



# The PHILIPPINE SOCIAL PENSION at FOUR YEARS: INSIGHTS and RECOMMENDATIONS



FULL  
REPORT



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FULL  
REPORT

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The Coalition of Services of the Elderly (COSE) bases its mission on the tradition of respecting older people and supporting community-based programmes. COSE helps older people to continue living in and contributing to their communities.

HelpAge International helps older people claim their rights, challenge discrimination and overcome poverty, so that they can lead dignified, secure, active and healthy lives.

## **The Philippine Social Pension at Four Years: Insights and Recommendations (Full Report)**

Published by

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# ACRONYMS

<b>AO</b>	Administrative Order
<b>ATM</b>	Automated Teller Machine
<b>CI</b>	Community Investigation
<b>COSE</b>	Coalition of Services of the Elderly
<b>COPAP</b>	Confederation of Older Person Associations of the Philippines
<b>CSWDO</b>	City Social Welfare and Development Office
<b>DSWD</b>	Department of Social Welfare and Development
<b>FIES</b>	Family Income and Expenditure Survey
<b>FGD</b>	Focus Group Discussion
<b>GSIS</b>	Government Social Insurance System
<b>GDP</b>	Gross Domestic Product
<b>KII</b>	Key Informant Interview
<b>LGU</b>	Local Government Unit
<b>LFS</b>	Labor Force Survey
<b>MSWDO</b>	Municipal Social Welfare and Development Office
<b>NCMB</b>	National Coordinating and Monitoring Board
<b>OSCA</b>	Office of Senior Citizens Affairs
<b>NHTS-PR</b>	National Household Targeting System for Poverty Reduction
<b>PSOA</b>	Philippines Study on Ageing
<b>PSA</b>	Philippine Statistical Authority
<b>RPMU</b>	Regional Pension Management Unit
<b>SPMO</b>	Social Pension Management Office
<b>SSS</b>	Social Security System

# EXECUTIVE SUMMARY

## BACKGROUND

Despite relatively sustained economic growth in recent years, levels of poverty and inequality in the Philippines have remained stagnant. This brings into focus the role of the social protection system to provide stronger protection against the risks Filipinos face throughout their lives. As it stands, just one in three Filipinos can expect to receive any kind of pension when they get old, with the rest left to rely on their families and continuing to work, to the extent that they can. This situation is set to become more acute as the population ages.

One of the most notable initiatives to address this challenge has been the introduction of a social pension of PhP 500 per month for indigent senior citizens, under the R.A. 9994 or Expanded Senior Citizens Act of 2010. The aim of the scheme is to support senior citizens in augmenting their daily subsistence and medical needs. An indigent senior citizen is any citizen aged 60 and over who are “frail, sickly or with disability, and without pension or permanent source of income, compensation or financial assistance from his/her relatives to support his/her basic needs”.<sup>1</sup> In its initial 2011 implementation, adjusting to fiscal constraints, coverage was limited to those aged 77 and over. However, in 2015, this was expanded to those aged 65 and over.

Despite four years of experience implementing the scheme, there has been relatively limited exploration into the status of the program and the impacts on recipients. A year after its implementation (2012), the Department of Social Welfare and Development (DSWD) conducted a study that indicated a degree of positive impact. However, this report also revealed limitations of the low benefit level and challenges in the implementation of the program. Three years later, at a moment when the scheme is rapidly expanding, it is timely to revisit the implementation of the scheme and further explore its impact. Additionally, given the mandatory biennial Congressional review as stipulated under R.A. 9994 (Section 5, h-1), this report provides valuable insight into the current state-of-affairs of the country’s social pension program.

## THE STUDY

This study provides lessons in two areas key to assessing the progress of the Philippine social pension: (a) impact of the scheme, and (b) implementation. More specifically, the study seeks to explore the extent to which the PhP 500 benefit – recognized by many as particularly low – has an impact on recipients and their families in terms of implementation. The major focus is to evaluate the process of targeting and validation of indigent senior citizens.

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<sup>1</sup> Republic Act No. 9994, *Expanded Senior Citizens Act of 2010* (Republic of the Philippines, 2010).



The study, undertaken in partnership with Coalition of Services of the Elderly (COSE), HelpAge International and the Demographic Research and Development Foundation (DRDF), utilizes both qualitative and quantitative methods to gather and analyze data from three selected locations. Chosen to reflect spatial heterogeneity – (i) San Ildefonso, Bulacan (rural), (ii) Quezon City (highly urbanized), and (iii) Binangonan (Rizal) (rural-island). Both qualitative and quantitative components included (a) current *recipients* (those currently receiving social pension allowance) and (b) waitlisted *non-recipients* (those already validated to have met the criteria but not yet receiving the social pension). For the quantitative component, 301 older people were surveyed using purposive random sampling, with attention given to maintain comparable sex distributions between the two groups. For the qualitative component, focus group discussions were conducted with recipients and non-recipients in each of the aforementioned areas, with additional expert interviews conducted with program implementers. In addition, for reasons of subject matter development and clarification, one key informant interview was conducted with a senior gerontologist from Institute on Aging-National Institute of Health-University of the Philippines Manila.

The field work was undertaken during the first half of 2015, four years after the introduction of the social pension.

## FINDINGS

### Who has been targeted?

**The characteristics of those selected for the scheme (both recipients and non-recipients) all suggest high levels of vulnerability related to old age.** Levels of disability are high amongst those surveyed, with the majority facing difficulties in relation to sight, hearing, mobility, and memory. Levels of chronic disease are also high, with cardiovascular disease and chronic respiratory disease affecting over a quarter of respondents (respectively). Issues of ill-health are reported as the main reason for the low levels of work and employment amongst recipients. These physical impairments are further exacerbated by low levels of education, with most older people having only elementary level education, or no formal education at all.

**In this context, the majority of older people surveyed look primarily to their families for economic support in old age.** Around two-thirds of those surveyed live in households that are comprised of extended families, suggesting they continue to receive direct support from co-resident family members. Levels of widowhood are high, at over 80 percent for both recipient and non-recipient females, and 57 and 37 percent respectively for recipient and non-recipient males.

**While those who have been targeted are clearly vulnerable, it is less clear whether they represent the most vulnerable within their age group.** Many of the indicators of vulnerability found amongst respondents are common for people within this age group as a whole. It is therefore not possible from those surveyed to confirm whether they are the poorest and most vulnerable above the age of 77 in their communities.

**It is also unclear from this analysis whether the recipients (who were prioritized for the social pension at an earlier stage) are particularly more “deserving” than those validated later.** While recipients of the social pension present slightly greater levels of vulnerability than non-recipients, in some respects (such as education, living arrangements and marital status), the differences are, however, small and less obvious in terms of levels of disability and ill health.

#### **What has been the impact of the social pension?**

**Findings of the study suggest that the social pension is having a meaningful impact on the income and expenditure of recipients.** For recipients, the social pension constituted – on average – almost a third of household income, suggesting that it makes an important contribution to these households. Recipients also reported that their households were more likely to have enough money for food than non-recipients. In broad terms, the destination of household expenditure did not differ greatly between recipients and non-recipients, with food expenditure constituting around 40 percent of expenditure, and the remainder divided between medical expenses, bills and other areas. Nevertheless, the share of spending on health was slightly higher for recipient households. These results suggest that the scheme is going in some way to achieve the aim of the social pension outlined in R.A. 9994, which is to “augment the daily subsistence and other medical needs of senior citizens”.

**These trends are echoed in the qualitative results.** For example, one older person reported, “...it is a huge help. Even if it’s only PhP 500, it helps. When I was able to receive my first pension, I was able to buy one-fourth kilo of pork. But without the pension, I won’t be able to buy items like that”. Focus group discussions also indicate that receipt of the pension provides older people with a sense of value within their household and community, not least of which stems from the increased capacity to contribute to household expenses. Evidence suggests that the increased financial resources from the social pension not only augment the incomes of older people, but also that of their households. This is especially the case for intergenerational transfers to grandchildren.

**While these impacts are positive, it nevertheless remains clear that there are major limits to the impact of a pension with this low benefit level.** Both quantitative and qualitative results highlight that, while the pension may have made a major difference to older people facing high levels of vulnerability, it is still far from providing a decent level of income that ensures older people can meet their basic needs.

### **How is the scheme being implemented?**

**A key finding of the research is that there are major issues to be addressed in the process of targeting and validation of older people.** A clear message from implementers is that there are major limits to the use of the National Household Targeting System for Poverty Reduction (NHTS-PR) to identify indigent senior citizens. Local implementers reported that a significant proportion of those listed by the NHTS-PR were verified as non-indigent, while many vulnerable older people had been excluded from the list. This reflects a common situation identified at the national level, which has led to the decision that identification as poor by the NHTS-PR is not in and of itself a sufficient pre-requisite for eligibility for the social pension.

**There are, nevertheless, continuing challenges concerning the verification of indigent senior citizens at the local level.** No clear guidelines exist regarding how local level implementers should interpret the definition of *indigent senior citizen* as set out by R.A. 9994, resulting in excessive space for subjective interpretation.

**Further implementation issues identified include the need to increase awareness of the scheme and to revisit the method of delivering the benefit.** A substantial proportion of older people are unaware of how much money to expect from the social pension, or which branch of government holds the remittance to deliver the benefit. Rather than relying on program implementers for information, a significant proportion were informed of the social pension program via informal sources (e.g. friends, relatives and neighbors). Furthermore, pension collection, currently administered at the Municipal/City level, means substantial transportation cost are incurred by pensioners, and the process can be very time consuming. These issues are exacerbated by the physical, economic, and social conditions of the intended beneficiaries. While alternatives to personal pension collection have been explored, it is important to take into account older people's concerns regarding personal security and lack of trust in alternative delivery systems.

## RECOMMENDATIONS

The report proposes the following recommendations based on the findings:

1. Two key issues relate to the **design** of the scheme that should be considered by the mandated Congressional review:
  - a. The widely recognized limits of the low **benefit level** confirmed by this study, suggest that serious consideration should be given to increase the benefit level of the scheme.
  - b. The experience of the targeting processes suggests there is no “win-win” **targeting methodology** for the scheme while it continues to target a very small proportion of senior citizens. International experience shows there is no easy way to effectively target poor older people, and the Philippine experience illustrates this. On this basis, there is a scope to consider revising the definition of *indigent* to include a broader set of vulnerable older persons, while also considering the feasibility of more universal approaches to a social pension.
2. In the meantime, while the **targeting approach** (and definition of the indigent) remains the same, it is proposed that this be strengthened in two key respects:
  - a. Given the major issues identified in the accuracy of the **NHTS-PR**, the government should continue to use it primarily as a **reference point, rather than a pre-requisite for eligibility** to the social pension.
  - b. Although processes of **local validation** are inherently subjective, the process can be better systematized through clearer guidance on how to interpret the definition of indigent.
3. To strengthen **accountability** of the scheme:
  - a. Efforts should be devoted towards increasing **awareness** of the scheme amongst potential recipients, including a comprehensive audience-focused communication plan.
  - b. Clear mechanisms for submitting **grievances and complaints** should be strengthened and publicized.
  - c. Validation processes should include a process of documentation that allows potential recipients to query decision making processes regarding eligibility.
4. DSWD should work to explore improved mechanisms for **delivery**, including provision of alternative mechanisms. These should aim to limit security risks both to implementers and pensioners as well as a substantial deduction from the benefit level incurred from local transportation.

# ACKNOWLEDGEMENTS

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Data collection was undertaken by the Demographic Research and Development Foundation (DRDF) that provided a descriptive analysis of the quantitative and the qualitative data. The DRDF team was led by Dr. Grace Cruz, Ph.D (Project Coordinator) and Dr. Elma Laguna (Project Assistant Coordinator), and supported by two research assistants, Armand Camhol and Justine Kristel Villegas. Ryan Descallar acted as Data Processing Coordinator/Programmer throughout the project, and Josephine Parinas as Administrative Associate.

Interviewers for the survey in each region consisted of the following members:

- In Binangonan, Rizal - Aurelia Estimo (Supervisor), Melanie Bagwang, Melanie Zamora, Erwin Escanillan, Flordeliza Bautista, Erna Canale and Lorelie Joy Estudillo.
- In San Ildefonso, Bulacan - Ernesto Escanillan, Jr. (Supervisor), Sylvarstein Razner Sursigis, Abner Alusen, Jennifer Cordero, Melanie Zamora and Ronalyn Valera.
- In Quezon City - Rowena Bauzon (Supervisor), Mielyn Mercan, Andrea Baoalan, Alma Escanillan, Dan Harvey Frialta, Fernando Presno and Jocelyn Sabido.

The initial design and conceptualization of the study was led by Alice Livingstone and Charles Knox-Vydmanov of HelpAge and Aura Sevilla of COSE. Mandy Heslop supported the designing of the research tools and reviewing qualitative findings. Flavia Galvani and Aderonke Gbadamosi from HelpAge, Edward Gerlock and Emily Beridico of COSE supported the review and finalization of the report.

The report was designed by R. Jordan Santos.

The methodology and field instruments employed in the study were validated by the DSWD before the conduct of the fieldwork. Preliminary results of the research were also shared with DSWD in an exit meeting in July 2015.

Finally, COSE, HelpAge International and DRDF would like to recognize the huge contribution of Dr. Shelley Dela Vega and all of the senior citizens and implementers that took part in the research.



In 2009, COSE and COPAP's original proposal of PhP 1500 monthly social pension was discussed in the bi-cameral session. This received strong opposition from some lawmakers arguing that the government could not afford to finance such amount. The benefit amount was subsequently lowered to PhP 500 with an added provision to review it every 2 years.

# INTRODUCTION

**I**n recent years, the Philippines has made substantial progress in extending social protection to reach poorer and marginalized older people. The Philippine Constitution obliges the state to protect and promote the welfare of all senior citizens (7.6 million as of 2015), with a number of laws enacted with the aim of benefiting older people and creating a more favorable environment for a better quality of life.<sup>2</sup> Most recently, in 2010, following a major public campaign driven by older people, the passage of the Expanded Senior Citizen's Act (Republic Act 9994) outlined a variety of privileges and services for senior citizens (i.e. any resident citizen of the Philippines at least 60 years of age) covering a range of areas including employment, health, education and social protection.

**In terms of social protection, the most important element of R.A. 9994 centers on the stipulation that all indigent senior citizens are entitled to a social pension** - a “monthly stipend amounting to five hundred pesos (PhP 500.00) to augment the daily subsistence and other medical needs of senior citizens, subject to a review every two years by Congress, in consultation with the DSWD.” The inclusion of the social pension was the result of a major advocacy campaign led by organizations including Coalition of Services of the Elderly (COSE) and Confederation of Older Person Associations of the Philippines (COPAP). The act defines *indigent* senior citizen as, “any elderly who is frail, sickly or with disability, and without pension or permanent source of income, compensation or financial assistance from his/her relatives to support his/her basic needs, as determined by the Department of Social Welfare and Development (DSWD) in consultation with the National Coordinating and Monitoring Board.”

**The social pension was introduced in March 2011, but has not been allocated sufficient budget to cover the estimated 1.2 million indigent Filipino senior citizens until now.** As such, in its first four years of implementation, the scheme was prioritized to cover indigent senior citizens aged 77 and above, with this age being lowered to 65 in 2015. It is expected that the age will be lowered further to age 60 in 2016, which should allow the program to fully comply with the law.

**An initial assessment of the performance of the social pension was undertaken by DSWD in its first year of implementation, highlighting issues with the benefit level and targeting methodology.** The study assessed both the impact of receiving the social pension for indigent senior citizens, and operational issues in terms of delivery, identification and selection of beneficiaries. Recipients reported that the support from the pension increased their ability to meet some of their needs, particularly food and medicine; however, 82 percent of the research respondents reported the amount given was inadequate. On the operational side, the report highlighted the targeting method as the major issue to be addressed.

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<sup>2</sup> Philippine Statistics Authority, '2010 Census-Based Population Projections in Collaboration with the Inter-Agency Working Group on Population Projections' <[https://psa.gov.ph/sites/default/files/attachments/hsd/pressrelease/Table1\\_8.pdf](https://psa.gov.ph/sites/default/files/attachments/hsd/pressrelease/Table1_8.pdf)> [accessed 23 October 2015].

# THE STUDY

## PURPOSE

**W**ith four years having passed since the introduction of the social pension (and three years since the initial study), this study aims to provide fresh evidence on the impact and implementation of the scheme. The primary purpose of the document is to feed into the biennial Congressional review of the program as stipulated in R.A. 9994. This evidence is particularly timely given that the process is already underway to expand eligibility to those aged 65 and over, and the continuing expansion planned for 2016 to those aged 60 and over. Understanding issues encountered while the social pension has been implemented on a smaller scale is critical to ensuring they are not replicated as the program is scaled up. The two main areas that this research focuses on are:

1. **Impact:** the focus here is on the extent to which the social pension is having a positive or negative impact on recipients, particularly in relation to the stipulation of the law (R.A. 9994) that it should “augment the daily subsistence and other medical needs of senior citizens”. Key research questions consisted of:
  - a. The extent to which the social pension has had an impact on older people and their households (e.g., nutrition, health and psychosocial wellbeing);
  - b. Adequacy of the PhP 500 benefit as it pertains to adequately covering the basic needs of recipients.
2. **Implementation:** the focus here is on the process of identification and validation of indigent senior citizens, although the research also touches on issues of access. Key research questions consisted of:
  - a. Capacity of the current targeting process in identifying indigent senior citizens;
  - b. Issues encountered during the process of identification and validation of recipients; and
  - c. Experiences of senior citizens in accessing the scheme.

## METHODOLOGY

**The research employed both quantitative and qualitative methods in order to shed light on the impact and implementation of the social pension.** A survey was conducted with recipients and non-recipients of the social pension with a focus on understanding the comparative profile of these groups, indicators measuring the impact of the pension, and variables enabling analysis of implementation. Focus group discussions (FGDs) were used to capture the experiences of recipients and non-recipients, particularly in relation to the implementation of the program, as well as with implementers of the program. Finally, a key informant interview was conducted with Dr. Shelley de la Vega, Director of the National Institute on Aging (University of the Philippines) in order to further contextualize issues



at stake in the process of verifying the dimensions related to disability and ill health within the targeting process.

**The survey included 301 respondents, including 151 recipients of the social pension, and 150 non-recipients.** The questionnaire included modules on household characteristics, living arrangements, income and expenditures, health status and psychosocial wellbeing, as well as a limited number of questions on the experiences of accessing the social pension. Questionnaire development drew on existing tools, including a study by HelpAge International into a pilot social pension in Tanzania, as well as questions used in the 2012 DSWD social pension assessment.<sup>3</sup>

**A total of nine focus group discussions were conducted (three per study location) for recipients, non-recipients and implementers.** There was no overlap between participants in the survey and the focus group discussions. Focus group discussions with older persons explored the social and political aspects associated with the social pension program, including (for example) its effect on psychosocial wellbeing or community cohesion as well as some of its operational and delivery aspects. A topic guide was adapted from existing tools, including evaluations of the KwaWazee pension in Tanzania, the Old Age Allowance in Nepal and other similar studies.<sup>4</sup> FDGs with implementers included questions on their perception of the impact of the pension, including in-depth discussions of key aspects of implementation (e.g. selection of beneficiaries, pension delivery, and monitoring and accountability). To ensure the confidentiality of respondents, aliases were used for recipients and non-recipients; implementers were only referenced according to location and the institutions they work for.

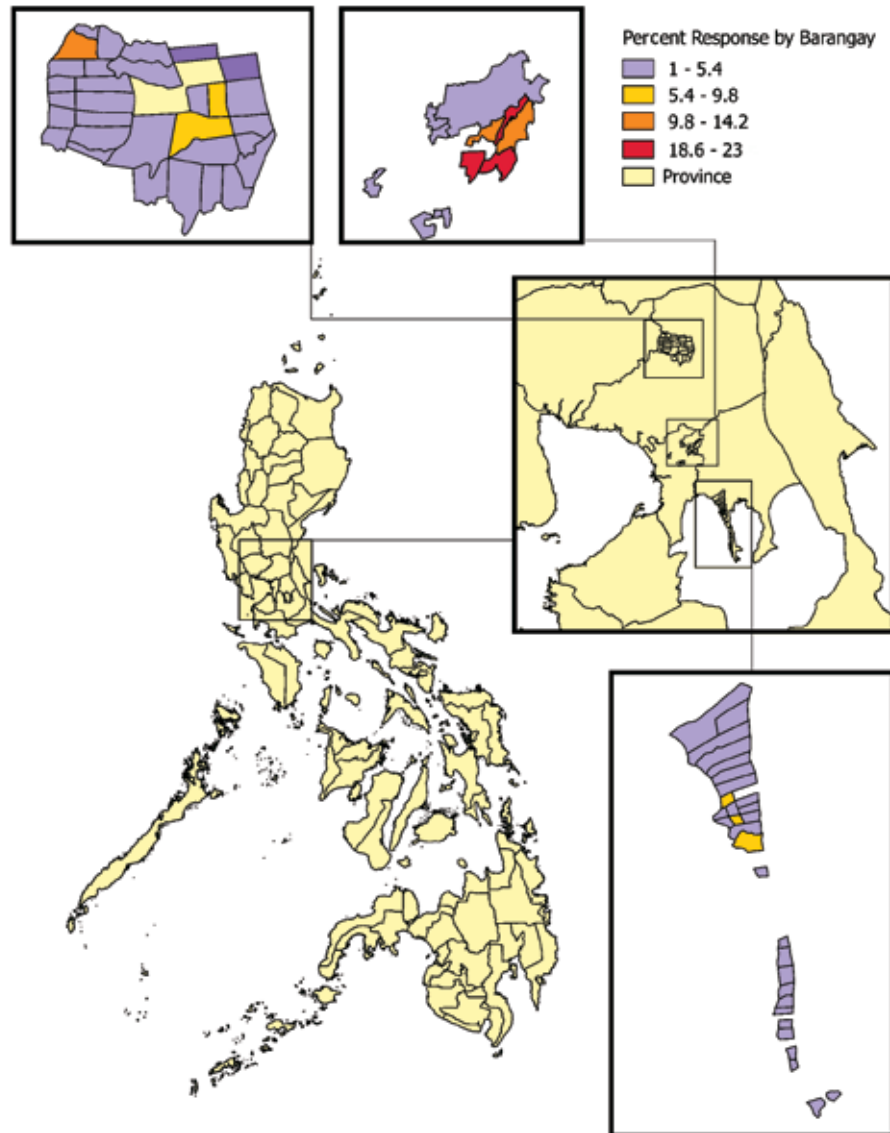
**The research was conducted in three locations within Luzon: Quezon City, San Ildefonso in Bulacan and Binangonan in Rizal.** The three locations were selected to provide contrasting contexts: i.e., highly urbanized (Quezon City), rural (Bulacan) and rural island (Rizal) areas (Figure 1).

**It is important to note that both recipients and non-recipients were sampled from a list of those already eligible for the social pension.** Sampling was undertaken based on a list of recipients and those waitlisted for receipt (non-recipients), shared by the DSWD. This means that those considered as “non-recipients” in this study were already verified as indigent, awaiting inclusion in the pay out of the social pension (presumably when sufficient budget was available). Purposive simple random sampling was used to select participants for the survey, while purposive sampling was enlisted for the focus group discussions. All recipients and non-recipients sampled were over 77 years old. This despite the fact that, in some cases, payments of the social pension were and are being

<sup>3</sup> Stefan Hofmann and others, *Salt, Soap and Shoes for School: Evaluation Report* (London, 2008); Mandy Heslop and Stefan Hofmann, *Towards Universal Pensions in Tanzania: Evidence on Opportunities and Challenges from a Remote Area, Ngenge Ward, Kagera* (London, 2014); Department of Social Welfare and Development, *Assessment of the DSWD Social Pension Program Implementation, 2012*.

<sup>4</sup> Hofmann and others; Heslop and Hofmann; Laya Prasad Uprety, *The Effectiveness of Non-Contributory Social Pension in Nepal* (Kathmandu, 2010).

FIGURE 1: RESEARCH LOCATIONS



made to older persons below the age of 77. The decision to only include those 77 and above was taken to provide greater comparability between the groups given previous prioritization of those at and above this age threshold.

**Geographic coverage, a relatively small sample size, and the manner in which recipients and non-recipients were sampled create certain limitations for the present study.** With only three study locations included from one major island group (Luzon), the findings cannot be considered to be nationally representative. In addition, the relatively small size of the sample (just 301 survey respondents and 31 FGD participants) means that some caution is needed in interpreting results discussed throughout the report.

Further detail on the methodology including the pre-testing, sampling, data collection and analysis, can be found in Annex 1.

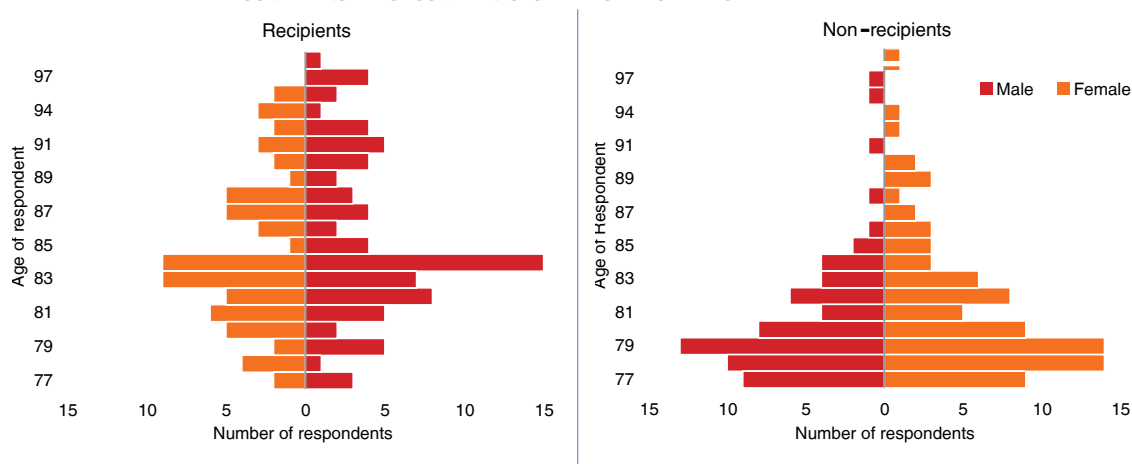
# I. PROFILE OF SURVEY RESPONDENTS

This section describes the individual characteristics of both survey and FGD respondents, as well as those of their resident households. The purpose of this analysis is twofold. First, analyzing the profiles of respondents has the potential to provide insights into the extent to which those validated for the social pension align with the definition of “indigent” senior citizens. This analysis is supported by a comparison of respondents (all of whom have been validated) with evidence of the population aged over 77 across the country as a whole. Second, understanding the similarity of profiles between recipients and non-recipients is important for interpreting results presented later in the report that relate to the potential impact of the scheme.

## DEMOGRAPHIC PROFILE

Even with the age threshold of 77 years, recipients surveyed in the research are generally older than their non-recipient counterparts. The median age of recipients is 84 years, which is four years higher than the average age of non-recipients (80). The age of respondents ranges from 77 to 100 years. Age differences are apparent amongst both males and females (Figure 2), with considerable variation in the distribution of respondents. The higher median age of recipients likely reflects that implementers of the social pension were initially instructed to prioritize older people of more advanced ages. It may also reflect that indicators of vulnerability on which targeting of the program rests, such as ill health and disability, may be more acute at more advanced ages. The sex distribution of those surveyed is comparable between recipients (43 percent male and 57 percent female) and non-recipients (45 percent male and 55 percent female).

FIGURE 2: PROFILE OF SURVEY RESPONDENTS BY AGE AND SEX



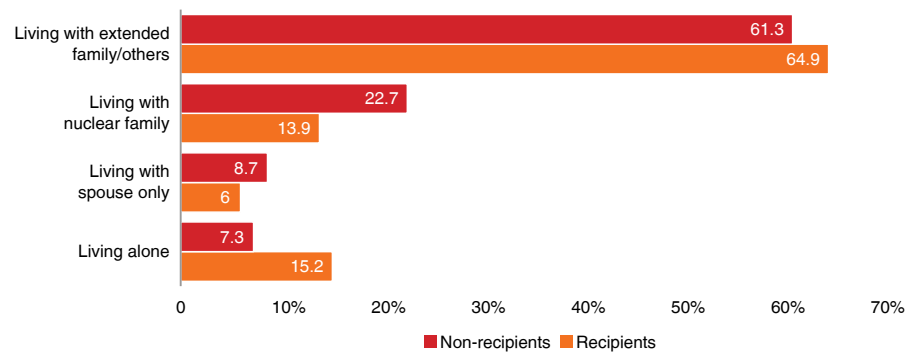
Living arrangements of respondents broadly reflect the picture at the national level. Results show that the majority of older respondents co-reside with their children and other relatives, while only a minority live alone or only

<sup>5</sup> Grace T Cruz and Josefina N Natividad, 'Patterns of Living Arrangements and Familial Support for the Elderly in the Philippines', *Asia-Pacific Population Journal*, 12 (1997), 17-34; Grace T Cruz and Yasuhiko Saito, *Are Filipino Older People Enjoying Longer Healthy Years? (Paper Presented in the REVES Scientific Meeting, DUKE-NUS Graduate Medical School, 2-4 June 2015)*, 2015; Elma P Laguna, *Intergenerational Exchange of Support and International Migration in the Philippines (Doctoral Dissertation Submitted to the University of Bremen, Germany)*, 2013.

<sup>6</sup> A respondent is defined to be in a nuclear family setting if the respondent is (a) living with or without spouse and (b) with children. An extended family is defined to include arrangements where the respondent lives with other relatives such as children-in-laws, brothers, sisters, and other relatives, regardless of whether they are (a) with or without spouse and (b) with or without children. A residual category including living arrangements such as those living with non-relatives (e.g. paid domestic help) is included in the extended family arrangement as this category size is insufficient to stand alone.

with their spouse (Figure 3). This is consistent with previous studies on aging in the Philippines, which show that the most common living arrangement remains co-residence with children.<sup>5</sup> Recipients are more likely than non-recipients to be living alone, with around twice as many recipients (15.2 percent) reported living alone compared to non-recipients (7.3 percent). The likelihood of living alone was particularly evident amongst female respondents (17 percent).<sup>6</sup>

FIGURE 3: LIVING ARRANGEMENTS OF RECIPIENTS AND NON-RECIPIENTS

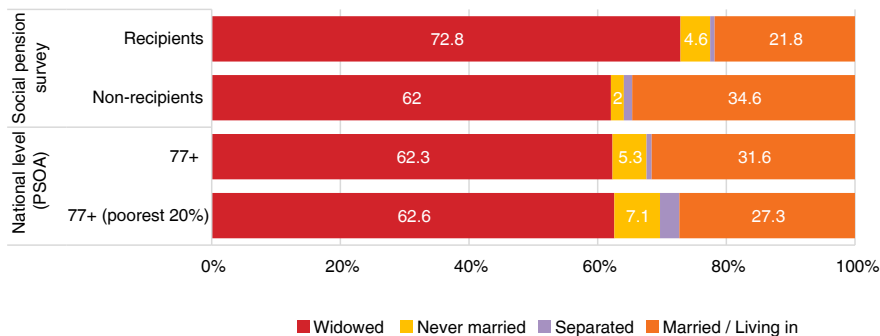


**Marital arrangements of respondents broadly reflect the national situation, although recipients face higher levels of widowhood.** Figure 4 shows that widowhood is common amongst respondents, with between 73 percent of recipients and 62 percent of non-recipients widowed. While this issue is more pronounced amongst recipients than the national average for this age group, validated non-recipients have a higher likelihood of being married than across the country as a whole. Figure 5 shows important gender dynamics in marital status, with levels of widowhood being considerably higher amongst female respondents. This picture reflects a consistent trend in the Philippines, the Asia region, and globally. High levels of widowhood among females can create particular challenges where they have mainly relied on the income of their husbands for their financial security during their lives, a situation which is exacerbated in older age. The insights gathered from these numbers is further supported by qualitative evidence. The testimony of one recipient illustrates this situation:

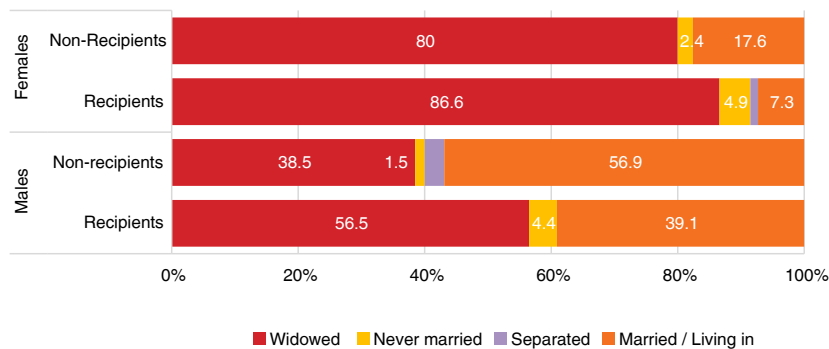
“Noong buhay pa ang mister ko, hindi naman kami sobrang hirap. Kasi nakakapagtrabaho naman siya. Ahente siya ng sigarilyo noon. Nakakapagtrabaho pa. Eh..nang tumanda, wala na. . . Wala na rin siya ngayon”  
*(When my husband was still alive, we were not very poor because he was working. He was a cigarette agent back then. He was working. However, when he got older, he stopped. Now he is gone.)*

—Lola Lorena (83), recipient, Quezon City

**FIGURE 4: MARITAL STATUS OF SURVEY RESPONDENTS COMPARED TO NATIONAL SITUATION, AND BY GENDER**



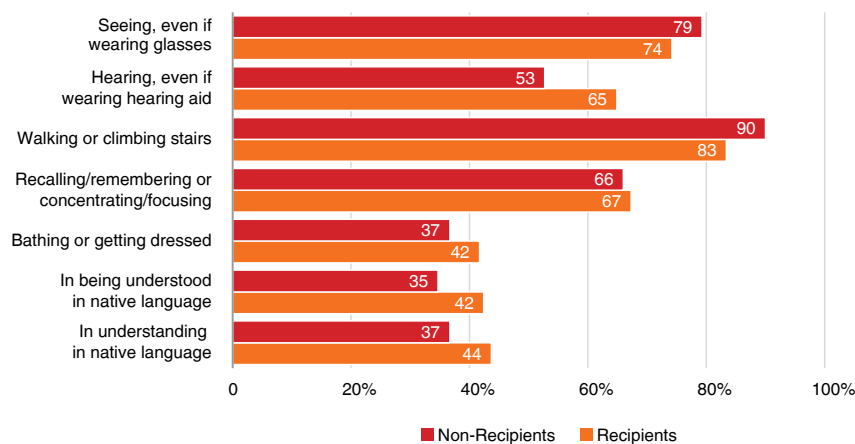
**FIGURE 5: MARITAL STATUS FOR RESPONDENTS BY SEX**



## DISABILITY AND HEALTH

Rates of disability are high amongst respondents, with minimal difference between recipients and non-recipients. The survey used a set of questions adapted from the Washington Group Short set where respondents were asked about the level of difficulty faced in different activities. Figure 6 presents the proportion of respondents experiencing “some difficulty” in different activities. The proportion of those experiencing difficulty is high across the board, and particularly for seeing, hearing, walking and recalling/concentrating.

**FIGURE 6: PROPORTION OF OLDER PEOPLE REPORTING SOME DIFFICULTY IN UNDERTAKING BASIC ACTIVITIES**

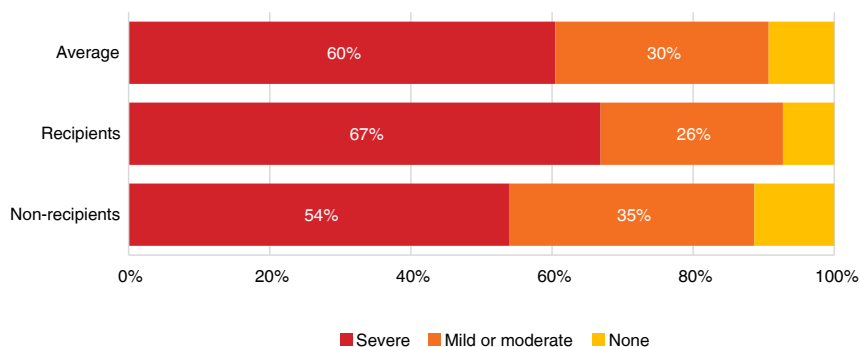


Further analysis of the extremity of disability shows that close to two thirds of respondents face what can be classified as “severe” disability. Figure 7 presents levels of disability according to two indicators for *severe* disability and *mild/moderate* disability. The classifications are as follows:

- **Severe disability:** respondents reporting *a lot of difficulty* or that they *cannot do an activity* in at least one of the seven functional domains.
- **Mild/moderate disability:** respondents reporting *some difficulty* in at least two functional domains but do not report a lot of difficulty in any one domain.

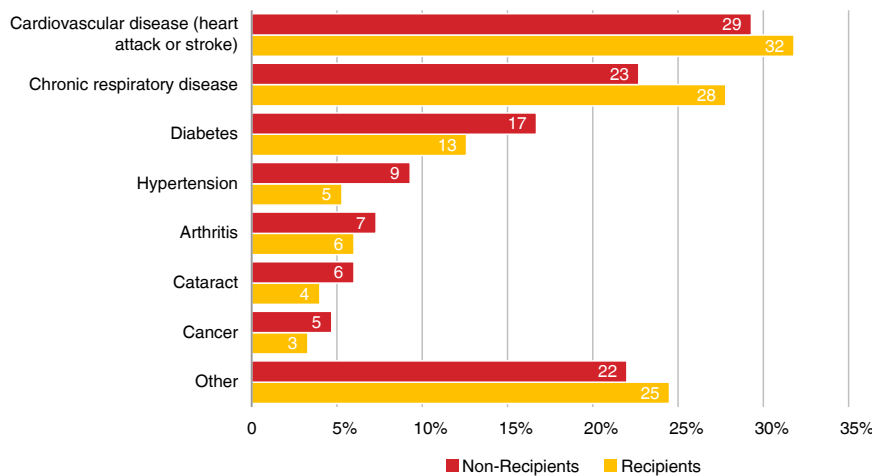
The results show that nine out of ten respondents fall into one of these two classifications, and the majority (60 percent) are classified as experiencing severe disability. The extent of disability uncovered by the Washington group questions is also reflected in responses to other survey items on ability to perform physical activities in the past three months. These found that more than 70 percent reported inability to perform any weight-bearing physical activity (e.g. walking or climbing stairs); this is more prevalent among males (80percent) compared to females (66-69 percent).

FIGURE 7: LEVELS OF SEVERE AND MILD/MODERATE DISABILITY



**In addition to high levels of disability, levels of ill health are high amongst respondents.** Cardiovascular disease affects over one in four respondents, and chronic respiratory disease over one in five. Diabetes and hypertension also affect a large proportion. For both groups, it appears that these health issues have an important impact on their daily lives. When asked when was the last time they felt too sick for a week or longer to get up and do work in their house, a quarter of recipients (24 percent) and one fifth on non-recipients (20 percent) reported this had happened in the last month. This situation was more common amongst females than males. As with indicators on disability, there is no clear difference between recipients and non-recipients, with recipients facing relatively higher incidence of some illnesses, but lower incidence of others.

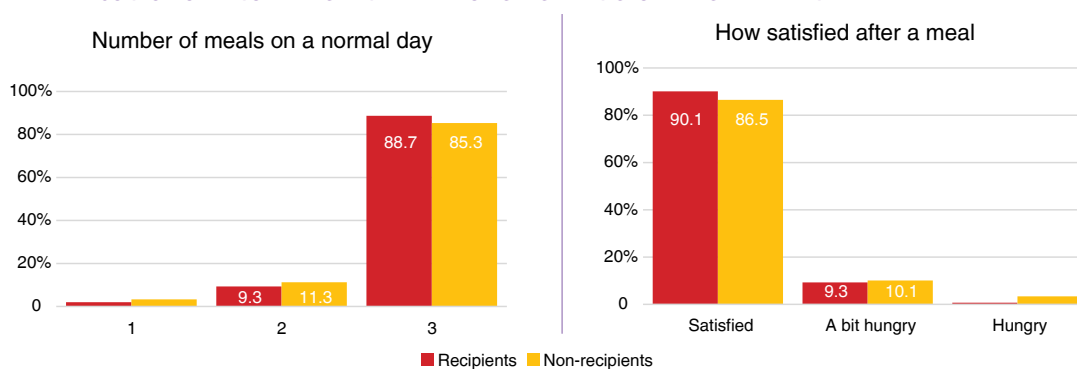
FIGURE 8: PREVALENCE OF DISEASE



## NUTRITION

On the face of it, results from the survey suggest the norm is that respondents eat three meals a day, and are satiated after eating. Close to nine in ten respondents ate three meals a day, and a similar proportion said they usually felt satisfied after a meal (Figure 9). Around one in ten respondents said they would eat two meals on a normal day, with between 2 and 3.3 percent reporting only one meal. Similarly, around one in ten respondents reported feeling “a bit hungry” after a meal, and between 0.7 percent and 3.4 percent reporting feeling hungry. There are no major differences between recipients and non-recipients, although recipients do appear to be slightly more likely to eat three meals per day, and slightly less likely to feel hungry.

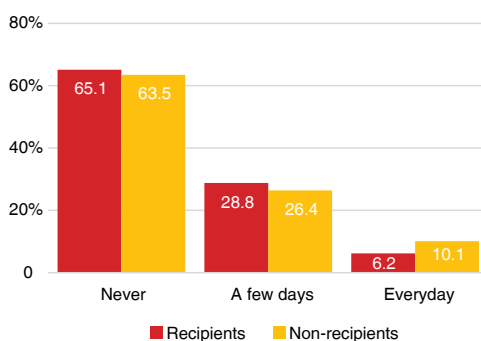
FIGURE 9: NUMBER OF MEALS PER DAY AND HOW SATISFIED RESPONDENTS FELT AFTER A MEAL



Further analysis of the dynamics of hunger over a longer period provides a more complex picture. Rather than asking older people about a normal day, Figure 10 shows the proportion of respondents reporting how many days they felt hungry after a meal in the last week, showing that over a third of respondents felt hungry after a meal for a few days, or every day. This implies that while hunger may not be “the norm” for about 9 in 10 older people, around

a third experience periods of hunger during the period of 7 days. Experience of unintentional weight loss also seems common among older people. Slightly more male recipients reported weight loss compared to male non-recipients (64 percent vs. 60 percent). This is in contrast to the experience of females, where a higher percentage of non-recipients reported weight loss than recipients (65 percent vs. 55 percent). For both males and females, as well as recipients and non-recipients, the average number of kilograms lost is around 6 (median of 5).

FIGURE 10: DURING THE LAST WEEK, HOW MANY DAYS DID YOU FEEL YOU WERE STILL HUNGRY AFTER A MEAL



Focus group discussions also highlighted major issues of food insecurity that may not have been picked up by the quantitative survey. In all focus group discussions (with both recipients and non-recipients), the provision of adequate amounts of food was mentioned as a major challenge; the majority of food consumption reflected in interviews is based on rice and, in some cases, noodles. The importance of having viand<sup>7</sup> with a meal was mentioned in a number of cases, but was also seen as a struggle at times. More extreme cases of food insecurity seem to have been particularly prominent in Quezon City. In the Quezon City focus group discussion, two recipients mentioned being able to eat just 2 times a day; and others reported eating only porridge – rather than rice and viand – in order to ensure enough food to eat for the whole day. One respondent also mentioned having nothing to eat on some days:

“Dalawang beses lang. Pangkaraniwan na ho ‘yun. Minsan nga eh.. kakahiya lang naman hong sabihin.. wala pa kung minsan. Tinitiiis na lang kasi mahirap talaga”  
 ([I eat] only twice a day. That is already the usual thing for me. Sometimes..although it is a bit embarrassing to mention, but.. there are times that I literally do not have anything to eat. I just endure it because it is really difficult).

—Lolo Marco (83), recipient, Quezon City

<sup>7</sup> Viand is a term is applied to any food (usually fish, chicken, vegetables, etc) that one eats with rice.



Severe issues regarding food security were found among both recipients and non-recipients; notably in Quezon City, where one respondent reported circumstances requiring her to beg neighbors for rice due to financial shortfall. Lola Queenie explained her worries about her financial difficulties:

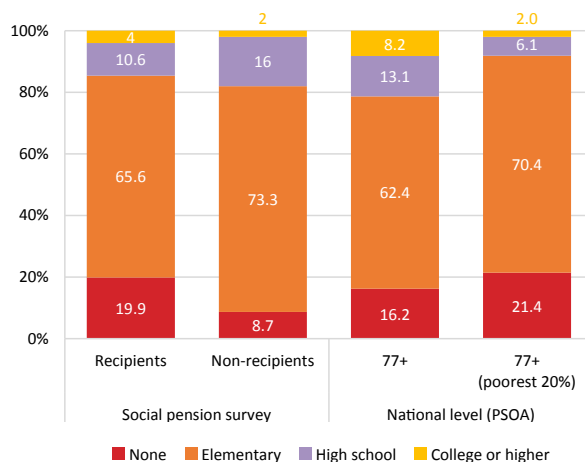
“Lagi kong naaalala parang hindi ako makatulog. Walang pagkain. . . ‘Di ko na maanuhan kung ano na ang solusyon ko sa..sa sobrang hirap”  
(I always worry about it and there are times I cannot sleep. We don’t have food. I have no idea how to solve this problem)

—Lola Queenie (82), recipient, Quezon City

## WORK AND SKILLS

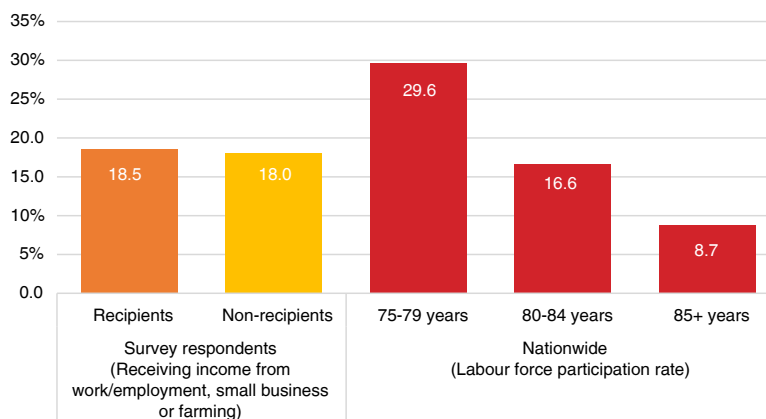
Education levels are low for the vast majority of respondents, but seem to be comparable to the profile of this age group at a national level. Levels of education are an important indicator of the levels of vulnerability faced by senior citizens earlier in their lives and are strongly correlated with indicators of vulnerability in older age (such as levels of income).<sup>8</sup> Figure 11 shows levels of educational attainment for recipients and non-recipients compared to data for the population over the age of 77 at the national level (PSOA 2007). Recipients of the social pension have lower levels of formal schooling than non-recipients (with 19.9 percent reporting no schooling vs. 8.7 percent of non-recipients). Non-recipients are also more likely to have had elementary education, and slightly more likely to have gone to high school –although high school education is low for both. The picture for both groups is, nevertheless, broadly similar to the profile of the population aged 77 and over at the national level. In fact, while recipients seem to have slightly lower levels of education than the national average (with a slightly higher proportion reporting no schooling) non-recipients seem to have slightly higher education levels than average. Also of note is that both recipients and non-recipients have higher levels of education than the poorest 20 percent of the population 77 and over at the national level.

FIGURE 11: EDUCATIONAL ATTAINMENT OF RECIPIENTS AND NON-RECIPIENTS



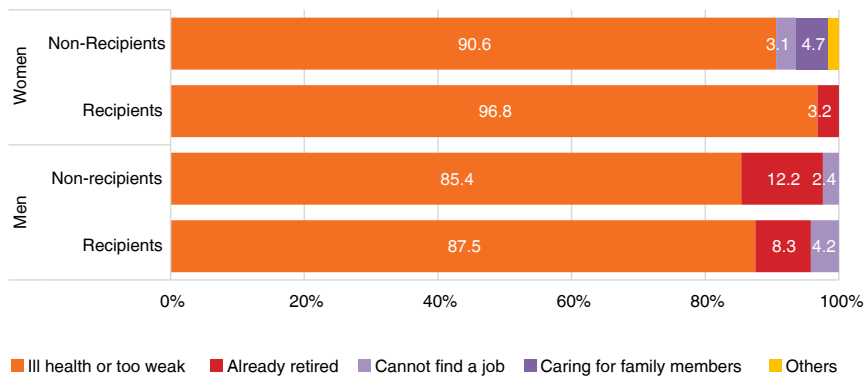
**Around one in five respondents report engaging in some kind of income generating activity, which is comparable to national level data on economic activity for the population in this age group.** Figure 12 presents responses to the survey item querying participation in any income generating activity, namely, employment, small business or farming. Slightly fewer than one in five respondents reported engaging in any of these activities, with the result almost identical for recipients (18.5 percent) and non-recipients (18 percent). In order to get a sense of the extent to which these levels compare to the national level, the Figure also presents rates of labor force participation<sup>9</sup> for three age cohorts which are relevant for the age group surveyed here (75-79, 80-84 and 85+). The comparison suggests that the profile of respondents matches the pattern at a national level, which shows the labor force participation rate ranging from 9 percent above the age of 85, to close to 30 percent for those aged 75-79. The likelihood of being engaged in a livelihood activity is also slightly higher amongst male respondents than female respondents, which also reflects the national picture.

**FIGURE 12: PROPORTION OF RESPONDENTS ENGAGED IN INCOME GENERATING ACTIVITIES, RELATIVE TO THE NATIONAL SITUATION.**



**Issues of ill health are cited as the main reason for respondents not working.** Overall around 9 in 10 respondents who say they are not working cite “ill health” or “too weak” as the main reason. This trend strongly reflects the high levels of disability and ill health amongst respondents discussed above, and is particularly high among females (especially recipients). The modest proportion of recipients citing “Already retired” as the reason for not working deserves some commentary. In theory this might suggest these individuals are in receipt of social security payments (SSS, GSIS, etc.), entailing incorrect verification according to the definition of “indigent” in R.A. 9994. Some caution is however needed in interpreting these results as it is possible that respondents have interpreted the concept of retirement more broadly than receipt of a pension. For example, this response may represent “retirement” from informal sector work (even if they are receiving no pension) or (for recipients) the social pension may be described as a form of retirement income.

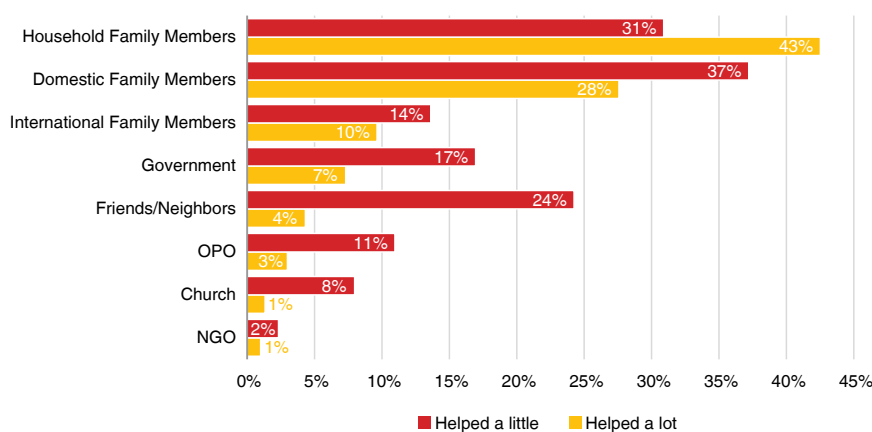
FIGURE 13: REASONS FOR NOT WORKING



### INCOME SECURITY AND ECONOMIC SUPPORT

Given the challenges respondents face in earning an income, it is clear that families play a central role in providing economic support, although the extent of this support is often limited. This is evident from analysis of where older people seek support in times of emergency. Figure 14 presents data on sources of financial support during the last financial emergency that respondents experienced (responses are aggregated for both recipients and non-recipients, due to the fact there are minimal differences between the two). It is clear that family members are a major form of support for respondents in times of crisis, with 73 percent reporting that household family members helped in some way, and 65 percent reporting support from family members in another part of the country. The level of support is however, not always substantial. Figure 14 shows that only 43 percent of respondents reported that household family members supported “a lot” in the most recent emergency, with the figure just 28 percent for support from domestic family members.<sup>10</sup> Beyond the immediate family, other forms of support are less common, including remittances from international family members<sup>11</sup> which only supported 24 percent of respondents. While support from friends and neighbors is quite common, in most cases this is minimal and only helps “a little”.

FIGURE 14: SOURCE OF FINANCIAL SUPPORT IN MOST RECENT EMERGENCY SITUATION



<sup>8</sup> Grace T. Cruz and Armand N. Camhol, ‘Family and State Roles in Promoting the Well-Being of Older Filipinos’, in *Aging in Asia-Pacific: Balancing the State and the Family*, ed. by Amaryllis T. Torres and Laura L. Samson, 2014.

<sup>9</sup> Individuals are considered active in the labour force if they presently have a job (formal or informal, i.e., are employed) or do not have a job but are actively seeking work (i.e., unemployed).

<sup>10</sup> Domestic family members are those living in the Philippines, but not in the same household.

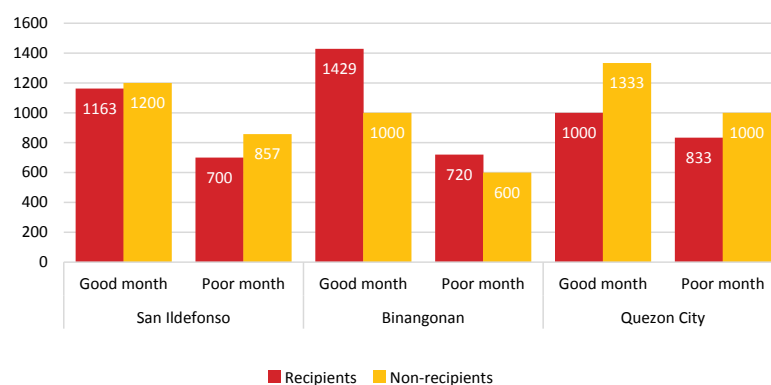
<sup>11</sup> International family members are those living in other countries.

The strong reliance of older people on their families means the situation of their households has a strong bearing on their own income security. This is especially important given the analysis above which shows that most respondents live with other family members. To shed light on levels of income at a household level, respondents were asked to estimate the income of their household on a good month or poor month. While it is not possible to use this data to approximate the true average income of a household, it does provide an indication of the range within which their incomes fluctuate. Figure 15 shows the average income of households (in this case the median income) presented by study location and by recipients and non-recipients. Total household income is divided by the number of members in each household in order to calculate per capita income. This allows comparison with the national poverty line.

Overall, it appears that – on average – recipient households are living below the Philippine poverty line. The latest poverty thresholds for the Philippines mean that an individual needs at least PhP 1,225 per capita per month to be above the food poverty line, and PhP 1,756 per capita per month to be above the general poverty line.<sup>12</sup> These poverty lines apply to early 2014, which means they are not directly comparable with the data collected here (in early 2015), as changes in prices may have affected these poverty thresholds. Nevertheless, they give a rough benchmark against which we can compare the results in Figure 15. The data suggests that, on a poor month, the average respondent is living in a household that is below the food poverty line in the Philippines. In comparison, on a good month, households are on average above the food poverty line, but still below the national poverty line.

Notably, the relative income of recipients and non-recipients varies quite substantially between study locations. In San Ildefonso, and particularly in Quezon City the median incomes of non-recipients are higher than recipients, while in Binangonan the incomes of recipients are higher than non-recipients.

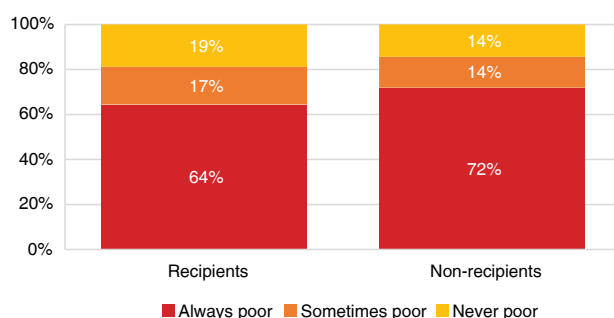
FIGURE 15: MEDIAN HOUSEHOLD (PER CAPITA) INCOME IN GOOD AND POOR MONTH



<sup>12</sup> See PSA, “Poverty incidence among Filipinos registered at 25.8%, as of first semester of 2014” at <http://www.nscb.gov.ph/poverty/> (Accessed 21 October 2015)

Nevertheless, an important portion of recipients and non-recipients appear not to live in poverty or only do some of the time. Using the 2014 poverty line it is possible to estimate the proportion of respondents who report incomes that are always above the poverty line, sometimes above the poverty line, or never above the poverty line. The results of this analysis are presented in Figure 16. While the majority of respondents report incomes below the poverty line on both a good and bad month, 36 percent of recipients and 28 percent of non-recipients report having incomes above the poverty line either some or all of the time. It can be noted that by this measure recipients appear to face lower likelihood of poverty than non-recipients, however, this seems to be mainly driven by the data for Binangonan which shows substantially higher incomes for recipients.

FIGURE 16: POVERTY DYNAMICS AMONG RECIPIENTS AND NON-RECIPIENTS



**These incomes dynamics highlight a number of drawbacks of the targeting approach.** First, the variations in incomes highlight that identifying indigent senior citizens means trying to hit a moving target. Even amongst the very vulnerable population surveyed here, income levels fluctuate substantially, and not all are poor all of the time. This means that – unless targeting is repeated very frequently – there will always be errors in the system. Second, the fact that some non-recipients appear to have incomes above the poverty line in both good and bad months suggest that, although they have been validated, they may not be strictly eligible for the benefit (at least by the definition of poverty used by the PSA).

**The high levels of poverty and vulnerability faced by respondents' households and wider families was highlighted in focus group discussions as a key reason for older people's income security.** While there are some extreme cases of older people with weak family ties, a more common response in focus group discussions was that the families of older persons are themselves poor and vulnerable, and not in a strong position to support their older parents. This observation came out across all study areas and was often linked to the fact that families often have many grandchildren to look after:

“Eh puro mahihirap din kagaya ko ‘yung ano..aking mga anak. May taxi driver. ‘Yung mga babae naman nasa bahay lang naman. . . ‘Yung isa lang naman, ‘yun ang merong konti. May trabaho na maganda-ganda. Eh kuwan naman ‘yung mga anak niya..marami naman.”

*(My children are also very poor like me. One of my sons is a taxi driver. My daughters, meanwhile, are stuck at home. One of them is relatively more financially capable because he has a good job. However, he has many children)*

—Lolo Marco (83), recipient, Quezon City

“S’yempre’yung mga ... naghihirap talaga yung..walang pambiling pagkain, kulang sa pera. Saka wala ka naming malapitan na mga anak na magbibigay talaga ng sapat na suporta. Minsan nga sila rin kinakapos”

*(Of course, the poorest are the ones who do not have enough money to buy food, they don’t have enough money. Aside from that, you cannot really ask help from or rely on any of your children. Sometimes they also do not have enough for themselves)*

—Lola Rosalina (84), recipient, Quezon City

**There are also strong indications that the fact senior citizens have to financially depend on their low income families negatively impacts their own dignity, as well as wider family cohesion.** The fact that the wider families of respondents are living in a situation of poverty and vulnerability means they are often hesitant to ask for support, particularly when it comes to their own specific needs, such as spending on medicine. The case of Lola Almira, a recipient in Binangonan, who depends heavily on her daughter for income provides an example of the “humiliation” felt in trying to ask for support for health expenditure.

“Ang aking ano po ay yung paghahanap-buhay ng aking dalaga, eh ano lang yun, nakikiano lang po siya porsyento. Namomorsyento po siya. Ang halimbawa, siya’y nakabenta ng ano, bibigyan lang po siya ng 150. Yun po ba’y magkakasya? May bigas, may ulam, may gas. Minsan binibili pa ho niya ako ng gamot sa ubo ko kaya ang nagsusuporta ho samin, eh yun kapag mayrong pera yan, binibigyan po ako. Bili ko raw ng gamot. Kaya sabi ko nga dyan sa anak ko, ako’y napapahiya. ‘Eh anong gagawin niyo kung kayo ay may sakit at wala kayong maibili ng gamot?’ Sabing ganun. ‘Wala naman magbibigay sa inyong iba kundi ako na anak niyo tsaka yung mga apo niyo kung may iaabot sa inyo.’ Kaya yun po ang nagiging problema ko”

*(My concern is the work of my unmarried daughter. She is just being*

*given a portion of what she earns from selling [ricecakes], sometimes she is given only P150. Will that be enough? We have to buy rice, viand and gas. Sometimes I also need medicine for my cough. That is why the one who supports me, if she has the money, will provide me the money to buy some. Sometimes I get humiliated when I talk to my daughter. 'What can you do if you are sick and you don't have enough money to purchase your medicine?' She said. 'No one really supports you except me and your grandchildren when they have the money.' This is why I consider this as my problem)*

—Lola Almira (78), recipient, Binangonan

It also seems that this issue extends to food consumption in many cases. Findings from the survey show that around one in five respondents (20 percent of recipients and 23 percent of non-recipients) tend to prioritize food for other family members.

**The complex web of financial interactions between older people and family members inside and outside their households suggests there is need to rethink how “indigent” senior citizens are being defined by R.A. 9994.** A core element of the definition of the indigent within the law is that a senior citizen must be “without ... permanent source of income, compensation or financial assistance from his/her relatives to support his/her basic needs.” On this basis, the “model” indigent senior citizen is likely understood as a senior citizen living alone and receiving no family support. The evidence presented here, however, shows the reality is, in most cases, far more complex. Most respondents (all of whom have been validated as “indigent”) are living in households with their relatives, and most are in receipt of some kind of financial support.

**Rather than conceptualizing vulnerable older people as those *without* support networks, it might be more accurate to understand them as those whose families and communities have limited financial capacity to support them.** One implication of this reframing is that the size of the population “deserving” of a social pension will likely be significantly larger than currently assumed when limiting the definition of indigent only to those older people with little or no support network.

## SUMMARY

**Overall, respondents in the survey display high levels of vulnerability.** Most older people face significant challenges in terms of health and disability, which create a major barrier for remaining in the labor market (informal or formal) and thereby removing such activities as an income source for their own sustenance and/or that of their families. The majority of respondents are widowed with low

levels of education, a consequence of having grown up in the Philippines when the education system was considerably more limited than it is today. In this context, most older people depend heavily on their families and households for financial support. These households, however, face their own issues of poverty and economic insecurity which severely limit their ability to support the needs of their older relations. Such dependency also negatively impacts self-esteem and dignity of older persons.

**It is, nevertheless, unclear whether this situation is much different from the wider population aged 77 and over.** While recipients are, in some cases, slightly more vulnerable than indicators suggest from national-level data, many non-recipients (who have also been validated as eligible) are not. The profile of the poorest 20 percent of the population also seems to present stronger indicators of vulnerability in a number of cases, which would imply the program has not succeeded in targeting the poorest. In terms of differences between recipients and non-recipients, the former do appear slightly more vulnerable in some respects; however, differences arising from the process of data selection and gathering cannot be ruled out – clearly a larger study is required to further the evidence provided here. Indeed, this greater vulnerability may be simply due to the fact that older people of more advanced ages (where vulnerability is usually more pronounced) have been prioritized above those of younger ages, noted in Figure 2.

**In general, the data does not present a compelling picture that the scheme has been accurately targeted.** Teamed with the evidence later in the report, it implies there may be many more equally vulnerable older people who have not been included in the program.

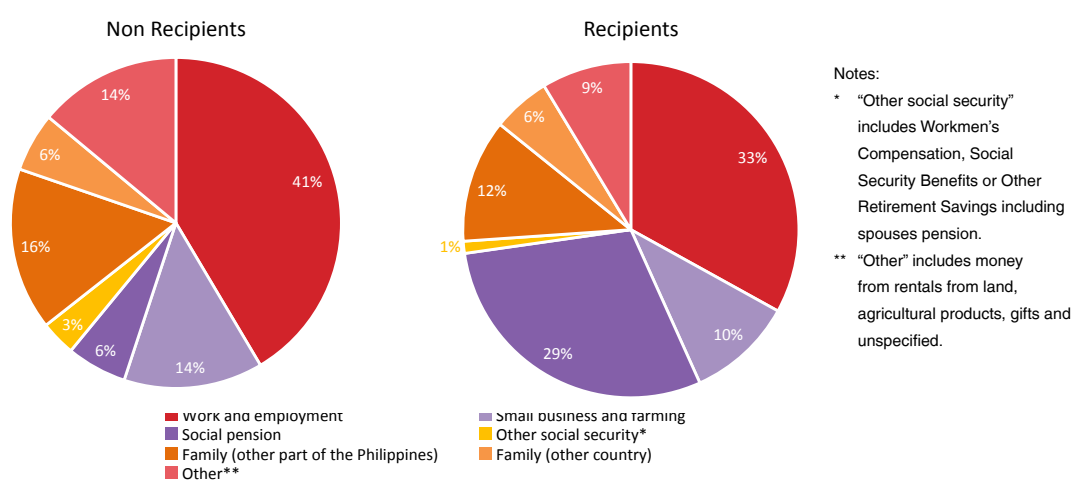


# II . IMPACTS OF THE SOCIAL PENSION PROGRAM

## QUANTITATIVE FINDINGS

**A**nalysis of the composition of household income shows that the social pension is, on average, equal to nearly 30 percent of the total income of recipient households. Figure 17 presents the reported share of household income from a variety of sources, for both recipients and non-recipients. This data was collected by presenting respondents with a set of beads and asking them to divide them roughly in terms of the size of each source of income. In broad terms, the balance of different income streams is relatively similar, with work related activities constituting the bulk of income in both cases. However, a major difference between the two groups is the major share of income coming from social pensions in recipient households (29.5 percent) relative to non-recipient households (5.9 percent). As mentioned already, the presence of social pension income in non-recipient households is due to some cases where other household members of non-recipients are receiving the social pension. Notably, the contribution of social pension income to recipient households is greater than that of remittances, with the average contribution of remittances being rather modest – ranging from 17.5 percent for recipients to 21.7 percent for non-recipients.

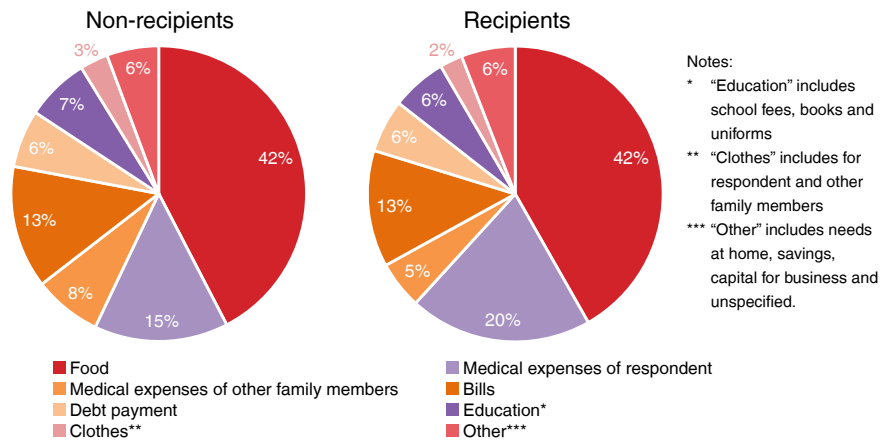
FIGURE 17: SHARE OF HOUSEHOLD INCOME BY SOURCE



**There are indications that the income from the social pension is having some impact on the expenditure of recipient households, particularly on health expenditures.** The broad mix of household expenditure is fairly similar between recipients and non-recipients (Figure 18) and reflects what one might expect from low income households. The largest portion of household expenditure is on food (around 40 percent), followed by health expenditure (around one quarter) then other areas including bills, debt payments, education and clothes. The broad similarity in patterns of household expenditure between recipients and non-recipients should not necessarily be read to mean the social pension has no impact on household expenditure. In theory, a household may decide to distribute the increased income from a pension equally across all areas of spending. There are, nevertheless, signals

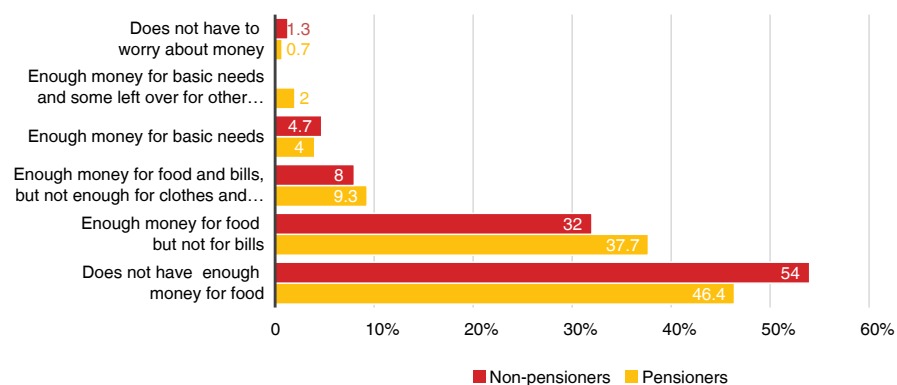
that the increased pension income may be boosting particular areas of expenditure. Most notably, health expenditure of respondents is higher in recipient households (20.3 vs 14.5 percent), while the total health expenditure is also slightly higher (25.6 vs 21.7 percent).

FIGURE 18: SHARE OF HOUSEHOLD EXPENDITURE BY ITEM



Impacts on income and expenditure are also reflected in respondents' own perception of their material wellbeing. Figure 19 shows respondents' evaluation of their own economic wellbeing. Overall, the situation is similar between recipients and non-recipients; around half of households do not have sufficient income to buy food, with the bulk of the remaining households having sufficient income for food, but not enough to pay bills. While the general context is that of respondents having insufficient income to meet their basic needs, many food insecure households receiving a social pension do seem to fare somewhat better. In particular, the proportion of households without sufficient income for food is lower for recipients (46.4 vs 54 percent).

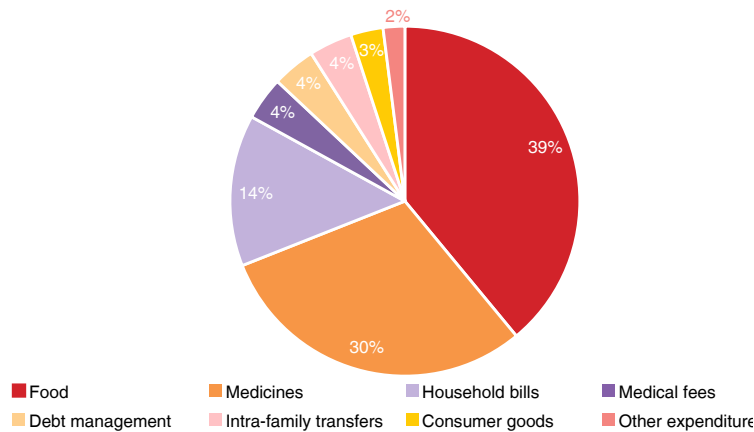
FIGURE 19: SELF-ASSESSED ECONOMIC WELLBEING OF RESPONDENT HOUSEHOLDS



The impact of the pension on food is also echoed in recipients' own evaluation of where the pension was most helpful. At the end of the survey, respondents were asked an open-ended question about what areas the pension had been the most important income supplement. Results of these questions were coded into key categories, and

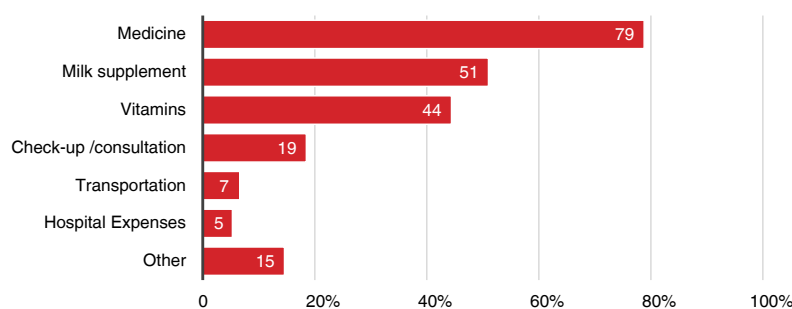
are presented in Figure 20. Echoing Figure 18 above, food is cited by nearly 40 percent of recipients as the most important areas, with health and household bills following closely behind.

**FIGURE 20: RECIPIENT PERSPECTIVES ON WHAT AREAS THE SOCIAL PENSION WAS MOST IMPORTANT**



**In terms of health expenditure, purchase of medicines seems to be the most important destination of the social pension.** Figure 21 expresses the distribution of health related expenditure items for which the social pension was utilized. Nearly 4 in 5 recipients (79 percent) reported using their social pension to pay for medicines within the realm of medical spending, followed by spending on milk supplements (51 percent) and vitamins (44 percent). Expenses related to physician consultations and hospital expenses, and travel to health centers, is much less of a core area of spending.

**FIGURE 21: HEALTH RELATED EXPENSES FOR WHICH SOCIAL PENSION IS USED FOR**



### QUALITATIVE FINDINGS

**Focus group discussions echo the positive impact the social pension detected in the survey.** Despite the low level of the benefit, many described it as a “huge help” in the context of the precarious situation that many recipients are living in. For example, despite only receiving the pension a few months before the FGD, Lolo Isidro, a recipient in San Ildefonso, explained the social pension brought about significant change in his life.

“May nagabago. Kahit na hindi kalakihan e malaking bagay yun sa aming mahihirap. Nakatulong kahit konti”

*(There have been changes. Even though it is not that much, it is a big amount for us poor people. It has helped me even a little bit.)*

—Lolo Isidro (77), recipient, San Idefonso

**Echoing survey results, food was the main area of spending discussed by recipients across focus group discussions.** Virtually all of those participating reported that they spent all or some of their pension money on food. For respondents with some other forms of support, such as children and continued work, it seems the supplement of the social pension can help meet all basic food needs. This is illustrated in the case of Lola Georgina (90) of Rizal, co-resident with her four children and continuing to work by offering massage services:

“Marami akong paggagastusan. Sa mga bigas, sa ulam, sa mga kape at asukal po. Ayon po talaga mga kailangan ng tao eh. Yon po talaga ang kailangan eh, asukal, kape, bigas, ulam. . . Kung sana mas malaking pera ay marami kaming mabibili, ang iba po ay itago po ang iba at ibangko ‘yong kalahati kaya”

*(I will spend it on many items. On rice, viand, coffee, sugar. Those are basic human needs. Those are what we really need. . . If the pension is bigger, we would be able to buy more, and we can also save some money in the bank, maybe half of it)*

—Lola Benita (90), recipient, Binangonan

Yet for recipients who have limited access to other forms of support, it is clear that the pension alone is far from enough to meet their food needs. This is the case with Lolo Efren, with little in the way of family, he earns PhP 20 a day by scavenging for junk around Quezon City Memorial Circle:

“Pagka po ako ay..nangalakal, kumikita lang po ako ng bente lang maghapon. Kung minsan, bente. Kung minsan, trenta. ‘Yun lang po ang ikinabubuhay ko. Ay kulang na kulang pa po sa pagkain mga tatlong beses sa isang araw. . . Kung minsan po, nanghihingi na lang po ako. Namamalimos... Ako naman po sa – ‘yung pension ko pong tinatanggap, kulang na kulang po ‘yung one-five sa isang—one-five sa—Sa tatlong buwan. Ngayon po tinitipid ko na po ‘yun. Tipid na tipid ‘yun. Hindi pa rin magkasya, kinukulang pa rin. . .”

*(I earn 20 pesos a day from scavenging. Sometimes I earn 20, sometimes 30. That’s how I survive. But it is not enough for me to be able to eat thrice a day. Sometimes, I beg for money. I beg ... The pension that I*

*receive, P1,500 for three months, is not really enough. I try to stick to a budget when buying food. But it is still not enough)*

—Lolo Efren (80), recipient, Quezon City

**Furthermore, despite some spending on medicine, the pension amount remains too low to cover essential health expenditures.** A few pensioners (mostly in Quezon City) reported using the income for some of their medicines, and non-pensioners thought they would be able to buy medicine when they got the pension; nevertheless, the amount of income was regarded as insufficient to adequately address their health needs. In Binangonan and San Ildefonso, with the majority reporting a significant need for medicines, interviewees expressed that the pension in its current form was insufficient to cover their medicine costs. Most described managing less serious health conditions with home-made remedies or simply opting to struggle through their pain or incapacity:

*“Eh ‘yung-- ‘di ako nagang parainom pirmi sa gamot. . . kung meron akong nararamdaman, kukuha ako n’ung.. alam ninyo ‘yung kuwan, Manzanilla. Saka ‘yung Lakadbulan. Ilalaga ko lang ‘yun. Paglagaan ko n’yan, lalagay ko sa garapon. Pagainum-inumin ko. ‘Pag ano naramdaman ko, iinum ko lang ‘yun. Sa awa ng Diyos, naayos naman. [laughs]Hindi ako nagparabiling gamot ‘ta..pambili, saan ako kukuha? [laughs]”*

*(I don’t really drink medicine. Whenever I am not feeling well, I will just get..are you familiar with, Manzanilla? And Lakadbulan. I will boil it. Then I will put it in a jar. Then I will drink it. Whenever I am not feeling well, I drink that. By God’s mercy, I feel better. [laughs]. I don’t drink medicine, where will I get the money to buy it? [laughs])*

—Lola Benita (85) recipient, Quezon City

**One common impact of the social pension is the positive effect of credit worthiness within respondents’ communities; however, even these small gains are offset by the meagreness of the benefit level.** Pensioners from Quezon City and Binangonan alluded to having to borrow money in order to get by. The social pension was seen to support access to this credit by providing collateral for financial loans or purchases from store owners, as explained by one participant in Quezon City:

*“Ta kung wala mang pension ‘di..wala ‘man sa’yong magkakuwan ning—mangutang ka, di ka ‘man pautangin wala ka ‘man ibabayad. Ohh..pero kung may pension, meron kang ipapangako. Sabi ko “Pautang lola akong bigas.”Sasabihin, “Mangutang ka? Saan ka kukuhang pambayad?” Sabi ko d’yan, “May pere-pension ‘man*

akong kaunti. Pagdating n'un, babayad ko sa'yo." 'Yun. Pautangin ka n'yan 'ta may pangako na. [laughs]

*(Without the pension, no one would dare lend you money because they know you won't be able to pay them back. But if you have a pension, you can promise them something. I said, 'Grandma, lend me some rice.' She said, 'You're loaning? Where will you get the money to pay me back?' I answered, 'I have a small pension. When it arrives, I'll pay you back.' And that's it. She will provide me a loan because I had something to promise her in return [laughs])*

—Lola Rosalinda (84), recipient, Quezon City

It appears this access to debt has helped recipients meet their immediate needs, especially when gaps between payments manifest themselves. Nevertheless, in many cases, this seems to lead to a negative cycle wherein recipients are forced to pay their full pension back to creditors as soon as it is paid.

“Talagang nagtitiis. Mahirap na umutang kami. Alam mo naman ang buhay ngayon. Utang ka, maigi kong may ibabalik tayo. Eh kung wala?”

*(We just patiently endure. It is difficult to borrow money. You know how difficult life is. You borrow money, and it would be good if you can repay it. What if you can't?)*

—Lolo Tomas, recipient, Binangonan

“Wala pang..wala pang pension, utang. Bente-bente. Naiipon 'yung bente-bente, pagdating ng pension dadaan lang dito”

*(I borrow money whenever my pension is not here yet. Sometimes, I borrow 20 pesos. It accumulates. Whenever my pension comes, it just passes through [my hands, then it's gone])*

—Lola Lorena (83), recipient, Quezon City

This dynamic highlights that, while the pension can support access to credit, at such a low benefit level this credit is rarely manageable.

**Despite the low level of the benefit, there is substantial evidence that many recipients are sharing the benefit with their wider families.** Many recipients reported their social pension was used on general household expenses, with some detailing that it had been used for other household members specifically.

“Ang ika-onseng anak, pulis. Ang 13 silang buhay, 3 babae at 10 lalaki pero and ika-onse lang ang tumutulong. Lahat mahirap. Mayaman lang sa anak. Yung iba nandito, yung iba nandoon sa Iloilo. Sila pa sa akin nagahingi. Ako pa nag-paaral sa ibang apo ko.”

*(My 11th child is a police officer. 13 are alive, 3 females and 10 males but only my 11th child is helping out. All are poor. And they have a lot of children. . . Some of them live here, others in Iloilo. Sometimes they are even the ones asking help from me. And I also shoulder some of my grandchildren’s schooling expenses.)*

—Lola Elena (82) recipient, San Ildefonso

The testimony of Lola Elena illustrates the bound relationships inherent in families, and more so for those with co-resident senior citizens. It also supports evidence from studies internationally that older persons remain net contributors long into later life.<sup>13</sup> The social pension, as the preceding interview illustrates, augments support for the wider family network, enabling recipients to contribute to the consumption bundle of impoverished households. This dynamic was also observed by implementers in all study locations:

“. . .Kasi napakaliit talaga na halaga kasi nung ano..nung five hundred. Kasi yung mga apo pa. Kapagka may’ron yang pera mas nauuna ang apo eh. Bago yung sarili niya kaya nga kung minsan two hundred nalang sa kanya o kaya one hundred dahil sa mga apo. Nag-papaaral ng apo. Yung mga nag-papaaral ng apo. . .”

*(The benefit amount is really small.. five hundred. They also give some amounts to their grandchildren. Whenever they have money, they would prioritize their grandchildren before themselves. Sometimes only P200 or P100 is left for them because they are sending their grandchildren to school),*

—Implementer, CSWDO, Quezon City

“. . . Eh ngayon pagka-sinamahan ng anak [sa pagkuha ng pensyon], nabibigyan pa rin ang anak, naaawa sa anak. . . [Sinasabi nila], ‘Malaking tulong po lalo sa physical na benefit sa aking mga anak masakitin na sila, pambili ng gamot, vitamins, matulungan po natin ang pamilya, napakalaking bagay,’”

*(When their children accompany them [in claiming their pension], they also give some amount to their children because they pity them. [They say], ‘It is a huge help especially for the physical needs of my children because they are sickly. It is a means to buy medicines, vitamins, a means to help my family, that is why it is a huge help’)*

—Implementer, MSWDO, San Ildefonso

<sup>13</sup> See, for example, Martin Kohli, ‘Cleavages in Aging Societies : Generation, Age, or Class?’, in *The Future of Welfare in a Global Europe*, ed. by Bernd Marin, 2015.

The same dynamic was also observed by implementers in Rizal, but in this case implementers discouraged senior citizens from sharing the pension with their grandchildren and other family members. The advice being given in Rizal seems to echo the common perception (explored in the first section) that the social pension is exclusively a benefit to poor older people, rather than as a way to support to wider families to cope with the challenges of old age.

**The impacts of the pension on the dignity and self-esteem of recipients were noted by implementers, though are less evident from the testimonies of those receiving the pension.** As discussed previously, forced dependency on the financial support of children in old age can have negative impacts for the dignity and autonomy of older people, and there are some indications that the pension has helped to mitigate such occurrences. An implementer from Binangonan explained the dynamics of how income from the social pension can help senior citizens feel their worth as individuals:

“...karamihan po sa mga anak nila ay hindi naman po ganun kasuportado sa lahat ng pangangailangan nila so parang nakakaboost din po ng morale ng mga senior citizen once na nakakatanggap sila ng something from the government parang naramdaman nila yung kanilang worth as individual kasi alam naman natin na kapag senior citizen although sila yung source ng wisdom natin pero napapabayaan sila ng mga younger generation dahil sa hindi na sila nakakapagtrabaho, hindi na rin nakakapagalaga ng apo kasi mahina na. So once na meron silang something, tinitake natin positively na makakatulong ito na makabawas sa expenses ng pamilya at makadagdag sa pangunahing pangangailangan ng senior.”

*(... most of their children do not support them that much in their needs so that somehow boosts the morale of the senior citizens, once they are accepting something from the government that they can somehow feel their worth as individuals. Because we all know that when it comes to senior citizens, although they are the source of our wisdom, the younger generations tend to neglect them because they are not able to work. They are also not able of taking care of their grandchildren because they are already weak. So once that they have something, we take it positively that it can help decrease in the expenses in the family and can add up to the basic needs of the senior citizen...)*

—Implementer, MSWDO, Binangonan



Similar sentiments were shared in Quezon City, where implementers again mentioned how they had observed the pension increasing the self-worth of individuals, supporting their inclusion in society:

“So, parang nararamdaman nila na, ‘Kahit papano may halaga pa rin ako’”

*(They feel that, ‘Somehow, I still have worth’)*

—Implementer, OSCA, Quezon City

“Malaking tulong yun, sa ekonomiya. . . Para sa mga matatanda parang naaano..kabilang pa rin sila sa society natin”

*(It’s a huge help in our economy. . . For the senior citizens, they somehow feel that they are still a part of our society)*

—Implementer, COPAP, Quezon City

**Despite the various ways in which the social pension has impacted the lives of recipients and their families, there is widespread agreement among recipients and non-recipients that the amount is inadequate to cover the basic needs of older people.** Across all FGDs, the inadequacy of the benefit was repeated. These concerns were found equally amongst implementers of the benefit. The low benefit level also helps to explain why, despite the impacts reported above, most recipients continue to struggle to put food on the table, let alone pay for essential medicines.

**To put the issue of adequacy in context, it is worth comparing the benefit to some national and international benchmarks.** In the Philippine context, the benefit amounts to less than half (41 percent) of the 2014 food poverty line (PhP 1,225 per month) and just 28 percent of the national poverty line (PhP 1,756).<sup>14</sup> The inadequacy of the benefit is exacerbated by the fact it is not indexed to inflation. With rises in prices over the last 5 years, the real value of the social pension benefit has depreciated from the PhP 500 when the Expanded Senior Citizens Act (R.A. 9994) was passed to approximately PhP 415 – a 17 percent reduction in the real value of the benefit.<sup>15</sup> In relation to average incomes, the benefit currently stands at 4.7 percent of GDP per capita, making it one of the lowest social pension benefits in the region, and the world (Box 1).

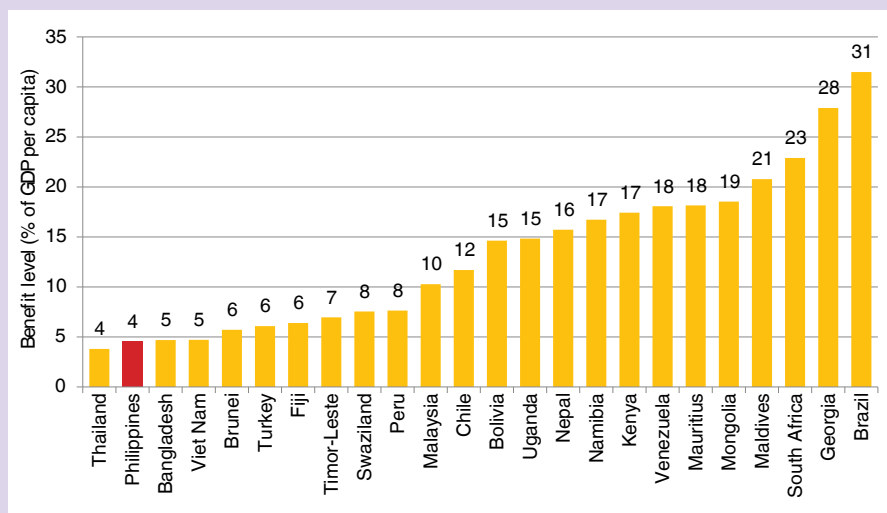
<sup>14</sup> Both poverty lines are for the first semester of 2014, which suggests that the benefit would be even lower relative to poverty lines for 2015 (which have not yet been published by PSA).

<sup>15</sup> Authors’ calculations based on Consumer Price Index data from IMF, World Economic Outlook Database, October 2015 edition

**BOX I: THE PHILIPPINE SOCIAL PENSION BENEFIT IN THE INTERNATIONAL CONTEXT**

Benefit levels for social pensions range from 2-3 percent to over 30 percent of GDP per capita in low and middle income countries across the globe. This makes the Philippines’ social pension one of the smallest in terms of the size of the benefit level, and lower than many poorer countries including Swaziland and Nepal.

**FIGURE 22 BENEFIT LEVELS OF SOCIAL PENSIONS IN LOW- AND MIDDLE-INCOME COUNTRIES (SELECTED)**



Source: HelpAge International (2015) Social Pensions Database at <http://www.pension-watch.net/about-social-pensions/about-social-pensions/social-pensions-database/>

**SUMMARY**

**Evidence from both the survey and focus group discussions suggests the social pension provides a meaningful support to older people and their families.** The social pension can, in many cases, provide an important boost to the food security of respondent households, while augmenting the ability to afford critical medical expenses.

**Any impact must, however, be understood in the context that the benefit is clearly low by national and international standards.** While the analysis here provides hints at the potential for the social pension to contribute to a range of positive outcomes, it is clear that it is not enough to meet the basic needs of older persons. Those households that do seem to be able to meet their basic needs are generally those that are benefitting from other forms of support. For older people with little support from their families, many seem to be pushed into high levels of indebtedness, which the pension is unable to remedy. For the scheme to have a more transformative impact, it is clear that a higher benefit level is required.

# III . IMPLEMENTATION OF THE SOCIAL PENSION

This final section of the report assesses a key dimension of the report, the implementation of the social pension. Here the focus moves to the process of targeting of indigent senior citizens, complemented by an overview of the experiences of older people in accessing the social pension.

## THE TARGETING PROCESS SINCE 2011

Since the introduction of the social pension, identification has been based primarily on data from the National Household Targeting System for Poverty Reduction (NHTS-PR). The NHTS-PR (also known as “*Listahanan*”) is a national level database that is intended to identify which households are poor, and which are non-poor. It was originally intended and designed for the purpose of targeting poor households for the Pantawid Pamilyang Pilipino Program (4Ps), to address “breaking inter-generational poverty”. The NHTS-PR uses a *proxy means testing* methodology, which attempts to predict the income of a household based on certain “proxies” such as family composition, education of family members, family conditions, and access to basic services. The weightings for these proxies are calculated using data from the Family Income and Expenditure (FIES) and Labor Force Survey (LFS) of 2003. The database has been populated by surveying millions of households using a Family Assessment Form, a process that was mostly undertaken in 2009 (the current NHTS-PR database is therefore referred to as the NHTS-PR 2009).

A list of senior citizens identified as poor within the NHTS-PR is shared with Local Government Units (LGU) who validate whether each senior citizen is actually indigent, according to the definition in R.A. 9994. Specifically, the National Household Targeting Office (NHTO) provides a list to the Social Pension Management Office (SPMO) within the DSWD, listing *senior citizens living in households classified as poor* by the NHTS-PR. This list is then filtered down to Local Government Units (LGUs) via Regional Social Pension Units (RSPU). At the local level, validation is undertaken through visits to the homes of senior citizens by a social worker from the City/Municipal Social Welfare Department Office (C/MSWDO), which sits with the LGU, in collaboration with staff of the Office of Senior Citizens’ Affairs (OSCA).<sup>16</sup> Once validation has taken place, the final list is sent to the Regional Social Pension Unit (RSPU), which begins the process of disbursing payments.

Despite strong reliance on the NHTS-PR, an option in the operational guidelines has allowed LGUs to consider and accept “walk-in” applicants. Operational procedures developed by DSWD prior to roll-out of the program in 2011 outline that “in cases where the SC [Senior Citizens] are not included

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<sup>16</sup> OSCA are established in all cities and municipalities to serve the interests of senior citizens, as mandated in R.A. 9994. The head of OSCA is appointed by the Mayor from a list of three nominees recommended by a general assembly of senior citizens, serving a three years term.

in the NHTS-PR data, indigent senior citizens can apply at the Office of the Senior Citizens Affairs (OSCA) subject to assessment by the OSCA and City/Municipal Social Welfare and Development Office (C/MSWDO)". The rationale for accepting walk-in applicants seems to have been based on the fact that the NHTS-PR has not surveyed all households in the country, and therefore does not include all senior citizens. For example, by April 2013, the NHTS-PR database included only 4.1 million of over 6 million senior citizens in the country. This creates the possibility that there are indigent senior citizens who have not been included in the database.

**In 2014, a "Special Validation" was undertaken to ensure that all social pension recipients (including walk-ins) were on the NHTS-PR list.** This move was strongly influenced by the General Appropriations Act of 2014 which stated that the social pension should be provided only to those included in the NHTS-PR. A process was subsequently undertaken in early 2014 to survey all walk-in applicants using the Family Assessment Form in order to ensure poverty status. This validation process led to benefit payments for the social pension being halted for nearly a year.<sup>17</sup>

**In late 2014, a decision was taken to provide more space to LGUs to determine whether a senior citizen met the status of indigent, regardless of their status within the NHTS-PR.** The original operational guidelines for the social pension outlined that economic status of a senior citizen was "to be determined by the DSWD National Household Targeting for Poverty Reduction", the amendment in September 2014 directed that this should be "based on the assessment of the LGU social worker" in relation to the definition of indigent senior citizens within R.A. 9994.<sup>18</sup> One contributing factor to this decision seems to have been the recognition from the Special Validation that many senior citizens identified as indigent by the LGUs were found to be classified as non-poor in the NHTS-PR. In fact, this issue had been identified as early as 2012 in the DSWD assessment of the social pension, which described "inconsistency between beneficiaries listed on the NHTS-PR list and priority lists developed by the LGUs as part of the validation process".<sup>19</sup>

## THE TARGETING PROCESS IN PRACTICE

### Role of the NHTS-PR

**A key emergent issue from discussions with implementers is the persistence of significant errors within the list of indigent senior citizens generated from the NHTS-PR.** This issue was reported in discussions in all three research sites. Quezon City exhibited the largest number of such errors, where implementers reported that around half of senior citizens on the NHTS-PR list were validated as non-indigent. One social worker in Quezon City reported reductions in

<sup>17</sup> <http://pia11davao.blogspot.com/2014/10/dswd-pays-social-pension-after.html>

<sup>18</sup> Administrative Order 04, series of 2014

<sup>19</sup> Department of Social Welfare and Development.

indigent senior citizens included in the NHTS-PR list from 240 to 142 following community investigations (CIs).

#### BOX 2: PROXY MEANS TESTING FOR SOCIAL PENSION PROGRAMMES

The decision in the Philippines to use the NHTS-PR (Listahanan) for the purpose of targeting social pensions, is similar to other countries such as Chile and Peru that have attempted a proxy means test for identifying poor older people. These experiences have highlighted a number of issues in using this approach – which has been designed to target poor households – to identify the specific vulnerabilities associated with old age. Key issues include:

**Pensions target individuals, not households.** As described above, R.A. 9994 outlines a set of individual-level characteristics that define an indigent senior citizen. However, proxy means tests (including the NHTS-PR) only measure household-level characteristics. Being included in the NHTS-PR list simply means that an older person lives in a household identified as poor. But importantly, this approach does not measure any of the specific elements of the definition of an indigent senior citizen including (a) nature of income received by older people from relatives and (b) levels of ill health and disability experienced by older people.

**Poor older people may not be asset-poor.** A proxy means test works on the assumption that the assets a household has (such as housing quality or electronic items) strongly reflect the income of a household. In reality, the correlation between assets and income is often quite weak, and this is particularly the case for older people. For example, an older couple may have – in the past – invested in refurbishing their home and bought a television, but may now have no income at all. A proxy means test would only detect assets, and not income.

**Many poor older people live in smaller households.** The methodology used for the NHTS-PR means that households with many members are more likely to be included than small households. However, often the most vulnerable older people are those living alone, and with little external support.

All of these issues contribute to increasing targeting errors in the NHTS-PR, which can result in many poor older people missing out. They are also issues which are – to a large extent – inherent to the methodology, and cannot be easily rectified through updates to the database.

“ . . . Siguro dahil computer, merong hindi pa naman seventy-seven, napasama. Eh ‘yung mga ano..mga error na gan’un tapos may nakuha kami na mga pensioner. So tinanggal naming lahat ‘yun. Nilinis. Ang naging malinis parang one hundred forty-two na lang”  
*(Maybe because it was from the computer, that is why there were senior citizens who were included in the list even though they are not yet 77 years old. There were errors like that. We removed them and we cleaned the list. And the final list included only about 142 senior citizens).*

While the scale of errors are less apparent in the remaining two study regions, issues of errors were reported in both. One Rizal staff member of the Municipal Social Welfare and Development explained:

“Sinabi naman namin ma’am na hindi ganun kaaccurate yung dati kasi ang daming nasa non-poor na poor, madami ring poor na hindi nasama.”  
*(What we are saying ma’am, is that the previous [data] is not that accurate because there were poor who were included in the non-poor, and there were poor who were not even included.)*

—Implementer, MSWDO, Binangonan

“Ang sa NHTS, nakikita kasi namin na talagang ano pa rin, nakikita naman namin na talagang nangangailangan naman talaga ang nasa NHTS. Pero meron pang nakita din kami na hindi na kasama na nangangailangan din. So yun nga ang, nung humingi nga ang region ng listahan nga no pa, ng additional, yun ang nirekomenda nila. Kasi hindi naman mawawalayun na merong mga hindi mapili”  
*(We really understand the need for the NHTS. However, we have also found out that there are many financially needy senior citizens deserving of the pension but were not included in the list. So that is why, when the region requested for additional names they were the ones we recommended. We cannot really avoid cases wherein deserving senior citizens were missed or not selected).*

—Implementer, MSWDO, San Ildefonso

**Errors found within the NHTS-PR echo those of previous research in the Philippines, supported by experience reported internationally of proxy means testing.** This includes the DSWD 2012 report which highlighted that the NHTS-PR should be seen as a “reference point” and not the exclusive means for targeting. It also suggests that the decision of Administrative Order 04, series of 2014, to provide space for LGU staff to establish eligibility, even of senior

citizens not on the NHTS-PR list, was an appropriate one. In understanding this dynamic, it is also worth noting that the issues encountered in use of the NHTS-PR reflect those of other countries which have used the proxy means testing methodology (based on household data) for the purpose of targeting older individuals (see Box 2)

**While errors were reported across all research sites, the extent to which implementers in each have continued to depend on the NHTS-PR varies substantially.** Figure 23 shows the proportion of beneficiaries in each location that were included in the programme according to their “means of inclusion”; that is, whether inclusion was based on the NHTS-PR list, or by validation on the part of the LGU (often as “walk-ins”). The data reveals major differences. In Quezon City, the majority of recipients were enrolled in the programme directly through validation of the LGU, without being included on the NHTS-PR list. At the other extreme, the vast majority of recipients in San Ildefonso were included via the NHTS-PR, with the division being about half and half in Binangonan. These figures align with the picture provided by qualitative evidence. While discussion of walk-in applications were very common amongst pensioners in Quezon City, all pensioners in San Ildefonso mentioned being included without application. Lolo Isidro (77) explained how *“Someone from the barangay told us to go to the municipal hall. It was that easy”*, while two others reported they were visited at home for selection, and a fourth reported being interviewed by an unidentified individual. Lolo Pacing (84) simply explained, *“It is a gift from heaven....maybe because I am already old.”*

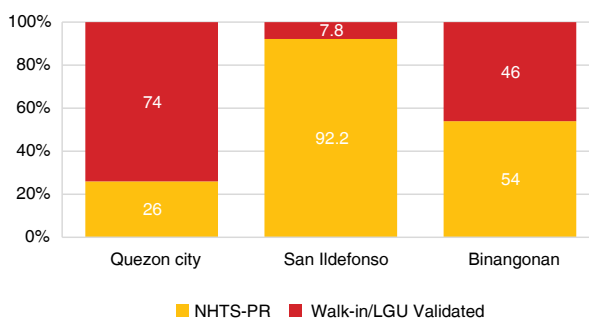
This situation was also shared by implementers in San Ildefonso, who repeatedly emphasised that the beneficiaries were selected from the NHTS-PR list:

“Lahat pong mga mahihirap eh pinuntahan doon sa pantawid, “Pantawid Pamilyang” programa. Oo. NHTS. So doon po binase kung sino po ang bibigyan ng pension. Actually po kami ay walang kinalaman, although may mga recommended sila pero po yun ay galing sa regional office kung saan ito po ay galing din saan o pinili din ng, sa machine hindi naman po talagang hand-pick. Hindi kami ang nagsipili o walang pumili. Ito ay inano sa machine yon, ano tawag dito”

*(All the indigent individuals included in the Pantawid Pamilyang Program were surveyed. That is where we based our selection of recipients. Actually, we do not have anything to do with it, although they recommend some names, but that list came from the regional office wherein the names were selected by the machine, it’s not really handpicked. We did not select, no one selected. It was generated from a machine)*

—Implementer, MSWDO, San Ildefonso

**FIGURE 23: MEANS OF INCLUSION OF SOCIAL PENSION RECIPIENTS  
(NHTS-PR OR WALK-IN/LGU VALIDATED), BY LOCATION**



From the evidence presented here it is not possible to establish whether the greater dependence on the NHTS-PR in San Ildefonso was due to its greater accuracy, or due to other factors. It is possible that the scale of walk-in applicants is linked to general awareness of the scheme amongst potential recipients, and the extent to which walk-in applicants were invited.

#### The validation process

The recognised errors in the NHTS-PR mean that the process of validation by LGU staff is becoming increasingly relevant; however, there is no consistent process for validation. Group discussions with implementers indicate that almost all referred to the definition of the indigent within R.A. 9994, with variation in the weight to which particular elements were given (e.g., health and disability, economic situation or receipt of a pension). Discussions left significant gaps in ascertaining exactly how these dimensions are understood by implementers, and how specific situations are interpreted. The following testimony from Binangonan implementers provides one example of the difficulties encountered in determining eligibility for applicants who, though in severe distress, do not meet the age priority threshold:

“Kasi lahat naman po talaga, frail, sick, bedridden. Hindi ko lang po alam kasi yun po yung ginagawa namin eh. Kasi di ba, nagganun kami para pag nagreklamo to, ‘Bakit ito 80 na nakakatayo. Eto naming si tatay 75 lang?’ Kailangang 75 lang ang ipasok kasi frail, sickly, bedriddensiya yung isa naman nasa frail lang kaya pa niya so eto yung priority. Kasi ito yung, dahil limitado ang budget ng gobyerno.”

*(All of them actually are frail, sick, and bedridden. I just do not know but that’s what we’re doing. We did that so when someone complains, ‘Why is this one 80, 80 but can still stand up. Then tatay here is just 75?’ But he will be the one considered because he’s frail, sickly and bedridden.)*



*Even if he is only 75 years old, he will be the one prioritized because he is already frail, sickly and bedridden. Meanwhile, the other applicant is just frail but he is still more able. This is being done only because the budget from the government is limited.)*

It should be noted that the validation process does not include any form of documentation to record why certain individuals were selected.

The lack of guidance regarding the interpretation of the definition of indigent senior citizens is worrying given the complexity and extent of these issues. This study's Key Informant Interview (KII) participant, Dr. Shelley de la Vega, highlighted the challenge of the variation in definitions for disability, emphasizing the immediate and critical need for both a uniformly accepted definition for program implementation and a valid method for translating any agreed upon definition into local languages.

**The absence of a systematic process for validation opens space for inaccuracy and inconsistency in the targeting, and potentially politicization and clientelism.**

The sense that there was bias and inaccuracy in the selection of beneficiaries was a common theme amongst all focus group discussions. Cases of individuals with other pensions (e.g. SSS pensions) receiving the social pension were raised in discussions, as well as cases where vulnerable individuals were excluded. The testimony of Lola Marjorie in Binangonan highlights how some individuals with other pensions were included in the program, while others who are not well off were excluded due to the adequacy of their housing.

*“Minsan lang mahirap magsalita kasi may pension na nga sila, nakapension pa ulit. . . Nakakatakot na. . . Meron namang iba na nagagalit kasi titignan ang bahay, palibhasa’y maayos ayos ang bahay, hindi na ina-ano dahil may kaya daw sa buhay”*

*(Sometimes it's difficult to speak out because they are already receiving pension, then they are also receiving social pension. It's a bit scary. . . There are others, meanwhile, who get angry, because their houses get evaluated. Maybe it's because their houses look good that is why they are thought of as financially capable)*

**—Lola Marjorie (88), non-recipient, Binangonan**

In the meantime, in one location non-recipients expressed strong opinions that the power to select pensioners rested with the barangay captain. Three of them stated that this was why they had not filed applications.

“Ang katuwiran kasi ng mga kwan dun, sa isang barangay kung hindi apat, tatlo. . . ang makakakuha ng pension. Yung dating pangulo ng OSCA [ang nagsabi nun]. . . Kung hindi tatlo, apat ika ang makakuha. So yung mga namimili naman ilalapit doon sa kapitan kung ano lang ang gusto ni kapitan, kung kalaban ka ni kapitanwala, magtiis ka nalang sa gusto ng kapitan. . .”

*(They reason out that in every barangay there should be only four, three elderly people to receive the pension. So the final decision is with the barangay captain. If you are an opponent of the barangay captain, you really can't do anything about it; you just have to accept the decision..)*

—Non-recipient<sup>20</sup>

In the same location, 34 percent of social pension recipients in the survey reported that the barangay captain had supported their access to the social pension, which seems to validate this qualitative finding. Another respondent in the same location emphasized, in broader terms, how important good connections were, in gaining access to the pension:

“Kwan ‘Eto binigyan ng limang daan,’ ‘Kami wala,’ sabi ko naman. Eh sabi, ‘Mahina ka eh. Kasi palakasan eh.’ Bakit yung iba binibigyan kami wala?”

*(My neighbor said, ‘They gave me P500.’ I said, ‘We did not receive anything.’ She said, ‘You are weak eh. You have to have strong connections.’ Why are they giving others the pension and why are they not giving us the same thing?)*

—Non-recipient

**The process of validation has also placed increased pressure on the time of LGU staff.** This was of particular concern to some implementers in the context of the lowering of the age of eligibility to 65 in 2015. As one implementer explained:

“Napakadami [ko ng iniinterview] araw-araw kasi this year binabaan na ‘yung edad. From seventy-seven to sixty-five. So araw-araw, napakadami. Kelangan ko pa ng isang kasama dun para mag-interview,”

*(Nowadays I am interviewing a lot of elderly people because the age criterion has been lowered. From seventy-seven to sixty-five. That is why everyday, a lot of people come. I really need someone to assist me in interviewing)*

—Implementer, OSCA, Quezon City

<sup>20</sup> In this case, the respondent has been left anonymous as providing the location could make it possible to identify the specific barangay captain in question.

**As a consequence of the high workload, an increasing number of LGUs have looked to external groups to provide support for the validation process.** This approach has been particularly common in Quezon City, where the LGU employed a team of retired employees to support a number of activities including the validation of listed applicants within their own communities. In this case, the city Social Services Development Department (SSDD) manages a volunteer program for older people (comprised mostly of those who have retired from public office) to be actively involved in their communities. While called volunteers, these individuals receive a stipend for their participation. Following new guidelines issued by DSWD allowing walk-in applicants, a surge in applicants prompted SSDD to deploy this volunteer team to assist the local OSCA whose human resource capacity had been depleted to a sole administrator for the program. However, this supplementary service, while considered useful by program implementers, entails additional costs to the local government unit which other low income municipalities may not be able to afford.

Other regions also seem to be looking to this approach. A staff member from the MSWDO in San Ildefonso suggested granting presidents of barangay senior citizens' associations more authority in the selection and recommendation of names of qualified senior citizens in their communities.

“Palagay ko magandang mabigyan natin ng pagkakataon po siguro yung mga pangulo. Alam na alam nila yun, kung sino ang karapat-dapat na tumanggap bukod po sigura sa NHTS na sinasabi natin. . . ngayon e kung ipagkakaloob ko sa bawat pangulo sa isang barangay yung higit na karapat-dapat mabigyan ng tulong, palagay ko hind magkakamali ang pagbibigay ng tulong na yun at sa mas higit na nangangailangan, kasi mas higit na nakakakilala kasi taga-roon sila sa barangay na yun eh alam nila kung talagang kailangan na kailangan”  
*(In my opinion, we should give the presidents a chance. They know very well who among their constituents are really deserving. This can be taken into consideration aside from the NHTS. If we do that, I think there will be less mistakes in selection and distribution of help, and the pension will be given to those who are more financially needy. This is because they know them well. Because they live in the same barangay, they know if they really need it)*

—Implementer, MSWDO, San Ildefonso

**There are, however, some significant issues to be considered in including volunteer groups.** First, while volunteer groups may have a strong understanding of who are the more vulnerable senior citizens in their locality, it would be erroneous to believe such volunteers are entirely unbiased. This role

may therefore expose the program to additional opportunities for clientelism, especially given that a systematic process for applying the definition of indigent senior citizens does not exist. Secondly, it appears the extent to which LGUs can rely upon unpaid volunteers to give their time varies significantly between locations. In Binangonan, despite efforts to include some barangay senior citizens' association presidents in the validation process some refused due to the lack of incentive. This has been found to burden day-care workers in the municipality as the presidents often relegate such work to them. There are barangay captains who also volunteer to take over the validation work in the community; however, other barangays are simply neglected. This leaves little option but for the DSWD and OSCA to exert staff time in the targeting process.

### AWARENESS AND ACCOUNTABILITY

**The nature of the targeting process helps to explain the relatively limited awareness and understanding of the program, especially amongst non-recipients.** The survey asked non-recipients where they had heard about the social pension and 40 percent across the three locations said they still did not know about the scheme. This is despite the fact these respondents were listed on the LGUs waitlist. This is likely due to the fact that these recipients would have been listed on the NHTS-PR database, but were not yet enrolled in the program. The picture is echoed in FGDs, where many non-recipients appeared unaware of their wait-list status. One such FGD participant thought it was unlikely that older people not enrolled in the program would be aware of it.

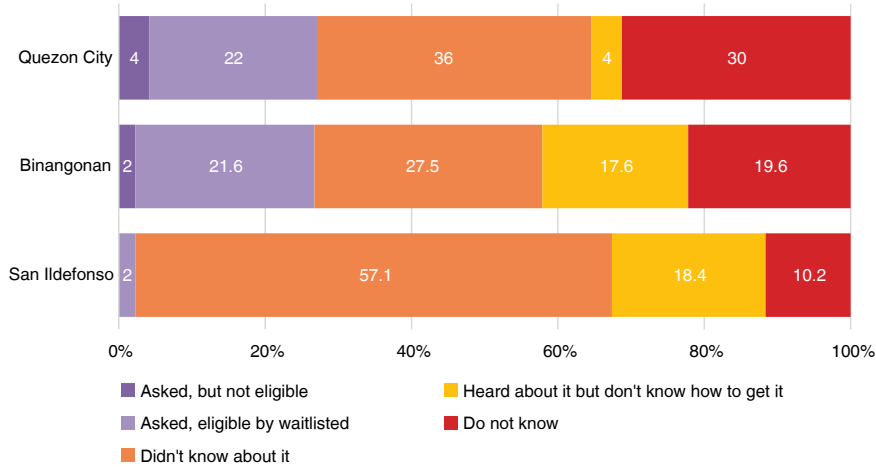
“Hindi yata alam nung iba yung programa. Siyempre yung nagdadala ng senior citizen, halimbawa ganiyan tinatawag ang mga senior citizen, ay baka hindi sinasabing kasama ka na dun”

*(Others probably don't know the program. Whenever the senior citizens are called for, maybe they are not being informed that they are included),* he said.

—Lolo Serafin (82), recipient, Binangonan

Figure 24 presents these results disaggregated by region. One particularly interesting observation is that knowledge of the social pension is particularly low in San Ildefonso, the study area seemingly most dependent on the NHTS-PR for targeting.

**FIGURE 24: REASONS FOR NOT RECEIVING THE SOCIAL PENSION (NON-RECIPIENTS) BY REGION**



The situation is somewhat different in Quezon City and Binangonan, where a lower portion of non-beneficiaries (between 28 and 36 percent respectively) were unaware of the program. The greater awareness in Quezon City, however, appears to be the result of person to person (word-of-mouth) information dissemination rather than awareness raising efforts by the government. One implementer reported that the process of undertaking community investigations (CIs) had, by bringing investigators in contact with current or potential recipients, inadvertently created visibility for the program:

“Halimbawa nag-CI nasa area, s’yempre ‘pagnasa barangay ka “Ano ‘yan? Ano ‘yan?” ‘diba? ‘Dun po nag ka-kaalaman so ‘yung iba nagwo-walk-in na. Kumbaga dumami nang dumami ‘yung walk-in namin”  
*(For instance, when a CI is done in the area, of course if you are in the barangay, you might ask, ‘What is that? What are they doing?’ They find out about the program right there and then, which is why they choose to apply. That is how our walk-in applicants increased).*

—Implementer, CSWDO, Quezon City

The way in which awareness of the social pension was created through word-of-mouth was also echoed in focus group discussions with recipients and non-recipients in Quezon City. One recounted hearing of the social pension while talking to other senior citizens at a cinema, while another non-recipient reported hearing about the pension at a sporting event.<sup>21</sup>

“Tinanong niya sa amin.. “Nagpe-pension kana?’ sabi niya. ‘Saan?’ sabi ko. . . Sabi niya ‘Sa senior citizen.’Sabi ko, “Hindi. Hindi naman kami nag-apply eh.’ ‘Mag-apply kana! Pwede.’‘Saan?’ sabiko.‘Sa city hall,’ sabi niya.Pumunta naman kami agad.Siya lang ang tinanggap dahil ano lang ako noon..seventy-six,”

<sup>21</sup> In Quezon City, senior citizens are entitled to free entrance to cinemas at certain times during the week.

*(‘Are you receiving a pension already?’ he asked. ‘From where?’ I asked. He answered, ‘From the senior citizen.’ I said, ‘No, we’re not. We did not apply.’ ‘You should apply now! It’s open.’ ‘Where?’ I asked. ‘In the city hall’ he answered. We went straight to the city hall. But only his application [referring to her husband] was accepted because I was still 76 years old during that time)*

—Lola Merlinda (77) recipient, Quezon City

*“Yung naaawa ako, tumutulong pa rin ako..maramina akong natulungan. Lalo na ‘yung mga bedridden. . . yung mga anak ang sinasabihan ko. Mabuting nagse-share ka sa iba,”  
(I help those who are in a very pitiful condition. I was able to help many, especially those who are bedridden. I inform their children [about the program]. It’s really good to share with others)*

—Lola Thelma (80), recipient, Quezon City

**The low level of awareness has negative implications for transparency and accountability of the program.** For social protection programs to be accountable, it is crucial that, first, the intended recipients have an understanding of the purpose of the program and how it ought to function and, second, have appropriate channels to air complaints and grievances. The implementation of the social pension appears to fall short on both these counts. One fundamental issue is that, from the perspective of LGUs, the implementation of the scheme is made easier when there is limited awareness and understanding of the scheme amongst both recipients and non-recipients. Greater awareness would likely increase the number of walk-in applicants, as well as the number of validations and CIs.

**The low levels of accountability of the program are revealed by the sense among recipients and non-recipients that making a complaint would be inappropriate or futile.** For example, one San Ildefonso non-recipient reported frustration by the perceived unfairness of the targeting process, but that nothing would be gained from raising such concerns:

*“Hindi naman kami nagreklamo eh. Daldal ka ng daldal dyan eh wala rin namang mangyari”  
(We don’t really complain. You will speak out but in the end nothing will really change)*

—Lolo Johnny (77), recipient, San Ildefonso

There was also a strong sense of shame and embarrassment amongst FGD participants at the prospect of initiating complaints and/or seeking changes as regards program implementation.

“Eh baka magalit sa amin. Baka mamaya sabihin, halimbawa ako lang mag-isa nagrereklamo, sabihin yung ibang mga kasama mo nga hindi nagrereklamo ikaw reklamo ka ng reklamo. Kaya wala, walang nagrereklamo. . . Halimbawa ako’y nagrereklamo ako, yung iba walang kibo, eh di ako lang yung mapapahiya. . . Hindi sa natatakot. Sasabihin reklamo kang reklamo samantalang yung iba hindi nagrereklamo,”

*(They might get angry with us. For instance, if I am the only one who complains, they might tell me that the others are not complaining at all, so why am I doing so? That is why no one dares to complain. If I complain and the others remain silent, I will be the only one who will get embarrassed. It’s not that I am afraid. It’s just that they might say I complain a lot when others don’t see any problem at all),*

—Lolo Serafin (82), recipient, Binangonan

Similarly, demands to see an increase in the benefit was reported as being seen as “abusing” local authorities.

“Sana sila na nakakataas, sila na maawa sa amin. Alam naman nila ‘yun eh. Hindi na kami dapat nagsalita eh. Baka sabihin mga abuso kami ‘di ba? Sila na ang bahala sa amin”

*(I hope those who are in power, the authorities have mercy for us. They already know it. We should not complain. If we do, they might accuse us of abusing them, right? So how they handle us is up to them.)*

—Lola Thelma (80), recipient, Quezon City

**These issues highlight the need to increase awareness of the scheme and incorporate clear accountability procedures; however, these create challenges in the context of the current targeting approach.** The relatively modest administrative burden of the project seems to depend, to a large extent, on the low awareness of non-recipients. Were information to be disseminated more widely, it is likely that the number of walk-in applicants would increase substantially, thus increasing the number of CIs to be undertaken. Similarly, while there is a need for a functioning complaints system, these are only of value if there are clear channels for complaints to be dealt with and resolved. For complaints relating to the selection of beneficiaries, it is unclear what the channels for resolution would be in the context of the high level of subjectivity in the validation process, as well as the lack of a systematic documentation process to use as a reference point in processing complaints. In this sense, it is likely that the strengthening of accountability systems must form part of a broader effort to strengthen the design and operations of the program.

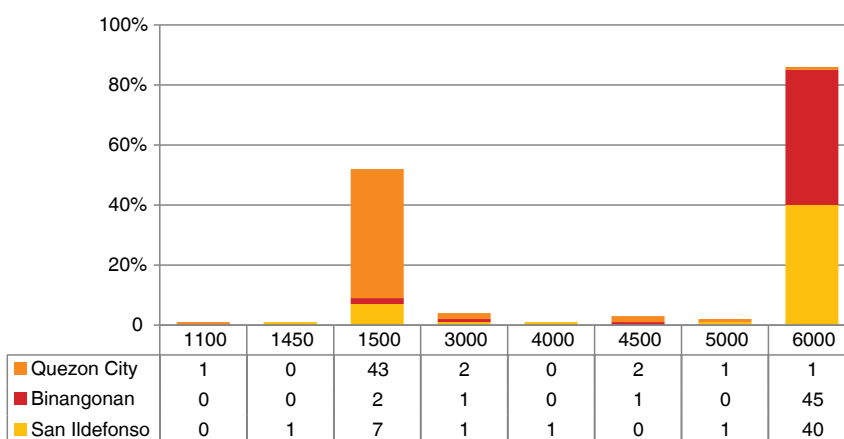
### DELIVERY OF THE BENEFIT

The size of the last benefit received by social pensioners varies significantly, although this variation seems to be almost exclusively due to the payment of retroactive payments in late 2014 and early 2015. The size of benefit level received by respondents in their most recent disbursement are presented in Figure 25. Most respondents (almost exclusively in Binangonan and San Ildefonso) reported receiving PhP 6,000. The reason for the high benefit is that the payment of the social pension was halted for up to 12 months in many parts of the country in 2014 to provide for the special validation process. The PhP 6,000 benefit therefore constitutes a lump sum of 12 months' worth of pension payment. Most of the remaining beneficiaries (and almost all of them in Quezon City) received PhP 1,500 in their last payment, a standard quarterly payment of the benefit. Further examination of the data shows that most of the PhP 6,000 payments (97 percent) were made 4-5 months before the survey was undertaken (i.e., the last quarter of 2014). By contrast, most of the PhP 1,500 payments were made just two months prior to the survey (i.e., early 2015). This suggests that while most of the recipients in San Ildefonso and Binangonan had not received any payment since the PhP 6,000 retroactive payment in late 2014, most recipients in Quezon City had already received their first quarterly payment of PhP 1,500 by the time of the survey. This inconsistency reflects a broader picture across the country. The Social Pension Program Accomplishment Reports published by DSWD highlight that the frequencies of payments made during and after the special validation are not consistent across the country, or between different recipients within each area.<sup>22</sup>

<sup>22</sup> See <http://data.gov.ph/catalogue/dataset/social-pension-program-accomplishment-report> (Accessed 20th October 2015).

Figure 23 shows that there were also 2 respondents who reported receiving benefits that were not multiples of PhP 500 (1,100 and 1,450 respectively). There is potential that this is because the individuals were under- or over-paid, however, this issue would need further investigation that goes beyond the scope of this report.

FIGURE 25: SIZE OF LAST BENEFIT LEVEL RECEIVED



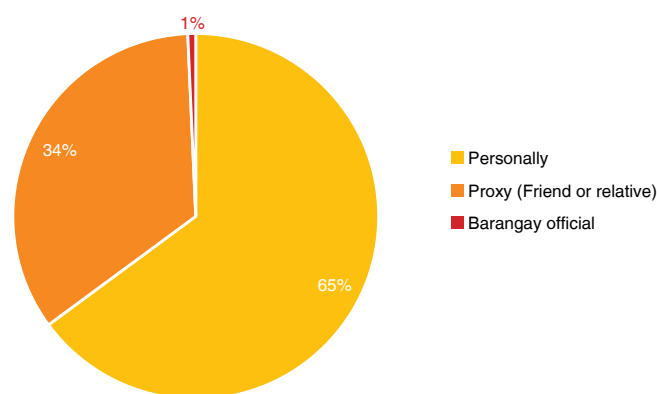
The disruption of payments during the special validation process appears to have contributed to a low level of understanding of the benefit level, and may have had deeper implications for the impact of the program. Overall, almost a fifth of recipients (19 percent) remain unaware of the expected benefit amount.



This issue is most acute in Binangonan (29 percent), trailed by San Ildefonso (18 percent) and Quezon City (10 percent). It is also possible that the pause in benefits has lessened the overall impact of the program. It is widely recognized that the impact of a cash transfer is not only a result of the size of the amount delivered, but also its regularity and predictability. This predictability can allow households to plan for the future and better deal with shocks and crises.

**Around a third of recipients (34 percent) have the pension collected by a proxy, such as a relative or family member, with the remainder collecting in person.**<sup>23</sup> The figures found here are not dissimilar to a study of a social pension in rural Tanzania, that found between 28 and 40 percent of pensioners did not collect their pension in person.<sup>24</sup> While respondents were not asked the reason for electing a proxy, there are strong indications that this is due to the higher levels of disability and ill health that would make it difficult to travel to a pay point. Computing an index of extreme disability and then comparing scores between those who collect their pensions in person to those who elect a relative or family member to collect their pension reveals that, on average, those who collect their pensions in person are less likely to suffer from multiple forms of extreme impairment as compared to those who have their pensions collected by a relative or family member (M=.29, SD=.22; M=.46, SD=.28).<sup>25</sup> Albeit a limited sample, the association between disability is significant and modest ( $r_s = .392$ ,  $p < .01$  2-tailed). The evidence here supports the supposition that increased physical impairment among recipients entails greater reliance on others for receipt of their benefit.

**FIGURE 26: HOW SOCIAL PENSION WAS COLLECTED (IN PERSON, OR THROUGH PROXY)**



**For those that do travel to pay points, the process tends to be time consuming.** Figure 27 shows the average (mean) time spent travelling to and from the pay point and waiting for the payment. On average, the return journey to the pay point takes over an hour for recipients (72 minutes), with the time taken being slightly higher in Binangonan and Quezon City. One reason for this may be that

<sup>23</sup> One respondent in San Ildefonso reported receiving the benefit from a Barangay Official.

<sup>24</sup> Heslop, Mandy, and Stefan Hofmann. 2014. *Towards Universal Pensions in Tanzania: Evidence on Opportunities and Challenges from a Remote Area*, Ngenge Ward, Kagera. London

<sup>25</sup> The index is calculated as an average of cumulative dichotomous variables summed across functionings with 1=extreme disability and 0=none or some disability; A value of 1 entails extreme disability across all 7 domains.

some of the recipients come from island barangays, requiring travel by boat to the mainland to receive their benefit. An even longer time is spent at the pay point; in Binangonan, an average of six and a half hours is spent waiting for the pension (393 minutes), with lower (but still considerable) time spent in remaining study areas - at nearly four hours in Quezon City (232 minutes) and close to 3 hours in San Ildefonso (163 minutes).

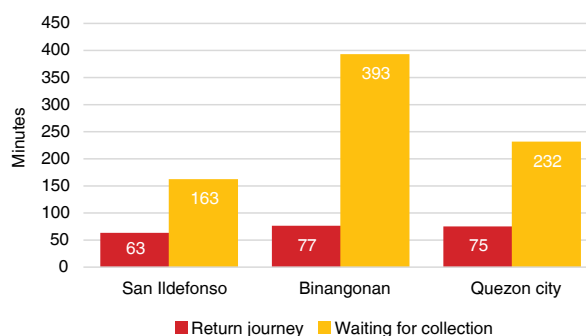
The long waits at pay points emerged as a topic of concern in a number of FGDs, with those late to arrive suffering the worst of the time costs.

“May number kami eh. Ang nakuha kong number 76. Eh kawawa yung nahuli. Umabot nang 300.Oo, eh nakakuha ako siguro mga bandang alas-dyis na”

*(We were given numbers. I got number 76. Those who came late were pitiful. The people who came numbered 300. I was able to claim my pension at around 10am already)*

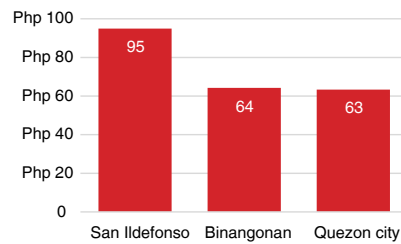
—Lolo Serafin (80), recipient, Binangonan

FIGURE 27: TIME TAKEN FOR COLLECTION OF PENSION



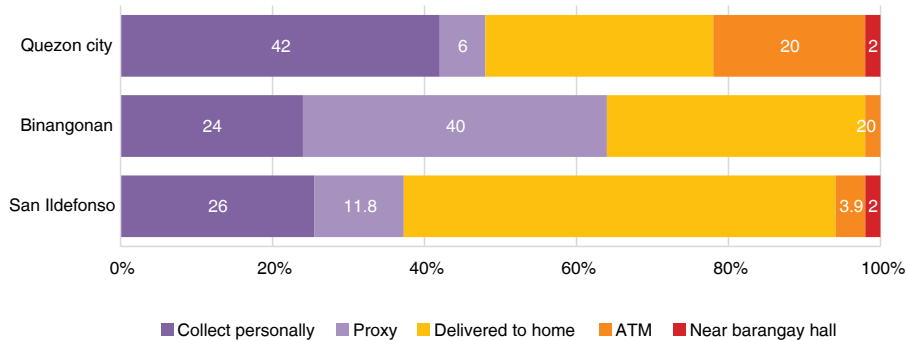
Travel to the pay point is also costly relative to the pension, constituting an average of 5 percent of the quarterly benefit paid. The amount paid for travel to the pay point ranged from zero to PhP 360, with an average (mean) payment of PhP 74.3 . This means that an average of 5 percent of the quarterly benefit of PhP 1,500 is being spent on collecting the pension. The costs by region are presented in Figure 28, with San Ildefonso illustrating particularly high costs. Such high costs are due to the dependence of the vast majority of recipients on public transport. The use of tricycles and jeepneys are common across all study locations, while bus and taxi were also reported in Quezon City. Only in Quezon City do recipients report walking as their means to access the pay point, and this only includes 14 percent of recipients there. Close to a third of recipients (28 percent) in Binangonan use a *bangka* (boat) to reach the pay point.

**FIGURE 28: MEAN COST OF RETURN TRAVEL TO PAY POINT**



Given the substantial time and costs associated with collecting the pension, many recipients indicated a preference for alternative modes of delivery. While a large proportion of respondents would still prefer to collect in person (31 percent) or via a proxy (19 percent), 40 percent of respondents overall reported that they would prefer the benefit to be delivered at home. Figure 29 presents these preferences disaggregated by study location. San Ildefonso ranks highest in preferences for home delivery, likely associated with the high costs of collecting benefits discussed above. Quezon City, in comparison, shows relatively high levels of preference for collection in person and the use of ATM services (20 percent of recipients), which showed limited support in other regions.

**FIGURE 29: PREFERRED METHOD OF COLLECTING PENSION**



While the preference for alternative delivery systems is strong, there are a number of reasons why caution should be taken in a rush to door-to-door delivery. One major issue with this approach is that it would likely mean that a larger portion of the budget would need to be spent on this system, rather than being allocated to transfers to beneficiaries. There are also some concerns about the security of door-to-door delivery, illustrated by one FGD respondent who preferred to collect in person:

“Gusto lang namin mapuntahan’dun. . . Hindi natin alam kung sasabihin ‘dun “Pagpunta ko dun. Tapos pagbalik ‘dun, hinoldap ako.” Merong ganyan. Kahit ‘yung mga sulat namin, ‘di nakakarating. Pati ‘yung mga kapitbahay namin, ‘pagtinanong “Kilala mo ‘to?” Kahit kilala kami, sabihin hindi. “Ano ‘yan?” “Sulat.” Hindi alam na may laman ‘yan”

*(We just want to go there [and claim it ourselves]. . . We really don’t know. The courier might pretend that he got robbed. There are cases like that. Even simple letters don’t get delivered. And even our neighbors [can’t be trusted]; when couriers ask them, ‘Do you know this person?’ They will say ‘no’ even if they do know us.)*

—Lola Lorena (83), recipient, Quezon City

In this context, regarding alternative approaches to delivery, there is a need to explore a wider set of options increase the accessibility of pay points while maintaining a reasonable level of administrative cost for the programme. Mobile money transfers, explored as an option in the payment of the 4Ps, is a promising option, but which would also face important considerations given the cognitive and physical status of recipients.

**Whatever the method employed, due consideration of the security of the payment method is a necessity.** Issues of security were raised by many FGD respondents, and appear to be a growing concern amongst older people given their greater levels of immobility and ill health. One recipient participant reported being a victim of robbery wherein her personal bag was knifed open after receiving her pension. Despite the thwarting of the theft, the experience has prompted her to take action to prevent future theft.

“Eh..wallet-wallet ko din. Pine-perdible ko—Isaksak ko dito. Naglalabas lang ako ng pamasaha. ‘Yung pera naka-perdible sa wallet ko—dito sa panty ko. Tapos isiksik ko d’yan. ‘Ingatan mong pera mo, baka mawala.’Sabi ko ‘Oo.’ ‘Ipeperdible ko sa panty ko.’ Kaya pag—pagkabigay sa akin, direktso ako sa CR. Tapos labas ako pamasaha, uwi. . .”

*(I pin my wallet. I tuck it here. I just set aside money for my fare. Then I pin my money to my wallet, and pin my wallet to my panty. Then I will tuck it here. They say, ‘Take care of your money. Don’t lose it.’ I say, ‘Yes I will.’ ‘I pin it in my panty.’ That is why, after claiming the money, I go straight to the comfort room. Then I just set aside money for my fare home)*

—Lola Lorena (83) recipient, Quezon City

## SUMMARY

**For selection of beneficiaries, issues exist in both the use of the NHTS-PR and the process of local-level validation. This suggests there is no “win-win” option for targeting indigent senior citizens.** Evidence from focus group discussions with implementers echo a growing realization amongst national policy makers that using the NHTS-PR for targeting indigent senior citizens results in a high degree of targeting errors. Such errors are unsurprising given that the NHTS-PR was not designed to target issues of old age poverty. The extent of these errors echoes international experience in the use of proxy means testing for the targeting of pensions. The issues with the NHTS-PR place greater onus on the validation process for the selection of beneficiaries, yet this system remains highly subjective and lacking in systematic processes. While this can be strengthened, boosting the validation process will likely entail a major increase in the cost of administration at local and national levels.

**These issues are reflected in the experience of older people receiving the social pension, and those on the waiting list.** There is a widespread sense that much of the targeting is biased or inaccurate. Additionally, understanding of the purpose of the scheme is low amongst recipients, while many non-recipients only become incidentally aware of the scheme. This provides a weak foundation for transparency of the scheme, and for ensuring that it is implemented in an accountable fashion. It also results in the perception that the scheme is a “blessing” or a “gift”, rather than an entitlement mandated by law.

**Finally, a strong need remains for improving the delivery mechanisms of the social pension.** Older people are currently expected to devote a significant amount of time collecting their benefit, and incur substantial travel expenses. This situation works against the benefit of the program itself and the wellbeing of recipients.

# CONCLUSIONS AND RECOMMENDATIONS

**T**he overall picture provided by this study is that the social pension is providing an invaluable support to a selection of vulnerable older people, but falls short of making a substantial contribution to addressing the economic challenges of old age in the Philippines. In most cases, those receiving the benefit are clearly very vulnerable, yet the targeting system seems to be leaving out a large proportion of older people who are equally, if not more, vulnerable. In the meantime, while the scheme is providing an invaluable support to recipients, the findings highlight the limits of a benefit of PhP 500 in truly supporting the basic needs of older people and their families.

On the basis of the findings, the report proposes the following recommendations:

1. Two key issues relate to the **design** of the scheme, that should be considered by the mandated Congressional review:
  - a. The widely recognized limits of the low **benefit level**, confirmed by this study, suggest that serious consideration should be given to increasing the benefit level of the scheme.
  - b. The experience of the targeting processes suggest there is no “win-win” **targeting methodology** for the scheme while it continues to target a very small proportion of the population of senior citizens. International experience shows there is no easy way to accomplish targeting, and the Philippine experience illustrates this. On this basis, there is scope to consider revising the definition of *indigent* to include a broader set of vulnerable older persons, while also considering the feasibility of more universal approaches to a social pension.
2. In the meantime, while the **targeting approach** (and definition of the indigent) remain the same, it is proposed that this is strengthened in two key respects:
  - a. Given the major issues identified in the accuracy of the **NHTS-PR**, the government should continue to use it primarily as a **reference point, rather than a pre-requisite for eligibility** to the social pension.
  - b. While processes of **local validation** are inherently subjective, the process can be better systematized through clearer guidance on how to interpret the definition of indigent.
3. To strengthen **accountability** of the scheme:
  - a. Efforts should be devoted towards increasing **awareness** of the scheme amongst potential recipients, including a comprehensive communication plan targeting different audiences.
  - b. Clear mechanisms for submitting **grievances and complaints** should be strengthened and publicized.
  - c. Validation processes should include a process of documentation that allows potential recipients to query decision making processes regarding eligibility.
4. DSWD should work to explore improved mechanisms for **delivery**, including provision of alternative mechanisms. These should aim to limit security risks both to implementers and pensioners as well as substantial deduction from the benefit level incurred from local transportation.

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# ANNEX I. FURTHER NOTES ON METHODOLOGY

## SURVEY PRE-TESTING

The survey questionnaire was pre-tested in two separate areas to simulate the differences in the actual target areas - Quezon City and Sto. Tomas, Batangas. Quezon City in the National Capital Region was chosen for its urban character, while Sto. Tomas, Batangas was selected for its relatively rural setting. A total of eight recipients and non-recipients from both sexes from the two areas were interviewed for this purpose. Possible contamination resulting from pre-tests was avoided.

While the decision was made prior to interviews that respondents should include recipients aged 77 and older, extenuating circumstances arose wherein the identification and enlistment of male recipients became overly limited. To resolve this issue, the decision was taken to interview four female recipients, one female non-recipient, one male recipient and four male non-recipients. To balance the possible gender bias, interviewers were directed to purposively target one male pensioner outside the selected area, resulting in the inclusion of an individual from neighbouring Pansol, Quezon City. Most of the comments derived in the pre-test involved difficulty in the use of the 100 counters to help respondents provide a clearer accounting of the relative share of the various sources of income and expenditures. It was noted that the difficulty lay in the concept itself, new to both interviewers and respondents.

## FOCUS GROUP DISCUSSIONS

A total of 9 FGDs were carried out in the course of this study. These involved specifically 3 groups per area, with each group comprised of: (1) 4-6 older persons who were currently receiving social pension; (2) 4-6 older persons who are non-recipients but were, at the time of the interviews, on the waitlist; and (3) 4-6 program implementers (e.g. LGU representatives, OSCA heads/officials, FSCAP officials, COPAP officials and social workers). Participants were purposively selected from a list of elderly residents/officials provided by the LGUs in each of the respective research sites. A total of 35 recipients and non-recipients were interviewed in the three study areas. FGD items were not pre-tested. The other three FGDs for the service providers included representatives from the following offices:

<b>Quezon City</b>	<ul style="list-style-type: none"><li>■ Office of Senior Citizens Affairs</li><li>■ Confederation of Older Persons Associations of the Philippines</li><li>■ Social Services Development Department- SSDD (City Social Welfare and Development Office)</li></ul>
<b>San Ildefonso</b>	<ul style="list-style-type: none"><li>■ Federation of Senior Citizens Association</li><li>■ Office of Senior Citizen Affairs</li><li>■ Mayor's Office</li></ul>
<b>Binangonan</b>	<ul style="list-style-type: none"><li>■ Office of Senior Citizen Affairs</li><li>■ Municipal Social Welfare and Development Office</li><li>■ Federation of Senior Citizens Association</li></ul>

All field instruments were translated to Tagalog, the common language spoken in all three sample areas.



## SAMPLING AND STUDY LOCATIONS

As the barriers to implementing a comprehensive probability sampling approach compromised such a design, a two stage approach was implemented involving the purposive sampling of survey locations followed by a simple random sampling of recipients and non-recipients acquired from the DSWD (in the case of Rizal and Bulacan) and from the OSCA Office (for the Quezon City) for the selected primary sampling units (PSUs). Inclusion was limited to those 77 years and older at the time of the survey. Locations were selected to provide variation of geographic areas, representing urban and rural settings (i.e., typical cases), within budget limitations. These locations are: Quezon City (District 3), NCR; San Ildefonso, Bulacan; and Binangonan, Rizal - representing a highly urbanized area, rural and rural-island settings, respectively.

Recipients are taken from lists of those currently receiving the pension, while non-recipients are drawn from a waiting list of those who have been identified but, for certain reasons, have not been included for receipt. It is important to note that both recipients and non-recipients are those already validated as “indigent”. The implication is that statistical comparison of these groups can tell us little about the accuracy of the targeting of the scheme, as both constitute those targeted for the scheme.

## STUDY LOCATIONS

The Philippines is organised into 17 regions, 81 provinces, 144 cities and 1,490 municipalities. The smallest administrative division is the barangay, totalling 42,028. Due to the small size of barangays and the limited number of social pension allotments per barangay, an adequate sampling frame was unlikely to be obtained at this level. Instead, the municipal/city level was used as the sampling frame, since this is also where the Local Government Units, including OSCA, sits and where the lists of senior citizens and social pension beneficiaries are maintained. Given the very dense population of Quezon City, the decision was made to focus on one of its six districts (District 3).

Table 1 provides a summary of the study location and the number of respondents for each type of field strategy.

**TABLE I: STUDY LOCATIONS AND DETAILS**

Island group	Region	Province/City	Municipality/Local Government Unit	Type of place	Survey: Beneficiary & non-beneficiary	Focus Group: Beneficiary / non-beneficiary	Focus groups with implementers
Tagalog speaking Luzon	NCR		Quezon City (District 3)	Highly Urbanized	50 + 50	1 + 1	1
	Region III	Bulacan	San Ildefonso	Rural	51 + 49	1 + 1	1
	Region IV A	Rizal	Binangonan	Rural island	50 + 51	1 + 1	1
							Key informant interviews: 1 gerontologist
Total					301 respondents	6 FGD	3 FGD 1 KII

## LIMITATIONS

As the study is geographically limited in scope, it will not provide a comprehensive review of the social pension on all beneficiaries, or statistically generalizable data. The three provinces which have been chosen for the study (NCR, Bulacan and Rizal) are also not the poorest in the Philippines. For example, the poverty incidence in NCR (at 3.8 percent) is significantly lower than for that of the country as a whole, at 22.3 percent (PSA, 2012).

## DATA COLLECTION

Participants for field interviews were, as mentioned, previously, taken from an official list of recipients and non-recipients per municipality/city from the concerned regional and municipal/city offices of the DSWD. In the case of Quezon City, the list was endorsed by DSWD to the OSCA Office. The list served as a sampling frame. From this list, a sample of recipients and non-recipients was randomly selected, divided equally by sex, using systematic random sampling without replacement (i.e. 50 pensioner and 50 non-recipients per study area). Some delays were experienced in the acquisition of the list owing to the necessity of validating the existence of recipients on the list (e.g. names of deceased recipients were removed from the list). Aside from Quezon City, the list provided an adequate number of cases needed for the sample size per area (50 recipients and 50 non-recipients, refer to Table 1 above). For Quezon City, additional respondents were taken from a barangay in neighboring District 2 owing to the deficit of male respondents in District 3.

The survey, focus group discussions and key stakeholder interviews were carried out by fieldworkers of the Demographic Research and Development Foundation (DRDF) in these three study locations. DRDF managed and supervised fieldworkers and conducted a one-day training for field interviewers to orient them with the research area, tools and methods. Training included a mock interview of actual recipients and non-recipients of the social pension.

## DATA ENTRY AND ANALYSIS

Upon completion of the field interviews and the initial field edits, the completed questionnaires were sent to DRDF for data processing. The submitted field questionnaires were subjected to an additional round of office edits prior to data entry using the CS Pro software package. Initial data analysis of the survey data was done using SPSS software, producing descriptive statistics and cross-tabulations. DRDF also carried out initial analysis of the transcripts from the focus group discussions and the KII.

Notes from the focus group discussions and key stakeholder interviews were transcribed and translated to English by DRDF researchers.



“ I will spend [social pension] on rice, viand, coffee, sugar. Those are basic human needs. Those are what we really need . . . If the pension is bigger, we would be able to buy more..

—Female pensioner, 90, Binangonan Rizal

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