

Building an Integrated and Depoliticized Social Protection System in the Philippines

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The Philippines' social protection system is fragmented, duplicative, and highly vulnerable to political capture. Multiple cash assistance and subsidy programs operate in parallel, often covering similar risks but through different implementing agencies. Programs such as TUPAD, MAIFIP, and AICS duplicate the mandates of PhilHealth, SSS, and education-related support schemes, while remaining politically mediated in targeting and distribution.

This paper argues that reforms should anchor on three mutually reinforcing pillars:

- *PhilSys as the national identity backbone* to eliminate duplication and fraud.
- *Universal financial access* through bank accounts and e-wallets to enable direct transfers.
- *Phased integration of social registries* through agency-based systems and LGU-level pilots under the Community-Based Monitoring System (CBMS).

By progressively building capacity, ensuring interoperability, and strengthening oversight from regulatory institutions, the Philippines can move toward a modernized and depoliticized social protection system that is efficient, transparent, and responsive to both chronic vulnerabilities and crisis shocks.

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I. Introduction: A Fragmented and Politicized System

The current architecture of Philippine social protection is characterized by overlapping mandates, fragmented registries, and heavy politicization. Beneficiaries are often identified and validated through political channels, leading to clientelism in distribution. Many programs are rolled out not as systemic responses to poverty or vulnerability, but as vehicles for political visibility. Ceremonial payout events reinforce this dynamic, with assistance linked to the presence or discretion of political actors.

The persistence of such practices not only weakens efficiency and coverage but also undermines trust in the state's capacity to deliver equitable protection. Reform therefore requires not just technical fixes, but a structural reorientation toward depoliticized, transparent, and integrated systems.

II. Program Duplication and Inefficiencies

Several high-profile programs illustrate the problem of duplication:

- **MAIFP (Medical Assistance for Indigent Patients Program)** duplicates PhilHealth's mandate by providing financial support for hospital expenses. Unlike PhilHealth, however, access often depends on endorsement letters from politicians, making it prone to political capture.
- **TUPAD (Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers)** overlaps with SSS unemployment insurance, but operates on a short-term, often manual-labor basis. While SSS unemployment coverage is limited, TUPAD's design forces beneficiaries into unsafe or low-value activities, raising questions of dignity and sustainability.
- **AKAP (Assistance for Individuals in Crisis Situations – Wage Earners Program)** resembles the pandemic-era SAP in providing cash support to low-wage earners, but is essentially another form of politically motivated cash distribution.
- **AICS (Assistance to Individuals in Crisis Situations)** is wide-ranging, covering burial, medical, educational, and other needs. Many of these functions duplicate existing programs under DOH, DepEd, and other agencies. Only disaster-related financial support fills a genuine gap, since no institutionalized mechanism exists for that function.

These cases reflect systemic inefficiency: resources are spread thin across multiple programs that provide overlapping support, while structural gaps (such as comprehensive unemployment protection and universal disaster relief) remain unfilled.

III. The Case for Reform: Three Anchors of Transformation

1. PhilSys as the Backbone of Integration

The national ID system (PhilSys) represents a crucial step toward streamlining social protection. With over 80 million registrants, it offers a reliable and universal means of identity verification, enabling agencies to cross-check beneficiaries and reduce duplication.

Rather than mandating a single agency to build a national registry from scratch—a politically and technically unfeasible task—PhilSys should serve as the interoperability backbone. Each implementing agency can maintain its own registry, tailored to its mandate, while ensuring that all records are linked and cross-verifiable through PhilSys.

2. Universal Financial Access for Direct Transfers

Direct digital transfers represent the single most effective mechanism for reducing political capture. Every Filipino should be provided with a formal financial account—whether bank-based or e-wallet—linked to PhilSys. This ensures that government support reaches beneficiaries directly, bypassing intermediaries and payout events that reinforce patronage politics.

The Philippine context already offers fertile ground: GCash and Maya have reached deep into the population, even in low-income households. By embedding government transfers within these financial channels, the state can reduce leakage, expand inclusion, and simultaneously advance financial literacy and savings culture.

India's experience with the Jan Dhan–Aadhaar–Mobile (JAM) trinity illustrates the transformative potential of linking national IDs, universal financial accounts, and mobile platforms. During the pandemic, India was able to transfer emergency assistance rapidly to hundreds of millions of households. The Philippines can follow a similar trajectory, adapted to local conditions.

3. Integrated Registries through a Phased Pathway

Building an integrated social registry is both necessary and challenging. Countries like Brazil (Cadastro Único), Indonesia (DTKS), and India (SECC) have demonstrated how unified databases can rationalize multiple programs and ensure coherence.

For the Philippines, a phased approach is more realistic:

- Agency-based registries should be strengthened and linked through PhilSys.
- LGU-based pilots under CBMS should test how data from the ground can feed into integration. These pilots can provide proof of concept while also highlighting the

human resource gaps in local governments, especially the shortage of statisticians and technical staff.

- Over time, agency and LGU registries can converge into a unified system, allowing policymakers to design cross-cutting reforms with confidence in data reliability.

IV. Strengthening Oversight and Accountability

For the Philippines, a phased approach is more realistic:

- **Commission on Audit (COA):** With digital transfers, COA gains access to automatic transaction records, simplifying auditing and strengthening deterrence against leakage.
- **Bangko Sentral ng Pilipinas (BSP):** As regulator of banks and digital finance providers, BSP can enforce standards for inclusion, security, and interoperability. Its proactive stance in promoting financial inclusion is critical to embedding social protection within the broader financial system.

These institutions provide the regulatory backbone for reforms, ensuring that integration does not merely expand bureaucratic reach but enhances accountability and transparency.

V. Reform Pathway and Policy Recommendations

- **Anchor reforms on PhilSys.** Ensure that all social protection registries and financial accounts are PhilSys-linked.
- **Develop agency-based registries.** Require agencies to maintain accurate, regularly updated registries, with cross-verification through PhilSys.
- **Pilot LGU-based integration.** Select municipalities to test CBMS-based integration, with national support for capacity-building.
- **Institutionalize digital transfers.** Shift all cash assistance programs toward account-based distribution, phasing out ceremonial payouts. Mandate or incentivize banks and e-wallet providers to ensure that every adult Filipino holds at least one transaction account.
- **Clarify mandates to eliminate duplication.** Rationalize programs such that PhilHealth handles medical costs, SSS addresses unemployment, and AICS is confined to disaster relief.
- **Strengthen oversight.** Empower COA and BSP to audit and regulate transfers, leveraging digital transaction trails.

VI. Conclusion

The Philippines faces a pivotal opportunity to modernize its social protection system. Current practices are inefficient, duplicative, and politically mediated. But by anchoring reform in PhilSys, universalizing financial access, and progressively integrating registries through a phased, capacity-responsive approach, the country can build a system that is more coherent, equitable, and resilient.

Such a transformation requires political will, institutional coordination, and sustained investment in capacity. But the dividends are clear: reduced leakage, depoliticized assistance, stronger accountability, and a safety net that Filipinos can trust to protect them in both ordinary hardship and extraordinary crises. ■