

Poverty in the philippines

[Sociology](#), [Poverty](#)



poverty in the philippines always been aware of the gap that exists between theory and practice. Way back in my grad student days, Big Theory was the rule (see Reflections on Globalization for an example of the syndrome). Indeed, I suppose I was somewhat unusual in that I made the transition from the theoretical disciplines of political science and economics to the practical level of hands-on development work. (I also never managed to finish my dissertation and never quite made it to the big Ivory Tower in the sky, but that's another story best filed away in the lost dreams folder). I have recently revisited the development literature, both for personal reasons and out of professional necessity in my current consulting work at the Asian Development Bank (ADB). And I must say that I am impressed by the breadth and logic of current development philosophies. Let's take a quick look at some widely accepted principles in the mainstream development community, at the three descending levels of the world as a whole, Asia as a region, and the Philippines specifically. All three share in common placing poverty reduction at the core of development work. Global Level: In September, 2000 the UN General Assembly ended the Millennium Summit by adopting a set of Millennium Development Goals (MDGs). In addition to the first MDG of eradicating extreme poverty and hunger, the others include achieving universal primary education, promoting gender equality, reducing child mortality, improving women's reproductive health, combating HIV/AIDS, malaria, and other diseases, ensuring environment sustainability, and "developing a global partnership for development." With specific reference to poverty, the MDGs specify three targets: Target 1: Halve the proportion of people living in extreme poverty between 1990-2115 Target 2: Halve the

proportion of population below minimum level of dietary energy consumption and halve the proportion of underweight children (under five years) Target 3: Halve the proportion of people without access to safe drinking water or those who cannot afford it by 2115. Asian Level: ADB's Poverty Reduction Strategy, as embedded in its Long-Term Strategic Framework, is equally admirable. ADB identifies three fundamental pillars of poverty reduction: Social Development (human capital development, population policy, social capital development, gender equality, social protection); Good Governance (government accountability, public participation, predictable legal framework, transparency, anticorruption initiatives); and Pro-poor Growth (labor-intensive employment and income creation, public/private sector provision of basic services, poor area public investment. regional and subregional cooperation, environmental sustainability) Philippines Level: The Arroyo administration's official development agenda focuses specifically on issues of poverty and unemployment. The key document here is the Medium-Term Philippine Development Plan (MTPDP), 2001-2004, which stresses poverty reduction through equitable growth, rural development, and social sector investment. The four primary strategies are: Macroeconomic stability and equitable growth, using sound fiscal and monetary policies to keep inflation low and avoid surges in unemployment; modernize all sectors through HR development and technology; Comprehensive HR development, basic education, health, shelter, water, electricity; safety nets for most vulnerable sectors; encouraging poor to participate in governance; Modernization of agricultural sector with social equity; agrarian reform, improving rural infrastructure, implementing land reform; Effective

governance through transparency, reducing graft and corruption, strengthening partnerships with civil society and the private sector. Poverty is conceptualized broadly, taking into account not only income but its impact in terms of human deprivation, development, and quality of life. The Sad Statistics During the 1990s, the Philippines made significant progress in fighting poverty. According to the Family Income and Expenditure Survey of 1997, poverty incidence fell from 49.3% of total population in 1985 to 40.6% in 1994 and 36.8% in 1997. According to an ADB study conducted by Ernie Pernia and Arsenio Balisacan, however, the decline in poverty rates did nothing to improve the country's notoriously inequitable income distribution. Despite the more-or-less sustained economic growth from 1985 to 1997, the poorest 20% of the population only improved their income 0.5% for every 1% growth in average income. In other words, they slipped further behind and income inequality became even more extreme. The absolute gains were attributable to rapid economic growth during the Ramos administration, increased foreign investment, relative political stability, and decent public sector revenues associated with the privatizations introduced as part of the FVR reform agenda. (see Globalization Part 1 and Globalization Part 2). Although the Philippines escaped the Asian financial crisis in better shape than many of its neighbors, the crisis did have a significant impact, an impact exacerbated by the damage done to the agricultural sector by the El Niño phenomenon during 1997-98. Both urban and rural sectors were hard hit by rising prices and a weakened labor market, causing poverty to begin edging up again. These factors contributed to a major increase in the number of Filipinos earning less than \$276 a year (considered the minimum

required to meet basic living requirements here), from 27 million in 1997 to 31 million in 2000 (39.4% of the population) Enough statistics! Let's turn to a brief discussion of two practical areas that illustrate what we're talking about. Practical Illustration #1: Malnutrition and Hunger I have been acutely aware of the relationship between poverty and hunger since my first trip here in 1982. As a statistical programmer cum development economist on a USAID-funded project based at Cornell, I came to Manila to analyze data from a national nutrition survey. The survey, conducted by the National Nutrition Council (NNC), provided the basis for targeting food and nutrition services designed for mothers and children in the most impoverished parts of the archipelago. Although the work I did was both technologically primitive and abstract - tabulations painstakingly extracted from a Fujitsu computer using an ancient Fortran compiler and hand-drawn maps with stick-pins and annotations showing malnutrition prevalence rates - it was also a real eye-opener for me. While I had studied political and economic development at a theoretical level for years, those endeavors had been intellectualized and idealistic. In the process of analyzing that real world nutrition data, I came to appreciate the existential reality that underdevelopment and poverty are more than concepts in a book - they are directly related to starvation, illness, and human degradation. Thus, I found it sad that when I returned here in 1998, the situation, while somewhat improved, was still not that good. When I again analyzed data on a nutrition study, this time for UNICEF, the numbers were still appalling. Still just numbers spit out by a computer, but still numbers reflecting real human suffering. The NNC, the same organization I worked with so long ago, recently developed a Philippine Nutrition Country

Profile with funding from the Food and Agriculture Organization of the United Nations. Findings showed that, just like 20 years ago, the biggest problems are protein-energy malnutrition (PEM) and micronutrient deficiencies.

Paralleling the general trend in poverty statistics, there was a decline in the prevalence of malnutrition during mid-1990s, followed by gradual increases beginning in 1998. There are now approximately 4 million (32%) preschool children who are underweight-for-age, 3 million (20%) adolescents who are underweight-for-age, and 5 million (13. 2%) adults who are chronically energy deficient. Vitamin A deficiency is a serious problem, with 7% of pregnant women and 8% of infants under six months being severely deficient. Iron deficiency anemia affects 57% of infants, 51% of pregnant women, and 46% of lactating women. The primary cause of malnutrition is the inequitable distribution of food, which is related of course to poverty. The typical Filipino diet is grossly inadequate for energy and other nutrients, causing human bodies to compensate for inadequate energy intake by utilizing protein as an energy source; the usual result is PEM. This situation is unlikely to improve as long as an estimated 28 million Filipinos are unable to buy food to meet basic nutritional requirements. Practical Illustration #2:

Failed Land Reform Poverty in the Philippines is most acute and widespread in rural areas. Although Manila certainly has its share of urban poor, the National Capital Region has the lowest poverty incidence in the country. Nationwide, one can compare the 1997 poverty incidence rates of 21. 5% in urban areas to the 50. 7% rate in rural areas. The rural poor tend to be self-employed, primarily in agriculture or casual labor. They are almost all landless. The state of " landlessness" is, of course, nothing new. The Spanish

bequeathed to the Americans a colony with an extreme concentration of wealth and land, with the Spanish elites and religious orders controlling vast estates. The Americans themselves assumed title to approximately two-thirds of all arable land in the Philippines. The American colonial administration saw land reform as crucial for political stability and economic development given the extreme poverty and unequal land distribution. The Americans were not accustomed to the colonial role, and always had a difficult time juggling their own democratic traditions with the realities of administering a colony halfway around the world. The dilemma in this case was how to uphold property rights (meaning the commercial interests of large landholder) while creating a more equitable system that would raise the standard of living of the large numbers of rural poor. The Americans, as they did in so many other areas, relied on their own idiosyncratic historical experience. They opted for public land grants on the "homestead" model (i. e., the model used in settling Oklahoma and other areas of the American West), theoretically empowering poor peasants to become independent small-scale farmers. This was institutionalized when the American Congress passed the Public Land Act (1902), the Friar Lands Act (1903), and the Rice Share tenancy Act (1933). Each of these laws provided for land entitlements and extended the possibility of landless tenants gaining title to land. However, in practice, American colonial efforts at land reform strongly favored the landowners, the educated, and the wealthy. Procedures such as land surveying, notice requirements, and excessive legal costs ensured that potential peasant benefactors did not gain access to land. Indeed, landholders took advantage of bureaucratic and costly procedures to not

only retain their holdings but to significantly increase the size of their plantations. Since independence in 1946, the Philippines has had four land reform programs (under Presidents Magsaysay (1955), the first Macapagal (1963), Marcos (1972), and Aquino (1987)). The latter, known as the Comprehensive Agrarian Reform Program (CARP), was by far the most ambitious. President Aquino made CARP the centerpiece for her economic development policies, capitalizing on the fact that the EDSA Constitution made owning land a constitutional right of Filipino farmers. However, implementation problems existed from the beginning, exacerbated by corrupt and incompetent management. Among the problems with CARP have been: An extended land valuation process Few and excessively vague guidelines for landowner compensation Extended landowner-tenant negotiations Lack of bureaucratic coordination Inconsistent implementation Today, CARP is still alive and kicking under the auspices of the Department of Agrarian Reform. Erap made a big deal out of handing out land titles to peasants during photo ops, and President Arroyo is now doing the same. However, the bottom line is that land reform has never been effectively implemented in the Philippines. In fact, a good case can be made that efforts at land reform over the last 15 years have served only to perpetuate the cycle of rural unrest, poverty, and economic stagnation. Realities Poverty remains the central development issue in the Philippines and, despite the ambitious development goals laid out in the MTPDP, the country has not been able to sustain the economic growth required to reduce poverty to acceptable levels. While I offer no solutions, I would make a few closing observations. First, there is a fundamental disconnect between Filipino élites

and the poor. The political leadership in the Philippines has always been drawn from those élites, and those politicians have traditionally played the role of patrons and benefactors, relying on the pork barrel and personal/family funds (often acquired through corruption) to essentially buy votes. The core principle of democracy - that representatives should be drawn from those they represent and advocate for the true interests of their constituents - has not been operative. Philippine Presidents in particular have been drawn from the ranks of the wealthy and privileged. How can they relate to what it means to be poor or hungry? Even if their heart's in the right place (which is not all that common), well-photographed visits to squatter settlements are not the answer. Second, the Philippines system is exceedingly politicized. President Arroyo herself is already focused on the 2004 presidential elections. In a sense, you can't blame GMA. Her predecessor, Erap, had a built-in constituency among the masa. But President Arroyo must create such a base, given that she is the daughter of a previous President and has virtually nothing in common with the poor people of her country. She has worked hard to develop support among the common folk, dressed in jeans with regularity, and sung on stage with popular recording artists. She has also latched onto fighting poverty as a key policy emphasis. In her State-of-the-Nation (SONA) address on July 22nd, she emphasized the so-called "rolling stores" - trucks loaded with subsidized rice, rice, sugar, and canned meat that ply the streets of Manila - as a sterling example of her administration's anti-poverty programs. The only problem was that her remarks had knowledgeable economists practically rolling in the aisles, given that few poor people ever get access to the trucks

and only 5% of the nation's poor live in Metro Manila. But real poverty alleviation programs where they are most needed - say in rural Mindanao - would lack the publicity opportunities of the rolling stores on Manila streets. True anti-poverty programs take a long time to bear fruit, and the politically-driven nature of Philippine government sector programs almost ensures that the emphasis will continue to be on quick fixes or interventions that provide high visibility and political payoffs. This is unfortunate given the seriousness of the situation and the implications for the country if concerted action is not taken. Poverty and malnutrition are already at alarming levels in this country, and the country's too-rapid population growth is magnifying the strain on limited budgetary resources. The rapidly growing population is jeopardizing the quality of basic social services, contributing to the ongoing decline in quality of basic education, and limiting access to health care (especially primary health care, reproductive health/family planning, immunization, and feeding programs). Achieving any significant reduction in poverty will require rapid economic growth, growth of a magnitude not seen in recent years. Further, addressing issues of inequality will require significant investments in human capital, especially in improving the quantity and quality of primary education. Most importantly, implementing effective anti-poverty programs based on the quite valid model laid out in the MTPDP will require strong political leadership and a previously unobserved commitment to truly representing the interests of the poor. Whether such leadership will be forthcoming is, I suppose, the \$64, 000 question.