

# A Common View, A Common Journey

**A Common Country Assessment  
of the Philippines**

2004

## United Nations Resident Coordinator



# Message

**T**HE United Nations' Common Country Assessment (CCA) presents an analysis of the development situation of the country. It analyzes the major challenges that the Government of the Philippines, key stakeholders and the United Nations system have identified as being critical for the Philippines. It builds upon the challenges identified in the Medium Term Development Plan of the Government of the Philippines and the principles and goals arising from United Nations conventions and global conferences, particularly those of the Millennium Declaration and the Millennium Development Goals (MDGs). The Common Country Assessment clearly identifies a number of key issues which, when addressed, can effectively make the greatest impact on the lives of the poor and the vulnerable.

The United Nations' Common Country Assessment analysis sets the stage for the United Nations Development Assistance Framework (UNDAF), which represents the best thinking of how the United Nations system can support the government and people of the Philippines in addressing these issues. The formulation of a Common Country Assessment is an integral part of the reform agenda of the Secretary General to bring about "a greater unity of purpose" within the United Nations System's operational activities for development.

The United Nations system is grateful to the Government of the Philippines and key development partners for providing valuable inputs to this analysis. We are confident that the United Nations Development Assistance Framework, which is based on the Common Country Assessment, will support the Philippines in its efforts to advance the development of the country and its people.

A handwritten signature in black ink, which appears to read "Deborah Landey". The signature is written in a cursive, flowing style.

DEBORAH LANDEY  
United Nations Resident Coordinator

## United Nations Country Team



# Message

**W**e, the peoples of the United Nations determined... to reaffirm (our) faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and to promote social progress and better standards of life in larger freedom... and to employ international machinery for the promotion of the economic and social advancement of all peoples... have resolved to combine our efforts to accomplish these aims.

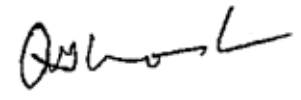
— *Preamble to the UN Charter*

The United Nations System has been working with the government and people of the Philippines to promote and preserve the basic rights outlined in the UN Charter for peace, security and development. The Common Country Assessment (CCA) aims to provide a concise overview of the Philippines' key development challenges in 2004 and identify priority areas for continued and future UN collaboration and coordination efforts. CCA findings set the stage for more coherent and coordinated UN system programming under the United Nations Development Assistance Framework (UNDAF). This common analysis is an integral part of the recent reform agenda of the Secretary General to bring about "a greater unity of purpose" within the UN System's operational activities for development. It builds upon the challenges encountered in the Medium Term Development Plan (MTDP) of the Government of the Philippines and principles and goals arising from UN conventions and global conferences, particularly those of the Millennium Declaration and the Millennium Development Goals (MDGs).

The UN System is grateful to the Government of the Philippines and key development partners for providing valuable inputs to this analysis. We are confident that the United Nations Development Framework (UNDAF), which is based on this common analysis, will support the Philippines in its efforts to advance the development of the country and its people.



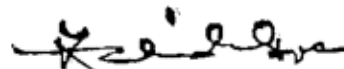
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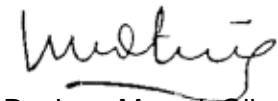
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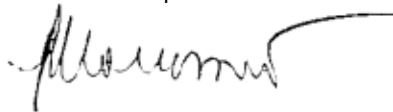
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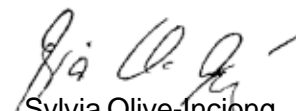
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# EXECUTIVE SUMMARY

The Common Country Assessment (CCA) is an in-depth analysis of the development problems in the Philippines, undertaken through a participatory process of consultations among United Nations agencies, its development partners both in the government and civil society, and with other donor agencies in the country. It builds upon the programme of reform launched by the UN Secretary-General in 1997, preparing the UN for the challenges of the 21st century and emphasising its mandate in developing standards and goals arising from UN conventions and global conferences. In particular, the CCA was driven by the principles and goals of the Millennium Declaration, especially the Millennium Development Goals (MDGs). It also builds on the development objectives of the Government of the Philippines, articulated in its Medium Term Development Plan as well as commitments made in the context of international conventions, conferences and protocols.

The CCA process involved systematic issues analysis, in order to identify strategic areas of cooperation. The CCA will form a part of the UN Development Assistance Framework (UNDAF), an exercise to prioritise development challenges in the Philippines to be addressed commonly by the UN system in future programming cycles.

Notwithstanding pockets of optimism, there is a shared concern that without concerted and intensified action, the Philippines will fall short of achieving the Millennium Development Goals by 2015. The glaring inequalities in Philippine society are unsustainable and reflect core issues of ownership and access to resources, capital, information and power. The CCA, therefore, argues that the poor and vulnerable groups must be at the core of the development agenda. These groups include: the rural and urban poor; child workers; children without primary caregivers; abused/trafficked women; displaced persons; children caught in armed conflicts; and Indigenous Persons. Their multiple vulnerabilities make them among the most marginalised groups in Philippine society. The assessment argues that the key underlying causes of poverty and exclusion may be found in inequitable economic growth, unequal access to opportunities and basic social services, inadequate economic and social infrastructure, unregulated trade liberalisation, gender inequities and high fertility rates.

Within the framework of the diverse expertise of the United Nations organisations, key development issues were identified, relating to governance, peace and security, ecological stewardship, the rural and urban economies, as well as health, education, basic services and social protection. It is believed that the United Nations can continue to add value in all of these areas.

The assessment concludes that though the challenges are great, the potential for progress is high if all development partners — including national and local governments, the private sector, NGOs/CSOs, the academic community, the media, as well as the donor community — renew their commitments to practice responsible governance, mobilise new resources, and better target their assistance to areas that are characterised by the greatest disparities. It outlines priorities and themes that should guide the development of the UNDAF. Finally, it stresses that even augmented efforts will fail unless inequities are minimised, fertility rates are significantly reduced, armed conflicts are resolved, and an HIV/AIDS pandemic — which is potentially just around the corner — is averted.

# CONTENTS

Message of the United Nations Resident Coordinator	2
Message of the United Nations Country Team	3
Executive Summary	5
<b>SECTION 1: INTRODUCTION</b>	<b>8</b>
Objective of the CCA	8
Scope of the CCA	9
The CCA Process	10
Methodological Challenges	11
Document Organisation	12
<b>SECTION 2: DEFINING THE DEVELOPMENT CHALLENGE</b>	<b>12</b>
COUNTRY PROFILE IN BRIEF	12
DEFINING POVERTY AND VULNERABILITY	13
Income Poverty	14
Rural Poor	14
Urban Poor	14
Child Labour	15
Children Caught in Armed Conflict	16
Children without Primary Caregivers	16
Abused / Trafficked Women	16
Displaced Persons	17
Indigenous Peoples	17
Migrant Workers	17
UNDERLYING CAUSES OF POVERTY AND VULNERABILITY	18
Growth has been poor and not “pro-poor”	18
Inequities in Access to Opportunities and Basic Services	19
Poor Quality and Inefficient Distribution of Economic Infrastructure	20
Trade Liberalisation	20
Fertility Rates	21
Gender Inequities	22
<b>SECTION 3: AREAS OF DEVELOPMENT COOPERATION</b>	<b>23</b>
GOOD GOVERNANCE	23
Corruption	24
Weak Fiscal Management	24
Decentralisation	25
An Inefficient Bureaucracy	26
Concerns about the Judicial System	26
Deficiencies in the Political and Electoral System	27
PEACE AND SECURITY	27

ECOLOGICAL SECURITY	28
State of the Environment	28
Challenges to Ecological Security	29
SOCIOECONOMIC DEVELOPMENT	30
Sustainable and Decent Employment and Work Opportunities	30
Agricultural and Rural Development	31
MSME Development and the Informal Economy	32
HUMAN DEVELOPMENT	33
Health	33
Education	38
Basic Services	40
Social Protection	42
<b>SECTION 4: FORGING A DEVELOPMENT PARTNERSHIP</b>	<b>44</b>
Defining the Objective	44
Defining the Roadmap	44
Key Obstacles to MDG Realization	44
A Rights-Based Development Framework	45
Defining the Partnership: The Role for the United Nations System	46
The UN Comparative Advantage	46
Clear Priority Setting	47
Greater Engagement with Stakeholders	48
A Sense of Urgency	48
Peace and Security	49
HIV/AIDS	49
End Notes	50
<b>SECTION 5: CCA INDICATOR FRAMEWORK</b>	<b>52</b>
Explanatory Note	
Indicator Framework	
A. Millennium Development Goal Indicators	53
B. Contextual Indicators	59
C. Development Indicators	61
Thematic Indicators	61
Conference Indicators	87
D. Data Gaps	91
Tables, Side Boxes and Figures	92
Regional/Provincial Disaggregation of Some CCA Indicators	120
Acronyms	132
List of References	134

# SECTION 1: Introduction

## **OBJECTIVE OF THE COMMON COUNTRY ASSESSMENT (CCA)**

In 1997, the UN Secretary-General launched a reform programme to prepare the United Nations for the challenges of the 21st century. These reform initiatives emphasised the role of the United Nations in developing a powerful set of standards and goals arising out of UN conventions and global conferences. As part of the programme, several measures were proposed to enhance the organisation's capacity to implement its development mandate, particularly at the country-level. The Common Country Assessment (CCA) and the UN Development Assistance Framework (UNDAF) are integral parts of the Secretary-General's initiative.

This CCA represents a common instrument of the United Nations to analyze the national development situation of the Philippines and to identify key development issues. It articulates a shared vision and framework for the UN system in the country and provides the basis to formulate and implement an UNDAF. The CCA also represents a process to bring together the voices of stakeholders, experts, and development partners to review and assess the national development situation, and within this, identify the strategic priorities for the UN system over the coming years.

Intended as an objective assessment, it provides the basis for consensus building during the UNDAF process.

It is also hoped that the CCA will help inform the ongoing efforts of the country to forge a path of more equitable growth and human development. The next general election is scheduled for May 2004, with an incoming Administration set to take office in July. This timing is particularly important, as the current Government's Medium



Term Development Plan (MTPDP), which sets out its overall development roadmap and programme thrusts, will also lapse at that time. Preparations for the next MTPDP are already under way. Clearly, the actions of the next Administration will directly affect the ability of the Philippines to meet the challenges agreed to in the UN Millennium Declaration. The Philippine government is the most significant duty-bearer in the protection, promotion, and fulfillment of human rights in the country.

## SCOPE OF THE CCA

The overarching framework of the CCA is the Millennium Declaration. The Millennium Declaration, adopted in 2000 by 189 countries including the Philippines, sets out key development

challenges facing humanity, articulates a response to these challenges, and outlines concrete measures for gauging performance. In addition to committing to eight specific, time-bound goals, or Millennium Development Goals (MDGs), in the areas of health, education, environment, governance, and a global partnership for development (*Table 1, p.92*), the Declaration pays special heed to the responsibility of all nations to protect the vulnerable, and in particular children and civilian populations that suffer disproportionately from the consequences of natural disasters, genocide, armed conflicts, and other humanitarian emergencies. Underlining the significance of the MDGs, Philippine President Arroyo affirmed that “the MDGs provide a standard for governance by which the people and the international community can judge the ability to provide a life with dignity for all Filipinos, especially the poor.”<sup>1</sup> So far, the capacity and will of the country to make the necessary improvements is already the subject of concerted attention.

In addition to focusing specifically on the MDGs, the CCA also seeks to illuminate how development strategies affect marginalised groups in society (*Figure 1, p.103*). At the heart of this aspiration — and representing

the key challenge — is the principle of a rights-based development approach. This means putting poor and vulnerable groups at the core of the development agenda while strengthening the accountability of the state and other duty-bearers to citizens and families, including the provision of mechanisms for access, participation, and redress. Full compliance with the commitments contained in the international conventions signed and ratified by the Philippines will go a long way to promote a greater respect for

the rights of all (*Tables 2, 3, 4, pp.93-95*).

The first Philippines Progress Report on the MDGs (MDGR) was issued by the Philippine Government in close collaboration with the UN Country Team (UNCT) in January 2003. The report

asserts a high probability of meeting the goals and targets related to eradicating extreme poverty, improving access to clean water, universal access to primary education, gender equality, reducing child mortality and halting HIV/AIDS. On the other hand, it projects a medium probability of attaining the targets on maternal health care, and only a low probability of achieving the targets on hunger (malnutrition). The methodology used to estimate these probabilities considered the difference between the rate of annual change needed and the current annual rate of progress. Clearly, the rate of change to date is inadequate.

Another report, which in fact predated the MDGR, assesses the resource requirements necessary to attain the MDGs in the specified timeframe. This report, the “Philippines Country Study on Meeting the Millennium Development Goals,” commissioned by the UNDP in advance of the 2002 Monterrey International Conference on Financing for Development, paints a much less optimistic picture than the MDGR. The report concludes that the Philippines will not succeed in reaching any of the MDGs unless major shifts are achieved in economic expansion and population growth rates, and unless government resources for social



services are increased significantly and used more effectively. The assessment comes to this worrisome conclusion even when the optimistic forecasts contained in the MTPDP (2001-2004), as regards population and economic growth, are assumed. Already, the country has fallen short of its MTPDP targets for both GDP and population growth.

Finally, the CCA sketches out the elements for a roadmap for development cooperation. In doing so, the CCA highlights key obstacles that stand in the way of full realisation of the MDGs, especially as regards the poor and marginalised, and the urgency of acting now. The intent is not to dwell on negative scenarios or to point the finger at any one duty-bearer. Instead, the objective is to identify real vulnerabilities and, in so doing, identify major opportunities for the Philippines today to move its development forward.

### THE CCA PROCESS

Work on the CCA began in earnest in May 2002, with the agreement by the UNCT on the broad scope of the exercise, terms of reference of a CCA inter-agency Core Group and a process framework for making the analysis of the development situation. From this, six theme groups were formed to consider key development issues facing the Philippines, within the context of MDGs and other international commitments, namely: (i) income-poverty, employment and population (MDG 1); (ii) health and nutrition (MDG 1,4,5,6); (iii) education and early childhood care and development (MDG 2); (iii) environment (MDG 7); (iv) peace, justice, human security and protection (MD Chapter VI); and (v) governance and partnerships in development (MDG 8). These theme groups were composed of representatives from UN agencies, academia, CSOs and the public sectors.

The assessment process involved extensive research, analysis, and consultation. Preparatory activities involved a review of existing assessment reports, studies and programme documents available within the UN and from the government and other donor agencies - these reports included, among others, the UN gender assessment study<sup>2</sup> and the Progress Report on the MDGs. In-house workshops were then conducted at UNDP, UNICEF and UNFPA, to produce an initial assessment of the devel-

opment challenges, within their mandates. To make their initial assessment, UNDP used the Early Warning and Preventive Measures Composite Analysis where the “nugget” or intersecting root causes of the various issues per area, ie. economic, political, social and external, were identified. UNFPA, on the other hand, used the causality tree analysis, analyzed the linkages of issues by clustering or assessing reinforcing/balancing loops, and identified the strengths, weaknesses, opportunities and threats (SWOT) both of the UN and the stakeholders that would facilitate or hinder achievement of development goals. Both UNDP and UNFPA tried to also build various development scenarios from their analysis.

The development challenges identified at these workshops constituted the basis for discussion at a stakeholders’ workshop with NEDA and other partners on 19-20 June 2003. More than one hundred participants from sixty organizations representing UN agencies, other international funding agencies, government agencies and NGOs/CSOs participated in a day and a half consensus-building exercise on the priority development problems in the country. More in-depth analysis of these development challenges was conducted by each workshop group. Each group prepared a “causality tree” for the priority problems, analyzed the linkages among these development challenges and made a SWOT analysis to identify the comparative advantages of the UN to address these challenges. Subsequently, consolidation and priority-setting efforts were undertaken by the CCA Core and Theme Groups, in close consultation with the programme staff of the UN agencies, NEDA, and selected major partner agencies. Assessment reports were presented in a plenary workshop held on 8 August 2003.

Drafting of the CCA was undertaken with the assistance of selected consultants. The UNCT, supported by the CCA Core Group and the lead Theme Group conveners, played an active role in guiding and reviewing the drafts of the CCA. Draft documents were submitted to the Regional Support Group in Bangkok and the National Advisory Group for further refinement. A final CCA document was approved in March 2004.

## METHODOLOGICAL CHALLENGES

The limited and uneven availability of timely and disaggregated data was a major obstacle. To assist in presenting consistent data, the UNCT relied primarily on official (government) statistics, supplemented by data from nongovernment sources where appropriate and available. The reason for this emphasis was twofold. First, official statistics, used to monitor the condition of the country by almost all agencies, were collected through statistically-sound methodologies of data collection and estimation and (with notable exceptions) are relatively current. Second, the process of building the CCA matrices of indicators facilitated important discussions with key agencies about how gaps in data collection and reliability could be improved. By the time of the next CCA, it is hoped that many of these gaps will begin to be addressed. Notable gaps include:

1. Long intervals between data collection, including:

- a. Functional Literacy (normally every five years, but the most recent collection interval was eight years i.e. 1994 and 2003, respectively. Lowest disaggregation is at the province level).

- b. Data on Mortality and other demographic data (normally every five years, the latest was in 2003). Funding support was provided by USAID with a small contribution from the government. Lowest disaggregation level is regional. It would be very costly to further disaggregate as it would require additional sample households.

- c. Income data (from Family Income and Expenditure Survey to measure poverty every three years). Annual income data are not available, again, due to budgetary constraints. However, data on social statistics and rough estimates of income are gathered yearly through the Annual Poverty Indicator Survey. In the latter survey, however, poverty incidence and related statistics cannot be derived. The lowest level of disaggregation is provincial.

2. The difficulty of identifying the whereabouts and profiles of key target groups, including abused women, disabled persons, Indigenous Peoples, and displaced persons: A special sampling design is required to capture these groups. While certain agen-

cies are doing their own estimates, the methodology for estimation varies and may not be representative. For example, to a large extent only those abused women and children affected by conflict who seek the services of the Department of Social Welfare are counted. As we move forward, baseline data will need to be established, in order to properly monitor trends.

National Surveys are normally limited to regional and provincial level statistics. While census statistics reach down to barangay level<sup>3</sup>, the data is limited to basic demographic statistics only. Hence, some Local Government Units conduct surveys at the barangay level just to obtain information about their own localities, e.g. Community-Based Information System (CBIS). However, there is often an absence of technical know-how in these communities, resulting in data inaccuracies.

3. Normally long delays between the conduct of a survey and data processing, adding to the delays in reporting and reducing its relevance to policy makers: Education participation and cohort survival rates, for example, are among the victims of such delays.

4. Reliability of provincial estimates: Many provinces do not have enough samples to produce reliable poverty estimates. For example, among the statistics collected in the ten poorest provinces, three have a coefficient of variation greater than 10<sup>4</sup>. However, reliability problems also occur at the national level, such as in the case of maternal mortality rates.

5. Inaccessibility of the data: Some data are not accessible to researchers. Not all government agencies offer a central depository of data. Or, if there are libraries, the data in the libraries are not kept up-to-date. The researcher will have to go to the concerned division in-charge of the data to research unpublished and unsourced printouts. This explains why many of the references in this CCA simply refer to the bureau providing the data.

6. Inconsistency between survey data and administrative-based data: Some statistics have several sources. However, in most cases the figures vary. An example of such an inconsistency relates to access to safe water provided by both the Department of Health and by the National Statistics Office.

In retrospect, a more thorough investigation of alternative sources of data as a supplement to official statistics would have enhanced the discussion about the status of development issues, brought to clearer light the severity of development challenges in poor regions and facing vulnerable groups, and revealed additional deficiencies in monitoring mechanisms. Exposing differences in reported indices may have also generated constructive debate among stakeholders and with the UNCT about the extent of development challenges in the country. Regardless, what clearly emerged is a need to develop surveillance mechanisms that illuminate successes and failures in identifying and reaching marginalised groups across the country and that track how the various duty-bearers are contributing to such trends. The success of development programmes should be measured, fundamentally, by how they reach and empower the most disadvantaged.

#### DOCUMENT ORGANISATION

This CCA is organised as follows: Section One (above) has outlined its objectives and scope, summarised the process of its development, and highlighted key methodological challenges. Section Two provides an overview of poverty and vulnerability in the Philippines, and discusses their underlying causes. Section Three highlights the major development challenges facing the Philippines, viewed particularly through the prism of the priorities set by the Millennium Declaration. Section Four sets out a framework for moving forward and underlines the urgency of making demonstrable progress. Finally, Section Five presents a three-part indicator framework that can be used to monitor progress on selected development indicators over the coming years.



## SECTION 2: Defining the

#### COUNTRY PROFILE IN BRIEF

The development challenges of the Philippines are considerable and they are pressing. The country has a land area of about 300,000 square kilometers, spread over 7,000 islands - many communities are remote. The quality of transportation and communication systems is uneven throughout the country, cutting off many communities from goods and basic services. The population (in 2003) of 82 million is growing at one of the highest rates in the world — by roughly 25% during the last decade of the 20th century — and is expected to reach 108.5 million



# Development Challenge

by 2015 — the target date to reach many of the MDGs. The fertility rate is 3.5 children per woman, well above many countries in Asia. With the urban population growing at a rate of 28.8% (between 1990-2000) already close to half of the population now live in urban centers, primarily in coastal areas. This trend is expected to persist. Environmental degradation has reached critical levels.

Given the Philippines' rich multilinguistic, multiethnic, and geographically dispersed population, a nuanced picture of its diversity is necessary to promote, and progressively achieve, the rights of each citizen.

## DEFINING POVERTY AND VULNERABILITY

The face of poverty in the Philippines is manifested in chronic deprivation in many rural and urban areas and the ubiquitous presence of pockets of slums in urban areas<sup>5</sup>. Many others experience transient poverty, not persistently poor, but highly vulnerable even in the best of times<sup>6</sup>.

The UN concept of poverty is rooted in a state of powerlessness and not merely the absence of assets and services to meet basic needs. Vulnerability, as distinguished from poverty, refers to the debilitating effect of major obstacles to the

fulfillment of one's human rights and commonly refers to the disadvantaged and oppressed. There are varying degrees of vulnerability within and among distinct groups. Together with those Filipinos living in poverty, the vulnerable must also be placed at the center of development efforts. The Millennium Declaration committed to improving the lives of both the poor and the vulnerable.<sup>7</sup>

### Income Poverty:

Lowering the incidence of poverty has been a stated top priority of national development efforts from the 1980s up to the present. Income poverty<sup>8</sup> was significantly reduced in the decade preceding the Asian financial crisis which slowed down economic growth and increased unemployment in the region. After this point, poverty incidence in the Philippines rose from 28.1% in 1997 to 28.4% in 2000.<sup>9</sup> In other words, 4.3 million families or 26.5 million Filipinos are living below the poverty line, 2.5 million persons more than in 1997. The incidence of families living at a subsistence level has declined, but there were still 2 million food-poor families, in the year 2000.

Certain regions face the gravest conditions. The four provinces of the Autonomous Region of Muslim Mindanao (ARMM) are among the 10 poorest provinces (*Table 5, p.95*), making the region the poorest in the country (*Table 6, p.96*). Ifugao province of the Cordillera Autonomous Region on Luzon, home to one of the largest Indigenous Persons populations, is also among those provinces with severe poverty.<sup>10</sup> Communities in these two regions are particularly isolated and under-serviced, live amid uncertainty and conflict (although the nature and scale of the conflict are not comparable across these regions), and benefit from little investment in economic or social infrastructure.



### Rural Poor:

Poverty in rural areas is pervasive and persistent. Roughly two-thirds of the entire population of Filipino poor reside in rural areas— indeed, four of 10 rural families are poor. The rural poor consist mostly of small and landless farmers, farm workers, fisherfolk, and Indigenous Persons.<sup>11</sup> The strong ties of the rural poor to the environment increase their vulnerability to erratic

weather patterns and natural occurrences. The inability to own the land on which they work discourages diversification into new, higher-value crops. Unequal access to ownership of resources also discourages sustainable practices.

Household budgets of the rural poor tend to be already stretched. As in-

come decreases, demand for health services — that may be some distance away — declines and the perceived opportunity costs of keeping children in school rise. Fragmented policies and under-funded government programmes have largely failed to deliver on stated intent to increase access to basic services, raise agricultural productivity, ensure technical improvements, diversify rural incomes, and build the capacity of local government units to develop vibrant rural communities. This failure is in part attributable to: (i) graft and corruption; (ii) political instability at the LGU level leading to sporadic programming; and (iii) a lack of trust in government leading to nonacceptance of programs by the intended beneficiaries.

### Urban Poor:

The high incidence of urban poverty at 15 percent<sup>12</sup> is a spillover effect of destitution in rural areas, as many migrate in the hopes of finding better opportunities in the cities. The fast rate of urbanisation has produced new problems for the urban poor, including underemployment and unemployment, poor housing, lack of basic services,

and enormous pressures on urban carrying capacities, particularly solid waste management, and air and water pollution. Some 262,000 informal settlements are situated in what may be considered high-risk or danger areas—riverbanks, railroad tracks, shorelines, dumpsites, low-lying areas susceptible to flooding, under bridges, relocation sites lacking amenities and tenurial security, and areas under threat of eviction.<sup>13</sup>

Improving the performance of urban areas in terms of poverty reduction, as engines of economic development, and as attractive living environments, is a major challenge. Many of the urban poor earn a meager living in the informal services sector. The right to secure tenure, or the right to feel safe in one's home, the right to control one's own housing environment and the right to a process of eviction or displacement mitigation, forms the core element of the urban poor's advocacy for social inclusion in the cities.<sup>14</sup> There is the absence of an integrated urban development strategy to guide planners, policymakers and other stakeholders in addressing complex housing and urban development issues. Most often, these policy frameworks tend to address symptoms rather than causes of urban problems. Sustainable urbanisation is a process and a long-term vision for the Philippine urban system, but requires a networked and decentralised approach that harnesses bottom-up and top-down forces from government, the private and the civil sectors.<sup>15</sup>



### Child Labour:

The incidence of child labour in the Philippines is pervasive and alarming. In 2001, an estimated four million Filipino children, aged 5-17, were economically active, or 16.2 percent of the total for this age group (*Figure 2, p.104*). About 60 percent are exposed to hazardous and exploitative working conditions such as in mining and quarrying, pyrotechnics, construction and deep-sea fishing. Over 37 percent of working children, or about 1.5 million, work as long as five to eight hours a day, leaving no time for schooling and recreation.

Between 60,000 and 100,000 children nationwide are victims of commercial sexual exploitation.<sup>16</sup> Data show that children trapped in commercial sexual exploitation are concentrated in tourist destinations such as Regions 1, 3, 4, 8 and the NCR. Sexually exploited children suffer from trauma and are highly vulnerable to substance abuse, physical violence, STIs and HIV/AIDS.

The causes of child labor are complex and interrelated, but fundamentally they derive from poverty. In addition, barriers to education, weak labor markets, and lack of employment opportunities for household members also increase the propensity of children to work. Beliefs and practices that tolerate abuse and exploitation are also harmful. Unethical business practices persist, without which demand-side forces would be lessened. The elimination of child labor, particularly in its most hazardous forms, is the subject of concerted efforts by government and its partners in the private sector and flow directly from the country's ratification of the ILO Convention on the Prohibition and Immediate Elimination of the Worst Forms of Child Labour, (No. 182).

### **Children Caught in Armed Conflict:**

There is an increasing trend in the number of children involved in armed conflict in different parts of the country. The Office of the Presidential Adviser on the Peace Process<sup>17</sup>, for example, reports that the Abu Sanyaf Group has used children as combatants in its operations against the Armed Forces of the Philippines. Evidence also shows that the New People's Army and the Moro Islamic Liberation Front have been recruiting children to become combatants, cooks, medics and messengers. Thus, children become victims of the armed conflict twice over: by being deprived of human needs, security and rights (including the psycho-social impact, displacement, and effects of landmines), and by being forced to become child-soldiers. The AFP estimated in 2002 that children involved in armed conflict account for 13 percent of the total rebel population. In response to this situation, the government put in place a Comprehensive Programme Framework for Children in Armed Conflict in November 2001. Soldiering by children is one of the worst forms of child labor.

### **Children without Primary Caregivers:**

Children without primary caregivers are deprived of their first source of protection and are either orphaned, forced away from their families, or have to leave in search of income-generating opportunities.

A study commissioned by UNICEF and the National Programme on Street Children reported 246,011 street children in the Philippines.<sup>18</sup> This number includes about 45,000-50,000 highly visible street children in the major cities and urban centers of the country. The hazards and risks faced by these street children include prolonged separation from their families, exposure to drugs, prostitution, early pregnancies, STIs and HIV/AIDS. With neither access to basic services nor better opportunities, their futures remain bleak.

This group also includes children caught up in the judicial system. In 2001, the Bureau of Jail Management and Penology reported 5,905 children in such circumstances, the majority of whom had been subjected to pretrial detention. While in detention, these children have been mingling

with adult offenders and therefore have been conditioned to criminal behavior. Many jails and prisons are congested and are maintained in subhuman conditions, with inadequate living spaces, poor sanitation facilities, and low quality food. The weak capacity of parole, probation and corrections officers is also evident in the practice of a punitive rather than a corrective and rehabilitative jail system, thereby increasing the legal insecurity of disadvantaged groups. The UN Committee on the Rights of the Child expressed concern about the Philippines' administration of juvenile justice and its lack of compatibility with the principles and provisions set out by the Convention on the Rights of the Child and other international standards relating to juvenile justice. Current efforts to rectify these deficiencies are encouraging.



### **Abused / Trafficked Women:**

The difficulty of calculating accurate estimates of domestic violence is common among all societies, and the Philippines is no different. Even when victims are in near-death situations or brought to hospitals after assaults, the abused women face the risk of more violence, public ridicule and economic powerlessness.<sup>19</sup> Of the 6,074 women in especially difficult situations, served by the Department of Social Welfare and Development in 2001, 38.2 percent were physically abused, battered and/or maltreated, 13.4 percent were trafficked, while 11.6 percent were sexually abused. The number of adult women in prostitution is estimated at 400,000-500,000.<sup>20</sup>

### **Displaced Persons:**

A variety of reasons, including natural disasters and development projects, have caused displacement in the Philippines. Of particular concern, and the focus of the May-June 2002 visit of the Special Rapporteur on the human rights of migrants, is the forced displacement in Mindanao resulting from armed conflict between the Moro Islamic Liberation Front (MILF) and the Armed Forces of the Philippines. At the peak of the conflict (2000-2001), an estimated 932,000 people, half of whom were children and young people, were displaced. While many have returned to their homes, deep concerns persist about the conditions to which they return, their ability to reclaim land and assets, and the status of those who are still displaced. Over 6,400 homes were totally destroyed; the displaced found shelter in 276 evacuation centers, and among relatives outside the path of conflict. As of 23 July 2003, a total of 32, 414 families or 157, 043 individuals remain displaced. Some continue to be housed in 101 evacuation centers in 170 barangays in the 10 provinces of Central Mindanao and the ARMM.<sup>21</sup> This pattern of displacement has been a continuing experience over decades of armed conflict. From the records of the Department of Social Welfare and Development (November 2001), the most significant displacements were recorded in Maguindanao, Sulu, Lanao del Norte, North Cotabato and Marawi City. In August 2001, the total cost of assistance for evacuees was PhP342M in the form of relief supplies, bunkhouses, core shelters and evacuation centers. More than 81, 711 families or 411,849 persons were displaced beginning January 2003 by the escalation of armed hostilities between the AFP and the MILF.

### **Indigenous Peoples:**

About 140 indigenous ethno-linguistic groups, representing 15-20 percent of the total population<sup>22</sup>, are found in more than 50 of the country's 78 provinces (*Figure 3, p.105*). They are mostly located in remote but resource-rich areas, many in protected and ecologically fragile environments. Because of their remote location, they have poor access to basic services; and be-

cause of their low educational status and unique social and cultural norms, they have been subjected to historical discrimination and exploitation. Malaria prevention and treatment is also sporadic in IP communities. Notwithstanding the weight that many Indigenous Peoples attach to securing protection for ancestral lands, progress to this end has been disappointing.

Many IP children and youth are caught in armed conflict and get recruited into armed rebel groups. The plight of women in situations of armed conflict renders them vulnerable to physical abuse. These specific groups are subjected to varying degrees and forms of abuse, violence and exploitation, or to multiple vulnerabilities, and are among the most marginalised.

### **Migrant Workers:**

Overseas Filipino Workers (OFWs) increasingly comprise women and vulnerable young persons, who move overseas in search of higher wages or better opportunities than at home. Based on the results of the Survey of Overseas Filipinos conducted by the NSO, the number of OFWs in 2001 and 2002 was estimated at 1.029 million and 1.056 million, respectively. These figures represent just over 2 percent of the total population of the country, 15 years old and over.

Currently, women comprise nearly half of all OFWs, and their ranks are further increasing as women account for roughly 50 percent of workers going abroad each year. Around 10 percent of the total number of overseas workers belong to the 10-14 age category and two out of every three overseas workers in this age category were girls.<sup>23</sup> While both women and men, as migrant workers, are vulnerable to HIV/STI diseases and exploitation, the types of jobs that many women take, such as domestic work and entertainment, make them particularly vulnerable to isolation and sexual harassment and abuse. Once overseas, these workers, who send home substantial remittances, may be discouraged by their families and communities from repatriation. If they do return, their reintegration is often rocky, as they face difficulties securing decent work opportunities.

## UNDERLYING CAUSES OF POVERTY AND VULNERABILITY

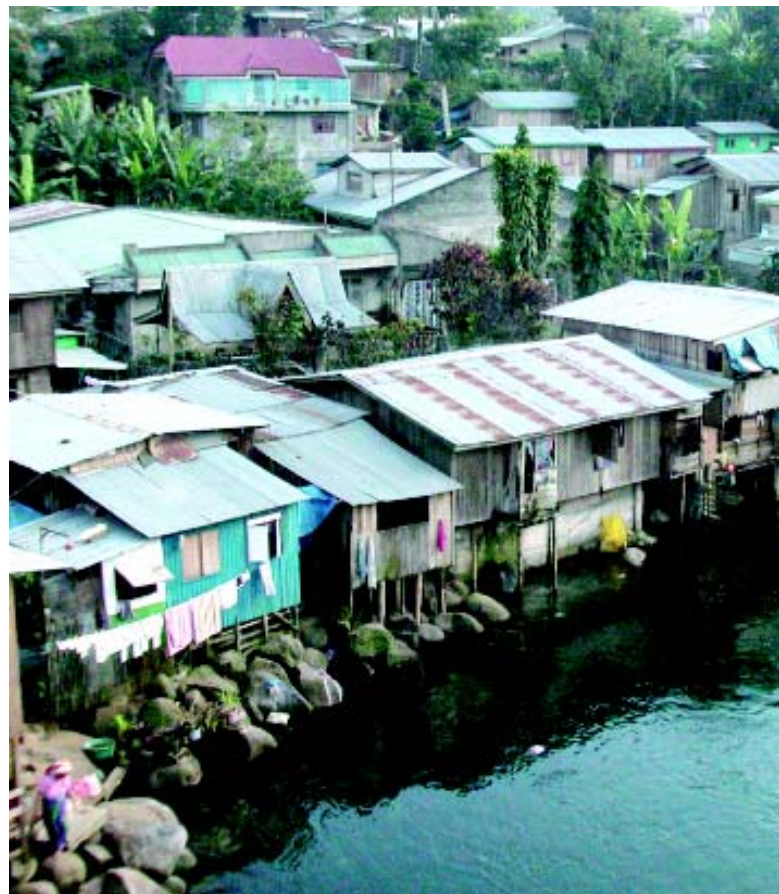
The underlying causes of poverty and vulnerability are complex and reflect deep-rooted cultural and institutional dynamics, embedded in decades if not centuries of tradition. But as we assess the development challenges of the Philippines today, and consider why the poor remain poor and the vulnerable become increasingly so, a number of explanations arise about why the Philippines has not realised widespread improvements to human development and security. These explanations relate to three broad themes: economic growth and the underlying structural inequities and foundations in the economy; a sense of insecurity relating to societal harmony and political uncertainty; and the failure to iron out many of the imbalances and inequities that prevent key agents of change — including women, the poor and the marginalised — from playing more active roles in improving their lives and those of others. While the Government of the Philippines and development partners have devoted considerable effort and funding to improve the level of development of the country, this assessment focuses on what more needs to be accomplished.

### **Growth has been poor and not “pro-poor”:**

The growth of the Philippine economy has not been strong enough or equitable enough to contribute to a reduction in poverty. Even during periods of somewhat steady growth, growth has been modest. Both external and internal factors are behind this.

The Philippine economy has fallen victim to a number of regional and global developments. The Asian financial crisis, the US-led war in Iraq, global retrenchment in the high-technology and electronics sectors, and the El Niño phenomenon have hampered global demand, strained domestic production, and created greater investor unease in the country and region as a whole. Economic policy reforms and programming implemented over the past few years have been credited with generating the modest growth levels posted and for preventing even more citizens from falling into poverty.

However, the economy remains fragile,



the fiscal deficit and debt burden remain substantial, and markets remain vulnerable to political and investor uncertainty. In general, low investment reflects weak investor confidence explained by a number of internal factors, among others: (a) the instabilities in the political situation and peace and order problems; (b) the fiscal imbalance, banking and financial market uncertainties; (c) institutional and governance issues such as are reflected in the low international rating of the Philippines for the rule of law, including the enforcement of contracts; (d) inadequate infrastructure and (e) the high cost of engaging in business in the country.<sup>24</sup> All of these contribute to a broad perception by domestic investors that opportunities abroad are relatively more attractive. That the Philippines runs an external account surplus — which reflects the fact that national savings exceeds national investments — is in part an illustration of this. Indeed, investment in the Philippines is among the lowest in South-east Asia, at around 20 percent of the GDP, compared to a norm of 30-35 percent for other newly industrialised countries.

That said, there is a clear need to improve productivity, diversify beyond national resource-intensive products, increase domestic value-added, and build the competitiveness necessary to access wider markets. The industry sector, for example, has failed to expand into a source of high-income, high-productivity employment. Moreover, this sector, which contributes more than 20 percent of the value-added in the country, generates as little of half that amount in employment opportunities.<sup>25</sup> Whereas large firms dominate the less labor-intensive manufacturing and export sectors, micro and small enterprises — many of which are active in the informal sector — absorb the most labor. Medium-sized enterprises, representing the bridge between small and large enterprises, are underdeveloped and few and far between. Investments in human capital — through access to quality and relevant vocational education and higher education and through life-long learning of the labor force — have been inconsistent. Innovation, a driver of technological capacity and industrial development, has not been successfully nurtured in the country.

### **Inequities in Access to Opportunities and Basic Services:**

Since the restoration of democracy in 1986, the number of civil society groups and peoples' organisations has grown considerably. With the power of modern communications, civil society has become a formidable influence, as manifested in popular uprisings better known as 'People Power.' Moreover, the government has established venues for people's participation in governance, such as sectoral representatives through the party-list system, and as members of national and local special bodies, technical working groups, and project task forces and has encouraged the participation of Civil Society Organisations (CSOs) and the organised basic sectors to engage in policymaking and planning. The Philippines benefits from a vigorous free press leading to vigorous public discussions.

Notwithstanding the tremendous progress towards meaningful engagement of civil society, the democratic process has not produced a strong unified consensus or

policy thrust aimed at addressing contentious issues such as the high concentration of wealth among a few select families or the related issue of land reform. The inequitable distribution of productive resources has led to alarming disparities in economic status across populations, no matter the level of growth. This inequity appears to be widening. The Gini ratio<sup>26</sup> in 2000 was 0.48 — notably higher in 1985, when the ratio was 0.44 (the closer the ratio is to 1.0, the greater is income inequity). Indeed, during this same time period (1985 and 2000), the share in national income of the poorest 20 percent of the population declined from 4.8 percent to 4.4 percent, while the share of the richest 20 percent increased from 52.1 percent to 54.8 percent. A study showed that had income distribution been the same as the 1985 level, poverty incidence would have declined by as much as 16.5 percentage points, instead of the net decline of 9.4 percentage points that was actually achieved over the period.<sup>27</sup>

At the individual level, the inability to break the cycle of poverty is largely a result of these disparities and inequalities in accessing the resources and benefits of development and the lack of accountability placed on duty-bearers. Issues relating to inequalities in accessing productive assets and basic social services were examined: the varying levels of resource development (i.e. human, physical, natural resources); and the presence of physical and social barriers to participation in development initiatives, among others. It was unanimously concluded that this factor is greatly undermining rights-based development in the country. Farmers have little ability to accelerate land reform against long-standing powerful landlords. Indigenous peoples, who are seeking to protect ancestral lands from mining, deforestation, or other development, have little power to serve as a counterweight to the influences of large, often corporate, interests, who seek the interpretation of conflicting national laws in their favor. Without such shifts in power dynamics, and the more effective "voice" that this would bring, the marginalised will remain so. Inevitably, when there is inconsistency and conflict in various laws, the larger entities (local or foreign) have greater room for maneuver.

### Poor Quality and Inefficient Distribution of Economic Infrastructure:

The Philippines has pressed ahead with important reforms to improve the availability and adequacy of infrastructure. The enactment of the Build-Operate-Transfer law, telecommunications liberalization, and deregulation of the domestic transportation industry, for example, were important steps taken.<sup>28</sup> The Philippines telecommunications sector is recognised as being one of the most advanced in the region. During the 1997 Asian financial crisis, the strength of the economy lay in the construction sector that rose 16.2 percent, while the transportation, communication, and storage sector grew by 8.2 percent.

However, poor quality of infrastructure and support facilities, the slow adoption of advanced technology, and the low level of research and development contribute to low productivity and competitiveness<sup>29</sup> and prevent SMEs from engaging more in inter-island and international trade. Indeed, the 2002 World Competitiveness Yearbook<sup>30</sup> ranked the Philippines as 30th among large countries<sup>31</sup> on the question of basic infrastructure — including in the road, rail, maritime, and aviation sectors. Electricity costs are high, and there are growing concerns about the country's capacity to supply adequate power a few years hence. Though further reforms to regulation and competition policy affecting this sector are encouraging, financial investments are also required. In this regard, the World Bank estimates that the Philippines would have required between \$38B and \$48B to meet its investment requirements in infrastructure during the 10-year period ending 2004<sup>32</sup>. Remote communities in mountainous provinces and distant islands have benefited the least from infrastructural development.

### Trade Liberalisation:

The latest trends toward globalisation are viewed with both optimism and concern — a sentiment underscored in the Millennium Declaration. Clearly, liberalisation can support democratic principles, facilitate the transfer of new technology and technological innovation, and attract much-needed investment that domestic capital markets are unable to generate. Similarly, trade and



investment liberalisation improves access to pollution-control technology and cleaner energy inputs. The Doha Round of negotiations under the World Trade Organisation, for example, has the potential to yield many benefits to Filipinos and the Philippine economy more generally. If new disciplines in the trade of agricultural goods result in dramatic reductions in trade-distorting subsidies, quantitative import restrictions, and tariff levels in OECD countries, Filipino agricultural producers and processors could become more internationally competitive. According to a World Bank report<sup>33</sup>, agricultural subsidies in rich countries, which currently stand at \$350 billion, is roughly seven times the amount spent on international aid. Similarly, clearer disciplines relating to Trade-Related Intellectual Property (TRIPs) are on the table as are disciplines relating to the trade in services. Such changes to the multilateral trading system could help the Philippines promote efficiency in resource allocation, enhance consumer welfare, expand international market access for Philippine agricultural goods, stimulate the “backroom” services sector, and open up the market for more affordable prescription drugs, to name a few benefits. Many of these benefits, however, are not solely dependent on multilateral action. By continuing selective liberalisation

efforts, including in the agricultural sector, where tariffs in the Philippines remain relatively high within the region, the consumers and producers alike could realise considerable gains.

However, freer trade will benefit only those producers who can compete and in those sectors where the Philippines has a comparative advantage. In this way, the growth of international trade and investment has sharpened development challenges. Many businesses and supporting institutions are ill-prepared for the intensified competition it brings, in part due to past restrictive policies and in part because of overall competitiveness. In the Philippines, unskilled labor has been rendered redundant by less expensive labor abroad and through automation or mechanisation of production processes. Machinery, rural feeder roads, and post-harvest facilities are outdated or inadequate in many parts of the country, leaving the prospects for many commodity producers discouraging.

Consequently, unless considerable strides are made to attract capital and technology to combine with domestic labor, the unskilled workforce will continue to be marginalised into subsistence activities (including self-employment and micro business in the informal economy) and dependency on imports (including food imports) will intensify. Better social protection measures must go hand in hand with further liberalisation, to increase labor market flexibility and encourage entrepreneurship, innovation, and product diversification, while catching those who are unable to adjust in time. The Committee on the Elimination of Discrimination warned<sup>34</sup> that women are particularly vulnerable to the impact of liberalisation, especially those in free-trade zones and in rural areas.

Owing to weak management of natural resources and ineffective export controls, the globalisation of demand has also accelerated exploitation and destruction of precious resources, including natural forests and coral reefs. In the absence of an institutional framework that clarifies tenure and thwarts rent-seeking behavior in using the country's environment and natural resources, this demand will only worsen the state of the environment.

### Fertility Rates:

High fertility rates reflect a lack of access to, and demand for, family planning services, lower educational attainment, and poverty. The unmet demand for family planning services is evidenced by a total fertility rate of 3.5 children per woman. This is, on average, one child higher than the number reportedly preferred by Filipino women.<sup>35</sup> Government policy is based on responsible parenthood and family planning. Muslim religious leaders in the country have recently issued a "fatwah" or decree declaring Islam's support for reproductive health and family planning.



The population growth rate of the Philippines has serious consequences at every level of the development challenge. At the national level, high population growth rates express themselves in discouraging

levels of per capita GNP. The country's population growth, at 2.36% (average annual growth rate from 1995 to 2000), is one of the world's highest, almost twice the global rate of 1.3 percent. With population growing at this rate, the growth of output per capita averaged only 1.4 percent from 1980-2000. Given the rate of GDP over the last three decades, it is estimated that per capita GDP would have been 50 percent higher than it now stands, had population (in 2003) only grown at the same rate as Thailand's, where fertility rate is 1.8, as against the 3.5 of the Philippines<sup>36</sup>. A high savings rate — a prerequisite to domestic investment — is also undercut by a high dependency rate.

At the local level, high fertility rates increase pressures on the environment, escalating harvesting rates of scarce natural resources and compounding problems of air, water and land quality, and human and industrial waste disposal. Moreover, the gaps between supply and demand for basic social services such as education, health and water widen as the ability of government to secure additional funding to pay for more services is not forthcoming.

At the individual level, high fertility rates have a demonstrated impact on the health

and well-being of children and their mothers. Large families, particularly those with low spacing between births, experience higher infant and maternal mortality and morbidity and are less likely to see their children attend school. With more children to feed, the incidence of domestic abuse and child labour increases. Women prefer smaller families than do men, yet do not have an equal say in the decision.

### **Gender Inequities:**

The Philippines has made considerable progress to advance the status of women. Access to schooling for girls is higher than for boys, based on cohort survival and repetition rates. Filipino women, particularly those with higher education are marrying at a later age, and their acceptance into public service has even been higher than men. Women appear to have gained more from national health progress, as suggested by life expectancy and mortality rates. Two of the last four Presidents have been women.

Building on this foundation, there is still progress to be realised. The potential of women and girls to contribute to development efforts — as decision-makers, consensus builders, managers of households, and income generators — and their ability to exercise their rights as equal partners, will directly affect the speed of rights-based development. As noted in the Millennium Declaration, development that is “truly sustainable” depends on making real progress towards the empowerment of women.

At the institutional level and in the workforce, women are under-represented and tend not to occupy the higher occupational ranks or best-

paying positions. The low labor force involvement of women reflects the greater preference given to the employment of men. For example, only 21 percent of judges in all courts are women, and most of them are in the lower courts. The number of women in public office also remains few. Men dominate posts for local government chief executives and middle-and senior-level ranking career officers. Their positions in government and in the courts directly affect the public policies. Many laws, particularly those dealing with civil law (that is, involving spousal and family relations) are still biased against women. Quality standards for health care programming and delivery have yet to be made fully gender-sensitive. Despite progress, the high level of maternal mortality is a symptom of underinvestment in services for women.

However, if gender equality is to be considered there is a need as well to begin addressing the emerging problem of boys' educational underachievement and to identify strategies that will effectively improve boys' and girls' participation in schools.

At the cultural level, unequal power relations between men and women persist, leading to violence against women, a lack of control over women's reproductive health choices, and the inability to pursue meaningful employment. Behind these power relations is patriarchy — the social structure is constructed, reinforced and perpetuated by sociopolitical institutions, put in place by men and thereby ensure that men, by virtue of their gender, have power and control over women and children. Until women and girls are perceived as equal partners, development will be hindered.





## SECTION 3: Areas of Development Cooperation

**F**lowing from the previous discussion of poverty and vulnerability, this section attempts to identify a subset of development issues that most directly affect the poorest and most vulnerable. In particular, the criteria for selecting these specific issues are: (a) addressing the issue is seen as a necessary catalyst for change and improvement in other areas; (b) past successes and best practices can be identified; and (c) they are critical to the achievement of the MDGs. In addition, the key development issues generally focus on the key areas of competence and comparative advantage of the United Nations system in the Philippines — in other words, where a critical mass of technical expertise, best practices and global, regional, and local networks provide the groundwork for targeted support to stakeholders in the country.

### GOOD GOVERNANCE

In the Philippines, as elsewhere, governance is of central importance to delivering on any and all the MDGs. Since the reinstatement of democracy in 1986, there have been major and welcome reforms in many aspects of governance, i.e. political, economic, judicial and administrative. Through its commitment to the eighth MDG in support of the global call for “an open, rule-based, predictable, nondiscriminatory trading and financial system...both nationally and internationally” and in making debts sustainable in the long-term, the Government has reiterated its commitment to continue reforms in the areas of trade and tariffs and government procurement, and for greater efficiency and effectiveness in public expenditures and financial management. The recent ratification by the Philippines of

the UN Convention against Corruption underscores how seriously many policy makers take this issue.

However, progress in carrying out even approved reforms has been hampered by many factors, including: inadequate budgetary resources; conflicting interpretation, if not gaps, in the implementing rules and regulations of new laws; consequent prolonged litigation to resolve disputes in legal interpretations; inadequate capacities or resistance within the bureaucracy to implement reforms and modernise its systems; graft and corruption; intense partisan politics and political disruptions. In the absence of substantial headway to curb graft and corruption, improve the responsiveness and effectiveness of all three branches of government, enhance resource mobilisation efforts, and optimise public expenditure decisions, the MDGs and other development commitments will not be attained.

#### **Corruption:**

Corruption damages the development process in many ways: it undermines social confidence in the willingness and capacity of public institutions to fulfill their obligations to the people; and it reinforces existing power relationships that are themselves typically part of the development problem. Losses due to corruption deepen poverty as they deprive the disadvantaged sectors of much-needed programmes and environmental stewardship. Incidences of bribery and graft are often front-page news, leading the public to perceive them as the norm rather than the exception in government transactions, further reducing the incentive or willingness to increase taxpayer compliance.

The Government has recently introduced affirmative actions toward addressing this problem such as the passage of the Procurement Act, the implementation of lifestyle check among government officials, and the reactivation of the Inter-Agency Anti-Corruption Committee (IAGCC) to synchronize the various anti-corruption initiatives of the national government. National and community-based civil society organizations have also contributed their share by monitoring government projects, increasing citizen's awareness through investigative reporting in media, and conducting anti-corruption

campaigns in schools and communities.

Despite these efforts, large-scale and petty corruption is pervasive throughout various levels of Philippine government. The draft report of the "Consultations on the UN Conference on Financing for Development" cited that out of a total national budget of PhP781 billion in 2001, PhP100 billion, or 13 percent, was at risk of being lost to corruption; 70 percent involved public works contracts while 30 percent involved the purchase of supplies and equipment.<sup>37</sup> The Office of the Ombudsman estimated that a total of USD48 billion was lost to graft and corruption over the past 20 years, and that only 60 percent of the national budget was actually spent on government programmes and projects. Whatever the precise figure, the magnitude is large and the broader costs are extremely heavy (*Table 7, p.97*).

#### **Weak Fiscal Management:**

The Reports on the MDGs cite serious gaps between current funding levels and those required to attain the MDGs. Recognising the impact that the fiscal condition (and therefore deficit reduction) has on macroeconomic stability, the government should continue to give priority to raising revenues and improving the efficiency of the bureaucracy so that more and better quality public service can be delivered.

Following the onset of the Asian financial crisis, the government deficit deteriorated quickly, mainly due to slippages in revenue collection. The major causes of the decline include tax evasion and weakness in the tax structure. Moreover, the private corporate and banking sectors — major contributors to the national coffers — were weighed down by nonperforming assets. Tax revenues, as a share of GDP, fell from 13.9 percent in 2000 to 13.5 percent in 2001. About PhP150 billion is lost to tax evasion, PhP92 billion of which constitutes uncollected income tax. In succeeding years, these translated into higher debt service payments, which along with the nonpassage of important tax measures, created a vicious cycle of higher deficit and debt. Recognising the major causes of declining revenue collection, the government began in 2002 to implement reforms in both the Bureau of Internal Revenue and Bureau of Customs.

On the expenditure side, expenditure reduction programs were also put in place, such as the Government Electronic Procurement System. The culmination of actions translated into a deficit that is now P2.1 billion lower than its program. If legislative proposals to restructure excise taxes are passed, the Government expects further progress towards deficit reduction. Moreover, the passage of the Debt Cap Act is expected to ease the problem of rising interest payments.

However commendable, the deficit-reduction program has crowded out much-needed expenditures for basic services and derailed the implementation of many priority reforms which are only partly funded, such as the Comprehensive Agrarian Reform Programme (CARP)<sup>38</sup>, the Urban Development and Housing Act (UDHA) and the Clean Air Act, among others. Based on a 2001 Social Weather Stations study, real spending on basic social services by the national government steadily dropped from PhP418 million in 1997 to PhP378 million in 2000. In other words, social services expenditures as a share of GDP, decreased from 6.4 percent in 2000 to 6.0 percent in 2001. This trend is also reflected among Local Government Units (LGUs).

On a sectoral basis, the National Health Accounts reveal that the ratio of health expenditures to GNP dropped from 3.4 percent in 1997 to 3.25 percent in 2000, compared to the WHO-recommended standard of five percent (*Table 8, p.97*). Lack of funds also led to insufficient social health insurance coverage, especially among poor families, preventing access to timely and quality health and nutrition interventions.

Comparative statistics also show that the Philippines spends less per capita for basic education than neighbors such as Malaysia and Korea, though more than China (*Table 9, p.98*). By category of expenditure, the largest allocation of the basic education budget goes to Personnel Services, i.e. teachers' salaries, leaving very little for maintenance and other operating expenses (MOOE) and Capital Outlay, where funds for enhancing education quality (teacher training, instructional materials, support to school improvements) are sourced (*Table 10, p.98*). Moreover, despite efforts by the DepED to release resources directly to elementary schools, actual devo-

lution of fund management remains limited. School heads thus often remain unable to undertake school-specific improvements, reforms, and innovations.

Insufficient public spending and investment in the Philippines, the lowest among ASEAN countries, also thwart early child care and development efforts. Resources at all levels (i.e. family, community, local government and national government) are inadequate to support family care-giving and to direct service delivery to children. In public day care centers, the costs of sending children to day care centers are still borne largely by families.<sup>39</sup> In the private sector, the cost of early child care and development (ECCD) services is prohibitive for many families.

Similarly, the budget for the Department of Environment and Natural Resources (DENR) declined by roughly 60 percent in real terms, from 1998-2003; the ratio of allocations for Personnel Services and Maintenance to Operations increased from about 60:40 in 1990 to approaching 95:5 today.

### **Decentralisation:**

Decentralisation was intended to make government services more accessible and local institutions more accountable and transparent and to promote working partnerships between local governments and their respective constituencies, particularly the poor. After more than a decade of decentralisation, some important gains and breakthroughs have been achieved that have benefited the disadvantaged sectors at the community level. Innovative approaches and partnership arrangements have been pursued by LGUs, national agencies, the private sector, CSOs and communities to collectively manage programmes and enforce policies on the ground. A number of best practices in local governance were recognised in a host of social and economic services, in the promotion of justice and in peace-building and conflict management.

However, government decentralisation has also created challenges, particularly pertaining to division of labour and financial responsibility. About 90 percent of local governments continue to depend on the national government's Internal Revenue Allotment (IRA) despite the Local Govern-

ment Code's provisions allowing them to generate resources from local taxes (albeit limited) and other forms of resource mobilisation (*Table 11, p.99*). This dependence weakens their capacities to deliver adequate basic services to their constituencies and increases their vulnerability to political influence from the national level. The poorest regions, whose citizens are in greatest need of investments in economic and social infrastructure and basic services, also have the fewest revenue-generating opportunities. A major challenge is to identify innovative ways to share revenue more equitably among regions.

Recommendations to improve the effectiveness of decentralisation include: (a) further and substantial financial decentralisation to effectively carry out devolved functions; (b) continued capacity-building for LGUs to manage devolved functions; (c) greater inter-LGU arrangements and standardisation; (d) serious attention at the local level to the adverse effects of urbanisation and the shortage of basic services; and (e) strengthened accountability and performance measurement systems of local governments to local citizens and service users. Individuals and communities have an important role to play by voicing their needs and concerns to local government officials to ensure they receive the goods and services to which they are entitled (*Table 12, p.99*).

### **An Inefficient Bureaucracy:**

Past Philippine administrations have carried out reorganisation and reengineering schemes for the bureaucracy, in an effort to improve efficiency and reduce corruption. Studies about the Philippine civil service system point to several deficiencies that include: (a) weak mechanisms for planning, agenda-setting and policymaking; (b) failure to implement and maintain an appropriate performance management and measurement system; (c) overlapping and duplicative government functions and activities; (d) overemphasis on rules and procedures rather than direct resource management towards the realisation of intended outcomes and impacts; (e) a highly politicised bureaucracy, and (f) lack of required managerial and technical competencies.<sup>40</sup>

### **Concerns about the Judicial System:**

The role of the Judiciary is vital in maintaining the rule of law and in providing an enabling environment conducive to development, particularly by ensuring social equity and empowering the poor and less privileged. The Judiciary has initiated a comprehensive reform program to transform itself into "an independent, impartial, effective and efficient Judiciary, protective of the rights of the people and democratic institutions." Current efforts are directed to address issues such as access to justice by the poor, corruption, case backlogs, competencies of judges and personnel and fiscal autonomy, in partnership with the pillars of justice including civil-society organisations and legal professional associations. Many questions have been raised about the reliability and competence of the judicial system in the Philippines, and whether citizens and foreign investors alike can be assured of justice. There have been particular concerns about interventions in specific commercial disputes, contributing to a climate of unpredictability and uncertainty for investments and private-public partnerships.

The Philippine judiciary faces a host of problems in its internal and external environment. Internally, the outdated and highly centralised judicial system is constrained by a low budget, a lack of fiscal autonomy, low salaries for judges and court personnel (which can lead to corruption), judicial ineptitude, a tarnished public image, and a weak community relationship.<sup>41</sup> Docket congestion is a serious problem. Parties of the poor, in particular, have to wait years for their disputes to be resolved. The resolution of cases involving reform programmes (such as land reform) takes particularly long. Indeed, the rate of disposition of cases at the Department of Agrarian Reform (DAR) takes five times longer than those of regular courts.<sup>42</sup>

There is a dearth of legal practitioners vis-à-vis the increasing number of cases, particularly those involving agrarian conflicts, labour-management disputes, urban poor community evictions or IP community displacement. Legal professionals in government earn meager salaries compared to lawyers in private practice, a primary obstacle to recruiting new lawyers.<sup>43</sup> Citizens



in rural areas generally have much less access to legal services. When legal assistance is unavailable, the poor and disadvantaged are discouraged from using judicial and quasi-judicial remedies, further marginalising them from accessing justice. As a consequence, some individuals resort to illegal means of exacting retribution, such as what happens in family feuds or tribal wars, or to a larger scale, in armed conflict.

### **Deficiencies in the Political and Electoral System**

Public confidence in election outcomes is low because of widely alleged irregularities in the Philippine electoral processes. The modernisation of the electoral system in the country today is an attempt to enhance public confidence in election outcomes and address traditional election anomalies such as cheating, intimidation and bribery. The government has initiated concrete efforts to institutionalise electoral reforms through the passage of laws on Election Modernisation (computerisation of May 2004 elections was not implemented because of a court ruling), Party-list System and the Absentee Voting for Overseas Filipinos. A democratic and effective political and electoral system is important to ensure that a development agenda, primarily addressing the needs of poor and disadvantaged, is promoted and sustained beyond administrations. Civil-society organisations are currently working with their government counterparts on pending reform bills in Congress that also seek to address issues on political dynasties, the continued practice of party turncoatism and the diminution of the electoral process into mere contests of personalities.

## **PEACE AND SECURITY**

Rights-based development can only take place in conditions of peace and security, at both the community and national levels. Public institutions must ensure that people have adequate protection and recourse. Where government cannot effectively protect people from these threats, nor respond to their needs and interests, public confidence in legitimate processes is eroded or lost. Marginalised and disaffected groups can resort to armed rebellion to press their needs, causes and concerns. The importance of realizing a peaceful and secure society is given prominence in the Millennium Declaration.

A primary challenge to peace, development and human rights in the Philippines today is the armed conflict, which has lasted for 35 years, mainly involving a communist insurgency and a secessionist rebellion. While the communist insurgency, affecting the entire country, weakened in the early nineties, it has seen a resurgence in the past six years. Over a year's time (2001-2002), AFP noted a 22-percent increase in the number of barangays affected by the insurgency, and a 5-percent increase in the number of guerilla fronts in the same period.

The secessionist rebellion, mainly affecting the Southern Philippines, finds its roots in a sense of social injustice and exclusion, and a desire for self-determination by the Muslim community. Military sources indicate that the MILF grew between 1993 and 2002. A series of high-profile attacks and kidnappings in recent years has escalated both the perception and the reality of deepening conflict.

Both rebel groups are engaged in separate peace negotiations with government, giving cause for hope; nevertheless, the threat of armed conflict remains. As identified through nationwide public consultations in 1993 by the National Unification Commission<sup>44</sup>, root causes fuelling the conflict include conditions of inequity, i.e. control of power and economic resources by an elite few; abject poverty of a great number of Filipinos; poor governance; injustice; abuse of authority and violations of human rights; and marginalisation of minority groups, especially Indigenous Peoples. The slow pace of reforms to afford the poor greater

equitable access to and control of productive resources, the lack of effective governance mechanisms for inclusion of the marginalised, perceptions of systemic corruption, poor access to justice, and the insufficiency of basic services for the most disadvantaged communities — all contribute to conditions that breed armed conflict and allow it to persist.

Armed conflict, in turn, aggravates poverty within the communities it directly affects, and the country at large, taking its toll on an economy already suffering from low growth and low investor confidence. In the year of “all-out war” (in 2000), for example, only the ARMM suffered a decline in the Gross Regional Domestic Product (GRDP) within Mindanao. Its inflation rate



reached 9.3 percent, more than twice the 4.3 percent rate for the entire island.<sup>45</sup> The Department of Labour and Employment (DOLE) showed that 8,216 workers lost their jobs, while 334 firms either suspended operations or shut down.<sup>46</sup> The armed conflict significantly affected agricultural production where about 30 percent of all crops were damaged during this period as reported by the Department of Agriculture reported. Given that Mindanao is a primary resource base of the Philippine economy, the conflict most likely affects the nation's GDP. Relief costs also burden the national economy. Following armed hostilities between government and MILF forces in early 2003, for example, relief costs reached PhP 18.4 million in March 2003. The conflict has also wrought damage on the social fabric, aggravating ethnic and religious differences and deepening the polarisation of groups.

In addition to the communist and secessionist rebellions, the re-emergence of a politicised and restive military exacerbates threats to human and national security. The mutiny led by a group of young officers in July 2003, fuelled by allegations of corruption and fractiousness associated with political alliances, highlights the need to pursue reforms within the military.

Unrest also breeds crimes beyond the borders of armed conflict. Perceived deterioration of law and order, including perceptions of ineffectual law enforcement in responding to the growing crime rate (including bank robberies and kidnapping for ransom), is a primary source of public disillusionment with government. The Philippine National Police (PNP) reports, for instance, an increase in the crime rate by 9.2 percent from 2001 to 2002. There is also a steadily worsening problem of drug abuse and trafficking nationwide. The Dangerous Drugs Board estimates 1.8 million regular illicit drug users and an additional 1.6 million occasional users. Methamphetamine hydrochloride (“shabu”) and cannabis (marijuana) are the main illicit drugs abused in the Philippines. An increasing number of methamphetamine laboratories have been detected. Cannabis is produced locally in substantial amounts, with the remainder smuggled in from other countries.



## ECOLOGICAL SECURITY

Environmental sustainability is a serious development issue in the Philippines. The country has committed to the MDG aimed at implementing national strategies to reverse the loss of environmental resources.

### State of the Environment:

Approximately two-thirds of the country's populace, particularly the rural poor, depends on natural resources for income and sustenance. The urban poor, especially children, women of child-bearing age, and the elderly, are becoming increasingly vulnerable to the adverse effects of pollution in “hot spots” throughout the country. Under

the pressure of industrialisation and urbanisation, farmlands have been transformed into residential, commercial and industrial sites. The economic potential and value of the Philippines' natural resources are also increasingly forgone.

Philippine national life remains deeply anchored on an environment under threat.<sup>47</sup> Agriculture, small-scale businesses, social institutions, cultures, social relations, politics, even national security, are rooted in what nature can offer: water, land and soil fertility, the forest and its natural resources, fisheries, minerals and other tradable products. Goods and services derived directly from the environment continue to have a significant impact on society and the economy. The country does not have the technological and financial capabilities to mediate natural events or to substitute environmental services with alternative sources.<sup>48</sup>

Unfortunately, environmental degradation continues unabated. For example, the country's total forest cover was estimated in 1996 to be no more than 18 percent of the total land area, or less than one-third of its level in the first half of the century. Soil loss and erosion are an increasing threat, especially in areas denuded by uncontrolled logging. Mangrove resources have also diminished dramatically. Watershed destruction and excessive withdrawals are combining to increase water insecurity nationwide. The loss of resources is so grave that the country now ranks among the world's major concerns in terms of threats to biodiversity. The significance of this issue can be seen in the fact that the Philippines is one of the 17 mega-diversity countries in the world, fifth in terms of number of plant species and mammal endemism, and fourth in bird endemism.<sup>49</sup>

The high increase in total fisheries production, (210 percent between 1971 and 2001), carried with it severe costs to stocks. Illegal fishing, overfishing, and habitat destruction reached USD2.5 billion in foregone fisheries a year<sup>50</sup>, while seagrass beds declined from 30-50 percent in the last 50 years.<sup>51</sup> Coral reefs continue to be damaged through destructive fishing practices, with only four percent remaining in excellent condition today.

In terms of pollution, the trends indicate

that air, water and soil pollution are increasing in many parts of the country, with serious consequences for public health, particularly among vulnerable segments of the population. From 1989 to 2001, the recorded levels of annual mean total suspended particulates (TSP) in Metro Manila significantly exceeded (by almost double), the national annual ambient air quality standard of 90 ug/Ncm.<sup>52</sup> Similarly, solid waste production is exceeding capacities for safe disposal. In Metro Manila, only 65 percent of the generated wastes are collected, 4 percent are recycled and the rest are either self-disposed by the generators or dumped illegally.<sup>53</sup>

Natural disasters are recurring phenomena across the country. The Philippines is located in an active part of the Earth, characterized by an ocean-circling belt of active volcanoes and earthquake fault lines. Major disasters, such as typhoons, floods, landslides, fires and maritime incidents caused estimated damage of USD 46.6 million in 2002.

### **Challenges to Ecological Security:**

Environmental degradation is but a manifestation of deeper causes, relating to: weak institutions that are unable or willing to enforce regulations; conflicting and unequal access<sup>54</sup> and ownership; insufficient training on good environmental management practices; poor availability and use of environmentally-sound production practices and technologies; population pressure on fragile ecosystems; and poverty (*Table 13, p.100*).

Access to the country's natural resources has always been inequitable. This unequal access has also concomitantly generated indifference and rent-seeking behavior toward the environment and natural resources. The rural poor, who depend directly on the life-support functions of the various ecosystems, ironically remain indifferent to their protection, primarily because of insecurity of tenure. While there were policy attempts to improve this access, ambiguous and conflicting provisions negate the intent, allowing dominant economic interests to win out over poor stakeholders. As a result, resources are becoming rapidly depleted and degraded. The conditions that exacerbate climate change persist.

The lack of an overarching public policy

framework for the environment and natural resources sector; weak capacities of stakeholders and government implementing agencies; absence of appropriate and responsive policies especially on land use; disharmony of planning systems with customary resource systems; disharmony between regulation and enforcement, are but some of the factors contributing to the decline and degradation of the environment and natural resources and to sub-optimal disaster response mechanisms.

Poverty is both a driver and an outcome of human and ecological well-being. In upland areas, for example, poverty exacerbates improper resource use (e.g. kaingin<sup>55</sup>) because of the desire for immediate income, in the absence of other viable, ecologically sound livelihood alternatives. This translates into further poverty when fertile lands are exhausted and when agricultural productivity is compromised by unsustainable practices that exacerbate and increase soil erosion and land infertility. In the urban areas, poor communities become additionally vulnerable to diseases arising from exposure to air, water and soil pollution. The urban poor do not have the option or financial means to choose where they reside and are subsequently located in areas nearest to highways or open dumps (Figure 4, p. 106).

## SOCIOECONOMIC DEVELOPMENT

Sustainable development is partly about ensuring that people are able to earn a livelihood and contribute to the development of their homes and communities.

### Sustainable and Decent Employment and Work Opportunities:

There has been a marked and almost steady increase in unemployment exacerbated by the Asian financial crisis as well as the El Niño and La Niña climatic phenomena. It grew from 7.4 percent to 10.2 percent between 1996 and 2000. While employment in both agriculture and industry were negatively affected, agriculture suffered larger drops in employment. The service sector continued to post positive growth, indicating the absorption of displaced labour from agriculture and industry.<sup>56</sup>

Statistics indicate considerable variation in unemployment by gender and age. In 2002, youth accounted for 47 percent of all unemployed. Consistently, the highest rates of unemployment over the past decade have been registered for young female workers in the 15-24 age group. For the 20-24 age group, for example, 25.4 percent of female workers (versus 20.6 percent of male workers) were unemployed.<sup>57</sup> The high incidence of poverty in the country is caused not only by high unemployment, but also by the low quality of employment, with low wages and high underemployment.<sup>58</sup> While the ranks of the unemployed include a significant proportion of the nonpoor populations, the poor swell the ranks of the underemployed. It is encouraging that over the last five years, the underemployment rate has shown a decrease.<sup>59</sup> The proportion of unpaid family workers has also declined (from 14.1 percent in 1999 to 13.2 percent in 2002), but like underemployment rates, is still unacceptably high.

To address both unemployment and underemployment, poverty-reduction strategies must be pursued by adopting and consistently implementing appropriate and integrated policies and programs that promote full, decent and productive employment of Filipino workers, including those set through priorities already identified by the Government. Foremost is the concern to reduce the severity and incidence of poverty



affecting over a third of Filipinos, primarily in rural areas. Second, there is the similar concern to better the lives of those who depend, directly or indirectly, on small and medium enterprises (SMEs) or personal business initiatives in urban areas. Finally, there is a need to defend and widen the prospects of those industries in export-and import-competing markets, increasingly challenged by lower-cost producers.

### **Agricultural and Rural Development:**

Rural poverty can be traced primarily to an agriculture sector that is underdeveloped and with low productivity, and to the lack of alternative employment opportunities in the rural areas. Half of the Philippine population depends on rural-based production, mainly in the cultivation of rice, corn, coconut, sugar, tobacco, banana, livestock and fisheries. Due to declining real wages, stagnant productivity, a rapidly growing population, and environmental degradation, rural incomes have been deteriorating. Farm workers have been forced to shift from low productivity jobs in agriculture to similarly marginal jobs, mostly in services, and increasingly in urban areas.

Inadequate rural infrastructure and basic support services render agricultural production activities inefficient and therefore uncompetitive, making investment in rural areas unattractive. Overall, agricultural growth in the Philippines averaged 1 to 1.5 percent annually in the 1980s and 1990s, lagging behind in performance compared to its Asian neighbors. What is of greater significance though is the comparatively low total factor productivity in agriculture (*Table 14, p. 101*). Productivity in rice and corn, the country's major crops, is below the regional averages of East and South East Asia and that of all other developing countries.<sup>60</sup>

A major obstacle preventing the development of the agriculture sector is that small farmers and agricultural producers have little or no access to productive resources such as land, credit, technology, production facilities and rural infrastructure. Landlessness remains a major problem in the rural areas. Over 70 percent of farmers do not own the land they till. Three-fifths of cultivating households are tenants and over a third of agricultural land is controlled by only two

percent of the landowners.<sup>61</sup> Lacking land titles, and therefore a source of collateral, farmers have no access to credit and furthermore, no incentive to till the lands sustainably.

It is encouraging that the availability of and recourse to microfinance has been growing. Based on the most recent report by the People's Credit and Finance Corporation, 980,815 active clients were served as of August 2003, close to the one million number of target-clients for the year. The



National Anti-Poverty Commission (NAPC) also reported that government has surpassed its target of 300,000 new women microfinance borrowers each year. However, there is an estimated total of 5.1

million poor households,<sup>62</sup> for a service coverage tantamount to only 20 percent of the credit market's target beneficiaries.

Studies have shown the positive impact of land reform in raising household incomes of agrarian reform beneficiary households<sup>63</sup> and improving environmental stewardship. However, the pace of agrarian reform has been slow. Women comprise less than a third of the beneficiaries of land transfers, stemming from the fact that only women as household heads may be entitled as farmer-beneficiaries. On the provision of ancestral land domain claims, the NAPC reported that the government recently distributed more than 367,000 hectares of ancestral domains. Moreover, discussions are ongoing between fisherfolk groups and the Bureau of Fisheries and Aquatic Resources on the exclusive access of small fisherfolk to municipal waters.

The lack of support infrastructure in agricultural farms is a tight bottleneck to productivity. By the end of 2004, the Department of Agriculture is only expected to achieve four of its commitments under the Agriculture and Fisheries Modernisation Act (AFMA). This poor achievement is traced to delays in the much-needed construction of irrigation facilities, farm-to-market roads, the establishment of mariculture parks and seaweed village ecozones and especially, the provision of post-harvest facilities.<sup>64</sup>

Fragmented policy directions, the need for more strategically focused programmes and clearer accountabilities are outstanding problems of the agriculture and rural sectors. The three main agencies principally responsible for rural development are the DA, DAR and DENR. Besides these departments, a wide array of attached agencies and organisations provide various services, including LGUs. There are as many programmes as there are agencies involved in agriculture and related sectors. Given the tight budgetary resources, the resources of these various institutions must be brought together in a more coherent fashion to give focus to strategic priorities, such as raising productivity, easing technical improvements, diversifying rural incomes, reducing the cost of transactions, and addressing gaps in the devolution of services to the LGUs. Implementing reforms and establishing consensus and consistency in rural development programmes and policies, such as those affecting trade and subsidies, have also been impeded by frequent changes in leadership of the three lead departments.

The budget for agriculture has been decreasing as a proportion of the national budget, from 4.85 percent in 1997 to 3.09 percent in 2001. Though the PhP2.07 billion Agricultural Competitiveness Enhancement Fund is available, its slow utilisation constrains investment flow. R&D for agriculture is also under-funded. Based on what was mandated by the AFMA, R&D should have an allocation of about PhP5.7 billion in 2000, but the average budget has reached only a PhP860 million (from 2000 to 2003), with decreasing trends.

### **Micro, Small and Medium-sized Enterprises (MSMEs) Development and the Informal Economy:**

The services sector is now the largest contributor to GDP, rising from 36 to 54 percent over the past 20 years. Services now account for about half of employment<sup>65</sup> compared to industrial employment at 15 percent. The bulk of these jobs is in the informal sector, whether located in rural or urban centers, and consist primarily of jobs that are easy to land but are low in both productivity and pay. Examples of such jobs are those in retail trade, itinerant vending,



mall sales, home-based work, small transport operations and personal, community and social services. In fact, approximately eight of ten Filipinos are said to be engaged in various forms of informal work, with nearly 80 percent of them women.<sup>66</sup> As observed during the period from 1997 to 2001, only about half of working-age women participate in the labour force, compared to 80 percent of men.

Micro, small and medium-sized enterprises (MSMEs) are the major contributors to job creation in the Philippines. Unfortunately, not all MSMEs offer decent work opportunities to employees. Decent work can only exist in competitive, productive and economically viable firms – indeed, this is the case for large and small alike. Improving the competencies of managers and the way in which they operate their enterprises can significantly contribute to decent work creation. A stronger appreciation for the links between productivity and good working conditions will provide an additional impetus for valuing labor and providing good working conditions.

Increasingly, this sector is receiving attention from policy makers and the donor community in the Philippines, as financial and nonfinancial policies and programmes are being reviewed and adjusted to improve the business environment in which SMEs operate. Cultivating a culture of responsible entrepreneurship will be an important strategy if the employment deficit is to be narrowed. This approach is particularly important in efforts to improve the earning prospects of vulnerable groups, such as informal workers/households, youth, women, disabled, indigenous peoples and large poor farming communities who have little alternative sources of earning a poverty threshold income. Concurrent efforts to nurture

industry clusters, strengthen the links between large exporters and SMEs, and increase the value-added contribution of Philippine production in global value chains, will go some way to stimulating growth, improving the trade balance and generating decent employment.

## HUMAN DEVELOPMENT

Without access to basic social services — including health, education, water, sanitation facilities and housing — the potential for making a decent living is limited. And, for the most vulnerable, there is no hope of a decent life without appropriate safety nets.

### Health

Poverty in the Philippines has severely undermined the health status of its people. Though some improvement is seen in selected indicators (Table 15, p.101), much more work needs to be done to improve access to health and nutritional services for women, children, and migrant or displaced persons and those living in remote and underserved areas. The Government's commitment to tackle these challenges is reflected in its pledge to realise the MDGs, of which four of the eight are health-related: reducing hunger; reducing under-five mortality; reducing maternal mortality and increasing access to reproductive health services; and combating HIV/AIDs, malaria and other diseases.

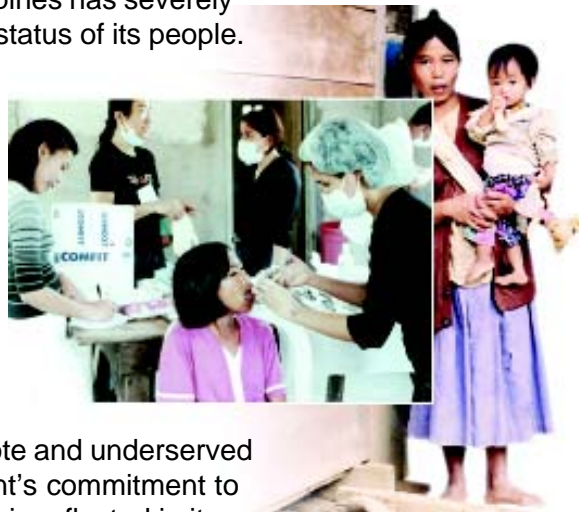
**Child Health:** Efforts by government, NGOs and the private sector to reduce infant and child mortality rates have begun to show some success. Sufficient laws and policies are in place to promote and protect child health and nutrition. This has resulted in improved performance in terms of immunisation (Figure 5, p.107), breastfeeding, micronutrient supplementation and food fortification, (for example, the *Araw ng Sangkap Pinoy* and the *Garantisadong Pambata*). It is hoped that with the implementation of the National Health Insurance Act of 1995, also known as the

PhilHealth Law, the general public's access to quality and affordable health and nutrition services will increase.

But who has benefited from this progress (Table 16, p.101)? Mortality indices for under-5 children, infants, youth and women are affected by high fertility and the socio-economic performance of the family. There are wide disparities across regions in terms of the nutritional status of children (Figures 6, 7, pp.108-109). For instance, Bicol has almost twice as many underweight pre-schoolers as the National Capital Region. Western Visayas and Northern Mindanao also exceed the national average rate. Iodine deficiency plagues roughly one third of all children aged 6-12 years and stunting remains a continu-

ing problem. For children six-months to five years of age, the incidence of Vitamin A deficiency and iron deficiency anemia remains high (Figures 8, 9, pp.110-111). The prevalence of malnutrition can be explained by disparities in the availability and cost of nutritious food, poor hygiene, environmental sanitation, and, in short, poverty.

Several aspects of child health and nutrition remain inadequately addressed by the present health system. Crosscutting concerns include low policy awareness among claimholders, which inhibits access to existing health and nutrition information and services, especially among the poor. Priority concerns are: (a) low compliance of salt producers and importers with the Act Promoting Salt Iodisation Nationwide (ASIN) law; (b) violations of the Milk Code; and (c) delayed adoption of the guidelines, especially at the LGU level, of the Expanded Programme on Immunisation (EPI), the International Reference Standards for nutrition and other protocols. More than food availability/unaffordability and poor hygiene, malnutrition is rooted in poverty which is essentially brought about by underemployment and unemployment. Poor investments on direct



nutrition interventions at the local level and inadequate supporting policies in population likewise aggravate the problem. Weak support mechanisms to make local health boards and nutrition councils viable are causes for equally weak programme performance at the LGU level. Enforcement at the local level is impeded by an inefficient bureaucracy and disruptions caused by frequent changes in leadership and administration priorities.

**Maternal Care:** The rate of 172 maternal deaths per 100,000 live births remains unacceptably high.<sup>67</sup> The MDG recommendation for the Philippines was to bring down maternal mortality rate to 106 per 100,000 (by 2000), and to further reduce this by half by 2015.

Trends showed seeming improvements during the past decade in maternal mortality rates (MMR), though sampling errors associated with the estimation, could have undermined the accuracy of data.<sup>68</sup> The lifetime risk of dying from pregnancy was 1:100 in 1999; although in remote areas, it was recorded to as high as 1:35.<sup>69</sup> Out of approximately 2.4 million Filipino women who become pregnant every year, about 360,000 experience a major obstetrical complication requiring hospitalisation. About 40 percent will develop some other pregnancy- or delivery-related health condition. While 94 percent of pregnant women received some form of prenatal care, only two-thirds managed four or more prenatal visits<sup>70</sup>. Among the poor, 63 percent of births were attended by traditional birth assistants.<sup>71</sup> In postnatal care, only one-third of mothers were administered internal and breast examinations; a little more than half had abdominal examination, while only four out of ten women were given family planning advice.<sup>72</sup> These data are indicative of poor compliance with prescribed medical standards. The level of tetanus immunisation coverage dipped slightly from 72.5 to 71.6 percent from 2001 to 2002.

Women who have closely-spaced births and multiple pregnancies are more vulnerable to nutritional deficiencies, and in turn are most likely to deliver babies with low birth weights (*Table 17, p.102*). Breastfeeding for more than 12 months, a low dietary intake,



and an older maternal age contribute to weight loss. The poor nutritional status of women is aggravated further by the prevailing norm that women should be self-sacrificing and are, therefore, the last priority in partaking of food from the dining table. Data showed in 1998 that chronic energy deficiency (CED) among lactating women increased by 2.5 percentage points, from 1993 to 1998.<sup>73</sup> In adults, CED results in weight loss, low physical performance and work capacity.<sup>74</sup> At the same time, women whose weight-for-height ratio is less than 90 percent of the reference standards are considered nutritionally at risk.<sup>75</sup> Around 15 percent of pregnant women belong to this category, which already represents a 31-percent reduction over the five-year period from 1993.<sup>76</sup> On average, the energy intake of Filipinos was below 90 percent of the average daily requirement. However, over 18 million Filipinos, mostly women, have iron deficiency anemia and about half of pregnant and lactating women are deficient in iodine, energy, protein and Vitamin A intake. In 2002, 82.2 percent of women were given iron supplements, but in the poorest region (i.e. the ARMM) only 45 percent were able to avail themselves of such supplements. Among all the MDGs, the nutrition targets are the ones which may be most difficult to achieve, according to the National Anti-Poverty Commission.

### Low Access to Reproductive Services by the Poor and Young Women:

A pressing concern is the high unmet family planning need. About 20.5 percent of married women in all regions have an unmet need for effective contraception.<sup>77</sup> Two-fifths of those practicing contraception use traditional methods; women with higher education (have reached college) are much more likely to use modern methods. In addition, poor women face multiple vulnerabilities, including gender-based violence and limited access to information and services for the treatment of infectious and reproductive tract diseases and other morbidities. There is no comprehensive law regarding the provision of reproductive health services for women, men and adolescents. The absence of reproductive health services contributes to: insecure livelihoods; intergenerational poverty; low school retention rates, especially for girls; slow empowerment of girls and women; higher malnutrition; more serious complications during pregnancy; and HIV/AIDS infections due to the lack of STD examinations.

The poorest quintile of women has a fertility rate that is over three times higher than that of the richest. Many unmet family planning needs increase the risk of unwanted pregnancies and their attendant complications, particularly among the 15-19 age group. As a result, about 400,000 unsafe abortions take place each year, with large variations by regions. Economic concerns was the most common reason cited for terminating a pregnancy, where a good majority of the affected women are poor.<sup>78</sup> With abortion illegal, induced abortion is the fourth leading cause of maternal deaths. Young mothers in the 15-24 age group account for 17 percent of induced abortions, 6 percent of spontaneous abortions, three out of four maternal deaths, and 74 percent of all births out of wedlock. National data show that more than one-third of young women conceive before marriage, largely as the result of unprotected sex.

Women's poor health-seeking behavior, lack of empowerment, inadequate access to quality information and the poor state of health service delivery are the major gaps in women's health care and nutrition. Poor health-seeking behavior was traced to the

distance of service facilities from the home, the lack of knowledge about available services and the prevailing influence of myths and misconceptions on pregnancy, childbirth, and family planning. The low importance that women attach to their own health also stems from their so-called "double burden," which hardly provides time and opportunity for them to attend to their personal concerns. Often, the lack of early health care, especially for pregnant women, results in tragic consequences (for example, the failure to detect child deformities and high-risk pregnancies in due time). Caring behavior toward children, which includes breastfeeding practices and early childhood care, remains weak especially among the less educated and marginalised. Health education is traditionally focused only on women and mothers, missing out on the potential and significant value of men and fathers in the care, nurturing and growth of infants and young children.

### Interventions in HIV/

**AIDS Prevention:** The MDG goal is to halt and reverse the spread of HIV/AIDS by 2015. The Philippines needs to address the behavioral and societal factors that contribute to the disease by, among others, increasing the use of condoms and addressing issues relating to stigma and discrimination against people with HIV/AIDS.

The number of reported HIV infections has been rising slowly. The most common mode of transmission, at 86 percent, was through sexual contact, mainly heterosexual. Most infections reported were among males in the 20-39 year-old group. About one third of the number of positive cases of HIV was among Overseas Filipino Workers, 25 percent of whom are women.

Among the factors that put the country at higher threat of an HIV/AIDS epidemic is low condom usage even among high-risk groups (HRGs) - there is less than 35 percent consistent condom use among high risk groups.<sup>79</sup> Only 19 percent of 15-24-



year-olds participating in a survey<sup>80</sup> could correctly identify ways of preventing the sexual transmission of HIV — 60 percent of those surveyed believe they cannot contract HIV/AIDS at all. About a third of sexually active youths, mostly males, have multiple sex partners. Headway on the availability of reproductive health services would reduce risky sexual behavior, increase condom use and correct misperceptions about the disease.

An HIV/AIDS outbreak remains a real threat to the country. The population size of high-risk groups – (female sex workers, men-who-have-sex-with-men (MSM), injecting drug users (IDUs), and increasingly, OFWs) is observed to be on the rise. There is also a high and increasing prevalence of sexually transmitted infections among HRGs (high-risk groups), especially among female sex workers, with the syphilis prevalence rate standing at 1-7 percent for HRGs. Among HRGs, the rates of STIs serve as a cofactor in HIV transmission<sup>81</sup>.

To a large extent, prevailing social stigmas against people with HIV/AIDS (PWHAs) dissuade HRGs from seeing adequate information and quality services. The persistent use of fear, and force against, HRGs, such as periodic raids of entertainment establishments and arrests for vagrancy of suspected freelance sex workers, pushes them to go ‘underground’ and beyond reach. Care and support for the infected and affected, including access to diagnosis and treatment, remain a low priority as evidenced by the low budget allocation for Anti-retrovirals (ARVs) and drugs for opportunistic infections. ARVs and other drugs for managing complications remain inaccessible. If these treatments were more available, the quality of life and productivity of PWHAs would improve and the rate of mother-to-child transmission would decline. Health services and the limited technical and management capacities at the local levels impede HIV/AIDS control and prevention.

According to the National Composite Policy Index of the UN General Assembly Special Session, the Philippines has policies that are still not in place — equal access to prevention and care services for both men and women, with emphasis on vulnerable

groups; nondiscriminatory measures and policies for vulnerable groups; and policies which provide for the needs of children orphaned by parents with HIV/AIDS. Fortunately, the country has passed the Philippine AIDS Prevention and Control Act of 1998 which sets out policies for instituting a nationwide HIV/AIDS information and educational programme, monitoring systems, and a multisectoral National AIDS Council (membership includes a representative from people living with HIV/AIDS) to oversee an integrated and comprehensive approach to HIV/AIDS prevention and control. There are pockets of innovation in the areas of local response, care and support for PWHAs and HIV/AIDS-reproductive health integration within and among the academe, NGOs and the private sector, who are developing multistakeholder engagements and showing great promise of generating and mobilising resources for HIV/AIDS prevention as well as for the provision of care and support.

**Prevailing High Levels of Tuberculosis, Malaria and Dengue:** Tuberculosis (TB) is the sixth leading cause of mortality in the Philippines, ranking it among the top ten countries highly burdened by the disease. The number of TB deaths has declined from 69/100,000 in 1975 to 38.3/100,000 in 1998. The morbidity for all types of TB has decreased from 314/100,000 in 1975, to 207/100,000 in 1998. Reaching the MDG of halting TB and reversing the trend by 2015 will require the accelerated and coordinated implementation of interventions at every level of government and by NGOs and the private sector.

A total of 116,296 TB cases were reported in 2002. However, the actual number is estimated to be considerably larger, as studies show that 49 percent of all TB victims do not seek medical care, while 30 percent of those getting medical care consult private medical practitioners. In this respect, and despite the 100-percent Directly Observed Treatment Short Course (DOTS) coverage by the public sector, the case detection of new smear-positive cases, which are the most infectious ones, remained at 57 percent, still falling short of the 2005 target of 70 percent. The implementation by the public sector of the DOTS



strategy in combating TB, which was initiated through the National Tuberculosis Programme (NTP) in 1996, expanded to cover 100 percent of the population by the end of 2002. The NTP managed to improve treatment success rates from 55 percent in 1995 to 88 percent in 2002. However, the disease remains a major public health problem for a number of reasons. First, the success of the DOTS strategy requires a continuing high political commitment, especially at the most local level, and uninterrupted drug supplies. Second, crowded housing conditions provide ground for the perpetuation of TB infection, particularly among the young. Finally, the prevalence of malnutrition, especially in urban slums and rural areas, exacerbates the cycle of infection and disease.

Malaria is endemic in 65 of the 78 provinces, putting at risk a population of 11 million, in mostly remote rural areas. Twenty-five of these provinces account for 90 percent of all malaria cases. Pockets of high endemicity are found along the provincial and regional borders populated by IPs and in areas with sociopolitical conflicts. Mindanao accounts for 53 percent of all reported cases. At present, the Philippines has records of approximately 30,000 confirmed malaria cases from which nearly 500 deaths occur annually.

The Global Fund programme is being implemented to provide innovative control strategies, prevention and treatment for the 25 most affected provinces. This program builds on the existing Roll Back Malaria programme that invested in training of health workers and procurement of essential supplies, including anti-malarial drugs, insecticide-treated nets and rapid diagnostic test kits. While such provides a start, case management and the referral system need strengthening at all levels. Diagnostic services are inadequate and most cases are treated merely on the basis of clinical signs and symptoms. Efforts to control the disease have been hampered by the lack of adequate funds at the LGU level, the partial decentralisation of the programme and the development of drug resistance within the parasite. Several provinces not covered by the Global Fund Project are also prone to malaria outbreaks, for which extra efforts will have to be made for outbreak surveillance and response. Since malaria mainly affects the IPs in the Philippines, special efforts should be made to implement Information, Education and Communication (IEC) activities targeting these communities.

In the Philippines, a dengue epidemic occurs every three years. In 2002, 154 deaths were recorded out of 16,160 cases. Of these, most occurred among those less than 15 years old. Control efforts are hindered by the lack of resources and unplanned urbanisation, leading to the proliferation of the main vectors. Poor water supply systems and sanitation, especially in congested urban areas, encourage breeding. Presently, the only method of controlling dengue is through the use of chemicals against the vector mosquito and the environmental management of its breeding sites. The dengue control programme is being supported by the DOH and the Philippine Rotary, through the printing and production of IEC materials to enhance the awareness of vulnerable populations. However, the programme faces acute financial constraints and additional resources will be needed to significantly boost vector-control efforts. Active prevention measures with community participation and the training of adequate numbers of health workers to treat dengue cases in clinics and hospitals are critical.

## Education

The MDG aims to achieve universal access to primary education by 2015. The country also aims to eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education, no later than 2015. With such a large portion of Filipinos in the child or youth age group, future competitiveness of the country depends on it.

A concerted effort at all administrative levels is required to address challenges of sub-optimal secondary participation rates, low cohort survival rates, and poor achievement levels especially among boys. This in turn will require innovative ways to improve the quality of education and to reach those children outside the formal school system, in remote areas, and unique circumstances.

**Access to Education:** The Philippines enjoys a high participation rate of 97 percent in elementary education and a high literacy rate of 94 percent. However, secondary level participation is dramatically lower at 66 percent, and large disparities exist across regions (*Figure 10, p.112*). Most regions in Luzon rate above the national average, while most of those in the Visayas and Mindanao fall below the national level (*Figure 11, p.113*). During the 2000-01 school year, the ARMM registered the lowest secondary level participation rate at 23 percent — in sharp contrast to the Ilocos Region's 87.5 percent, the highest in the country.

The public sector carries the bulk of elementary enrolment, accounting for an over 90-percent share in the past 20 years. At the secondary level, its share over the private sector has risen significantly from 54 percent to 78 percent as more parents enrolled or transferred their children to public schools, following the 1988 enactment of free public secondary schooling and consequent to the continuing financial crisis (*Table 18, p.102*). Over the past six years, public enrolment in basic education grew at an average rate of 2.8 percent, partly due to the reasons cited above and also on account of the increasing number of Filipino children, especially from families of the poor and marginalised. These trends have resulted in unwieldy class sizes in public schools, particularly at the secondary level, and growing stress on the government's budget.



The country also faces a major challenge to retain children in the formal education system. In the school year 2000-01, the cohort survival rate (CSR)<sup>82</sup> for the elementary level was 63.46 percent and 71.68 percent for high school. Significant disparities exist between urban and rural areas, rich and poor regions, across social groups and between genders. The more affluent areas have a nearly 90-percent completion of elementary education (*Figure 12, p.114*), while the poorest areas have a completion rate of only 30 percent (*Figure 13, p.115*). A closer look at the CSRs in both the elementary and secondary levels reveals disturbing results for boys (*Figure 14, p.116*). Those boys that do stay in school are more likely to repeat grades (*Tables 19, 20, p.102*). In the primary level, the discrepancy ranges from two boys for every girl repeating in the first to third grade levels, to nearly three boys to one girl in the latter years. At the secondary level, the ratio deteriorates to nearly three boys for every girl repeating in the first year alone.

Research reveals that in addition to poverty and health considerations, reasons for dropping out include distance between home and school, lack of interest in school, teacher hostility in the classroom,<sup>83</sup> malnutrition,<sup>84</sup> as well as the decisions of families to sacrifice the schooling of employable family members in return for additional income, especially among the poor with unwieldy family size. Many of the children who drop out or have never attended formal classes in the first place, have few opportunities for further study or work. More attention needs to be paid to transforming schools into child-friendly learning environments, addressing the disparities in education outcomes, and developing alternative delivery schemes for particular groups,

including distance learning schemes and collaboration with nonformal education service providers.

The challenge of dealing with children and youth outside the formal education system must also be addressed head-on. For children aged 6-15, the primary objective should be to reintegrate them into the structured creativity of formal education — whether they be street children, child workers, children in conflict areas, or simply nonparticipants. Families and communities have a major role to play in ensuring schools become accountable for the quality and relevance of the services they deliver, and in turn, families and communities must commit to investing in the futures of their children through schooling. For out-of-school youth, aged 15 and older, the expansion of the Accreditation and Equivalency System, as was recently done in the Nonformal Education sector, needs to be supported. This will provide recognition to prior learning and the experience of out-of-school children and school dropouts so that they may gain better opportunities for employment and further education. Funding remains a problem. Much of the education budget is directed to the formal school system, leaving very little to nonformal education for the needs of school dropouts and the out-of-school youth.

**Low Quality of Education:** The school system has been rapidly expanded in the effort to provide free elementary and secondary education for all. Such rush, however, has not been able to ensure the minimum requirements for quality education. A Presidential Commission on Educational Reform concluded that the quality of basic education in the country has been very low for nearly two decades now. Causes include: unwieldy class sizes; congested curriculum; use of inflexible and impassive teaching and learning techniques that inhibit active participation and feedback; and a predominance of teachers with poor pedagogical skills as a consequence of inadequate formal training.

In 2002, the DepED launched the Basic Education Curriculum (BEC) reform aimed at decongesting the curriculum and competencies for learning, i.e. application of practical knowledge and life skills; gender fairness and deeper appreciation for Filipino culture

and heritage; and values-development integral to all other learning areas. This was supported with an intensive training of teachers and educational managers to enhance teaching and managerial competencies, together with pilot programmes to promote school-based management and a child-friendly school system. However, there is a need to translate the benefits of these programmes into the teaching and learning experiences of children in the school. Reforms in testing and assessment have also been introduced, but teachers in the field generally lack adequate skills to interpret and analyse test results, losing valuable information for remedial interventions and curricula development. The Commission on Higher Education (CHED), distinct from the Department of Education (DepED) which supervises basic education, has yet to revise preservice teacher training to respond to the demands of the BEC. The BEC envisions teachers in a new role as facilitators of learning and promotes integrated and interactive approaches to teaching-learning. The lack of coordination between CHED and DepED is an issue that needs to be addressed.

A careful balance needs to be found between standardised national curriculum and the need for a tailored approach to recognise, explicitly, the cultural, religious, and linguistic diversity of the country. For the education needs of the IPs, the IPRA is an instrument enabling children beyond current reach to participate in relevant and culturally-sensitive education – one that also introduces new teaching and child-centered technologies and insights to be introduced into the school system. But again, the education sector cannot inadequately respond because of fiscal constraints and slow implementation of reforms. There is also the major but often-ignored problem of implementing a language policy for education. The government has constantly lacked resources and has been unable to arrive at a consensus on this particular concern, beginning with the need for a research-based and child development-centered study on the matter. Finally, more must be done to reconcile the unique teaching approach of the madaris with national standards of learning.

### Poor Access and Quality of ECCD Services:

Giving children the best start in life means ensuring their good health, proper nutrition, protection and early learning. However, access to early education remains poorly addressed even today. Recent surveys show that at least 66.5 percent of Filipino children between three and five years old were not enrolled in any form of early childhood education, i.e. playgroups, daycare centers or preschools. The DSWD estimates that as of June 2002, 25.8 percent of barangays remain without daycare centers, and access to early child care and development (ECCD) is scarce in rural areas. More girls than boys attend preschool and general enrolment trends show significant fluctuations in participation from year to year. Except for a few workplace-based centers, day care centers for children of working parents are virtually nonexistent. Alternative modes of delivering early education and psychosocial stimulation, e.g. child-minding centers, supervised neighborhood plans and home-based daycare, are still hard to come by.

The poor quality of ECCD services likewise remain a challenge. Existing ECCD services are characterised by insufficient child's play and absence of developmentally stimulating practices. Learning and teaching approaches of service providers are often outdated and programming methods are rigid. All these may have a bearing on the school-readiness of children and could weaken ECCD's contribution in addressing a critical concern to improve school retention, especially in the early grades. Further, parents and future-parents are not aptly supported in making well-informed decisions affecting children's health, nutrition, psychosocial development and learning. The lack of parental involvement and participation in ECCD services had also been observed. ECCD services remained for the most part institution-based and barely focused on families and communities. There is a need to strengthen families as advocates for young children by providing them with information and adequate tools to seek and demand quality ECCD services. The year 2000 saw a landmark achievement with the passage of RA 8980, also known as the ECCD Act, which promulgates a comprehensive policy and an integrated and sus-

tainable national programme for ECCD. This law designated the Council for the Welfare of Children (CWC) to serve as the National ECCD Coordinating Council. It also strengthens existing high-level as well as subnational interagency mechanisms in policy and programme monitoring, which is key to the promotion and protection of child rights. Presently, the government is formulating the integrative ECCD System Framework and Components, which includes the ECCD curriculum, standards and accreditation and mechanisms for parental and community involvement.



### Basic Services

**Safe Drinking Water:** The country's target in meeting the MDG on safe water is 87-percent coverage by 2015. As of the year 2000, 73.1 percent of Filipino households had access to safe drinking water. With the average two-percent annual increase in the number of households being provided with access to safe drinking water, the MDG target is expected to be met, according to the MDGR. The government's implementation of the 1988-2000 Water Supply, Sewerage and Sanitation Sector Master Plan accounted for the improvements in this basic service.

However, for many, access to safe drinking water will remain a challenge, particularly in the urban areas. A 1995 Urban Health and Nutrition Project study showed that 72 percent of households among slum dwellers have access to either piped-in water or tube wells. However, 36 percent of the water was contaminated at

the point of consumption, while 17 percent was contaminated at the source due to improper transport, handling and storage.<sup>85</sup> Moreover, many poor women, who are generally burdened with the responsibility of providing safe water for the family, do not have direct access to safe drinking water. In 1998, it was reported that for 86 percent (93 percent for urban and 80 percent for rural) of households, it takes anywhere from 1-15 minutes to draw water from a source outside of the home.<sup>86</sup> Water for basic domestic use (cooking, cleaning and bathing) when purchased, comes out of a tight household budget that most women in the family manage with difficulty on a day-to-day basis.

There are wide disparities across regions in access to safe drinking water: while some regions already exceeded government targets (e.g. 97-percent coverage for Central Luzon) other regions lag far behind (e.g. 29-percent coverage for ARMM households). Additionally, many parts of the country suffer from the recurrent El Niño and La Niña climatic occurrences that render sources of potable and safe water even more vulnerable. More alarmingly, seepages and the pollution of water sources, coupled with environmental degradation, pose critical challenges to the development of safe water sources (Figures 15, 16, pp.117-118).

The government's coordinating and regulating body for all water resources-related development is the National Water Resources Board. The national line agencies, especially the DOH and DILG, work closely with LGUs and local water utilities associations, to provide safe and potable drinking water. Provincial rural areas are served by Rural Waterworks and Sanitation Associations, *Barangay* Waterworks and Sanitation Associations and LGUs. In order to establish a single body for the rational and effective regulation of all piped-water supply and sewerage systems, the government intends to create a Water Regulatory Commission. It also plans to amend the Provincial Water Utilities Act of 1973 to address financing policies for the water sector, which include, among others, the increased capitalisation of the Local Water Utilities Administration. Currently, there is little enthusiasm in the private sector to invest in water utilities.



**Increasing Housing Backlog:** The MDG global target hopes to achieve a significant improvement in the lives of at least 100 million slum dwellers universally. In the Philippines, more than one third of the urban population is made up of informal settlers and slum dwellers, and more than half of the 1.4 million urban poor households living in informal settlements are in Metro Manila. The National Shelter Programme estimates that by 2004, the backlog in housing in the urban areas will be 2.5 million, of which 44 percent will be in the NCR.<sup>87</sup> Access to services in these settlements is limited. The UNESCAP, in its report of May 2001, underscored the still inadequate attention given to housing development for poor families.

One government policy addressing the welfare of the urban poor is the Urban Development and Housing Act (UDHA), which provides for a comprehensive and continuing urban development and housing programme in collaboration with the private sector. Through the UDHA, the government intends to provide decent housing at affordable cost, basic services and employment opportunities for the slum dwellers and households in resettlement areas. The government has also declared that government-owned lands that have remained idle for the past 10 years will be open for socialised housing projects. Other government initiatives include: (a) the creation of Local Housing Boards in order to decentralise housing decision-making to LGUs; and (b) the assistance to LGUs to formulate and update their Comprehensive Land Use Plans and fully enforce land use and zoning ordinances, among others.

Despite the passage of the UDHA in making housing an integral part of the service delivery system of LGUs, the national government remains under pressure

because of the inadequate capacities at the local level to address the housing problem and the lack of appropriate mechanisms for participation and joint problem-solving. Inadequacies in existing housing programmes, inefficiencies in the shelter agencies, lack of technical expertise and the tendency of some agencies to report projects that have yet to be completed, add up to weak institutional capacity for effective shelter delivery. These problems have aggravated the conditions of urban slum dwellers who continue to face threats of eviction and demolition from the government and private landowners. The responsibilities and accountabilities of local governments under the Housing Act have not been clarified; nor has the financial support LGUs should get from the national government.

### Social Protection

**Children:** Problems in child abuse and exploitation may be better addressed by also focusing on the following existing realities: (a) lack of data, disaggregated by age and gender, on children at risk, particularly at community and local government levels; (b) lack of awareness among vulnerable children of their own rights and inadequate information and skill for their protection; (c) the increasing number of disadvantaged and dysfunctional families; (d) absence or lack of a monitoring system for children at risk and children in need of special protection; (e) weak implementation of existing national laws and local ordinances; (f) inadequate capacity of programme managers, service providers and caregivers; (g) non-operational structures or institutional mechanisms for the protection of children at barangay, city, municipal and provincial levels; (h) low government priority on basic and social services for disadvantaged families; (i) the weak involvement of, and at times sensationalism and mishandling by, media and civil society of cases of abuse, exploitation and violence; and (j) the unresponsive and slow administration of the system of justice for children. At the root of the problems of child abuse, exploitation and violence are: poverty; beliefs and practices that facilitate abuse and exploitation, such as the perception of children as economic assets to the family; the often lower valuation of female

children; and the relentless demand of the sex industry.

After its ratification of the Convention on the Rights of the Child in 1990, the Philippine Government submitted a second report, for the period 1995 to 2000, to the Committee on the Rights of the Children, which should be reviewed in 2005. The Report provided information on the actions taken in response to the recommendations of the committee during the review of the initial report in January 1995. Foremost among the concerns are legislative measures that still need full conformity with the Convention. These pertain to: the minimum age of criminal responsibility; minimum age for sexual consent; minimum age of access/admission to employment; compulsory schooling age; status of children born out of wedlock; prohibition of torture; intercountry adoption; and administration of juvenile justice. The report noted that better mechanisms to monitor the situation of children have already been put in place.

**Vulnerability of Indigenous Peoples to Abuse, Violence and Exploitation:** The major threats confronting this sector include: (a) “development aggression,” i.e. including major public infrastructure cutting into IP areas and commercial activities within ancestral domains, such as mining and illegal logging, sometimes with the involvement of local politicians; and (b) armed conflicts, involving the military and armed insurgents, as well as tribal or clan conflicts within the communities themselves. These



communities suffer from being used either as safe havens by rebel groups or as “hamlets” by the AFP.

While the problems of IPs may be traced to the country’s history of conquest and their displacement and discrimination, current problems primarily stem from the slow implementation of the Indigenous Peoples’ Rights Act (IPRA), which recognises their rights to their ancestral domains. Slow IPRA implementation is blamed on gaps and conflicts in the interpretation and application of the law and its IRR; the lack of institutional capacities; the lack of financial resources to support appropriate programmes; and legal processes that often lack transparency.

**Migrant Workers:** To address the special vulnerabilities of migrant workers,<sup>88</sup> it is important that migrant workers are provided with assistance to ensure a smooth and transparent migration process. This is of interest to both the Philippines and the countries of destination. In addition to the mandatory predeparture orientation of OFWs on employment contracts, remittance procedures, etc., migrant workers should be provided with education programs that help reduce their health risks and social vulnerabilities, such as with regards to HIV/AIDS. The general population should also be educated on the risks and realities of migration, including issues of human smuggling and trafficking. The government may maximize the economic advantages from labour migration through the introduction of simplified and secure modes of transferring remittances, education on how best migrant workers may invest productively their remittances, strengthening the consular services and referral system to address health and other issues, and development of policies and bilateral/cross-border interventions to combat HIV/AIDS, human smuggling and trafficking, among others.

While overseas employment remains a legitimate option for the country’s work force and source of foreign exchange, the government must face the challenge of expanding the domestic labor market to absorb new entrants and develop export potential.

**Vulnerability and the Lack of Protection and Representation of Workers:** Job creation should seek to secure labour standards for decent work. Social protection coverage is limited, with social security systems covering only about a fourth of the labor force. It leaves out a large segment of women workers who are particularly poor, in the informal sector and who make do with part-time and nonstandard work arrangements. Among workers covered by retirement schemes, women obtain fewer benefits than men due to their intermittent participation in the labor force. Women’s access to maternity leave benefits is also quite limited.



For workers, social dialogue provides a mechanism for shared responsibility among government, employers, and workers’ organisations in the governance of the labour market. Workers, especially women in the informal sector and in SMEs, lack representation in workers’ and employers’ organisations. Women’s membership in unions has been slowly decreasing since the early 1990s, and stood at 34 percent in 1997. At leadership levels, women represent only 18.6 percent of local union presidents and practically none in national union leadership. About one-fourth of families in the bottom 40 percent are represented in community organisations.

The weak application of and compliance with the occupational safety and health (OSH) standards pose hazards to the health of a large number of workers in both formal and informal establishments, especially in the case of rural workers and those in the urban informal sector who have low access to social protection. In 2002, OSH compliance rate was 49.6 percent among the 32,363 establishments inspected, of which only 24.1 percent were corrected.



## SECTION 4: Forging a Development Partnership

### DEFINING THE OBJECTIVES

The CCA for the Philippines provides an assessment of key development challenges facing the country. From this, a roadmap for UN development activities for the coming years should emerge — a roadmap that will be elaborated upon in the UN Development Assistance Framework.

In this regard, the task of priority setting has been simplified in the light of the Millennium Declaration and the goals and targets contained within. The Philippines has vowed to meet its commitments, by among others, providing the necessary enabling environment and mobilising the necessary resources. As the analysis revealed, the country must accelerate its efforts urgently, if the 2015 targets are to be realised. But the national government cannot fulfill its objectives alone. Its success will in large part depend on the support of domestic and international partners, including the UN agencies. Our programming activities must all be designed with the Millennium Declaration and commitments in mind.

### DEFINING THE ROADMAP

#### Key Obstacles to MDG Realisation:

The analysis identified three main cross-cutting obstacles to meeting the goals of the Millennium Declaration and MDGs: widening

disparities in income and social development; weak or absence of governance at all levels; and a very high level of population growth.

First, until the great disparities that penetrate so many aspects of the Philippine economy and society are addressed head-on, improvements to development indicators at the national level will be negligible at best. These disparities relate broadly to issues of: (i) ownership - such as of land and natural resources; (ii) access - to quality public services in areas of education, health and capital; and (iii) participation and decision-making power - that impact on the ability of women, citizens, and workers to influence the future development of their families, livelihoods, and communities and that leave many national and local institutions unable to resist the pressures of powerful segments of society to reduce the inequities between the sexes and among regions and socioeconomic groups. In a society where corruption and good governance issues are prevalent throughout, it is a particular challenge to make progress in this regard. It is in the areas of greatest disparity where the focus of the UN and other development partners must be.

Second, the system of governance in the country affects the prospects for economic growth, the mobilisation and utilisation of public resources for social development, environ-

mental protection, and peace, security and social justice. The analysis revealed a number of areas where improvement is possible and indeed, necessary, if the MDGs are to be realised. At its most fundamental level, progress is needed in areas of graft and corruption, accountability, and transparency in every branch of government, and from the national down to the local level. Prudent fiscal management will be important, while balancing deficit management and social expenditures. Decentralisation poses additional challenges to the country, including that of translating national priorities into local action. Conflicting and inadequate laws governing property and ownership rights must be cleaned up if the poor and vulnerable, the right holders, are to take a more active role in their development and if governments are to push back powerful interests who may be working against principles of sustainable development and a peaceful society.

Finally, a high level of population growth not only poses risks to the lives of mothers and children themselves, but also challenges the ability of society to mobilise the opportunities and resources necessary to meet each person's right to basic social services and decent work. If this is left unchecked, economic growth is not expected to keep up with current population growth trends, and therefore, per capita GNP will continue to deteriorate. The Government will be faced with a decision to either decrease per capita spending on social services or abandon its efforts to get its fiscal house in order. The strain on the environment and on natural resources will only intensify, as competition for scarce resources and public goods expands. Inequities between the rich—who have few children—and the poor, can be expected to widen.

However, if population growth rates were brought down to a rate more comparable to, say, Thailand (at 1.8 percent), the positive impact would be immeasurable. As noted previously, it is estimated that per capita GDP of the Philippines would have been 50 percent higher than it now stands, had population only grown at the same rate as Thailand's.<sup>89</sup> The economic and emotional strain that high fertility rates place on families would also be reduced and the chances that individuals could break their cycle of poverty would increase. With fewer children to feed, the number of chil-

dren, youth, and adults otherwise forced to work in hazardous occupations or in remote locations would fall, and participation and education cohort survival rates could improve. The poor and uneducated are particularly prone to high fertility rates—access to family planning and reproductive health services in poorer communities is low. The challenge now is to engage the full range of players in the political and civic arenas—including religious leaders—to launch a concerted battle against high fertility rates.

### **A Rights-Based Development Framework**

A rights-based development approach is largely about putting the poor and vulnerable at the core of the development agenda. However, it is also about much more. It is also about ensuring enhanced accountability by identifying specific duties and duty-bearers in the development process in a way that moves development from the realm of charity to that of obligation. This then leads to greater empowerment for the target groups.

In many ways, a right-based approach represents a new way of doing business for development partners, including the United Nations. Even during the CCA process, it became clear that a shift in thinking is required to truly bring to life such an approach.

For example, within the context of national aggregates on development indicators, we must be more diligent in reaching out to citizens falling through the cracks—to find out who they are, where they are, and why they are not being reached. In this regard, the importance of genuine consultations with the marginalised cannot be over emphasised.

Similarly, official data, while critical in assessing and monitoring trends and progress must be supplemented with data from other nongovernment sources. Even if at times, NGO sources are anecdotal, sporadic, or geographically limited. The next CCA might do more to supplement (or contrast) national/official statistics with alternative sources and assessments.

Finally, statistics do not keep close watch on the activities of duty-bearers. Responsibility for progress or relapses is difficult to pinpoint without first identifying who is responsible to whom and how this will be monitored. The inadequacy of the monitoring mecha-

nisms and indicators that measure the impact of government policies and programmes as well as laws and administrative directives and regulations, especially at the local level was flagged as a major concern<sup>90</sup>. This inadequacy extends to other duty-bearers as well.

Consequently, as we go forward with the development of the UNDAF, the focus on the poor and vulnerable as well as on those parties who carry with them the means and the obligation to engage and empower the marginalised must be more deliberate. This new approach implies a more concerted and explicit engagement of other domestic and international players — the NGOs and civil society, the business community, academia, media, local governments, and communities and families alike. Indeed, each of these partners has important duties to correct patterns of discrimination in access to services, factors of production (land, capital), opportunities, participation, and information and to contribute to a functional system of checks and balances (*Figure 17, p.119*).

The Global Compact initiative, launched at the 1999 Davos World Economic Forum, represents one framework in which the private sector can play a more responsible, anti-poverty role, including adherence to internationally-accepted principles on conditions of work, respect for human rights, and the protection of the environment. Moreover, their role in nurturing a vibrant and responsive SME sector, will lead to improved competitiveness overall. Corporate donations and foundation work provide but one way that for business to support communities — the more corporate philanthropy is woven into the core philosophies of the companies, the more prodevelopment they become. They also have an important role to ensure that they do not add to the problem of corruption. The business community has an obligation to practice good governance by, among others, promoting transparent operations, paying their taxes, and avoiding any offerings of bribes.

Similarly, the NGO community, and CSOs and labour organisations in particular, have great potential to keep raising the issues of concern to the poor and the vulnerable and to resolve local inequities through local solutions. In most cases, NGOs/CSOs are key to effective development programming, whether they are working with public entities, the donor community or the private sector. However, they have an obligation to ensure that the priorities of their

organizations indeed reflect the needs of the people they purport to represent — and that they do not co-opt genuine participation by the masses. Concerns about the lack of direct public accountability, particularly by CSOs, need to be addressed. These groups play too important a role to let the actions of a few discredit the whole. Similarly, as a result of fierce competition for funds, turfing has become a real cause of tension between some NGOs, undermining their ability to cooperate in communities and share best practices.

The vibrant and well-regarded academic institutions in the Philippines can also do much more to advance the understanding of development challenges, underlying causes of poverty and vulnerability, and what has and has not worked. However, as strong as their analyses may be, the implications of their work need to be disseminated to a broader audience, and the lessons learned must be produced in a more user-friendly format for policy makers.

The media could similarly play a much more influential and constructive role, by showcasing the concerns of the more marginalised and by bringing to light examples of successful stories of collaboration. The Philippines is blessed with a free press. However, the sector has faced significant criticism about the objectivity and relevance of reporting. Responsible journalism, which would assist the public in making informed decisions, is a duty borne directly by the media. The print media, which is seen as even less credible or truthful than television, have the greatest improvements to make.

## **DEFINING PARTNERSHIP: THE ROLE FOR THE UNITED NATIONS SYSTEM**

### **The UN Comparative Advantage:**

The UN system has a pivotal role to play in working with stakeholders to generate demonstrable results. As a universal duty-bearer, and with its diversity of mandates, the UN is in the best position to contribute to setting up structures and mechanisms for popular participation in governance. Popular participation, including in decision-making, is covered by universal covenants signed by UN members, including the Philippines. The UN similarly has a comparative advantage in capacity development and in implementing participatory technologies appropriate to the Filipino setting. Moreover, the UN has the ability to mobilise resources to



engage the state, civil society and the private sector to work together collaboratively. The commitment of the UN to poverty reduction – through empowerment, improved access, and employment – is unwavering.

The job for the UN is made easier in the Philippines. The country has been a staunch supporter of the UN system, is a Charter Founding member, has contributed to peace-keeping missions around the world, holds a nonpermanent seat in the Security Council for the fourth time, has ratified many UN conventions, and is actively engaged in ensuring the UN can contribute constructively to development in the country.

In the area of advocacy, the UN system is well-placed to advance legislative and administrative reform, by among others, supporting the voices of the under heard and under-represented, including women and children. Many of the root causes of poverty and vulnerability reflect contentious political issues and entrenched interests. Without strong leadership and political momentum, deep-rooted governance issues and power dynamics will remain unchanged and the poor and vulnerable will continue to be denied access and opportunities. Support for resolution of the armed conflicts can be mobilised by the United Nations, as it helps lay the groundwork for rebuilding and demobilisation. Similarly, the UN can help influence important expenditure decisions, to ensure that resources are not diverted away from critical areas of basic services, rural development, to name a few.

A deeper social dialogue between sectors in society will be critical to effecting social change. The active engagement of families, communities, NGOs, the private sector and civil society is a strategic issue in improving

the governance of ECCD and basic education and to strengthen families and communities as advocates and defenders of children and the environment. The special charter of the UN, its norms and values, and its commitment to economic and social development of the countries it serves, make it uniquely equipped to play a facilitating role in advocating for reform.

At the local level, the UN has a strong role in nurturing community-based initiatives to enhance the participation of individuals in their own development. The UN has accumulated a wealth of global best practices that could be applied in the Philippines. Innovative strategies need to be adopted and tailored for hard-to-reach populations and the poor and marginalised groups, education, health, and livelihood opportunities.

Investing in capacity building — of public entities, nongovernmental/civil/worker organizations, training institutes, and SMEs — will also be essential in a path toward sustained and equitable development. Governance, quality of education, productive and versatile workers, sound production processes, among others, depend in part on the capacity of institutions to respond to the needs of society and industry. The UN has a deep experience in initiatives aimed at equipping key institutions to play a constructive and participatory role in development.

The UN system is also well-placed to help identify information gaps and to ensure that quality and relevant information reaches key players — from high-level decision-makers to the general public. Access to information is a major development challenge that in many cases mirrors other inequities — the poor and marginalised often have weak access to information to improve their economic positioning, demand accountability from their government representatives, or make well-informed electoral decisions. Improving data collection to better capture the plight of the poor and vulnerable would be part of the solution. Mobilising for an inclusive and productive public dialogue is another aspect of the challenge.

### **Clear Priority Setting**

In the light of the Millennium Declaration and the comparative advantage of the UN system, the UN agencies should focus on the following thematic areas, within their respective areas of competence:

1. Macroeconomic stability, broad-based and equitable development: by increasing incomes among poor and vulnerable groups.

2. Basic social services: by increasing access to, and use of, quality and integrated basic social services by the poor and vulnerable.

3. Good governance: by institutionalising governance reforms and practices at all levels of government, civil society and the private sector.

4. Environmental sustainability: by increasing the capacity of stakeholders to improve the quality of the environment, sustainably manage natural resources, and improve natural disaster response.

5. Conflict prevention and peace building: by promoting a culture of peace and intolerance for violence across the country, with a particular focus on areas of ongoing conflict.

While focusing on these thematic priorities, the UNCT should be alert for opportunities to assist the country in fulfilling its commitments, including but not exclusively relating to the MDGs.

The UNCT is well-placed to support prompt fulfillment of reporting requirements to UN bodies. Specifically, the Philippines has ratified six out of seven core human-rights treaties. While it has recently submitted its report to the Human Rights Committee under the International Covenant on Civil and Political Rights, other reports are overdue, including those on the International Covenant on Economic, Social and Cultural Rights, to the Committee Against Torture and Committee on Elimination of Racial Discrimination. Not only does reporting facilitate a meaningful discussion about treaty obligations, it also helps generate awareness among duty-bearers and rights-holders and could revitalise efforts to improve the reporting mechanisms to monitor fulfillment of treaty obligations. These conventions generally support the principles and goals of the Millennium Declaration.

Enhanced national monitoring systems need to focus on progress in the implementation of other national commitments such as the National Unification Commission. In the absence of an effective and transparent monitoring system, essential accountabilities cannot materialise and policy makers will be less equipped to make informed decisions. Monitoring also helps provide lessons learned, about both successes and failures.

Finally, the UNCT should be prepared to help the Government develop the successor of the Medium Term Philippine Development Plan to ensure it pays sufficient heed to the Millennium Declaration. The UNCT could assist in assessing reasons for shortfalls in meeting the stated objectives of the current MTPDP (2004-2004), strengthening the accountability, transparency, and MTPDP monitoring system, and costing proposed reforms, based on realistic assumptions.

### Greater Engagement with Stakeholders

Finally, the UN must continue to extend its reach and impact by partnering with other multilateral and bilateral agencies to enhance donor coordination efforts. The government rightly considers with urgent concern the efficient utilisation of ODA as an important source of funds for development in the light of declining budgetary levels. However, issues remain mainly in the poverty-effectiveness of ODA and the ownership and leadership by government in managing and coordinating ODA. Donor coordination efforts are particularly important in Mindanao, where many partners seek to introduce innovative interventions to complex challenges.

### A SENSE OF URGENCY

In addition to the great, and in many cases growing, disparities in the society, it is also imperative that the Philippines and its development partners appreciate the very real risks that threaten to undermine development and impede attainment of the MDGs. The cost of inaction or complacency, when it comes to armed conflict and HIV/AIDS, for example, is unacceptably high.



### **Peace and Security:**

The government, working in partnership with civil society and the donor community, must be resolute in addressing the issues of conflict and security. At a minimum, this will require: (i) policy coherence within the framework of a social consensus to end the armed conflicts through peaceful means — one that is deliberately oriented to the pursuit of social, economic and political reforms to address the root causes of conflict, and outlives changes in government administration; (ii) reforms within the security sector, to ensure greater accountability of the military under a civilian leadership by, among others, building competence, professionalism and efficiency; respect for human rights; gender and cultural sensitivity, and accountability to civilian authority; and (iii) greater accountability and competence from the law-enforcement agencies to produce results and build public confidence in the ability of government to guarantee the security of its citizens. Alongside government initiatives, there must be a deliberate effort to build and sustain a citizens' constituency to drive parallel efforts towards a just and enduring peace.

In such a scenario, areas affected by armed conflict can begin to rebuild communities and the nation as a whole can begin to heal, even as it begins to reap the social and economic benefits of peace. New roles and community norms could be developed to redefine the interactions between citizens and differing ethnic and religious groups. Children who have only had intermittent access to formal schooling, either because they were forced to leave their communities or because they themselves were participants in combat, could begin to be reintegrated into the classrooms. Child abuse, exploitation and violence, a reality in areas of armed conflict, could also begin to be addressed. The ARMM, which has been the most seriously affected, could begin again to cultivate a vibrant economy, attracting much-needed private sector investment into rural and urban development. Rural-based communities could start rebuilding their agricultural activities as a more secure source of income.

In contrast, the impact of a failed national peace process and inadequate enforcement of the rule of law will be devastating. This will render the country vulnerable to violence, divisiveness and instability, and make foreign investors shy away from the Philippines (and not just con-

flict-ridden regions), in favor of more predictable and secure environments. Without a vibrant national economy, adequate revenues to source increased spending in the social sectors will not be generated — the Government will be less able to reduce defense spending, which constituted 5.3 percent of the 2002 budget<sup>91</sup>, in favor of social expenditures. The great inter-regional disparities will only deepen, as the migrant and hard-to-reach populations are further marginalised.

### **HIV/AIDS:**

Experts warn that a full-fledged AIDS epidemic occurs when a critical mass has been infected. Once this threshold has been reached, the numbers explode. The slow but steady climb in reported infections in the Philippines may not appear grave at this point. However, in the not-so-distant future, the Philippines could join the ranks of other countries burdened by the disease. Such a crisis could be in the making unless the behavioral factors that propel the spread of this disease are tackled. What is required now is: (i) leadership at the highest levels of government — to devote adequate funds to targeted programming; (ii) empowered and well-funded NGOs and CSOs to work with high-risk groups to increase understanding about the risks of the disease and to ensure that appropriate measures are taken to prevent the spread of HIV/AIDS and most urgently, by increasing condom usage rates; (iii) strengthened public awareness campaigns, including those with school children; and (iv) public awareness campaigns aimed at eliminating the stigma attached to Persons Living With HIV/AIDS and those in high-risk groups.

If such commitment is strong and sustained, the result is simple: an epidemic will be averted. Scarce resources for health and other public priorities will not be diverted to high-cost drugs and public awareness campaigns introduced as a last-minute attempt to regain control of the disease.

However, if the attention and resources dedicated to the prevention of these diseases remain in the current range, catastrophe will strike. Thousands, if not millions, of young adults can be expected to contract the disease. Millions of dollars will be necessary for treatment. Numerous families and communities will be harmed. In short, the country will have missed out on its opportunity to avert a crisis.

# ENDNOTES

- 1 Foreword to the MDGR
- 2 UN Gender Assessment (2003)
- 3 The barangay is the smallest level of government in the Philippines, akin to a town or village.
- 4 Coefficient of variation (CV) measures the reliability of estimates. The higher the CV, the greater the variation in results among samples.
- 5 Chronic Poor are defined as households that experience food insecurity every year, with almost all children having never (or very infrequently) attended school and with very low level of assets. The defining feature is the extent of the duration of their deprivations (some refer to chronic poor as those in a state of absolute poverty).
- 6 Transient poor is defined as households with the inability to maintain their consumption levels in the face of fluctuations or shocks affecting their income or being (some refer to "transient poverty" as "relative poverty").
- 7 The basic sectors as defined by the National Anti-Poverty Commission (NAPC) are: artisanal fisherfolk; children; cooperatives; farmers and landless rural workers; indigenous peoples; non-government organizations; persons with disabilities; senior citizens; urban poor; victims of disasters and calamities; women; workers in the formal sector and migrant workers; workers in the informal sector; and youth and students.
- 8 In the Philippines, income poverty is operationally defined as existence with a per capita income below the poverty threshold (Php11,605 in 2000).
- 9 These figures are based on the new Provincial Poverty Methodology approved by the NSCB Executive Board (2003).
- 10 The severity of poverty indicator captures the problem of inequality among the poor. In 2000, the ten poor provinces with severe poverty, from highest to lowest, are: Masbate, Sarangani, Mt Province, Lanao del Norte, Maguindanao, Zamboanga Norte, Romblon, Abra, Ifugao and Oriental Mindoro. Poverty was found to be most severe in Masbate, though it ranks only second in terms of poverty incidence. Sulu recorded the highest poverty incidence in 1997 and 2000, but is not included among the 10 poor provinces with severe poverty. This only means that although there are more poor families in Sulu, the incomes of most of these poor families are relatively nearer the poverty threshold. Thus, the poor families in Sulu would need less additional income to get out of poverty, compared to the poor families in Masbate (NSCB, 2000).
- 11 Balisacan (1999)
- 12 NSO (2000) Family Income and Expenditure Survey (FIES) final results
- 13 Unfortunately, government does not have comprehensive data on households living in these conditions. There are, however, community-based efforts such as those of the Homeless People's Federation (HPFP) and the People's Organisations for Secure Tenure Network (POST-NET) that conduct related field surveys.
- 14 Philippine Urban Forum (2003)
- 15 NEDA (2003)
- 16 End Child Prostitution and Trafficking (1997), Participatory Action Research and Training and Community Organization (1998)
- 17 OPAPP (2002)
- 18 De La Salle University-Social Research Development Center (2000)
- 19 National Commission on the Role of Filipino Women (1997)
- 20 Coalition Against Trafficking of Women - Asia Pacific (2003)
- 21 DSWD (July 2003)
- 22 Statistics from the Census of Population and Housing record IPs as 8.2% of the total population of the country but this is widely assumed to underestimate actual numbers.
- 23 Ericta, et al. (2003)
- 24 Asian Development Bank - Country Economic Review (2002), World Bank - Development Policy Review (2002)
- 25 Cororaton and Abdula (1999)
- 26 The Gini coefficient is a number between 0 and 1, where 0 means perfect equality (everyone has the same income) and 1 means perfect inequality (one person has all the income, everyone else earns nothing).
- 27 Reyes (2002)
- 28 Patalinghug (2000)
- 29 ADB CER (2002)
- 30 IMD World Competitiveness Yearbook (2003)
- 31 The World Competitiveness Yearbook assesses the competitiveness of 59 countries, comparing the performance of 30 large countries (with populations of greater than 20 million) and 29 small countries. Within the region, the Philippines outperformed Indonesia in infrastructure but ranked below China, Thailand, Korean, Malaysia and Taiwan.
- 32 World Bank (2002)
- 33 Globalization, Growth and Poverty: Building an Inclusive World Economy, World Bank (2004)
- 34 CEDAW (1997)
- 35 The desired fertility rate in 1998, when the fertility level preference study was undertaken, was 2.7 children per woman. No subsequent study on such preferences has been done since that time. It is assumed that the preferences of women in this regard have not changed significantly.
- 36 PIDS (2003)
- 37 Procurement Watch, Inc estimated that leakages in procurement may have reached Php95 billion in 2001, equivalent to 68 percent of the 2001 budget deficit.

- 38 P14.8 million of the proceeds from the Marcos wealth are earmarked for CARP.
- 39 Families spend two pesos for every one peso spent by government.
- 40 PGAR (2003)
- 41 PGAR (2003)
- 42 UP Law Center (1996)
- 43 Ibid
- 44 National Unification Commission (1993)
- 45 Ramiro (2002)
- 46 Coronel-Ferrer (2002)
- 47 The furniture industry and other MSMEs are highly dependent on local raw materials from forests and costal fisheries, and they constitute 99.3% of the manufacturing and business sector in the country (PSY 2002).
- 48 This refers to the capacity of the country to put up measures to reduce its risks from direct dependence on the free environment. Example: having the financing to erect sufficient infrastructure to mitigate erosion and siltation of water bodies; the technologies to produce synthetic alternatives to raw materials otherwise derived only from nature; and infrastructure and technologies to increase the marginal utility of environmental services like reusing and recycling water produced from natural watersheds (see also Report of the Committee on Environment, Legislative Commission to Modernize Philippine Agriculture (AGRICOM), Congress of the Philippines, 1997).
- 49 Ibid
- 50 DENR, 2002
- 51 PSY (2002), DENR (2003)
- 52 DENR 2002
- 53 DENR, 2002
- 54 Access connotes ability to procure basic services from (e.g. food, water, shelter), and security of tenure over, resources.
- 55 Kaingin refers to shifting cultivation - often used to describe slash-and-burn practices of communities.
- 56 PHDR (2002)
- 57 ILO Action Programme for Decent Work: Philippines
- 58 The underemployment rate measures the number of employed individuals having a preference for additional hours and additional work.
- 59 Labor Force Survey of the NSO
- 60 World Development Indicators, WB (2002)
- 61 ADB CER (2002)
- 62 Microfinance Conference Proceedings, NAPC (2002)
- 63 Reyes (2002)
- 64 Philippine Socioeconomic Report (2002)
- 65 NSCB data in April 2003 show that the share of agricultural employment accounts for about 37 percent.
- 66 ILO: Report to the Tripartite Forum (October 2003)
- 67 NDHS (1998)
- 68 For example, the State of the World Population Report (2003) estimates MMR to be 213 per 100,000 live births.
- 69 DOH FETP (1999)
- 70 NSO (2002), Maternal and Child Health Survey
- 71 Studies point out that the great majority prefer traditional birth attendants as caregivers because their services include 'personalised' home care, involving the administration of traditional and religious rituals and practices.
- 72 MCHS (2002)
- 73 NNS (1998)
- 74 FNRI-NGFF (2000)
- 75 FNRI-PNFF (2001)
- 76 NNS (1998)
- 77 NSO (2002), Family Planning Survey.
- 78 UPPI (1997)
- 79 WHO, (2001). The National HIV/AIDS Sentinel Surveillance System Technical Report 2002 (DOH) reported 40% of the vulnerable groups using condom.
- 80 UPPI (2000)
- 81 Roughly 35% among female sex workers in Angeles City (1999).
- 82 The proportion of children enrolled at the beginning of an education cycle (e.g. first grade) vis-à-vis those who are able to reach the final year (e.g. sixth grade) of the prescribed number of years of schooling.
- 83 Ely Barsaga, "The Holding Power of Elementary Education System," SEAMEO INNOTECH Journal Vol. 22 No. 2 July-December 1998
- 84 UNICEF reports
- 85 MDGR (2003)
- 86 NDHS (1998)
- 87 ADB (2000)
- 88 The official estimate of overseas workers from the 2000 Census of Population and Housing is only 1 % of the total population.
- 89 PIDS (2003)
- 90 CEDAW (1997)
- 91 Mindanao Budget Summit (2002)