

# Asian Roundtable on Social Protection Network Newsletter

June 2018

Organizing and fighting for social protection for all in Asia

## Social Protection in Bangladesh Issues and Challenges

by S M MORSHED, PHD  
(June 2, 2018)

Social Protection in Bangladesh is considered as part of the development agenda, as this welfare approach contributes towards poverty eradication and enhance socio-economic development of the marginal community. Bangladesh gained independence in 1971 and during that time the concept of social protection was yet to mature, but there were already a few welfare interventions targeting the ultra-poor, with such actions treated as humanitarian responses. But in last two decades, Bangladesh has achieved remarkable success in many areas; such as enrolment in primary education, gender equality, access to safe drinking water and sanitation. The country has shown its excellence in achieving Millennium Development Goals (MDGs) and now Government of Bangladesh has full attention on achieving the Sustainable Development Goals (SDGs). Recently Bangladesh has fulfilled all three criteria for gradu-

ation from a Least Developed Country (LDC) to a developing country.

The constitution of the Peoples Republic of Bangladesh has made the provision that the state will bear the fundamental responsibility for ensuring the right to social protection for all deserving people (Article 15-D of Bangladesh Constitution). Such constitutional provision directs the government to strive for strengthening the existing social protection system of the country. The constitutional provision, economic

capacity and overall development commitment has paved the way for formulating National Social Security Strategy (NSSS), which aims and address the risks and vulnerability of the under privileged community of the country with a view to reduce poverty and marginalization.

One of the ground breaking feature of this strategy is to initiate a social insurance system that enables people to invest in their own social security, pro-  
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## SP in Bangladesh: Issues and Challenges

viding security against the risks of old age, disability, unemployment and maternity. This includes expanding coverage to the residents of urban areas and to the socially excluded people, ensuring that social security system supports an effective disaster response system and strengthening the delivery systems for priority transfers by establishing advanced Management Information Systems and result based monitoring and evaluation.

In a study of General Economic Division (GED) under the Ministry of Planning mentioned that, working women faces additional disadvantages due to gender discrimination. Female labour force participation remains low at around 36%. Wages for female workers are also low and they can earn up to 60% less than men for same work. As part of social development framework, National Social Security Strategy placed much emphasis on the issue of women empowerment with the objectives of achieving better equity and social justice.

Different study shows that investment in social protection has resulted positively in poverty eradication. Currently Bangladesh has 23 % poverty rate. The Government of Bangladesh is spending 12 % of its national budget for social protection schemes. Currently 123 social protection schemes are being implemented by 22 ministries and division. 3.5 million old-age persons are getting monthly allowance at the rate of BDT 500 (equivalent to 6.5 USD).

Government of Bangladesh also acknowledged social empowerment as part of social security, such as invest-

ment for education of girls, is considered as an effort for social empowerment. At the same time, pensions for Government officers and employees are also calculated as part of social protection initiatives, which creates much debate among the development analysts. The 2.2 % of GDP are being spent for social protection annually but 1.4 % goes to retired Government Officers and employees as pension. The development debate arises on the point on why financial allocation for pensions are shown under the budget of social protection, as many people have no access to this benefit. In Bangladesh only 15% labour force are engaged in formal jobs comprising both private and public sector and rest 85% are working in informal sector.

An independent study of Bangladesh Occupational Safety, Health and Environment Foundation shows that social protection for working people are mostly ignored in the state-run social protection initiatives. The study mentioned that only 12 schemes are designed targeting the working classes. A total of 20,000 tea workers out of 116,000 are getting benefit of social protection in cash from last fiscal year, which earlier in the program were getting benefits in the form of goods. In the informal sector, the fishermen are also getting social protection benefit during the time when fishing is restricted by the Government of Bangladesh. Children of ready-made garment (RMG) workers are enjoying scholarships for higher study in medical colleges and universities that are being run by government. The study also indicated that the Ministry of La-

bour and Employment is not playing the expected role in integrating social protection mechanism for working people in mainstreaming social protection agenda. There is huge amount of money deposited by the corporate bodies in workers welfare fund, which can be utilized under specific guidelines for social protection of the working people. Though on ad hoc basis, very few portion of this big fund are spent to meet urgent need of workers, particularly while workers are seriously injured due to occupational accidents.

In spite of different initiative to make the social protection initiatives more people friendly, there remains a lot of irregularities and corruption is reported. Due to political influence, beneficiary selection process is not transparent. From the target group, 24% beneficiaries are being excluded and in fact they are made ineligible for social protection facilities. Government of Bangladesh also acknowledges this situation and identifies it as mis-targeting.

Locally elected representatives who are actively engaged in managing social protection services are making unauthorized pressure on respective government officials and due to unfair election in local government, the people are not able choose the right person as their representative. Moreover, next parliament election will be held on December 2018 and targeting the election, the Government is planning to expand the coverage of social safety-net schemes.

Apart from government-run social protection service, some other non-►



by ASIA MONITOR RESOURCE CENTRE  
(February 16, 2018)

Oxfam Cambodia gathered their partners in Cambodia to attend a workshop last January 24-27, 2018 at the capital Phnom Penh. The activity aimed to increase understanding of the various grassroots group on the social protection initiatives of the Cambodian government. The 4-day workshop was attended by participants from both the formal sector and informal sector of labour, along with farmers, women groups and youth.

Participants were asked to devel-

op their perspective on social protection using the life-cycle lens and reflect on the current social protection schemes of the Cambodian government. One session was allotted for the government representative to discuss the direction and stress of the government when it comes to social protection schemes. The Asian Roundtable on Social Protection (AROSP) secretariat also attended the event as trainers and shared how the network engages in the region.

The participants came up with action points on how the different groups in the country can better access the existing schemes, as well as how to address the existing gaps in the implementation. The workshop was capped by the recommendations of the whole workshop on how to improve social protection schemes in the country, including the necessity of civil society involvement in the crafting and development of social protection programs, along with the better understanding of the role of engaging in various platforms like the AROSP. ■

### *SP in Bangladesh: Issues and Challenges (cont'n)*

governmental organizations (NGOs) and international NGOs are also working on this, but their services are not mainstreamed in the Government Action Plan. Until now the government could not establish the database of beneficiaries, resulting in duplication of services, which is also an unpleasant reality.

Recently, the Cabinet Division and General Economic Division has finalized the Action Plan for implementation of National Social Security Strategy, where Ministry of Labour and Employment has been assigned to develop modality of social insurance for the employees, establishing child day care at workplaces in line with Labour

Act, introducing unemployment insurance schemes and establishing Grievance Refresh System.

It is expected that the Ministry of Labour and Employment will consider the labour NGOs, trade unions and civil society organization as effective partners of social protection schemes. Multi stakeholders sharing and social dialogue can bring best success in this process. ■

HONG KONG

# 10 Days That Shook HK Society

by APO LEONG  
(March 8, 2018)

Around 30 outsourced cleaners of the Hoi Lai Estate faced a bleak New Year holiday when their employer coerced them to sign a “voluntary resignation letter” in order to avoid a million-dollar severance payment during the last week of October 2017 and workers were asked to sign a new contract with a related contractor with just a pay rise of HKD11 per month. The concerned workers did not surrender but launched a strike lasting 10 days, until their demands were met. With the support from the Hong Kong Confederation of Trade Unions (HKCTU), Labour Party and local community groups, their plight caught the attention of the general public, and the massive support was able to create a strike fund amounting to around 300,000 HKD. The mounting pressure forced the Hong Kong (HK) government and the subcontractor to settle their case last January 21, 2018.

This is a typical case of the privatization of public services in HK. There are 60,000 outsourced workers under the Housing Department, Food and Environment Hygiene Department, Recreation and Cultural Department and Property Department with deprived wages and retirement benefits.

Surveys by the HK Women Workers Association, HK Catholic Commission for Labour Affairs, and other groups revealed that these workers suffered from the following issues:

1. Only given minimum wage (much less than the market rate)
2. Overwork
3. No or insufficient Personal Protective Equipment (PPE) provided

The Hoi Lai case revealed another major problem: Should the cleaners be covered by severance payment or mandatory provident fund? Under the present bidding arrangement, the lowest bidder usually gets the government contract, but the concerned subcontractors would conspire together, by sharing the information or setting up companies by their close relatives, so as to minimize the cost. In the case of the Hoi Lai estate cleaners, two brothers owned and operated the two concerned companies, including sharing the same office. At the end of a contract, which usually lasts around 2 years, workers are asked to resign voluntarily first if they want to work for the new company, resulting in all the severance payments being forfeited. Most of the cleaners are local residents in the same district or working mothers who have to look after their children and elderly and cannot afford to work in another district. They have a weak bargaining power against these companies.

The HK government announced that a review of the outsourced system will be underway. HK unions and community groups, on the other hand, are demanding that:

1. Lump sum payment should be made to the affected workers as the change of contract would take place
2. Living wage should be set up with an annual review
3. New company should recognize the seniority of the outsourced workers, no erosion of their statutory benefits
4. Revise the bidding requirement to include quality of service such as the OSH standards, manpower, working hours and wages. ■

# More inclusive and equitable social protection for Informal workers

by OXFAM LAOS  
(April 26, 2018)

The project “More inclusive and equitable social protection for informal workers” is a regional project implemented in Vietnam, Laos and Cambodia, with the aim to promote social protection for an increasingly vulnerable group in those countries, namely marginalized workers. In Laos, the projects focus on capacity building and accompaniment of all the partners, supporting their advocacy initiatives and campaigning on this thematic. After the first year of implementation, it was the moment to take stock. An annual review event was organised with the participation of Oxfam partners: Lao Federation Trade Union (LFTU) both national and provincial level, Community Association for Knowledge Development (CAMKID), Environmental Conservation and Community Development Association (ECCDA) and Home Net Lao. Chaired by Mr. Ounkham Bounyaseng, Director of the Labor Protection Department, Laos Federation Trade Union and Mrs. Hilde Van Regenmortel, thematic officer- Active Citizen for Social Justice from Oxfam Belgium, the workshop counted with the assistance of 28 participants in total in which 10 were women.

The main objective of this workshop event was to discuss with Oxfam partners who implemented the activities about the main challenges and review key learning from the previous year’s implementation.

The key learning implemented from year 2017 that was about the programme framework

as “More inclusive and Equitable Social Protection for informal workers”, the exchange learning was another success point; it was to increase the partners’ knowledge on project management. Another expected result was to create a work plan for 2018 and to maximize the communication on the social protection’ work by using the visibility and publication systematic approach, which defines the tools, application and methodology of communication and creativity in visibility planning.

Policy influencing is a key action for the implementation. The participants were encouraged to discuss and learned by sharing on the difficulties and challenges during their implementation and they also suggested on solutions for different issues. The national policy was presented to the participants for their better understanding about the level of Social Protection in Laos so they can better adapt it to the activities plan.

Participatory approach was also used to extract ideas and key messages from participants to help them to develop systematic strategy for promotional and visibility plan in 2018. During the 3 days of workshop, participants learnt by practicing and they were keen to contribute and take lead in planning and implementing. They expect to establish a concrete visibility and implementation plan, and count on each individual partner for inclusion. Oxfam, in another hand, will monitor and evaluate to make sure the mechanism and objectives of the programme meet the expected results which benefit to those 28 participants. ■

# WHO IS AGAINST

by DR. RENE E. OFRENEO

PROFESSOR EMERITUS, UNIVERSITY OF THE PHILIPPINES

(April 26, 2018)

It is difficult to find anybody opposed to social protection or SP. No political leader, be it at the local or national level, shall be caught spouting statements against SP. In fact, SP for the poor, needy, marginalized and the under-protected downtrodden masses easily becomes a powerful organizing instrument for populist leaders in order to win elections. But once elected, populist politicians either forget the SP promises they made or lose the political will to institute the needed SP measures. In many cases, the latter – diminished political will – is reinforced by bad economic and political advice, coming either from elite political patrons or neo-liberal economists who assume that the market, left to its own devices, will automatically promote growth, employment and poverty reduction.

The reality is that the battle for the recognition, institutionalization and observance of SP has been an uphill one throughout the decades and even centuries. The uphill battle for recognition is best illustrated by the battle of trade unions and peasant organizations for labor and land rights.

In the case of trade unions, the battle for labor rights that are formally recognized is now over a century<sup>1</sup>. In 1902, Isabelo de los Reyes and his members belonging to the Union Obrera Demo-

cratica demanded from the American Governor-General Howard Taft that protection to the workers such as the right to eight-hour work and the right to have their grievances be recognized. These were denied by Governor Taft, who summarily put de los Reyes to jail. Those rights were only recognized three and a half decades after, in 1936, by President Manuel L. Quezon, who had his hands full trying to contain the social and labor-peasant unrest sizzling throughout the red decade of the 1930s. Similarly, the rights to collective bargaining, minimum wage and social security were instituted by the post-war Philippine government in the early 1950s, mainly on the instigation of American political advisers who were worried on the possible resurgence of the Communist-led labor and peasant organizations that they helped crush in 1950-52. Succeeding protective labor laws and welfare programs, from the 1960s to the present, were adopted by the government in response to militant labor protest, supplemented by the advocacy work done by a number of civil society organizations (CSOs). Today, the trade unions still have their hands full fighting for basic rights such as the right to be treated fairly as a direct hire, not as an “endo” bereft of the right to have security of tenure<sup>2</sup>.

In the case of the peasantry, the

battle is equally complex, prolonged and excruciating. For more than three centuries, militant peasantry battled the Spanish conquistadores and their cacique/inquilino social partners to assert land, community and other rights. The numerous pocket rebellions against Spain culminated in the Philippine Revolution against Spain in 1896-1899. Under American rule, the peasantry battled for the fair distribution of friar lands. With land injustices continuing, many joined the Partido Komunista ng Pilipinas, Socialist Party of the Philippines and various “pulajanes” groups that sprouted in different parts of the archipelago in the 1920s-1930s<sup>3</sup>. In the 1950s, the government, after crushing the “Huk” guerilla movement and its mass peasant organization, pushed for tenancy sharing reform in the rice and corn areas and land colonization in Mindanao. In 1972, the martial-law government, out to win the peasantry, abolished share-cropping tenancy and launched the land transfer program in the rice and corn areas. In 1988, President Aquino, responding to the pressures of the organized peasantry who helped put her to power in 1986, adopted, grudgingly, a “comprehensive agrarian reform program” (CARP) cov-

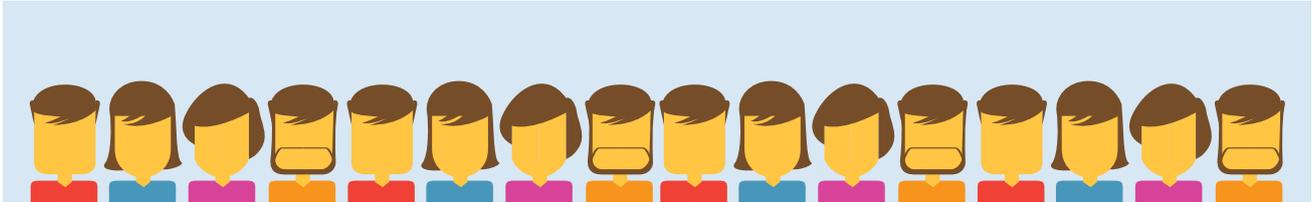
1 See history of Philippine trade unionism in Ofreneo, R., ed. (2010), *Balik-Tanaw*, Bagong Pananaw, Manila: Department of Labor and Employment.

2 “Endo” is slang for end of contract, a common situation contract worker faces every 5 months.

3 There are numerous documentations of the land situation and agrarian revolts under Spain and American colonial rule. One of the best books written on Spanish and American colonialism is Constantino, R. (1975), *The Philippines: A Past Revisited*, Quezon City: Tala Publishing.

# SOCIAL PROTECTION?

## *Or, why winning SP is an uphill battle*



ering all crops all over the archipelago. But CARP's implementation has been subverted by the government's slow-paced implementation, limited capacity-building program for land beneficiaries, resistance by the landed elites and anti-farmer "deregulation" program espoused by neo-liberal economists<sup>4</sup>. So today, majority of the CARP-covered farmers, both those who have received their titles and those who have not, have remained poor and are struggling to have a life of dignity.

The point is that the institutionalization or the establishment of SP or any specific SP program has not been that easy. The battle for each SP program, for example for free but adequate health care, is never finished even if formal policy and enabling law have been secured. Each program should be backed up by budgetary support and sustained implementation and monitoring.

Also, the role of the organized masses and the broad civil society movement is critical in the acceptance by the government of an SP program. For example, CSOs played a leading role in exposing the plight of the IPs and in the passage of protective laws

4 Ofreneo, R., Glipo, A., Mendoza, T. and Serrano, M. (2016), *Rebuilding a Damaged Agricultural Sector*, Quezon City: Integrated Rural Development Foundation.

such as those recognizing their right to ancestral domain. Another example: the trade unions and CSOs were instrumental in the passage of the laws protecting domestic or household workers and in giving assistance to the elderly. The CSOs also helped expose the abject lack of social and labor protection for home-based workers and street vendors and get the attention of concerned government agencies such as Department of Labor and Employment (DoLE) and Department of Social Welfare and Development (DSWD), including local government units (LGUs).

Overall, the CSOs and various Peoples' Organizations (POs) have been at the forefront of the struggle for SP in various areas of life, e.g., health, education, community wellness and so on, as well as the struggle for SP needs of certain sectors or segments of the population, e.g., elderly, children, mothers, Persons with Disabilities (PWDs) and so on.

One major problem that the POs and CSOs have to confront is the neo-liberal biases of some government economic planners. Neo-liberal thinking has dominated Philippine economic policy formulation since the 1980s, with the support of the International Monetary Fund (IMF) and World Bank

(WB) group. The neo-libs have pushed for the three policy thrusts under the so-called "structural adjustment program" (SAP) – privatization of government corporations and services, deregulation of various sectors of the economy, and liberalization of trade and investment regimes<sup>5</sup>. Advocates of SAP, better known globally as the "Washington Consensus", argue that SP programs, if there are any, should be funded by the beneficiaries themselves, for example, social security should be based solely on the contributions of the paid employees enrolled in the Social Security System (SSS). This means only SSS members shall enjoy pension in their old age, while the millions of non-SSS members who cannot afford SSS membership are simply left to the care of their poor extended families or to an uncertain future.

But POs and CSOs have never stopped engaging the government in addressing the unequal and one-sided outcomes of SAP and global economic integration as well as the neglected SP ►

5 For a detailed account of the adverse impact of SAP on industry and agriculture of the Philippines, see Fair Trade Alliance (2006), *Nationalist Development Agenda: A Road Map for Economic Revival, Growth and Sustainability*, Quezon City: Fair Trade Alliance.

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## Who is afraid of Social Protection?

concerns of the people in various areas of life. Low incomes, lack of decent jobs and livelihoods and unequal access to resources and opportunities are the lot of majority of the people. Eventually, the WB itself, which welcomed privatization of SSS in the 1990s, has adopted a revisionist posture in relation to SP<sup>6</sup>. A number of DSWD programs are funded by WB loans such as the KALAHI program and the huge conditional cash transfer (CCT) program that provides P1,400 monthly to a poor mother and her three school-going children. Clearly, these programs would not have been instituted without the advocacy work of the POs and CSOs. Similarly, the numerous advocacy efforts of the POs and CSOs and the series of social dialogues with the government led to the creation of the National Anti-Poverty Commission (NAPC), the establishment of Philippine Health Insurance Corporation (PhilHealth), and the adoption by the National Economic and Development Authority (NEDA), DSWD and DOLE of the broader definition of SP.

Overall, SP should be comprehensive. But given the political and economic realities in an unequal Philippine society, the organized masses, through

their POs and supportive CSOs, have to fight for SP literally on a program-by-program basis, as can be gleaned from the above historical sketch.

SP should also be universal, meaning there should be no exceptions or limitations in the availability of SP. In this regard, there are some progress in the education sector. However, the POs/CSOs are still pushing for full and universal health care assistance and full social insurance coverage for all – paid employees, non-regulars and informals, and those totally in the margins of life.

In their advocacy for SP, POs and CSOs have found an ally in the United Nations, which had a program calling on Member States to develop programs to meet the Millennium Development Goals (MDGs). The Philippines failed to meet most of the MDGs, particularly the goal of halving poverty by 2015 (from the poverty rate of 2000 or so).

Today, the Philippines is committed to the more ambitious Sustainable Development Goals (SDGs). Like the Ambisyon 2040 of NEDA, the SDGs target zero poverty. However, the target year for full realization of the SDGs is 2030, not 2040. Aside from zero poverty, the other SDGs<sup>7</sup> are:

- Zero hunger and sustainable food production,
- Good health for all at all ages,
- Quality education and lifelong learning for all,
- Gender equality and empowerment of all women and girls,

- Quality water and sanitation for all,
- Affordable and reliable energy for all,
- Decent work for all,
- Inclusive and sustainable industrialization, including infras,
- Reduced inequality and sustained income growth for bottom 40%,
- Inclusive and sustainable cities and human settlements,
- Sustainable consumption and production patterns,
- Positive action in combatting climate change and impacts,
- Conservation and sustainable use of marine resources,
- Protection and sustainable use of ecosystem, forests,
- Inclusive institutions and access to justice for all, and
- Partnership for sustainable development.

The above SDGs enjoy the support of most POs and CSOs. The problem is how can UN Member States like the Philippines achieve the goals? How can they be met if social and economic inequality is deep and continuing?

This is the reason why POs and CSOs are also saying that SP should be transformative, linked to needed social and economic reforms. More specifically, SP programs cannot and should not be developed and implemented without connecting them to the broader challenge of making society more equal, more inclusive and empowering to the poor. Hence, SP programs should go side by side with the adoption of critical social and economic reforms, for example, SP assistance to poor farmers should be partnered with a program to transform farmers into modern and progressive producers, or in the case, of IPs in the forest lands, assistance in securing ancestral land should be part-

6 In the 1980s and 1990s, at the height of the "Washington Consensus" predominance in global economic circles, the World Bank, with the support of a number of transnational corporations, tried to push world-wide for the privatization of pensions. When he became Chief Economist of the World Bank in 1997-2000, Joseph Stiglitz questioned the privatization program. See account of pension privatization in Orenstein, M. (2008), *Privatizing Pensions: The Transnational Campaign for Social Security Reform*, Princeton: Princeton University Press.

7 United Nations (2015), *Transforming Our World: The 2030 Agenda for Sustainable Development*. Available at: [sustainabledevelopment.un.org](http://sustainabledevelopment.un.org).



The city of Lahore in Pakistan became the venue for the national training on social protection last April 19-20, 2018. The cooperation between the Pakistan based Labour Education Foundation (LEF) and the Hong Kong based Asia Monitor Resource Centre (AMRC) facilitated the gathering of workers from both the formal and informal sectors to discuss social protection in the context of Pakistan.

A total of 25 participants attended the activity, with some coming from the province of Khyber Pakhtunkhwa, Sindh, and Punjab, along with those coming from the city Lahore. The workers came from various sector of carpet women workers, brick kiln workers and home-based workers, with a significant

number of women participating in the gathering.

The two-day training, facilitated by trainers from LEF and AMRC, allowed the participants to deliberate a wide range of topics under social protection, providing a platform to share multitude of workers experiences and gap identification in the Pakistan social protection system, resulting in the development of engagement points for common action by the participants.

According to those who attended the training, the methods employed by the Social Protection Training Manual was very encouraging, allowing them to dissect complex topics of social protection into smaller and easily understood subjects, including the life-cycle ap-

proach and transformative social protection. "Since there were a lot of group work and report back, we were able to practice speaking in front of a crowd and this helped boost our confidence in speaking in public," said one of the home-based worker during the feedback session. As part of the effort for the grassroots to better grasp social protection concepts, the training manual published by AMRC was translated from English to Urdu by the LEF.

The workshop was concluded on the note of needing to continue the understanding of social protection, while underscoring the importance of creating intervention from grassroots group and expanding the involvement of more groups in the future. ■

### *Who is afraid of SP? (cont'n)*

nered with programs on sustainable livelihood and community development as well as transformation of forest dwellers into forest keepers.

In short, SP is all about putting people at the center of development. Under transformative SP, people should be put at the center of econom-

ic planning at all levels of governance (community, local, national). In other words, SP is not a question of simply asking government to fund an SP program. It is also ask question of how SP beneficiaries can be empowered and how the government can, in the long run, be liberated on allocating special funds for the poor because poverty has been reduced or eliminated. This

means the rationale for CCT as a centerpiece of poverty reduction and SP should cease. This, however, does not mean that SP spending shall be less. It simply means overall SP spending shall be focused on the enjoyment by all of comprehensive and universal SP, which is adequate and appropriate in meeting the requirements of a life of dignity for every Filipino. ■

## LAOS

# Training of Trainers on Social Protection held in Vientiane

by ASIA MONITOR RESOURCE CENTRE  
(June 28, 2018)

Participants from four provinces across Laos came together in the capital Vientiane to attend the Social Protection Workshop organized by Oxfam Laos. The workshop was held last June 14-16, 2018 and attended by 40 participants coming from various groups, including from the formal and informal sector of labour. The Asia Monitor Resource Centre (AMRC), a labour non-governmental organization (NGO) based in Hong Kong, supported the activity by taking part as one of the facilitator in the 3-day event.

The government of Laos has developed the National Social Protection Strategy (NSPS) covering 2018 – 2030, with the vision that by 2030 “Lao people have access to basic social protection services, consisting of health insurance, social security, and social welfare, in an equitable, adequate, effective and sustainable way.” Among the key actors and development partners for the NSPS are the Lao Federation of Trade Union (LFTU) and Oxfam Laos.

Most of the participants to the workshop were present during an earlier training course on social protection last 2016, one among the many pilot trainings for

the development of the social protection training manual, eventually published by AMRC in 2017. According to the HK-based organization, “the feedback and information shared by the previous participants in the 2016 training helped mould the manual we have today.”

Oxfam Laos confirmed that the participants will be submitting their specific policy action points after the conclusion of the activity. “Each participant signified their willingness to bring the topics discussed during the workshop to their constituencies, as well as map out what their intervention will be on the NSPS.” ■

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## Treading the thin line...

percent. In a recent SSS report, the basic monthly pension that a member can get after the pension hike is a minimum of PhP 2,000, an average of PhP 4,331 and a maximum of PhP 18,945.<sup>3</sup>

Despite the positive policy response, the sustainability of the SSS fund is in flux. The fund life was reduced by 10 years from the expected year 2042 lifespan because of the initial increase in January 2017. The SSS announced that with another PhP 1,000 increase in pension, fund life will only last until 2026.<sup>4</sup> A quick simulation using the Labor Education and Research Network (LEARN) Research Institute’s pension simulation

model and using figures from the 2016 SSS Annual report, shows that reserve funds of SSS will be depleted in 11 years (fund life depletes by 2027) with an increase of PhP 1,000 (figure 1).<sup>5</sup>

### Government’s role

Increases in pension will lead to depletion of the fund if SSS cannot increase its income. This is just how defined-benefit contributory pension systems work. But low pension level cannot be disregarded lest pensions become meaningless. The most obvious approach to addressing this problem would be to increase the contribution rates of members. This, however, pits contributing members

against pensioners. But workers need not always carry the burden of saving the SSS fund life. Although by law, the government is tasked to finance SSS in the event that its funds become depleted, we can start exploring the idea of extending subsidy to the pension fund to mitigate the adverse impact of pension increase.

However, another interesting proposal is to take the existing non-contributory social pension program of the government seriously by extending it to SSS members. To ensure equity, the amount of social pension extended to SSS pensioners can vary, for instance, those receiving low SSS pension will be given more social pension while those receiving high SSS pension will receive less social pension. These are just some policy directions that can address the pension adequacy and sustainability problem without necessarily burdening workers. ■

3 [https://www.sss.gov.ph/sss/DownloadContent?fileName=Facts\\_and\\_Figures%20December%202017.pdf](https://www.sss.gov.ph/sss/DownloadContent?fileName=Facts_and_Figures%20December%202017.pdf)

4 <http://business.inquirer.net/250929/sss-hiking-pension-next-year-will-cut-fund-life-2026>

5 Differential equations model is used to simulate the impact of pension increase on fund life. The model is solved numerically using Scilab. Initial values came from data on reserves, pension spending, contribution revenue from the 2016 SSS Annual Report. Although the model remains a work in progress, it can already be used to do simple simulations.

## AROSP expanding engagement with grassroots groups and networks

by ASIA MONITOR RESOURCE CENTRE  
(May 15, 2018)

The Asian Roundtable on Social Protection (AROSP) secretariat continued to engage other groups and networks in Asia who are working on social protection to expand our reach and support the development of marginalized groups in seeking social protection in various context. The AROSP secretariat participated in the Asian Network on Right to Social Protection (ANRSP) Regional Meeting held last February 7-14, 2018 in Manila, Philippines. The secretariat presented the work of AROSP during the plenary, along with joining the workshop sessions to share AROSP positions regarding social protection. A meeting with key persons from World Solidarity (WSM) occurred and discussions revolved around areas of possible cooperation.

The secretariat was also invited to attend a meeting of the Network for Transformative Social Protection (NTSP) held last April 12-13, 2018 in Quezon City, Philippines. The meeting discussed common points of action for transformative social protection and the decision of the NTSP members is to place health issue as one of their main action point. The AROSP secretariat raised the importance of a national network in the Philippines focusing on social protection.



# BPO workers in the Philippines takes on social protection

by ASIA MONITOR RESOURCE CENTRE  
May 3, 2018

**B**usiness Process Outsourcing (BPO) workers from the Philippines recently concluded their First National Summit last April 14-15, 2018. BPO workers from Baguio City, the National Capital Region, Bicol region, Iloilo province, Bacolod province, Cebu City and Davao City gathered in Quezon City and took part in the summit. A significant number of participants were women representing the huge number of working women in the BPO sector.

According to Asia Monitor Resource Centre, the BPO Industry Employees Network (BIEN) and the Unified Employees of Alorica (UEA), the sole union in the BPO sector, was invited last November 2017 to attend the meeting on financing social pro-

tection held in Quezon City, Philippines and after their attendance, the BPO groups have included social protection as one of their concerns.

During the First National Summit of BPO workers, BIEN requested AMRC to hold a workshop to discuss social protection for BPO workers. The results of their simultaneous workshop were collected and submitted to a meeting with the one of the agencies under the Office of the President of the Philippines for policy actions. BIEN also held their first General Assembly and voted their National Officers.

AMRC also raised with BIEN the importance of building a national network in the Philippines working on social protection. ■

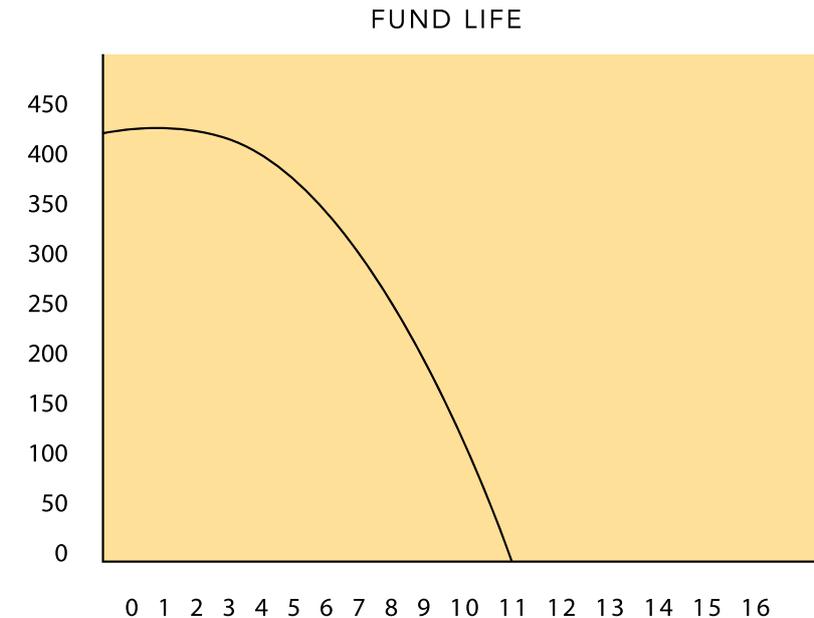
# Treading the thin line between pension adequacy & fund sustainability

by MICAH ORLINO & CJ CASTILLO, LEARN RESEARCH INSTITUTE  
(May 31, 2018)

## Introduction

The Social Security System (SSS) is mandated to provide social security programs to the Filipinos who work in the private sector, in particular, the facilitation of retirement benefits through a pension scheme. The retirement benefits are for those workers who can no longer work because of their old age. There are two types of pension: monthly or lump sum amount. The monthly pension requires a worker to have at least a PhP 120 monthly contribution before his/her retirement. It is given to retired workers depending on the amount of paid contributions, credited years of service (CYS), and the number of dependent minor children which should not go beyond five. Typically, a minimum of PhP 1,200 pensions for members with at least 10 CYS, and P2,400 for those with 20 CYS is given to members monthly. On the other hand, there is also an option of getting the lump sum amount to those members who were not able to comply with the required 120 months contribution. The lump sum amount is the total contributions that the member and employer paid, including the interest.<sup>1</sup>

<sup>1</sup> <https://www.sss.gov.ph/sss/appmanager/pages.jsp?page=retirementpension>



## Balancing adequacy of benefits and sustainability of the fund

In comparison to the retirement benefits that the public sector workers receives, the SSS pension is relatively low. The monthly pension is not sufficient to provide for the daily sustenance and expenses of many retirees. This is because of the increasing high cost of living in the country due to economic reforms among others, including the most recent reform: the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law in 2018.

In response, the Philippine president approved the PhP 1,000 pension hike in January 2017, but with a corresponding prerequisite of a 1.5 percentage point increase in the member contribution rate. Originally, the contribution rate is at 11 percent only with monthly salary credit not surpassing PhP 16,000.<sup>2</sup> The 11 percent is divided between the employer, which contributes 7.37 percent while the employee pays the remaining 3.63

<sup>2</sup> <https://pcoo.gov.ph/uncategorized/president-duterte-approves-p1000-increase-in-sss-pensioners-benefits-11-jan-2017/>

## The AROSP Newsletter

The AROSP Newsletter is a bulletin that provides updates about the struggles, campaigns, and other activities of the members of the AROSP network. The articles are collated by the Asia Monitor Resource Center (AMRC), a non-profit labour rights NGO based in Hong Kong.

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