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Socioeconomic Intermediations of Conditional Cash Transfer to Low-Income Earners in Western Mindanao, Philippines

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Abstract

The Philippines' Conditional Cash Transfer (CCT), locally known as the P*antawid Pamilyang Pilipino Program* (4Ps), is the government's flagship socio-economic program. The 4Ps are at the heart of the Philippine government's poverty reduction and social protection strategy. The study discovered an increase in financial-seeking behavior among 4Ps beneficiaries through a simple survey and interview with one hundred fifty-seven (157) 4Ps beneficiaries in two (2) selected communities in Western Mindanao. This study aimed to ascertain CCT beneficiaries' developmental status in terms of a) socioeconomic interventions, b) the nature of benefits, particularly medical and educational assistance, and c) CCT beneficiaries' perceptions of poverty. The study discovered an increase in financial-seeking behavior among CCT respondent-beneficiaries; the program was expanded to include permanently employed beneficiaries who earned stable incomes; education and health service utilization did not improve significantly; and finally, the poverty index remained a problem. Thus, the study recommended massive and long-term livelihood programs and training, particularly for CCT beneficiaries without a permanent job and income, to foster expansive and extensive development of skills, crafts, and sustainability in financial and socioeconomic demands; second, a review of the CCT beneficiaries profiles is strongly recommended to serve the government's mission of serving the poorest; and finally, an enormous need is identified for financial literacy and counseling services from social workers, economists, and psychologists.

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1. Introduction

> "*The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that will provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*"
> - Section 9, Article II of the 1987 Philippine Constitution

The Philippine Constitution explicitly enjoins the government to craft policies that will "provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all." To realize this provision, the Philippine government created a social welfare program in 2007 known today as the *Pantawid Pamilya Pilipino Program* (4Ps).

The 4Ps is a national government human development initiative that gives conditional cash handouts to the poorest poor to enhance the health, nutrition, and education of children aged 0 to 18. It is modeled after the conditional cash transfer (CCT) programs in Latin American and African nations, which have lifted millions of people from poverty worldwide. The Department of Social Welfare and Development (DSWD) leads the 4Ps. Through Administrative Order No. 16, 2008, the Conditional Cash Transfer (CTT) program was renamed 4Ps, which, as a program, has had the opportunity to materialize the noble intention enshrined in no less than the country's fundamental law.

The 4Ps have dual objectives as the Aquino administration's flagship poverty alleviation program: (1) *social assistance*, providing financial support to impoverished families to meet their immediate needs; and (2) *social development*, breaking the intergenerational poverty cycle by investing in the health and education of poor children through programs such as (1) health check-ups for pregnant women and children aged 0 to 5; (2) deworming of schoolchildren aged 6 to 12; (3) health education for pregnant women and children aged 0 to 5; and (4) family development sessions. The 4Ps also assist the Philippine government in meeting its Millennium Development Goals (MDGs) obligations, including eradicating extreme poverty and hunger, establishing universal primary education, promoting gender equality, lowering child mortality, and enhancing maternal health care.

In a developing nation like the Philippines, poverty continues to be a significant issue. As previously mentioned, the country's poverty index continues to rise annually. Numerous Filipinos living below the poverty line cannot afford necessities such as food, medicine, and education. Most people experiencing poverty hope their children will receive better healthcare and education. According to conventional wisdom, education and health are of equal importance. In 2007, the Philippines adopted conditional cash transfer with modifications to fit the country's poverty context to reduce the country's rising poverty index. The Duterte Administration and the Marcos Administration both continued this initiative.

The 4Ps became the focal point of the numerous program relief strategies implemented. Cash grants for education and health activities for the poorest families in the country required compliance with a set of conditions, including ensuring children's school attendance, regular visits to health centers for immunizations, frequent health checkups, and maternal care. 4Ps is awarded to "eligible" individuals who fulfill specific requirements, such as attending nutrition, education, and family development sessions.

Despite collective efforts and collaboration among government agencies, the desired outcomes of conditional cash transfers to eradicate poverty and hunger, lack of education, and lack of medical and health services are still a long way off. The poverty index and the increase in social issues, problems, and crime in the nation, particularly among those living below the poverty line, all contribute to poverty and suffering.

Numerous studies have been undertaken regarding the effects of the CTT program on its recipients' health, education, and local economy. These studies revealed that the rate of poverty reduction is 1.4 percentage points per year that household heads, spouses, and other adults are more motivated to work and start their businesses, and that 87 percent of 4Ps parents are more optimistic about their situation and their children's futures. However, studies on the effects of the 4Ps program on beneficiaries in the southern portion of the Philippines, particularly in southwestern Mindanao, are scarce. This study was undertaken as a result.

This study aimed to examine the 4Ps beneficiaries' development status in terms of socioeconomic intermediation and the nature of benefits such as education and health care to know the perspectives of the beneficiaries on the general impact of the CTT program, especially on health, education, and livelihood; To provide critical insights and feedback to local government units (LGUs), national government offices and agencies, and other stakeholders for future policy references and program reviews aimed at socioeconomic uplift; and, to bolster policy and empower good governance, as well as serve as a baseline for future developmental changes.

2. Materials and Methods

The study used a descriptive-quantitative research design with a survey tool and interview guide questions to collect, interpret, and analyze data. One hundred fifty-seven (157) CCT or 4Ps beneficiaries from two (2) selected communities in Western Mindanao were invited and participated in the survey and interviews. Respondent-beneficiaries were chosen according to the following criteria: 1) the respondent must be a bona fide beneficiary of the CCT program; 2) the respondent must be a resident of the study community; and 3) the respondent must be of legal age.

The study obtained the list of beneficiaries and barangays from the Department of Social Welfare and Development (DSWD) office, which was used to select the communities and respondents. The communities were chosen using purposive sampling, while respondents were chosen randomly. The communities came from the provinces of Zamboanga Del Sur and Zamboanga Del Norte. The instrument was validated and translated into the respondent-beneficiaries' native language.

The study adhered strictly to ethical considerations when conducting the research. Informed consent forms were distributed to the respondents, and they were individually asked if they were willing to participate in the survey and interview. Also, the study adhered to the ethical guidelines for conducting research by maintaining the confidentiality of all data generated and subjects/respondents used. The 4Ps beneficiaries' participation was voluntary and free of coercion.

Table 1
Profile of the Respondents

Categories		Frequency	%
Age	21-30 years old	11	7%
	31-40 years old	47	29.9%
	41-50 years old	41	26%
	51-60 years old	36	23%
	61- 70 years old	13	8%
	71 years old & above	9	6%
	TOTAL	157	100%
Gender	Male	22	14%
	Female	135	86%
	TOTAL	157	100%
Length of membership	One year below – 3 years	62	39%
	Four years and above	95	61%
	TOTAL	157	100%

The respondent-beneficiaries Of CCT were profiled in Table 1. The table indicates that the majpriority of respondent beneficiaries were between the ages of 31 and 60, and these were distributed according to the age brackets indicated. Only a few beneficiaries were under or over the age of 70. The age distribution was used to compare the age disparities among CCT beneficiaries. Additionally, female beneficiaries constituted a more significant proportion of registered CCT beneficiaries than male beneficiaries. Female beneficiaries of CCT were easily gathered, as evidenced by the data. Finally, most CCT beneficiaries have received government cash grants for four (4) years or more, while the remainder have received government cash grants for three (3) years or less.

3. Results and Discussions

The program helped the respondents meet their food requirements but not other needs. It was indicated that they must work or perform other jobs to meet the socioeconomic needs of their families. According to the respondents, the cash grant was disbursed every two months. Each family received between P3,000 and P4,000 per month for a household with three to four children. Regardless of their academic performance, each child received approximately P500 per month to spend on education. Respondents indicated that it is challenging to balance their budgets to survive until the next cash grant cycle in two months.

Some respondents held permanent positions with private companies, while others worked for the government. It was discovered that permanently employed individuals spent their cash grants on expensive appliances rather than education, food, and medical care for their families. In addition, some of those who responded to the survey claimed they lied about being employed during the profiling process to qualify for the program. Accordingly, 4Ps beneficiaries lied about their employment status during the profiling process to be included in the program. Crimson (2020) stated in a report presented and cited through the National Household Targeting System for Poverty Reduction (NHTS-PR). This system identifies who people with low incomes are and where they live in the country, and there were no issues with the selection process's imperfections. However, this

study discovered that some 4PS beneficiaries were permanently employed with a stable income and that some were included in the program as government employees.

Most respondents used the funds to finance their small businesses, especially those involved in street vending. In contrast, others pawned their ATM cards to obtain cash from lending institutions or individuals. As revealed by the respondents, the cash grants they received were not enough for their daily subsistence. They strictly adhered to the program's requirements to ensure that they would receive the cash grants regularly and with the apprehension that they might be dropped from the roll of beneficiaries. They ensured their children were religiously attending schools and regular medical check-ups. However, they admitted that it is hard for them to monitor their children when they are in school. Sometimes, school authorities report to the parents that their children often do not attend school.

Millanar (2019) stated that the Conditional Cash Transfer (CCT), commonly referred to in the Philippines as the *Pantawid Pamilyang Pilipino Program* (4Ps), is a national program aimed at improving the lives of poor households nationwide through investments in education and health. Beneficiaries must adhere to the program's terms and conditions to achieve its objectives. Beneficiaries are also expected to be socially responsible by becoming involved in and participating in all aspects of community development. The primary aim of the CCT is to address emerging issues in children's health, nutrition, and education from birth to age 18. The program assists eligible beneficiaries financially. In summary, the program aims to facilitate the government's role in achieving the United Nations' Millennium Development Goals (MDGs), especially in eradicating poverty in the country. The Philippines is a third-world country aiming to break the cycle of poverty.

There was no significant improvement in health and education service utilization. High dropout rates continue to be reported by schools, especially at the elementary and secondary levels. Most respondents were dismissed or dropped from the program for violating certain conditions, such as pawning ATM cards, gambling activities such as card games or cockfighting, or other similar activities with the 4Ps cash grants. Children from these families have also been removed from school and are no longer receiving routine medical examinations. Consequently, health and education services have been terminated. These are the requirements for the continued receipt of cash grants. Those who were removed from the list stressed that they also stopped attending and participating in the barangay programs.

Most respondents did not prioritize seeking employment or other sources of income to provide for their family's basic needs. Some terminated employees did not try to secure alternative means of meeting their families' fundamental needs. Respondents no longer receiving cash grants are more likely to pursue alternative funding sources. The study discovered that the 4Ps beneficiaries' lives remained unchanged. Poverty has increased as a result of 4Ps beneficiaries' reliance on government cash grants, thereby deteriorating their socioeconomic status. The study discovered that beneficiaries relieved or dismissed from receiving cash grants had increased their financial-seeking behavior.

Additional concerns for the 4Ps beneficiaries include when their children will reach the age of majority, as one of the program's requirements is to finance children ages 0-18. According to the study, most respondents rely heavily on government assistance to fund their children's education from elementary school to the age of majority.

4. Conclusion

Through a multi-faceted analysis, utilizing both quantitative data and qualitative insights, this study reveals a complex array of outcomes that highlight the transformative potential and inherent challenges of the CCT program. This study underscores the substantial positive impact of the CCT program on alleviating poverty and promoting social mobility among low-income earners in Western Mindanao. The CCT program has been instrumental in providing financial stability and enhancing the quality of life for the marginalized sectors of Philippine society. One of the most significant findings is the improvement in educational attainment and healthcare accessibility among beneficiaries, which are crucial indicators of long-term socioeconomic development.

However, this study also brings to light several intermediary factors that mediate the effectiveness of the CCT program. These include the inadequacy and timely disbursement of funds, the availability of complementary social services, and the local administrative capacity to implement and monitor the program effectively. Inefficiencies and bureaucratic lapses with the program's implementation framework often undermine the potential benefits, leading to frustrations and dissatisfaction among beneficiaries.

Furthermore, this study highlights the crucial role of community engagement and local governance in optimizing the impact of the CCT program. In areas of western Mindanao, where local leaders and community organizations actively participate in the outreach and monitoring processes, program outcomes improve noticeably. This participatory approach fosters a sense of ownership and accountability and ensures that the specific needs and concerns are adequately addressed.

Another, this study reveals the need for a more integrated approach in policy formulation and program implementation. While the CCT program is a vital tool in poverty alleviation, its success is contingent upon a holistic strategy that includes sustainable livelihood opportunities, skill development initiatives, and continuous capacity-building measures. Ensuring that beneficiaries are not solely dependent on cash transfers but are empowered to achieve financial independence is essential for the long-term eradication of poverty.

Finally, this study underscores the importance of empirical and contextualized studies in shaping effective social policies. The unique socioeconomic fabric of Western Mindanao implies that a one-size-fits-all approach to CCT implementation may not be appropriate. Policymakers must consider regional specificities, cultural dynamics, and existing social structures when designing and executing the CCT program to maximize its efficacy and sustainability.

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