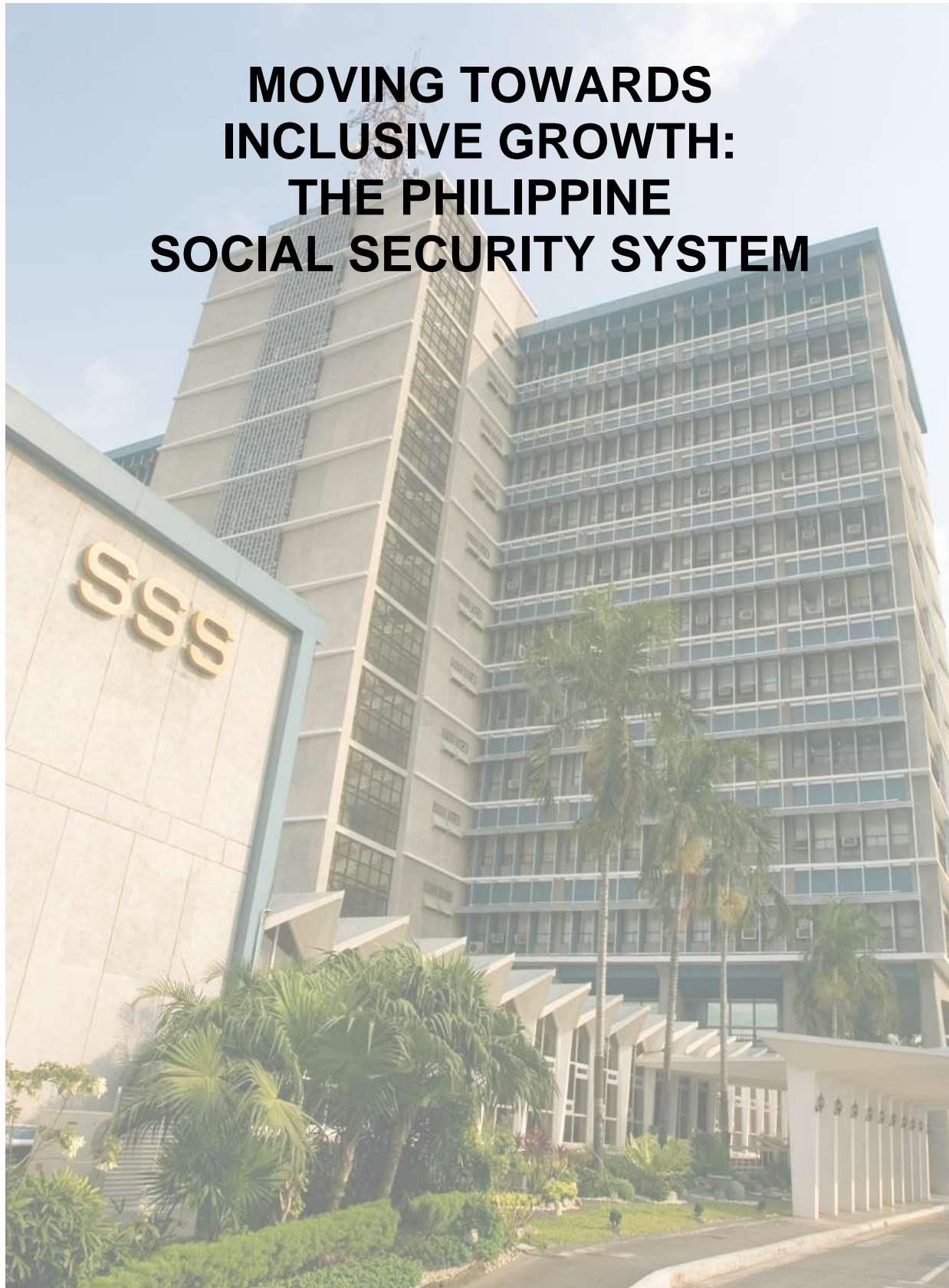


**MOVING TOWARDS
INCLUSIVE GROWTH:
THE PHILIPPINE
SOCIAL SECURITY SYSTEM**



MOVING TOWARDS INCLUSIVE GROWTH: THE PHILIPPINE SOCIAL SECURITY SYSTEM

The Philippine Social Security System (SSS) is tasked to provide a social safety net to workers in the private sector, the self-employed and the informal sector against sickness, maternity, death, disability, old age, and other contingencies that result in loss of income or financial burden.

Cognizant of the informal sector's employment generation and economic contribution capacities, the SSS deemed it urgent and necessary to extend social security coverage to their workers. But to do so would require creative approaches to reaching out to the Informal Sector (IS): approaches that recognize the irregularity of their incomes and differences in the nature of their businesses; approaches that require partnerships with organized informal sector groups (ISGs) so that there are identified and shared responsibilities; and approaches that allow for "wholesale" social security coverage instead of SSS going after individual IS workers on a piecemeal basis.

In this report, the SSS shares the details of several IS coverage and collection programs that it has implemented over the recent past years, namely: 1) AlkanSSSy Program for the Self-Employed in the Services Sector; 2) Servicing and/or Collecting Partner Agent Arrangement for Cooperatives and Micro-finance Institutions (MFIs); 3) Social Security Subsidy Program; 4) Coverage Program for Job Order/Contractual Workers in Government; and 5) the MuniSSSipyo-Collect Program for Unbanked Areas.

The SSS is gradually building its success in helping members of this vulnerable sector get the social protection that they deserve, at an amount that is within their reach.



MOVING TOWARDS INCLUSIVE GROWTH: THE PHILIPPINE SOCIAL SECURITY SYSTEM

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Author's Note: In this Report, "\$" means U.S. dollars and "PhP" or ₱ means Philippine pesos. Unless otherwise stated, the exchange rate used throughout the report is US\$1.00 = ₱44.52.

Acronyms used in this Report:

AO	–	Account Officer
CEW	–	Community Extension Worker
CPA	–	Collecting Partner Agent
DILG	–	Department of Interior and Local Government
DSWD	–	Department of Social Welfare and Development
GDP	–	Gross Domestic Product
GSIS	–	Government Service Insurance System
IA	–	Irrigators Associations
ILO	–	International Labour Organization
IS	–	Informal Sector
ISG	–	Informal Sector Group
JO/C	–	Job Order/Contractual
LGU	–	Local Government Unit
MFI	–	Micro-Finance Institution
MOA	–	Memorandum of Agreement
MOU	–	Memorandum of Understanding
NCR	–	National Capital Region
NGO	–	Non-Government Organization
OFW	–	Overseas Filipino Workers
PODA	–	Pedicab Operators and Drivers Association
RBO	–	Rural-Based Organization
SPA	–	Servicing Partner Agent
SSS	–	Social Security System
TODA	–	Tricycle Operators and Drivers Association

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I. INTRODUCTION

A. Philippine Economic Conditions

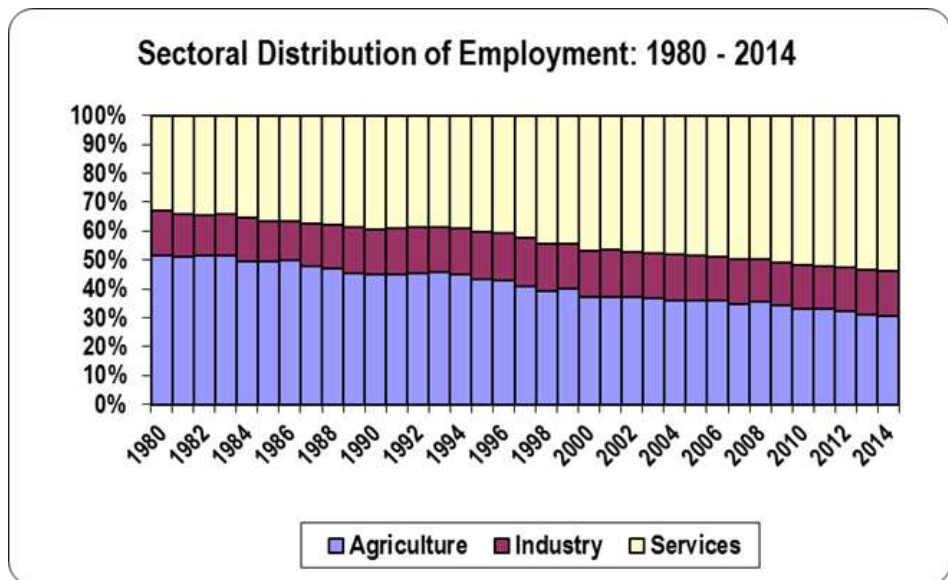
The growth of the Philippine economy as measured by the Gross Domestic Product (GDP) has been accelerating since the 1980s. From the annual average growth rate of 1.8 percent from 1980 to 1990, the economy expanded to an average of 2.9 percent from 1990 to 2000, then by an average of 4.7 percent from 2000 to 2010 percent. In the last five years, the economy grew at an average of 6.0 percent. (See Annex: Table 1)

The past three years saw a gradual shift in the country's economic structure as the industry sector posted strong growth boosted by the manufacturing and the construction sub-sectors while the services sector slowed though remained strong.

B. Employment by Sector

Total employment in the Philippines grew to 38.1 million in 2014, more than twice the total employment in 1980 or 34 years ago, apparently indicating a slow growth in the country's employment at an annual average of 2.6 percent during the 34-year period. Since 1980 the average annual growth of the number of employed persons generally posted a declining trend from 3.6 percent from the 1980 to 1991 period to a negative growth of -0.06 percent between 2013 and 2014.

Over the past several decades there has been a gradual structural shift in the country's employment structure away from the agricultural sector, going to the services sector. In 1980, half of the employed persons were in the agriculture sector. This ratio fell to less than one-third in 2014. A reversal in



the trend was observed for the services sector, where the ratio to total employment increased from one-third in 1980 to more than half in 2014, making it the biggest employer beginning in the late 90s. On the other hand, the ratio of employed persons in the industry sector stabilized around 15.0 percent to 16.0 percent throughout the review period.

For the period 1980 to 2011, the fastest growth in the number of workers was noted in the services sector, with average annual growth ranging from 3.8 percent to 5.8 percent. However,

beginning in 2012 and shadowing the growth trend of GDP, the industry sector surpassed the services sector with annual growth ranging from 2.3 percent to 4.3 percent compared to the services sectors' annual growth that ranged from less than 1 percent to 2.9 percent during the same period. On the other hand, the slowest annual growth in employment was noted in the agriculture sector throughout the review period.

While data shows an increasing trend in the industry sector beginning in 2012, much still needs to be done to create more jobs in this sector, particularly in manufacturing to be able to absorb more skilled workers. Meanwhile, despite the declining growth in the number of employed persons in the services sector, its proportion to total employment still exhibited an increasing, albeit moderated, trend. (See *Annex: Table 2*)

C. Impact of Informal Sector

Economic Contributions. Quantifying the economic contribution of the informal sector involves issues on identifying and collecting data on the same sector [National Statistical Coordination Board (NSCB), 2001].

In an attempt to measure the economic contribution of the informal sector, the NSCB quantified the contribution of the whole unorganized sector, described as the following: 1) operated by own-account workers employing unpaid family workers or casual workers; 2) absence of division between labor and capital or absence of division between household and production operations; 3) small-scale production; and 4) low levels of organization and technology (Domingo, 2004).

Moreover, considering two studies by Charmes (2000) and Pastrana (2009), the informal sector's contribution to GDP ranges from 12.5 percent based on 2008 Informal Sector Survey (ISS) to 25.4 percent. Thus, it can be assumed that one-eighth to one-fourth of country's GDP comes from the informal sector.

Employment. Based on the data from the National Statistics Office and various labor force surveys, the informal sector is composed of workers who are self-employed, employers, and unpaid family workers, while the total number of employed persons is composed of the sum of the number of workers under formal employment or those who are wage and salary workers and the number of workers under informal employment.

From 9.9 million in 1980, the number of informal sector (IS) workers was recorded at 16.05 million in 2014. The percentage share of the workers under informal employment has declined from 57.6 in 1980 to 42.1 in 2014.

The growth of informal employment ranges from 1.0 to 2.0 percent from 1980 to 2010. The number of IS workers slightly declined by 2.0 percent to 16.1 million in 2012, from 16.7 million in 2011. Then dropped by 1.5 percent or from 16.1 million to 15.8 million in the period 2012 to 2013. This increased, however, in the following year (2013 to 2014) by 1.2 percent. (See *Annex: Table 3*)

II. PHILIPPINE SOCIAL SECURITY SYSTEM (SSS)

A. Overview of SSS

The SSS was established on September 1, 1957 with a mandate to provide a social safety net to workers in the private sector and their beneficiaries against sickness, maternity, death, disability, old age, and other contingencies that result in loss of income or financial burden. It accomplishes this through two major programs: the Social Security program, and Employees' Compensation program, which pays for work-related injuries and deaths.

As a social insurance program, the SSS has the following features: 1) It is compulsory for the workers in the private sector, as well as self-employed individuals; 2) Employers and employees share in the payment of contributions that are pooled together into a fund to cover benefit payments; 3) A member's right to benefits is assured by the number of contributions he has paid – there is no need to show that he is indigent or in need to enjoy the benefits; and 4) Surplus funds, or funds not immediately needed to pay benefits and cover operating expenses, are put on reserve and are invested to make them grow to fund future obligations;

The SSS re-distributes income through cross-subsidies where the young pay for the old; the able for the disabled; the healthy for the sick; and the higher income for the lower income group. Moreover, the SSS serves as a catalyst for national growth and development through its loan programs that finances small-and-medium scale enterprises, housing, construction of schools and hospitals, as well as investments in government and private securities that help fund developmental projects and stimulate business activities.

The SSS contribution rate is currently 11 percent, of which 3.63 percent is the Employee share and 7.37 percent is Employer share. The monthly contributions of a member are based on monthly salary credit, which is set according to the SSS Schedule of Contributions. The contribution rate is applied on the first ₱1,000.00 (\$22.46)¹ and only up to a maximum of ₱16,000.00 (\$359.38) of an employee's monthly salary. The 11 percent contribution rate and maximum salary ceiling of ₱16,000.00 (\$359.38) was put into effect starting January 2014.

B. Membership Profile

Membership in the SSS is compulsory for private sector workers, household helpers, and self-employed persons. Meanwhile, membership is voluntary for overseas Filipino workers (OFWs), non-working spouses, former private sector workers, and informal sector workers who earn at least ₱1,000.00 (\$22.46) a month.

As of end-2014, SSS membership reached over 32.1 million, of which 4.3 million, or 13.5 percent, were self-employed persons. By area, the percentages of self-employed persons to total membership are six percent in the National Capital Region (NCR), 24.3 percent in Luzon, and 14.4 percent in Visayas and 26.2 percent in Mindanao. Overall, self-employed persons formed around 13.5 percent of the total membership in the said year. (See Annex: Table 4)

¹ End period April 2015: US\$ 1 = PHP 44.52

III. INNOVATIVE APPROACHES TO REACHING OUT

Cognizant of the growing informal sector (IS) as an economic contributor and employment generator, the SSS deemed it urgent and necessary to extend social security coverage to this sector. Thus, increasing social security coverage among the informal sector became one of SSS' priority programs.

There have been previous attempts by SSS to cover the IS through simplified and more affordable saving schemes through banks. IS participation was very low, mainly due to two factors: first, the IS' aversion towards perceived formality and tediousness in transacting with banks; and second, the inconvenience in doing transactions given the usual banking days and hours. Unlike their counterparts in the formal sector who have employers to shoulder part of the SSS contributions and handle their remittance, those in the IS must bear the burden of both contribution and remittance.



With the lessons from the past in mind, the SSS redefined new approaches to reach out to the IS, as well as to address aversion to formal banking transactions and their reluctance to take time off from their work just to transact. The new schemes also recognized the irregularity of IS workers' incomes, particularly the periods very low or no income, when their sustenance needs takes precedence over social security contributions.

It was also deemed critical to partner with organized informal sector groups (ISGs), so that there are identified officers or persons responsible for the monitoring and implementation of the program, in partnership with SSS-assigned Account Officers (AOs) or branches. Dealing with ISGs also allowed for "wholesale" social security coverage instead of SSS going after individual IS workers on a piecemeal basis.

Partnerships with Local Government Units (LGUs) were also seen as crucial to extend social security coverage to their employees, particularly contractual workers, who are not covered by the public sector social insurance system. LGUs in remote areas, where banking facilities are non-existent, were also tapped as collecting agents of social security contributions as a way to encourage new and re-activated membership of their constituents.

Towards this end, the SSS developed several approaches that meet these requirements:

- 1) **AlkanSSSyA Program** for the self-employed in the services sector;
- 2) **Servicing and/or Collecting Partner Agent Agreement** for cooperatives and micro-finance institutions;
- 3) **Contribution Subsidy Program** for farmers and workers in the agricultural sector;
- 4) **Coverage Program for government job order and contractual (JO/C) workers**; and
- 5) **MuniSSSipyo-Collect Program** for unbanked areas or provinces.

A. ALKANSSSYA PROGRAM FOR THE SELF-EMPLOYED IN THE SERVICES SECTOR

Description

The seed for the AlkanSSSyA Program was planted in 2011 when the SSS Las Piñas Branch, developed an “out-of-the-box” solution to cover and collect from self-employed members with irregular income, particularly drivers of tricycles. A tricycle is a motorcycle with a sidecar that can be hired to ply passengers on routes that common passenger vehicles do not service. Tagged then as “TrikanSSSyA”, the program involved the monthly collection by SSS of the social security contributions of tricycle drivers, who make deposits of ten to twenty pesos daily in a giant steel box installed in the center of the tricycle transport terminal.



The “TrikanSSSyA” program proved to be a success, such that it was eventually expanded in 2012 to cover other informal sector workers who can join through their workers’ associations or informal sector groups (ISGs). It was then renamed to “AlkanSSSyA” – a play on the Filipino word “Alkansya” (piggy bank) and the triple-S was included to connote the SSS as the implementing agency.

The AlkanSSSyA Program was designed to fit the way of life of informal sector workers and to make saving for monthly SSS premiums as affordable as only ₱11.00 (\$0.25)² a day. Under the program, the ISG members are registered as SSS Self-Employed members and required to meet the ₱3,000.00 (\$67.38) monthly salary credit, which translates to a ₱330.00 (\$7.41) monthly contribution. However, if they can afford it, the IS workers can declare a higher monthly income than the required minimum, and contribute at a higher monthly salary credit.



The AlkanSSSyA unit, meanwhile, has metal safety boxes with secure mini-compartments. One mini-compartment is assigned to every member who can drop in any amount daily until the required minimum contribution is completed to meet the set monthly salary credit. At the end of the month, the ISG’s officials, under the monitoring and guidance of an SSS Account Officer, count out the collected savings, fill out the requisite payment forms, and remit these to SSS through the bank or an accredited collecting agent. If there is insufficient amount to meet the monthly contribution, then the money is left in the member’s AlkanSSSyA unit for next month’s collection.

² End period April 2015: US\$ 1 = PHP 44.52

The AlkanSSSyA unit is paid for by the ISG and serves as its investment in the partnership. Should the ISG have financial constraints, payment for the unit can be sponsored by a private individual or by the LGU. Recyclable materials can be used in fabricating the unit, as long as the resulting structure is stable, secure and adequately meets SSS' technical specifications.

Program Advantages

Affordability. At only a little more than ₱11.00 (\$0.25) a day, saving for the ₱330.00 (\$7.41) monthly SSS contribution is made more affordable for the IS workers. Considering also that eleven pesos is just about 2.2 percent of the current ₱481 (\$10.80) minimum daily wage in Metro Manila, most workers would not feel any burden in setting aside this minimal amount daily. It also helps that it takes just one ten-peso and two one-peso coins to fulfill a daily obligation, thus, IS workers who earn their income often in the form of coins, do not feel that their income has been seriously diminished. Based on experience, it is more often the case that IS workers drop in significantly more than the required amount a day.



"TrikanSSSyA" in Las Pinas City (2011)

Convenience. The posting of the AlkanSSSyA unit at the ISG's terminal or office, community hall, marketplace, church, convenience store, gas station or any accessible public place, provides great convenience to IS workers. Also, they are taught how to fill out payment forms by the assigned SSS Account Officer, as well as other procedures in remitting the payments. Aside from convenience, other considerations in determining where to put the AlkanSSSyA unit are safety against both environmental and man-made hazards, and its proximity to a bank or payment center where the collection can be immediately and safely deposited or remitted.

Sustainability. The sustainability of the AlkanSSSyA program is premised on several factors: a fixed or continuing means of livelihood; an organization to handle the administrative tasks; and community support to successfully change the attitudes of members towards the act of saving, as something that is part of their normal routine or a daily obligation. The SSS has provided the means for daily savings physically and financially within the IS workers' reach, thus they should be able to set aside a few coins daily and not divert this minimal amount to other non-essential items (e.g., cigarettes, alcoholic drinks, etc.). Peer pressure within the ISG can also influence members to fulfill their obligations. However, in the extreme case when the worker has more pressing needs and cannot meet the monthly target amount, the ISG can help fill the shortage by advancing the amount or sharing the needed amount among themselves. This is the embodiment of the Filipino concept of "Bayanihan" or community effort. Finally, Program can be sustained through synergy with local government units (LGUs) in helping organize ISGs, funding the fabrication of their AlkanSSSyA units, or helping the IS workers obtain identification documents needed for SSS registration.

Current Models

Personal Transport Drivers and Operators. These include the drivers and operators of tricycles and “trisikad”/pedicabs (similar to a tricycle but using a bicycle) who are organized into associations according to the routes they ply. They typically own the tricycle or pedicab that they drive, but some also lease out the unit and pay the owner a set amount daily as rental.



Fisherfolks. They are also self-employed as they typically own their own fishing gear and small fishing boat, although others lease them from owners, or are hired on a seasonal basis by larger fishing entities. They are also organized into associations, whether informally among themselves, or formally with the help of a third party, such as a community leader or organizer. In some cases, the wives also help by selling the catch of their fishermen-husbands.



Home-based Workers/Women Entrepreneurs. These include unemployed housewives who have been organized by a non-government organization (NGO) and taught livelihood skills that they can make use of for a home-based business. Although the SSS has a membership category for Non-Working Spouse, this requires the support of the working partner. In the case of these women entrepreneurs, most of their spouses have no formal work or regular sources of income, thus, would not qualify in the said SSS category.

Market Vendors. Vendors in public markets are considered self-employed and they typically lease their stalls from the market owner. They are organized into vendor associations within the community market that they belong.

Golf Club Workers. These include caddies, umbrella girls, ball boys, and massage therapists who are considered self-employed as contractual workers in golf clubs.

Jail Inmates. Even while incarcerated, inmates are able to earn a living by manufacturing handicrafts and other goods, which are then sold to the outside market by NGOs. Some of these inmates may have been SSS members in the earlier lives, while for others, it is the first time that they are being registered as SSS members. The AlkanSSSy unit is placed within the jail grounds, with the jail officials assisting SSS Account Officers in the counting and accomplishing of the payment forms.

Materials Recovery Workers. These workers work at the Payatas landfill wherein they pick through the garbage dumpsite for recyclable materials and other scrap materials that can still be sold at junk shops. They have been organized into association by an NGO, which spearheaded the implementation of the AlkanSSSy Program in the area. The NGO also provided a truck that transports the AlkanSSSy unit to the dumpsite so that workers can conveniently and immediately deposit their contributions after selling their collected recyclables.

Barangay Employees and Tanod (Community Patrols). These IS workers work among urban and rural communities (called “Barangay” in Filipino) as a neighborhood mini-government unit that ensure the implementation of local laws, guard against petty crimes, and mediate personal or household squabbles. Technically, their salaries are paid on an “honorarium” basis by the city or municipal government covering the barangay. However, they are not covered by the Government Service Insurance System (GSIS), the pension fund for government workers. Through the AlkanSSSy program, they now receive social security protection given their low income and hazardous work.

Since the start of the AlkanSSSy Program up to end-April 2015, the SSS has been able to partner with 1,124 different ISGs and successfully registered 107,981 as SSS members thus far, with many more IS workers identified as potential or coverable members. In terms of contributions, close to ₱174 million (around \$3.91 million) have been collected, with an average monthly collection of about ₱636,000 (\$14,286). (See Annex: Tables 5 and 6, 6A and 6B)

The Program has since gone nationwide as an SSS-led undertaking implemented by the local SSS branch network. (See Annex: Figure 1)

Recognition of the AlkanSSSy Program reached an all-time high when the local government of the country’s second biggest city – Quezon City – decided to throw its full support by sponsoring the construction of 49 AlkanSSSy units (at the price of ₱10,500, or \$235.85, per unit) and distributed these to various ISGs. In March 2015 at the Quezon City Hall, the city’s Vice Mayor extolled the potential of the Program to uplift the lives of informal sector workers and their families. A total of 40 tricycle-operators-drivers associations (TODA), seven market vendor associations, one barangay unit, and one pedicab-operators-drivers association (PODA) were given their respective AlkanSSSy units, and an initial 1,736 members were registered that day.



Other private groups have also supported the Program by shouldering the acquisition of the AlkanSSSy unit or subsidizing the members’ monthly contributions. One recent example is the Colegio de Dagupan (CdD) – a university based in the province of Dagupan. The CdD signed an agreement with the SSS-Dagupan Branch, and two transport groups – the Downtown Loop Utility Express (DOLUJEX) and the Bonuan Binloc Operators/Drivers Association (BINODA) – last March 9, 2015. The CdD will shoulder ₱200 (\$4.49) for every driver-member of the associations, while the remaining ₱130 (\$2.92) will be shouldered by the members of DOLUJEX and BINODA who signed up for the AlkanSSSy program. The CdD, through its president and student council, decided to help the jeepney drivers as a way of thanking DOLUJEX and BINODA, which service the transportation needs of its students and faculty.

B. SERVICING AND/OR COLLECTING PARTNER AGENT FOR COOPERATIVES AND MICRO-FINANCE INSTITUTIONS (MFIs)

Description

As the SSS aims to intensify coverage of informal sector workers, one of the ways this can be attained is through partnerships with government agencies and non-government organizations whose members are eligible for coverage under the SSS Self-Employed Program.

For this purpose, a standard Memorandum of Agreement (MOA) was designed by SSS for cooperatives/associations/micro-financing institutions (MFIs) to become its Servicing and/or Collecting Partner Agent (SPA or CPA). The SPA agreement involves the cooperatives and MFIs enjoining their members to register for SSS membership, as well as performing SSS-related services such as registration and reporting, and other non-collection services. For CPA arrangements, the cooperative or MFI receives payments for SSS contributions and loans so that their members do not need to go to banks or other third-party collecting agents. In return, the SSS will compensate its SPA and CPA partners with a set processing fee for each successful transaction for their members.

Based on a cost analysis of the SPA processing fee of ₱4.00³ (\$0.09) per non-collection transaction, the SSS even stands to save some amount in its cost of operations. The standard manpower cost of receiving and screening a transaction, combined with other overhead expenses would make the total transaction cost ₱7.17 (\$0.16). Thus, the ₱4.00 SPA processing fee is already a boon of savings for SSS. (See *Annex: Table 7.B.*)

Moreover, the CPA and SPA arrangements will help decongest some SSS branches from crowds of transacting members, and at the same time, free up SSS personnel from screening members' documents or conducting fact-of-death investigations for funeral claims.

Program Advantages

For Cooperative/MFI-Members. Aside from their SSS coverage upon fulfilling the requirements for Self-Employed membership, the members of cooperatives and MFIs also benefit from the convenience of their own association or MFI being a conduit for SSS transactions. This would spare them the time and expense of going to an SSS office themselves. This is of great value especially since most of these cooperatives and MFIs are found in rural, hard-to-reach areas or provinces, which makes it difficult and costly for their members to travel to the urban areas where most SSS branches are located.

For the Partner Agency/Subsidizing Entity. While the ₱4.00 (\$0.09) processing fee for every approved SSS transaction may seem small, this will nevertheless add to the funds of the partner agency when accumulated. However, above the monetary amount that the cooperative/MFI will receive from its arrangement with SSS, is the goodwill that will be generated between itself and

³ End period April 2015: US\$ 1 = PHP 44.52

its members. This arrangement will show that they are concerned with the welfare and well-being of its membership, thus they are ensuring that they are covered by SSS.

Current Models

Simbag sa Pag-asenso, Inc. (SEDP). One of the SPAs that the SSS identified early on is the church-based, Simbag sa Pag-asenso, Inc. (popularly referred to as SEDP), which is a socio-economic development program of the Diocese of Legazpi that caters to the socio-economic needs of marginalized households in the Bicol Region. SEDP's mission is to deliver financial and non-financial services with training to entrepreneurial families for improved socio-economic condition, empowerment and spiritual well-being.



SEDP has over 32,000 members from the major areas in Albay, Catanduanes, Sorsogon, Masbate, Camarines Sur and some portions in Samar. The partnership with SSS aims to provide social security coverage to about 90% or more than 28,000 who are non-SSS members.

The agreement enables SEDP members to conveniently course their applications for SSS numbers, salary loans and funeral claims through designated SEDP collectors, who regularly visit them at home or in their workplace. This addresses the workers' concern of having little time or resources to visit an SSS office for their transactions.

As an SSS servicing partner agent, SEDP is paid a processing fee of ₱4.00 (\$0.09) for every approved SSS transaction. Later on, it was also granted SSS accreditation as a collecting partner agent so they can facilitate the remittance of their members' SSS contributions.

As of April 2015, the SPA agreement between SSS and SEDP has resulted in 4,892 covered SSS members out of their total membership of 32,457. And with SEDP being a CPA as well, they have reached collections amounting to ₱8,942,347 or \$200,861. (See Annex: Table 7.C.)



CARD, Inc. The SSS has also partnered with Center for Agriculture and Rural Development (CARD) Inc., which is a MFI based in Laguna province. It caters to socially and economically-challenged women and families. Founded as a social development organization in December 1986, CARD has evolved from its Grameen Bank-style of micro-lending, into microfinance service delivery that has the twin goals of outreach and sustainability. CARD aims to provide continued access to integrated microfinance and social development services (credit with education, leadership with a heart, innovative community programs) to an expanding membership base by organizing and empowering women and their families. CARD, Inc. has 131 branches nationwide, with 23 local partners and four international partners from four different countries in Southeast Asia (Cambodia, Vietnam, Laos and Myanmar). CARD is working on creating a one-stop-shop of government agencies in its head office in San Pablo City, Laguna, with PhilHealth, Pag-IBIG, BIR and the rest of their partners in government providing services for their members.



CARD Inc., belongs to the family of social development organizations under CARD-Mutually Reinforcing Institutions (CARD-MRI), and is a 2008 Ramon Magsaysay Awardee for Public Service. CARD Bank Inc., which is also affiliated with CARD-MRI, was accredited as an SSS collecting rural bank in 2012.

Under the SPA agreement, CARD Bank, Inc. representatives serve as conduits for its members' applications for SSS membership registration, salary loans and funeral benefits. The set-up makes transacting with SSS easier and convenient, and saves workers' valuable time and money. CARD Bank, Inc. brings SSS services closer to informal sector workers, particularly those in rural areas with limited access to SSS offices. (See Annex: Table 7.A.)



C. CONTRIBUTION SUBSIDY PROGRAM

Description

The SSS Contribution Subsidy Program, which was developed initially for farmers and agricultural workers in organized groups, aims to tap agriculture-related government agencies or even private entities in shouldering a portion of the farmers' SSS premiums. Under this subsidy program, the farmer-member, who will register as an SSS Self-Employed member, shoulders 50% of the SSS contribution amount and the government or private entity matches this with a corresponding 50% share. This would greatly ease the burden of the farmer-member of having to pay the entire amount of contribution.



On the part of the sponsoring government agency or private entity, their funds for subsidizing the farmers' SSS contribution may be taken from foreign funding or grants, or from the operating budget of the government agency that provides support services for agriculture, fisheries, and agri-based enterprises. Their funds may also be augmented by entering into a Servicing Partner Agency-agreement with the SSS, wherein they will be paid by SSS a processing fee of ₱4.00 (\$0.09)⁴ for every non-collection service that it performs for its farmer-members related to SSS, such as the receiving and screening applications for SSS numbers, salary loans and funeral claims, and forwarding these to SSS.

Program Advantages

For Farmer-Members. The SSS identified farmers and agricultural workers as a pilot target sector for the Subsidy Program. The foremost advantage of this program for farmers is that they are given the opportunity to be covered by the SSS at an affordable cost. The subsidy given by the sponsoring Association doubles the amount of their contributions, allowing for bigger benefits in the future. Also, since the subsidies are targeted for at least five (5) years, the farmers can be assured that they can avail, at the very least, of short-term social security benefits (e.g., sickness, maternity for female members, partial disability) as well as short-term member loans. They will also be eligible for the funeral grant and pension to the surviving spouse, in case of death of the member.



Should the subsidy be stopped after five years, the farmer-member may opt to continue paying his share to qualify for a retirement pension.

⁴ End period April 2015: US\$ 1 = PHP 44.52

The new role in providing certain SSS services for the farmer-members will provide greater convenience as they or their beneficiaries will not have to go to the SSS branch to transact, but can instead do so through their association. The SSS may also allow the association to collect from the farmer-members the amount of their share in the contribution and remit this, together with the counterpart subsidy, with the corresponding collection list to SSS or to any of its accredited collecting agents.

The sustainability of the Subsidy program lies in the continuing successful partnership between the subsidy provider and the SSS. Similar to the AlkanSSSyA program that aims to make the act of savings a normal routine or a daily obligation, the Subsidy program will motivate farmers to save more since their saved amount will be effectively doubled, thereby also ensuring the sustainability of the Program.

For the Partner Agent/Subsidizing Entity. While the ₱4.00 (\$0.09) processing fee for every approved SSS transaction may seem small, when accumulated, this will nevertheless add to the funds of the partner agent. Also, the Subsidy arrangement with SSS will generate a lot of goodwill between the Partner Agent and its farmer-members, as the subsidy will show that they are concerned with the welfare and well-being of its membership.

Current Models

DWSIA under NIA-UPRIIS. The SSS partnered with the Deep Well Sumulong Irrigators Association (DWSIA), which has 185 farmer-members collectively tending a total of 218.55 hectares in farmlands. This association was organized by the National Irrigation Administration (NIA) to assist in the construction of irrigation projects and in the management, operation and maintenance of completed irrigation projects. Under NIA's organizational structure, there are two irrigation system offices that are tasked to maintain the two integrated irrigation systems in the country – the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MRIIS). To partly recover the construction cost for the irrigation systems, and as payment for water delivery, NIA charges irrigation service fees (ISF) from farmer-beneficiaries, and collection of fees is done through Irrigators Associations (IAs).



The IAs are non-profit, non-stock associations registered under the Securities and Exchange Commission (SEC), whose voluntary membership is composed of farmers, many of whom are both landowners and farm workers. An IA receives from NIA a monetary incentive or

remuneration for the irrigation operation and maintenance activities it performs, as well as a share in the ISF for efficient collection activities. The IAs are required to update the list of area/hectarage cultivated and irrigated as basis for collection; and they are provided incentives by the NIA-UPRIIS based on their collection efficiency of at least 55.1% of their target collectible. In return, the IA shares back a portion of the ISF with its farmer-members, in this case, as subsidy for their SSS contributions.

The DWSIA, under the agreement, will provide a counterpart amount that matches the farmers' monthly SSS contributions, which is pegged at ₱330.00 (\$7.41). In effect, the farmers contribute only ₱165.00 (\$3.71), and the subsidy will double that amount to meet the ₱3000 (\$67.38) required monthly salary credit.

Also under the agreement, DWSIA is accredited as an SSS servicing partner agent, which empowers the association to receive and screen its members' applications for SSS numbers and/or registration as self-employed members, salary loans and funeral claims, which a DWSIA representative will then turn over to SSS. As an SSS servicing partner agent, DWSIA can certify the "fact-of-death" of its own members in case of funeral claims. In return for these non-collection services, the SSS will pay DWSIA with ₱4.00 (\$0.09) as processing fee for every approved SSS transaction. (See Annex: Table 8)



Department of Agriculture and related government agencies.

In its continuing campaign to extend social protection to the informal sector, the SSS inked a key partnership with the Department of Agriculture (DA) for the latter to subsidize farmers' monthly SSS contributions as self-employed members. This is also in recognition that despite their invaluable role in the nation's food security, farmers often struggle with seasonal incomes and their livelihood's vulnerability against nature. Signed in March 2014, the agreement is expected to benefit up to 200,000 agricultural workers nationwide who may qualify for the subsidy as members in good standing of Rural Based Organizations (RBOs) or Community



Extension Workers (CEWs). One hundred farmers were selected as the first batch of beneficiaries, but fisherfolk will also be added to the list of beneficiaries for the subsidies.

The DA-ATI, with RBOs and CEWs as partners, implements extension and training activities to promote state-initiated food sufficiency programs and other priority thrusts of the DA. The

full subsidy for SSS contributions forms part of DA-ATI’s compensation for qualified RBOs and CEWs. Included in the list of RBOs are Rural Improvement Clubs; the youth-based 4H Clubs; “Magsasaka Siyentista”; and Indigenous People, among others.

The SSS subsidies are based on the ₱3,000 (\$67.38) minimum monthly salary credit, equivalent to a contribution of ₱330 (\$7.41) per month. DA-ATI Regional Offices remit the contributions to SSS quarterly via bank deposits and submit a regular payment list showing the beneficiaries of the monthly subsidies. The beneficiaries have the option to add to their contributions on top of the subsidized amount, to become entitled to higher benefits and loans in the future. (See Annex: Table 8)



Isabela Provincial Government subsidy. The provincial government of Isabela will subsidize the contributions of around 10,000 farmers to the SSS, as contained in the memorandum of agreement (MOA) it signed with SSS last January 30, 2015. The MOA allocates ₱18 million (\$404,312) to subsidize

half of the monthly SSS contributions of small farmers who are tilling one-fourth to one hectare-sized land. Thus, the farmers will only have to shell out ₱165 (\$3.71) monthly, with the provincial government paying the counterpart amount.

ILO subsidy for Emergency Workers. The SSS and the International Labour Organization (ILO) signed a Memorandum of Understanding (MOU) and a Grant Agreement for the SSS coverage of workers employed under the Emergency Employment Program set up by the United Nations and ILO in provinces devastated by Super Typhoon Haiyan (local code name: Yolanda) in 2013.

Under the Agreement, the ILO will provide the SSS a grant for three months’ worth of SSS contributions of around 6,160 workers who will be hired under the cash-for-work scheme. The emergency workers will be paid the prevailing minimum wage and shall be registered as self-employed SSS members. On SSS’ part, it shall facilitate the registration of the emergency workers and ensure that the ILO grant goes towards their SSS contributions. Aside from SSS, the ILO will also shoulder the workers’ contributions for social health insurance through the Philippine Health Insurance Corporation.



The emergency employment programs or cash-for-work schemes for the victims of Super Typhoon Haiyan are important approaches to bringing needed livelihood to people and helping

communities 'build back better', as ILO puts it. The short-term jobs, which are for a minimum of 15 days, involve the rehabilitation and rebuilding of areas and infrastructures such as debris-clearing of roads, de-clogging of drainage systems, preparation of agricultural lands for planting, and basic repair of public offices and health facilities.

The SSS-ILO collaboration covered 5,765 emergency workers from disaster-stricken areas such as Ormoc (Leyte), Coron (Palawan), Tagbilaran (Bohol), Tacloban (Leyte) and Bogó (Cebu) in a cash-for-work program. Under this project, ILO paid for their monthly SSS contributions while they were on assignment, thus providing them with social security protection. This came in the form of a grant that totaled ₱6,281,352 (\$141,091)⁵. Out of the 5,765 emergency workers hired, 2,387 were based in Ormoc, 836 in Coron, 1,192 in Tagbilaran, 484 in Tacloban, and 866 based in Bogó. About 270 of these emergency workers were subsequently re-hired according to qualifications set by ILO, and they are being covered again by the ILO subsidy for their SSS contributions. (See *Annex: Table 8*)

According to ILO, this approach goes beyond short-term emergency employment as the program is intended to transition to medium-term, labor-based community work, skills training and enterprise development. The Social Security subsidy that the ILO provides for the workers in these emergency employment programs will ensure that they are covered with SSS protection for their and their family's future security.

⁵ End period April 2015: US\$ 1 = PHP 44.52

D. COVERAGE OF JOB ORDER AND CONTRACTUAL (JO/C) WORKERS IN GOVERNMENT AGENCIES

Description

Though not falling within the category of informal sector workers, Job Order and Contractual (JO/C) workers in government, nevertheless, share the same lack of social security coverage. This is because the Government Service Insurance System (GSIS), which provides social security protection to public sector employees, only covers those holding regular government plantilla positions, as approved by the Civil Service Commission. The thousands of JO/C workers in government, who are employed for specific projects or for specific periods of time only, are not coverable by GSIS and can be covered by the SSS only if they choose to register as Self-Employed members or continue their prior SSS membership and contributions (if any) by becoming Voluntary Members.

In its continuing campaign to reach out to millions of workers without social protection, the SSS has inked separate Memoranda of Agreement (MOA) with two national government agencies to provide SSS coverage to thousands of their JO/C personnel as SSS Self-Employed members. In 2014, SSS signed agreements with the Department of Interior and Local Government (DILG) and the Department of Social Welfare and Development (DSWD), which employ 100,000 and 12,000 workers, respectively, as JO/C hires.

SSS President and CEO Emilio de Quiros, Jr. signed the coverage agreements separately with DILG Secretary Mar Roxas and with DSWD Secretary Corazon Juliano-Soliman within the first quarter of 2014. Under the MOA, the DILG and DSWD will facilitate the SSS registration and regular remittance of contributions of their JO/C personnel, so that these workers can look forward to the advantages of active SSS membership such as benefits and loan privileges. However, local government units (LGUs) under the DILG – including provinces, cities, municipalities and barangays – and DSWD central and field offices have no obligation to pay the employer counterpart of the SSS contributions of their JO/C workers, who shall shoulder the entire 11-percent contribution rate.



The workers' monthly net earnings to be declared to SSS, which serve as basis for the amount of contributions, shall not be lower than the income stated in their service contracts. The LGUs and DSWD offices will also immediately report new JO/C hires for SSS coverage. The pension fund, on the other hand, will assign a representative or account officer from the nearest SSS branch to assist with the SSS needs of an LGU or DSWD office. SSS branches will also monitor the compliance of LGUs and DSWD offices to the terms of the coverage agreement.

Program Advantages

For Job Order/Contractual Workers.

Aside from their SSS coverage upon gaining Self-Employed membership, the JO/C workers also benefit from the convenience of their own employer-government agency handling the deduction and remittance of their SSS contributions, thus sparing them the need to go to an SSS office or the banks themselves.



For Government Agencies. There is no significant expense that government agencies incur in this partnership with the SSS, only a little more work for their Human Resource Departments in terms of reporting their JO/C workers for SSS coverage, then deducting and remitting their contributions based on their payroll accounts. This small effort from government agencies translate to better people management practices that redound to more loyalty and productivity from their JO/C workers who no longer have to worry about social security protection.

Current Models

Moncada, Tarlac LGU-based AlkanSSSyA. The municipality of Moncada is the first LGU in the province of Tarlac to implement the AlkanSSSyA Program, enabling its more than 100 JO/C workers to become active SSS members. However, Moncada's SSS coverage program is different as it is a hybrid of the original AlkanSSSyA, the JO/C coverage, and the subsidy programs. Instead of the HR Department deducting the SSS contributions of their JO/C workers, their SSS savings are stored in individual boxes housed in their own AlkanSSSyA unit, the production cost of which was voluntarily shouldered by the LGU. The Moncada LGU also subsidizes half of the ₱330 (\$7.41)⁶ monthly SSS contribution as additional incentive for its JO/C workers to regularly contribute.

Metro Manila Development Authority (MMDA).

Over 3,000 JO/C workers of the MMDA recently joined the AlkanSSSyA Program by paying their contributions through salary deduction. Tasked with overseeing vital public services throughout Metro Manila – such as traffic management, peace and order, and environmental/waste management – most of their JO/C workers are street sweepers, traffic aides, truck drivers, etc.



⁶ End period April 2015: US\$ 1 = PHP 44.52

E. MUNISSSIPYO-COLLECT PROGRAM FOR UNBANKED AREAS/PROVINCES

Description

After expanding its network of tie-ups with informal sector groups, microfinance institutions and cooperatives, the SSS then rolled out new linkages with local government units (LGUs) in “unbanked” island provinces that do not have accessible banking systems and payment facilities. Called “MuniSSSipyo-Collect Program,” this is an alternative means to sustain



active SSS membership by making regular payment of contributions and loans convenient and within reach. The partnerships with LGUs, especially those in island provinces and far-flung areas, strengthen SSS’ campaign to provide social protection to workers and their beneficiaries regardless of geographic location and economic status.

The LGUs in Alabat, Perez, and Quezon – which are fifth-class municipalities comprising Alabat Island in Quezon province – served as pioneers in this coverage and collection arrangement, which officially started in the first quarter of 2014. Alabat Island has an estimated labor force of 24,500, with fishing and farming as common sources of livelihood. It also has a flourishing cottage industry producing native bags, rice cakes and other native food delicacies.

The SSS signed an agreement with the Mayors of the three LGUs after assessing that they had the information technology infrastructure to issue validated payment slips, remit these payments to the SSS depository banks through electronic transfer, and submit daily collection reports and summary of transactions via email.

By accrediting LGUs as SSS collecting agents, workers from remotes areas become covered, and more importantly, become active SSS members so that they and their loved ones can avail themselves of SSS benefits in times of need – regardless of their geographical location.

Program Advantages

For Workers/Residents. In the past, Alabat residents had to take a 50-minute ferry ride to Atimonan, Quezon to remit their SSS payments through the banks there. A one-way trip costs P95 (\$2.13)⁷, and the ferry is scheduled to depart for Alabat only at 10 a.m. and return to Atimonan at 12 noon. Although smaller boats are available an hour ahead of ferry schedule, Alabat residents prefer the bigger ferry boats to avoid risks due to the fast water current. Alabat

⁷ End period April 2015: US\$ 1 = PHP 44.52

residents who miss the scheduled return trips are forced to stay overnight in Atimonan, incurring added costs for food and lodging.

Now, with an SSS payment facility right at their LGU (locally known as “Munisipyo”), the transportation money they save may be used instead to augment their SSS contributions. Employers, the self-employed and voluntary members can now pay at the Municipal Treasurer's Office from 8 a.m. to 5 p.m. on weekdays. As part of the Program, the LGU will report their transactions to the nearest SSS branch on a daily basis via email to facilitate the quick posting of members' payments.

For LGUs/Municipalities. Apart from bringing social protection closer to their constituents, accredited LGUs also benefit from an SSS Representative Office being established at their municipal hall for monitoring purposes. They are also paid a ₱6.00 (\$0.13) service fee per successful transaction to be paid to them by SSS under the MOA. The LGU is expected to report their transactions to their servicing SSS branch on a daily basis via email to facilitate the quick posting of members' payments. The SSS has also incorporated security measures in the new LGU-based payment system to protect the remitted contributions and loan amortizations of members.

After more than a year of pilot implementation, the MuniSSSipyo-Collect Programs in the three municipalities of Alabat, Perez, and Quezon have resulted in the coverage of 2,227 SSS members, and total collections of ₱1,080,114 or \$24,261⁸.



⁸ End period April 2015: US\$ 1 = PHP 44.52

IV. CHALLENGES IN SUSTAINING THE PROGRAMS

Since the start of the AlkanSSSyA Program in 2011 until April 2015, it has already covered 171,091 members from 1,118 informal sector groups (ISGs), with over ₱171.9 million (\$3.861 million) in contributions. In 2014 alone, there was a marked jump in enrollment as total AlkanSSSyA coverage reached 63,758 members from 678 ISGs with total contributions reaching ₱66.2 million, accounting for 40 percent of the cumulative total collections for the year.

This positive response is not limited to the AlkanSSSyA Program, but also towards the Collecting/Service Partner Agent (CPA/SPA) Agreement for cooperatives and micro-finance institutions. In 2014, 12 cooperatives became SSS partner agents that have successfully registered close to 17,000 new members. As of April 2015, the SSS has already accredited a total of 22 cooperatives, associations and micro financiers that have acted as partners in collection and non-collection services since December 2012. These have resulted in the signing up of 56,034 members, and collections amounting to ₱19,266,242 (\$432,754)⁹.

However, these coverage programs are not without problems or difficulties, most of which are inherent or common with any program that deals with the hard-to-reach and hard-to-identify informal sector.

A. Lack of ISG Workers' Identifying Documents

A person registering with the SSS for the first time is required to submit the original or certified true copy and photocopy of any of the following primary documents: birth certificate issued by the National Statistics Office, baptismal certificate, driver's license, valid passport, Professional Regulation Commission Card, or Seaman's Book.

In their absence, various secondary identifying documents may be submitted, as long as one of these must contain a recent photo and date of birth of the individual. A married person should also submit a marriage contract upon registration. If with children, the birth or baptismal certificate/s of the children must be presented.

Given the extensive list of documents that an individual can submit to prove their identity, there are still many instances wherein informal sector workers cannot produce even one of these documents. These happen mostly in the remote or rural areas where people often have no means to register their children upon birth due to poverty, ignorance, negligence, or sheer physical distance from their homes to the government agency in the urban areas. Thus, there is a substantial number of Filipinos among the informal sector who grow up into adulthood, unregistered and undocumented.

A recent report by Child-Centered Plan International, a non-profit organization based in the United Kingdom, stated that, "two of 10 children in 500 communities are not registered at birth." It said, further, that many of the children, especially those in far-flung areas, are denied

⁹ End period April 2015: US\$ 1 = PHP 44.52

enrollment or cannot graduate from high school because of lack or no birth certificates to prove age or identity.

Child-centered Plan country director Carin van der Hor noted that families refrain from officially registering their children due to their lack of understanding of its importance and the registration process is too difficult and time-consuming for them. Costs are also an issue, as processing and obtaining birth documents would require them to spend from ₱30 to ₱400 (US \$0.67 to \$8.98)¹⁰.

“It means that out there, a lot of Filipinos do not enjoy the right to a name and a nationality – a basic human right – and cannot prove their identity. They have difficulty enrolling in schools, applying for jobs, securing travel documents,” said Van der Hor, a Dutch national helping poor communities in the country.¹¹

This lack of identifying documents makes the verification process of potential SSS members among the informal sector longer and more tedious. At the worse case when an individual cannot present any identifying documents at all, the SSS can only issue a “Temporary” SS number that will allow him to contribute. However, only upon the submission of the requisite identifying documents will his SS number then be tagged as “Permanent” and can he become eligible to claim social security benefits.

B. Difficulty of Identifying Beneficiaries

Related to the problem of lack of identifying documents is the difficulty in identifying the IS workers’ beneficiaries. More often, people in the informal sector often resort to cohabitation or live-in relationships. When coupled with the non-registration of their resulting offsprings, it often becomes difficult not only to prove identity, but also relationships and beneficiaries.

While the impact of having unclear beneficiaries is not immediately felt by the member, this can become a problem in the long-run, especially when the family needs to make a final claim upon the member’s death and there are competing claims from other beneficiaries. This understandably lengthens the processing time of SSS benefits.

C. Sustained Funding

In both the AlkanSSSyas and Subsidy Programs, there are funding requirements to be borne by either the ISG or the subsidizing agency.

In the AlkanSSSyas Program, the ISG is required to finance the fabrication of the AlkanSSSyas unit following the technical specifications of SSS. If the ISG has some savings, then it may have the unit made by its own suppliers; if none, then it can look for sponsors for its fabrication. The SSS has addressed this funding problem by offering a soft-loan on concessionary terms to participating ISGs to fund the fabrication of their AlkanSSSyas unit.

¹⁰ End period April 2015: US\$ 1 = PHP 44.52

¹¹ Camille Diola, “7.5 M Pinoyas have no birth certificates”. *The Philippine Star*, March 23, 2013.

As for the Subsidy Program, the subsidizing agent/association must ensure that it has sufficient funds to ensure at least five years' worth of subsidies so that the ISG workers become eligible to enjoy their SSS benefits.

For seasonal workers, they may face some difficulty in sustaining and maintaining regular SSS payments as their income levels peak and ebb according to the seasons or their employment status. This may be addressed by SSS by having an additional payment option for Self-Employed members to enable them to pay, aside from monthly or quarterly, two quarters at once until the end of the second and fourth quarters, respectively. This would then allow them, in seasons when their incomes are relatively high, to pay three to six months all at once.

D. Keeping the Program Politics-Free

Related to funding requirements for the ISG or the subsidizing agency is the issue of keeping the SSS informal sector coverage program free from political intervention, especially considering the current highly-charged political environment in the Philippines, with local elections coming in May 2016.

In the AlkanSSSyA Program, for example, a small ISG may find difficulty in financing the fabrication of the AlkanSSSyA unit if it has no group savings. It may then ask local politicians to sponsor the unit instead. While this accomplishes the required task, political sponsorship also brings along the element of political patronage. It is important for this Program to remain free from politics to ensure that, no matter which politician or political party is in power, the Program is free from undue influence.

There is also a need for comprehensive background and credit investigation of the organized ISG to ensure their good standing (financially and operationally). At the same time, an extensive background check of the organization and its officials would assure a more harmonious relationship between them and SSS, for the welfare of their common members.

E. Capacity-Building for ISG Officers

The new partnership between SSS and ISGs necessitates their officers' learning new skills to ensure the smooth implementation of the coverage program, regardless if it is under AlkanSSSyA, Subsidy, or an SPA agreement, or a combination of the two.

Under the AlkanSSSyA, for example, the SSS Account Officer assigned to the ISG is present during the first or second counting of monthly collections only. In the succeeding months, the AO's presence may be needed less and less as the ISG officers gradually master the proper accounting of the collection, filling up of the payment form, and the remittance of accumulated contributions to the nearest SSS collecting agent.

At the same time, the ISG, as part of the MOA for the Subsidy or the SPA program, is required to enforce the compulsory coverage and registration under the SSS Self-Employed (SE) Program of all its qualified regular and associate members in good standing, and to appoint an

official representative to supervise this undertaking. Its officers should then learn when and how to accomplish the prescribed form to report all its qualified SE members to SSS, and any new member thereafter. They must submit all transactions received and screened to the designated SSS branch, with a corresponding transmittal list, after ensuring the identity of the person filing the application, the completeness of the form and supporting documents, and the consistency and accuracy of the information contained therein.

Finally, as the ISG will ultimately act as conduit of SSS in information dissemination and program awareness, its officers must become more aware and knowledgeable of SSS programs, policies and procedures, especially as concerning their members.

F. Re-orientation of SSS Account Officers' Mindsets

Aside from providing SSS-related service to their assigned employers, SSS Account Officers (AOs) are also focused on meeting collection targets and ensuring employers' compliance to the SS Law. Since the mandate of expanding informal sector coverage was handed to AOs in the branches, they are now also required to seek out more ISGs, build their network, and market to them the AlkanSSSy, Subsidy, or SPA-Agreement Program. This would necessitate a big change in their mindsets by also treating ISGs similar to corporate employers who have duties and obligations related to SSS.

The SSS AOs should then be able to train the SPA representative in handling non-collection services; conduct periodic briefings for SPA members to improve their awareness on the various programs of SSS and any corporate updates; ensure prompt action on transactions filed by the SPAs for its members; ensure payment of processing fees to the SPA corresponding to the number of completed/approved transactions, within 15 days upon receipt of billing; and visit the SPA's premises and perform random checks/audits in accordance with the MOA.

Finally, considering the fast expansion of the AlkanSSSy program, the SSS AOs must sufficiently monitor their assigned ISGs for their continuing compliance to the program, especially the accurate accounting and remittance of the contributions collection. They must also ensure that the IS workers' drive and enthusiasm for saving does not wane, thus, AOs must develop skills in motivation and persuasion.

V. CONCLUSION

Since its first implementation in 2011 as “TrikanSSSyA”, to its re-launching in 2013 as the enhanced “AlkanSSSyA” Program, this coverage program for informal sector workers has drawn wide-based support from SSS stakeholders. It is not just the workers and their families who welcome this opportunity to gain social security coverage, but also community leaders, non-government organizations (NGOs), local government units (LGUs) and even politicians, who see the value of promoting SSS membership.

For example, the SSS garnered support from the remote municipality of Bangued, located in the northern province of Abra, which passed a resolution last April 2012 seeking SSS coverage of 4,200 tricycle drivers and operators registered in the Bangued Tricycle Franchise Regulatory Board. The resolution cited the “constant occupational hazard of daily exposure to pollution, weather elements and vehicular accidents” as reasons for pursuing social security coverage for Bangued tricycle drivers and operators through the TrikanSSSyA program.

In November 7, 2012, SSS officials made a presentation on the AlkanSSSyA Program before heads and representatives of Quezon City agencies during an Executive Committee meeting headed by City Mayor Herbert Bautista. This led to an expression of interest by the Payatas Poverty Alleviation Foundation for the SSS coverage of hundreds of garbage pickers from the Payatas dumpsite. On December 3, 2012, this came to fruition as Payatas Alliance Recycling Exchange (PARE) Multi-Purpose Cooperative, representing 480 garbage-pickers, signed on to the AlkanSSSyA Program. The continued expansion of the Program in Quezon City ultimately led to the full support of the local government in 2015 for the coverage of more ISGs, such that the Vice Mayor Joy Belmonte even paid for the AlkanSSSyA units of 40 ISGs.

As SSS President and Chief Executive Officer Emilio S. de Quiros observed: “It has come to a point wherein ISGs themselves ‘clamor’ or ‘demand’ that they become part of the AlkanSSSyA Program. It also helps that there is Media coverage of almost all AlkanSSSyA launchings, thus providing more publicity on the initiative, and creating awareness and a sense of self-dignity in people that they can identify themselves as SSS members.”

De Quiros added: “The concept of the AlkanSSSyA program makes accumulating funds for contributions less daunting for members. It highlights the fact that SSS protection can be affordable and within reach, as long as they have the discipline to save even just a little on a daily basis. It creates and strengthens a culture of savings.”

Administratively, the SSS has gotten approval from the Social Security Commission (SSC) of a standard memorandum of agreement (MOA) encompassing all five scopes of the agreement (collection and non-collection services, subsidy from the government or non-government entities, coverage of job order/contractual workers, and collection agreement with unbanked municipalities). Included in this approval is the authority of the SSS President and CEO to approve the identified partner agent/association and co-sign the standard MOA, which will then be endorsed to the SSC for confirmation only.

The SSS continues to evaluate, and refine its procedures and policies, as well as seek out-of-the-box solutions so that coverage of informal sector workers goes smoothly, and social security protection for themselves and their families are assured.

VI. ANNEXES

Table 1. Growth of Real GDP in the Philippines

Year	Real GDP (1985=100), in Million Pesos	Average Annual Growth Rate in Percent
1980	609,768	
1990	720,690	1980 to 1990: 1.8
2000	972,960	1990 to 2000: 2.9
2010	1,537,152	2000 to 2010: 4.7
2014 ^a	1,941,289	2010 to 2014: 6.0

Data Source: Philippine Statistics Authority (PSA)
^aEstimated using the established relationship between actual GDP at 2000 prices and actual GDP at 1985 prices for the period 2000-2010 by NSCB, PSA

Table 2. Employment in the Philippines

Employed Persons (in Thousands)								
Sector	1980	1991	2000	2010	2011	2012	2013	2014
All Sectors	16,433	22,914	27,453	36,035	37,192	37,600	38,118	38,094
Agriculture	8,453	10,290	10,181	11,957	12,267	12,093	11,836	11,588
Industry	2,554	3,632	4,454	5,398	5,530	5,748	5,936	6,070
Services	5,421	8,983	12,811	18,681	19,394	19,773	20,344	20,436
Not defined	0	9	7	0	0	0	0	0
Percent Share to Total Employed								
Sector	1980	1991	2000	2010	2011	2012	2013	2014
All Sectors	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	51.4	44.9	37.1	33.2	33.0	32.2	31.1	30.4
Industry	15.5	15.9	16.2	15.0	14.9	15.3	15.6	15.9
Services	33.0	39.2	46.7	51.8	52.1	52.6	53.4	53.6
Not defined	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average Annual Growth Rate (in Percent)								
Sector		1980- 1991	1991- 2000	2000- 2010	2010- 2011	2011- 2012	2012- 2013	2013- 2014
All Sectors		3.62	2.07	2.77	3.21	1.16	1.38	-0.06
Agriculture		2.10	0.04	1.64	2.60	-1.33	-2.13	-2.10
Industry		4.03	2.34	1.97	2.43	4.30	3.27	2.26
Services		5.80	4.05	3.85	3.81	1.84	2.89	0.45
Not defined		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Data Source: PSA, Labor Force Surveys
Note: Average of the January, April, July and October Labor Force Surveys

Table 3. Employment in the Informal Sector

Year	Informal Sector Workers (in thousands)	Total Employed Persons (in thousands)	Percent Share of Informal Sector Workers to Total Employed	Average Annual Growth Rate of Informal Sector Workers
1980	9,881	17,154	57.6%	
1991	12,539	22,979	54.6%	1980–1991: 2.4%
2000	13,528	27,453	49.3%	1991–2000: 0.9%
2010	16,409	36,035	45.5%	2000–2010: 2.1%
2011	16,655	37,192	44.8%	2010–2011: 1.5%
2012	16,109	37,600	42.8%	2011–2012: -3.3%
2013	15,870	38,118	41.6%	2012–2013: -1.5%
2014	16,056	38,094	42.1%	2013–2014: 1.2%

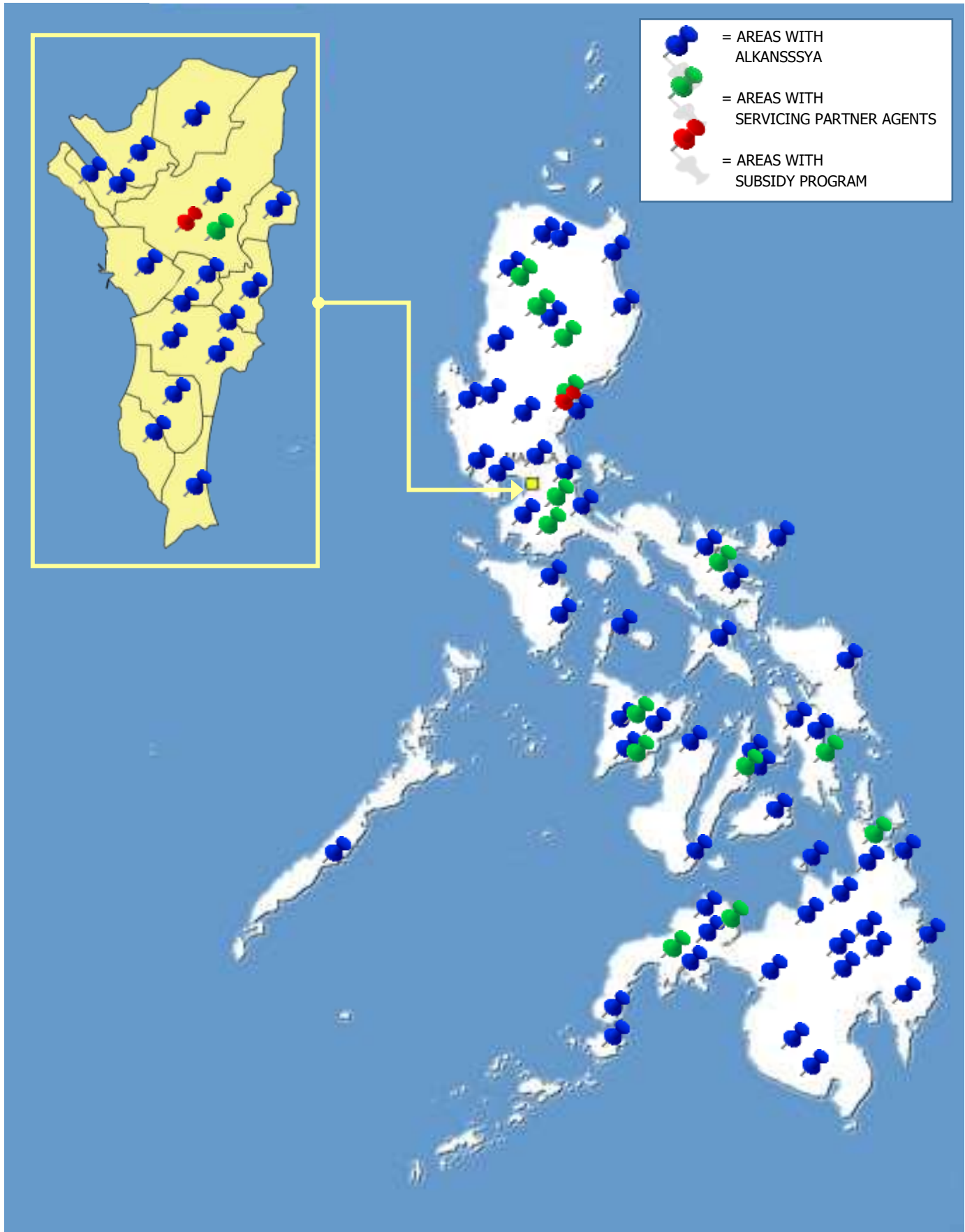
Data Source: NSO, Labor Force Surveys
Note: Average of the January, April, July and October Labor Force Surveys

Table 4. SSS Self-Employed and Total Membership (as of December 2014)

Area	Self-Employed (in thousands)	Total Membership (in thousands)	Percent of Self-Employed to Total Membership
NCR	962	15,952	6.0%
Luzon	1,554	6,389	24.3%
Luzon North	429	1,382	31.1%
Luzon Central	496	2,071	23.9%
Luzon South	385	2,243	17.2%
Bicol	243	694	35.0%
Visayas	597	4,143	14.4%
Visayas Central	256	2,349	10.9%
Visayas West	341	1,794	19.0%
Mindanao	1,215	4,630	26.2%
Mindanao North	452	1,564	28.9%
Mindanao South	514	2,397	21.5%
Mindanao West	249	669	37.2%
International Operations		1,028	-
Total	4,327	32,142	13.5%

Data Source: SSS MIS Reports

Figure 1. Map of the Philippines (*National Capital Region, insert*)



**Table 5. AlkanSSSyA Implementation Report According to Type of Workers
(as of April 2015)**

Informal Sector Group	Total Associations Covered	Total Members Registered	Total Collection in Php	Total Collection in US\$
Transport	545	45,683	83,895,993	1,884,456
Tricycle Operators and Drivers Assoc.	467	39,450	70,240,315	1,577,725
Tribike/Pedicab Operators and Drivers Assoc.	19	1,353	2,215,151	49,756
Jeepney Operator and Drivers Assoc.	46	3,573	7,619,757	171,154
Motorboat Service Providers	2	299	1,009,199	22,668
Shuttle Bus Operators/Drivers	1	53	419,390	9,420
Pumpboat Operators	1	107	192,739	4,329
Van Drivers	4	225	448,458	10,073
Airport Service Providers	1	218	538,760	12,102
Bus Dispatchers	1	27	33,504	753
Habal-Habal Drivers	3	378	1,178,720	26,476
Agriculture	76	7,373	8,384,082	188,322
Farmers	59	5,905	6,934,593	155,764
Fisherfolk Workers	9	785	870,031	19,542
Fishermen	8	683	579,458	13,016
Vendors	115	13,328	23,852,076	535,761
Market Vendors	88	10,885	21,492,115	482,752
Ambulant Vendors	19	1,711	1,481,809	33,284
Fish Vendors	6	540	586,258	13,168
Retail Traders	2	192	291,894	6,556
LGU & Other Agencies	146	14,582	18,304,761	411,158
LGU (Brgy. EEs & Tanod, Volunteer Workers)	126	12,425	15,058,240	338,235
Day Care Workers		222	524,551	11,782
Job Order Contractual	17	1,935	2,721,970	61,140
Services	3	192	427,504	9,603
Reflexologists	1	51	237,344	5,331
Caregivers	1	87	106,010	2,381
Porters	1	54	84,150	1,890
Others	233	25,933	37,045,466	832,108
Jail Inmates	44	3,547	5,281,437	118,631
Material Recovery Workers (Garbage Pickers)	6	870	1,293,161	29,047
Golf Course Workers	30	3,977	8,974,367	201,581

Table 5. AlkanSSSy Implementation Report According to Type of Workers
(Continuation)

Informal Sector Group	Total Associations Covered	Total Members Registered	Total Collections in PHP	Total Collections in US\$
Pottery Makers	1	102	157,652	3,541
Community-Based Associations	96	11,300	12,248,119	275,115
Cooperative Members	41	3,823	6,927,958	155,615
Beach Cottage Owners	1	120	156,416	3,513
Persons with Disability	1	58	149,382	3,355
Lay Ministers	4	271	570,205	12,808
Customer Care Assistants/Night Workers	4	1,576	1,007,194	22,623
Memorial Park Caretakers	1	59	20,700	465
Recreational Horseback Riding Masters	2	128	192,565	4,325
Hog Raisers	1	66	55,110	1,238
Small-Scale Miners	1	36	11,200	252
TOTAL	1,118	107,091	171,909,882	3,861,408
Average Monthly Collection: PhP5,056,173 (\$113,571)				

End period April 2015: US\$ 1 = PHP 44.52

Table 6. Consolidated AlkanSSSy Implementation Report by Regional Group (as of April 2015)

Group	Total Associations Covered	Total Members Registered	Total Collections in PhP	Total Collections in US\$
NATIONAL CAPITAL REGION (NCR)	295	24,822	54,798,761	1,230,880
LUZON	481	46,333	72,108,627	1,619,691
VISAYAS	177	17,254	20,498,700	460,438
MINDANAO	165	18,682	24,503,794	550,400
TOTAL	1,118	107,091	171,909,882	3,861,408

End period April 2015: US\$ 1 = PHP 44.52

Table 6.A. AlkanSSSy Implementation Report by Group: Local Government Units/ Government Agencies with AlkanSSSy Units (as of April 2015)

Group	Total Associations Covered	Total Members Registered	Total Collections in PhP	Total Collections in US\$
NATIONAL CAPITAL REGION (NCR)	46	3,972	5,182,992	116,419
LUZON	57	5,709	6,809,875	152,962
VISAYAS	19	1,959	1,580,207	35,494
MINDANAO	24	2,942	4,731,687	106,282
TOTAL	146	14,582	18,304,761	411,158

End period April 2015: US\$ 1 = PHP 44.52

Table 6.B. AlkanSSSy Implementation Report by Group: Partnerships with Informal Sector Groups (as of April 2015)

Group	Total Associations Covered	Total Members Registered	Total Collections in PhP	Total Collections in US\$
NATIONAL CAPITAL REGION (NCR)	249	20,850	49,615,769	1,114,460
LUZON	424	40,624	65,298,752	1,466,728
VISAYAS	158	15,295	18,918,493	424,944
MINDANAO	141	15,740	19,772,107	444,117
TOTAL	972	92,509	153,605,121	3,450,250

End period April 2015: US\$ 1 = PHP 44.52

Table 7.A. Status of Servicing Partner Arrangements: Coverage Only Agreement (as of April 2015)

	Name of Partner Cooperative/ Micro-Finance Institution/ Agency	Total SPA Members	Total SSS Members Registered
1	Ahon Sa Hiras Inc. (ASHI)	24,553	1,204
2	Center for Agriculture and Rural Development (CARD) Bank, Inc.	705,428	5,906
3	CARD SME Bank, Inc.	123,064	4,145
4	Kasagana-Ka Development Center, Inc. (KDCl)	25,000	951
5	Nueva Segovia Consortium of Cooperatives (NSCC)	21,945	88
	TOTAL	899,990	12,294

Table 7.B. Status of Collecting Partner Arrangements: Collection Only Agreement (as of April 2015)

	Name of Partner Cooperative/ Micro-Finance Institution/ Agency	Total Collections in PhP	Total Collections in US\$
1	Dao Multi-Purpose Cooperative	1,551,131	34,841
2	Pinoy Lingap Damayan Credit Cooperative (PLDCC)	224,235	5,037
3	Pintuyan National Vocational School Multi-Purpose Cooperative (PNVSMPC)	43,868	985
4	San Juan Vendors Multi-Purpose Cooperative	214,770	4,824
	TOTAL	2,034,004	45,687

End period April 2015: US\$ 1 = PHP 44.52

Table 7.C. Status of Servicing and Collecting Partner Arrangements: Coverage and Collection Agreement (as of April 2015)

	Name of Partner Cooperative/ Micro-Finance Institution/ Agency	Total SPA Members	Total SSS Members Registered	Total Collections in PhP	Total Collections in US\$
1	Alalay sa Kaunlaran Inc. – Multi-Purpose Cooperative (ASKIMPC)	3,000	1,164	-	-
2	Alicia Neighborhood Multi-Purpose Cooperative (ALNEMPCO)	917	853	268,578	6,033
3	Baguio Vegetable Retailers Savings & Credit Cooperative (BAVESCO)	3,310	89	371,187	8,338
4	Baug CARP Beneficiaries Multi-Purpose Cooperative (BCBMPC)	9,667	1,798	535,458	12,027
5	Card, Inc.	935,621	18,802	-	-
6	Gata Daku Multi-Purpose Cooperative (GDMPC)	17,705	-	170,681	3,834
7	Guadalupe Community Multi-Purpose Cooperative (GCPMC)	16,380	7,372	96,187	2,161
8	Sacred Heart Savings Cooperative (SHSC)	20,117	-	33,055	742
9	Simbag Sa Pag-asenso, Inc. (SEDP)	32,457	4,892	8,942,347	200,861
10	Sta. Cruz Savings and Development Cooperative (SACDECO)	21,044	-	51,448	1,156
11	Tubungan Employees Development Cooperative (TEDCO)	3,368	2,779	412,209	9,259
	TOTAL	1,063,586	37,749	10,881,150	244,410

End period April 2015: US\$ 1 = PHP 44.52

Table 8. Subsidy Provider Arrangements

Name of Subsidy Provider		Total SSS Members Subsidized	Total Collections in PhP	Total Collections in US\$
1	Deep Well Sumulong Irrigators Association (DWSIA)	201	66,582	1,496
2	Department of Agriculture - Agricultural Training Institute (DA-ATI)	25	38,280	860
3	International Labour Organization (ILO)	5,765	6,281,352	141,091
TOTAL		5,991	6,386,214	143,446

End period April 2015: US\$ 1 = PHP 44.52

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