

Diokno-Sicat, Charlotte Justine; Mariano, Ma. Alma P.

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## A public expenditure review of social protection programs in the Philippines

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DISCUSSION PAPER SERIES NO. 2018-31

# A Public Expenditure Review of Social Protection Programs in the Philippines

*Charlotte Justine Diokno-Sicat and Ma. Alma P. Mariano*



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## CONTACT US:

RESEARCH INFORMATION DEPARTMENT  
Philippine Institute for Development Studies

18th Floor, Three Cyberpod Centris - North Tower  
EDSA corner Quezon Avenue, Quezon City, Philippines

publications@mail.pids.gov.ph  
(+632) 372-1291/(+632) 372-1292

<https://www.pids.gov.ph>

**A Public Expenditure Review of Social Protection  
Programs in the Philippines**

Charlotte Justine Diokno-Sicat  
Ma. Alma P. Mariano

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

December 2018

## **Abstract**

The main economic justification for government provision of social protection is to redistribute income to the poor, marginalized and vulnerable in society. In a developing country such as the Philippines, social protection has been a consistent priority of government. In the recent decade, there was progress in the design and delivery of social protection programs because of the adoption of a social protection strategy and framework to consolidate efforts and better target programs. Evidence of declining poverty incidence and documented improvements in the design and implementation of programs is promising. However, there is still more work to be done in terms of increasing coverage, improving implementation and coherence in social protection (World Bank 2018, 5). This study looks at how much the Philippine government has invested in social protection in recent years. It also discusses social protection programs and documents their evolution and redesign. The review highlights the importance of monitoring and evaluating programs through audits and impact assessments, in the redesign of programs.

## **Keywords:**

**Social protection, social safety nets, social insurance, labor market intervention, implicit subsidy**

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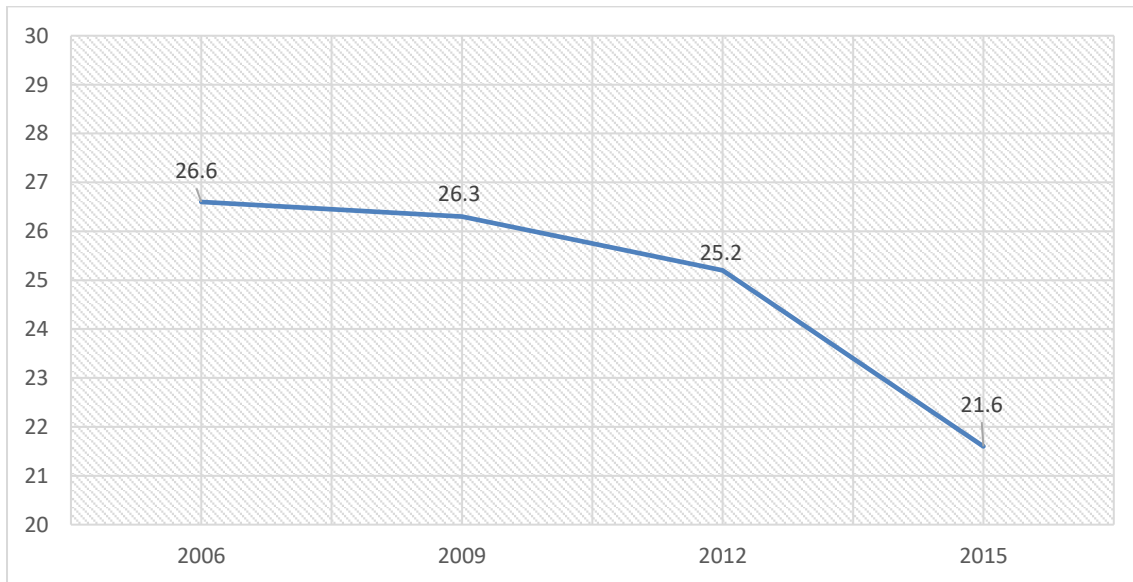
# A public expenditure review of social protection programs in the Philippines

*Charlotte Justine Diokno-Sicat and Ma. Alma P. Mariano<sup>1</sup>*

## 1. Introduction

The main economic justification of government provision of social protection is to redistribute income to help the poor and marginalized in society (Stiglitz and Rosengard 2015). In a developing country such as the Philippines, social protection is a consistent priority of government. In the recent decade, progress in the design and delivery of social protection was made possible by the adoption of a social protection (SP) strategy and operational framework by the National Economic Development Authority (NEDA) National Social Protection and Welfare Program (NSPWP) Cluster (DAP 2009). The objective to consolidate efforts and better target programs through the adoption of this framework has improved public efforts when it was recently found that “the overall level of effort and institutional development is high, with a coherent architecture around the three typical pillars in social protection: social assistance, social insurance and interventions” (World Bank 2018, 5). In addition, declining poverty incidence since 2006 looks promising though this cannot be attributed entirely to social protection policy (Figure 1). Despite this progress, there is still more work to be done in the area.

**Figure 1 Philippine Poverty Incidence, 2006-2015**



Source: Philippine Statistics Authority website (Philippine Statistics Authority 2018)

This study answers the question, “how much does the Philippine government invest in social protection programs?” With the current push of the administration to ‘Build, build, build,’ the expansion of the coverage of the conditional cash transfer program called Pantawid Pamilyang Pilipino Program (4Ps); continued investment in Community-Based programs as well as the recent passing of the first package of the comprehensive tax reform program, Tax Reform for

<sup>1</sup> Research fellow and senior research specialist, respectively, Philippine Institute for Development Studies

Acceleration and Inclusion (TRAIN), it is important to have a comprehensive review of fiscal policy efforts in social protection.

The main objective of this review is to give an overall view of national government social protection expenditures in the Philippines. The study will present public expenditure trends in social protection, give more detail to expenditures of select public sector social protection programs, look at the budget execution of these programs and compare social protection efforts of the Philippines to other countries.

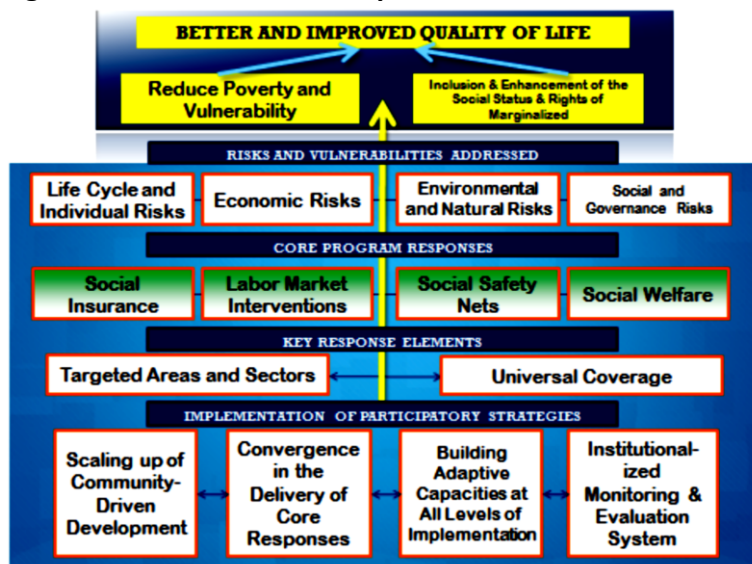
## 2. Social Protection and the Philippine Social Protection System

### 2.1 Defining Social Protection

What is social protection and how is it defined in the Philippines? In 2007, the Philippine government’s NEDA Social Development Committee (SDC)<sup>2</sup> adopted the following official definition of social protection: “social protection constitutes programs and policies that seek to reduce poverty 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” (Villar 2013).

Under the Social Protection Operational Framework, social protection in the Philippines has four (4) main components, namely, labor market interventions, social insurance, social welfare and social safety nets (Figure 2).

**Figure 2. Social Protection Operational Framework and Implementation Strategy**



Source: NEDA SDC 2012 (Villar 2013)

<sup>2</sup> The NEDA Board SDC is composed of the Cabinet level secretaries as members, Department of Labor and Employment (DOLE), NEDA, Exec Secretary, Cabinet secretaries of Department of Agriculture (DA), Department of Education (DepED), Department of the Interior and Local Government (DILG), Department of Agrarian Reform (DAR), Department of Social Welfare and Development (DSWD), Housing and Urban Development Coordinating Council (HUDCC), National Anti-Poverty Commission (NAPC), Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA) as members. Among its function is 1. to coordinate activities of government agencies, 2. recommend appropriate policies and programs, and 3. advises the President and the NEDA Board on matters concerning social development.



Social insurance are contributory programs that seek to mitigate income risks by pooling resources and spreading risks across time and income classes. Beneficiaries pay a premium over a given period, to cover or protect them from loss of income and unemployment as a result of illness, injury, disability, retrenchment, harvest failure, maternity or old age.

Labor market interventions are government measures that enhance employment opportunities in the country and advance Filipino workers’ rights and welfare. Examples of interventions are skills development training, labor and trade policies and agricultural support. The goal is to address the risks of underemployment, unemployment, and loss of income in the country.

Social welfare involves preventive and developmental interventions that seek to support the minimum basic requirements of the poor and reduce risks associated with unemployment, resettlement, marginalization, illness and disability, old age and loss of family care. Social welfare programs are usually direct assistance in the form of cash or in-kind transfers to the poorest and marginalized groups, as well as social services including family and community support, alternative care and referral services.

Social safety nets are non-contributory programs, stop-gap mechanisms or urgent responses that address effects of economic shocks, disasters and calamities on specific vulnerable groups. These are measures that target affected groups with the specific objective of providing relief and transition. Measures include emergency assistance, price subsidies, food programs, employment programs, retraining programs and emergency loans.

In general, social welfare programs, safety nets and labor market interventions are financed by government. Social insurance, on the other hand, is financed by member contributions. All these programs are efforts of the government to provide social protection but differ by sources of financing.

**Table 1. Social Protection Programs by Source of Financing**

Types	Examples	Source of Financing
Labor Market policies and Income to support unemployed	<ul style="list-style-type: none"> <li>• Special employment program for students</li> <li>• Assistance to displaced workers (DOLE-AMP)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-contributory</li> <li>• National government</li> </ul>
Social welfare programs	<ul style="list-style-type: none"> <li>• Cash transfers such as 4Ps</li> </ul>	
Social safety nets	<ul style="list-style-type: none"> <li>• Social Pension for Indigent Senior Citizens (SocPen)</li> </ul>	
Social Insurance	GSIS/SSS	Contributory/member contributions

Source: Author’s classification

## ***2.2 The Philippine Social Protection System and National Government Social Protection Expenditures***

The Philippine social protection system is the overall effort of the government to protect the poor and vulnerable in society and includes all elements of social protection: labor market interventions, social welfare programs, social safety nets, and social insurance. As discussed

above, social welfare programs, social safety nets and labor market interventions are provided by government and financed by national government expenditures<sup>3</sup>.

Social insurance in the Philippines is provided by the following social security institutions (SSIs): (1) Social Security System (SSS); (2) Government Service Insurance System (GSIS); and, (3) the Philippine Health Insurance Corporation (PhilHealth). These SSIs are government corporations and are classified internationally as nonmonetary financial public corporations (IMF 2001). The GSIS and the SSS are responsible for the pension plans of public and private sector employees, respectively, while PhilHealth provides adequate and affordable health insurance. Social insurance in the Philippines is financed by member contributions except for the indigent program of the PhilHealth, for which the national government pays for indigent member contributions.

This review examines a narrower definition of the Philippine social protection system as it considers major social protection programs that require budgetary support from the national government with two exceptions. First, the implicit subsidy given to the NFA in the form of taxes and customs duties exemption (called tax expenditure subsidy in the Philippine budget accounts) is not an expenditure of government *per se* but represents revenue loss of government in providing social protection. Including this would give an idea of the support given by government.

Second, only a portion of the social insurance system is included because SSIs are public corporations which finance operations primarily based on member contributions. It would be misleading to include SSI cash balances or deficits as national government social protection expenditures. The two programs of the social insurance system that will be included in this study are the PhilHealth Indigent Program and the GSIS emergency (calamity) loan. First, the PhilHealth Indigent Program for which the national government gives budgetary support to for indigent member contributions (PhilHealth 2014). Second, is the GSIS emergency (or calamity) loan program which is recognized as a social safety net program available only to members of good standing. It cannot be considered as a public expenditure *per se* since it must be repaid and is based on membership, however, it provides immediate assistance to members who are adversely affected by calamities (GSIS 2018).

**Table 2** compares the coverage of the Philippine social protection system and the narrower Philippine national government social protection expenditures examined in this paper. It tackles only labor market interventions, social welfare with implicit subsidy, social safety nets and elements of social insurance.

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<sup>3</sup> In terms of budgetary classifications, the Philippine social protection system follows the OECD's Classifications of Functions of Government (COFOG) as incorporated in the Philippine government budget and performance reporting system the Unified Account Code Structure (which integrates government financial systems to harmonize simplify and consolidate data structures and apply a consistent set of budgeting and accounting rules and regulations for generating financial and performance reports vis-à-vis plans, policies and targets) (COA-DBM-DOF 2014).

**Table 2. Philippine social protection system versus Philippine national government social protection expenditures**

<b>Philippine</b>	<b>Social Protection System</b>	<b>National Government Social Protection Expenditures</b>
Labor Market Interventions	√	√
Social Welfare Programs	√	√ with NFA Implicit Subsidy
Social safety nets	√	√
Social Insurance	√	Only includes: <ul style="list-style-type: none"> <li>• PhilHealth Indigent Contributions paid by the national government</li> <li>• GSIS Emergency loans</li> </ul>

Source: Author's classification

**Table 3** shows a summary of national government social protection programs to be included in this paper. Though data definitions and caveats will be discussed in more detail later, it is important to note the figures for social assistance programs, except for the NFA implicit subsidy and GSIS emergency loans, are obligation figures.

**Table 3. National Government Social Protection Programs**

<b>Labor Market Interventions</b>	<b>National Government Agency (NGA)</b>
Special Employment Program for Students	Department of Labor and Employment (DOLE)
Education Assistance Program	National Commission on Indigenous Peoples (NCIP)
<b>Social Welfare Programs/Long-term programs</b>	
Livelihood and Self-employment Programs	Department of Social Welfare and Development (DSWD)
Pantawid Pamilyang Pilipino Program	DSWD
Kapit Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services/KALAHI-CIDSS	DSWD
Malusog na Simula, Mayaman na Bansa	DSWD
Supplemental Feeding Program	DSWD
School Based Feeding Program	Department of Education (DepED)
Rice Price Subsidy	National Food Authority (NFA)
Seed and Fertilizer Subsidy	Department of Agriculture (DA)
Family Welfare Program/Workers with Special Concerns	DOLE
Assistance to Displaced Workers – AMP	DOLE
Implicit Subsidy	National Food Authority (NFA)
<b>Social Safety Net (Emergency Response/short term programs)</b>	
Core Shelter Programs	DSWD
Assistance to Individuals in Crisis Situations	DSWD
Katas ng VAT para kay Lolo at Lola; Social Pension for Indigent Sr. Citizens	DSWD
Katas ng VAT Pantawid Kuryente	DSWD
Emergency (Calamity) Loan	Government Service Insurance System (GSIS)
<b>Social Insurance</b>	

PhilHealth Indigent Program	Philippine Health Insurance Corporation (PhilHealth)
-----------------------------	--

### 2.3 Review of the Philippine Social Protection System

Chapter 11 of the Philippine Development Plan 2017-2022 envisions that vulnerabilities of individuals and families be reduced by decreasing people’s exposure to risks and increasing their adaptive capacities. The Plan includes a universal and transformative social protection program for all Filipinos that will build up socioeconomic resilience.

Before the social protection reform agenda was introduced in, social protection was fragmented and underinvested. However, during the reform of the social protection sector, related agencies were required to collaborate regularly with inter-departmental cooperation laying the groundwork under the overall social protection strategy (Villar 2013, DSWD; UNDP; NEDA 2012).

A recent WB paper on Social Protection Review and Assessment did an excellent review of both key Social Protection Programs, the country’s SP Framework and relevance. The six major social protection programs examined were the 4P, PhilHealth, KALAHI-CIDSS, GSIS pension, DOLE Integrated Livelihood and Emergency Employment Programs and DSWDs Sustainable Livelihood Program (World Bank 2018).

It was found that the overall level of effort and institutional development is high, with a coherent architecture around the three typical pillars in social protection: social assistance, social insurance, and labor market interventions (World Bank 2018, 6). Social protection programming was found to be mature across all pillars, was resilient to changes in administration and supported by a serious commitment to SP by the level of spending. In addition, social protection programs, particularly the 4Ps, was believed to be contributory to the observed reduction in poverty and inequality (World Bank 2018). The report, however, also identified the need for improvement in coverage and the coherence of social protection programs.

### 2.4 Data and Methodology

For social protection programs of NGAs, expenditure data is taken from their Financial Accountability Report (FAR 1) that replaced the Statement of Allotment, Obligations and Balances (SAOB) starting 2014 (COA, DBM 2014). Expenditure figures used are obligations (liabilities legally incurred and committed to be paid for by the government either immediately or in the future) of NGAs and though these are different from actual cash outlays, these reflect the best approximation. (Philippine Government 2018). Appropriations are the legal authority of payment out of government funds under specified conditions or for specific purposes (Philippine Government 2018). Allotments, on the other hand, is an authorization issued by the Department of Budget and Management (DBM) to incur/commit obligation for specified amounts contained in legislative appropriations (DBM 2019 BESF, 791).

For government corporations, like the National Food Authority (NFA) and the Philippine Health Insurance Corporation (PhilHealth) the data is taken from financial statements audited by the Commission of Audit (COA), BESF and reports available online.

Other data such as the implicit price index (IPIN), gross domestic product (GDP) and total national government expenditures with and without debt servicing is from the Department of Budget and Management (DBM). All financial figures are reported in Philippine Pesos (PhP).

Data is reported in several ways. First, it is important to control for prices to determine if any nominal increases in expenditure data is due to actual increases in goods and services delivery of government or if it is simply due to inflation. Because of this, data is reported in both nominal and real terms with IPIN deflator with 2000 as the base year.

Second, data is presented as a percent of GDP. Third, data is presented as a share of total national government (NG) expenditures net of debt servicing to see the size of social protection programs relative to the size of government spending. Finally, for departments such as the Department of Social Welfare and Development (DSWD) and the Department of Labor and Employment (DOLE) social protection expenditure data is also reported as a share of department spending.

### **3. National government social protection expenditures**

#### **3.1 Overall**

From 2009-2017, national government social protection expenditures have been following an increasing trend, averaging 0.9% of GDP or approximately 5.9% of national government expenditures<sup>4</sup>. Social welfare programs, including the NFA implicit subsidy, averaged 0.7% of GDP or about 4.7% of national government expenditures (Figure 3, Table 4). For social insurance, the Philippines averaged 0.8% of NG expenditures.

Social welfare programs received the largest portion of social protection expenditures with an average of 73% of total national government social protection expenditures for the period 2009 to 2017 (Table 5). On average, the social welfare sector, through the DSWD, received 61% of total national government social protection expenditures. Of the long-term social welfare programs, the DSWD's Pantawid Pamilyang Pilipino Program (4Ps) received the largest support from the national government for the period 2009-2017 (Table 5).

The agriculture sector (NFA and DA combined), on the other hand, received an average of approximately 9% of national government for the years 2009 to 2017. The NFA, aside from Rice Price Subsidy also receives an implicit or tax expenditure subsidy. This implicit subsidy does not involve any actual release of government funds to the NFA but, rather, represents tax revenue income foregone by the national government.

The Philippine Health Insurance Corporation (PhilHealth) Indigent Program received the next largest share of total national government social protection expenditures peaking in 2010 and 2013-2014.

Social safety nets followed in terms of share of which *Katas ng VAT Para kay Lolo at Lola* that was later changed to Social Pension for Indigent Senior Citizens (SocPen) got the bulk of budgetary support.

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<sup>4</sup> The 2009 figures include expenditures for programs that were discontinued in that year. These are the Out-of-School Youth Servicing Towards Economic Recovery program of the Department of Public Works and Highways and the Philippine National Police; and, the DSWD's Core Shelter Program, *Katas ng VAT: Pantawid Kuryente*.

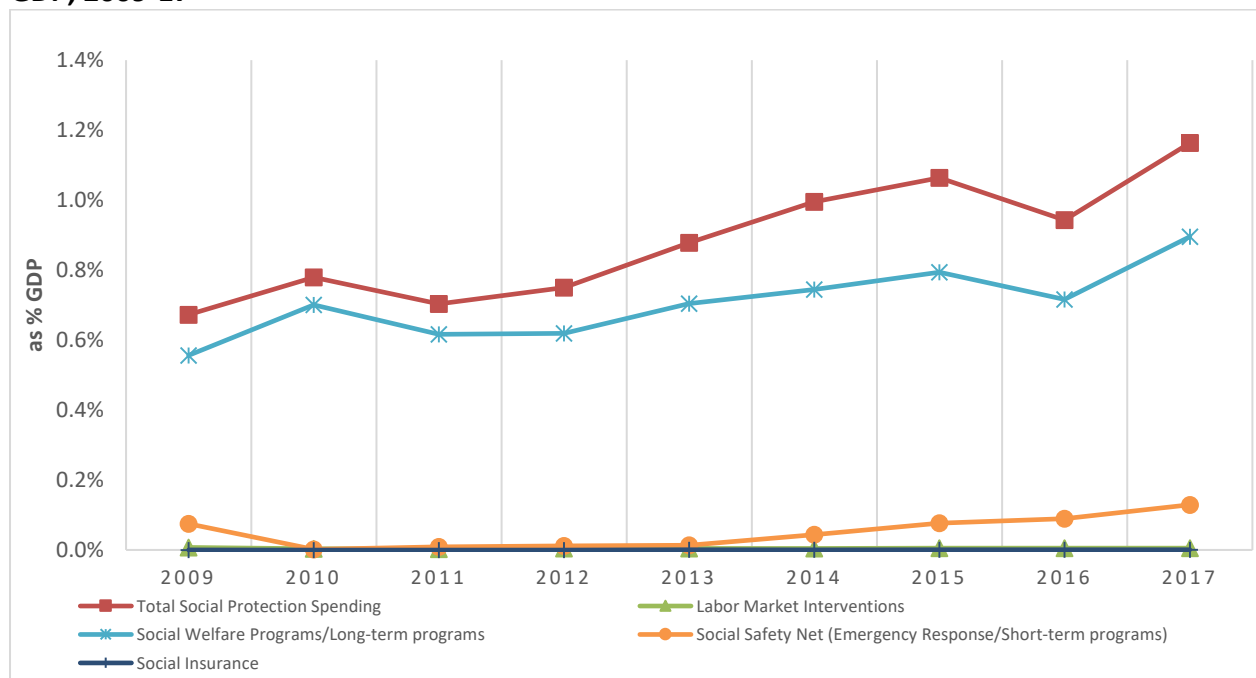
Labor market interventions such as the Special Employment Program for Students (SPES) and the Education Assistance Program (EAP) received the smallest budgetary allocation.

The spikes in 2012-2015, can be attributed to the 86% increase in the Pantawid Program and about 80% increase in the Social Pension program of the Department of Social Welfare and Development (DSWD) (Table 5). Also, in 2013, a marked increase of 49% for PhilHealth in support for the expanded coverage of membership for indigent patients was being introduced in the legislated RA 10606 of the National Health Insurance Act of 2013.

The observed increased expenditure patterns are consistent with a World Bank Philippine Public Expenditure and Financial Accountability (PEFA) Report (2016) that estimated an upward trend in education, health and social protection from 2010-2016 (World Bank 2016). The same report also highlighted the Philippines’ world-class conditional cash transfer program and continuing reforms in public schooling and achieving universal health care.

Similarly, for earlier years, the upward trend of key social protection programs in was also observed by Manasan (Manasan 2009). Though, and as with the World Bank (World Bank 2018) report, the social protection programs included in this public expenditure review might be slightly different, primarily depending on the availability data and continuation of the program, the upward trend in expenditures is commonly reported.

**Figure 3. Philippine National Government Social Protection Expenditures as percent of GDP, 2009-17**



Source: Various Philippine government accounts

**Table 4. National Government Social Protection Expenditures, 2009-2017**

In Nominal terms (in Million Pesos)	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
Total Social Protection Spending	53,975	70,137	65,545	79,704	99,560	131,021	138,611	132,701	179,011	105,585
<i>Labor Market Interventions</i>	575	277	272	455	534	582	707	698	749	539
<i>Social Welfare Programs</i>	44,641	63,073	57,091	65,923	79,501	99,341	102,713	99,847	136,496	83,181
<i>Social Safety Net</i>	5,985	153	843	1,232	1,554	5,540	10,135	12,945	20,483	6,541
<i>Social Insurance</i>	2,773	6,634	7,338	12,095	17,972	25,558	25,056	19,209	21,283	15,324
In Real Terms (2000=100)										
Total Social Protection Spending, in Million Pesos	35,510	44,391	39,966	47,443	58,222	74,444	79,206	74,551	97,289	61,225
<i>Labor Market Interventions</i>	378	176	166	271	312	330	404	392	407	315
<i>Social Welfare Programs</i>	29,369	39,919	34,812	39,240	46,492	56,444	58,693	56,094	74,182	48,361
<i>Social Safety Net</i>	3,937	97	514	733	909	3,148	5,791	7,273	11,132	3,726
<i>Social Insurance</i>	1,824	4,199	4,474	7,199	10,510	14,522	14,318	10,792	11,567	8,823
As % of GDP										
Total Social Protection Spending	0.7	0.8	0.7	0.8	0.9	1.0	1.0	0.9	1.1	<b>0.9</b>
<i>Labor Market Interventions</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Social Welfare Programs</i>	0.6	0.7	0.6	0.6	0.7	0.8	0.8	0.7	0.9	0.7
<i>Social Safety Net</i>	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
<i>Social Insurance</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
As % of NG expenditures										
Total Social Protection Spending	4.7	6.0	5.0	5.3	5.9	7.7	6.6	5.6	5.9	<b>5.9</b>
<i>Labor Market Interventions</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Social Welfare Programs</i>	3.9	5.4	4.4	4.3	4.7	5.9	4.9	4.2	4.5	4.7
<i>Social Safety Net</i>	0.5	0.0	0.1	0.1	0.1	0.3	0.5	0.5	0.7	0.3
<i>Social Insurance</i>	0.2	0.6	0.6	0.8	1.1	1.5	1.2	0.8	0.7	0.8
MEMO ITEMS:										
IPIN deflator (2000=100)	1.52	1.58	1.64	1.68	1.71	1.76	1.75	1.78	1.84	
Nominal GDP (In million pesos)	8,026,143	9,003,480	9,708,333	10,561,089	11,538,410	12,634,187	13,322,041	14,480,720	15,876,921	
NG expenditures (in million pesos)	1,155,280	1,178,733	1,301,021	1,516,182	1,674,942	1,697,877	2,105,277	2,378,361	3,015,123	

Source: Various national government accounts

**Table 5. Share of National Government Social Protection Programs to Total National Government Social Protection Expenditures (in percent), 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
<b>Total Social Protection Spending</b>										
<b>Labor Market Interventions</b>	2	0	0	0	0	1	1	1	0	1
Special Employment Program for Students (DOLE)	2	0	0	0	0	0	0	0	0	0
Education Assistance Program (NCIP)	0	0	0	0	0	0	0	0	0	0
<b>Social Welfare Programs/Long-term programs</b>	<b>68</b>	<b>74</b>	<b>77</b>	<b>79</b>	<b>73</b>	<b>68</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>73</b>
Livelihood and Self-employment Programs	0	0	0	0	2	2	4	6	5	2
Pantawid Pamilyang Pilipino Program (DSWD)	23	41	58	61	63	55	49	51	54	51
Kapit Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services/KALAHI-CIDSS (DSWD)	3	1	5	2	1	2	12	8	8	5
Malusog na Simula, Mayaman na Bansa (DSWD)	3	0	0	0	0	0	0	0	0	0
Supplemental Feeding Program (DSWD)	2	2	8	4	4	4	2	3	3	4
School Based Feeding Program (DepED)	6	0	0	0	0	0	0	0	0	1
Rice Price Subsidy (NFA)	6	0	0	0	0	0	0	0	0	1
Seed and Fertilizer Subsidy (DA)	7	30	7	12	3	4	3	4	3	8
Family Welfare Program/Workers with Special Concern (DOLE)	22	31	14	8	12	0	4	6	5	11
Assistance to Displaced Workers – AMP (DOLE)	0	0	0	0	0	0	0	0	0	0
<b>Social Safety Net (Emergency Response/short term programs)</b>	<b>20</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>13</b>	<b>7</b>
Core Shelter Programs (DSWD)	0	1	0	0	0	0	0	0	0	0
Assistance to Individuals in Crisis Situations (DSWD)	1	0	0	0	0	3	3	4	2	1
Katas ng VAT para kay Lolo at Lola; Social Pension for Indigent Sr. Citizens (DSWD)	1	0	2	2	2	3	5	7	10	4
Katas ng VAT Pantawid Kuryente (DSWD)	12	0	0	0	0	0	0	0	0	1
Out of School Youth Servicing Towards Economic Recovery/OYSTER (PNP)	1	0	0	0	0	0	0	0	0	0
Out of School Youth Servicing Towards Economic Recovery/OYSTER (DPWH)	5	0	0	0	0	0	0	0	0	1
<b>Social Insurance</b>	<b>9</b>	<b>25</b>	<b>20</b>	<b>19</b>	<b>24</b>	<b>26</b>	<b>20</b>	<b>16</b>	<b>13</b>	<b>19</b>
PhilHealth Indigent Program	9	25	20	19	24	26	20	16	13	19

Source: Various national government accounts

\*The 2009 figures include expenditures for programs that were discontinued in that year. These are the Out-of-School Youth Servicing Towards Economic Recovery program of the Department of Public Works and Highways (DPWH) and the Philippine National Police(PNP); and, the DSWD's Core Shelter Program and Katas ng VAT: Pantawid Kuryente.

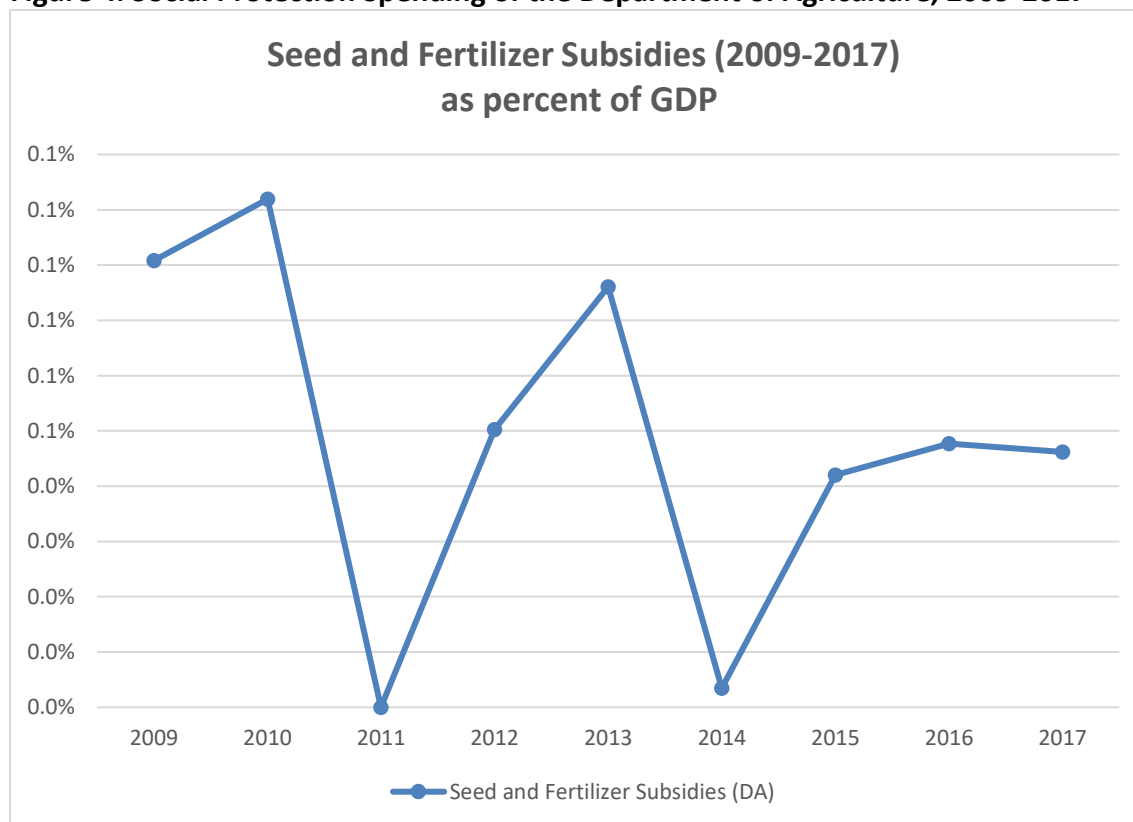


## 3.2 National Government Agency Social Protection Expenditures

### 3.2.1 Department of Agriculture

As one of the mandates of the DA, it has consistently implemented a seed and fertilizer subsidy program. For the period 2009 to 2017, this program averaged 0.1% of GDP, that peaked in 2010 and has been constantly increasing since 2015 (Figure 4).

**Figure 4. Social Protection Spending of the Department of Agriculture, 2009-2017**



Source: Department of Agriculture, FAR 1 report on Production Support Services on the National Rice Program, various years

From 2003 to 2009, the Ginintuang Masaganang Ani (GMA) program was the banner program for agricultural development in the Philippines. It covered all agricultural commodities (crops, livestock and fisheries) of which its seeds and fertilizer program that aimed to achieve food security and alleviate poverty. The program was envisioned based on the Agricultural Fisheries and Modernization Act (AFMA) aimed to strengthen the agriculture and fishery sectors through modernization, greater participation of both small stakeholders and the private sector, food security and self-sufficiency and people empowerment (Republic Act No. 8435 1997).

The GMA program had several components, namely: production support; research and development; irrigation; postharvest; other infrastructure; farm to market roads; extension support such as training, allowance to agriculturalists and devolved personnel. However, one of the challenges, as with any policy, is ensuring the targeted beneficiaries of the program be reached in a timely manner to maximize benefits.

A COA Sectoral performance audit on the rice and fertilizer subsidies program under the Ginintuang Masaganang Ani (GMA) Rice program for DA and NFA reported several irregular findings which led to the eventual redesign of the program (COA 2007). First, fund allocations were not based on needs and were not prioritized on items that would increase rice production. This resulted in only 47% of total allocations obligated for agricultural supplies for FY 2005, missing also the target for FY 2006. In addition, it was found that production was not commensurate to the funds allocated for the purpose.

Second, there was documented failure in the procurement of agricultural supplies. The responsibility of the purchase of agricultural supplies was transferred to non-governmental organizations (NGOs) under the GMA program. Surprisingly, the Department of Agriculture (DA) did not monitor the funds transferred to the NGOs, hence, the amount of Php1 Billion was unliquidated by December 2006. Furthermore, liquidation reports submitted to some regional field units (RFU) of the DA were not supported by accomplishment reports or acknowledgement receipts of farmer-beneficiaries allegedly procured and distributed by the NGOs.

Third, full benefits of increased rice production from both the DA and NFA programs was not realized with resources unutilized wasteful misused because of: (1) delayed distribution of hybrid seeds owing to poor the absence of either required quality test or masterlist of farmer beneficiaries; (2) undistributed insecticides and fertilizers, some of which expired because these were not stored properly; and, (3) negligently locating complementary infrastructure such as Farm to Market roads within the residential areas in the town/barangay proper, thus not directly facilitating movements of farm inputs and outputs from farm sites to the market, which is the purpose of farm to market roads.

Fourth, the COA (2007) report revealed inadequate handling of NFA operations by: (1) poor planning in the determination of the demand for rice; (2) poor handling and storage of rice; (3) lack of enforcement of contracts by accepting deliveries not conforming to contract specifications; (4) poor cost recovery strategy for imported rice; inaccuracies in inventories of rice and palay versus the actual physical count and records maintained at the warehouses; and, poor information dissemination which led to a low uptake of NFA programs by Philippine farmers (COA 2007).

In 2011, the Aquino administration renamed the GMA program to the Agrikulturang Pinoy (Agri-Pinoy) program with corresponding rice and corn sector programs called Agri-Pinoy Rice and Corn Programs. More recently, the DA adapted the High Yield Technology Adoption, or HYTA project (DA 2014). With the objective to raise the farm level productivity, farmers are provided with high quality hybrid and inbred rice seeds with some other yield enhancing inputs such as fertilizers. With this redesigned program, preferences of beneficiaries are given consideration in the selection of hybrid and inbred seed varieties along with the fertilizers based on masterlisted-beneficiaries by the Regional Field Units (RFUs) (DA 2014).

Moving forward, the Department of Agriculture wants to rid of subsidies to farmers by the year 2021 and instead will shift to low-interest financing program of support to farmers (Simeon 2018).

### 3.2.2 Department of Education (DepEd)

The share of social protection programs to DepEd started high in 2009 owing to the large allotment given to the Food-for-School program (Table 6). However, from 2010 until 2014, the DepEd share of social protection programs was low. It was only in 2015 that expenditure shares started to recover.

**Table 6. Social protection expenditures at the Department of Education, 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Share of DepED Social Protection Programs to Total DepED spending	1.26%	0.04%	0.11%	0.10%	0.09%	0.08%	0.64%	1.14%	1.36%
In Million Pesos, 2000 prices	1,147	65	113	89	104	122	877	2,372	3,381
Food for School Program	1,099	-	-	-	-	-	-	-	-
School Based Feeding Program	49	65	113	89	104	122	877	2,372	3,381
Total DepED Spending, in million pesos, in 2000 prices	91,000	145,000	103,089	87,371	121,029	154,177	136,163	208,704	249,134
MEMO ITEM									
IPIN deflator(2000=100)	1.52	1.58	1.64	1.68	1.71	1.76	1.75	1.78	1.84

Source: Department of Education (DepED), report on School Health Nutrition program

The main social protection program of the Department of Education at present is the School Based Feeding Program. DepEd feeding programs had varied in type and identified beneficiaries as well as taken on names such as ‘Breakfast Feeding Program’, ‘Food for School’, and *Malusog na Simula, Mayaman na Bansa* (DepED 2014).

In 1997, DepED conceptualized and launched the Breakfast Feeding Program to address the short-term hunger syndrome, i.e., condition experienced by public school children who do not eat breakfast and walk long distance to reach school. As it progressed, there was a shift to address a more serious problem of undernutrition which was identified among the common cause of childhood mortality (DepED 2011).

In August 1999, the Bureau of Elementary Education through the Dropout Intervention Program (DIP) instituted the Breakfast Feeding Program through the Department of Education Culture and Sports (DECS) Memorandum No. 305 Series. 1999. This program was aimed at Grade 1 pupils in 50 schools with high dropout rates from the school divisions included in the Social Reform Agenda. Foodstuffs include supersnack mongo, supersnack chicken, supermacaroni beef and chicken.

This program evolved, now aiming to improve the active learning capabilities of school children through provision of breakfast among Grade I pupils in selected schools. Foodstuffs now are specially formulated noodles containing 300 kilo calories, 10 grams, protein and 800 IU beta carotene, fortified with iodine. This program was renamed to *Malusog na Simula, Mayaman na Bansa* program starting 2007.

The Supplemental Feeding Program or *Malusog na Simula, Yaman ng Bansa* was one of the components of the Accelerated Hunger Mitigation Program to address

malnutrition among children. The DepED and the DSWD gave hot meals and milk to Grade 1 students and children in DSWD Day Care Centers, respectively.

In 2012, the Breakfast Feeding Program was renamed School-Based Feeding Program (SBFP) so as not to limit the feeding to breakfast only. This program aims to rehabilitate severely wasted children to normal nutritional status and the improvement of classroom attendance of the beneficiaries, as well as their health and nutrition status and behavior (DepED 2012).

In a study conducted by the PIDS, the SBPF was found to be a “well managed program” (Albert, Tabunda and Agdeppa 2015). The study identified areas of improvement and important implementation challenges such as monitoring the weight and height of children pre-feeding and post-feeding and augmenting the current allocation of PhP 16 per child. Further, the study recommends strengthening the links with local government units and stakeholders to complement SBFP community-based activities.

In 2017, DepED, adopted the recommendations of PIDS in: (1) prioritizing undernourished (wasted and severely wasted) children as target beneficiaries; (2) investing in technology to ensure accurate BMI computation; and, (3) increased budget per beneficiary. Other options explored were allowing partnership agreements with other private and government stakeholders for provide equipment, services and inputs (DepED 2017).

Another DepEd feeding program was the Food for School Program (FSP) started in November 2005 as an intervention to address hunger among families through their children in Grade 1, pre-schools and day care centers. This program aimed to improve school attendance and academic performance of Grades I and II pupils; mitigate hunger and prevent further decline of nutritional status of learners through short-term food subsidy scheme; provide livelihood/employment opportunities to parents of beneficiaries; prepare and enable families to undertake family and community-oriented activities; and instill relevant values and attitudes toward work learners, their families and communities.

Under this FSP, each recipient child would receive a ration of one kilo of rice each day for 95 days in five months. The rice is distributed daily before the elementary graders go home in the afternoon to motivate them to go back to school the next day. However, if the child is absent, no substitute will be allowed to collect the pupil’s rice ration from the school. Record of pupils’ acceptance of their rice ration will be reported by the teacher and attested by the school principal.

Recipient schools were selected based on the following criteria: high incidence of families living below subsistence threshold level; high prevalence of malnutrition among Grade 1 and 2 pupils and high dropout rates.

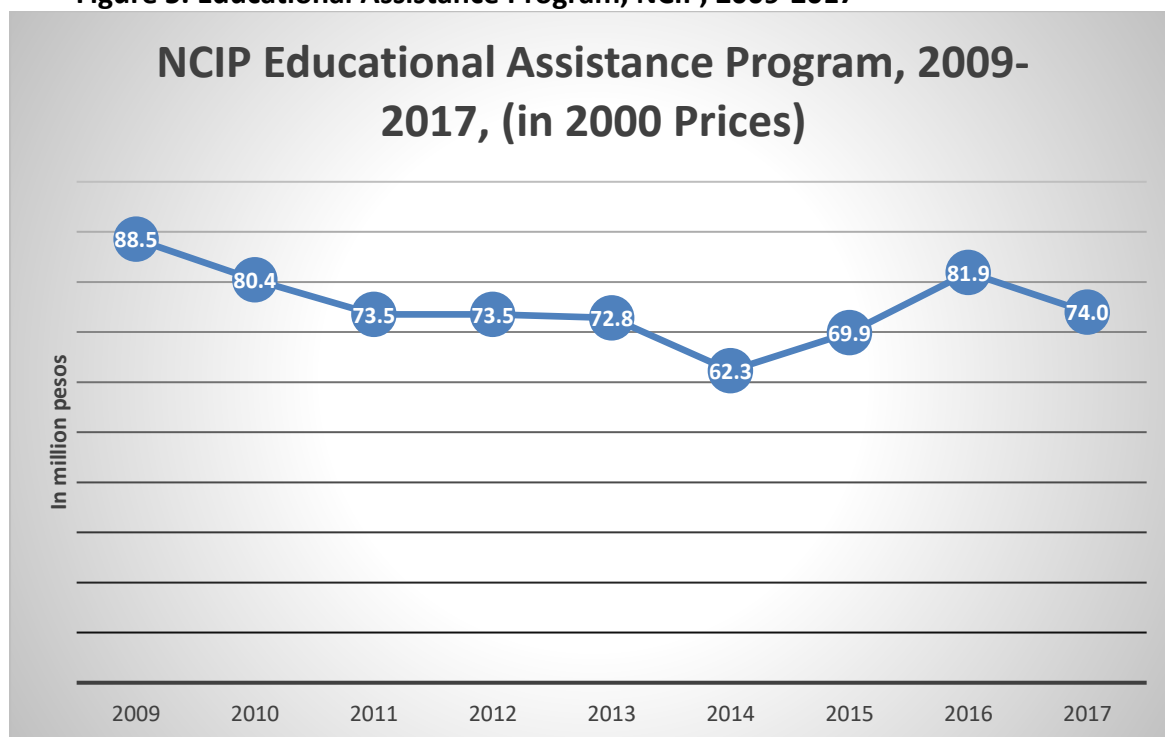
The program lasted until 2009, because of reported leakages and irregularities in the distribution of rice to students. (Department of Education 2008). With the change of Presidential administration in 2010, the Food for School Program was terminated since

the evaluation of the Department and Budget Management determined the program no longer delivered its intended outcomes.<sup>5</sup>

### 3.2.3 National Commission on Indigenous People (NCIP)

The NCIP Education Assistance Program (EAP) has received a relatively stable allocation averaging of PhP 73M (in 2000 prices) for the period 2009 to 2017 (Figure 5).

**Figure 5. Educational Assistance Program, NCIP, 2009-2017**



Source: National Commission on Indigenous Peoples (NCIP)

In 1997, Republic Act No. 8371 otherwise known as “The Indigenous Peoples Rights Act (IPRA) of 1997,” established The National Commission on Indigenous People (NCIP) as the primary government agency that formulates and implements policies, plans and programs for the recognition of the rights and well-being of Indigenous Peoples (IPs).<sup>6</sup> The IPRA stipulates the right of Indigenous Peoples “to special measures for the immediate, effective and continuing improvement of their economic and social conditions . . . to government’s basic services which shall include education (Section 25, Chapter V).” In addition, the NCIP, through its Office on Education, Culture and Health (OECH) to administer all scholarship programs and other educational rights intended for Indigenous Cultural Committees (ICCs) and IPs in coordination with the Department of Education Culture and Sports (DECS) and the Commission on Higher Education (CHED), (Sec. 46C, Chapter VII) (Republic Act No. 8371 1997).

Beginning 1992, there were allocations for the scholarship of members of northern and southern cultural communities. However, in 1999, the NCIP more aggressively pushed

<sup>5</sup> Department of Budget and Management (DBM) Letter to Secretary of Department of Education dated 8 November 2010.

<sup>6</sup> (Republic Act No. 8371 1997)

for regular budgetary allocation for the scholarship grants to IPs. For the School Year (SY) 1999-2000, the Edukasyong Handog ni Erap para sa Mahihirap (EHEM) and Katutubong Mag-aaral Priority Courses (KMPC) Scholarship programs were merged to establish the NCIP Scholarship Program. This program is available to members of the ICCs/IPs enrolled in the elementary level, high school, vocational, college, as well as post graduate courses.

In 2012, NCIP issued implementing guidelines in the Merit Based Scholarship (MBS) and the Educational Assistance (EA) Programs (NCIP 2012). MBS programs are aimed at providing scholarship to students under the Baccalaureate Program or Graduate /Masteral /Doctorate degree belonging to the top ten (10) of the graduating class with a general weighted average (GWA) of 85% or its equivalent. On the other hand, EA program provides financial assistance to students under the Degree program, vocational, and even high school and elementary students, with a GWA grade of not lower than 80%. To qualify, prospective scholars must submit, among others, certificate of Confirmation of tribal membership, certificate of income of parents, copy of grades. Once qualified, under the MBS, a student may receive a total of P24,000 per semester the following:

- P8,000 for tuition and miscellaneous fees;
- P2,000 book allowance/school supplies
- P1,000 uniform allowance
- P2,000 transportation allowance
- P12,000 boarding/food allowance or P2,400/month for five (5) months

A scholar under the EA is entitled to receive the following based on their school level, as such:

- Degree/vocational – P10,000/semester
- High school – P5,000/school year
- Elementary – P2,500/school year

### 3.2.4 Department of Labor and Employment

The DOLE implements both labor market interventions and social welfare programs. The major labor market intervention program of the DOLE is the Special Employment Program for Students (SPES). The two ensuing social welfare programs of DOLE are the Family Welfare Program/Assistance to workers with special concerns for various sectors of society and Assistance to Displaced Workers (Adjusted Measures Program AMP) as implemented by the Bureau of Workers with Special Concerns (BWSC). The recently established Kabuhayan program consolidated all DOLE livelihood programs.

From 2009-17, DOLE spent an average of 0.069 % of their total expenditures on social protection programs (Table 7). Among the DOLE social protection interventions, the SPES received the largest budgetary allocation on average for the past seven years (Table 7).

**Table 7. DOLE Social Protection Spending, 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
<b>In nominal terms, In Million pesos</b>										
Assistance to Displaced Workers- AMP	40.7	39.5	28	0	0	44.877	54.51	37.409	0	27.22
Special Employment Program	208	150.3	151.7	331.7	409.1	471.9	584.6	552.5	612.7	385.83
Family Welfare Program/Workers with Special Concerns	16	13	0	0	0	34	35	26	30	17.11
Total DOLE Social Protection Programs	264.7	202.8	179.7	331.7	409.1	550.777	674.11	615.909	642.7	430.17
TOTAL DOLE EXPENDITURES	2,321	2,290	7,856	8,655	9,137	5,208	12,346	7,591	9,360	7,196
<b>Proportion of Total DOLE Expenditures</b>										
Assistance to Displaced Workers- AMP	0.017	0.017	0.003	0	0	0.008	0.004	0.005	0	0.006
Special Employment Program	0.089	0.065	0.019	0.038	0.045	0.091	0.047	0.073	0.065	0.059
Family Welfare Program/Workers with Special Concerns	0.007	0.005	0	0	0	0.006	0.003	0.003	0.003	0.003
Total DOLE Social Protection Programs	0.114	0.088	0.023	0.038	0.045	0.106	0.055	0.081	0.069	<b>0.069</b>
<b>In real terms (2000=100), In Million pesos</b>										
Assistance to Displaced Workers- AMP	26.8	25.0	17.1	0	0	25.5	31.1	21.0	0.00	16.28
Special Employment Program	136.8	95.1	92.5	197.4	239.3	268.1	334.1	310.4	333.0	222.97
Family Welfare Program/Workers with Special Concerns	10.5	8.2	0	0	0	19.3	20.0	14.6	16.3	16.14
<b>Percentage Change (in 2000 prices)</b>										
Assistance to Displaced Workers- AMP		(6.6)	(31.7)	(100.0)	0	0	22.2	(32.5)	(100.0)	(31.08)
Special Employment Program		(30.5)	(2.7)	113.4	21.2	12.1	24.6	(7.1)	7.3	(17.29)
Family Welfare Program/Workers with Special Concerns		(21.8)	(100.0)	0	0	0	3.5	(27.0)	11.6	(16.72)
<b>Memo items:</b>										
<b>IPIN deflator (2000=100)</b>	1.13	1.20	1.27	1.33	1.37	1.47	1.52	1.58	1.64	

Source: Department of Labor and Employment, FAR1 report, various years

Note: Data for 2012 and 2013 not yet available

a. Kabuhayan Program. DOLE Administrative Order 173, s. 2017 integrated all existing livelihood programs (DOLE Adjustment Measures Program and the DOLE Integrated Livelihood Program (DILP)) of DOLE into the KABUHAYAN Program.

The Kabuhayan Program is a grant assistance for capacity building on livelihood for the working poor, vulnerable and marginalized workers, either for individual or group livelihood undertakings. This is DOLE’s contribution to the government’s national agenda of reducing poverty through the promotion of livelihood and entrepreneurship (DOLE 2017).

The program aims to reduce the vulnerability of risks of the poor, marginalized workers by providing working capital in the form of raw materials, equipment, tools and jigs and other support services necessary for setting up a business. Prior to this, DOLE Regional Offices provided training on how to set up, start and operate beneficiaries’ livelihood undertakings. Group livelihood projects are categorized into:

Group Type	No. of Members	financial assistance
Micro	15-25 members	< P250,000
Small	26-50 members	< P500,000
Medium	More than 50 members	< P1,000,000

For individual projects, beneficiaries can avail of the Starter Kit (quick start) or Negosyo sa Kariton (Nego-Kart) with a vending cart, up to a maximum of P20,000. The DOLE Regional Offices (RO) are responsible to directly administer the implementation of the program and are given full approving and signing authority. The DOLE RO shall prioritize TESDA graduates in the selection of beneficiaries, but 4Ps beneficiaries and government employees cannot avail of the program.



The KABUHAYAN program assists the unemployed and workers in both the formal and informal sectors. There are Kabuhayan projects for specific sectors: (1) informal economy, displaced wage workers, families and other workers with special concerns called the DOLE Kabuhayan (DK) Starter Knowledge Sharing, Inputs Acquisition, Training on Entrepreneurship and Skills Acquisition (KITS); (2) ambulant vendors the Negosyo sa Kariton (NEGO-KART); (3) parents of child laborers through Kabuhayan para sa Magulang ng Manggagawa (KaSaMa); (4) new college graduates or graduating students through the Youth Entrepreneurship Support (YES); and, (5) Tulong Alalay sa Taong may Kapansanan (TULAY) for persons with disabilities (PWDs).<sup>7</sup>

b. Special Employment Program for Students (SPES). This program was instituted by Republic Act (RA) No. 7323 An Act to Help Poor But Deserving Students pursue their Education by Encouraging Employment during Summer and/or Christmas vacations through incentives granted to employers, allowing them to pay only sixty per centum of their salaries or wages and the forty per centum through education vouchers to be paid by the government, prohibiting and penalizing the filing of fraudulent or fictitious claims, and for other purposes (Republic Act No. 7323 1992).

Subsequently, RA 9547 is An Act Strengthening and Expanding the Coverage of the Special Program for Employment of Students, Amending for the purpose of Provisions of RA 7323, otherwise known as the Special Program for Employment of Students. RA 9547 expands the period of employment of students in the tertiary level from only summer and Christmas breaks to anytime during the year (Republic Act No. 9547 2009).

This program targets “poor but deserving” youth enrolled or intending to enroll. The Public Employment Service Office (PESO) facilitates the matching of the employer with the students to be employed for 20-52 working days during vacation. In return, DOLE provides 40% wage subsidy to employer.

An impact evaluation of DOLE’s SPES program, revealed that 89% of the treatment group from the randomly selected participants enrolled in the SPES program indicated that SPES increased the likelihood of being currently employed with a private employer, LGU or NGO (Beam, et al. 2018).

c. Assistance to Displaced Workers-Adjustment Measures Program (AMP) offers a package of assistance and other forms of intervention to workers displaced by social and economic disruptions. Examples include both local and overseas employment facilitation and livelihood assistance to those who prefer to engage in entrepreneurial activities. In 2007, the DOLE expanded the coverage of AMP to skilled workers in key industries and assisting affected companies that want to restructure and manage their workforce (DOLE 2007). In order to do this, the DOLE formed Quick Response Teams (QRT) in national and regional offices.

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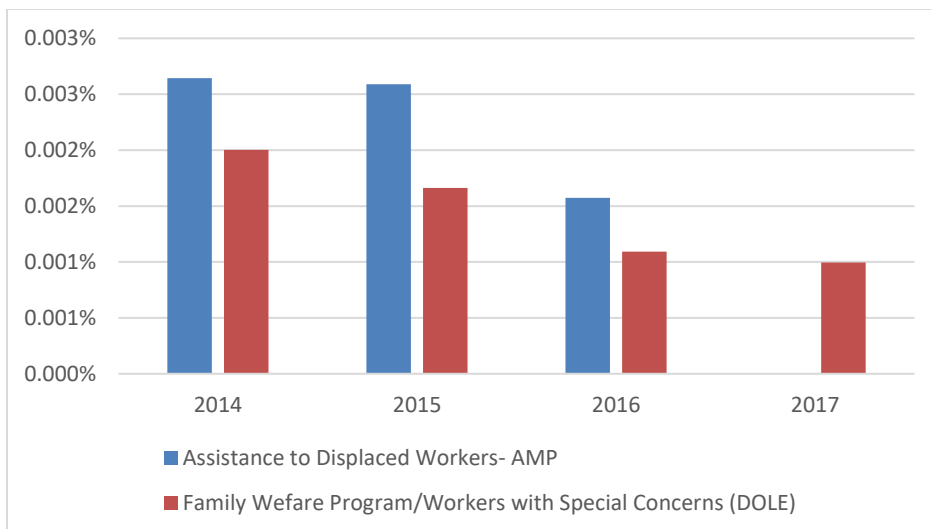
<sup>7</sup> Though the YES and TULAY programs are considered as part of Kabuhayan programs for special sectors, starting 2008 the expenditures are reported with the SPES expenditures.

When the Enhanced Basic Education of 2013 (Republic Act No. 10533 2013) was enacted, the DOLE had placed all the displaced higher education institution (HEI) personnel brought about by the implementation of the K-12 basic education program under the Adjustment Measures Program. To mitigate the immediate adverse economic impacts, an amount of P10,000 or amount equivalent to the 75% of their last monthly salary, whichever is highest, shall be provided for 6 months for totally displaced HEI personnel and 3 months for temporarily displaced and partially displaced HEI personnel. Similarly, DOLE provides employment facilitation as well as livelihood opportunities for the same (DOLE 2017).

d. Family Welfare Program (FWP) at Workplace. This program seeks to introduce the concept of promoting the welfare of workers and their families as a key to workplace productivity and improved workers-management relations. The FWP advocates for the integration of the ten (10) dimensions: reproductive health and responsible parenthood; education/gender equality; spirituality or value formation; income generation; medical health care; nutrition; environment protection, hygiene and sanitation; sports and leisure; housing; and, transportation.

In 2011, the Family Welfare Program was incorporated in the specific budget line-item “Promotion and Maintenance of Workers with Special Concerns.” Major activities conducted under the FWP include setting up of a workplace lactation station, women workers advocacy program and promoting the rights of women employed in the private sector. Figure 6 shows the decreasing trend of both of Assistance to Displaced Workers-AMP and the FWP programs.

**Figure 6. Share of DOLE Social Welfare Programs to Total National Government Expenditures (in percent), 2014-17**



Source: Department of Labor and Employment FAR 1 report, various years

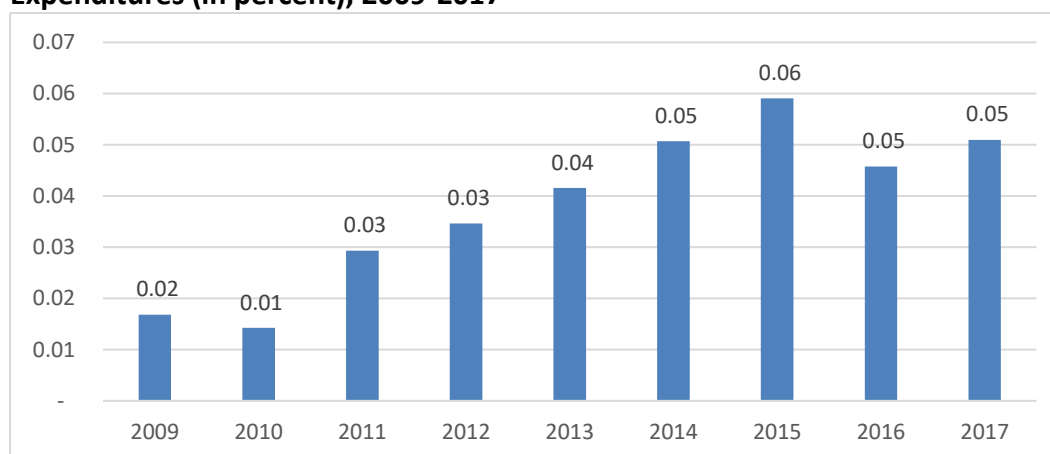
\*For 2017, though the DOLE continued the Assistance to Displace Workers-AMP program, the specific expenditures could not be identified

### 3.2.5 Department of Social Welfare and Development

The Department of Social Welfare and Development has the greatest number of social protection programs among all national government agencies. Majority are social assistance programs that include livelihood, conditional cash transfer and feeding programs for long-term programs; and, core-shelter and crisis assistance as emergency response programs.

DSWD social protection programs received increased shares of the total national government budget averaging 0.04% (Figure 7). The allocation to social protection programs within the DSWD budget averaged 39% for the period 2009 to 2017 (Table 8). In 2008, the conditional cash transfer program called the Pantawid Pamilyang Pilipino Program (4Ps) was introduced and, in years since, became the main social protection program of DSWD receiving increased budgetary allocations (Table 8).

**Figure 7 Share of DSWD Social protection programs to Total National Government Expenditures (in percent), 2009-2017**



Source: Department of Social Welfare and Development report

**Table 8. Social Protection Expenditures at the Department of Social Welfare and Development (in million pesos), 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Share of DSWD Social Protection Programs to Total DSWD spending	29%	44%	43%	51%	45%	45%	43%	49%	47%
Total DSWD Social Protection Programs, in 2000 prices	5,720	7,410	16,366	26,855	31,395	38,382	54,007	53,218	72,135
Total DSWD spending, in 2000 prices	19,449	16,786	38,160	52,503	69,610	86,118	124,347	108,893	153,623
Livelihood and Self-employment Programs	13	0	0	43	1,004	1,304	2,704	4,149	4,541
Pantawid Pamilyang Pilipino Program (4Ps)	4,348	6,914	13,033	23,626	27,240	30,750	35,130	34,019	47,232
KALAHI-CIDSS	633	193	1,104	738	549	910	8,618	5,573	6,970
Supplemental Feeding Program	314	302	1,715	1,714	1,694	2,271	1,765	2,205	2,259
Assistance to Individuals in Crisis Situations	141	0	0	0	0	1,562	2,438	2,680	2,164

Katas ng VAT para kay Lolo at Lola/Social Pension	271	0	514	733	909	1,585	3,354	4,593	8,969
MEMO ITEMS									
IPIN deflator (2000=100)	1.52	1.58	1.64	1.68	1.71	1.76	1.75	1.78	1.84

Source: Department of Social Welfare and Development, FAR1 report

\*The 2009 figures contain the amount for two discontinued programs Katas ng VAT: Pantawid Kuryente and the Core Shelter Program

a. Assistance to Individuals in Crisis Situation. This program helps and gives support to those affected by crises such as poverty, child abuse and rape. The DSWD operates Crisis Intervention Units (CIU) to provide material, psychosocial and other interventions to individuals, families and groups in crisis situation.<sup>8</sup> The target beneficiaries or clientele groups are: (1) individuals and families in crisis situation needing social welfare and development intervention; (2) abandoned, abused, neglected and exploited children and adults; (3) victims of disaster; (4) individuals and families categorized as transient<sup>9</sup>, strandeers and displaced<sup>10</sup>; (5) deportees, repatriates and victims of trafficking; (6) individuals with no adequate means to provide for medical, hospitalization, transportation, burial and other immediate needs; and, (7) DSWD employees and their dependents who are in crisis situation.

The services and interventions of the CIUs include: (1) rescue operation to respond to cases needing immediate action in coordination with law enforcers and other government agencies; (2) counseling and critical incident stress debriefing; (3) limited financial assistance for burial, transportation, medical, educational and others; (4) limited material assistance such as food, clothing and meal provision; (5) referral services; (6) monitoring and augmentation assistance to disaster victims; (7) coordination with other agencies for the conduct of home visitation to families and relatives for their reintegration; and, (8) referral of clients to other agencies providing assistance for their rehabilitation and appropriate assistance.<sup>11</sup>

The maximum allowable amount of grants for material and financial assistance (P20,000), burial assistance (P5,000), transportation assistance (P5,000), medical assistance for medicines (P5,000) and hospitalization (P5,000) and other emergency needs (P3,000) (DSWD 2011).

b. The KALAHI-CIDDS is the Philippine government's flagship poverty-alleviation project implemented by the Department of Social Welfare and Development through the financial support of the World Bank. It stands for

<sup>8</sup> Department of Social Welfare and Development (DSWD), Administrative Order (AO) No. 5, Series of 2008, *Omnibus Guidelines on the Management of DSWD-Operated Crisis Intervention Units*.

<sup>9</sup> Transient refers to individuals, families or groups of people who have no place to stay and who are in need of temporary shelter.

<sup>10</sup> Displaced person refers to an individual, a family or group who has been displaced physically and emotionally as result of armed struggle, disasters and other similar circumstances.

<sup>11</sup> Executive Order No. 221 series 2003 provides that the DSWD should provide assistance to Local Government Units (LGUs); non-government organizations (NGOs); national government agencies (NGAs), people's organizations (POs) and other members of civil society in effectively implementing programs, projects and services that will alleviate poverty and empower disadvantaged individuals, families and communities for an improved quality of life; RA 7610, the Special Protection of Children Against Child Abuse, exploitation and Discrimination mandated DSWD to formulate a comprehensive program against abuse and exploitation; Administrative Code of 1997, Title XVI, Section 2, Chapter1 mandates the DSWD to provide a balanced approach to welfare not only at the outbreak of crisis but more importantly in the period before the crisis; The Rape Victim Assistance and Protection Act of 1998 (RA8505) mandated the DSWD to provide support services to rape victims and their families.

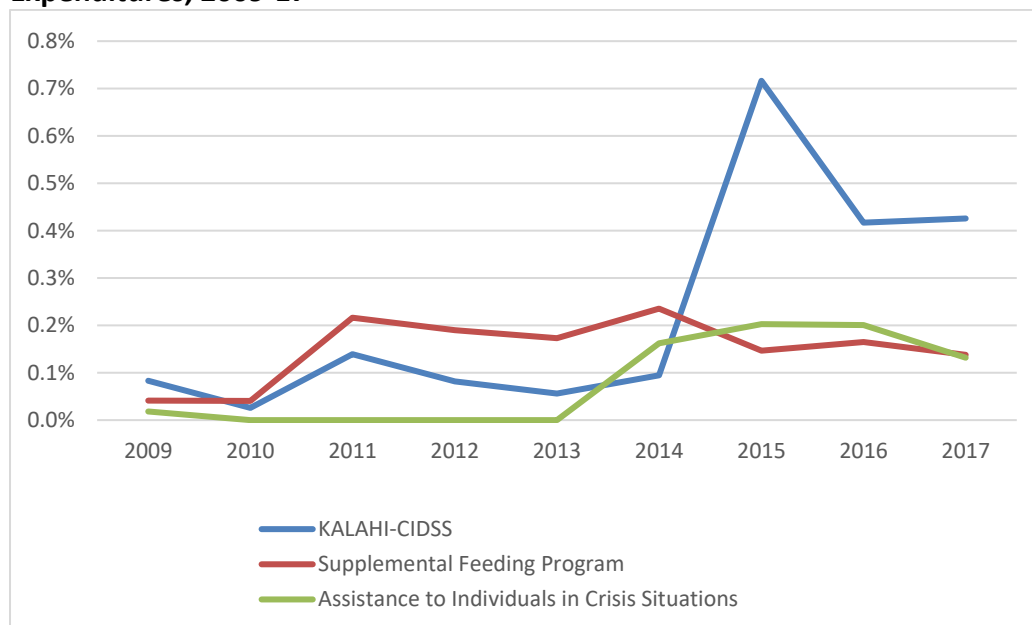
Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (DSWD n.d.). It empowers local communities by increased participation in local development through capability building, implementation support, provision of grant funds and monitoring and evaluation.

The project started in 2002, was funded by the World Bank (WB) in 2003 and ended in 2010 covering 200 municipalities. That same year the government decided to continue the project as a start up for a community-driven approach for another three years. Additional funding from the WB and Millennium Challenge Corporation through the Millennium Challenge Account-Philippines (MCA-P) continuously provided grants to increase the coverage of municipalities availing the program (DSWD n.d.).

The funds are directly released to KALAHY-CIDSS communities to manage, monitor and supervise the implementation of sub-projects. It also has a community-driven mechanism to address the supply side of the government’s conditional cash transfer program through construction of classrooms/day care centers, health care facilities, water systems, access roads and other priority community projects (DSWD n.d.)

Figure 8 shows select DSWD social protection programs that have been in place for most of the period 2009 to 2017. This includes the following programs: (1) KALAHY-CIDSS; (2) assistance to individuals in crisis situations; (3) Supplemental Feeding program.

**Figure 8 Share of Select DSWD Social Protection Programs to Total National Government Expenditures, 2009-17**



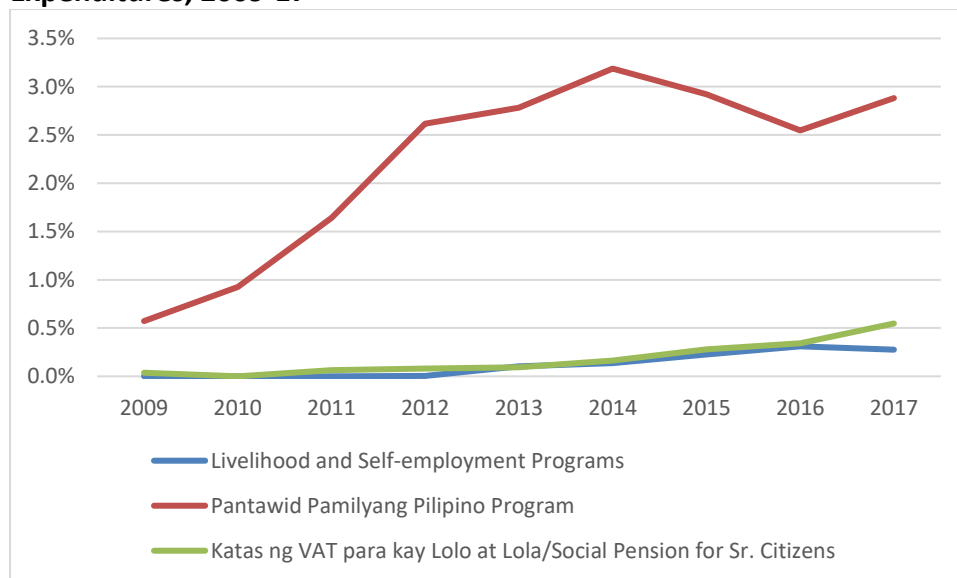
Source: Department of Social Welfare and Development

c. Supplemental Feeding Program. This program “is the provision of food in addition to the regular meals, to target children as part of the DSWD’s contribution to the Early Childhood Care and Development program of government (DSWD 2012, 1). Food supplementation is in the form of hot meals

served to children five (5) days a week for 120 days during morning snack and afternoon sessions. The parents are responsible for managing the feeding program based on a prepared meal cycle using indigenous food materials. The children will be weighed at the start of the feeding and monthly weighing thereafter will be done to determine improvement in their nutritional status. (DSWD 2011). The amount of fifteen pesos (PhP15.00) inclusive of the rice per per meal per child, hence a total allocation of thirty pesos (PhP 30.00) per day for 120 days (DSWD 2017). As can be seen in Figure 8, this program received increased budgetary allocations starting 2011.

d. Pantawid Pamilyang Pilipino Program (4Ps). The main social protection program of the DSWD is the Pantawid Pamilyang Pilipino Program or 4Ps (WB 2009 Strategy Paper). It is a conditional cash transfer/grant (CCT) program that aims to provide social assistance to the poor and, at the same time, break the intergenerational poverty cycle through investments in human capital, particularly, education and health. This program was piloted in 2007 and has expanded since then (Figure 9). Beneficiaries are selected based on the DSWD’s National Household Targeting System for Poverty Reduction. As of July 2018, the 4Ps has benefitted 4,277,783 active household beneficiaries based on the DSWD website.

**Figure 9 Share of Recent DSWD Social Protection Programs to Total National Government Expenditures, 2009-17**



Source: Department of Social Welfare and Development

The CCT program for education provides P3,000 for one school year or PhP300 per month for 10 months for children enrolled in the elementary and PhP500 per month or PhP10,000 in a school year for those enrolled in high school (DSWD Pantawid Pamilya 2018). A maximum of three children per household is allowed. In addition, a household with three qualified children receive a subsidy of P1, 400/month during the school year or P15,000 annually if they comply with the conditionalities such as the beneficiary children have at least 85% attendance rate (Official Gazette 2018).

The CCT program for health provides a grant of P6,000 a year or P500 per month per household for health and nutrition expense. The conditionalities for health include regular check-ups and vaccines, and de-worming, for pregnant women to have pre-natal and post-natal care, and attendance to Family Development Sessions (FDS) (Official Gazette 2018).

The CCT program provides rice subsidy of P600 a month or P7,200 per year, given to registered, active and compliant 4Ps household beneficiaries. With the recent passage of the TRAIN Law (Republic Act No. 10963 2017) , a top up cash of P200 a month for 2018, P300 a month in 2019 to 2020, is provided to help the poor cushion the adverse effects of inflation, as part of the NGs Unconditional Cash Transfer (UCT) (Official Gazette 2018).

A 2017 Performance Audit Report of the COA on the Pantawid Program recommends that the DSWD should maintain suspension of 4Ps expansion until the IT system is upgraded and that ineligible beneficiaries are identified (COA 2017). COA (2017) found that 31,389 households that received benefits were non-poor and therefore ineligible. These errors were the result of 2009 data gathering for the National Household Assessment which resulted in the Listahanan, the main source of information of program beneficiaries. Program officials, however, blamed the insufficient time and staff to validate the data because of mass registration.

In 2015, DSWD shifted its efforts to correcting data integrity issues caused by the rapid expansion of the program. However, in May 2017, COA found 15, 898 duplicate entries in the database. In addition, mass expansion of the program stretched the information technology (IT) infrastructure because the Listahanan was designed to handle 300,000 households and not the 4.4 Million households, it expanded to. The effect was increased processing time of system users due to system lags and downtimes. COAs' recommendation was to upgrade its IT system. To date, DSWD implemented a moratorium on the acceptance of new households in order to address existing gaps (COA 2017).

Various critics of the 4Ps program claim that: (1) the cash grant given to the poor would just increase household spending on vices; (2) benefits are granted to beneficiaries above the poverty line as justification for its abolition. However, a study conducted by PIDS found that that poor parents spend their resources responsibly. In addition, it was found that 82% of the beneficiaries belong to bottom 40 income class while 53% are from the bottom 20 income class. The authors recommended raising the amount of the grant and adjust the program conditionalities (Orbeta and Paqueo 2016).

e. Self-Employment Assistance Kaunlaran (SEA-K) is one of the social programs that survived several administrations. It was introduced in the early 1970s and became a national program administered by the DSWD in 1993. The program adopted a microfinance strategy that provides small loans to the poor to encourage entrepreneurial activity and savings generation. As can be seen in Figure 9 above, though its average share of total NG expenditures is small, only 0.2%, it has been increasing.

Until 2010, SEA-K was the core financial assistance program of the DSWD after which it was transformed into the Sustainable Livelihood Program or SLP. The SLP program enables the poor to have access to credit; promote entrepreneurship; increase understanding on values of honest work, pay debts, have social responsibility; and increase their income (DSWD n.d.). It is envisioned to create income-generating opportunities for the poor, prioritizing graduates and members of families under the 4Ps program (Social Protection Organization 2017).

This program provides two tracks of livelihood assistance schemes: (1) employment facilitation (opened opportunities for marginalized household to access employment) and (2) microenterprise development (focus on providing entrepreneurial activities of the household) (DSWD 2011). The latter track is aimed at enhancing the socio-economic skills of poor families towards establishing and managing sustainable community-based credit organizations for entrepreneurial development. It provides basic business management training and interest-free, non-collateral capital seed fund for income-generating projects of poor families. The program establishes a self-managed and sustainable community-based micro-credit organization for entrepreneurial development. The components of the program are social preparation, capital assistance, savings mobilization and access to other services.

Target beneficiaries of the program consists of poor individuals living in households, identified by Listahanan, with the potential and willingness to establish a microenterprise or look for employment. Participants that could choose this track could avail of the Skills Training Fund, Seed Capital Fund or Cash for Building Livelihood Assets. For those opting the Employment Facilitation track, options available are Skills Training Fund and Employment assistance Fund.

Skills Training Fund could amount up to a maximum of P15,000 for all the benefits including training. These include technical vocational skills training fee; basic living allowance; training supplies and materials; equipment and materials needed for employment and assessment fees. For the Seed Capital Fund, a maximum amount of P15,000 per program per participant may be availed. The amount comprises of working capital for small tools, raw materials, startup expenses, permit/s to operate, large and long-lived tangible assets required to start or expand a microenterprise.

Acosta (2018) found that the effective utilization of funds by microenterprise development track participants depends on the level of vulnerability of households. Vulnerable families who use the funds for both household consumption and livelihood activities were found to experience difficulty in repayment as compared to those who have an existing enterprise and would avail of the additional funds for capital development.

As regards employment facilitation, both Acosta (2018) and Ballesteros (2017) noted that the SLP should be integrated with other active labor market programs in the country. There is a need for the DSWD SLP program implementers to involve other national and local agencies with capacity to provide further



guidance and resources for securing employment such as TESDA, DOLE and PESO, that have forged partnerships with training institutions for provision of skills and the private sector for job internship opportunities and eventual absorption and job placement (Acosta 2018 12-13). Similarly, Ballesteros et.al. (2017) observed that there is a significant improvement in chances of employment through partnership with training institutions, yet the SLP program need to strengthen relationships with PESOs (Ballesteros 2017 33).

f. **Katas ng Value-Added Tax (VAT) Para kay Lolo at Lola** is a one-time cash subsidy of P500 for one million qualified senior citizens as an initiative of the national government to alleviate economic difficulties affecting senior citizens. The targeted beneficiaries are senior citizens that are 70 years old and above dependent or belonging to a family whose income is within or below the poverty threshold per area and not covered by the GSIS, Social Security System (SSS) or any private or government agency retirement benefits. Of the P500 Million, P421.9 Million was utilized as of end 2009 (DSWD Annual Report).

g. **Social Pension (SocPen) for Indigent Senior Citizens** is the most recent social welfare program of the DSWD. This program gives a P500 monthly stipend for indigent senior citizens pursuant to Section 5 of the Expanded Senior Citizen's Act of 2010 (Republic Act. No. 9994 2010). Target beneficiaries are identified based on the National Household Targeting for Poverty Reduction or Listahanan data and validated by the respective local government unit's Social Welfare and Development Office and the local Office of Senior Citizen Affairs (DSWD n.d.).<sup>12</sup> Among the indigent senior citizens, priority is given to those who are 80 years old and above. Second priority is given to indigent senior citizens aged 70 to 79, while last priority is given to those 60 to 69 years old (DSWD 2010, Administrative Order No. 15).

In 2011, the eligible age requirement to receive the monthly pension was lowered to above 77 years old (DSWD 2011). Further, in 2015 the age requirement was reduced to 65 and further decreased in 2016 where the entitlement to social pension was for those at least 60 years old. Figure 9 shows the upward trend in SocPen.

Velarde and Albert (2018) found that the “poverty mitigating impact (of the SocPen) may diminish over time if program benefits do not keep pace with increasing prices, delays in releasing grants, and beneficiary selection is not maintained with consistent and clear standards (Albert and Velarde 2018, 1).” These issues are magnified because of the rapid expansion in coverage of the program.

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<sup>12</sup> Each municipality is mandated by Sec. 7 and Sec. 8 of Republic Act No. 7432 to create an Office of Senior Citizen Affairs (OSCA).

### 3.3 Government Owned and Controlled Corporations (GOCCs)

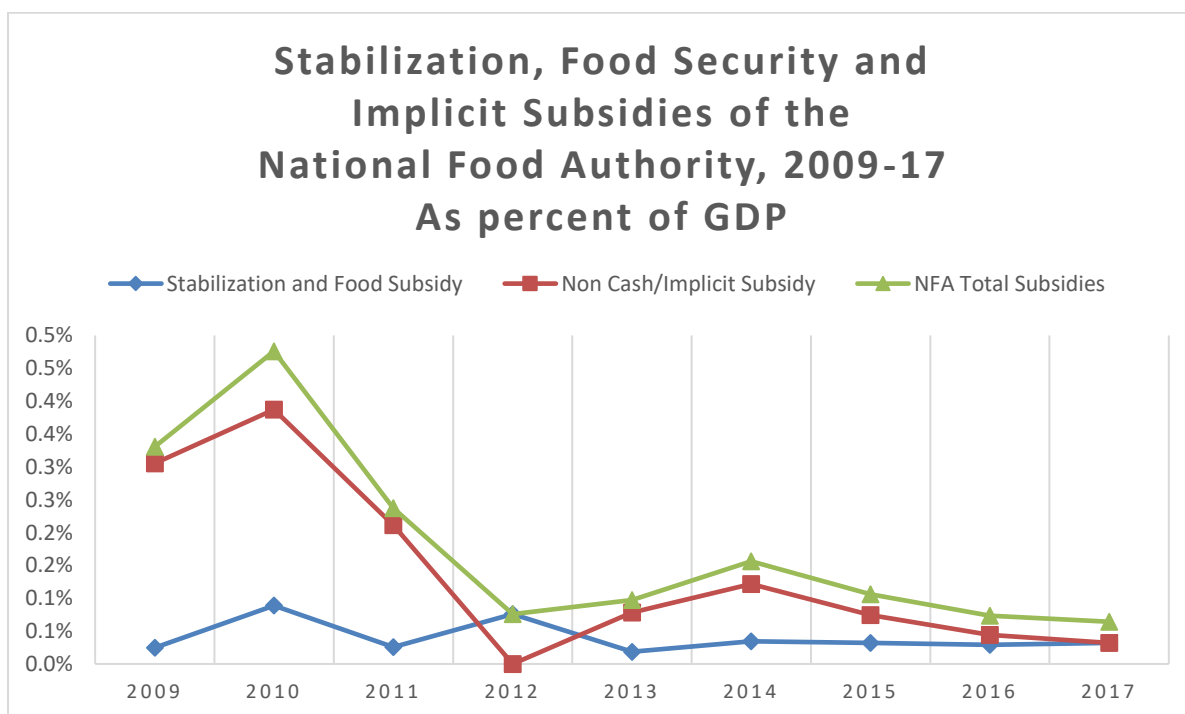
#### 3.3.1. National Food Authority (NFA)

One of the efforts of the national government to improve the plight of poor farmers is through the NFA mandated policy to purchase rice at competitive prices from eligible farmers and sell the purchased rice at lower prices. The NFA receives a rice price subsidy or stabilization and food security subsidy (as it is called in the NFA financial accounts) from the national government. One of the mechanisms of this is mandate is the Tindahan Natin program which is done in coordination with the DSWD. The stabilization and food security subsidy of the national government as percent of GDP increased at an average of 58% peaking in 2010 which was a presidential election year (Figure 10 and Table 9).

Aside from the subsidy that the NFA receives for rice, the NFA is also benefits from a tax exemption on rice importation. This is known as a tax expenditure subsidy, or implicit subsidy, since the government does not actually transfer funds to the NFA for this purpose. Implicit subsidies, however, represent a loss in national government revenues and have consistently been larger than the stabilization and food security subsidy (Figure 10). Implicit subsidies of the NFA as percent of GDP increased at an average of 29% with the largest increase in 2010 (Figure 10 and Table 9).

The NFA, however, has been riddled with controversy considering the huge support it receives from the national government despite the large operational losses it incurs. Since 2007, the NFA has received increasing implicit subsidies while subsidy for stabilization and food security declined (Figure 10, Table 8).

**Figure 10. Stabilization and Food Subsidy, Implicit Subsidies of the NFA, 2009-2017**



Source: Commission on Audit, National Food Authority Annual Audited Report (various years)

**Table 9. National Food Authority (NFA Stabilization, Food Security and Implicit Subsidy, 2009-2017)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
In current prices, in Million pesos										
NFA Total Subsidies	26,522	42,859	2,011	8,030	11,211	19,720	14,144	10,647	10,205	18,483
Stabilization and Food Security	2,000	8,000	2,500	8,030	2,146	4,361	4,250	4,250	5,100	4,515
Non-cash (Implicit/tax subsidy)	24,522	34,859	20,511		9,065	15,358	9,894	6,397	5,105	15,714
In real terms (2000=100), In Million pesos										
NFA Total Subsidies	17,449	27,126	14,031	4,780	6,556	11,204	8,082	5,981	5,546	11,195
Stabilization and Food Security	1,316	5,063	1,524	4,780	1,255	2,478	2,429	2,388	2,772	2,667
Non-cash (Implicit/tax subsidy)	16,133	22,062	12,507	0	5,301	8,726	5,654	3,594	2,775	8,528
PERCENTAGE CHANGE										
NFA Total Subsidies		55.5	(48.3)	(65.9)	37.2	70.9	(27.9)	(26.0)	(7.3)	(1)
Stabilization and Food Security		284.8	(69.9)	213.5	(73.7)	97.5	(2.0)	(1.7)	16.1	58
Non-cash (Implicit/tax subsidy)		36.8	(43.3)	(100.0)	0.0	64.6	(35.2)	(36.4)	(22.8)	(17)
As % of GDP										
NFA Total Subsidies	0.33	0.48	0.24	0.08	0.10	0.16	0.11	0.07	0.06	0.002
Stabilization and Food Security	0.02	0.09	0.03	0.08	0.02	0.03	0.03	0.03	0.03	0.000
Non-cash (Implicit/tax subsidy)	0.31	0.39	0.21	0.00	0.08	0.12	0.07	0.04	0.03	0.001
PERCENTAGE CHANGE										
NFA Total Subsidies		44.1	(50.2)	(67.9)	27.8	60.6	(32.0)	(30.7)	(12.6)	(8)
Stabilization and Food Security		256.6	(71.0)	195.3	(75.5)	85.6	(7.6)	(8.0)	9.4	48
Non-cash (Implicit/tax subsidy)		26.7	(45.4)	(100.0)	0.0	54.7	(38.9)	(40.5)	(27.2)	(21)
As % of NG expenditures										
NFA Total Subsidies	2.30	3.64	1.77	0.53	0.67	1.16	0.67	0.45	0.34	0.013
Stabilization and Food Security	0.17	0.68	0.19	0.53	0.13	0.26	0.20	0.18	0.17	0.003
Non-cash (Implicit/tax subsidy)	2.12	2.96	1.58	0.00	0.54	0.90	0.47	0.27	0.17	0.010
PERCENTAGE CHANGE										
NFA Total Subsidies		58.4	(51.4)	(70.1)	26.4	73.5	(42.2)	(33.4)	(24.4)	(8)
Stabilization and Food Security		292.0	(71.7)	175.6	(75.8)	100.5	(21.4)	(11.5)	(5.3)	48
Non-cash (Implicit/tax subsidy)		39.3	(46.7)	(100.0)	0.0	67.1	(48.0)	(42.8)	(37.0)	(21)

Source: Commission on Audit, National Food Authority Annual Audited Report (various years)

### 3.3.2 Government Service and Insurance System (GSIS)

The GSIS Emergency or Calamity Loans is classified as a social safety net program. These are loans given to members of the GSIS affected emergency or calamity such as flood and typhoon. Though this is included as a national government social protection expenditure, it is important to note that this is not an expenditure of the national government, but a loan given to GSIS members contingent on their status in payments of GSIS contributions. In addition, the granting of emergency loans depends on the occurrence of an emergency or calamity and, therefore, funding is not programmed (Table 10).

**Table 10. GSIS Emergency Loans, 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal, in Million Php	0	115	5,505	8,004	8,913	11,600	*	*	6,100
In 2000 prices, in Million Php	0	73	3,357	4,764	5,212	6,591	0	0	3,315
As percent of GDP	0.00	0.00	0.06	0.08	0.08	0.09	0.00	0.00	0.04
As percent of NG expenditures	0.000	0.010	0.423	0.528	0.532	0.683	0.000	0.000	0.202

Source: GSIS, data for 2015 and 2016, unavailable

### 3.3.3 Philippine Health Insurance Corporation (PhilHealth).

Republic Act No. 7875 also known as the National Health Insurance Act of 1994 established the Philippine Health Insurance Corporation for the purpose of providing a national health insurance program.<sup>13</sup> This law also provides that the contribution for indigent members shall be paid by both the national and local government (LGU) (Sec. 29, RA 7875). In the case of fourth, fifth and sixth class LGU's, the national government shall provide up to 90% of subsidy for indigents for a maximum of five (5) years (Sec. 29, RA 7875). This is known as the regular PhilHealth indigent program.

The government shall be responsible for providing a basic package of needed personal health services to indigents through premium subsidy, or through direct service provision until such time that the Program is fully implemented (Sec. 2.r, RA 7875). The Act seeks to provide all citizens with the mechanism to gain financial access to health services (Sec.3.a) and prioritize and accelerate the provision of health services to all Filipinos, especially that segment of the population who cannot afford such services (Sec. 3.c). An indigent is a person who has no visible means of income, or whose income is insufficient for the subsistence of his family, as identified by the Local Health Insurance Office and based on specific criteria set by PhilHealth in accordance with the guiding principles in Article I of this Act (Article II.Sec.4.q.)

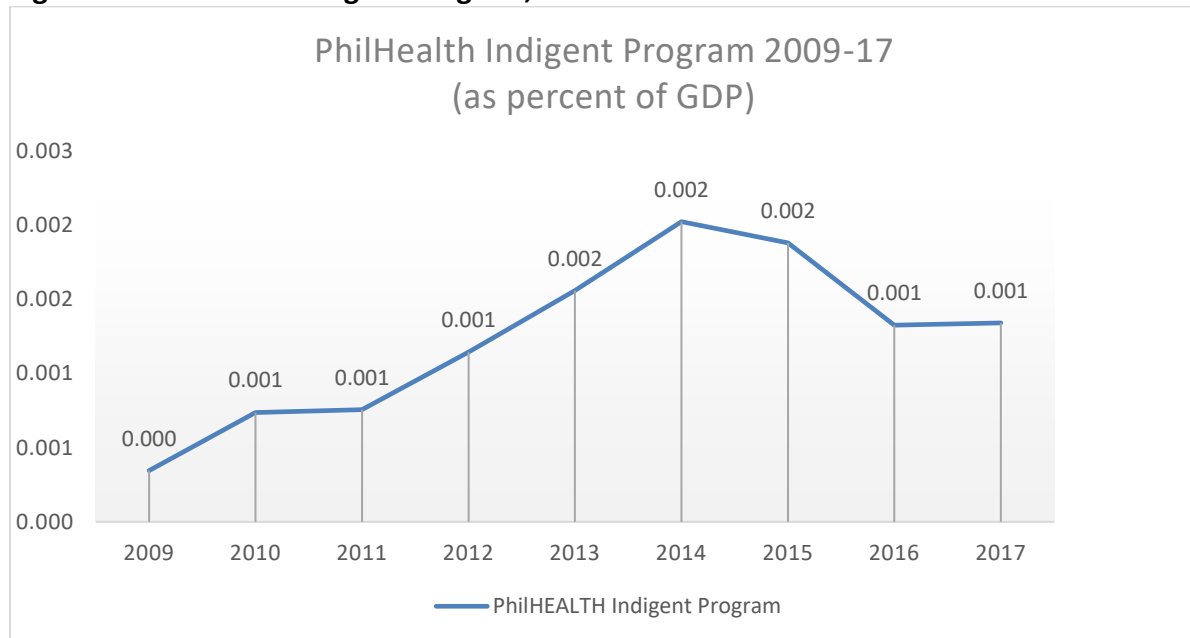
In January 2004, former President Gloria Macapagal-Arroyo instituted the *Enhanced Philippine Charity Sweepstakes Office (PCSO) Greater Medicare Access Program* expanding coverage of PhilHealth to an additional five (5) million indigent families

<sup>13</sup> (Republic Act No. 7875 1994)

nationwide (Executive Order 276 2004). Subsequently, in July 2005, former President Gloria Macapagal-Arroyo issued Executive Order No. 452 directing the enrollment of 2.5 million indigent families to the National Health Insurance Program (Executive Order No. 452 2005).

Overall national government subsidy for PhilHealth increased in recent years. Figure 11 shows the national government contribution to the premium payment of indigents as a percent of GDP peaking in 2014.

**Figure 11. PhilHealth Indigent Program, 2009-2017**

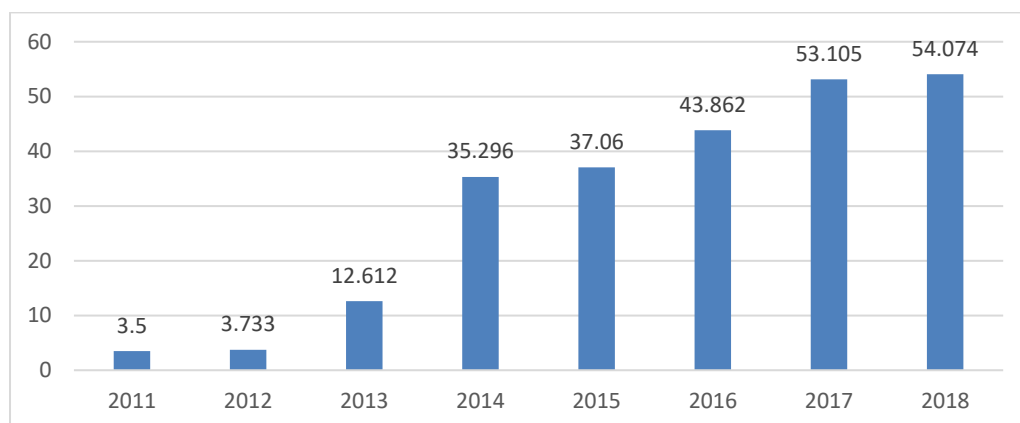


Source: Commission on Audit, PhilHealth Annual Audited Report (various years)

By virtue of RA 10351, otherwise known as the Sin Tax Law, under Section 8. (c) 80% of the remaining balance (from the incremental revenue derived from excise tax on alcohol and tobacco products) shall be allocated for the universal health care under the National Health Insurance Program (Republic Act No. 10351 2012).

From 2011 to 2016, the appropriations for the ‘subsidy for health insurance premium payment of indigent families to the National Health Insurance Program’ was under the Department of Health. The amount, as indicated in the Special Provision, shall be released to PhilHealth through the Bureau of the Treasury (BTr). However, starting 2017, the appropriations are directly released to PhilHealth. Figure 12 shows the increasing trend appropriations in favor of the PHIC. With the passage of the Sin Tax Law in 2013, there is 300% increase in appropriation for PhilHealth.

**Figure 12. PhilHealth subsidy to indigent patients (in current prices, billion pesos), 2011-2018**



Source: General Appropriations Act, various years

#### 4. International comparisons

It is important to look at how Philippine government social protection spending compares with other countries of similar incomes or circumstances to serve as guide for future policy. There are, however, many challenges to this. First, it is difficult to find detailed data is regularly reported and comparable across countries. Furthermore, even within a country and given the evolution of social protection programs and definitions, comparing current to previous expenditures presents another challenge. However, recently, there were reforms in public financial management to shift the reporting of NGA programs to be according to internationally defined classifications of the functions of government (COA; DBM; DOF 2017).

The Asian Development Bank (ADB) developed a Social Protection Index in 2013, based on the comprehensive 2009 data gathered from 35 countries in Asia and the Pacific. One of the objectives in preparing the index is to assess the nature and effectiveness of the social protection programs as well as to facilitate cross country comparison (ADB, 2013). Table 10 shows a comparison of the definition and categories of social protection of the ADB and the Philippine government. The ADB and Philippine government definitions direct social protection efforts towards poverty reduction and vulnerability. It is only in the classification of social protection programs that the two differ. The ADB definition combines both social welfare and safety net programs under one social assistance category.

**Table 11. Comparison in the definition of and SP components used by the Philippines and ADB**

Particulars	Philippines	ADB
Definition of social protection	“constitutes policies and programs that seek to <b>reduce poverty</b> and <b>vulnerability</b> to risks and enhance the social status and rights of the <b>marginalized</b> by promoting and protecting livelihood and employment, protecting against hazards and sudden	“set of policies and programs designed to <b>reduce poverty</b> and <b>vulnerability</b> by promoting efficient labor markets, diminishing people’s exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income.”

Particulars	Philippines	ADB
	loss of income, and improving people's capacity to manage risks"	
Components/ subcomponents	Labor market interventions  Social welfare  Social safety nets  Social insurance	Labor market programs – cash or food-for work programs and skill development and training  Social assistance (social transfers, child welfare, disaster relief, assistance to the elderly, health assistance and disability programs)  Social insurance (pensions, health insurance, other social insurance)

Sources: SDS, 2007 and ADB SPI, 2013

The ADB social protection index (SPI) can be derived from total expenditures on social protection divided by the total number of intended beneficiaries of all social protection programs. This ratio of expenditure and beneficiaries is then applied to poverty line expenditures, for assessment purposes. For consistency, each country's poverty line expenditures are set at one-quarter of its GDP per capita. Hence, the SPI can be expressed directly as percentage of GDP per capita (Asian Development Bank 2013).

$$\frac{\text{Total Social Protection Expenditures/Total Intended Beneficiaries]}{\text{divided by } [0.25 (\text{GDP/Total Population})]}$$

There are two SPIs estimated. First, the unweighted SPI is the ratio of expenditures to intended beneficiaries by program. Second, the weighted SPI includes data from all the social protection categories and is computed as the ratio of the sum of social protection expenditures to the sum of the intended beneficiaries of all programs. The ADB study shows that social insurance dominates social protection across Asia and the Pacific with expenditures in 2013 being 1.875% of GDP per capita (Table 12).

**Table 12. Average SP Expenditures of 35 countries in Asia and the Pacific**

Program	Unweighted
Social insurance	0.075
Social assistance	0.032
Labor market programs	0.003
Overall SPI	0.110

Source : ADB staff estimates based on SPI country reports, ADB SPI, 2013

Based on the ADB SPI index, comparing the overall social protection programs with those of countries in Southeast Asia using the Weighted SPI shows that the Philippines is a little below the average SPI index at 2.1% of GDP per capita. A similar trend is observed for Philippine social insurance and social assistance expenditures being slightly lower than the regional average at 1.7% and 0.3% of GDP per capita, respectively. However, the Philippines

fares the highest among its Southeast Asian region in terms of labor market programs at 0.125% in 2013 (Table 13).

**Table 13. Social Protection Indices in the Southeast Asian Region**

Country	Overall SPI	Weighted Program		
		Social Insurance	Social Assistance	Labor Market Programs
Singapore	0.169	0.158	0.008	0.003
Malaysia	0.155	0.145	0.010	0.000
Thailand	0.119	0.092	0.025	0.003
Indonesia	0.044	0.014	0.028	0.002
Philippines	0.085	0.068	0.011	0.005
Viet Nam	0.137	0.116	0.017	0.004
Lao PDR	0.026	0.017	0.009	0.000
Cambodia	0.020	0.005	0.012	0.003
<b>Regional Average</b>	<b>0.094</b>	<b>0.077</b>	<b>0.015</b>	<b>0.003</b>

Source: ADB SPI 2013

**Table 14. Public Spending on Social Assistance as % of GDP for Lower Middle Income Countries in Asia**

Country	Social Assistance (% of GDP)	Year
Georgia	7.0	2013
Timor-Leste	6.5	2015
Mongolia	2.0	2013
India	1.5	2016
Armenia	1.4	2014
Marshall Islands	1.1	2009
Fiji	1.1	2015
Viet Nam	1.0	2015
Samoa	0.8	2014
Indonesia	0.8	2015
Sri Lanka	0.7	2015
Philippines	0.7	2015
Pakistan	0.6	2016
Bhutan	0.3	2009
Vanuatu	0.3	2009
Lao PDR	0.2	2011
Papua New Guinea	0	2015
<b>Average for lower middle income</b>	<b>1.5</b>	

Source: The Atlas of Social Protection –Indicators of Resilience and Equity (ASPIRE<sup>14</sup>)

Note: Data for the Philippines are for 2015; others are for the latest available year. Countries were ranked by Social assistance

<sup>14</sup> ASPIRE is the World Bank's premier compilation of Social Protection and Labor indicators gathered from officially recognized international household surveys in order to analyze the distributional and poverty impact of Social Protection and Labor Programs. Social expenditures figures represent total program expenditure including spending on benefits and on administrative costs. Social assistance programs were inclusive of unconditional cash transfers, conditional cash transfers, social pensions, school feeding, in-kind transfers, fee waivers, public works, and other social assistance. Expenditure for social insurance and labor market programs are not yet available (World Bank 2018).



The Philippines spends lower on social assistance as a share of GDP, 0.7%, than the average of 1.5% by lower middle-income countries (Tables 14 and 15). There is still much to be done to increase the coverage for the Philippines to ensure that the poorest are adequately covered.

**Table 15. Philippine National Government Social Protection Expenditures as percent of GDP, 2009-2017**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
Total Social Protection Spending	0.66	0.78	0.67	0.75	0.86	1.03	1.04	0.91	1.12	0.873
Labor Market Interventions	0.004	0.003	0.003	0.004	0.005	0.005	0.005	0.005	0.005	0.004
Social Assistance	0.625	0.703	0.597	0.636	0.702	0.830	0.847	0.779	0.989	0.745
Social Insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MEMO ITEM:										
Nominal GDP (In billion pesos)	8,026	9,003	9,708	10,561	11,538	12,634	13,322	14,480	15,876	

Source: Various national government accounts

## 5. General Findings and Next Steps

Though Philippine national government expenditures on social protection has been increasing in recent years, it is still behind other developing countries (Asian Development Bank 2013). The bulk of social protection spending goes to social welfare programs with the top three programs being the 4Ps, KALAHI-CIDDS and Livelihood and Self-employed Programs (SLP). The DepEd’s School-Based Feeding Program, the NFA’s Rice Price Subsidy and Implicit Subsidy and DSWD’s Supplemental Feeding Program spent fourth to seventh largest shares.

Social safety net expenditures were dominated by the DSWD’s SocPen program owing largely to increased coverage. As for social insurance, though it has been receiving increasing budgetary support, there is still a need to increase relatively low coverage rates (World Bank 2018, 6). Labor market interventions contribute the smallest to social protection expenditures. One of the possible reasons is that these programs focus primarily on providing the means for Filipinos to finish schooling.

What must be highlighted are some improvements in the evolution of the design and consolidation of programs of the same or similar objectives within NGAs (internal coherence). An example is the DepEd’s School-Based Feeding Program which evolved from various feeding programs, until it was consolidated as one program. Monitoring and evaluation through audits and impact assessments, as well as the willingness of policymakers to heed to such results, were influential in the redesign of the program. In addition, consolidating efforts to mitigate hunger and improving implementation makes for a stronger argument for requesting budgetary support. After the 2012 redesign of the SBFP, its expenditures increased by 3700% in 2017. Despite some successes in improving program design and delivery, there is a need for periodic audits and review of existing programs.

Related to this, a World Bank (2018) report argued the need to improve the weak level of coherence of SP (programs fragmented and overlapping or duplication of programs). Furthermore, the coherence of programs should not be limited to within the NGA coherence as well as across NGAs. There are two current public financial management reforms to improve move to program budgeting and rightsizing government that could be utilized to consolidate

and remove overlapping and duplicative programs. By being able to identify the contribution of programs to sectoral and societal goals and rightsizing the government (reviewing mandates/functions) to remove these overlaps and redundancies across NGAs, it would be easier to make social protection efforts more cohesive.

Regardless of the policy horizon or motivation of a social protection program, it is crucial to monitor and evaluate the efficiency and effectiveness of the program to be able to intelligently assess future policy direction.

Section 82 of the recently approved TRAIN Law, prescribes, among others, that not more than 30% of incremental revenues from TRAIN should be earmarked to fund various time-bound social mitigating measures or social protection programs to provide targeted relief from the moderate and temporary effects of inflation brought by RA 10963. A DBM-DOF-DSWD Joint Memorandum Circular No. 001, series of 2018, prescribes the general guidelines for the implementation of Social Welfare Benefits Program. Beneficiaries will be identified through a National ID System which has to be enacted by Congress. Earmarking for the purpose, shall end in 2023, five years after the effectivity of the TRAIN Law. By then, all revenues shall accrue to the General Fund.

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## 7. Appendix

**Table on Social Protection Programs, 2009-2017**

<b>In Nominal terms, in Million Pesos</b>	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Labor Market Interventions</b>	<b>575</b>	<b>277</b>	<b>272</b>	<b>455</b>	<b>534</b>	<b>582</b>	<b>707</b>	<b>698</b>	<b>749</b>
Special Employment Program for Students (DOLE)	441	150	152	332	409	472	585	552	613
Education Assistance Program (NCIP)	135	127	121	123	125	110	122	146	136
<b>Social Welfare Programs</b>	<b>44,642</b>	<b>63,073</b>	<b>57,091</b>	<b>65,923</b>	<b>79,501</b>	<b>99,341</b>	<b>102,713</b>	<b>99,847</b>	<b>136,496</b>
Livelihood and Self-Employed Programs (DSWD)	20	0	0	72	1,716	2,294	4,732	7,385	8,356
Pantawid Pamilyang Pilipino Program (DSWD)	6,609	10,925	21,373	39,692	46,581	54,120	61,477	60,553	86,907
KALAHI-CIDSS (DSWD)	963	305	1,810	1,241	939	1,601	15,081	9,920	12,824
Malusog na Simula, Mayaman na Bansa (DSWD)	880	0	0	0	0	0	0	0	0
Supplemental Feeding Program (DSWD)	477	478	2,813	2,879	2,869	3,996	3,088	3,925	4,157
Food for School Program (DepED)	1,670	0	0	0	0	0	0	0	0
School-Based Feeding Program (DepED)	74	102	185	150	177	215	1,535	4,223	6,221
Malusog na Simula, Mayaman na Bansa (DepED)	442	0	0	0	0	0	0	0	0
Rice Price Subsidy (NFA)	2,000	8,000	2,500	8,030	2,146	4,361	4,250	4,250	5,100
Tax/Implicit Subsidy (NFA)	24,522	34,859	20,511	0	9,065	15,358	9,894	6,397	5,105
Seed and Fertilizer Subsidies (DA)	6,930	8,277	2,393	5,854	7,067	5,716	2,567	3,132	1,695
Family Welfare Program/Workers with Special Concern (DOLE)	16	13	0	0	0	34	35	26	30
Assistance to Displaced Workers – AMP (DOLE)	41	0	0	0	0	45	55	37	0
GSIS Calamity Loans	0	115	5,505	8,004	8,913	11,600	0	0	6,100
<b>Social Safety Net</b>	<b>4,154</b>	<b>153</b>	<b>843</b>	<b>1,232</b>	<b>1,554</b>	<b>5,540</b>	<b>10,135</b>	<b>12,946</b>	<b>20,483</b>
Core Shelter Programs (DSWD)	107	153	0	0	0	0	0	0	0
Assistance to Individuals in Crisis Situations (DSWD)	214	0	0	0	0	2,750	4,266	4,771	3,981
Katas ng VAT para kay Lolo at Lola; Social Pension for Indigent Sr. Citizens (DSWD)	412	0	843	1,232	1,554	2,790	5,869	8,175	16,502
Katas ng VAT Pantawid Kuryente (DSWD)	3,424	0	0	0	0	0	0	0	0
<b>Social Insurance</b>	<b>2,773</b>	<b>6,634</b>	<b>7,338</b>	<b>12,095</b>	<b>17,972</b>	<b>25,558</b>	<b>25,056</b>	<b>19,209</b>	<b>21,283</b>
PhilHealth Indigent Program	2,773	6,634	7,338	12,095	17,972	25,558	25,056	19,209	21,283
<b>TOTAL, SOCIAL PROTECTION EXPENDITURES</b>	<b>52,144</b>	<b>70,137</b>	<b>65,544</b>	<b>79,705</b>	<b>99,561</b>	<b>131,021</b>	<b>138,611</b>	<b>132,700</b>	<b>179,011</b>