

Asian Roundtable on Social Protection Network Newsletter

December 2019

Organizing and fighting for social protection for all in Asia



Strategy workshop concluded in Vientiane

10 October 2019 / AMRC

The Oxfam in Laos concluded an intensive 4-day workshop last 09 – 12 September 2019 at Vientiane, where more than 30 participants, coming from various sectors and provinces in Laos, came together to discuss strategy for promoting transformative social protection in the country in the next 2 years.

The Laos government recently created a new social protection policy, which was preceded by Laos in 2015 signing up to the 2013 Association of South East Asian Nations (ASEAN) Declaration on Strengthening Social Protection. In 2017, Laos identified 3 priority areas for social protection, namely universal health coverage, extending social security for all Lao people and social welfare for the vulnerable people but challenges remain in the implementation.

The development entails grassroots group to grasp and understand the complexity of the schemes and allow them to articulate their demands vis-à-vis the priorities of the government. A deeper understanding will allow the various grassroots organization to develop their appropriate strategy in engaging in meaningful dialogue with policy makers.

One key aspect of the workshop was to help grassroots group formulate their policy proposals, with critical reflection on how proposals adhere to rights-based and transformative social protection principles. By using the transformative social protection framework, social protection policy proposals can go beyond poverty-alleviation and address vulnerability and inequality, especially gender inequality.

AROSP attends tax justice alliance meeting

15 September 2019 / AMRC

The Tax and Fiscal Justice Alliance – Asia held their General Assembly meeting last 13-14 August 2019 in Kathmandu, Nepal. The Asian Roundtable on Social Protection (AROSP) standing secretariat attended the meeting to explore the intersection of social protection financing and tax justice issues.

The 2-day meeting discussed the global challenges to tax justice, including the tax abuses committed by multinational corporations (MNCs), mobilizing domestic resources to increase the tax base, progressive taxation, as well as illicit financial flows. There was also a focus on extractive industries, gender and workers rights.

In past discussions within the AROSP network, financing social protection has taken a big space. As governments align their social protection policies with their economic paradigms, the role of taxes in funding social protection programs have become a key debate among policy makers and civil society. Tax reforms have occurred in many countries in Asia in the past decade, and one reason government cite that is driving the changes is expanding the fiscal space for social protection.

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Budget analysis training conducted in Jakarta

12 December 2019 / INISIATIF

A workshop on budget analysis was conducted last 7 – 9 December 2019 in the south of Jakarta, Indonesia, where 20 workers attended the activity. The Perkumpulan Inisiatif (INISIATIF) hosted the training to provide skills to formal and informal workers, and allow them to better understand how the government budget works.

According to the INISIATIF, there is a need for marginalized workers to understand the commitment of the government to mobilize adequate financial resources, including how they finance social protection, to meet the basic needs of the population.

The training also focused on specific provisions of the budget supposedly created to address key needs of women workers, including issues of children, as well as the responsiveness of the budget to violence against women and children.

The participants were a mix of men and women workers from garment and textile sector, as well as from the informal sectors, including street vendors. INISIATIF also saw the need for greater gender sensitization for male workers. Hopefully, the training will be able to allow the participants to seek more accountability and transparency from decision makers in government who are tasked to draft the budget ■

Health Insurance Rates Increased

by Rizki Estrada O.P.¹
19 November 2019

On October 20, 2019, Indonesian citizens officially had a president and vice president for the period 2019-2024. Joko Widodo and Ma'aruf Amin were officially appointed, as president and vice president accordingly, at the Indonesian House of Representatives. The following 3 days after official appointment, Jokowi summoned dozens of figures from various backgrounds, including politicians, businessmen, academics and activists, to be ministers in the 2019-2024 government cabinet.

Before the inauguration was established, a series of protests from various groups contributed to the voices of injustice regarding the democratic process, with pro-democracy activists symbolically raising the need to continue to oversee the many policies and regulations, but were changed quickly without prioritizing the process of social dialogue. This includes the the draft amendments to the criminal law; the ratification of the Law on Corruption Eradication Commission, which is full of intervention; the suspension of the draft law on the elimination of sexual violence; the draft land law and the ratification of the water resources law, again without going through a process of social dialogue. Along with a pile of

draft laws that were made very quickly and in a hurry, no transparency and did not go through an adequate process of social dialogue.

A series of public protests to demand democratic policies - peppered by acts of violence by law enforcement officials - are messages that have helped deliver legitimate presidential and vice-presidential candidates before Parliament, who are the people's representatives. Nine days after the inauguration and appointment of the 2019-2024 government cabinet, this special gift, which was formally presented by the new President, for supporters who voted for him or not, was an increase in the health insurance rate for all Indonesian people.

This was stated in Presidential Regulation (Perpres) number 75 of 2019 concerning amendments to presidential regulation Number 82 of 2018 regarding Health Insurance which was signed in October 2019.

With the presidential regulation, health insurance contributions (BPJS-Health) for Non-Recipient Participants (Informal Sector) and Non-Workers (retirees) will double by the amount of the previous year and will take effect as of January 1, 2020. The increase is coupled with several sanctions in the form of service fines for participants who are undisciplined to pay contributions, with a maximum amount of 30 million Indonesian Rupiah (IDR), and are limited to obtaining public services, such as taking care of a driving license, making

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A Special Gift from a New President

a passport and access to other public services.

Health insurance backward in Indonesia: Health insurance as a tool to extort people

National health insurance (JKN) in Indonesia is one of the most ambitious health insurance programs, whose funding has been managed by a single public body (BPJS) since it was launched in 2014. The government is committed to ensuring that JKN will be sustainable. However, the deficit experienced every year continues to increase, the financial condition of health insurance is very much in the spotlight.

The health insurance system that applies a contribution scheme is seen as failing to provide protection and security for developing middle-class groups who have not reached social protection or are often referred to as “missing middle”. On the contrary, the tactical solution is taken by the government only raises the contribution rate for JKN’s financial sustainability which is managed by BPJS.

Who is the “missing middle” group? They are informal workers or non-wage participants (PBPU) and pensioners or non-workers (BP). In the new policy signed by Jokowi, it is very clear, that the tariff increase is aimed at them. Besides, in terms of employment guarantees, with presidential regulation number 109 of 2013 concerning Phasing of Social Security Program Par-

ticipation and Minister of Manpower Regulation No. 1 of 2016 concerning Employment Guarantee Employment, requires non-worker participants to make contributions for work accident insurance and death insurance.

These policies certainly become a bitter pill, and even poison to the community who are victims of termination of employment, those working in the informal sector that has no certainty of wages and a decent living, as well as unemployed that is not given employment, forced to contribute to the right that they should get from the state as a just social protection.

Another bitter pill to be swallowed by the community is that the policy of increasing the health insurance contributions, revoking electricity subsidies, online transportation services, land and building tax, cigarette excise tax rates and groundwater Tax. The group of the “missing middle” is very vulnerable to fall into the deepest poverty gap, especially with the system of applying fines for health insurance participants, which is passed down to each family member. It is a system of exploitation and is very oppressive, where health is made as to the most powerful tool of oppression to make a profit, without considering the civilized humanity.

The Idea of a Transformative Health Security

Seeing the conditions of discriminatory and oppressive policies in the

new era of government in Indonesia, the offer of ideas that need to be and must be achieved is;

1. Re-establish the paradigm that citizens are seen as citizens who are equal and equal rights to get protection, not as “customers” because health services are a “rights”, not a “commodity”;
2. Providing health services by placing patients as “humans”, not what “benefits” can be taken from patients who are “sick” and need to be handled as humans.
3. Health insurance should not be insurance, but joint responsibility. All citizens contribute to returning to contributors, not to the health insurance management body, which without the permission of citizens makes investments in long-term infrastructure, and never returns to guarantee health, and even the deficit told to citizens.
4. Return the money of citizens who have contributed to health, if not used for health. It’s our money, not for arbitrary violations at the will of the public body, but must be at the will of the citizens as contributors
5. Provide subsidies for participants of health insurance or workforce security, not to institutions or companies that provide public money.
6. Eliminate classes in providing health care or subsidies, but increase trust and equality.
7. Buy patents for medicines and medical devices so that they can be produced domestically, and do not have to rely on imports of raw materials for medicines and medical devices. But invest in the pharmaceutical sector and medical devices in the country ■

In the Philippines, seven (7) out of 10 people die without seeing a physician (PSA, 2017) as its health care system remains underfunded. A health sector that lacks health facilities in rural areas, has overcrowded public hospitals and insufficient medical professionals and health workers to treat the poor strongly indicates how the Philippine government has failed to improve the health care system in the country. The World Health Organization recommends 1 doctor for 10,000 residents, while the ratio in the Philippines is 1 for 33,000 (CNN, 2016). Moreover, only 30% of the doctors are employed in the public sector, while 70% are in the private sector. The poor regulation of the health department's budget meanwhile has made it prone to corruption and inadequate services; the vulnerable ones are left to fend for themselves, enduring long lines in hospitals and scouring for money to afford medication. The health system is also fragmented, with the national, provincial, city as well as municipal hospitals and facilities lacking the proper integration that will allow an efficient and centralized public health care system (see side story).

This is further aggravated by the devolution of health care to the Local Government Units (LGU) as stated in the Local Government Code of 1991, making it prone to political patronage and dependent on the financial capacity of the LGU. The Universal Health Care Act (RA 11223) signed into law in February is a welcome development that warrants a closer examination. UHC is an expansion of the National Health Insurance Act of 1995 (R.A. No. 7875) that established the state-owned Philippine Health Insurance Corporation (PhilHealth) providing the underprivileged financial access to help them pay for health services. Already UHC forces

by Diana Bando & Otto de Vries

ECUMENICAL INSTITUTE FOR
LABOR EDUCATION AND RESEARCH
November 30, 2019

workers (members) to pay for higher contributions and fails to introduce structural changes that would address the existing problems. Can the new law provide universal health care and is the people's interest to benefit from proper services really at its core?

What is Universal in Health Care?

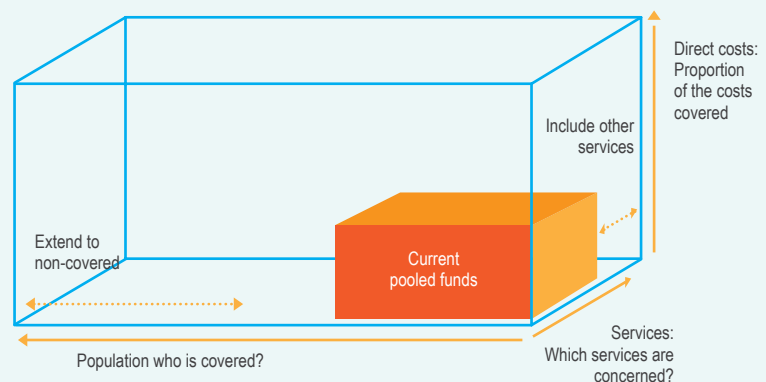
The World Health Organization (WHO) depicts universal health care as a cube that has three dimensions. The cube (see Figure 1) shows that the *length* denotes the percentage of

Will Health Care become Universal in the Philippines?

the population by the universal health care system. It is meant to benefit everyone — rich and poor — as health is a basic human right. Second, the *depth* of the cube indicates the services that are covered, accessible and made available by the universal health care system. Finally, the *height* of the cube signifies the percentage of the total health care costs borne by the insurance and the state vis-a-vis the patients themselves.

The whole diagram asserts that in order to reach 'universal' health care, the system should be able to address all

Figure 1. Three dimensions to consider towards universal health care coverage



Source: The World Health Report on Health Systems Financing: The path to universal coverage by the World Health Organization (2010).

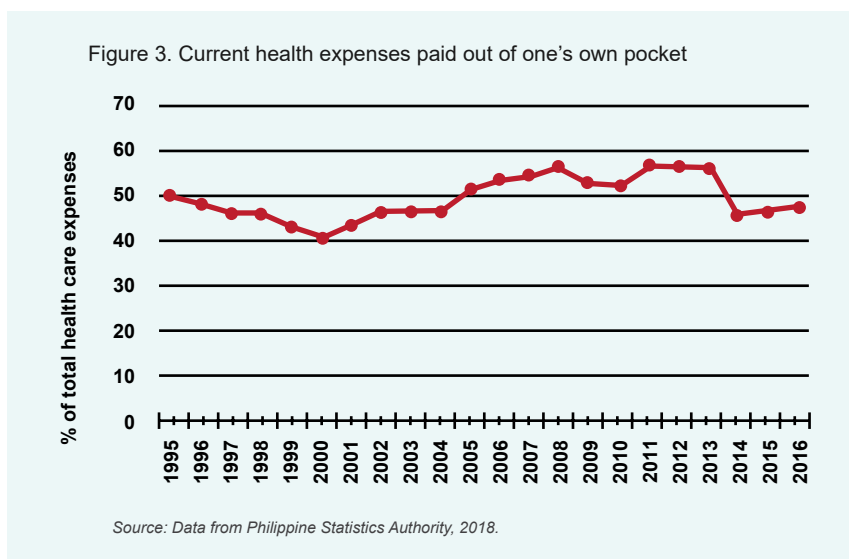
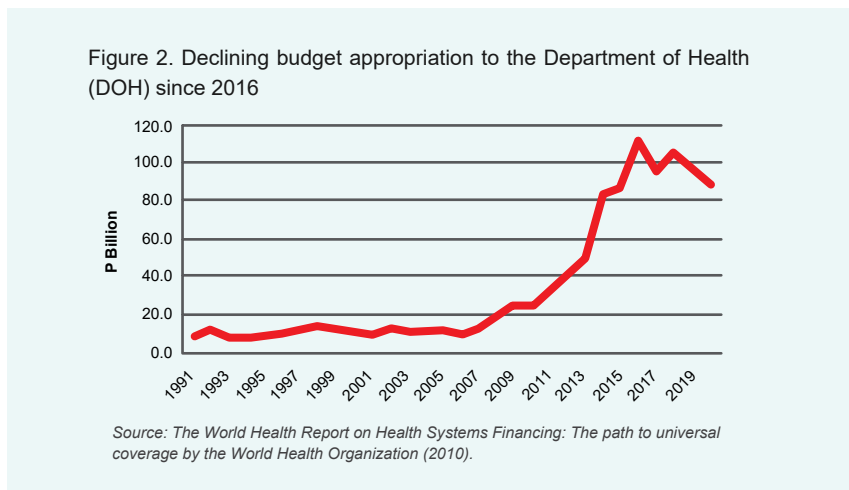


three of its key dimensions. Neglecting any one of the dimensions will render the program ineffective. The WHO also advocates centralizing the country's health care program in order to provide a universal, inclusive and integral health care system.

Is a Universal Health Care possible?

The backbone to have a universal health care system is a well-developed health care system that the government prioritizes and supports with adequate financing. However, the current administration has reduced the health department's annual budget (DOH, 2019), preventing any improvement to the quality of healthcare in the country (see figure 2).

Aside from the lack of health facilities due to budget cuts, existing public hospitals remain understaffed. Doctors, nurses and other health workers are underpaid, prompting some of them to work overseas where they could receive higher wages. Even though the Supreme Court recently ruled that nurses should have an entry monthly salary of PhP30,000 (US\$577), higher than the



current salary of PhP20,000 for public hospitals (the entry salary for private hospitals is even lower at PhP10,000 only), inadequate government budget allocation will hinder nurses from receiving a dignified salary.

Crucial for the access to a wide range of medical services is a affordable public health care system. However, the current health expenses paid out of one's own pocket is about 50% and slightly increasing as indicated in figure 3 (PSA, 2018). The high out-of-pocket expenses are mainly due to exorbitant prices of medicines which make up 50% of the out-of-pocket medical expenses. The Universal Health Care Act in section 6b promised that it will cover the expenses for medications, but remains mum on what it would do to effectively

lower the prices (e.g., establish a national pharmaceutical industry that will provide cheap medicines just like in India or community-based health care system that can provide accurate diagnosis and well integrated and efficient referral to the appropriate medical facility). Such steps are vital in facilitating fast recovery with lower medical expenses and preventing long queues the poor must endure in many public hospitals.

The finances needed to achieve a universal health care system are indeed huge: the health budget for 2020 is short of PhP97 billion to fully implement the present UHC (Paris, 2019), and to cover all out-of-pocket health care expenses in 2018, PhP430 billion is further needed (PSA, 2019). However

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huge, these can be made available. The Philippine Government should pass a progressive tax policy and get rid of tax havens that only benefit multinational corporations. In 2017 for example, cor-

porations earned PhP441 billion due to tax incentives, while as abovementioned, public health services are suffering from budget cuts. A progressive tax policy in favor of the country's public

health care system could provide Filipinos the national health care system they deserve as well as stay healthy at the least cost possible.

SIDE STORY

Rhowin Nitura, 26 years old worked as a delivery driver for an online marketplace, earning a minimum wage of PhP537 a day (US\$10.30). On April 10, 2019 he suffered a motorbike accident and broke his leg. He got first aid treatment in the city hospital of Makati, but wasn't further treated, because as non-resident, he couldn't avail of the city's medical benefits. The next day, he transferred to Pasig City General Hospital located in the city where he lives. His operation expenses and confinement were covered, but not the cost of the implant he needed. While looking for additional finances for his operation, his mother Rowena took care of him at home. Finally, she got a guarantee letter from the Philippine Charity and Sweepstake Office (PCSO) but this was not accepted in the city hospital. The doctor offered to operate him on short notice if the family could pay cash up front, for a total of PhP30,000 (US\$575). After two months, they transferred to Rizal Medical Center in the same city, which is directly under the Department of Health (DoH).

They had to repeat the same process of waiting and re-applying at the PCSO for financial assistance. Even if PCSO had its own office in that hospital, it took one and a half month for the processing and he had to wait another month because of the lack of facilities at the hospital. It has been five months after his accident.

Rhowin's hospital bill reached PhP100,000 (US\$1,900), which was covered by different agencies including DoH, PCSO, Department of Social Welfare and Development (DSWD), and the hospital. As out-patient, he still had to pay some of the medical expenses that reached about PhP10,000 (US\$200) specifically for medicines not available in the hospital.

This mother and son's experiences show how the present public health care in the Philippines lacks primary medical care and sufficient opportunities for patients to get affordable and efficient health care. Likewise, the poor is indeed most likely to suffer from the feeble integration in logistics, such as the integration of city, provincial and national medical centers ■

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ILO Social Protection Week held in Geneva

09 December 2019 / AMRC

The International Labour Organization (ILO) held the Global Social Protection Week in Geneva, Switzerland last 25-28 of November 2019, with the theme Achieving SDG 1.3 and Universal Social Protection in the context of the Future of Work. According to the program, the events surrounding the Social Protection Week “will provide a roadmap for the future of social protection within the framework of the recently adopted ILO Centenary Declaration for the Future of Work”.

The financing aspect of social protection, as well as gendered social protection took a big space in the discussion during the whole week. There are current proposals to create an international financing mechanism where countries can get support during times of crisis, as strong criticisms have been

hoisted on international financing institutions, including World Bank and the International Monetary Fund, who in the past have pushed countries to take on austerity measures, with social protection financing taking a big hit in terms of funding.

Unpaid care work was unpacked and discussed in many sessions. Some countries have shown their initiative to tackle unpaid care work and address the needs of women, who often carry the burden of care work in the family and society. There were proposals to institutionalize recognition of unpaid care work, as well as provide appropriate mechanisms to reduce the burden on women.

AROSP was able to attend the events and shared information with other participants about the work it is doing in the region ■

AROSP joins global meeting on social protection floors

09 December 2019 / AMRC

The Global Coalition on Social Protection Floors (GCSPF) held its global meeting last 24-25 November, 2019 in Geneva, Switzerland. Core team members of the GCSPF from Latin America, Africa, Asia, Europe and North America attended the event. The Asia Monitor Resource Centre, the AROSP standing secretariat, attended the event to represent the South Team from Asia.

The topics discussed during the 2-day meeting included the recent International Labour Organization (ILO) General Survey on Social Protection Floors, the International Monetary Fund (IMF) Social Financing Strategy, and the Universal Social Protection 2030 (USP2030) initiative. Workshops were held to deepen the understanding on Social Security Standards, using the human rights lens to view social protection, and appropriate strategies to engage USP2030. There were also discussions on Universal Health Care as a cross-cutting issue, care work and social protection, as well as the strategy in developing a global financing mechanism for social protection.

The meeting also came up with inputs for the ILO Social Protection Week. A commitment statement was drafted and read during the commitment session of the ILO SP Week. A new video on social protection floors was also shared and launched during the ILO SP Week. AROSP also proposed during the meeting the need for the GCSPF to include more marginalized groups coming from the South ■



GCSPF Commitments towards achieving Universal Human Rights-Based Social Protection Systems and Floors

26 November 2019 / GCSPF

Our Global Coalition for Social Protection Floors comprises over 100 non State actors, civil society organizations and trade unions. We work towards the implementation of universal, residence and human rights-based social protection systems and floors – in line with human rights instruments, international labour standards, ILO Recommendation No.202 and the 2030 Agenda for Sustainable Development.

Our coalition is active on issues which in our view are essential building blocks to achieve universal social protection systems and floors for all. These include:

- Robust monitoring of the implementation of the four social security guarantees of recommendation 202
- National and international financing mechanisms for social protection

- Participation in the design, promotion and monitoring of the implementation of social protection systems and floors
- National and international action required to ensure delivery of social protection systems and floors including universal access to essential health care
- The importance of gender equality and rights-based care policies

We are a committed member of the interim Steering Committee of the USP2030 partnership. We are pleased to participate in specific country action covered by the EU Action Programme on “Synergies in Social Protection and Public Finance Management”. We are confident that this partnership with ILO, UNICEF and the EU will strengthen national-level dialogues to reach consensus to further social protection for all.

Our four priority areas are:

1. Articulate the transformative potential of social protection for social development, the eradication of poverty, for gender equality, to enable people and societies to address the impact of climate change and to reduce inequalities.
2. Strengthen partnerships, advocacy and lobbying on social protection floors, highlighting progress and gaps. We stress the need for enhanced coverage, adequate financing, and tax justice.
3. Identify and help overcome obstacles in the delivery of social protection, including means-testing and conditioning benefits, and ineffective delivery systems that exclude marginalized and hard to reach people.
4. Strengthen social accountability through assessment-based national dialogue, capacity building, data disaggregation and monitoring to achieve universal residence- and human rights-based social protection systems and floors for all people on our planet.

Thank you for your attention ■

The AROSP Newsletter

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

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