSE would share its preliminary costing, so that various elements could be integrated into the RAP model.
- It was not decided by the Core Group whether all options proposed by COSE will be included in the assessment matrix and RAP model, or only selected ones.

Other Vulnerable Groups

Persons with Disabilities (PWDs)

Provide a disability allowance to all PWDs, not receiving any other support from social insurance schemes

- As proposed during previous meetings, PWDs, who do not receive any allowance for SSS or GSIS, should be provided with a disability pension, inclusive of care-giver allowance, amounting to PHP2000/3000/4000 per month.
- It was agreed to cost these scenarios, however, the concern was raised that the proposed amounts might be too high, given that the social pension currently only provides PHP500 to beneficiaries.

Participants discuss different options for the costing of recommendations



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