

Effect of the Philippine Conditional Cash Transfer to the Local Economy



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子どもに教育を受けさせることなどを条件に、貧困層に一定の現金を給付するフィリピン政府のプログラム「4Ps」。給付された資金がいかに活用され、ささやかながらも地域経済の活性化に役立っていることをケーススタディで実証した。

Abstract

A common sight to see during payouts of the conditional cash transfer is the operation of a flea market near the cash payout sites. The operation of the flea market is a manifestation that the extra income received from the *Pantawid* program (conditional cash transfer program) can perk up local economic activities since most products being sold in the flea market come from the locality or neighboring areas. For instance, a province with 73,710 household beneficiaries received PhP 1.05 billion annually, representing nearly 40% of the total revenue allocation of the province in 2012. Thus, the objective of the study is to determine qualitatively the nature, form, and degree of the economic impact of the *Pantawid's* cash grant expenditures (or payouts) on the local economy.

The results of the study showed that the effect of the conditional cash transfer to the local economy is positive, to wit: 1) increased number of merchants; 2) diversity of goods being sold; 3) increased sales of pharmacy and dry and wet goods shops; 4) increased employment; and 4) increased earnings of jeepney and tricycle drivers servicing the beneficiaries. For the municipal government, the revenue derived from market fees increased substantially and the payout contributed to the continuous operation of the local market.

Keywords conditional cash transfer; *Pantawid*; flea market; payout

Introduction

The *Pantawid Pamilyang Pilipino Program* (4Ps) or the conditional cash transfer is a flagship social protection cum poverty alleviation program of the Aquino Administration. Patterned after conditional cash transfers developed and implemented in countries like Brazil and Mexico, the program provides cash grants to the extremely poor and most vulnerable households on the condition that they keep their children of ages 0 to 18 years healthy and attend school regularly while pregnant women avail of maternal health services (DSWD 2015).

Pantawid plays two pivotal roles in achieving the

government's development agenda. First is the conditionality attached to the cash grants enables the poor and vulnerable households in society to build and invest on the human capital resources of their children and the youth. Second is that enabling the *Pantawid* beneficiaries with stable and reliable financial support provides a safety net for the poor, preventing them from sliding to a more impoverished condition.

In the Philippines, an eligible family under the conditional cash transfer (CCT) program receives the following: 1) health grant of PhP500 per month; 2) education grant of PhP300 per elementary grade student and PhP500 for high student per

month for 10 months for a maximum of three children per household; and rice grant of PhP600 per month. In one province with 73,710 household beneficiaries received PhP1.05 billion in 2012, representing nearly 40% of the total revenue allocation of the province.

The Department of Social Welfare and Development (DSWD) leads and oversees the implementation of the *Pantawid* Program. Pilot implementation started in February 2007 with 6,000 poor household beneficiaries from 4 municipalities and 2 cities. The program has been scaled up to cover all provinces in the country with 4.4 million household beneficiaries as of 2017. Given the magnitude of the coverage and the amount invested in the Program, close monitoring of the program's outcome is continually being undertaken since its nationwide implementation in 2008. To this date, two comprehensive impact evaluations had been conducted.

However, little attention has been accorded to evaluating the economic impact of the program to the local economy.

Objectives of the Study

The general objective of this study was to determine qualitatively the nature, form, and degree of the economic impact of the *Pantawid's* cash grant on the local economy. Specifically, the flea market study aimed to:

1. describe which goods or products were bought more by beneficiaries during the payouts;
2. identify who are the sellers/vendors/ entrepreneurs and the type of products/goods being sold, where are they from; where do they get their products; and amount and source of capitalization;
3. analyze the effects of flea market on employment generation and other indirect economic activities within the spatial coverage of *Pantawid*; and
4. determine the roles of the local government units (LGUs) in facilitating the payouts and determine whether revenues are generated from flea market and their utilization.

Methodology

The case studies were conducted in Region 5 or the Bicol Region. A municipality in each of the provinces of Albay, Camarines Norte, and Masbate were purposively selected by

Department of Social Welfare and Development (DSWD) as the study sites. These three municipalities were: 1) Libon, Albay; 2) Milagros, Masbate; and 3) Vinzons, Camarines Norte.

The flea market study qualitatively describes the results of the investigation on the relationship of payouts and the flea market and the nature and structure of the flea market. Both secondary and primary data were collected to answer the objectives of the case study. Secondary data were sourced from the Comprehensive Land Uses Plan (CLUP), Socio-economic Report of the Municipality, Annual Investment Plan, and results of the Community-based Monitoring System (CBMS). On the other hand, primary data were derived from accounts of the 4Ps beneficiaries, local government officers and staff, entrepreneurs/vendors/sellers, parent leaders, and municipal link or the staff of *Pantawid* at the municipal level on the payouts and the operations of the flea market.

Descriptive methods like mean, mode and frequency distribution were used in analyzing the data. Graphs and photographs were also included to vividly illustrate the effects of *Pantawid* on the local economy.

Results and Discussion

The Flea Market

This section examines how the money from *Pantawid* is utilized, how the grant fund contributes to increasing the type of goods and volume of business in the municipality, and the amount of revenue generated by the LGU from the flea market that sprouts out during *Pantawid* payout.

Pantawid's payout schedule ranges from two to three days depending on the number of beneficiaries. In the January 2016 payout for Libon, the schedule was for three days from 8:00 am and until the last beneficiary was served. During the first day the payout was almost over by one o'clock in the afternoon except for those who were queuing to get the cash from the Banco Santiago de Libon. For the Municipality of Milagros, the January payout was also conducted for three days. For Vinzons, Camarines Norte, two days were allocated for the payout despite the fact that many of the beneficiaries are automatic teller machine (ATM) card holders. A day is scheduled for those who still do not have an ATM card while another day is spent for the beneficiaries of the three barangays located in island barangays.

Payout Venue

The payout in Libon, Albay is made through the Banco Santiago de Libon. In this system, the beneficiaries will have to first secure the acknowledgement receipt (AR) from the assigned *Pantawid* Municipal Link staff. This slip indicates the amount due them. The amount varies depending on the number of children covered, education level (i.e., elementary or high school) and whether the conditionalities have been met for the payout period. Then the beneficiaries have to queue for their money from Banco de Libon located in the Libon Town Center (LTC).

LTC is located in an agricultural area and can be reached from the town proper or from the highway coming from the first barangay of Polangui. It is a 5 to 10-minute ride by tricycle from the Municipal Hall of Libon. LTC was built to serve as the public market/commercial center started by Mayor John M. Dycoco and was completed during the term of his wife, Mayor Agnes Dycoco. The “permanent” business establishments include a display center of products made by women in Libon, a bank (Banco Santiago de Libon which serves as the conduit for the 4Ps payout), a mini-supermarket, two rice dealers, six eateries/*carenderias*, three to four dry goods stalls, a generic drug store, and a number of temporary stalls for vegetable and fruit vendors. At the back of the building are fresh and dried fish and meat sections, which operate daily.

The market days of Libon are Wednesday and Saturday. These market days are scheduled so as not to conflict with the market days in the municipalities of Oas and Polangui to give maximum opportunity to merchants and vendors to sell their wares in these different municipalities. According to the staff of the market office, when the LTC was newly opened, the municipality invited merchants from nearby municipalities during market days. Since the *Pantawid* payout was moved to the LTC, the merchants from other municipality regularly sell their goods during market days and payout days. With very few regular stall/shops, the LTC management would find it difficult to continue its operation without the itinerant vendors.

In Vinzons, Camarines Norte, there are two modes of payout. Most of the beneficiaries can access their bi-monthly payout through the automatic teller machine (ATM). There is a Land Bank ATM machine, which *Pantawid* beneficiaries can use in the municipality. However, many of the beneficiaries use the

ATM located either in Labo (another municipality of Camarines Norte south of Vinzons), and in Daet City (capital of Camarines Norte). Two of the beneficiaries claimed to have use the ATM in Labo because of the variety of goods and supplies offered and sold at lower prices as well as opportunity to treat their children at the Jollibee fast food chain.

The other mode is through the accredited service provider for those beneficiaries without the ATM card. The payout is done in one of the municipal facilities. A similar system is employed in the three barangays of Vinzons located in the island of Calaguas. The payout during the month of January was postponed due to bad weather. There is also the hazard of the conduit being robbed on the way to the island.

In Milagros, Masbate, the first two payouts in 2009 were done in the City of Masbate via the Land Bank of the Philippines. However, a number of problems were encountered. One was that since there were too many beneficiaries queuing up, it took almost a day to distribute the money. There were also claims of incorrect payment received, with some receiving less and others more than what is due them. There were also claims that beneficiaries overdraw the amount due to them.

The third payout took place in the old municipal building of Milagros in the town proper. The payout was done in front of the building next to the municipal building. The space is quite small; thus, it became very crowded during the payout. Shops of all types surrounded the municipal building where the beneficiaries bought their needs. Other vendors were also allowed to put up stalls outside the municipality.

In September 2015, the municipal government moved to its new building in Barangay Bacolod, about two kilometers away from the town proper. Starting September 2015, payouts were done in the covered court near the new municipal building. The building without paint on the left side of the paved pathway is the venue where the beneficiaries queue to get their bi-monthly payout.

Shops during payouts are organized wherein similar shops are clustered together in front like eatery and food stalls, and school supplies. Big stalls selling clothes and other household items and *ukay-ukay* occupy the biggest area. On the other hand, meat and fish vendors are located near the bottom of the pathway near the highway and farthest away from the payout venue.

The Merchants: Types, Sources of Goods and Capital

Merchants in Libon, Albay

There are two main types of traders in Libon. The first type is composed of the regular stall owners who pay monthly rent. These include the supermarket owner, rice retailers (2), eateries (6), generic drug store, small dry goods store, vegetable and fruit sellers, two-to-three meat vendors, four fish vendors, hamburger seller, fruits and vegetables seller, and few dried fish retailers.

Traders of the second type are those present only during market and payout days. All these traders/merchants set their temporary stalls at the back of the LTC. They either bring their own tables or rent *papag* (low table made out of bamboo) from the market office of the municipality to display their wares. The merchants are grouped according to goods being sold. All dry good sellers including school supplies, slippers, shoes, and new clothes and those selling *ukay-ukay* are grouped together with those selling mats, plastic wares, and other household items beside them. Located farther at the back are fruits and vegetables vendors. There are also several itinerant vendors peddling gas lamps, belts, saws (carpentry tool), woven hammocks, and umbrellas. Majority of the “rotating” merchants sell every market day in the neighboring towns of Polangui and Oas, Albay.

There were two large *ukay-ukay* merchants seen during payout last January 29, 2016. Both are family-owned and from Oas, Albay. The larger *ukay-ukay* vendor started as a dried fish vendor with a capitalization of PhP400. She shifted to *ukay-ukay* with a capitalization of PhP22,000 because she witnessed how this business has grown through the years. She further invested whatever she earns from her *ukay-ukay* business into other goods that are highly sought during market day. Only during 4Ps payout that she sells brand new slippers and other footwear because of high demand for them. Her husband joined her in selling compact discs, which seem to be selling very well during payout. Her daily sale during payout averages PhP10,000 per day. During the November payout her gross sales was PhP50,000. She valued her business now at PhP250,000. She borrows additional capital before every payout to buy additional goods. For the January payout, she borrowed PhP50,000 from a five-six lender with an interest of 5 percent per month. In an ordinary market day, her gross sales is less than half of what she sells during payout. According to her, she still rents her house

but was able to buy a jeepney to transport her merchandise from one municipality to the other. As noted earlier, the municipalities located near Libon has scheduled market days.

Included under this category are the supermarket and dry goods stores. The supermarket is located in front of the LTC. It sells a variety of dry goods such as school supplies, uniform, bag, slippers and other school supplies. According to one of the sales ladies, the total gross sales in an ordinary day averages around PhP 30,000 but during payout, the gross sales almost triple. Many of their goods are on consignment from distributors in Manila and in Legaspi City.

The other dry goods stores are located at the right side of the LTC. Their products include canned goods, canned milk, noodles, coffee, and biscuits, and other snack foods.

An old lady operates one of the two rice dealers in the LTC. According to her, there were days when her total sale for a day was only PhP500 and sometimes worries of not having enough money to pay her monthly rent, despite the 50 percent rental discount. During the November payout, she said that she was able to sell 40 sacks of rice during the three-day payout. During the first day of the January payout, she narrated that she was unable to finish her lunch because of too many customers. However, she bewailed that her first day gross sale is lower than the November payout because of the recent rice-harvesting season. Farmer beneficiaries still have rice and would rather spend their cash to other household needs. When interviewed during the afternoon of non-payout day, she joked, “Pwede nang matulog (I can now sleep)!” as there were no customers. She gets her rice supply from the National Food Authority (NFA) across the LTC.

On the right front side of the LTC are two small eateries while another three smaller “carenderias” are located in the side of the market. A *carenderia* owner observed that during non-payout time, her customers are mostly confined to shop owners in the market as well as workers passing by the LTC. In an ordinary day, her gross sale is about PhP800 pesos. However, this increased by three-fold during payout. There were also ambulant food vendors at the back of the jeepneys parked near the LTC. A key informant said that she came from Barangay Pantao where she has an eatery. During the January payout, she prepared 30 boxes each of spaghetti, rice and menudo for lunch,

and noodles for snack. She sells each pack at PhP20.

The burger stall provides the evidence on the positive effect of *Pantawid* to local entrepreneurs. This shop opens only during payout. During the January payout, the stall can hardly be seen as people swarm the place. His burgers sell like hotcakes.

There were four to five fruit vendors operating during the January payout. Two of the fruit vendors interviewed sourced their native oranges from the province of Quezon. One is from the Municipality of Nabua in Camarines Sur while the other one is from Oas, Albay. They are regular vendors during market days and *Pantawid* payout days. For both fruit vendors reported that market days are better than just *Pantawid* days because retailers from the different barangays buy fruits in bulk while on *Pantawid* payout days, all buyers are *Pantawid* beneficiaries who just buy a kilo or two of fruits.

There was also the gas lamp seller. He roams around selling homemade kerosene lamps while his wife stays in their tricycle to look after the stock of kerosene lamps they sell. He and his wife also sell their good during market days in Oas, Polangui and Libon. Market days in Libon are Wednesday and Saturday, Oas are Monday and Friday and Polangui are Tuesday and Sunday. The gas lamp is sold at PhP35 per piece. According to him, his sale goes up to PhP 1500 per day during 4Ps and an average of PhP 200 on an ordinary market day.

There were also sellers of household plastic wares, *pandan* (type of plant) and plastic mats, herbal concoctions, bolos, and other carpentry tools.

Merchants in Vinzons, Camarines Norte

The merchants are located in the market proper of Vinzons. Their establishments include a school supply store with photocopying machine, many fruits and vegetables stores, several small rice retailer stores, a small shop which used to sell *ukay-ukay* goods, and all other shops that can be found in an ordinary market. Along the main road near the ATM machine is the *Pasalubong* (locally-made products) shop while a bakery is across the street.

Merchants in Milagros, Masbate

Majority of the merchants in the old municipality are from Milagros. In contrast, the new municipality has entrepreneurs/

vendors coming from Masbate City, particularly the *ukay-ukay* vendors (Figure 1). Some shop owners like the *ukay-ukay* vendors near the municipality, dry goods and pharmacy owners reported that their sales figures declined recently when the payout was made in the new municipal hall. This is consistent with the results of the focus group discussion (FGD) sessions with the Municipal Treasurer and 4Ps Municipal Link who reported that 4Ps beneficiaries from four upland barangays buy their goods either in the “flea market” or Masbate City rather than in the old town.

Food stalls are most common during the *Pantawid* payout. They are also the stalls closest to the location of the *Pantawid* payout. Most food stalls operate in the market near the old municipal building. Take the case of a food shop in front of the church in the town of Milagros. The owner sells during the payout session since 4Ps started. She claimed that her gross sales during the last two payouts were higher than when the payout was in the old municipality. She added that the number of food stalls in the new venue was less than the old venue; thus, less competitors. She claimed that her sales during ordinary days is around PhP2,000 pesos but during payout days, gross sales are more than doubled.

Another eatery operates only during the payout owned by a policeman stationed in the new municipality. Because his wife teaches in a private high school, the policeman hires two assistants to cook and sell food every payout session in the municipality.

There are 4Ps beneficiaries who sell food before and after receiving their payout. Ambulant vendors sell cooked eggs, fried peanuts, and *pastillas* (candy made out of cow’s milk and sugar). They claimed to have the same gross sales with and without payout but have not lost a day’s earning by selling while receiving their payout. Maybe these beneficiaries do not want to admit to have earned higher income because it may make them ineligible for the 4Ps. Further probing revealed that their earnings were sometimes used to buy inputs for their rice farm.

There are a number of dry good stores but there is only one minimart in Milagros, Masbate. It started 10 years ago as a cellular phone accessory stall. According to the owner it was only five years ago that she started selling school supplies (e.g., notebook, paper, pencil, bag and others) because of the demand from her customers. She expanded to other dry goods and opened the

minimart when she started to sell grocery items in February 2015. Her rented cellular phone accessory stall was replaced by a three story-building (although the third floor is still under construction). According to the owner, it was in February 2015 that she stopped renting a place. She attributed the expansion of her business to 4Ps because she listened to the demand of her *Pantawid* customers. She also mentioned that her gross sales is higher during the month of May, a month before the schools opens, than during December which indicates the positive impact of 4Ps in her business. As a cellular phone accessory owner, her aim is to earn a profit of PhP300 per day. Today, her gross income per day is PhP30,000. The FGD participants claimed that the minimart is the biggest in the municipality. Despite the move of the payment venue from the old municipality where her minimart is located, *Pantawid* beneficiaries still patronize her store because of quality, variety, and lower price. This is consistent with the finding of Creti (2015) who found evidence that beneficiaries preferred to purchase locally because of their trust in local shops.

When asked if she is now worried with the increasing number of number of competitors, the mini-grocery owner said that

“Kung sa kompetisyon sa negosyo, grabe kompetisyon dito pero kasi sa mga nakaiintindi ng kompetisyon, positibo ang epekto nito, healthy ang negosyo na may kompetisyon. Sa mga hindi nakaintindi posible bawasan nila yung mga price, malulugi sila

dun. Depend sa pangangailangan ng tao ang kailangan tugunan dyan magsisimula ang negosyo.” (There is competition in any business, competition is very stiff but for those who can understand it, competition has positive effects. For those who cannot understand competition, it is possible that they may reduce their price and eventually lose money and fold. There is a need to respond to the demand of the people, that is, where business starts.)

In the new payout venue, there are dry good stores selling new clothes; school uniforms, ready-to-wear dresses, and other household needs like mosquito net, mats, and blanket. These stores have permanent stalls in the market place of Milagros (Figure1).

Another shop sells candies, biscuits and other snack foods, groceries and canned goods but did not relocate operations near the new venue for the payout. According to the shop owner since the transfer of the payout to the new venue she has lost some of her customers. This is particularly true for beneficiaries residing in barangays, which are located closer to the new municipality.

Originally, this popular school supplies shop has only one shop but later put up another shop facing each other across the street. The original shop sells school supplies while the added shop sells gift items, accessories, beauty products, and ready to wear clothes. Sources of products depend on the kind of goods being sold. For instance, accessories, beauty products, baby



Figure 1. Stalls selling clothes and other household items, Milagros, Masbate, 2016

powder, cologne, soap, sanitary napkins, cottons, toothpaste and others are from company distributors. Infant needs such as milk and diapers are also sourced from distributors. For dry good items such as school supplies like pencil, bond papers, manila papers, colored paper, brown envelope, plastic envelope, folders, clothes like dress, shorts, and shoes, slippers, and other accessories, they are from directly bought in Manila or in Masbate City.

According to the owner, he does not sell during payout in the new venue because their customers travel to the town where their shops are located to buy school supplies and other needs after receiving their payment. The beneficiaries claimed to patronize this shop because it sells most of the school needs of their children and that the price of some products is lower compared with other shops. One of the shop assistants reported that in an ordinary day, one of their branches has an average sale of PhP1500 per day but during payout days, their sales double.

There are three pharmacy stores in the market site of Milagros. The owner of a pharmacy claimed to have also benefited from 4Ps. She observed that her gross sale more than tripled during payout days. Her sales increased despite the change in the payout venue but she reported that the increase was still less than prior to the transfer of the municipality to the new site. For instance, in the past, she experienced a gross sale of PhP8,000 pesos during payout days but with the change in the venue, her highest gross sale only reached PhP6,000 to PhP7,000 per day.

Ukay-ukay Vendors

In Milagros, the *ukay-ukay* vendors are mostly from Masbate City. The three *ukay-ukay* vendors near the former payout venue are not selling in the new payout venue. Their reason is the difficulty of transferring their stalls and goods from the old to the new venue. One of the vendors said that with just one shop assistant she could no longer sell during payouts in the new venue. Setting up temporary stalls in the new venue will require hiring additional staff and rental of vehicle to transport goods, the costs of which she may not be able to recover. She admitted to have lost the opportunity to earn more during the payout but she cannot do anything about it. The increased sales during payout is also the reason why the other *ukay-ukay* trader plans to participate in the future payouts. At the time of the interview, his wife

was sick for a while and found it difficult to leave her during payout.

Most Commonly Bought Goods

This section describes the supply of goods and materials, and services that the beneficiaries purchase from the *Pantawid* money they received. It also reports on the most commonly goods bought within and outside of the payout venue.

Results of the key informant interviews and focus group discussions with the *Pantawid* beneficiaries show that the most commonly bought item was a pair of slippers (Figure 2). When asked why, the response is that their kids are asking for one even before the payout because the current ones are already worn out. One mother said,

“Kada payout bumibili kami ng tsinelas. Alam na nang mga anak naming na kami ay kukuha ng pera at alam nila na para eto sa kanila. Sila na ho ang nageddemand, lalo na yong high school na anak namin.” (Every payout, we buy slipper. Our children know that there is a payout and they know that it is for them. They, themselves, demand, especially the high school children.)



Figure 2. Slippers, school bag and dresses, dry good store, Milagros, Masbate

The other explanation is that mothers purchase cheaper slippers but they do not last long. One merchant claims that slippers, which are offered at substantial discounts are those, which have been on display for a while and thus, the rubber or plastic material becomes brittle. In the FGD with the beneficiaries, there is a mother who bragged that she bought her high school son better

quality shoes at a higher price, believing that the pair will last longer than cheaper ones.

Prior to and during the school opening, the most commonly bought items are school uniform skirts, blouses, white shirts, school bags, and footwear. According to the mini-mart owner in Milagros, her sales is higher in May or the month when mothers buy the above items before classes begin. There are parents who claim that they buy white shirt or blouse on a staggered basis coinciding with the payout. A mother noted that she cannot buy school uniform for her three school-age children at the same time because the amount received during the payout is not sufficient. Another mother with four kids only gets a payout for three eligible children. Thus, the payout for the three kids is shared to the fourth ineligible kid. This sharing of “subsidy” often happens to high school children of the poor family particularly if they are staying in a boarding place near their school.

Commonly purchased materials during payout are school supplies like paper, pencil, ballpen, board, glue, and other materials required for school projects. According to a shop assistant, “*Mas mabenta ang school supplies lalo na papel at lapis*” (School supplies like paper and pencil have higher demand). The shop also sells accessories, dress, shirts, shorts, sandals, shoes, gadgets, and batteries, though the demand for batteries and accessories are lower than school supplies. “*Mas mabenta ang mura at mahina ang quality pero may matitibay din kami na tinda*”. (Cheaper but low quality goods are more saleable but they also sell better quality and durable products). He added that their products are sourced in Divisoria.

The beneficiaries, particularly those with children attending high school, save at least PhP1,000 for school allowance. One beneficiary narrated that her son boards near his school. Unfortunately, her son is not included in the *Pantawid* because she has more than three children. Beneficiaries from Milagros, Masbate and Vinzons, Camarines Norte shared similar story.

After school supplies, the most commonly bought items are vitamins, according to the beneficiaries. There were also those who bought “Bear Brand” powdered milk or other brands of powdered milk. This was attested to by pharmacy and dry goods store sales persons interviewed. Merchants in Milagros, Masbate did not sell vitamins and powdered milk in the payout venue, and thus, *Pantawid* beneficiaries had to buy these items

in the town proper. On the other hand, beneficiaries in Libon bought their vitamins and medicines from the sole generics drug store located in the LTC.

Rice was the most commonly mentioned food item bought by beneficiaries in Vinzons, Camarines Norte. On average, a family bought 10 kilos of rice every payout. The rest of their rice requirements are bought from rice retailers in the town proper or from rice millers located near their barangay. The four beneficiaries from Vinzons reported to have consumed less of NFA rice when they received their payout. The beneficiaries from Libon, Albay mentioned sardines and noodles in addition to rice as their most commonly purchased food items.

Pantawid beneficiaries mentioned that out of their payout, women beneficiaries bought household items like basin, dipper, and plastic food servers. Curtains and other decorative items were also purchased. A male beneficiary, who was substituting for her wife, bought a hammer and other carpentry tools out of the payout proceeds.

Employment Generation

All the shop owners/merchants, except those peddling/roaming around, have engaged the services of additional help during payout session. The *ukay-ukay* vendor in Libon and the mini-grocery owner in Milagros, Masbate hire six helpers whenever there is payout. The mini-grocery owner in Milagros employs students as part-time shop assistants to help the latter with their school expenses. The other shop owners hire one to two additional assistants during payout as in the cases of the food stall owners and dry goods merchants in Milagros, Masbate and the rice retailer in Libon, Albay.

Jeepney and tricycle drivers benefit too from *Pantawid* Program. During the payout, jeepneys from far away barangays like Pantao in Libon are filled up to the roof by beneficiaries and family members (Figure 3). The passenger round trip fare is PhP 80. Some jeepneys and vehicles are also hired on special rate by merchants to bring beneficiaries to the payout venue.

The other positive effect of *Pantawid* is the easier access of beneficiaries to credit but with high interest rate. According to a parent leader in Libon, Albay, all the 30 members of her group including herself, borrow money ranging from PhP1000 to PhP2000 for 15 percent interest per month from informal lenders.



Figure 3. Jeepneys servicing the beneficiaries from Pantao, Libon, Albay

Mothers usually borrow money for various family needs particularly school needs. As one mother in Milagros, Masbate said,

“Pag meron pong babayaran sa project sa school, nanghihiram ako ng pera at babayaran pag nakuha na sa 4Ps.” (If there are school projects to be paid, I first borrow money and pay it later with money coming from 4Ps.)

The money lenders in Libon, Albay include the meat shop owner and another one who receive remittances from children working abroad in Metro Manila.

Revenue Generated from the Flea Market and Its Utilization

Generation of additional revenues as a result of *Pantawid* implementation occurred in the municipalities of Libon, Albay and Milagros, Masbate. However, this did not happen in Vinzons, Camarines Norte because majority of the beneficiaries who have ATM card withdrew their *Pantawid* cash from either Daet or Libon, Camarines Norte where beneficiaries prefer to shop because of the variety of goods being sold at lower prices.

The market collector in Milagros, Masbate estimated that market collection fee averages PhP8,000 per payout. This collection forms part of the total market collection fees of the municipality. Roughly, the flea market collection contributed around 11 percent to total market collection in 2014. It should be noted that the municipality has a tax code, which specifies the market fees to be imposed. However, the market collector did not follow the rates specified in the code because he thinks that the rates are high that they might discourage entrepreneurs from participating during *Pantawid* payouts. The fee ranges from PhP20 per day for small food stall to PhP200 for dry good stores

selling a variety of items. He further noted that to help the entrepreneurs from Milagros, he proposed to the Sangguniang Bayan (Municipal Council) to pass an ordinance to exclude merchants outside of the municipality during the payout. However, the Municipal Council has not discussed his proposal yet.

In Libon, Albay, the municipality built *papag* (low bamboo table) for rent to vendors during market days and *Pantawid* payout days. Each *papag* is rented at PhP10 per day. This is in addition to the PhP10 fee for the goods being sold. Thus, a vendor pays a minimum of PhP20 for a day. The market collector reported to have issued 15 sheets of tickets (125 ticket per sheet) during the December 2015 payout.

The *ukay-ukay* merchant requested that the local government unit should provide additional security during the payout session. There must be visible security because shop owners and sale assistants normally sleep in the market during payout. In addition, she suggested that the municipality should keep the toilets clean and build additional ones. The municipality should also collect the garbage after every market and payout days.

Other Spill-Over Effects of Pantawid

Another kind of spillover effect of CCT, according to the World Bank (2009) is related to changes in access to and use of the formal banking sector. A number of CCT programs, including the Philippines, directly deposit payments in bank accounts created for beneficiaries, who then can withdraw cash using an automated teller machine (ATM) card. This scheme does not only reduce transaction costs but encourage the beneficiaries to use the formal banking sector in other capacities — potentially, a very important benefit of CCT programs and one that has not been evaluated to date. This can also an avenue to encourage families to save. Only one among the 22 participants of the FGD in Masbate admitted saving PhP500 in her account every payout for use in emergency cases like bringing her kids to the doctor.

Summary and Conclusion

Stalls selling food, used clothes, and dry goods are the most common businesses during payouts. The most commonly bought non-food items are slippers, school supplies including paper, pencil, and ball pen. For food items, rice, bread, sardines, noodles and other canned goods are the ones commonly bought

by the beneficiaries.

The effect on the economy of 4Ps depends on the location or the venue of the payout. As noted earlier, the effect of cash transfers is more felt in isolated localities than those exposed to outside markets. In the Municipalities of Milagros, Masbate and Libon, Albay, the effect on the local economy is highly visible given the number and variety of merchants present during the payout. Makeshift stalls, bamboo-made tables and other temporary structures are built during the payout to showcase products being sold. The municipality derived benefits from these traders through issuances of market rental tickets by the market collector. The amount of the ticket varies depending on the municipality. In Libon, Albay, the *Pantawid* payouts help in keeping the LTC operational. The bi-monthly payouts generate enough demand for goods being sold in the LTC.

The market collector in Milagros, Masbate proposed to the Sangguniang Bayan to make the payout venue exclusive to merchants from Masbate. This is the opposite in Libon, Albay where the municipal government encourages traders from the nearby towns to sell during market days and payout days.

In the case of Milagros, Masbate, business owners or vendors build temporary tent-like structures and bring their own *papag* (low bamboo table) to display their goods. In the case of Libon, Albay, the municipal government rents out these *papag* for PhP10 per piece but also allows traders to bring their own tables. Such is the case of the *ukay-ukay* businesswoman who brings her own tables to save on rent. Others adopt different strategies to pay less or even avoid paying rent by just laying down plastic mats to show the goods being sold such as for “kalamansi” (local lemon), “kamatis” (tomatoes), and dry goods such as kitchen wares, clothes, and herbal concoction. Another trick to avoid paying market rents is to use the back of a jeepney or the passenger side of a tricycle to display food/snacks.

The case of Vinzons, Camarines Norte is different from the experiences of Milagros, Masbate and Libon, Albay. The difference is primarily due to the fact that many of the *Pantawid* beneficiaries use ATM machines outside of the municipality instead of the Land Bank of the Philippines ATM in the municipality, in withdrawing their bi-monthly *Pantawid* payout. The money withdrawn is then used to buy goods in Daet City or Labo which offers better and more variety of goods at lower prices. This also

provides the opportunity for the children to eat in popular food chain across the country.

The effect of *Pantawid* is also positive to most merchants outside of the payout sites. This is the case of the pharmacy, minimart and the school supplies shop in Masbate because none of the temporary stalls located near the payout site sell other goods like vitamins and powdered milk. This positive effect extends to the jeepney and tricycle operators who service the beneficiaries.

Given these positive effects, the municipal LGUs have to do its part in maintaining peace and order giving police security during payouts. Moreover, cleanliness through provision of waste bins for proper waste disposal and clean toilets must be provided by the LGUs.

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