

# **Life transformation and social security structure in a rural area of the Philippines.**

Year: 1998

Place of fieldwork: The Philippines

Name: Mami KAGAWA

**Keyword:** PhilHealth, poverty program, agricultural development, rural government

## **Research background**

The Philippines has various social security systems, including the Social Security System (SSS), which handles retiree pensions, accidental injury benefits, accident and sickness benefits, workers' compensation benefits, and maternity benefits as well as the Philippine Health Insurance Corporation (PhilHealth), which handles health insurance. PhilHealth was established in 1995. In the eyes of the law, every citizen is a member. However, amongst the poor, there are many who find it difficult or cannot afford to pay their premium after joining. Given this, the Medium-Term Philippine Development Plan for the period 2004 to 2010, "MTPDTP 2004–2010," was made and carried out in order to reduce poverty in farming villages, where it is common.

## **Research purpose and aim**

The poverty rate for the entire country is 32.9%; there is a significant salary gap between people in urban areas and those in rural areas. As such, it is essential to check the status of the SSS and PhilHealth in rural areas. In addition, concrete research was carried out in regard to the previous main projects of MTPDTP 2004–2010, including support to companies and cooperatives in farm villages, the construction of agricultural roads, the securing of land, financing and providing technology to farmers and local villagers, reducing middle exploitation in production for farmers and fishers, and providing emergency and recession support, thereby improving the lives of the poor in farming villages.

## **Results and achievements of fieldwork**

The poverty rate of the East Negros state (the research site) is 49%. The poverty rate of urban areas is 27.2% whereas it is 54.7% in rural areas. Two reasons for this are postulated. The first is that there is a great deal of agricultural labor on sugarcane plantations in plains areas in farming villages who cannot reap the benefit of land reforms. The second is that the upland areas which occupy 69% of the state have a topography that makes agriculture difficult. The research site, Valencia, is next to the

state capital, Dumagete. It is in a coastal area, but Mt. Tarinis (1904 m) is in the town. Because of this, five of the 25 villages that compose the town of Valencia are on a sloped area. I researched the agricultural development program for mountain farmers that was started in 2003 by the local government in Valencia, gradually started by the transfer of administrative powers to local government in 1991.

Valencia, which places an emphasis on having health insurance, subsidizes the insurance premiums of PhilHealth. For example, if a household pays for three months then Valencia will pay for the other nine months. Furthermore, the town has developed primary health care centered on a public health institute and provides biannual medical checkups and medicine free of charge. Given this, many households join PhilHealth. There was a case in which a household that could not afford to pay the health-care costs from PhilHealth sold their land. The poorest of the poor households who cannot afford to pay for even three months I would not do join. In contrast, the join rate of SSS is quite low because there was no preferential treatment such as that with PhilHealth.

The paving of the roads to the upland villages has been carried out rapidly over the past few years. Also, programs related to agricultural technology training, the distribution of cheap fruit seedlings,(It is correct) or cash crops and dairy have been attempted. These government-funded projects that support the entire process from cultivating to selling have resulted in large profits for farming villages. Many cooperatives collapsed by a lot of farmers were unable to repay their loans.

The poverty programs of the Philippines face a variety of problems such as small budgets for the project, fraud due to faulty selection processes and lack of power for program operation in regional areas. There were many cases in which funds were used effectively for projects in Valencia. The geothermal power plant in Valencia enabled a large amount of taxes to be collected, including a pollution reparation tax.

### **Implications and impacts on future research**

An NPO named Lifebank supports farmers by providing small loans and medical help; many farmers have joined it in Valencia. In the Philippines, there are numerous NGOs and NPOs that why we watch not only government institutions but also .NGOs and NPOs project. Although the present research focused solely on the relations between farmers and government institutions, in the future, a consideration of the existence security structure that includes the relations between farmers and aid organizations is needed.