



# Enabling informal workers to access Social Security

## Evidence from the *AlkanSSSy*a Programme in the Philippines

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### 1. Introduction

Every human being has an interest and a right to live in dignity<sup>1</sup> throughout all phases of life. There are events that prevent persons from earning an income by reducing or losing their earning capacity, which is what happens to the majority of workers when they get old, ill or become disabled. Regardless of their socio-economic background, everybody is affected by ageing and, sooner or later, will also potentially be in need of old age income support, depending on the employment conditions during their working years. One of the main objectives of a pension system is to allow for consumption smoothing over an individual's lifetime - guaranteeing insurance particularly as a mechanism against longevity and inflation risks - and income redistribution. As such, pension systems have the potential to reduce old age poverty if the pension level is adequate.<sup>2</sup> Income should suffice to cover living needs by granting an adequate pension that enables the right to retire with dignity. However, according to the ILO (2014) 48 per cent of world's elderly population is currently not covered by any pension scheme at all.

This paper explores an innovative method of expanding social protection coverage to the informal sector and increasing social inclusion. A concrete example of such a scheme is the positive experience of the *AlkanSSSy*a programme<sup>3</sup> in the Philippines, which aims to offer informal sector workers a structure to be included in a social protection system, ranging from short-term benefits to old-age pension. This paper is organized as follows: after an introduction on demographic trends in the Philippines, the focus will shift to the justification of the need for a pension sys-

tem for informal workers. The Philippines' social protection system for elderly and the institutions in charge of the pensions will then be explained briefly. The second section presents the *AlkanSSSy*a programme, its target-population, its main characteristics and the challenges to close the existing social security gap. Before the concluding section, the linkage of the *AlkanSSSy*a programme to the Sustainable Development Goals (SDGs) is briefly presented.

The promotion of old-age security is one of Germany's areas of international engagement in social protection. This is reflected through one agreement among several others on the mutual recognition of social security benefits signed by the Philippines and the German Federal Ministry of Labour and Social Affairs (BMAS) in September 2014<sup>4</sup> and through the German Federal Ministry for Economic Cooperation and Development's (BMZ) continued work on old age protection. One successful example of Germany's contribution is the international conference "*Thanks, Otto! 125 years of pensions and new global perspectives*", which was organized in Berlin by BMZ, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of BMZ, HelpAge International, HelpAge Germany and Allianz Group in October 2014.

The GIZ Programme "*Effective insurance coverage for the poor*" in the Philippines assists Asian countries in improving the insurance possibilities for poor people in order that they can access insurance products within the supervisory and *Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia* (RFPI Asia).<sup>5</sup> The programme supports the development of innovative approaches to policy-making and regulation in the insurance sector, with particular reference to micro, small and medium-sized enterprises, disaster risk management and agriculture. Even though the programme's main objective is "to support consumer protection measures in

<sup>1</sup> Even though the meaning of dignity is context-specific, here it is based on the Universal Declaration of Human Rights.

<sup>2</sup> Asher, 2010.

<sup>3</sup> The name *AlkanSSSy*a combines the Filipino word "Alkansya" - meaning 'piggy bank' and connoting the daily act of saving (coins) as practiced in many Philippine households - with the name of the programme's implementing agency, the SSS standing for Social Security System.

<sup>4</sup> See "Deutsche Rentenversicherung" [Download](#)

<sup>5</sup> For more information also read relevant publications that can be accessed at RFPI in Asia at the following website: <http://www.inclusiveinsuranceasia.com/>

particular in the field of micro-insurances”<sup>6</sup>, it also hopes that micro pensions will be included in this kind of insurance in the future.<sup>7</sup> In line with this clear objective, it promotes the necessary dialogue process contributing successfully to the respective information dissemination campaign for micro-insurance. In the first mutual exchange forum on inclusive insurance organised by the programme in 2013, the Philippines adopted a joint declaration recognising the importance of social and economic development. In that exchange it was also agreed to improve access to insurance and develop, together with local partners, a mechanism for the resolution of disputes between customers and providers. In June 2015 this GIZ programme that mainly focuses in the health sector by providing support for the development of a regulatory framework for health micro-insurance (MicroHealth) was extended. In the same way that the *Micro-Health* framework allows and encourages the private sector to complement and supplement the Philippines government’s Universal Health Care programme, this may also happen with pension programmes. Within this framework, this paper continues the focus on pension systems, concentrating on the Philippines voluntary scheme as a case study.

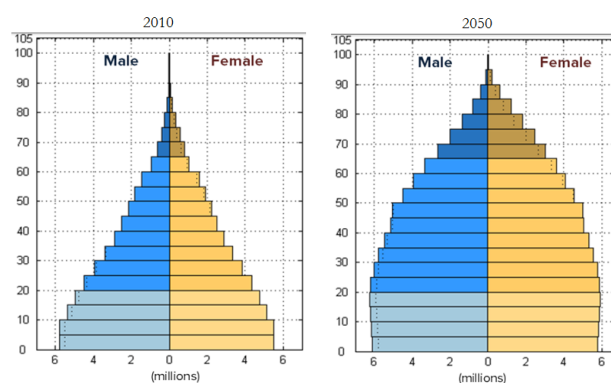
### 1.1 Demographic trends affect the coverage of the Philippines’ defined-benefits pension scheme

As a large-middle income country in the Southeast Asian (SEA) region and with a projected population of 101 million inhabitants by 2015<sup>8</sup>, the Philippines contribute to global population growth with an annual demographic growth rate of 1.7 per cent as of 2013.<sup>9</sup> The Philippines continued to be in the first demographic transition phase during the last 40 years with a high fertility rate.<sup>10</sup> While in the Philippines, initially, infant mortality declined, its total fertility rate remains above the estimated 2.23 children per woman in the SEA region, at 3.07 children per woman. It is consequently reasonable to believe that the country’s demographic growth will be sustained in the medium to long term.

The above mentioned characteristics have resulted in an increasing youth dependency group (aged 0-14), which in turn explains the fact that the Philippines has a median estimated age of 23.4 years<sup>11</sup>, which is 5.5 years below the regional average in 2015.<sup>12</sup> Moreover, for the current year, 6.3 per cent of Philippines’ population is projected to be aged 60 or older.<sup>13</sup> The United Nations Development Programme (UNDP, 2014b) estimated an old age dependency ratio<sup>14</sup> of 6.5 for the Philippines in 2015. In 2005 this ratio

was very similar (6 per cent considered elderly, that is aged 60 years or older), and is estimated to be at 19 per cent by 2050.<sup>15</sup>

**Figure 1: Total population by age group and sex, 2010 and 2050<sup>16</sup>**



The old age dependency ratio is determined by the retirement age. OECD estimates Philippines’ expected retirement age as one of the lowest for both men and women among a sample of countries analysed.<sup>17</sup> It is not a coincidence that in 2011 there were eight different proposals to reform aspects of the Philippines’ Social Protection System. Raising the retirement age in the Philippines was among these proposals. However, the raising of the retirement age is normally an extremely unpopular proposal. The political economy behind these decisions defines drivers that push certain reforms - more often structural ones - than others.<sup>18</sup>

It is in the Philippines government’s priorities to promote inclusive growth from different perspectives, given the Philippines’ population projections (see Figure 1), which predict that the number of elderly persons will grow. For example the Philippine Department of Labour and Employment’s (DOLE) contributes to the Philippines Development Plan 2011-2016 through the *Integrated Livelihood and Emergency Employment Programme* (DILEEP), another major component of the Philippine social protection system.<sup>19</sup> Additionally, the government aims to reduce old-age poverty and inequality given that in 2013, 6.9 per cent of the population was aged over 60, and projections are that those over 60 will comprise 15.3 per cent of the population in

has a double impact by both reducing the numerator and increasing the denominator” (Guérard, 2012).

<sup>15</sup> Handayani and Babajanian, 2012.

<sup>16</sup> **Source:** Population pyramids based on medium variant of the 2010 revision of the World Population Projection (WPP) by UN Population Division in “Philippines: Country Implementation Profile”, ICPD International Conference on Population and Development Beyond 2014.

<sup>17</sup> For more information see “Figure 2. Expected time in retirement” in OECD, n.d. and OECD, 2013.

<sup>18</sup> Even though there were several proposals to reform the system in the 2011 Actuarial Valuation Report, structural reforms that are easier and less controversial to implement (e.g. increase in contribution rate or in the maximum monthly salary credit) were not only pursued much more than rising retirement age, but also approved and implemented in 2014. On the contrary, raising retirement age under the SSS Charter was one (indeed extremely unpopular) of eight other proposals posed in 2011.

<sup>19</sup> ILO, 2015a.

<sup>6</sup> Meissner, 2014.

<sup>7</sup> Personal comm. with GIZ Country Office in the Philippines.

<sup>8</sup> Philippines Statistics Authority - National Statistics Office, 2014.

<sup>9</sup> World Bank, n.d.

<sup>10</sup> Mapa, Davila and Albis, 2010.

<sup>11</sup> Worldometers, 2015.

<sup>12</sup> Projections on medium-fertility rate variant (UNDP, 2014a).

<sup>13</sup> Philippines Statistics Authority, National Statistics Office, 2014.

<sup>14</sup> The old age dependency ratio is the ratio of elderly persons (usually 60 years and older) to the working-age, also called economically active population (15-59 years old). The mandatory retirement age in the Philippines is 65 and the optional 60 for both the private and also the public sector. “This ratio is very sensitive to the retirement age since extending the active group by 1 year

2050 and 32.1 per cent of the total population in 2100.<sup>20</sup> With a life expectancy of 62.2 years in 1980, the Philippines experienced steady population growth as it achieved an average life expectancy of 68.7 in 2013.<sup>21</sup> However, UNDP (2014b)<sup>22</sup> and HelpAge International in the Global Age Watch Index (2015) estimated 17 years as the annual average of projected life expectancy at the age of 60, which is a much better estimate of survival within the adult life course than life expectancy at birth. When UNDP adjusts this data to health, life expectancy is reduced to 63.2 years for women and 57.4 years for men.

These trends clearly show the importance and need of providing an adequate and inclusive social security system for everyone, including the elderly, who mainly use the pension to cover health costs and often do not expect to have such a long time (if any) in retirement.<sup>23</sup> By providing more security through higher income, poverty in old age might be better tackled. The World Bank (2014) states that around 21 per cent are beneficiaries of old-age pensions in the population aged 65 and over in the Philippines, but this is based on the most recent data available, which is from 2007. UNDP (2014b) considers the old-age pension recipients (of contributory and non-contributory pensions)<sup>24</sup> to be 28.5 per cent of the eligible population during the period from 2004 to 2013. These percentages remain low, indicating the clear need to undertake actions to extend social protection coverage among the elderly, particularly focusing on the workers of the informal sector.

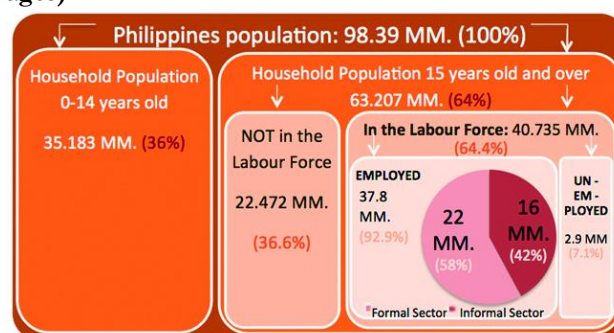
## 1.2 Relevance and need for old-age Social Protection for informal workers in the Philippines

Formal social protection programmes cover only about 10 to 15 per cent of the total elderly population in Asia.<sup>25</sup> Many workers employed in the informal economy are outside the contributory social security system, remaining without any social protection coverage at all. An increasing number of the elderly in Asia are not covered by formal pension systems and the number of poor in Asia is also expected to grow: from 410 million in 2007 to about 1.3 billion by 2050.<sup>26</sup> In addition to hardly having any guarantee of social security benefits, especially for their old age, informal workers frequently have very poor working conditions and are vulnerable to work hazards. Figure 2 shows the particularly high number of informal workers in the Philippines.

Because of the importance of providing social security benefits to everyone, including expansion to the informal sector, the Philippines aims to follow the Human Rights Approach to Social Protection that maximizes the effectiveness of poverty reduction and realization of human rights. The Social Reform and Poverty Alleviation Act of 1988 (RA 8425) defines workers in the informal sector as:

“poor individuals who operate businesses that are very small in scale and not registered with any national government agency, and to workers in such enterprises who sell their services in exchange for subsistence wages or other forms of compensation...”<sup>27</sup>

**Figure 2: The Philippines labour market and its employment profile in 2014 (in million, MM, and percentages)<sup>28</sup>**



It is important to bear in mind that the labour market in the Philippines is strongly dualistic: there is a shrinking formal sector and an expanding informal sector<sup>29</sup>, the latter, as mentioned above, with no proper social protection. However, there seems to be uncertainty about the overall share of the informal sector in the economy: on the one hand, it can be seen in the Philippines' labour market and its employment profile in 2014 that the informal sector comprises 16 million or approx. 42 per cent<sup>30</sup> of the employed force (see Figure 2). This is also confirmed by data in Table 1, showing the sector in which the majority of the informal labour force is employed. Unincorporated enterprises, that consist of both informal own account enterprises and enterprises of informal employers, but also labour relations without employers are part of the informal sector workers.<sup>31</sup> On the other hand, the World Bank (2013) estimates that “informal workers comprise about 75 per cent of total employment”<sup>32</sup>, which is close to the 77 per cent that the Employers Confederation of the Philippines estimated in 2008.<sup>33</sup> Besides the uncertain number of informal workers, which depends on the chosen definition, the majority of workers in the informal sector tend to have little or no protection, not only as regards the risk of job loss but also few opportunities to find gainful employment. About 79 per cent of the labour force and only about 28 per cent of the

<sup>20</sup> United Nations Department of Economic and Social Affairs/Population Division 25, 2013.

<sup>21</sup> While women had a life expectancy of 72.2, male only of 65.4 years (UNDP, 2014a).

<sup>22</sup> For the period 2010-2015

<sup>23</sup> Usually, informal sector workers struggle to consider only a period in retirement without working.

<sup>24</sup> Since 2011 a social pension was introduced in the Philippines. *PensionWatch* (HelpAge International) estimates about 4 per cent of the 60 and over population to be a recipient of this benefit and about 7 per cent of the eligible population was indeed covered in 2014.

<sup>25</sup> ADB, 2013.

<sup>26</sup> ADB, 2015.

<sup>27</sup> Republic of the Philippines, Congress of the Philippines, 1997.

The informal sector is also “known for being made up of small-scale operations that are usually for the mere purposes of survival” (Sepúlveda and Nyst, 2012).

<sup>28</sup> Author's creation based on Ciriaco, 2014.

<sup>29</sup> Moya, 2013.

<sup>30</sup> 16 Mio/ 37.8 Mio. = 42.33 per cent

<sup>31</sup> Weber, 2012.

<sup>32</sup> Chua, 2013.

<sup>33</sup> Ortiz-Luis, 2008.



population aged 60 and over is covered with the defined-benefit scheme<sup>34</sup>, which confirms UNDP's figures presented at the end of previous section.

In order to cover civil servants and public workers the Government Service Insurance System (GSIS) was created in 1936. The second oldest institution to cover regular employees in the private sector is the Social Security System (SSS), which was created in 1957. The SSS is the most relevant institution for this case study, given that in an amendment in 1997 the SSS determined to formally include the informal sector in its membership coverage.<sup>35</sup> The inclusion of the informal sector was made in recognition of the growing significance the sector's role in the economy through its absorption of surplus labour that cannot be incorporated into the formal sector. However, no data regarding the respective coverage at that time could be found.

**Table 1: Selected information for employed persons by major industry group, occupation and class of workers for the Philippines in April 2015<sup>36</sup>**

<b>INFORMAL SECTOR</b> (= 42% of labour force)	
Self-employed without any paid employee	28.2%
Employer in own family-operated farm or business	2.9%
Worked without pay in own family-operated farm or business	11.1%
<b>EMPLOYED PERSONS</b>	39,159
Number (in thousands)	
<b>Employed persons by sector</b>	<b>100.0%</b>
Agriculture	29.3%
Industry	16.5%
Services	54.2%

Even though it was proven that informal employment has socio-economic inefficient aspects and reduces labour productivity<sup>37</sup>, at the same time, this sector makes a significant contribution to the Philippines' GDP. "It can be assumed that one-eighth to one-fourth of the country's GDP comes from the informal sector."<sup>38</sup> The informal sector's contribution to GDP ranges between 12.5 per cent<sup>39</sup> and 25.4 per cent based on two studies that analysed the 2008 Informal Sector Survey (ISS).<sup>40</sup> The informal economy could have even more potential if it was properly secured through social protection coverage from the government.<sup>41</sup> This is also likely to reduce (old age) poverty.<sup>42</sup>

In this context, in 2011 the SSS launched the *AlkanSSSya* programme, to provide social security benefits to informal sector workers. Though there were previous attempts by SSS to cover the informal sector through affordable saving schemes through some commercial banks, there was very low participation from the targeted participants, who were perceived to be averse to formal banking transactions, reluctant to take time off from their work to transact with banks, and more importantly, had highly irregular daily income that made saving difficult. Bearing in mind all these deficiencies, the *AlkanSSSya* scheme was launched by SSS but partnering together with a key stakeholder – the Informal Sector Groups (ISGs) – to better address all these concerns of informal sector workers. ISGs are workers organized according to their common trade, jobs or skills – to help with the administration and logistics of the *AlkanSSSya* programme. Examples of ISGs include an association of transport workers registered with the local government, or a cooperative of workers engaged in a common trade. Their role will be better understood after the following introduction of the Social Protection System for the elderly in the Philippines.

### 1.3 The Social Protection System for the elderly in the Philippines

With 15 separate schemes and a structure built up by different entities, i.e. ministries, regulators and service providers, the Philippines' social protection system tends to be known as very fragmented, covering healthcare, old-age (retirement), disability and survivor pensions.<sup>43</sup> When specifically focusing on the elderly, this defined-benefit scheme primarily includes four programmes: (i) an almost universal<sup>44</sup> government health insurance programme provided by the Philippine Health Insurance Corporation (*PhilHealth*)<sup>45</sup>, (ii) a retirement programme for veterans through the *Philippine Veterans Affairs Office* (PVAO), (iii) a mandatory system for public workers and government employees who are covered by the GSIS and (iv) a mandatory system for the private sector, that is also covered by a governmental insurance called the **Social Security System (SSS)**. As mentioned in the previous section, the latter is the most relevant institution for the *AlkanSSSya* programme.

The GSIS and the SSS are the biggest pension institutions in the country, while *PhilHealth* and the PVAO are government agencies that contribute to the functioning of this system. The GSIS was the country's first social insurance institution to provide pensions, with different pension programmes for the government and the public corporations employees. Meanwhile, the members of the SSS are comprised of a mixture of different workers, i.e. private-sector employees, household workers, professionals and self-employed persons, formerly employed persons who have left formal employment but still wish to continue contributing to SSS

<sup>34</sup> Reyes, 2012.

<sup>35</sup> Charter through Republic Act 8282 (Social Security Act of 1997)

<sup>36</sup> **Source:** Philippine Statistics Authority, *April 2014 and April 2015 Labor Force Survey, Table 1*. Both estimates of employed person from Table 1 and Figure 2 in this paper are official estimates from the government for different years.

<sup>37</sup> Levy, n.d.

<sup>38</sup> Charmes (2000) and Pastrana (2009).

<sup>39</sup> Source: Adapted from Ciriaco, 2014.

<sup>40</sup> Mines, 2013.

<sup>41</sup> Toyoken, 2012.

<sup>42</sup> Poverty incidence has decreased from 28.8 per cent of total families in the 1<sup>st</sup> semester of 2013 to 20.0 per cent in the same period of 2014. (Philippines Statistics Authority – National Statistical Coordination Board, n.d.)

<sup>43</sup> Mesa-Lago, Viajar and Castillo, 2011.

<sup>44</sup> The coverage of *PhilHealth* is 90 per cent (Roth and Landry, 2015).

<sup>45</sup> The *National Health Insurance Programme* (NHIP) "covers health insurance for SSS and GSIS members, and their dependents" (Republic of the Philippines, Congress of the Philippines, 1995).

as voluntary members, Filipino citizens working abroad voluntarily registered as Overseas Filipino Workers (OFWs)<sup>46</sup>; and since 2012 also the informal sector through the *AlkanSSSy*a programme.

The *Social Security Programme* is one of both programmes that are administered by SSS which offers income replacement for members (including *AlkanSSSy*a members) whose earning capacity has been lost or reduced due to contingencies, such as for workers in times of old age (i.e. retirement pension) but also disability pensions. The second programme that the SSS administers since 1975 is the *Employee Compensation (EC) Programme* that provides a second compensation for the employee and employer in the private sector, in case of work-connected sickness or injury resulting in disability or death.<sup>47</sup> The EC Programme is not offered to *AlkanSSSy*a members, given that employers shoulder the total EC contributions.

In addition to these two pension systems (provided by GSIS and SSS), the Expanded Senior Citizens Act (Republic Act No. 1994) also established the Social Pension for Indigent Senior Citizens in 2010. The Department of Social Welfare and Development (DSWD) implements this old age grant that is paid to every 60 year-old person not covered by either the SSS or the GSIS. This Social Pension is a non-contributory, regular cash transfer amounting to P500<sup>48</sup> per month, given to indigent senior citizens without any other pension from another insurance scheme, without a source of income or support from relatives, or if beyond the age of 77 years, who are sick or disabled. The ILO (2015b) explains that the main objective is to improve the living conditions of eligible senior citizens, enabling them to meet their daily subsistence and medical requirements and protecting them against deprivation. In 2014, the DSWD allotted PhP3.1 billion of government budget to this programme and introduced a new implementation and monitoring scheme, in which it cooperates with the Local Government Units (LGUs) to fast track the distribution of cash assistance to the beneficiaries.<sup>49</sup> The Philippines has decided to socially include (near) poor older persons both by social assistance and by social security, which is in line with further recommended course of actions to “promote social protection and provide loan and credit banks for the informal actors.”<sup>50</sup>

## 2 The *AlkanSSSy*a Programme

### 2.1 Origins

The *AlkanSSSy*a was officially launched in 2012 as a both a micro-saving programme and a membership coverage programme that ensures “equality of access to benefits among

people of different socio-economic classes”.<sup>51</sup> However, it began earlier in late 2011 when the SSS Las Piñas City Branch created a system called “TrikanSSSy” to cover self-employed workers with irregular income, particularly drivers of tricycles.<sup>52</sup> The drivers who enrolled in this programme were registered as self-employed members and deposited ten to twenty Philippine Pesos on a daily basis in a giant steel box installed in the centre of the tricycle transport terminal. These contributions are accounted and collected monthly by SSS account officers (AO) and the officers of the tricycle drivers and operators association (TODA), and once credited to the drivers’ SSS records, qualify them to the same benefits as any regular SSS member.

Based on the success of its initial implementation the *TrikanSSSy* programme was expanded in 2012 to all SSS branches nationwide, in order to increase the coverage and include new categories of informal sector workers. Eventually, the name was changed to the current “*AlkanSSSy*” as abovementioned. In the year end 2014 report, the SSS President and Chief Executive Officer Emilio de Quiros, Jr., said that the *AlkanSSSy* programme has covered 122,387 members coming from 1,235 ISGs that have partnered with SSS. A total of 167 Million Philippine pesos (PhP) have been collected from the *AlkanSSSy* programme.<sup>53</sup>

One of the reasons informal workers have not been sufficiently covered by the SSS was mainly related to the seeming impossibility for them to constantly contribute to the system due to the seasonal and irregular nature of their income.<sup>54</sup> “The Filipino SSS has launched several initiatives geared towards improving the coverage and collection of contributions”<sup>55</sup>, such as a voluntary daily deposit programme for the informal economy at the Philippines Saving Bank and the Development Bank of the Philippines launched in 2002. Additionally, certain innovations on the mechanics of collecting contributions and benefits payments were attempted. Even having the possibility to enrol to the SSS as a self-employed with a net monthly income of PhP1,000 per month, this did not happen frequently, e.g. in 2008 only 19 per cent of the SSS membership were from the self-employed sector, to which the informal workers belong.<sup>56</sup> It is almost three years ago that the SSS tried to increase the membership and contributions, in order to include the informal sector – which is usually comprised of self-employed workers in the services sector. Further approaches that this agency undertook were Servicing Partner Agent Agreement for cooperation and micro-finance institutions, the Subsidy Programme for farmers and workers in the agricultural sector and, the earlier mentioned, *AlkanSSSy* Programme.

Other reasons for the informal sector workers’ low membership rate to the SSS could be related to their low or limited income, or because of administrative difficulties

<sup>46</sup> U.S. Social Security Administration, Office of Retirement and Disability Policy (2012).

<sup>47</sup> The EC programme provides medical and rehabilitations services and appliances, as well as long-term pension in case of disability and death.

<sup>48</sup> 1 EUR = PhP47.677; 10,49 Euros = PhP500

<sup>49</sup> “At the moment, the scheme has been rolled out in selected LGUs only.” ILO, 2015b.

<sup>50</sup> Toyoken, 2012.

<sup>51</sup> N.n., n.d. See “The Philippine Social Security”

<sup>52</sup> Drivers of tricycles offer a sidecar service with their motorcycles on routes that common passenger vehicles usually do not ply.

<sup>53</sup> Personal Communication with Ms. Josephine Mines.

<sup>54</sup> Gonzalez and Manasan, 2002.

<sup>55</sup> MacKellar, 2009.

<sup>56</sup> National Statistics Office, 2008.

involved in preparing remittance reports of contributions to SSS, due to the wide geographic dispersion of the informal workers or the lack of accessible mechanisms for remitting contributions to SSS. Furthermore, the delivery system for paying benefits<sup>57</sup> has also been inadequate for a longer time. Bolivar (2006) explains the existence of the informal sector due to a combination of several factors such as high taxes, complicated regulations, bureaucratic hurdles and corruption.<sup>58</sup>

## 2.2 *AlkanSSSy*a's target group

This programme is mainly targeted at workers of the informal sector that usually have a low income, hazardous working environments and are associated to an Informal Sector Group (ISG). Not every group that is classified as informal worker<sup>59</sup> has an ISG. Among the several ISGs such as co-operative members, beach/resort workers, ceramic and pottery workers, (organic) farmers, vendors in public markets, golf club workers, entrepreneurs, other self-employed individuals that were already presented by Mine (2013) are:

- **Personal transport drivers and operators** of tricycles, jeepneys and “trisikad”/pedicabs (similar to tricycle but using a bicycle) are organized according to the routes they offer.
- **Garbage pickers** also called **Material Recovery Workers** are workers that work at the Payatas dump site searching for recyclable materials and other scrap materials that can be sold.<sup>60</sup>
- **Fishermen/fisher folk:** As home-based worker and women helping to sell the catch of their fishermen-husbands, they are also organized into associations: either formally with the help of a third party (community leader or organizer) or informally among themselves.
- **Jail Inmates**<sup>61</sup>: They are registered as SSS self-employed members either for the first time while incarcerated, or as a continuation of their earlier working lives, when they were already members at the SSS, in order to contribute to the *AlkanSSSy*a unit that is placed within the jail grounds.<sup>62</sup>

<sup>57</sup> Pensions for *AlkanSSSy*a members are delivered in the same way as other SSS members: through their individual bank accounts for pensions, or through a one-time check payment when it is a lump sum.

<sup>58</sup> Bolivar, 2006.

<sup>59</sup> Weber (2012) defines informal workers as “those with irregular income, the underemployed, small vendors such as side-walk vendors; cigarette, balut/egg and peanut vendors; watch-your-car boys, hospitality girls”, among others.

<sup>60</sup> An NGO organized them into an association, in order to implement the *AlkanSSSy*a programme, providing a truck that transports the *AlkanSSSy*a unit to the dumpsite where these workers are located.

<sup>61</sup> The *AlkanSSSy*a participants also include those who stopped contributing to SSS after entering the correctional facility.

<sup>62</sup> While incarcerated, inmates can earn a living by manufacturing handicrafts and other goods, which are then sold to the outside market by NGOs. The *AlkanSSSy*a programme also includes those that stopped contributing to SSS after entering the correctional period. Jail inmates can file their applications for Retirement bene-

- **Barangay Employees and Tanod (Community Patrols)** work as peace and security keepers around urban and rural communities, called “Barangay” in Filipino.<sup>63</sup> The Department of Interior and local Government (DILG) and the SSS has signed a Memorandum of Agreement (MOA) on *AlkanSSSy*a's institutionalization, expanding its coverage to job order (JO) and contractual employees in local government offices, street sweepers and daycare workers.

## 2.3 Requirements, process and benefits

The first requirement to participate at the *AlkanSSSy*a is to fill in the form “SSS Self-Employed Data Record or Form RS-1<sup>64</sup>”, in order to register with the SSS. This will be done with the support of the Informal Sector Group (ISG) to which the informal worker is associated. Besides declaring the annual and monthly net earnings, it is necessary to declare the existence of their beneficiaries or dependents and register on the same form their left and right thumb marks. Because the person is registering for the first time and still has no SS number, he or she has to additionally submit the original/certified copy and a photocopy of the following documents: either one identifying primary document (baptismal certificate, birth certificate, driver's license, passport, Professional Regulation Commission Card Seaman's Book) or in the absence of the primary document, two secondary identifying documents.

The ISG's role is essential for this programme, acting as the interlocutor between SSS and workers, explaining to them what they need to do, how and why. From the very beginning, it not only encourages the worker to register to SSS, but the ISGs also finance the construction of the *AlkanSSSy*a unit, which is a large metal cabinet with up to 160 mini or personal safety boxes. The ISGs usually pays for the construction of the *AlkanSSSy*a unit as its investment<sup>65</sup> in partnership with SSS for the ultimate benefit of their members. Before SSS enters in partnership with an ISG under the *AlkanSSSy*a Programme, the SSS Account Officer conducts an intensive orientation sessions with the ISGs officers and members for them to be aware of their duties and responsibilities, and possible trouble areas. If the ISGs have no sufficient funds to have the *AlkanSSSy*a unit manufactured out of metal/aluminium, the boxes can be built with recyclable materials, as long as the structure follows SSS' technical specifications. The *AlkanSSSy*a unit can also be sponsored by a private person or a LGU/ local government official (see Figure 3).

fits through their families on the outside, who can also withdraw their monthly pensions upon their authorization.

<sup>63</sup> They ensure that local laws guard against petty crimes and mediate personal or household squabbles are implemented. Even though their salaries are technically paid on an “honorarium” basis by the local governments (city or municipal) they are not covered with the pension fund GSIS as permanent government workers.

<sup>64</sup> Informal sector workers commonly do not have tax insurance number (TIN), considering the very low income levels that would hardly be taxable, which is not a strict requirement of SSS for them.

<sup>65</sup> The use of the term “investment” here is not related to material or monetary profit for the ISGs as there is none.



By providing an individual box to every worker participating in this programme, they are able to make a small contribution of at least PhP10 to PhP20 per day that can be dropped in their designated slots to achieve the required minimum monthly contribution of PhP330 (about 7.32 USD a month).

There is no restriction against making higher contributions for a higher monthly salary credit (see Table 2). At the end of each month, the ISGs' officials, under the monitoring and guidance of SSS Account Officer (AOs) or branches, count out the collected savings that were found in each individual box, fill out the requisite payment forms (RS-5), and remit these to SSS through the bank or an accredited collecting agent, in order to be credited to each member's personal SSS account.

This way the informal worker becomes an active member who is entitled to certain benefits, conditional to meeting the required number of contributions and qualifying conditions, as depicted by Figure 3. However, if the monthly contributed sum is insufficient to meet the required Minimum Monthly Contribution (MMC), the money is left in the member's *AlkanSSSy* unit for next month's collection. Given that one challenge of the informal sector is to have a regular income, it is possible that in extreme cases, even if the required contributions are very low, members could not afford the MMC:

"The ISG can help to fill the shortage by advancing the amount or sharing the needed amount among themselves. This is the embodiment of the Filipino concept of "Bayanihan" or community effort. Finally, the Programme can be sustained through synergy with local government units (LGUs) in helping organize ISGs, funding the setting-up of their *AlkanSSSy* units, or helping the informal sector workers obtain identification documents required for SSS registration."<sup>66</sup>

At the end of last year the E-*AlkanSSSy* was implemented for Job Order and contractual workers in state-run (i.e. provincial government) institutions as a variation of this micro-saving programme. Government offices automatically deduct the contributions of the members of the E-*AlkanSSSy* scheme from their salaries and wages and remit the contributions to the SSS. The only difference in this case is that there is not a physical *AlkanSSSy* unit/ box.<sup>67</sup>

### Contribution rates

The required contributions for the *AlkanSSSy* members, self-employed, voluntary members and OFW members are summarised in Table 2. The latter have a higher MMC, beginning at PhP5,000, as a reflection of their higher income level. For this reason it is coloured differently. The contribution rate that *AlkanSSSy* members shoulder by themselves represents the same 11 per cent that any SSS member of the private sector contributes, with the difference that 7.37 per cent is shouldered by the employer and 3.63 per cent by the employee. Both the employer and the employee contribute a fix percentage to the system. The amount varies depending on the monthly salary. The 11 per cent rate, which was implemented only in 2014, is applied

up to the maximum salary level of PhP16,000 only. This means that even if the SSS member from the private sector earns more than PhP16,000 per month, his SSS contribution is based on the PhP16,000 level and not on his entire monthly salary amount, as applied in many other countries.

**Table 2: SSS contribution 2015 for *AlkanSSSy* programme (in Philippine Pesos)**

SSS contribution table for Informal Sector Workers ( <i>AlkanSSSy</i> ), self-employed, voluntary members and OFW - 2015		
Range of compensation	Ave. Monthly Earning	Total Contribution
2750 – 3249,99	3000	330
3250 – 3749,99	3500	385
3750 – 4249,99	4000	440
4250 – 4749,99	4500	495
4750 – 5249,99	5000	550
5250 – 5749,99	5500	605
5750 – 6249,99	6000	660
6250 – 6749,99	6500	715
6750 – 7249,99	7000	770
7250 – 7749,99	7500	825
7750 – 8249,99	8000	880
8250 – 8749,99	8500	935
8750 – 9249,99	9000	990
9250 – 9749,99	9500	1045
9750 – 10249,99	10000	1100
10250 – 10749,99	10500	1155
10750 – 11249,99	11000	1210
11250 – 11749,99	11500	1265
11750 – 12249,99	12000	1320
12250 – 12749,99	12500	1375
12750 – 13249,99	13000	1430
13250 – 13749,99	13500	1485
13750 – 14249,99	14000	1540
14250 – 14749,99	14500	1595
14750 – 15249,99	15000	1650
15250 – 15749,99	15500	1705
15750 – over	16000	1760

There is a disparity among the contributions from the public sector workers to the GSIS and the contributors to the SSS. Both different members are required to contribute a percentage of their gross monthly salary to the GSIS or SSS. From the payroll of the public sector workers the contribution is also automatically deducted as it is done with the private sector workers, with the difference that the government employees contribute a higher amount (9 per cent instead of 7.37) and the government agency-employer contributes 12 per cent (instead of 3.63), achieving a total of 21 per cent per member. This does not only affect short-term benefits, but also determines benefits in the longer-run, such as the income during the entire old age, which eventually will allow the possibility to live in dignity or not.

<sup>66</sup> Mines, 2013.

<sup>67</sup> Republic of the Philippines, Social Security System (2015b)

## Benefits

By meeting the specific qualifying conditions<sup>68</sup> which vary for each of the six different benefits that the *Social Security Programme* offer to SSS members, the contributor is entitled to receive certain benefits, depending also on the number of contributed months. For example, members with at least one month contribution are already eligible to receive the Funeral Grant in case of the member's death. To qualify for Maternity and Sickness Benefits, a member needs to have recent contributions, particularly at least three months of contributions within the 12-month period immediately before the semester of childbirth or sickness. To receive Disability, Retirement or Death Benefits, a longer period of contributions has to be accumulated (besides having the qualifying conditions); as it especially happens to qualify for a pension. If all the conditions and required months of contributions are not fulfilled, a one-time lump sum amount will be granted. The SSS also has a popular *Salary Loan Programme* for members who meet the qualifying conditions<sup>69</sup> and required number of contributions, either a one-month or two-month loan, payable in 24 monthly amortizations.

Even though there are additional benefits to the *AlkanSSSya* scheme, this paper focuses mainly on old age benefit (pension or lump sum grant), besides that retirees may also be eligible for the disability pension or in case of their death, a survivor pension or lump sum grant, as well as a funeral grant can be conceded to the respective beneficiaries.

There are two types of cash benefits for qualified SSS retirees depending on the number of contributions prior to the semester of retirement: if the retiree has paid at least 120 monthly contributions to the SSS, a lifetime cash benefit is granted as a monthly pension. But, if the retiree has less than the required 120 monthly contributions, only a lump sum amount is paid, which is equivalent to all the contributions paid by the member (and by the employer if the member was employed in the private sector), including interest.<sup>70</sup>

The benefit computation of the monthly pension depends on the member's paid contributions, the credited years of service (CYS), and the number of the member's dependent children (minor children that cannot exceed five). The highest amount from either one of three different formulae<sup>71</sup> will be granted to the member.

"A member who retires after age 60 with a total of 120 monthly contributions may be qualified to a monthly pension based on the highest of the following options: either the monthly pension computed at the earliest time the member could have retired had he been separated from employment or ceased to be self-employed, plus all adjustments thereto; or the monthly pension is computed at the time when the member actually retires." (Republic of the Philippines, SSS, 2015a)

The pension is also composed of a Dependents Allowance that is given to the retiree's minor children, up to a maximum of five, starting from the youngest and with no substitutions allowed.<sup>72</sup> Among other benefit payments is the opportunity to receive the first 18 months' pension paid out in lump sum, but discounted at a preferential rate of interest. Only advanced pension payments are discounted on the date of payment, not the Dependent's Allowance or the 13th Month Pension, which the retiree is entitled to every December (like a Christmas bonus). Additionally, there is a different entitlement regarding *PhilHealth* between those retiree pensioners prior to the effectiveness of Republic Act No. 7875 (National Health Insurance Act of 1995) on March 4, 1995 and those effective from that point on up to the present.<sup>73</sup> Since the monthly pension is paid for a minimum period of 60 months, if the beneficiary dies and there are no primary beneficiaries, the second beneficiaries may be entitled to a lump sum benefit that will exclude the Dependents Allowance.

Through the *AlkanSSSya* programme more members will contribute to the SSS, that has already been encountering a significant imbalance between contributions and benefits, affecting a shorter fund life (2031) compared to that of the GSIS (2055)" (Reyes, 2012). Approx. 10 years (120 months of contributions) from the moment this programme was implemented, there'll be more pensioners. Currently there

<sup>68</sup> For more information about each specific qualifying conditions for members of the *Social Security Programme* read SSS website: <https://www.sss.gov.ph/sss/appmanager/pages.jsp?page=retirementqualifying>

<sup>69</sup> Only *AlkanSSSya* members that contributed since the beginning of the programme would eventually be able to receive a one-month loan, given that "the member-borrower must have 36 posted monthly contributions, six of which should be within the last twelve months prior to the month of filing of application." (Republic of the Philippines, Social Security System, 2015)

<sup>70</sup> In order to receive a grant or pension, employment or self-employment must cease. For this reason, a certificate of cessation of business or non-practice of profession and no earnings is one of 10 application requirements to be eligible for a pension. Persons aged 65 with at least 120 months of contributions and employment may continue working (U.S. Social Security Administration, Office of Retirement and Disability Policy, 2012). However this does not apply to miners aged 55 who worked underground for at least 5 years and also for those who are involuntarily unemployed or have ceased self-employment. The pension is suspended if an old-age pensioner resumes employment or self-employment before age 65. After this age there is no more employment test. On top of this there is also a dependent's supplement.

<sup>71</sup> (i) The sum of PhP300 plus 20 per cent of the average monthly salary credit (AMSC) plus two per cent of the AMSC for each credited year of the service (CYS) in excess of ten years; or (ii) 40 per cent of the AMSC; or (iii) PhP1,200, if the CYS is at least 10 but less than 20; or PhP2400, if the CYS is 20 or more.

<sup>72</sup> This allowance, which is the higher of either P250 (Philippine Pesos) or ten per cent of the member's monthly pension, is given until the child reaches 21 years, gets married, gets employed, or dies. In case the child is incapacitated and incapable of self-support due to physical or mental defect from birth the Dependents Allowance is granted for life.

<sup>73</sup> While the first ones are automatically considered members of *PhilHealth*, i.e. entitled to *PhilHealth* hospitalization benefits and also their legal dependents, the second ones will only be entitled to that benefit if they have paid 120 monthly contributions to *PhilHealth*/Medicare starting from 1972, when the Medical Care Act of 1969 was implemented. Further explanations on occurrence of the pensioner's death or whenever the retiree resumes employment or self-employment, which varies depending if the pensioner is less or above 65, can be found at the Social Security System website.



### Box 1. *AlkanSSSya*'s linkage to the Sustainable Development Goals (SDGs)

After a partial accomplishment of the Millennium Development Goals, the set of Sustainable Development Goals (SDGs) promise to lay the ground work for joint efforts by the international development community for the 2015-2030 period, as proposed by the Open Working Group (OWG) in 2014. Following previous agreements and holding the G7 presidency, Germany's position in 2015 is to call for renewed international efforts to end extreme poverty (Government of Germany, 2015a), and the inclusion of the SDGs in the post-2015 agenda, as per OWG's proposal (Government of Germany 2015b). Final negotiations have recently been adopted in the UN summit in New York in September 2015 (Federal Ministry for Economic Cooperation and Development, 2014-5).

With this endeavour in mind, *AlkanSSSya* has the potential to improve the living conditions of its beneficiaries (through guaranteeing to the qualifying persons their right to Social Security Systems, which also acts as a tool to end extreme poverty). In addition to the SDG target of ending poverty in all its forms and everywhere, the informal employment and the protection of their rights are targeted in several goals of the final compilation of amendments to goals and targets of the SDGs proposed by the OWG. According to these goals, care provision should be extended to all age groups, including the elderly. "All countries should legislate for and provide a minimum living wage sufficient to support a family to live with dignity" (OWG of SDG, 2014), particularly those in the informal economy. Ample evidence shows that well-implemented Social Protection Systems, including Social Protection Floors, can contribute to stabilize economies, and are able to reduce inter- and intra-country (income) inequalities as it was added in the final compilation of SDG 10. Moreover, the *AlkanSSSya* programme can be perfectly understood within the SDG 8 that is related to the promotion of inclusive and sustainable economic growth and decent work for all. *AlkanSSSya* programme's design elements not only underpin these efforts, but also promote inclusive and sustainable economic growth as well as decent work. In the final compilation of the SDGs that the OWG received, it was explicitly established in goal 8 the importance to put an emphasis on the "formalization of informal sector activities and employment with full access to social protection even in the stages of informal conditions of work", as the *AlkanSSSya* programme also does, as appreciated after its comprehensive presentation along this short paper.

are nearly 11,000 members from 109 ISGs only from Western Visayas region at the *AlkanSSSya* programme<sup>74</sup> and, at the end of 2014, the SSS President and Chief Executive Officer Emilio de Quiros, Jr. mentioned 122,387 members coming from 1,235 ISGs have been already covered. However, maintaining the continued success of this scheme, this number will certainly increase. Given the current amount of SSS contributors, funding after 2031 or even earlier, should be reviewed. This is a small window for reform to adapt to rapid ageing.<sup>75</sup> It is important to reduce the burden that is being passed on to future generations of contributors as soon as possible because the more this is delayed; the greater are the required future contributions, in order to cover the demands of sustaining such a valuable pension system.

## 2.4 Characteristics and interesting remarks

There are several facts that contributed to the success of this programme and the main four will be explained here:

1. The first essential fact was to partner with the associations or ISGs who are responsible for the monitoring and implementation of the programme, with the guidance of SSS-assigned Account Officers (AO). The idea of using third party agents is not new, e.g. with the Philippines Postal Corporation increasing coverage and collections especially in remote settings.<sup>76</sup>
2. Even with irregular income flow and wide geographical spread, *AlkanSSSya* members can benefit as any other SSS self-employed member. There are several benefits that allow them to contribute, and convenience is definitely one. When SSS decided to partner with ISGs, this addressed the earlier-mentioned difficulties faced by the informal sector in attaining social security coverage. By locating the *AlkanSSSya* unit at a convenient place for the informal workers, its accessibility

allows them to contribute daily, without any distraction. In addition, this also helps towards the formalization of the informal sector given that they need to comply with certain identifying documents, in order to register with the system, as well as learning how to fill them in and understanding SSS duties and requirements.

3. Another important characteristic that enabled the success of this programme so far is the amount of the contributions - which are affordable for the majority of the households - being designed so that no worker would feel their contribution being a burden because of the minimal amount it represents. The fact that the contributions can be done with coins, which is also the usual way that the informal sector workers are paid, helps them to directly separate the necessary coins for their daily contribution without having the feeling that their income was drastically reduced. "Based on experience, it is more often the case that informal sector workers drop in significantly more than PhP10 (USD\$0.24) a day."<sup>77</sup>

4. Additionally, the existence of ISGs did not only physically enable them to contribute, but also stimulated a certain habit (or methodology) of prioritizing contributions to the system on a daily basis, as other colleagues of the association do it as well. Besides the peer pressure, there are two further strategies to bear in mind to keep the sustainability of such a system: credible institutions, decent service and low transaction costs, which are dramatically influenced by IT. For the latter, IT can help reduce transaction costs and also target incentives to the right people (Palacios, 2014). With the objective of developing a software and web application that registers user's information and generates reports based on a member's data, the functionality and usability of an electronic coinbank system that counts the amount of monthly money saved, providing an inquiry system for the user's saving and printing a receipt in every transaction will be tested and evaluated at SSS Toril Branch, Davao City. This system also includes an alarm that will trigger when the *AlkanSSSya* box is "opened without authorization and if it is moved from its intended location."

<sup>74</sup> Republic of the Philippines, Social Security System (2015b).

<sup>75</sup> Asher and Zen, 2015.

<sup>76</sup> MacKellar, 2009.

<sup>77</sup> Mines, 2013.

There is a drawback, which is that this type of boxes will only accept coins, while traditional ones also accept bills.<sup>78</sup>

The first interesting remark to be made is that because ISGs have such a determinant role, the sustainability of the programme automatically depends also on ISGs as the organization that handles the administrative tasks, but also spreads out the message to engage further contributors and incentivizing current members to continue within the system. It might be interesting to review certain facts like the ISGs role (given the programme's dependency to the ISGs), but also the sustainability of this system (i.e. the SSS) after 2031. A general additional remark is the variation of the contribution rates between the public and private sector workers, which don't seem to equalize especially when calculating retirement benefits. An SSS member receives less than their GSIS counterparts and eventually will need to consider other options to save for their old age when compared to the GSIS benefits. However, increasing the contribution rates for SSS member in order to equalise the total amount credited to the personnel account of each GSIS member and "to improve the actuarial soundness of SSS funds" is not in the plan of the immediate future, as SSS President and Chief Executive Officer Emilio S. De Quiros, Jr. confirmed (2015). As already mentioned, the minimal amount is a key success factor in encouraging a culture of contribution from which *AlkanSSSy*a members will always profit by finally receiving social protection coverage.

### 3 Conclusion

For many decades, workers of the informal sector in the Philippines remained largely outside the institutional framework and, in this way, were challenged to obtain affordable social security coverage. Everybody – also those in the informal sector – deserve the right to social security that follow a lifecycle approach, including pensions. Different universal legislative frameworks contribute to regulate the right to social security, such as Article 22 which is also followed by Article 25 of the Universal Declaration of Human Rights and Article 9, 11 and 12 of the International Covenant on Economic, Social Cultural Rights, in addition to the Recommendation 202 (R202) about the Social Protection Floors (SPF). The *AlkanSSSy*a successfully removes some of the barriers underlying this reality, making the option of contributing much more accessible for everybody, e.g. not only because of the location where the contributions can be done but also the necessary minimum amount that can be reached with coins. Through the *AlkanSSSy*a programme the informal workers get empowered, lifting them up from the most difficult conditions, by not only granting them a pension scheme but also including them in the *Social Protection System*. In this way, the coverage of the benefits (from short-term benefits to old-age pension) is also extended to informal sector workers. For this reason, this initiative that has created a smart system that is adapted to the environment of the insured persons of the informal sector fosters social cohesion and social justice. This is a major task to do

and acknowledges also the small contributions that do matter.

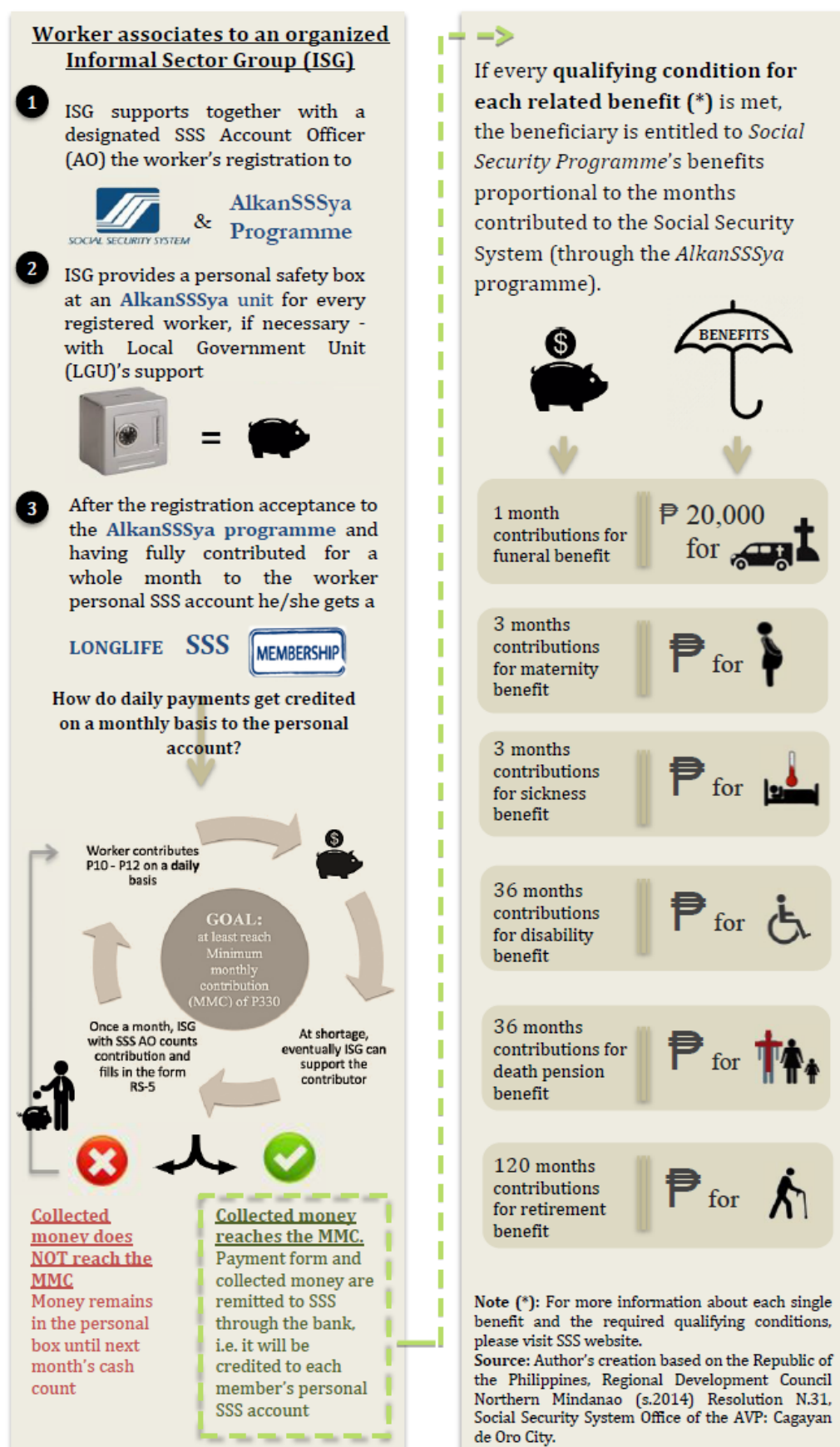
The fact that as a very young programme the extension of the *Social Security System* through the *AlkanSSSy*a programme still has low coverage does not undermine the importance of such a valuable scheme which aims and indeed achieves to extend social security coverage. On the contrary, the most valuable fact is that the *AlkanSSSy*a also achieves to create a culture of contribution to an important worker sector that could not before imagine to be able to put this in practice and neither think of receiving equalising conditions – exactly the same consideration, including rights and coverage – after having proudly contributed to the system as any other SSS members. In the longer term, this can definitely have an intergenerational multiplying positive effect, an important remark that often gets forgotten when accounting only the effective coverage of social protection systems that eventually cover more beneficiaries through complementing poor reliefs programmes such as the current *Pantawid Pamilya* (former *Pantawid Pamilyang Pilipino Programme*, 4Ps) that covers around 18% per cent of the Philippines' population or the social pension scheme. However, beside the fact that both types of programmes have the tendency to be financed through general government revenues, rather than creating that added value of a contribution/ saving culture – even if it is with coins, effectively the *AlkanSSSy*a ends up offering a much wider kind of coverage given that through this programme, the informal sector workers achieve equal access to the programme, the same as any other *Social Security Programme's* member has.

Many aspects of the *AlkanSSSy*a programme are in line with diverse practices identified by 100 pension experts of various international organizations, governments, civil society and private sector, who participated at the "*Thanks, Otto! 125 years of pensions and new global perspectives?*" conference in October 2014 in Berlin. It also well represents Germany's commitment as expressed through Mr. Thomas Silberhorn, the Parliamentary State Secretary of the Germany's Federal Ministry for Economic Cooperation and Development (BMZ) in the promotion of the right to an adequate care and a decent life for every older person, the fulfillment of the right to retreat from working life at the statutory retirement age.<sup>79</sup> At the conference, all participants – including Ms. May Catherine C. Ciriaco, Vice-President of the Philippines *Social Security System* – agreed on a common understanding about the importance of old age protection, noting that there is no "one size fits all" solution to context-specific challenges. Evidence of this understanding is the signature of the «Berlin Communiqué on Pensions, 2014», that contributes to the dialogue of the post-2015 development agenda.

<sup>78</sup> For detailed information about this innovative *AlkanSSSy*a box, please see the entire presentation at <http://app.emaze.com/@AOWIIIFR/sss-for-sss#7>

<sup>79</sup> This expression of interest is based on Thomas Silberhorn's keynote speech at the abovementioned conference "*Thanks Otto! 125 years of pensions and new global perspectives?*" in October 2014 and at Silberhorn, 2015)

Figure 3: How does *AlkanSSSy* work?





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The paper is intended to contribute to the debate and offers  
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profound insights into current practice.

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