

## SOCIAL PROTECTION IN ASIA: PHILIPPINES

### Establishing a social protection floor for all, especially the poor and vulnerable



#### Key country indicators

Population: 100 million (ILO | 2014)

Social protection expenditure: 1.6% of GDP (ILO | 2012)

Health insurance coverage: 82.0% (PhilHealth | 2014)

Poverty rate: 24.9% (Philippine Statistics Authority | 2013)

#### Social protection situation in the Philippines

Formal sector workers in the Philippines enjoy social security coverage through the national Social Security System (SSS) and the Government Service Insurance System (GSIS), which provide work injury, sickness, disability, maternity, retirement, and death benefits. SSS prioritizes the expansion of coverage to include the informal sector, through innovative saving mechanisms such as *AlkanSSSy*, which allows people to pay premiums whenever they can.

In 1995, the National Health Insurance Act was passed, which aims to provide equitable access to quality health care to all people. The National Health Insurance System, better known as PhilHealth, has been established to implement universal health care by 2016. PhilHealth targets poor and vulnerable people by subsidizing premiums through its Indigent and Sponsored programmes.

In 2007, the government adopted an official definition of social protection with four components, i.e. social insurance, social welfare, social safety nets, and labour market interventions. A flagship social welfare scheme is the *Pantawid Pamilyang Pilipino Programme (4Ps)* introduced in 2008, a cash transfer with conditions attached to health and education.



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#### Socio-economic facts that have an impact on the social protection system

- The Philippines has the most unequal income distribution among East Asian middle-income countries.
- General and youth unemployment are high, at 7.1% and 16.6% respectively. Moreover, rapid population growth at a rate of 1.9% is pressurizing the labour market.
- Unemployment is only a small part of the labour market challenges in the country, where vulnerable employment accounts for 38.4% of those employed.
- A strong service sector is prevalent, with 53.4% of total employment in 2013, while a solid industrial base is lacking, with only 15.6%.
- The Philippines is highly vulnerable to natural disasters. On average, 20 typhoons strike the country every year, affecting millions of people and their livelihoods.



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#### Challenges of the social protection system

- There is a need for greater investment in social protection policies, as public social protection expenditure amounts to only 1.6% of GDP.
- Social insurance covers about 34% of the population, with very limited access by informal economy workers and indigenous people. Many eligible people do not contribute to SSS and GSIS, and will not receive pensions upon retirement. Despite high population growth and high unemployment, no unemployment insurance is in place.
- The PhilHealth benefit package excludes preventive care (out-patient benefits and physical check-ups), leading to significant out-of-pocket health expenditures.
- The social protection system is affected by high fragmentation, lack of coordination among agencies, and inefficient targeting mechanisms. Monitoring and evaluation systems require unification to achieve economies of scale.

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### Recent steps towards comprehensive social protection

The government established a system of good governance aimed at achieving inclusive growth through the twin strategy of job creation and poverty reduction.



The development goal is embodied in the President's Social Contract with the Filipino People 2011, the Philippine Development Plan 2011-16, and the supporting sectorial plans.



These include the Philippine Labor and Employment Plan 2011-16, which is governed by the decent work framework, divided into the four pillars of employment, rights at work, social protection, and social dialogue.

Philippines intends to tackle the persistent unequal income distribution and make growth more inclusive. Social protection, through its four components described below, is geared towards achieving improved quality of life for all people; especially the poor, vulnerable and needy.

- Social insurance provides protection against lifecycle risks to people, with a focus on expanding coverage to the informal sector.
- Social welfare schemes follow a convergence strategy to help the poor and vulnerable access different kinds of benefits.
- Social safety nets help displaced workers and survivors of calamities to get back on their feet and rebuild their communities.
- Labour market interventions provide information and services to all people of working age, to facilitate their access to the job market.

Social protection policies and schemes in the Philippines are made more coherent and unified by the Enhanced Social Protection Operational Framework and Strategy (SPOFS) 2012.

### Meet the team at ILO!

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### Joint government and UN collaboration

To ensure that the national aspiration of "Decent Work for All" can be realized and progress towards achieving the Millennium Development Goals can be sustained, the Philippine Government partners with UN agencies under the United Nations Development Assistance Framework (UNDAF) 2012-18. Outcome Group 2 of the UNDAF has the Department of Labor and Employment (DOLE) as its lead convener, and focuses on achieving "Decent and Productive Employment for Sustained, Greener Growth".

### Over the past years the ILO has:

- Assisted the government to conduct an assessment-based national dialogue (ABND) exercise, to define and implement a social protection floor (SPF) in the country (2014-15).
- Conducted a feasibility study of establishing an unemployment insurance scheme for formal sector workers (2009).

### ABND exercise to establish an SPF



An ABND exercise is being conducted in the Philippines, by assessing the social protection, employment promotion and disaster management schemes in the country. The ABND will identify the existing challenges, propose recommendations for implementing the SPOFS and launch a nationally-defined SPF for all people.

**Find out more about the ABND!** [www.social-protection.org/gimi/gess/ShowProject.action?id=2507](http://www.social-protection.org/gimi/gess/ShowProject.action?id=2507)

**View Philippines' social protection profile!** [www.social-protection.org/gimi/gess/ShowCountryProfile.action?id=453](http://www.social-protection.org/gimi/gess/ShowCountryProfile.action?id=453)



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