

ASEAN REGIONAL CONFERENCE OF SENIOR OFFICIALS ON SHARING OF GOOD PRACTICES IN SOCIAL PROTECTION FOR WOMEN IN ENTERPRISE DEVELOPMENT

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Philippine Country Paper

I. Philippine definition of social protection and relevant legal mandates

The Philippine government through the National Economic Development Authority-Social Development Committee issued resolution no. 1 series 2007 which adopted a Philippine Definition of Social Protection. This defines social protection as: "*Policies and programs 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*".

It also identified the four (4) components of the Philippine Social Protection as follows:

a. **Labor Market Programs/ Interventions** – Measures aimed at enhancing employment opportunities and protection of the rights and welfare of workers. Employment enhancing measures include trade policies and skills development and training. Labor protection includes compliance with labor standards such as minimum wages or health and safety in the workplace.

b. **Social Insurance** – Programs that seek to mitigate income risks by pooling resources and spreading risks across time and classes. These are designed in such a way that beneficiaries pay a premium over a given period of time to cover or protect them from loss of income and unemployment as a result of illness, injury, disability, retrenchment, harvest failure, maternity, old age, etc. This component includes micro- and area-based schemes to address vulnerability at the community level (such as micro-insurance and social support funds).

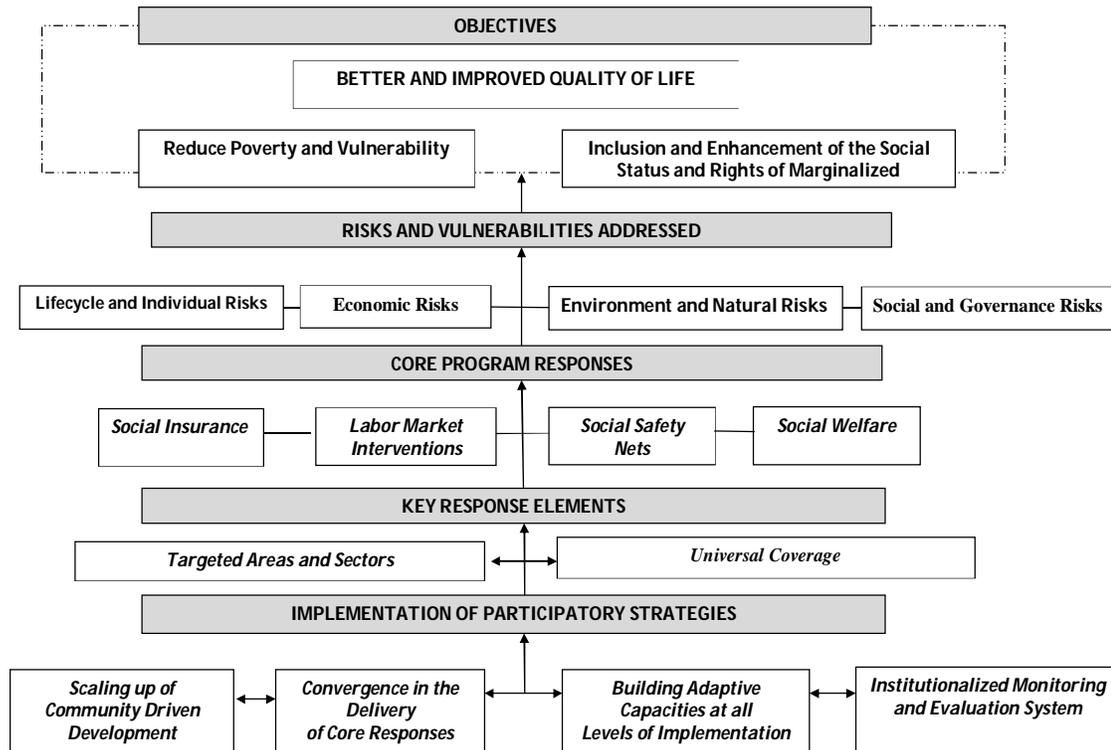
c. **Social Welfare** – Preventive and developmental interventions that seek to support the minimum basic requirements of the poor, particularly the poorest of the poor, and reduce risks associated with unemployment, resettlement, marginalization, illness, disability, old age and loss of family care. Social welfare and assistance programs usually comprise 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.

d. **Social Safety Nets** – Stop-gap mechanisms or urgent responses that address effects of economic shocks, disasters and calamities on specific vulnerable groups. These are measures that specifically target affected groups with specific objective of providing relief and transition. Measures include emergency assistance, price subsidies, food programs, employment programs, retraining programs and emergency loans.

The current social protection framework as seen below serves as the guiding principle in the implementation of social protection program in the Philippines. The core of the framework is the underlying purpose and objective of social protection which is better and improved quality of life for its beneficiaries. It is contextualized within the over-all inclusive development goals and poverty strategy of the country – "to empower and protect the poor, vulnerable and disadvantaged individuals, families and communities from individual life cycle, economic, environmental and social risks" (Chapter 8, Philippine Development Plan

2011-2016).

Current Social Protection Operational Framework



One of the major objectives identified in the framework is addressing social risks and vulnerabilities which are categorized into four: 1) **Individual life-cycle**- hunger, illness, disability, old age and death; 2) **Economic**- unemployment, underemployment, low and irregular incomes, economic crises; 3) **Environmental and Natural**- typhoons, drought, floods, earthquakes and volcanic eruption; 4) **Political and Governance**-armed conflicts, crime, corruption, social exclusion and discrimination.

In order to address the social risks and vulnerabilities, government responses focused on four types of responses by objective which are the preventive, mitigating, coping and adapting mechanisms: 1) **Preventive response** is done before risk occurs, mainly reducing the probability of risk occurring while the **mitigating response** help individuals reduce the impact of future risky event and 2) **Coping mechanisms** alleviate impact of risk once it occurred (e.g. dissaving, relief and rehabilitation) while **adapting mechanisms** prepare individuals and households for the next shock and risk (e.g. disaster preparedness, networks, fund availability, etc.).

The matrix below summarizes the social protection programs of government for identified vulnerable groups.

<i>Types of Government Responses: Social Protection Programs (ADB, 2011)</i>		
Components	Target Vulnerable Groups	Programs
Labor Market Interventions	Employed, unemployed, underemployed (formal and informal)	Active Labor Market Programs. Passive Labor Market Programs. Labor Standards
Social Insurance	Sick, elderly, widowed, PWDs, pregnant women, unemployed	Unemployment insurance, work injury insurance, health insurance, maternity and retirement insurance
Social Welfare	PWDs, IPs, drug dependents, orphans, single parent households, IDPs, elderly, widowed, pregnant women, unemployed	Welfare and social services, cash or in-kind transfers, temporary subsidies, safeguard measures
Micro and Area-based Schemes	Rural and urban informal communities at risk	Micro-credit and micro-insurance, crop insurance, social funds, CBDRM
Child Protection	Children and youth (0-18 yrs)	ECCD, school feeding programs, youth programs, streetchildren programs, child rights advocacy, family allowances

The Social Protection Framework serves as the guide in systematizing social protection responses and formulating an operational framework and convergence strategy through inventory and review of social protection programs and linking social protection, poverty reduction and inclusive growth.

II. Existing programs on social protection for women in MSMEs

1. Sustainable Livelihood Program of the Department of Social Welfare and Development (DSWD)

The Sustainable Livelihood Program of the DSWD aims to improve the socio-economic capacity of the participants through micro-enterprise development and employment facilitation activities that shall ultimately provide a sustainable income source. It orchestrates partnership initiatives among marginalized families and communities, and the public and private sectors to create microenterprises and employment opportunities. It is anchored on the principles of Community Driven Enterprise Development (CDED) which are resource-based, market-driven, culturally-sensitive and economically viable.

The Sustainable Livelihood Program falls under the four components of the Social Protection Framework:

- a. Labor Market Intervention - Enhancing labor market by facilitating employment opportunities and increasing employability of poor (prioritizing Pantawid Familya families), marginalized and disadvantaged sectors through partnership linkages with private and public employers and provision of technical vocational skills training.
- b. Social Insurance - Mitigating risks of its participants through advocacy and facilitating access of its participants to micro-insurances and agricultural/crop insurances to be more resilient to shocks, developing and widening asset base to have more diverged livelihood options through the Cash for Building Livelihood Asset strategy, and provision of grant to acquire physical assets for enterprising activities and engagement in gainful employment opportunities.
- c. Social Welfare – Preparing the participants to manage their own enterprises through provision of necessary start-up capital (either financial or non-financial) through the

Self-Employment Assistance Kaunlaran (SEA-K) funds or linkage to other resource providers.

- d. Social Safety Nets - Providing support in rebuilding damaged livelihood assets of families in disaster-stricken areas through the Cash for Building Livelihood Asset modality.

To date, SLP has assisted 456,616 families, 86% of them CCT beneficiaries, and 94% linked to micro-enterprise development programs.

The impact of SLP to the lives of its participants is felt on the dramatic movement of their well-being from survival to subsistence, subsistence to sufficiency or from survival to sufficiency. The administration of the Social Welfare and Development Indicators (SWDI) this 1st quarter of 2015 will determine the movement of the Pantawid families. The Bangon Kabuhayan awards on 28 November 2014 will honor individuals, partners and LGUs who have shown support, transformation and commitment to changing people's lives. Women played a big role in all of SLP's undertakings as they have been greatly engaged in project identification, implementation and sustainability particularly for micro-enterprise.

2. Labor Market Intervention Programs of the Department of Trade Industry (DTI)

DTI implements two programs to support micro, small and medium enterprises (MSMEs) to increase their knowledge and capacities, called the SME Roving Academy and the Shared Service Facilities (SSF).

SME Roving Academy (SMERA)

SME Roving Academy is a management training program for would-be entrepreneurs, SME owners and managers of micro and small to medium-sized businesses. This initiative is meant to provide continuous learning program for entrepreneurs to help them better set up and step up their operations and improve their competitiveness, thereby facilitating easier access to domestic and international markets. They are provided with managerial capabilities as well as knowledge on marketing preference, technology and lifestyles to help them establish and grow their business. Collaboration among local government units, chambers, academe, finance institutions, trade and industry associations and other government and NGOs is promoted and strengthened under SMERA, which to date has trained 88,765 entrepreneurs since 2011.

Shared Service Facilities (SSF)

The Shared Service Facilities (SSF) Project aims to improve the competitiveness of MSMEs by providing them with machinery, equipment, tools, systems, skills and knowledge under a shared system. It is being implemented nationwide with project partners termed as Cooperators, which may be any juridical entity such as but not limited to non-government organizations, people's organizations, cooperatives, industry/trade business associations, local government units, state universities/colleges technical vocational schools and other similar government and training institutions.

The facilities have enabled micro businesses and workers in the different industries to mechanize their operations and consequently increase their production capacity and efficiency, diversify their products and services, and reach more markets. They have likewise helped generate jobs that will ultimately promote inclusive rural growth. Collaboration among and between government agencies and private sector was also strengthened. As of 30 September 2014, 767 SSFs were established with a total project

cost of Php 274.899 million. These facilities have benefitted 60,022 beneficiaries and generated 25,534 jobs.

3. Labor Market Intervention Program of the Department of Labor and Employment (DOLE)

DOLE implements the Integrated Livelihood Program (DILP) as a grant assistance for capacity building on livelihood for the poor, vulnerable and marginalized workers including women. Its menu of services includes **livelihood formation** which enables the unemployed poor, seasonal, and low-waged workers to start individual livelihood, or collective enterprise undertakings, with the goal of moving them out of poverty and making them productive. Another service is **livelihood enhancement** which enables existing livelihood undertakings to grow into viable and sustainable businesses that provide income at least at par with those of the minimum wage earners, and the **community group/enterprise development** which enables existing livelihood projects of groups of beneficiaries to be transformed into community enterprises. Beneficiaries are provided with: (i) training on how to plan, set-up, start and operate their livelihood undertakings such as business planning, business management, and production skills; (ii) start-up capital in the form of raw materials, equipment, tools and jigs, and other support services necessary in setting-up the business or enterprise. (iii) GSIS accident insurance (iv) continuing technical and business advisory services to ensure efficiency, productivity, and sustainability of the business/enterprise. The program is implemented by DOLE in coordination with private companies, local government units, micro-funding institutions, people's organizations and foundations.

DOLE also implements a social safety net program called **emergency employment program** which is a community-based package of assistance that provides emergency employment for displaced workers, underemployed, and unemployed poor, for a minimum period of 10 days, but not to exceed a maximum of 30 days, depending on the nature of work to be performed. Prior to employment, beneficiaries are provided with basic orientation on safety and health, personal protective equipment and enrolment in micro-insurance. Another program of DOLE is the **social amelioration program** intended for sugar workers where it supports livelihood and employment and facilitates their access to social protection. The program also includes maternity benefits for women and death benefits for workers.

4. Social Insurance for Micro-entrepreneurs through the Partial Subsidy Scheme and other programs of Philhealth

The Philippine Health Insurance Corporation, otherwise known as "PhilHealth" was established by virtue of Republic Act No. 7875, as amended by Republic Act No. 9241 and further amended by Republic Act No. 10606 to manage and administer the implementation of the National Health Insurance Program (NHIP). The NHIP aims to provide ALL citizens of the Philippines with the mechanism to gain access to health services.

To give priority to the needs of the underprivileged and marginalized sectors, the corporation has executed a Memorandum of Understanding (MOU) in 2007 with the Philippine Commission on Women (PCW) for the implementation of the Partial Subsidy Scheme to ensure that more women, particularly those in the marginalized sector and enterprise development will have social health insurance coverage.

Pursuant to PhilHealth Board Resolution No. 1479, series of 2011 entitled "Resolution Approving the Implementation of the Partial Subsidy Scheme for the Coverage of Women Micro-Entrepreneurs (WMEs), Small Self-Employed and Underground Economy Workers of the Informal Sector", the partial subsidy scheme may be adopted for indigents who are

proposed to be enrolled by the LGU or premium donor/s but did not qualify in the National Household Targeting System for Poverty Reduction (NHTS-PR) of the DSWD.

Under this scheme, the payment of premium contribution shall be based on mutually agreed cost-sharing arrangement between the LGU/ Sponsor and member or depending on how much the LGU/ Sponsor resolves to contribute. However, the premium counterpart of the member should not be higher than 50% of the prescribed annual premium contribution. To qualify for enrollment, the gross monthly family income should be less than Php25,000.

Members of this program shall be entitled to avail of the Unified Inpatient Benefit Package or Hospitalization Package, Primary Care Benefit Package (PCB) and the "No Balance Billing" Policy when inpatient services are availed at any government hospitals nationwide.

Women in SMEs who failed to qualify under the Partial Subsidy Scheme have the option to enroll to any of the following existing programs of PhilHealth;

1. Individually Paying Program

The Individually Paying Program (IPP) is the voluntary component of the NHIP. The program caters to those in the informal sector and those without a formal employer-employee relationship. Under this program, the members are the ones paying for their own social health insurance.

2. iGroup Program for Organized Groups

An enhanced mechanism for the enrollment and continued coverage of Individually-Paying Members (IPM) in partnership with duly registered organizations. This partnership program shall likewise provide premium incentives to iGroup partners and other value-added benefits for their members and dependents subject to group size category. In order to seal the partnership with these OGs, PhilHealth shall require the signing of a Memorandum of Agreement (MOA) and Group Policy Contract (GPC).

3. Formal Sector Program

Women in Small and Medium Scale Industries who have established employee-employer relationship shall be qualified to enroll under this program. Premium contributions of employees and their employers shall be computed at three percent (3%) of the basic monthly salary of the employee and shall be continually shared equally by its employer: Provided, That the monthly salary base is determined at Seven Thousand Pesos (PhP7,000.00) with the minimum annual contribution of Two Thousand Five Hundred Pesos (Php2,520.00) and the monthly salary ceiling is determined at Fifty Thousand Pesos (Php50,000.00)."

5. Social Insurance of the Social Security System

The Social Security System (SSS) is the agency mandated to provide meaningful protection to members and their families against hazards of disability, sickness, maternity, old age, death and other contingencies resulting in lack of income or financial burden. Thus, it extends social protection to workers and their beneficiaries.

The Business and Social loan programs of SSS offers loan service to existing private industries and enterprises including Barangay Micro Business Enterprises (BMBEs) which falls under the social safety net of the Social Protection Framework. The two programs

include: 1) **Business Development Loan Facility-** aims to contribute to the nation's economic growth and development by providing financial assistance to the business sector and support government's program of invigorating economic activity. The eligible borrowers are new or existing private industries and enterprises. 2) **Social Development Loan Facility-** the funds for this program are made available through conduit arrangements with the SSS Participating Financial Institutions (PFIs). The eligible borrowers for this program are new and existing medical institutions licensed by the Department of Health (DOH), new and existing private educational institutions (i.e, toddler/ daycare learning centers, secondary and collegiate/ university levels, SPED as well as duly licensed vocational technical institutes.

SSS also implements an outreach payment scheme similar to piggy banking where members drop small daily amounts in their designated "piggy banks" which SSS collects monthly as their remittance. The program started with tricycle drivers and with its success with this group, it has expanded to informal sector workers, particularly to jeepney drivers, ambulant vendors, farmers, fishers, women micro-entrepreneurs and even job contractuales (no employer-employee relationship) in schools and hospitals. Expansion also has reached women detainees and prisoners, caddie women and night workers. According to SSS, this scheme has brought in 1,028 informal sector groups covering some 102,765 individuals (no sex disaggregation).

6. National Anti-Poverty Commission

The National Anti Poverty Commission serves as the coordinating and advisory body tasked in implementing the Social Reform and Poverty Alleviation Agenda. It is the government agency committed to reduce poverty by institutionalizing basic sector participation in governance and coordinating the poverty reduction effort of government and the private sector.

To assist marginalized women, NAPC partners with government agencies with programs that support women's livelihood development, such as with the Conditional Cash Transfer (CCT) program of the DSWD and the Great Women project of the Philippine Commission on Women. With PCW, it developed the Gender and Financial Literacy Training Manual. With DSWD and other partners, it trained CCT beneficiaries in one locality on coco-twine making and coco-net weaving, and through convergence with other agencies facilitated the acquisition of capital assistance (DSWD), access to the shared service facilities and technical assistance (DTI, DOLE) including provision of twining machines and weaving looms to jumpstart their enterprises.

III. Gaps and challenges in implementing social protection programs for women in Micro, Small and Medium Enterprises

Experiences of the government agencies in implementing social protection programs for all target beneficiaries in general and for women in enterprise development in particular identified the following gaps and challenges:

1. Monitoring and assessment of impact:
 - Need for more in-depth assessment of the impact of the programs on the lives and enterprises of the beneficiaries, rather than focusing on number of beneficiaries (SLP, SMERA).
 - Enhancing SLP information system and other monitoring and evaluation system and processes for real-time and accurate results and operations monitoring
 - More in-depth data gathering especially at the local level

- Lack of comprehensive and unified database of people and their income level (DOLE)
 - The need to maintain a registry through a single centralized database that would link registered women in micro, small, and medium enterprises to government support services and monitor the impact of such services on the lives of the beneficiaries.
 - The need for an effective monitoring system to determine adherence to policy and assess the quality of services provided by partner-implementors to members.
2. Capacities and mindsets:
 - Encouraging entrepreneurs to go through all stages of capacity building and support to enable them to become more competitive (SMERA)
 - Lack of entrepreneurial and management skills
 - Need for capacity building at local level; ability of national agencies to effectively empower and capacitate LGUS in the various responses
 - Limited knowledge of members/beneficiaries regarding their benefits entitlement.
 - Lacking conscious effort to address specific needs of women in micro, small and medium enterprises.
 3. Delivery mechanisms:
 - More appropriate and responsive technology support to enterprises (SSF), including technology for development of indigenous materials (DOLE)
 - Inadequate delivery mechanisms at the community level
 - Shifting to a more purposive and evidenced based area and participant identification which targets economically-active families
 - The proper identification of its participants is likewise very crucial since not all poor are enterprising and therefore should be rigorously assessed to identify the best suited intervention.
 - Availability and accessibility of needed services by members/ beneficiaries at the local level (particularly in far flung areas).
 4. Coordination and convergence
 - Need greater cohesion and convergence among key agencies (e.g. livelihood, hunger mitigation and disaster preparedness programs)
 - Need for multi-stakeholder partnerships in resource mobilization as government resources are limited
 - Inadequate number of accredited co-partners at local level
 5. Gaps in policies, programs, structures, capacities and information still need to be addressed.

IV. Lessons learned and recommendations

1. Pursuing women's economic empowerment through social protection programs should be coupled with the protection, management and sustainability of resources for enterprise development.
2. Social protection should simultaneously address issues of social, gender, environmental and climate justice towards social transformation
3. Stronger political will and commitment of the key stakeholders

4. Greater full collaboration among partners especially with LGUs and those providing the market for the skills, products and services; engaging the private sector is very crucial since they are the links to markets and jobs.
5. Increased dialogues with and participation of CSOs planning, implementing, monitoring of SP strategies and mechanisms for including the excluded, and dealing with disasters in the era of climate change; and in implementing the ASEAN Declaration.
6. Stakeholder engagement and support is crucial in assessing real needs and sustaining initiatives on the ground.
7. The use of local language and formulation of appropriate messages are recommended to increase awareness and facilitate better learning among beneficiaries.