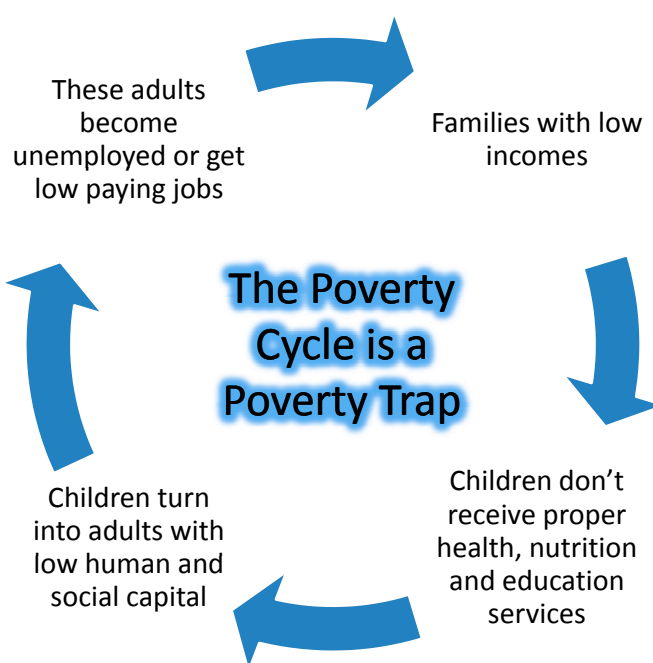




Addressing Income Inequalities: Philippine Experience



The Poverty SITUATION

1. Low growth
2. Weak employment generation
3. Persistent inequality
4. Structural underpinnings
 - a. Inadequate levels of human development
 - b. Inadequate infrastructure
 - c. Major gaps and lapses in governance
 - d. Poor and degraded state of environment and natural resources

(PDP 2011-2016)

Poverty Incidence for Basic Sector 2006, 2009, and 2012 as of July 2014

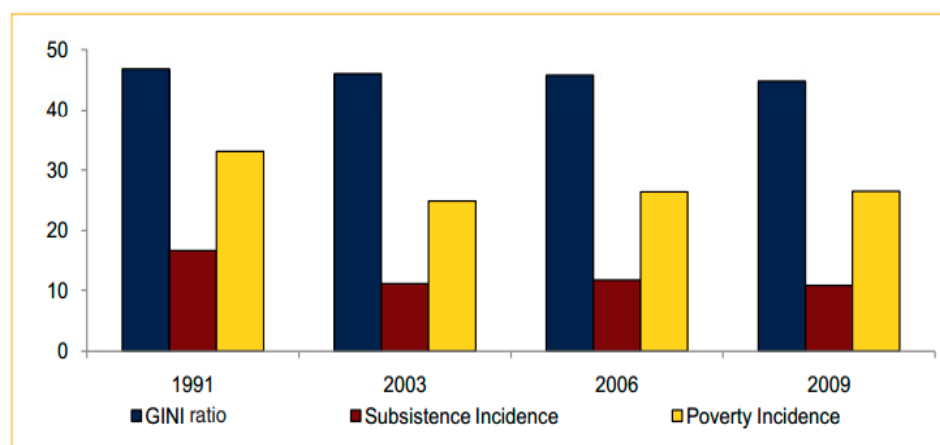
Sector	2006	2009	2012	Increase/Decrease	
	Poverty Incidence	Poverty Incidence	Poverty Incidence	2006-2009	2009-2012
Philippines	26.6	26.3	25.2	(0.3)	(1.1)
Fishermen	41.2	41.3	39.2	(0.1)	(2.1)
Farmers	38.5	38.0	38.3	(0.5)	0.3
Children	35.2	35.3	35.2	0.1	(0.1)
Self-employed and unpaid Family Workers	30.6	29.9	29.0	(0.7)	(0.9)
Women	25.9	25.7	25.6	(0.2)	(0.1)
Youth	21.1	21.6	22.3	0.5	0.7
Migrant and Formal Sector	16.0	16.8	16.6	0.8	(0.2)
Senior Citizens	16.9	16.1	16.2	(0.8)	0.1
Individuals residing in urban areas	12.6	12.6	13.0	0	0.4

Source: Philippine Statistics Authority

Poverty and Inequality in Selected Countries

	Official poverty incidence in % (2007/2008) 1/	Share of population below \$1.25 per Day, % (2004/2005/2006/2007) 2/	Gini Ratio (2004/2005/2006/2007)1/
China	4.2	15.9	0.415
Indonesia	14.2	29.4	0.376
Malaysia	3.6	2.0	0.379
Philippines	26.5*	22.6	0.448**
Thailand	8.5	2.0	0.425
Vietnam	13.5	21.5	0.378

Poverty Incidence and the GINI ratio of the Philippines: 1991, 2003, 2006, 2009



Employment Rate in October 2014

	October 2014* (Excludes Leyte)	October 2013** (Excludes Leyte)	October 2013 (Includes Leyte)
Employment Rate (%)	94.0	93.6	93.6
Unemployment Rate (%)	6.0	6.4	6.4
Underemployment Rate (%)	18.7	18.0	18.1

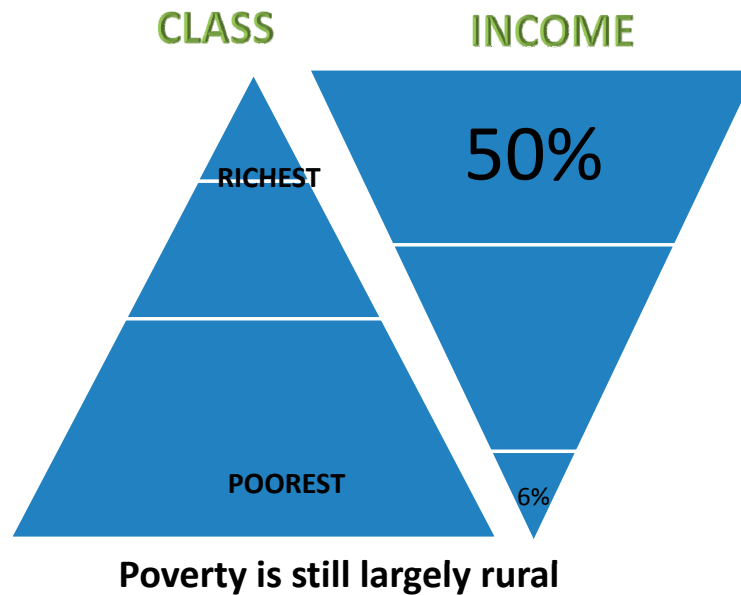
Source: Philippine Statistics Authority

*Estimates for October 2014 are preliminary and may change

The province of Leyte was not covered in the October 2014 Labor Force Survey

**Estimates based on October 2013 data which excludes Leyte have been generated to make the October 2013 estimates comparable with October 2014 estimates.

SOCIAL PYRAMID



WHY Conditional Cash Transfer (CCT)?

1. Inclusive growth is a key agenda in achieving a significant reduction in poverty
2. Investment in the country's human resources is key to sustained and broad-based growth
 - a) Equitable access to basic social services
 - b) Stronger social safety nets
3. CCT is a rights-based strategy towards human capital development
4. CCT concretizes income redistribution

It is an investment for the future generation

OVERVIEW of the Program

Conditional Cash Transfer (CCT) is a social protection and development strategy that provides conditional cash grants to poor households

CASH GRANTS



**HEALTH
NUTRITION
EDUCATION**
of children 0-18

OVERVIEW of the Program



Patterned after CCTs in Latin American countries such as Mexico, Columbia, and Brazil which have been proven successful as a poverty reduction and social development measure

Promotes and supports Philippines' commitment to the UN Convention of the Rights of the Child (CRC) through provision of health, education, and other basic rights of children.

OVERVIEW of the Program

Designed to promote INVESTMENT IN HUMAN CAPITAL among poor families with 0-18 year-old children

The program works to help attain the following Millenium Development Goals:



Eradicating
Extreme
Poverty
and
Hunger



Achieving
Universal
Primary
Education



Promoting
Gender
Equality and
Empowerin
g Women



Reducing
Child
Mortality



Improving
Maternal
Health

Definition of Poor

Refers to individuals and families whose income fall below the poverty threshold.

Proxy Means Test

Is a scientific and statistical method used in measuring the economic status of a household by incorporating various variables such as:

- Household composition
- Household members' highest education attainment and occupation
- Access to basic services or facilities like water, electricity and sanitary toilet
- Tenure status of housing
- Source of income
- Household properties

Program OBJECTIVES

- 1. IMPROVE** PREVENTIVE HEALTHCARE ASSISTANCE among pregnant women and young children
- 2. INCREASE** ENROLLMENT IN AND ATTENDANCE RATE of children in school
- 3. REDUCE** INCIDENCE OF CHILD LABOR
- 4. RAISE** THE AVERAGE CONSUMPTION RATE IN FOOD EXPENDITURE of poor households
- 5. ENCOURAGE** PARENTS TO INVEST IN THEIR CHILDREN'S HUMAN CAPITAL through investments in their health and nutrition, education, and participation in community activities

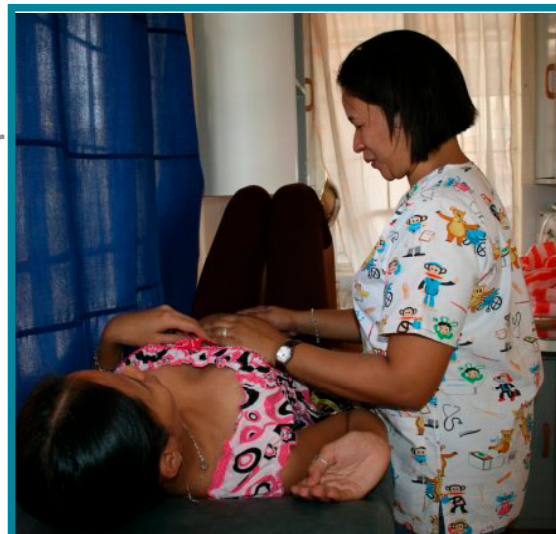
Program CONDITIONALITIES

CO-RESPONSIBILITIES OF HOUSEHOLD BENEFICIARIES

HEALTH AND NUTRITION

Pregnant Household Member

- Visit their local health center to avail of pre- and post-natal care
- Avail of appropriate delivery services by a skilled health professional
- Avail of at least one post-natal care within 6 weeks after childbirth



Program CONDITIONALITIES

CO-RESPONSIBILITIES OF HOUSEHOLD BENEFICIARIES

HEALTH AND NUTRITION

Children 0-5 years old

- Visit the health center to avail of immunization
- Have monthly weight monitoring and nutrition counseling for children aged 0-2 years old
- Have quarterly weight monitoring for 25 to 73 weeks old
- Have management of childhood diseases for sick children



Children 6-14 years old

- Must receive deworming pills twice a year

Program CONDITIONALITIES

CO-RESPONSIBILITIES OF HOUSEHOLD BENEFICIARIES

FAMILY DEVELOPMENT SESSIONS

Parents or Guardians

- Must attend family development sessions at least once a month
- Must ensure attendance in Responsible Parenthood Sessions and Family Counseling Sessions
- Must participate in community activities, promote and strengthen the implementation of the CCT Program



Program CONDITIONALITIES

CO-RESPONSIBILITIES OF HOUSEHOLD BENEFICIARIES

EDUCATION

- **Children 3-5 years old**
Must be enrolled in a day care or pre-school program and maintain a class attendance rate of at least 85% a month
- **Children 6-18 years old**
Must be enrolled in elementary and secondary school and maintain a class attendance rate of at least 85% a month



Program BENEFITS

HEALTH AND NUTRITION GRANT



Php500 per month (Php6,000 per year)

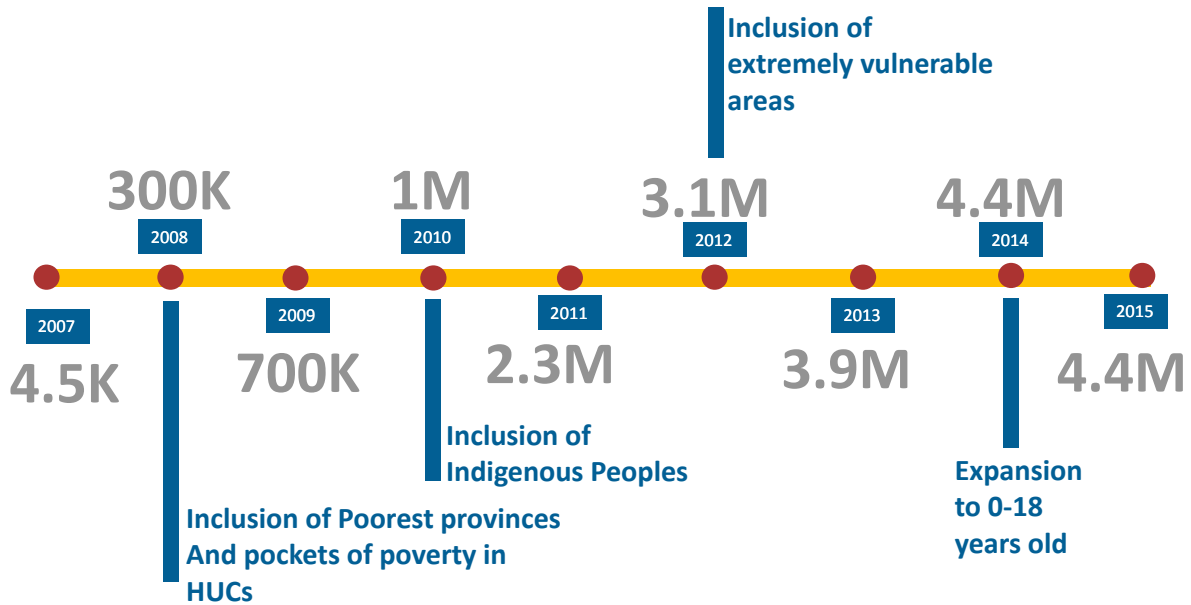
EDUCATION GRANT



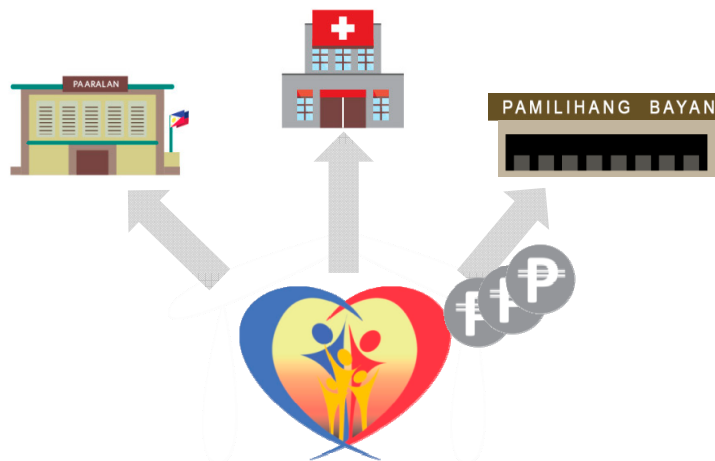
Php300 per month per child (elementary)
Php500 per month per child (high school)

for 10 months a year; to a maximum of 3 children per household

Program COVERAGE



Are our investments translating into results?



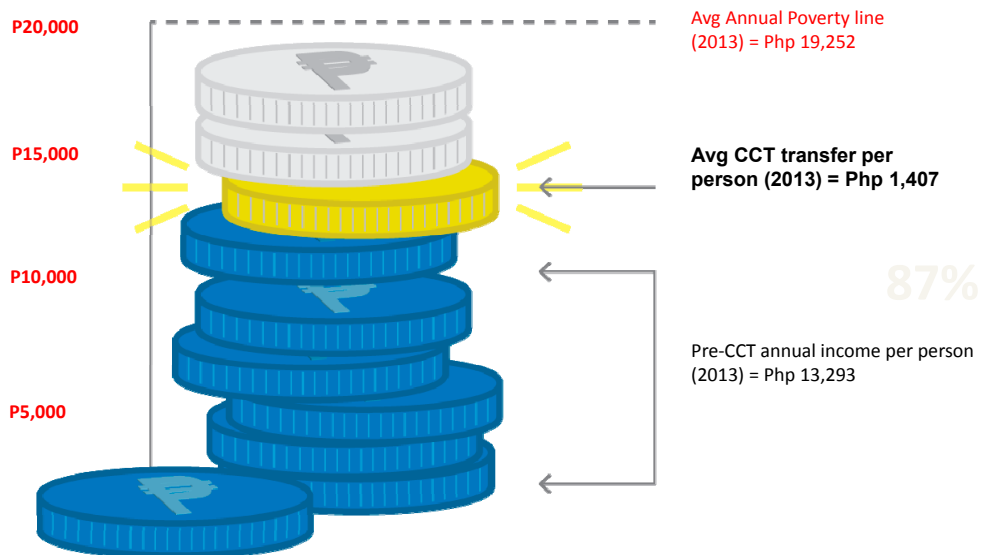
2015: 4.4 Million Households



1. CCT Program Positively Addresses the Poverty Gap



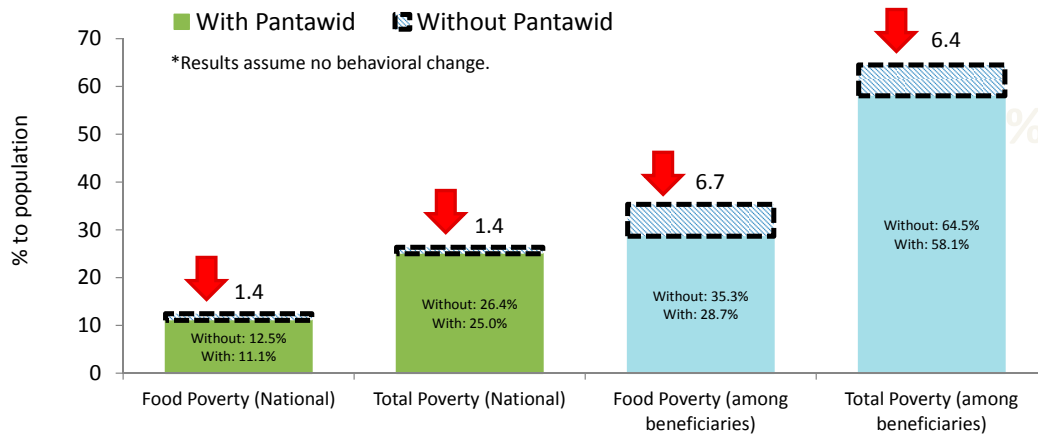
CCT Program closes about 1/4 of the income gap of the Poor



Without the CCT Program, poverty incidence could have been worse

Given current cash grant levels, CCT Program reduces national poverty incidence and food poverty incidence by up to 1.4 percentage points (pp).

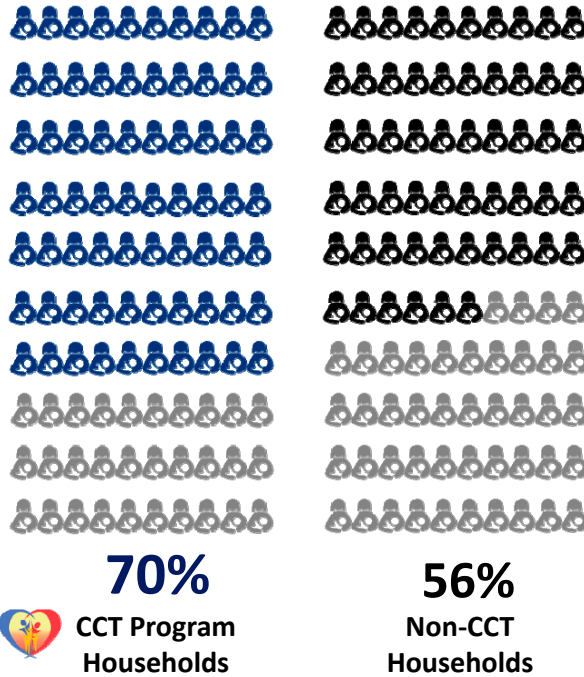
Poverty among beneficiaries diminishes by up to 6-7 pp, equivalent to about 1.3 million Filipinos



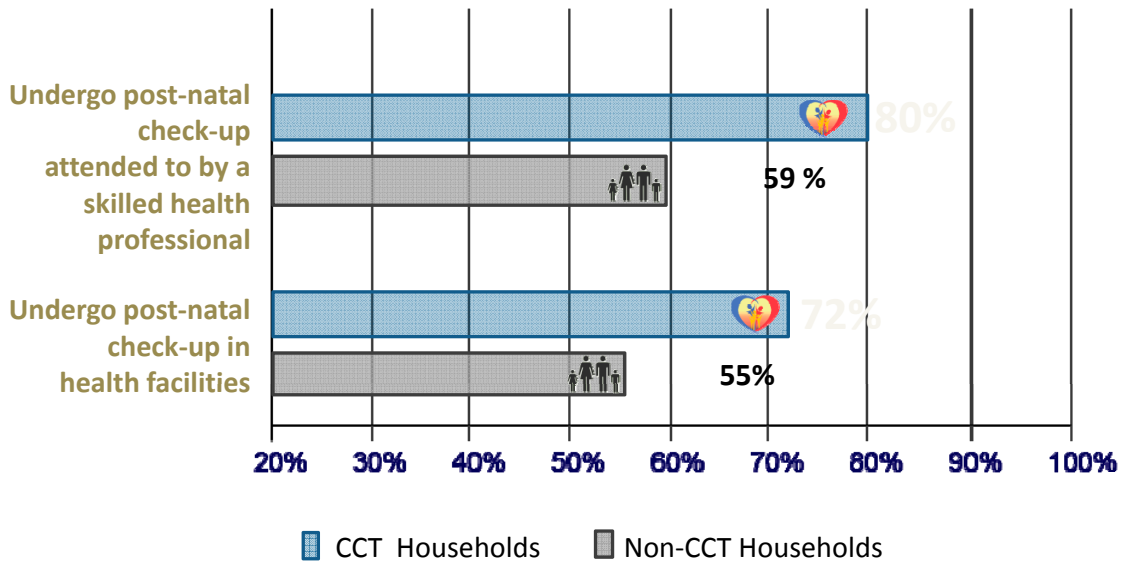
2. CCT Program promotes facility-based deliveries and access to postnatal care



More beneficiary mothers deliver in health facilities



More beneficiary mothers avail of post-natal check up in health facilities

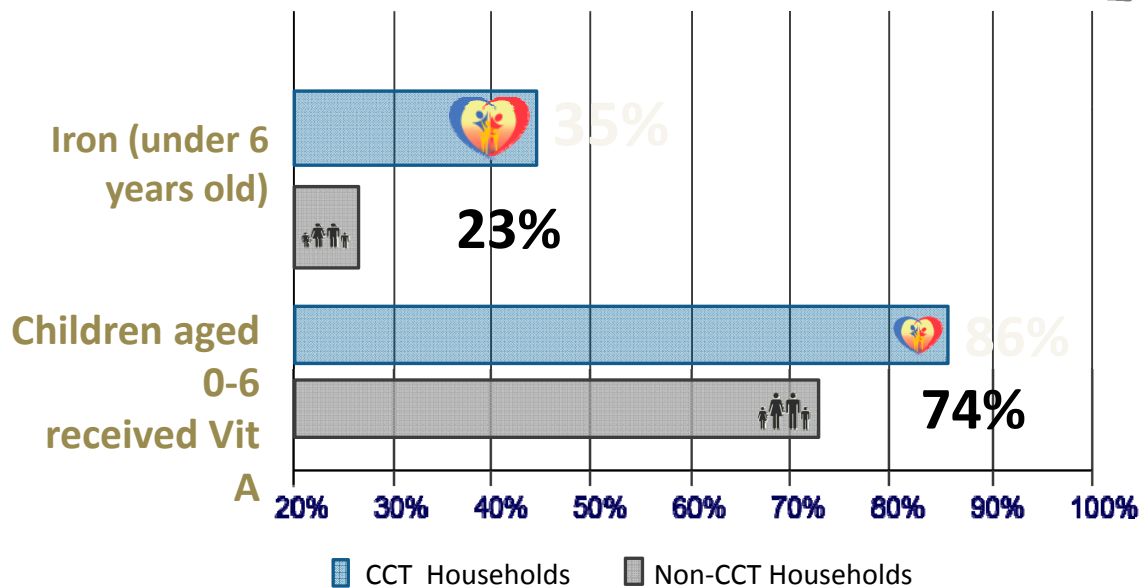




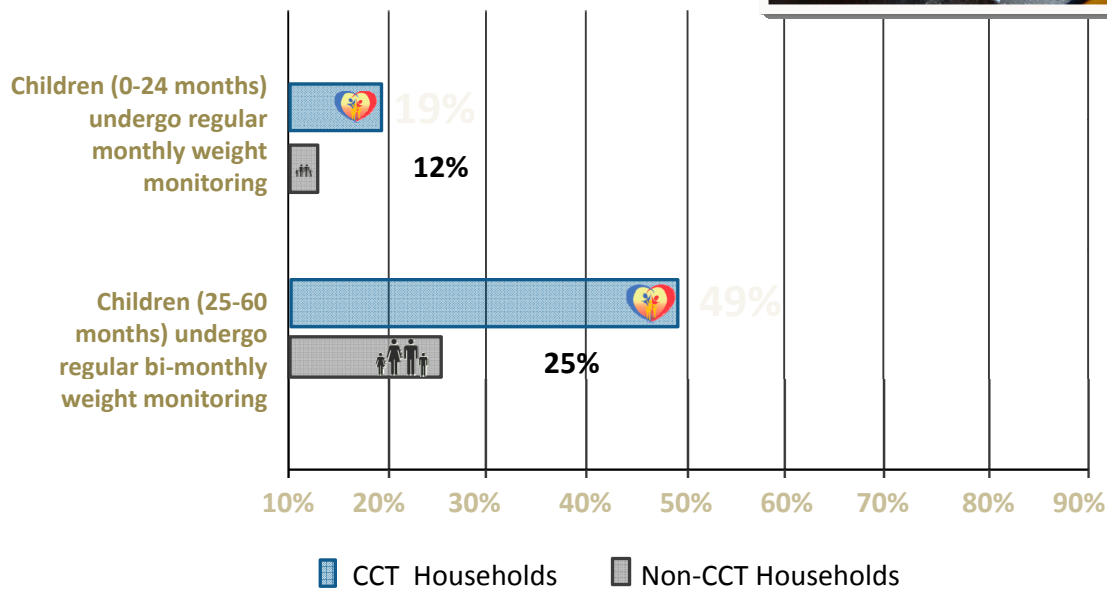
3. CCT Program improves children's access to some key health care services



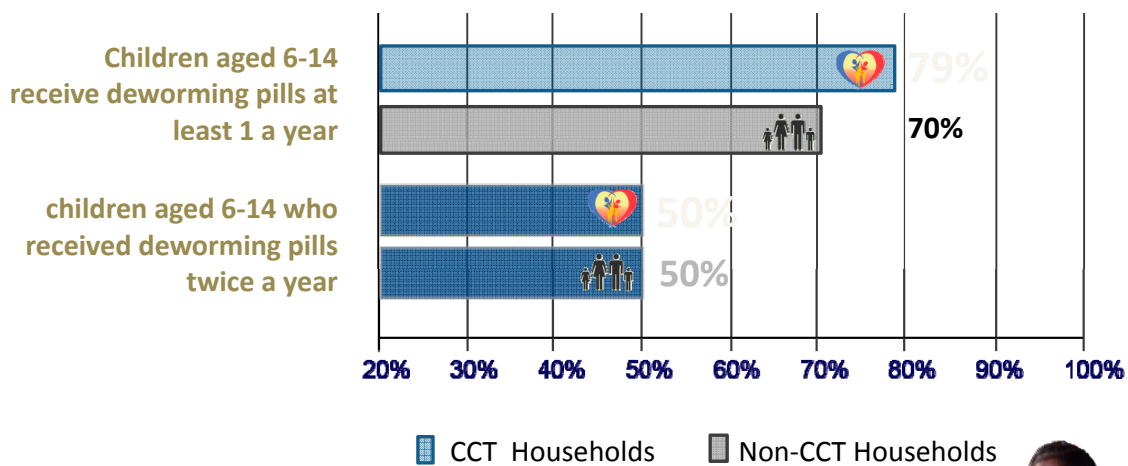
More beneficiary children receive Iron supplements and Vitamin A tablets



More beneficiary children undergo weight monitoring



More beneficiary children receive deworming pills once a year

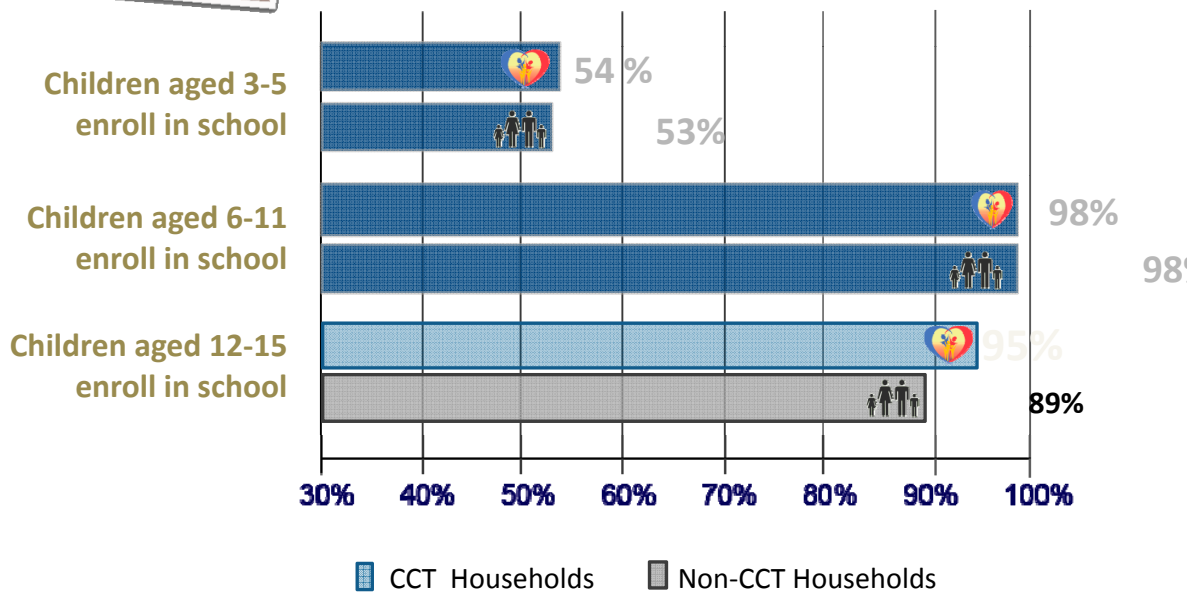




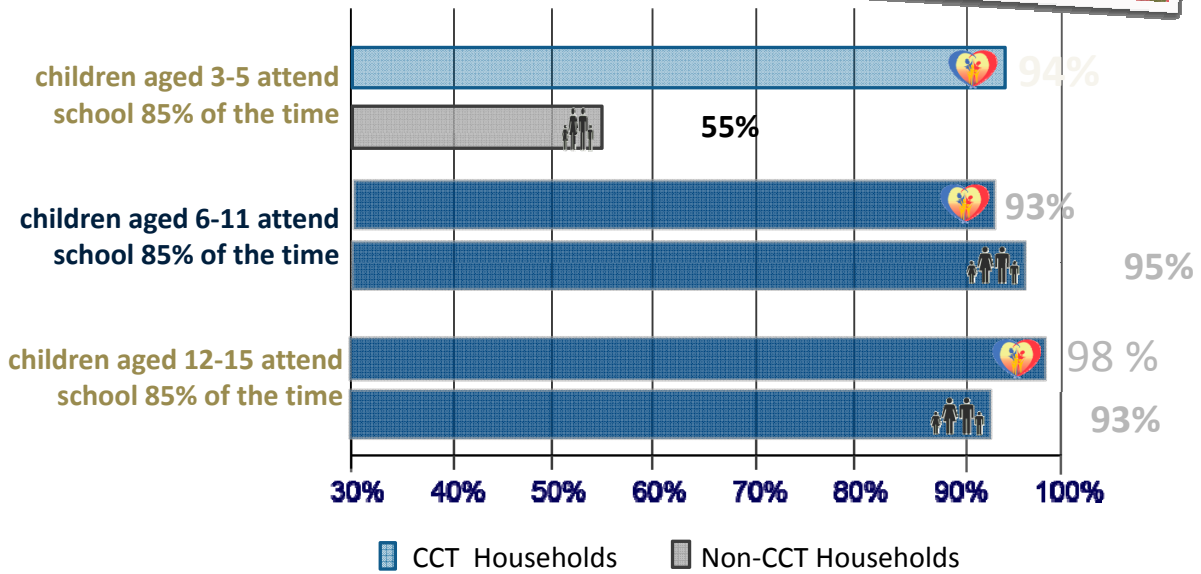
4. CCT Program keeps older children in school



More beneficiary children aged 12-15 years enroll in school



More 3-5 year old beneficiary children attend school 85% of the time



5. CCT Program families prioritize spending for basic family needs



Beneficiary households spend more on education



- Education expenditure in beneficiary households is 82% higher than that of non-beneficiary households (annual per school-aged child)



Php 458.42



Php 251.82

No difference in household expenditure on medicine between beneficiary and non-beneficiary households (annual per capita)



Php 50.01



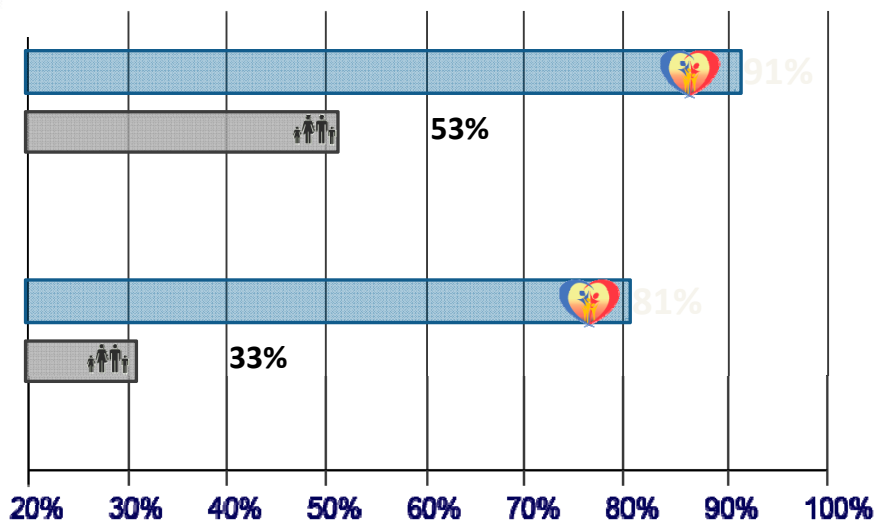
Php 35.34

6. Other significant results



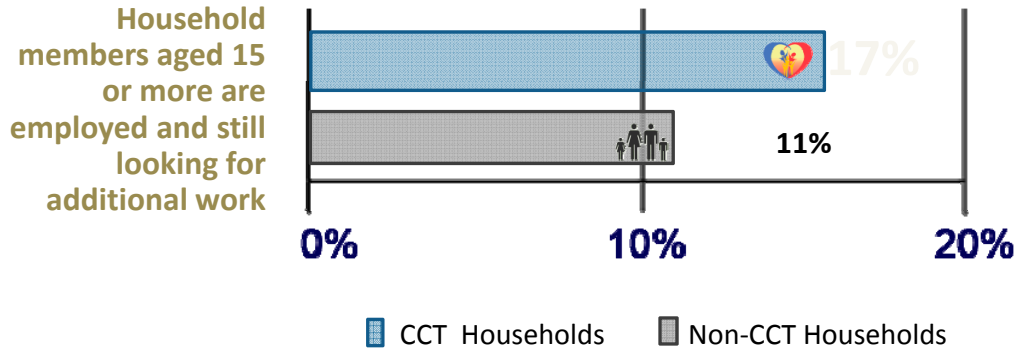
Percentage of Households who are members of PhilHealth

Awareness of the Family Development Sessions

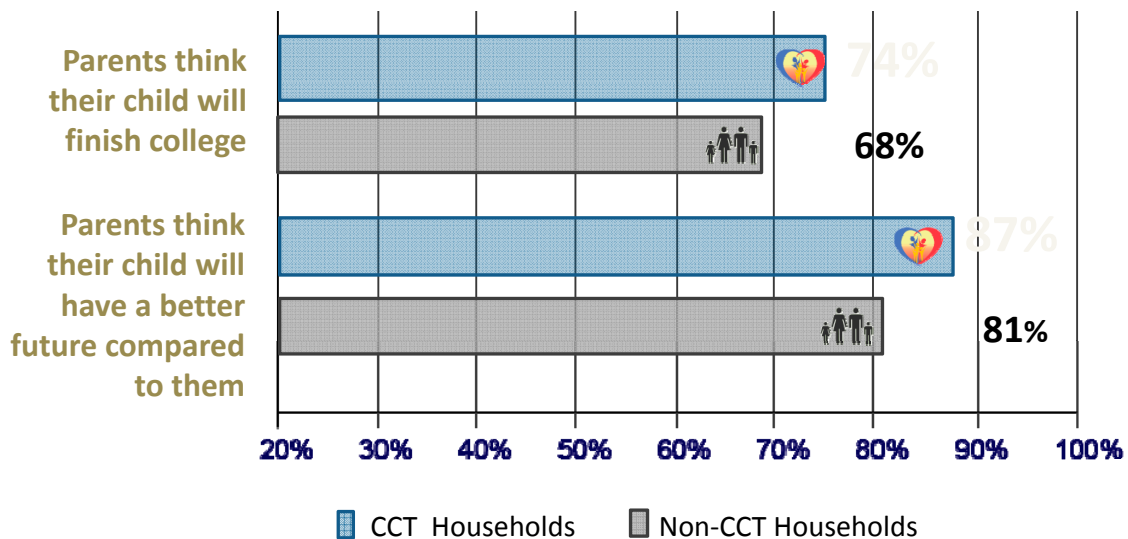


■ CCT Households ■ Non-CCT Households

7. CCT Program does not encourage dependency



8. Beneficiary parents have better outlook on their children's future

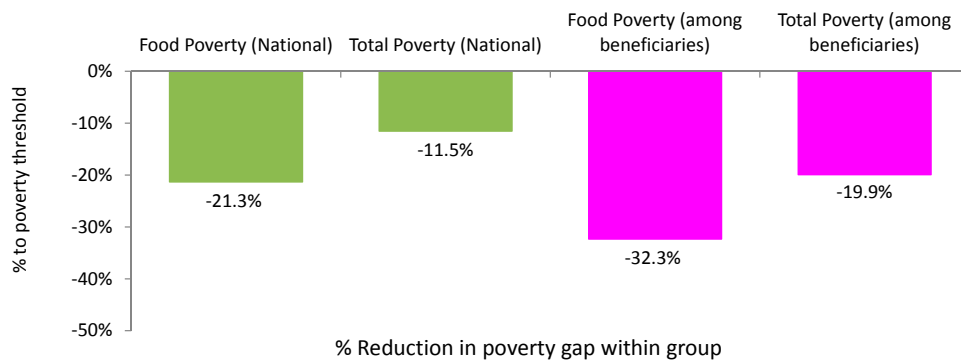


CONCLUSIONS

WB REPORT:

Positive Effect on Poverty Gap

- This indicates that **per Peso cash grant, the poverty gap is reduced by 61 centavos.**
- For an average annual cash grant of Php 1,407 per person, this translates to a reduction of Php 858 in the national poverty gap.



Data source: APIS 2013

39

THIS MARCH 2015

- **320,000 CCT CHILDREN BENEFICIARIES NATIONWIDE ARE GRADUATING FROM HIGH SCHOOL**



Data source: APIS 2013

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**Conditional Cash Transfer (CCT)
Program**

*Pantawid Pamilyang
Pilipino Program*

THANK YOU