

## CHAPTER FOUR PHILIPPINES

**Maria Cynthia Rose Banzon Bautista, Leonora Angeles and  
Josephine Dionisio<sup>1</sup>**

### 1. INTRODUCTION

#### 1.1 Objectives and Methodology of the Study

The Asian currency turmoil, triggered by the Bank of Thailand's decision to allow the baht to float, wreaked havoc on a region that once teemed with economic miracles. From 1980 until the crisis hit Southeast Asia in July 1997, Singapore, Malaysia, Thailand, Indonesia and even Vietnam recorded sustained high growth rates (Table 1). But the region's financial disturbance put the remarkable economic growth of the newly industrializing countries in the area on hold. At its height, the crisis caused Southeast Asia, like neighboring East Asia, to suffer profound economic, political and social consequences, albeit in different degrees depending on the circumstances faced by each country in the region prior to the crisis.

**Table 4.1. Comparative Growth Rates\* of Selected Countries in Southeast Asia**

	Real GDP per capita	Growth rate	Growth rate	Growth rate
	1995**	1980-1995	1990-1995	1999****
Singapore	23350	6.5	7.4	6.7
Malaysia	9458	4.2	6.0	4.1
Thailand	6723	6.4	6.8	3.5
Vietnam	1308	4.7***	5.8	4.5
Philippines	2475	-0.4	0.1	3.6

\* Average annual rates in real GDP per capita from the national accounts expressed in local currency

\*\*Purchasing power parity in \$

\*\*\* The figures are for 1986-1995.

\*\*\*\*The 1999 figures for Singapore, Malaysia, Thailand and the Philippines were taken from Asiaweek, October 29, 1999; the figure for Vietnam was cited in Can Thach et al. *Donor-Initiated Research Capacity in Vietnam*.

Source: Ahuja, Vinod et al. *Everyone's Miracle: Revisiting Poverty and Inequality in East Asia*. World Bank. Washington, DC, as cited in Lim (1999).

Since 1997, numerous forums and research have been conducted on the causes of the

---

<sup>1</sup> The University of British Columbia provided a small grant for this research. It was conducted under the auspices of the University of the Philippines Center for Integrative and Development Studies (CIDS) Social Development Agenda. The authors acknowledge the invaluable assistance of Mr. Arnie Trinidad, who prepared the matrix of government-initiated SSNPs and the documents for the write-up of the Comprehensive and Integrated Delivery of Social Services, one of the three cases of best practices.

crisis,<sup>2</sup> its impact and the institutional and individual or household responses to it. The Asian Development Bank's *Social Impact Assessment of the Financial Crisis in Indonesia, Lao People's Democratic Republic (PDR), Malaysia, Thailand and the Philippines*, which utilized a multi-method approach to data gathering<sup>3</sup> and the United Nations Development Programme's country studies *The Social Impact and Response to the Current East Asian Economic and Financial Crisis* constituted the most comprehensive accounts of the consequences of the crisis and immediate responses of various sectors in the region.

Since the ADB and UNDP reports provide excellent overviews of the crisis, the cross-country research on which this Report is based merely updated the literature and data on the crisis and focused on the responses to it, more specifically on the social safety net programs that were set up to assist the vulnerable populations of Southeast Asia manage the risks and consequences of volatile financial markets. The research had the following objectives:

- to map out the social safety net programs (SSNPs) established since the 1997 crisis in each of the five countries covered by the study;
- to evaluate the comparative effectiveness of key programs in terms of program formulation, financing, the implementing system, gender awareness and contributions to poverty alleviation;
- to describe and present cases of best practices; and
- to draw recommendations for social policy.

The objectives were slightly modified by the Philippine team because of the difficulty of finding a critical mass of social safety net programs that emerged in the wake of the 1997

---

<sup>2</sup> Various reasons have been advanced to explain the crisis in Asia but De Dios (1999: 5-7) succinctly summarizes two positions. The first view traces the financial and exchange rate turmoil to the flawed "fundamentals", i.e. policies and institutions, of the countries that have been most severely affected by the crisis. As articulated in the Asian Development Bank's *Asian Development Outlook* (Oxford University Press 1998) and the World Bank's *East Asia: The Road to Recovery* (1998), the crisis can be traced to three sets of elements pointing to structural weaknesses: 1) the pegging of nominal exchange rates to unrealistic levels, undermining export competitiveness, expanding imports and hence increasing current account deficits; 2) the presence of a large amount of portfolio capital and 3) the absence or deficiencies in the institutional mechanisms to deal with large flows of foreign capital, resulting in their channeling to risky undertakings with increasingly inflated values. The second view of the crisis, held by Leftist thinkers, free traders and even World Bank economist Joseph Stiglitz, emphasizes the part played by the general trend of liberalization of the capital account in the countries involved, most of which had adopted an uncritical interpretation of the credo of globalization. Their mistake, according to the capital controls view, was opening up their economies to large flows of foreign portfolio investors as opposed to direct foreign investors.

<sup>3</sup> The six-country study organized focus group discussions among the vulnerable population and conducted social surveys and key informant interviews with representatives of government, non-government organizations and academics in each country.

crisis.<sup>4</sup> For unlike the Asian miracles, Philippine economic development in the 1980s and 1990s, as in earlier decades, was characterized by a boom a bust cycle, highlighted by the sharp economic recession in 1984-85, economic stagnation in 1991-1992 and the financial and agricultural crisis in 1997-1998 (Lim, 1998). As such, the country had confronted several crises in the last two decades, with the worst hitting it in 1984 and 1985. At the time, the rise in world interest rates and the publicized ailment of President Marcos led to a moratorium on Philippine debt, a 50% depreciation of the peso, massive capital outflows, bank closedowns and labor layoffs (Pasadilla, 1999).

The severity of the 1984-1985 crisis, manifested in famine and malnutrition in the sugar-producing island of Negros, opened up development discourses and practices to alternative perspectives and programs ranging from structural reform to short-term palliatives that aimed to ease the palpable suffering of the poor. Thus, many of the social safety net programs, particularly those initiated by nongovernment organizations (NGOs) and funded by donor agencies trace their origins to the mid-1980s. As a matter of fact, the salience of NGOs as voluntary organizations driven by a commitment to a people-centered development was a consequence of the 1985 crisis that eventually climaxed in the peaceful overthrow of the Marcos government.

Because of the peculiarities of the Philippine political and economic situation, the net for catching NGO-initiated SSNPs had to be cast in a broader time frame to include programs began in the 1980s and the 1990s. But this strategic decision complicated the research and led to problems in mapping NGOs and donor-driven initiatives. For in a poverty and calamity-stricken country like the Philippines where development NGOs cannot help but address urgent and immediate needs in the areas they work in (e.g. relief goods, food for work among the victims of Mt. Pinatubo) even as they strive for people-centered and participatory community-based development, many of the country's more than 1000 NGOs have tried their hand in establishing social safety net programs. The numbers become even more overwhelming when church groups and congregations, the traditional, albeit less visible initiators of social safety net programs (e.g. soup kitchens, distribution of relief goods, food for work) in the Philippines, are included in the list.

Identifying the SSNPs associated with NGOs proved daunting because a systematic mapping requires developing typologies of NGOs according to the sector they service, their ideological bias, their basic mandate and mission and a corresponding typology of SSNPs. Moreover, except for NGOs mandated to provide for the basic needs (food, clothing and shelter) of the population in calamity-stricken areas, culling the genuine SSNPs from a range of programs aimed at long-term development or poverty alleviation further complicates the task. In the absence of a systematic matrix of NGOs, the NGO-related SSNPs covered in this report and developed as good practices are the ones known to the researchers or to the key informants they interviewed.

---

<sup>4</sup> The Philippine Network of Rural Development Institutes, a network critical of development by big business and centered on integrated area development programs, is one of the few organizations that emerged in 1997.

Mapping out the government SSNPs proved to be relatively easy because the ADB study had previously identified the programs. All that the research team did was conduct interviews with key informants to validate the initial ADB list. The task was easy only for government agencies, but not for local government units. Since the 1991 Local Government Code devolved critical government functions to local government units (LGUs) with the exhortation that they work in partnership with NGOs and peoples' organizations, the local government SSNPs were more difficult to separate from community initiatives, particularly in areas led by progressive and community-oriented local leaders. Aware of the existence of SSNPs in local government units that could not be mapped systematically due to logistical constraints, the team sought out possible SSNPs in the LGUs found in the roster of the *Galing Pook Awards*. These awards recognize outstanding local leaders who are able to mobilize their constituents and improve the quality of life in their communities.

To summarize, the research team reviewed and synthesized the recent literature on the 1997 crisis as well as on social safety nets, poverty alleviation and development programs. They interviewed key informants selected through a snowball sampling process to obtain information on SSNPs and insights into the effectiveness of the programs. Where feasible, interviews were conducted among participating beneficiaries to further assess the factors that facilitate or constrain the effectiveness of SSNPs.

The difficulties in drawing the universe of social safety nets, particularly those initiated by NGOs or the donor agencies that support them, qualifies the meaning of best practices in the text. They need not be the best among a theoretical list of known and unknown cases but may be among the best known to the researchers. The basis for selecting the three cases consisted of any combination of the following criteria: the SSN ought to be a component of a more comprehensive and integrated approach to poverty alleviation or community development efforts; as participatory as possible in program design and implementation, as gender aware as possible and has concrete effects in improving the lives of those targeted.

## 1.2 *Some Definitions*

Since social safety nets target the needs of vulnerable groups living in poverty, whose integration into mainstream economy and society is a prerequisite for development, SSNPs are intimately linked to poverty alleviation efforts. This section briefly digresses into the meaning of poverty, social safety nets and their relationship.

In its broad sense, poverty connotes different deprivations, of which economic deprivation, while basic, captures only one dimension. As such, there are different indicators and measures of poverty, depending upon the dimensions taken into account. Focusing on only one dimension or using only one measure 'may provide an unduly narrow perspective' (Monsod and Monsod, 1999: 53). See Section 2 for a more detailed discussion of the measures of poverty used in the Philippines.

The concept of social safety nets, on the other hand, was introduced in Philippine academic circles in the late 1980s and early 1990s as a component of the World Bank's discourse on macro-economic adjustments. But it figured more prominently in public debates when the Philippine Congress clarified its position on the Generalized Agreement on Tariff and Trade (GATT). The country's legislative body ratified the Agreement in 1995 on the condition that safety nets were set up for those who will be adversely affected by globalization or those without the means to compete globally.

The World Bank, which propounded the concept in the Philippines, defines social safety nets 'as encompassing various transfer programs designed to play both a redistributive and risk reduction role in poverty reduction'.<sup>5</sup> The redistributive role aims to mitigate the impact of poverty while the risk reduction role hopes to protect households and communities against 'uninsured income and consumption risks'. Which role is played depends upon country specific conditions. But in the Philippines where economic downturns occur with relative regularity and frequency, the risk reduction function of social safety nets is critical.

Safety nets can either be formal mechanisms of protecting the poor from acute deprivation (e.g. credit based self-employment programs, feeding programs) instituted by public or private agencies and organizations or informal household or community-based arrangements. While it discusses the well-documented contribution of household initiatives and informal networks in the survival of the poor, this study focuses more on formal or institutional SSNPs.

### *1.3 Organization of the Chapter*

This Report is divided into five sections. Section 2.0 discusses in broad strokes key indicators of Philippine development in the 1980s and 1990s, focusing particularly on the poverty situation of the country. It explains why compared to its Asian neighbors, the financial crisis affected the Philippines only moderately. Section 3.0 examines the impact of the 1997 crisis that triggered another economic downturn within the span of a decade. The consequences of the crisis especially for the poor and the household/community and institutional responses to it are also discussed in this section. Section 4.0 provides the institutional context within which SSNPs ought to be situated. It particularly looks into the devolution of government powers in 1991 and the Ramos and Estrada Administration's poverty alleviation programs. Against the institutional backdrop, Section 5.0 describes and assesses the SSNPs while Section 6.0 features three cases of best practices. This Report concludes with some policy recommendations.

---

<sup>5</sup> Poverty Net World Bank Webpage.

## 2.0 DISTINGUISHING FEATURES OF PHILIPPINE SOCIETY

### 2.1 *Philippine Development in the 1980s and 1990s*

As noted previously, Philippine economic development in the 1980s and 1990s followed the boom and bust pattern of earlier decades. The economy declined sharply in 1985, recovered briefly from 1986 to 1990, only to stagnate in 1991 and 1992. Just when the country's external creditors acknowledged the economy's strong performance, with gross domestic product (GDP) increasing by 5-6% and unemployment and inflation rates falling, the Asian crisis struck to constrict the country's economic growth and reduce its GNP per capita to its level in 1981.

The economic structure partly accounts for the vulnerability of the Philippines to volatile financial markets. In 1985, agriculture constituted 26.7% of the economy, industry 33% and services 40.4%. By 1997, the share of agriculture had dropped to 19% and industry to 31%, while the share of the service sector had increased to almost half of the economy. This was because the service sectors contracted less than the industrial sector during the economic recession of 1984-1985. It should be noted, however, that the composition of the expanding service sector reflected low-end services with very little value added. On the other hand, the growth of the industrial sector in the years when the economy boomed, i.e., 1993 to 1996 was due to the increasing shares of non-tradeables, specifically construction and electricity, gas and water. Through the years since 1980, manufacturing had grown marginally.

In addition to the structure of the Philippine economy, the level and high rate of population increase are fetters to the development of the country. While its Southeast Asian neighbors have succeeded in reducing the size of their population, the number of people in the Philippines increased dramatically from 48 million in 1980 to about 75 million in 1999. From 1990 to 1995, the Philippine population grew by 2.3% annually at about the same rate it did in the 1980-1990 period (2.35%) and only slightly less than its 2.78% growth rate from 1970 to 1975 and 2.71% growth rate from 1975 to 1980.

With uneven development, natural population increase and lack of employment opportunities in the countryside, there have been rises in migration to urban areas. In 1999 it was estimated that 44 percent of the Philippines population was located in urban areas. This urban growth was particularly concentrated in the primate city of Metro Manila, resulting in an increase in population growth in the national capital region from 2.78% in the 1970-1975 period to 3.3% from 1990 to 1995. With constricted employment opportunities, many of the migrants reside in slum areas, which, depending on the estimates constitutes from 30% to 50% of the metropolitan population.

Given its economic instability, high population growth rate and rate of rural-urban migration, poverty has been a nagging problem for the Philippines. With the exception of Vietnam, poverty incidence in the Philippines is the highest in the region. Although the

proportion of people living below the poverty threshold in the country<sup>6</sup> declined from 35.7 in 1985 to 25.5% in 1995, it was much higher than Indonesia's 11.4%, Malaysia's 4.3% and Thailand's less than 1%.<sup>7</sup>

## *2.2 Measures of Poverty in the Philippines*

Poverty measures are of recent vintage in the Philippines. Despite its anti-poverty rhetoric, the Marcos administration did not adopt an official poverty line. Mangahas (1999) claims that such a line was set only in 1986 and was applied to the latest available family income and expenditure statistics at the time. Thereafter, official poverty figures were issued in 1988, 1991, 1994 and 1997.

While the official figures are used in the Philippines, there is no consensus over the appropriate measure of poverty.<sup>8</sup> The objective measures utilized in the country are either

---

<sup>6</sup> While the Philippines had the highest poverty incidence in Southeast Asia (with the exception of Vietnam), it is important to qualify attempts at making international comparisons of poverty indicators. National poverty lines are not really comparable since they reflect differences in social and economic development and in food and caloric standards. For instance, Monsod and Monsod note that the Philippine food basket would have a higher proportion of non-cereals than the Indonesian food basket—and non-cereals are more expensive than cereals. Moreover, countries like Indonesia subsidize the prices of basic food and other items (Monsod and Monsod 1999: 59-60).

<sup>7</sup> The figures are based on the consumption-based international poverty line of \$1 per person per day at 1985 prices.

<sup>8</sup> A raging debate on poverty in the Philippines and other places concerns the relationship between growth, poverty and inequality. There are some who believe that the reduction of absolute poverty in Asia in the two decades before the 1997 economic crisis has been made possible by sustained economic growth which accompanied improvements in income distribution (World Bank 1990, Ravallion and Chen 1997, cited in Balisacan (1999: 83). Hence, the decrease in overall economic activity during the crisis has resulted in increased poverty in Southeast Asia (Knowles et al. 1999), including the Philippines (Balisacan 1999, Lim 1998, Reyes et al 1999). Others argue that the episodes of economic growth have not benefited the poor both absolutely and relatively. Thus, they conclude that a growth-led poverty alleviation program is not appropriate for the Philippines and focus instead on other micro-level models such as the creation of an apex bank for the poor (Balisacan and Fijusaki, 1999: 83). Another major debate is the identification of causes of poverty and appropriate solutions to it. The causes of poverty and interventions required as proposed by different studies are presented below:

CAUSES OF POVERTY	INTERVENTIONS REQUIRED
Failure of growth and lack of employment opportunities	<ul style="list-style-type: none"> <li>• Sustained economic growth</li> <li>• Labour intensive growth</li> <li>• Removal of discrimination against activities in the rural areas where most of the poor reside</li> </ul>
Inequality of incomes, wealth, and access to resources	<ul style="list-style-type: none"> <li>• Asset redistribution, i.e. agricultural land, natural resources, credit access</li> </ul>
High population growth	<ul style="list-style-type: none"> <li>• Aggressive population management program</li> </ul>
Declining factor productivity	<ul style="list-style-type: none"> <li>• Removal of price distortions</li> <li>• More investments in R &amp; D particularly in agriculture</li> </ul>

income-based or outcome based depending on whether they measure means or ends. Income-based measures use a poverty line that is usually defined as the adequate income to spend on a specified minimum amount of foods (and sometimes nonfood) basic items of expenditure. Outcome-based studies, on the other hand, focus on the absence or lack of minimum acceptable level of basic needs.

### **1. *Income-Based Measures***

Poverty Lines to measure poverty incidence (head count), depth (poverty gap: average distance below the poverty line as a proportion of the line) and severity (Distribution-sensitive measure is the weighted average of the squared distance of the incomes of the poor from the poverty line as a proportion of the line)

#### **a. Official poverty threshold**

The government's official approach to identifying poverty lines begins with the construction of representative food menus for rural and urban areas of each region, prepared by the Food and Nutrition Research Institute. This measure considers local consumption patterns and a minimum nutritional calorie requirement of 2,000 kilocalories per person per day and 80-100% of recommended daily allowance for vitamins and minerals.

#### **b. World Bank \$1 a day poverty line**

The income needed for a family of five to no longer be poor is P6,000 per month, with median monthly food expenses at P3,000. This is approximately based on the World Bank's approach to quantifying absolute poverty trends in developing countries, using the \$1 per day per person (at 1985 purchasing power parity).

#### **c. Fixed Level of Living Lines (FLOL)**

Dissatisfaction with the official poverty lines has led to the development of the FLOL. Since the menus for one year may be based on the Food Consumption Survey done in previous years, the poverty lines obtained are not consistent. Estimates of food thresholds for economically progressive regions tend to be higher than for poorer regions. Hence,

---

(continued from previous page)

Inadequate provision of social services

- Protecting the social sector budget
- Increasing internal efficiency, e.g. more basic education and primary health care

Poor or degraded resource base

- Better management of resources under open access

Unresponsive and graft-ridden politics and bureaucracy and consultation in policy formulation

- Encourage popular participation project design

Source: Llanto and Sanchez (1998) citing various studies.



"the food poverty lines employed for various regions and years are not comparable since they imply different living standards [and] cannot be, therefore, suitable for either national poverty monitoring or assessing the comparative performance across regions or areas of the country, even more so if the policy objective is to reduce absolute poverty."

Balisacan proposed the use of an indicator of household economic welfare (loosely referred to as living standard) based on "cost of basic needs" approach derived from "(1) obtaining a national reference food bundle satisfying the minimum requirement of 2,000 kilocalories per person per day, (2) adjusting this difference for regional cost-of-living differences, and (3) estimating the nonfood component from the consumption patterns of households whose total expenditures (incomes) are just adequate for meeting the food threshold, though not actually preferring to allocate all these incomes to food" (Balisacan 1999: 98).

Table 2 presents the poverty figures for the Philippines along FLOL and the official poverty line. Using government's official measures, 37.4% of the population was below the poverty line when the 1997 crisis hit. Although this was lower than the 40.6% figure in 1994, it is still high compared to other countries in the region (with the exception of Vietnam). The depth of poverty or average income shortfall of the population was 12.5% of the poverty line while the weight or severity of poverty was 6% of the line in 1997.

**Table 4.2. Poverty Incidence, Depth and Severity by Income-Based Measure, 1994, 1997**

Measure	1994			1997		
	Incidence	Depth	Severity	Incidence	Depth	Severity
FLOL	32.2	8.7	3.4	25.0	6.4	2.3
Official poverty line	40.6	13.5	6.1	37.4	12.5	5.6

Source: Extracted from Table 1 of Balisacan (1999).

## ***2. Outcome-based Measures***

### **a. Human Development Index (HDI)**

The HDI is a more comprehensive measure that focuses on non-income indicators. It is a composite index reflecting three basic outcomes: health as proxied by life expectancy; knowledge as proxied by functional literacy and standard of living as measured by real per capita income (UNDP, 1999). The HDI ratios range from 0 to 1 with 1 indicating the perfect condition.

### **b. Human Poverty Index (HPI)**

The HPI is the obverse of the HDI. It is a multidimensional composite index of deprivations in health, knowledge, economic provisions and social inclusion. The index measures short life (proxied by people expected to die before age 40), lack of education (proxied by percentage of illiterate adults), and lack of access to public and private resources (proxied by the percentage of people without access to health services and safe water and percentage of underweight children under 5)

### **c. Capability Poverty Measure (CPM)**

The CPM focuses on people's lack of capabilities. It is a simple average of three basic indicators that reflect the percentage of the population with capability shortfalls in three basic dimensions: living a healthy, well-nourished life (indicated by the percentage of underweight children under 5; having the capability of safe and healthy reproduction (the percentage of births unattended by health personnel) and being literate and knowledgeable (percentage of women age 15 and over who are illiterate)

### **d. Gender-related Development Index (GDI)**

The GDI is the HDI adjusted for gender inequality, which compares male and female literacy, educational, health, and income levels.

### **e. Gender Empowerment Measure (GEM)**

This measure indicates the participation of women in economic and political life, including the number of women in key national government, legislative, and executive positions.

### **f. Minimum Basic Needs (MBN)**

The MBN integrates non-income indicators into the formula. The MBN score is based on whether the family has income above a subsistence level; access to potable water, has a sanitary toilet, employed household heads and members above 18, members involved in at least one people's organization, children between 3 and 5 years old who are in daycare facilities, housing that can last for at least five years; no severe or moderately underweight children under 5 years old and couples practicing family planning (Bautista, 1990; 36).

Of the outcome-based measures the MBN was developed during the Ramos administration and adopted in at least 1154 poor *barangays* in 432 municipalities in 77 provinces (Bautista 1999: 75). Initial confusion regarding the indicators resulted in efforts to refine the measures as well as implementation of the monitoring system. The MBN is an integral part of a Community Based Indicators Monitoring System that has been installed in 5<sup>th</sup> and 6<sup>th</sup> class municipalities in pilot provinces.

Table 3 gives an idea of the relative status of the Philippines in Asia along HDI and GDI. Like Vietnam, the Philippines fared quite well in terms of human development and GDI indicators despite its lower GDP. It scored particularly high because of its .90 ratio for education; however, this score does not reflect the quality of education in the country.

**Table 4.3. Human Development and Gender-related Ratios for Selected Southeast Asian Countries (1997)**

Country	Gross Domestic Product Ratio	Human Development Index Ratio	Gender-related Index Ratio
Thailand	.70	.75	.75
Philippines	.59	.74	.74
Vietnam	.47	.66	.66
Indonesia	.59	.68	.67
Singapore	.94	.88	.88
Malaysia	.73	.77	.77

Source: 1999 UNDP Report

### **3.0 IMPACT OF AND RESPONSES TO THE 1997 ASIAN CRISIS: A SYNTHESIS OF EXISTING LITERATURE**

#### *3.1 Impact*

Compared to other Southeast Asian countries, the Philippines did not experience the 1997 financial crisis as badly as its neighbors because its exposure to portfolio investments was much lower.<sup>9</sup> But while the magnitude of portfolio investments in the country was relatively low, it was quite significant to the economy. Portfolio investments grew by 710% from 1994 to 1996,<sup>10</sup> making up 6.19% of GDP in that year. For the same year, the portfolio investments of Thailand and Indonesia, countries more visibly affected by the crisis, were only 1.9% and 2.2%, respectively of their GDPs (Lim, 1999: 73). This partly explains why the Philippines was not spared from the damaging effects of the Asian turmoil. It is even more likely for the large capital outflows in 1997, exacerbated by drought, to have had a more insidious impact on the country because it had lagged behind most of its Southeast Asian neighbors in terms of economic growth, per capita income and poverty incidence before July 1997.<sup>11</sup> It had also ranked poorly in terms of life

<sup>9</sup> The country's external debt shortly before the crisis was only 33.4% higher than in 1991, a figure that was considerably lower than Malaysia and Thailand's debts in 1996, which were 140% higher than their levels in 1991 (142% for Malaysia and 172% for Thailand). Computed from Table 1.3. External Debt and Debt Service Burden as Percent of GDP for Selected East Asian Countries in Reyes (1999: n.p.).

<sup>10</sup> See Reyes et al. (1999: Table 1.2).

<sup>11</sup> While the rest of its neighboring country's GDP growth rates were between 6.4% to 8.6% in 1996, with even higher figures between 1991 and 1995, the Philippines grew at only 5.8% in 1996, the highest it had ever attained in the 1991-1996 period. The lowest growth rate for the Philippines was 0.3 in 1991. It had a lower per capita income than Thailand, Malaysia and Singapore and the highest unemployment rate in 1995

expectancy at birth, birth weight of infants, infant mortality, death rates and access to sanitary toilets although it had the highest adult literacy and years of schooling in Southeast Asia<sup>12</sup>.

What were the economic effects of the Asian crisis? Apart from the depreciation of the peso by as much as 60% in early 1998 (Illo and Pineda-Ofreneo, 1999:1), and by 55% as of October 1999, studies on the impact of the crisis reveal that the economy contracted in that year. The contraction was due to the 6.6% drop in the growth of the agricultural sector because of the El Nino phenomenon, the decline of exports by 10.4% as a result of the high cost of imported raw materials and volatility of the exchange rate, and the marked decline in manufacturing and construction output, among other reasons (Balisacan and Edillion, 1999a: 3). The Department of Labor and Employment's survey of firms reveals that twice as many firms closed in 1998 compared to 1997; in the wholesale, retail trade, financing insurance and real estate sectors, there were three times more firms that closed in 1998 than in 1997 (Reyes, et. al. 1999, p. iv.).

The economic slowdown was palpable by the first quarter of 1998. Industry grew by only 1.3% in the first quarter compared to a robust 5.1% in the same quarter in 1997. The most dramatic change occurred for the construction sector, which fell from 21.3% in the first quarter of 1997 to 1.3% in the first quarter in 1998 (Lim, 1998: 12). Service sector growth declined by 1.2% due to the contraction in the real estate and financial sectors.

The economic effects of the crisis in 1998 and the subsequent closure of companies or retrenchment of workers accounted for an increase in the unemployment rate from 10.4% in April 1997 to 13.3% in 1998 (De Dios, 1999)<sup>13</sup>. The rates had since gone down to 9.6 in October 1998, rising to 11.8 in April 1999<sup>14</sup> but the workers displaced from their jobs (i.e., permanently or temporarily laid off or with reduced working hours) were reported to have reached 89900 by May 1998. These workers came from 1950 establishments. Moreover, the rate of underemployment rose from 20.8% in October 1997 to 23.7% for the same quarter in 1998.

It is also important to note that because of the El Nino phenomenon, focus group discussions conducted by the research team of the Asian Development Bank, revealed the abandonment by farmers and fisherfolk of viable sources of livelihood in rural areas (Racelis, 1999: 17). Thus, although there were no massive layoffs and total employment still grew slowly in 1998, albeit at a rate that failed to keep pace with the growth in the labor force, a significant number of people were unemployed or displaced because of the

---

among Thailand, Malaysia, Singapore and Indonesia. With the exception of Vietnam which had a poverty incidence of 42.2% in 1995, the country's 25.5% poverty incidence was the highest when compared to Indonesia's 11.4%, Malaysia's 4.3% Thailand's less than 1% (Reyes et.al. op.cit. Table II.1, II.6, II.7: n.p.). Unfortunately, there have been very few studies on the impact of the crisis in the Philippines and none that compares economic and social impacts across countries.

<sup>12</sup> Reyes et al. (1999: Table II-8).

<sup>13</sup> Source: Bureau of Labor and Employment Statistics as cited in Illo, and Pineda-Ofreneo (1999: 16).

<sup>14</sup> Updates. National Economic Development Authority. NEDA\_Updates.HTM as of October 1999.

crisis. Furthermore, the number of new entrants to the industry and service sectors declined from the first quarter of 1997 to the same period in 1998 (Lim, 1998: 17).

Unemployment affected both the new entrants to the labor force as well as older members. It also affected males and females, with unemployment rates rising from 9.3% in April 1997 to 13.2% in April 1998 for males and from 12.3% in 1997 to 15.2% in 1998 for females. Panel data for 5890 households constructed by Balisacan and Edillon from three nationwide surveys<sup>15</sup> show that female workers tended to have more frequent spells of unemployment.<sup>16</sup> The data also revealed that the unemployed affected by the crisis were from Metro Manila and were associated with the manufacturing, construction and transportation sectors.

But the crisis did not only push some Filipinos from their jobs in the Philippines. The International Labor Organization-Southeast Asia Multidisciplinary Advisory Team estimated about 100,000 Filipinos losing their jobs in other Asian countries between 1997 and 1999 (Bohning 1999). As a case in point, the termination cases of Filipino domestic workers handled weekly by the Hongkong-based Mission for Migrant Workers increased from 2 to 3 in 1997 to 15 in 1998 (Alcid 1999: 56). Loss of overseas jobs could have accounted for the 13.4% drop in the level of remittances repatriated to the Philippines from \$5.5B in 1997 to \$4.46 B (Reyes et.al. 1999: 27) in 1998.<sup>17</sup>

How were the poor affected? While government does not have an official estimate of the poverty line after 1997, no less than Planning Secretary Felipe Medalla projected a probable 3% rise in income-based poverty levels to 35% as a result of the crisis<sup>18</sup>. In terms of subjective indicators, the Social Weather Stations Inc., a reputable opinion polling private institution that begun to track hunger in July 1998 to examine the magnitude and dynamics of deep poverty, found that 14.5% of their respondents in the November 1998 survey experienced hunger without anything to eat at least once in the last three months prior to the survey. The figure had since dropped to 11.0% in December

---

<sup>15</sup> Balisacan and Edillon (1999b) constructed the panel data from the 1997 Family Income and Expenditure Survey (FIES), the 1998 Annual Poverty Indicator Survey (APIS) and the Labor Force Survey (LFS).

<sup>16</sup> Insights into the impact of the increase in unemployment due to the crisis on women were better surfaced by the focus group discussions conducted by Reyes et al. (1999) and by Illo et al. (1999). The brunt of the crisis tended to fall on the women since they carried the burden of making ends meet. Those who lost their jobs or whose husbands lost theirs tended to augment the family income by seeking sources of employment in the informal sector or setting up stores and *carinderias* (sidewalk eateries). But apart from the direct economic effects on women's work, the series of roundtable discussions on which Illo et al. (1999) based their book, suggest an expansion of women's responsibilities as government cut back on the delivery of social services (e.g. daycare centers). More disturbing, however, was the observed increase in domestic violence that victimize women as a result of the crisis and lost incomes.

<sup>17</sup> The effects of the financial crisis on overseas workers are also felt by those who did not lose their jobs. Alcid (1999) noted the freezing and reduction of the wages of domestic workers in Hong Kong and the additional chores assumed by the entertainers in Japan who are threatened by the constriction of employment opportunities.

<sup>18</sup> "Millenium Challenge: Breaking Structural Hindrances to Growth." *Business World*, January 3, 2000 as cited by Reyes-Cantos (2000).

1999, which is still about one out of every ten respondents living in various parts of the country, of whom 11.7% live in Metro Manila<sup>19</sup>

A World Bank Study by Datt and Hoogeveen noted that the crisis caused a 5% reduction in living standards, a 9% increase in the incidence of poverty and an 11% and 13% rise, respectively in the depth and severity of poverty. However, compared to the financial crisis and the labor market shock it generated, the El Nino phenomenon had a greater impact on poverty. Approximately 9% of the households in their study were affected by the labor market shock alone, 40% by El Nino and 19% by both crises<sup>20</sup>.

In a paper on poverty profiles in the wake of the crisis<sup>21</sup> Balisacan observed that the loss of local jobs affected more people in middle-income than in lower-income groups while the loss of overseas jobs affected upper income groups more than the others. Despite this observation, it is important to consider that in terms of magnitude, the differences in the percentage of middle income and lower income groups who lost their domestic jobs and between lower income and upper income classes who lost their overseas jobs were only 2 to 3% and 1 to 2%, respectively. About 17% to 18% of poorer households lost their local jobs (as opposed to 21% of middle income groups) while 3% to 4% of poorer households lost their overseas work (as opposed to 5% for upper income groups).<sup>22</sup>

The poor who did not lose their jobs were not spared from the crisis. Compared to the middle and upper income groups, they suffered disproportionately from the higher prices<sup>23</sup> of commodities<sup>24</sup>. This is to be expected since the inflation rate in the Philippines was the highest at 5.7% in 1999 compared to other Southeast Asian countries<sup>25</sup>. As a consequence, more than half of the poor households in the panel data constructed by Balisacan and Edillon from the 1997 Family Income and Expenditure Survey (FIES) and the 1998 Annual Poverty Income Survey (APIS) coped by changing their eating habits. Furthermore, the focus group discussions conducted by the ADB team pointed to the diminished access of the poor to medicines and other health services such as immunization (Racelis, 1999: 8). More disturbing in terms of future implications is the observation that the poorest 20% of the 21,602 households in the FIES and APIS panel data tended to withdraw their children from school. The decline in the growth of high school enrollment rates for school-year 1998-1999 by 7.67% for females and 6.6% for males corroborates Balisacan and Edillon's finding.

<sup>19</sup> "SWS Surveys Find Volatility in Hunger." SWS Special Media Release February 24, 2000.

<sup>20</sup> See Datt and Hoogeveen (2000).

<sup>21</sup> This time using panel data of 23,150 households, see Balisacan and Edillon (1999a)

<sup>22</sup> Balisacan and Edillon (1999a: 26). Among the poor household who lost their jobs, those living in rural areas appear to have fared better than those in urban areas. Among the poorest 40% of the panel data, the urban poor experienced greater deterioration in unemployment rates (Balisacan and Edillon 1999: 4).

<sup>23</sup> Prices increased dramatically in the second quarter of 1998 due to the rise in food prices as a result of El Nino. However, the inflation rate by 1999 has been controlled.

<sup>24</sup> See Balisacan and Edillon (1999a: 26); Reyes et al. (1999: 3-32).

<sup>25</sup> Indonesia's inflation rate was only 1.3%; Malaysia 2.4%; Singapore .9% and Thailand, -1.1%. *Asiaweek*, October 29, 1999.

### 3.2. Gender Differential Impact of the Asian Crisis

The understanding of the gender-related impact of the financial crisis on women's employment must begin from a discussion of longitudinal pre-crisis trends in male and female labor force participation. Although female labor force participation rates are still lower than men's, female labor force participation rates increased much faster than male rates in the 1985-1987 and 1994-1996 liberalization period. Higher female unemployment rates were registered since the late 1980s, as unemployment rates among men decreased more than female unemployment rates, especially during the 1987 to 1990 economic recovery period. However, female unemployment rates dropped much faster than men's during the 1991 recession because of the higher growth in the female-dominated service sector in 1992-1993, particularly in the retail, trade, finance, and community, social and personal service sectors. This increased in female service employment was accompanied by a significant drop in female employment in the manufacturing sector, and general lower absorption rate of female labor during the growth period from 1995 to 1997. In contrast, male unemployment rates dropped drastically in the 1996 expansion of the industrial, transportation and construction sectors, partly due to the hot real estate market (Lim, 1999: 5-7).

Although the crisis hit the Philippines in July 1997, its effects on labor force statistics did not appear until April and October 1998 surveys, as April follows the graduation month when new high school and university graduates traditionally look for work. Significant drops in high school enrollment rates for the school year 1998-1999 (by as much as 7.68% for females and 6.63% for males) were accompanied by an increase in labor force participation rates for young people between the age of 15-19. Young men between the age of 15-19 experienced the highest unemployment rate, from 19.4% in October 1996 to 30.5% in October 1998. Female unemployment rates within the same age group were also high at 16.4% in October 1996 to 22.3% in October 1998. Females in the 20-24 age group also registered high unemployment rates, from 18% in October 1997 to 25.4% in October 1998. Female labor force participation in the urban areas jumped during this period, which suggests increased female migration to the urban areas during the crisis. Consequently, rural employment rates for both women and men decreased, largely because of the weather disturbances caused by the *El Nino* and *La Nina* phenomena during the same period. Female unemployment rates in the urban areas were kept down by the expansion of the service sector. Urban men experienced the highest unemployment rates as the crisis hit the formal and industrial sectors. They also registered increases rates of non-permanent or short-term casual or seasonal employment, as they entered the informal labor market. A decline in the number of self-employed among rural men and of unpaid family workers among rural women suggest rural labor going into the salaries and wage activities in the agricultural sector. Enrollment in elementary schools also dropped, especially for female children. This could have been due to the propensity of families to pull out young girls in school to do child care and housework as their older siblings look for work (Lim, 1999: 9-14).

### *3.3 Informal and Institutional Responses to the Crisis*

#### ***Individual, Household and Community Responses***

Withdrawing children from school and changing eating habits represented some of the individual and household responses of the most affected families to the 1997 crisis. Balisacan and Edillon's 1999 paper shows that 37.5% of the 2256 respondents in the lowest income decile and 36.8% in the second to the lowest decile intensified their working hours as opposed to only 18% of those in the highest income decile and 23% of those in the second to the highest decile. The paper further reveals that about 13% of the poorest 20% migrated to the city or to other countries. This finding supports Lim's observation (1998) that indeed migrant labor, particularly of the overseas variety, serves as an important social safety net for Filipino families. Unfortunately, employment opportunities in the usual destination countries in Asia and the Middle East have become more constricted due partly to the crisis.

Apart from overseas migration or migration to urban centers, the focus group discussions conducted by the ADB research team found respondents from urban areas returning to their provinces to work in farms, engage in fishing or simply live with relatives. They also noted the reliance of some respondents on their families and informal community networks for support, an observation corroborated by the FIES-APIS panel data, which shows that the proportion of poor households who received assistance from other households was much higher (16.5% for the lowest income decile and 17.1% for the second to the lowest) than those who obtained assistance from government (10.7% for the lowest decile and 8.8% for the second lowest).

The limited literature on individual and household responses to the 1997 financial crisis resonates the results of earlier studies on the multi-sectoral responses to the 1985 crisis particularly in Negros Occidental and other severely affected areas. For instance, the research conducted by the Philippine Social Science Council's (PSSC) Visayas and Mindanao Research Consortia in the sugar haciendas of Negros Occidental, the agricultural lands of Negros Oriental, the slums and streets of Cebu City and Davao City discussed cases of circular migration, changing food habits and caloric intake, intensification of child labor, women's greater involvement in the informal sector and reliance on loans from extended family members and neighbors. Such coping strategies helped families survive the depths of the more intense economic and political crisis of 1985-1986 that eventually resulted in the end of authoritarian rule in the Philippines.

In the more organized crisis-stricken communities in Negros Occidental, the PSSC study documented extreme cases of land occupation and cultivation for subsistence by small communities of landless families. This action is not unlike the migration of displaced farming families or desperate landless families to the uplands, another means of coping with poverty and crisis. Likewise, urban poor communities in Metro Manila have been found to engage in a "three-pronged expenditure-minimizing strategy: cutting total spending, changing dietary habits, and cutting back on purchases of non-essential goods



during times of economic crisis (Medel-Anonuevo and Rivera 1993; Moser and McIlwaine, 1997).

The community's level of organization has spelled a difference in the capacity of households to cope with the risks attendant to various forms of crisis. The literature on disasters in the Philippines, more specifically on the eruption of Mt. Pinatubo, reveals that organized communities are usually more able to fend for themselves, whether in collectively building dikes to protect their property, securing food for their members or resettling to safer places.<sup>26</sup> In resettlement sites, such communities have been observed to take turns in fulfilling the needs of their residents without relying too much on representatives of government agencies.

What accounts for the communities' organizational level? A history of involvement with various political movements from the 1930s to the early 1980s explains the cohesion and capacity of particular communities to mobilize and cope with crisis. On the other hand, the presence of development non-government organizations (NGOs) committed to formally supporting grassroots organizations have played a pivotal role in organizing communities to better cope with crises.

### *Institutional Responses*

The responses of NGOs and government to the 1997 financial crisis are spelled out in greater detail in the subsequent section on social safety nets (Part 5.0). At this point, however, it is instructive to mention significant responses of particular sectors that will not be developed elsewhere in the text. The Trade Union of the Philippines, Labor Advisory and Consultative Council, PCCI and the Employers' Confederation of the Philippines and the Department of Labor and Employment, for instance, jointly signed an accord to exercise maximum restraint on strikes by labor and on retrenchment by management (Lim, 1998: 39).

The Ramos government, on the other hand, organized the Social Pact for Empowered Economic Development (SPEED), which charged the Department of Agrarian Reform with the task of protecting vulnerable groups from the impact of the crisis. For a cursory assessment of the government programs and institutional mechanisms established in response to the crisis, see Section 5.1.

It is interesting at this point to note an observation regarding government expenditure for social services. In the immediate aftermath of the crisis, Lim (1998) and Reyes et al. (1998) projected that the crisis would affect the poor indirectly through cuts in government's budget for education, health and other social services. At the time the authors wrote their respective reports, the Ramos government had withheld 25% of the 1998 budget of all government agencies with the promise to restore the mandatory cut of social service agencies as soon as the financial situation improved. Offhand, the cut was

---

<sup>26</sup> See for instance Bautista (1992).

equivalent to a reduction of new classrooms by 2567, in the treatment of cases of malaria and tuberculosis and in immunization targets for 6 vaccines.<sup>27</sup>

Writing in the transition year from one political administration to another, Lim (1998) also noted that newly elected President Joseph Estrada promised not to touch the budget for social services. Judging from recent data regarding allocation ratios for social services, the Estrada government has kept its promise. While still below the 40% international norm set by the United Nations Development Program (UNDP) for the ratio of social services to the national budget, the ratio had increased from 32.3 in 1997 to 34.1 in 2000, the highest ever achieved in the last five years (Table 4).

Upon closer examination, however, specific social services that target the poor still suffered reductions in nominal expenditure or in terms of real value. Table 5 shows that expenditure for informal education, which is usually availed of by poor adults, had gone down in nominal and real terms since 1997. The same observation holds for health services, particularly for preventive health care, which includes community-based primary health care aimed at the poor who cannot afford health services. Moreover, citing the Congressional Planning and Budget Office's Analysis of the President's Budget for 2000, Social Watch, a network of human development advocates that monitors the country's performance along critical social indicators, noted that while education continues to get the biggest budget among the social services for the 2000 budget, its share has dropped from 19.2% in 1999 to 18.1% in 2000 (Reyes-Cantos, 2000).

**Table 4.4. Social Allocation Ratios, 1995-2000**

Year	Social Allocation Ratios*
1995	26.9
1996	29.5
1997	32.3
1998	32.6
1999	33.8
2000	34.1
UNDP Norm	40.0

\*Share of social services to the national budget

Source: Budget of Expenditures and Sources of Financing, Department of Budget and Management as cited by Reyes-Cantos (2000).

## 4.0 INSTITUTIONAL CONTEXTS FOR ASSESSING SOCIAL SAFETY NETS

### 4.1 *The 1991 Local Government Code and the Devolution of Powers*

The passage of the 1991 Local Government Code (LGC) has provided the legal framework for the government's decentralization policy, viewed under the 1986

<sup>27</sup> See Lim (1998: 22) for a listing of the equivalent cut in social services that different agencies submitted to the National Economic and Development Authority's Social Development Division.

## Philippine

**Table 4.5. Social Sector Expenditure 1997-1999\***

Social Services	<i>Nominal</i>	<i>Levels</i>	<i>(in millions)</i>	<i>Percent-age, 1997</i>	<i>Change</i>	<i>From</i>	
	1997 (Actual)	1998 (Adjusted)	1999 (GAA)**	1998 Nominal	Real	1999 Nominal ***	Real***
Education and Manpower	94973	106207	112375	11.89	4.26	18.32	2.09
•Basic Ed	77780	85086	90506	9.39	1.93	16.36	.40
•Informal	938	903	746	(3.76)	(10.33)	(20.44)	(31.35)
•Higher Education	14801	17180	17757	16.07	8.15	19.97	3.51
•Mid-Level Skills	1453	2291	2302	57.64	46.89	58.38	36.65
• Others	-	807	1064	-	-	-	-
Health	14154	13743	14108	4.20	(2.80)	18.00	(1.80)
•Preventive Health Care (HC)	1530	1414	1465	(7.57)	(13.87)	(4.23)	(17.37)
•Curative HC	7756	7540	8414	(2.79)	(9.42)	8.48	( 6.40)
•Others	4868	4790	4229	(1.61)	(8.31)	(13.13)	(25.05)
Social Security, Welfare and Employment	20263	21124	23906	4.20	(2.80)	18.0	( 1.80)
Housing and Community Development	2438	1647	1790	(32.40)	(37.00)	(26.60)	(36.70)

\*Includes health, education and manpower development, social security, welfare and employment and housing and community development only; Note, figures may not tally due to rounding

\*\*Used Consumer Price Index as deflator

\*\*\*Other sources of financing amounted to P30.13B, P20.79B and P18.57B in 1997, 1998 and 1999, respectively. Other sources include the public sector funds as well as the corporate funds of housing-related units.

Source: 1999, 2000 Medium Term Plan, National Economic and Development Authority, as cited by Reyes-Cantos (2000).

Constitution as “a mechanism of substantiating its democratization philosophy.” Under the LGC, local government units (LGUs) are responsible for discharging functions and responsibilities devolved to them by national government agencies. Major tax innovations such as new tax rates, tax sharing schemes, and widening (or narrowing) of taxing policies were introduced to assist LGUs in their new financial roles. Perhaps the most innovative provision of the LGC that has the most potential for institutionalizing democratic participatory principles is the role and representation of POs, NGOs and private sector organizations in the newly created special bodies with definite LGU functions, e.g. the local development councils (LDCs) local pre-qualification bids and

awards councils (PBAC), the local school boards (LSBs), local health boards (LHBs), and the local peace and order council (POCs). The LGC also provides for civil society groups to be directly involved in the delivery of social services and facilities; joint ventures and cooperative programs, financial and other forms of assistance; preferential treatment for marginal fisherfolk organizations and cooperatives; and financing, construction, maintenance operation, and management of infrastructure projects (Osteria, 1996, p. 17-64).

Devolution of government powers under the LGC however may have limited potentials in integrating participatory governance in the LGU capacity building for poverty alleviation. This is due to some persistent features of the country's political culture and economy which leads to governance problems: (1) the strength of local power-wielders that could be unwittingly strengthened by decentralization; (2) perennial problem of patronage and political appointments of civil servants, who may replace qualified personnel disliked by local political leaders; (3) problem of delineation of new roles and responsibilities between municipalities and provinces; (4) lack of clarity of roles of devolved workers due to inadequate guidelines and overall lack of knowledge of LGU policies; (5) new demands in the multiple roles of devolved staff due to the need to interface with local leaders and NGOs; (6) financial constraints faced by LGUs which could not raise local revenues to pay devolved staff; and (7) lack of supervision and program implementation, especially due to poor priority given to social services by local leaders and their political opposition to programs, which affect their relationship with devolved staff (Osteria, 1996, p. 61-63). Moreover, although about 1600 NGOs and Pos have been accredited as members of local special bodies, such bodies have overlapping functions and are hardly convened (Report on WSSD+5, 2000: 33). These are some of the political-cultural factors that have shaped devolution and decentralization of powers in the implementation of the SRA under the Ramos and Estrada administrations.

#### *4.2 Poverty Alleviation Programs*

All post-war and post-Marcos governments in the Philippines put poverty alleviation in the centerpiece of their administrations. The Aquino government specifically mentioned poverty alleviation in its Medium-Term Development Plan and launched the Low Income Municipalities program that focused on providing social services to some 5<sup>th</sup> and 6<sup>th</sup> class municipalities. However, it was not until the Ramos administration that a comprehensive and coherent poverty reduction framework was formulated. Referred to as the Social Reform Agenda (SRA), the program was developed alongside the conduct of multisectoral national summits, including the anti-Poverty Summit, which created the Social Reform Council, the Presidential Council on Countryside Development and Presidential Commission to Fight Poverty. In 1995, the Philippines joined 70 other countries in recognizing the political, moral, ethical and social imperative of poverty eradication and committed themselves to this goal during the World Summit for Social Development in Copenhagen

While it can trace its lineage in postwar Philippines to the community development framework of the 1950s and the 1960s and the anti-poverty programs of the 1970s, the Philippine poverty alleviation program of the 1990s was clearly the child of the dominant discourses of the decade: the discourse of sustainable and human development that put premium on people-centered development and the discourse of participatory development, democracy and good governance.

The latter evolved in reaction to the failure of earlier top-down approaches to make a dent on conditions in developing societies. It had since metamorphosed, redefining an approach that is consonant with the meaning of democracy in a developing world and interweaving with the evolving discourse on good governance.

The sustainable and human development discourses, on the other hand, were championed by like-minded proponents in the international community who pushed their adoption by UN Conventions like the Copenhagen Summit for Social Development, the Rio Agenda 21 for Sustainable Development and the Cairo Population Convention. Having been formally adopted, the discourse/s underlying the Conventions held moral suasion on governments and found support among academics, non-government organizations, donor agencies and individuals in strategic offices who helped transform important country documents in the language of the discourse.

Such was the origin of the Social Reform Agenda (SRA), the framework by which the Ramos administration intended to alleviate poverty in the country and comply with its international commitments. Launched during a ‘People Empowerment Caucus’ in September 1994, it was meant to be both a package of poverty alleviation programs and an exercise in participatory governance. It was considered the first attempt by the bureaucracy to deal with various government agencies, which had converged and agreed on a minimum basic needs approach.<sup>28</sup> Since 1997, SRA had been institutionalized through the enactment of RA 8425 or the Social Reform and Poverty Alleviation Act that led to the creation of the Social Reform Council, the mother organization for the anti-poverty programs.

#### **4.2.1 The Ramos Administration’s Social Reform Agenda**

The Social Reform Agenda is a package of interventions organized around nine flagship programs under a lead government agency; each program aimed at meeting the critical needs of the basic sectors: e.g., farmers, fisherfolk, indigenous peoples, urban poor. SRA also highlighted structural reforms—social, economic, environmental and governance-related reform (e.g. asset reforms), which the basic sectors can and ought to pursue. The architects of SRA noted seven features that distinguished it from previous efforts:

- identification and formal recognition of 12 basic sectors, giving faces to poverty

---

<sup>28</sup> Monsod and Monsod (1999: 89), citing Bautista, Victoria. “Indigenization of HDN Index: The Case of the Minimum Basic Needs Approach.” Paper prepared for the Human Development Network, Quezon City.

- replacement of the area-based approach by the ecosystems approach
- shift in focus from income to socio-economic governance and the cultural dimensions of poverty
- sharing (and monitoring) by the Chief Executive of the responsibility of alleviating poverty with agencies who championed specific components of the programs
- utilization of participatory approaches and
- emphasis on setting the agenda and poverty targets at the local level and
- the integration of the efforts of various agencies through a convergence strategy.<sup>29</sup>

As a package of programs, SRA had three objectives: the eradication of absolute poverty (incomes below the food threshold); reduction of relative poverty and the fast tracking of the growth and development of 20 of the ‘poorest’ provinces in the country. The implementation of the SRA involved the creation of technical groups at all levels of government including the Legislative and Executive Development Advisory Committee (LEDAC) and of basic sector counterpart councils in all regions of the country.

In terms of accomplishments, the SRA achieved its own institutionalization into law, the legislation of major sectoral bills including the Fisheries Code and the Indigenous Peoples’ Rights Act, the establishment of a consultative group among donor agencies focused on poverty, and the implementation, albeit with uneven success, of a minimum basic needs monitoring at the municipal level.

The MBN is the core strategy of the SRA convergence policy. MBN involves the integration of non-income indicators in the formula for poverty incidence as an offshoot of putting greater emphasis on ‘quality of life’ indicators in measuring development. The indicators are divided into three groups which are arranged in a hierarchical manner, viz. 1] survival needs indicators (health, nutrition, water and sanitation), 2] security needs indicators (income, shelter, peace and order), and 3] enabling needs indicators (basic education, and political participation indicators). Thus, measuring poverty incidence should not be limited to measuring income but also the state of public social services or the status of the attainment of the minimum basic needs.

In consonance with the 1991 Local Government Code, the primary effort in the anti-poverty campaign was lodged with the LGUs that were expected to adopt at the municipal level the minimum basic needs approach. Three special funds totaling P 6 billion were created to augment regular resources to attain the objectives of the SRA. These are the 1996 Poverty Alleviation Fund, the 1996 Local Government Empowerment Fund (LGEF) and the 1997 Poverty Alleviation Fund.

---

<sup>29</sup> Transcripts of the Roundtable Discussion on the Ramos Administration’s Social Reform Agenda with Emmanuel Buendia, former head of the Social Reform Council Secretariat, Center for Integrative and Development Studies, July 28, 1999.

Preliminary data for 1997 indicates a decline in poverty incidence although the magnitude of the poor population continued to increase. One reason for persistent poverty was the inadequacy of funding for specific projects. Reyes and del Valle calculated P86.2 billion as the amount government needed to spend annually in order to reduce the poverty of families from 35.5% in 1994 to 30% by 1998.<sup>30</sup> Unfortunately, SRA even at the height of the Ramos administration was criticized for the deadly combination of insufficient funds and lack of focus.

Although the 20 provinces represented focal areas, the criteria for selecting them were not clear. Neither poverty incidence, contribution to total poverty, shortfalls in the minimum basic needs indicators, nor shortfalls in the human indicators were used. Only 9 out of 20 SRA provinces had the highest head count poverty index, 1 out of 20 with the largest number of poor people and 9 out of 20 with the lowest HDI. Six belong to the richer half. Being atypical, the provinces, did not make good pilot studies (Monsod and Monsod, 1999: 90).

Monsod and Monsod (1999) provide an excellent account of the financial problem of the SRA. They note that the lack of funds was not immediately obvious because on the face of it, government's budget for the Program increased by P53.6B in 1996, a 253% rise from P20 billion in the previous year, to which Congress added a P4B Poverty Alleviation Fund for a total of P78B. The figure seemed to have risen even more to P85.6B in 1997. But upon closer scrutiny, Monsod and Monsod (1999: 90-92) concluded that the 1996 SRA did not represent new money. The actual increase was only 4.5B. The additional amount was the result of re-labeling, i.e., 82% of the increase in the SRA budget was actually the increase in the budget of the Philippine National Police. Other fund-related problems included the diversion of scarce resources, misallocation and low actual utilization of funds and the unconsolidated SRA-related budget.

The weaknesses and failures of the SRA, notwithstanding, particular components such as the Comprehensive and Integrated Delivery of Social Services (CIDSS) and the related Community Based Poverty Indicators Monitoring System that UNDP funded for the fifth and sixth class municipalities of pilot sites have received favorable assessments in particular areas where they worked.<sup>31</sup> In its WSSD + 5 Report (2000:43-44), the Philippine government claimed that by 1997, some 400,000 families in 2608 villages in 432 5<sup>th</sup> and 6<sup>th</sup> class municipalities in 78 provinces had been reached by the Minimum Basic Needs Program; by 1999, 1076 municipalities had been included covering 959 5<sup>th</sup> and 6<sup>th</sup> class municipalities. The Estrada Administration's Report further noted that in

---

<sup>30</sup> This suggests that the government should not attempt to alleviate poverty by direct provision of income transfers. Instead, programs that will enable the poor to earn income on a sustained basis should be the focus of the government poverty alleviation program. See Reyes and del Valle (1998: 8-31).

<sup>31</sup> See for instance Bautista (1999). See documents on the activities of the UNDP-funded Project that include the installation of the enhanced Community Based Poverty Indicators Monitoring System (CBMPIMS); the establishment of Institutional Mechanisms for Convergence of Regional, Provincial and Municipal Levels, the formulation of Local Poverty Alleviation Plans and the design and pilot testing of a monitoring system for poverty alleviation.

these barangays, unmet needs in terms of potable water, sanitation, daycare/preschool facilities) were reduced by 52%.

#### **4.2.2 The Estrada Administration's *Erap Para sa Mahirap***

In July 1999, the Philippine government changed administrations. At the time the study was conducted (July to January 2000), the Ramos SRA seemed to have been in limbo. Although some SRA components were moving in those months, e.g. the Comprehensive and Integrated Delivery of Social Services (CIDSS), their future was uncertain from the point of view of key informants. Winning the elections hands down on the popular campaign slogan *ERAP PARA SA MAHIRAP* (ERAP for the Poor), President Estrada launched the *Kilusan Kontra Kahirapan* or Movement Against Poverty.<sup>32</sup> He replaced the nomenclature of the SRA with his Poverty Eradication Program because of the former's association with the Ramos administration.

In rhetoric, the Estrada administration is pursuing a poverty eradication program rather than a poverty alleviation program. Government vows to reduce poverty incidence from 32.2% to 20% by the end of 2004 or by an average of two percent for each year the President is in office. The Estrada administration's anti poverty Program focuses on food security; modernization of agriculture and fisheries within the context of sustainable development; low cost mass housing; active participation of the LGUs, and protection of the poor against crime and violence, components that address the minimum basic needs of survival, security and enabling services

But the centerpiece of the Program is the attainment of food security and poverty alleviation through agriculture modernization. The over-all strategy is embodied in the Agriculture and Fisheries Modernization Act that intends to transform agriculture and fisheries into a technology-based sector spurred by agribusiness and industries. One of the two main strategies to achieve this goal is by operationalizing the 'Strategic Agriculture and Fisheries Development Zones' or 'Food Baskets' approach. The most productive agricultural areas and the most viable products and production systems for rural growth will be identified.

Direct credit programs for the agricultural sector will be consolidated into one comprehensive funding system in an effort to make rural credit more accessible and affordable to small farmers and fisherfolk. A total of P 6.7 B in credit for farmers and fisherfolk will be available under this new lending scheme. Funds will be drawn no longer from government but from cooperative banks, rural banks and financially viable non-government rural organizations identified by the Agricultural Credit Policy Council.

---

<sup>32</sup> In fairness to President Estrada, he began his office in the aftermath of the Asian financial crisis with its consequent impact on the level of tariff revenues. Within his first year, the exchange rate had stabilized, the costs of basic foodstuff normalized with the end of El Nino, interest rates had gone down and inflation had slowed down. Although employment continued to be a problem, the economy registered positive growth in the first quarter of the year.



The Estrada Administration also established the *Lingap Para sa Mahihirap* Program Fund or Lingap Fund, an anti-poverty fund to be administered by the National Anti-Poverty Commission. The 1999 General Appropriations Act allotted P 2.5 B for this Fund allocated as follows: P 500 M for food, nutrition and medical assistance through the Department of Health, P 500 M for livelihood development through the Cooperative Development Authority, P 500 M for socialized housing through the National Housing Authority, P 300 M for protective services for children and youth through the Department of Social Welfare and Development and P 400 M for price support for rice and corn through the National Food Authority.

Concretely, the Estrada administration targets the 100 poorest families in each province and in each city. His government will then deliver integrated and comprehensive services to these poorest families to enable them to get out of poverty by 2004.

Critics of the Estrada government's poverty alleviation program point to specific weaknesses. For instance, like the Ramos administration before it, its budget allocation for the Program is insufficient to meet targets. Although its focus on agriculture is commendable, the Estrada government has failed to provide for necessary post-harvest facilities, abate land conversions and intervene effectively in the marketing and distribution of rice that is currently the monopoly of a few commercial traders. Moreover, the eligibility requirements of the Economic Recovery through Agricultural Productivity (ERAP) bonds was limited to large-scale businesses and large owners

But the more glaring problem with the Program is that it does not cohere. In an incisive critique, De Dios (1999: 3) argued that the problem of coherence is due to the Estrada administration's deliberate attempt to revise or break away from the concepts imbedded in the SRA, which connect to a wider discourse.

There were other critical casualties in the Estrada administration's break from the SRA (De Dios, 1999: 3-4). By focusing on five major components—food security, modernization of agriculture, low cost mass housing, protection of the poor against crime and violence and active implementation of the LGUs, the generic reforms (e.g. asset reform including agrarian reform) dropped out; organizations of the basic sectors and non-government organization, critical elements of civil society, are hardly mentioned in the documents; and the synchronization of anti-poverty efforts by the National Anti-Poverty Commission, as the agency legislated to orchestrate the fight against poverty and achieve convergence, loses steam as the NAPC is absorbed in administering the Poverty Alleviation Fund.

To conclude, by undermining the spirit of the SRA, which the Estrada administration did not seem keen to build on because it is seen merely as a Ramos administration Program, government has successfully reduced the scope its anti-poverty agenda. De Dios (1999: 5-6) particularly assailed the strategy by which the administration will meet its target of enabling 2 million families to cross the poverty line by the year 2004. Instead of area-

based localities, the targeting approach of reaching 100 poorest families in each province and city, regardless of the level of development of the areas will involve only 16,100 families. By no stretch of the imagination can the 16100 translate to 2 million in five years from now.

A cursory review of diverse elements of the Estrada administration's programs and their potential impact on the poor raises concerns over the future of a fragmented anti-poverty Program. For instance, anti-poverty programs of various government agencies are without funding. DAR was purported to have no funds for land acquisition and National Anti-Poverty Commission allegedly received only P100M instead of the proposed P265 M (Igaya, 1999: 8; Karaos, 1999: 5-8).

What are the prospects of elevating the Estrada anti-poverty slogan into a comprehensive and consistent program that can eventually conceptualize, nurture, and take responsibility for future social safety net programs? In the light of budgetary constraints and critical issues that distract government from its regular work, i.e. its conflict with Muslims in Mindanao, the prospects would seem dim. However, there are concrete indications that the more effective components of the SRA will continue. For instance, the Department of Social Welfare and Development is the lead agency in the community-based CIDSS initiatives that are now facilitating the interface between government and civil society groups. It is also noteworthy that the National Anti-Poverty Action Agenda launched in August 2000 reflects a framework, implementing strategies and legislative/executive agenda that seems to converge on paper with the SRA.

## **5.0 INSTITUTIONAL SOCIAL SAFETY NETS: A PRELIMINARY ASSESSMENT**

Broadly speaking, social safety nets refer to a slew of programs intended to protect vulnerable populations from the impact of shocks resulting from natural disasters, political conflicts and wars or economic crises. This section examines some of the social safety net programs (SSNPs) established by the Philippine government in response to the 1997 economic crisis or by non-government organizations to mitigate the effects of various forms of crisis since the 1980s. Although social safety nets are formulated to have immediate and short-term impact, their time orientation ranges from the very short term (e.g. provision of food in times of shortage, immediate employment, micro credit and cash transfers to tide families over) to short-run programs with long-term implications (e.g. health insurance, housing for the displaced). Although this Report focuses explores short-term SSNPs, it also maps a few potentially sustainable initiatives identified by agencies as SSNPs with long-term consequences for development.

### **5.1 *On Government-Initiated SSNPs***

In response to the 1997 financial crisis and the El Nino phenomenon, government created several programs to satisfy the basic needs of vulnerable populations or generate employment and livelihood for them. The Programs that address basic needs include the

Enhanced Retail Access for the Poor (ERAP) Sari-sari Rolling Store, the Rice Subsidy Program, the Emergency Relief Assistance Program, Health Insurance and the Emergency Medical Assistance for Indigent Families. The Philippine Employment Services Offices (PESO), the Rural Works Program, the Philippine Jobnet, the Safety Net Training Grant; the P1B credit for Women and the CIDSS Self-Employment Assistance-Kaunlaran Program, on the other hand, are meant to generate employment and develop livelihood.

Reviewing government's major Social Safety Nets Programs (SSNPs) in Appendix 2, it is interesting to note that most, if not all of them are reinventions of earlier programs. For instance, the rolling store and rice subsidy as well as the provision of placement services for the unemployed were ideas that saw life during the economic crisis of the early 1970s and 1980s. The livelihood development programs, on the other hand, rehash earlier initiatives of the Technology and Livelihood Resource Center. Since they are not reinventing the wheel, existing SSNPs could be expected to be more successful and better organized than those established in previous decades.

Indeed, most programs report a fair amount of success. For instance, PESO claims to have placed 342,868 job applicants by December 1998; more than 1200 ERAP rolling stores sell food at subsidized prices to depressed communities nationwide; a total of 21,219 workers have obtained loans from the Employees Compensation Emergency Loan Program for displaced employees from the service sector, to acknowledge a few of the successes. However, the programs do not seem to build on earlier lessons and capacities, a prerequisite for institutionalization. Moreover, they seem to be fragmented, unconnected to related programs of other agencies and unaware of potential duplications with other programs. The turfing problem between political administrations and among government units is a culprit that has yet to be transcended.

The absence of institutional links among various SSNPs and a system of identifying, prioritizing and targeting the poor make it difficult to ascertain if the SSNPs have reached and protected the most vulnerable groups from the impact of the crisis. Having experienced a succession of crises and prior SRA-related attempts at localized area targeting, one would expect institutional mechanisms and links to be in place. But this has not been the case. Apart from turfing, other factors have prevented the coordination of efforts among government agencies and the institutionalization of programs.

The Ramos Administration's record in the implementation of particular SSNPs is quite instructive. Although it began to set up an Economic Monitoring and Mobilization Task Force to coordinate its commitment to establish social safety nets, the institutionalization and financing of the Task Force and of particular SSNPs (e.g. program packages for displaced workers) had not been clear. The instability of funds as well as the uncertain status of the Task Force in the political transition constrained the institutionalization of particular SSNPs.

It would be difficult to expect stable funds for SSNPs when funding for government's poverty alleviation Program is not guaranteed. Whether one speaks of the Ramos or the

Estrada administration, funds have generally been insufficient for such centerpiece Programs. Worse, they have actually declined through the years. For instance, the P4B budget for poverty alleviation in 1996 was reduced to P2B in 1997 and further slashed to P1B in 1998.

Since the special funds for poverty alleviation are not regular budget allocations, there is no assurance of their availability for subsequent years (Lim 1998: 45). Hence, the instability of Programs that depend on these funds. To make matters worse, as of March 1998, only 51% of the P3.2B funds had been obligated and 33% disbursed, reflecting underutilization of funds that may be due either to the poor performance of the offices in charge of poverty alleviation or the cumbersome government disbursement procedures.

Given the instability of funds for umbrella poverty alleviation programs, one would expect even greater instability of funding sources for SSNPs. The challenge facing government is how to create a Social Fund for poverty alleviation and for SSNPs within the regular budget allocation while developing more flexible procedures that will make the Program responsive to the urgent needs of the poor as they adhere to principles of accountability and transparency.

But the institutionalization of SSNPs requires more than adequate funds. It entails the existence of coordinating networks or institutional mechanisms. As in the funding situation, however, one could look at the success of bigger programs like government's poverty alleviation Program to suggest whether coordinating mechanisms can be established for SSNPs. If the National Anti-Poverty Commission is able to consolidate the Commissions created for poverty alleviation—the Social Reform Council, Presidential Commission to Fight Poverty, Presidential Commission for the Urban Poor and the Presidential Commission for Countryside Development, then the SSNPs may stand a chance of overcoming the fragmentation that currently characterizes it.

The institutionalization of funds, coordinating mechanisms and the continuity of programs are not the only issues confronting government-initiated SSNPs. The question of whether they truly buttress the impact of the crisis on vulnerable populations is critical. In the absence of schemes for identifying such populations and systems of monitoring the reach of existing programs, the SSNPs cannot be properly evaluated

In the Philippine context, it would be difficult to discuss SSNPs in isolation from government's Program to alleviate poverty. For the successful implementation of such programs would depend on institutional mechanisms for identifying and reaching the target population and the coordination of agencies charged with carrying out the appropriate programs. Institutional mechanisms ought to be in place on the ground because the efforts of various government agencies and other non-government actors converge there. For this reason, the Estrada administration's decision to pass on the task of ensuring food security to local government units is an enlightened one. However, without a clear system of prioritizing the LGUs to support, identifying the vulnerable populations to target in the LGUs, determining the availability of adequate funds and

providing the organizational infrastructure for local governments to mobilize various sectors within the community, the potential positive impact of poverty programs and SSNPs on the ground may not be maximized.

With devolution, some LGUs on the initiative of progressive leaders and NGOs have attended to the needs of poor communities and instituted SSNPs in response to particular crises. For instance, in San Carlos City, the municipal government used its Internal Revenue Allotment Share to purchase private lots for housing and created an innovative payment scheme for indigent families to put up their houses. In San Miguel, Bohol, an outbreak of severe diarrhea in 1994 prompted the mayor to mobilize local residents to set up an infirmary and health assistance program for poor communities, relying primarily on 97 health workers. In Surigao City, the LGU utilized its 20% development fund to purchase construction materials and employ poor residents displaced from their jobs to build public works that benefited 104,909 residents<sup>33</sup>.

Even more notable are the efforts of 4<sup>th</sup> and 5<sup>th</sup> class LGUs to institute comprehensive municipal development programs to address livelihood and other concerns in their communities. The Comprehensive Agricultural Development of Zamboangita, Negros Oriental and the Accelerated Agriculture and Fisheries Productivity Program are cases in point. But for purposes of highlighting the possibilities for instituting SSNPs and anti-poverty programs on the ground, it is instructive to look at the case of the Municipality of Valencia, Negros Oriental. In a rare attempt to develop a participatory and comprehensive development plan for the municipality, the town officials, with the help of community organizers, mobilized the local folk to serve in several municipality-wide Committees that focus on specific issues—agricultural development and livelihood, education and adult literacy, infrastructure and water supply and health. The municipality was so organized that it developed an ID system for purposes of delivering social services to the residents, particularly the poor, and obtaining taxes from a surprisingly willing group of poor clients to sustain the services they received. The level of organization in Valencia was such that in anticipation of the outbreak of dengue fever, the municipality determined the blood type of its residents and established a network of blood donors from among relatives in the event they contracted the disease or for other health problems in the future. It is remarkable that in the span of three years, Valencia succeeded in upgrading its status from a fifth class to a third class municipality.

It would be ideal if LGUs achieved the same level of organization as Valencia and took care of poverty monitoring, implementing anti-poverty programs in their communities, and activating social safety nets to mitigate the effects of various forms of crisis. However, when a crisis is severe (e.g. drought, massive layoffs), LGUs, NGOs and other municipality-based organizations would not have sufficient resources to underwrite SSNPs. In such situations, the national government ought to have funds to release when needed and a system of prioritizing the LGUs to support.

---

<sup>33</sup> <http://www.galingpook.org>.

Determining the LGUs to give funds to is easy when a crisis is brought about by natural disasters. The Philippine government has had enough experience with calamities; its National Disaster Coordinating Council has a system in place for identifying and appropriating funds for the most affected areas. Targeting LGUs and the vulnerable populations within them, however, is not as easy for economic crises. In such situations, it would help to link the institution and implementation of SSNPs to a comprehensive area-based poverty alleviation Program. Although the Philippines has not had a truly comprehensive Program to anchor SSNPs on, the community-based monitoring and service delivery component of the SRA and subsequent activities that emanated from the limited experience with SRA may be a good starting point from which to establish a targeting, implementing and poverty monitoring system

Although the foundations for building a scheme to monitor poverty and identify the populations most vulnerable to shocks are quite limited, they are not absent all together. As the case study of the government's credit program shows in Section 6.0, the Comprehensive and Integrated Delivery of Social Services was an experiment in convergence among government agencies and between government and civil society; focused targeting, community organizing and a total family approach. The Program was relatively successful, with poor *barangays* under CIDSS experiencing greater reduction in unmet basic needs compared to those that were not under the Program.

Building up on the approaches, framework and service delivery system of SRA, UNDP supported a government project entitled Strengthening Institutional Mechanisms for the Convergence of Poverty Alleviation Efforts in the Philippines with two components. The first component developed integrated poverty monitoring and indicators systems. Its sequel component aimed to support the coordination and monitoring of anti-Poverty Programs in six provinces in four pilot regions, namely Capiz and Iloilo in Regions VI; Samar in Region VIII; Davao del Sur in XI; and Cotabato and Lanao del Norte in XII.

The second component focused on five activities:

- Installation of the enhanced community based poverty indicators monitoring system (CBPIMS)
- Institutional mechanisms for convergence at the regional, provincial and municipal levels strengthened
- Formulation of local poverty alleviation plans
- Monitoring system for poverty alleviation designed and pilot tested
- Increased participation of people's organizations in local governance

By December 1999, the 1290 *barangays* in the 56 pilot municipalities of the 6 provinces had successfully installed their respective enhanced Minimum Basic Needs-Community-based Poverty Indicator Monitoring System. Interagency provincial technical working groups (PTWGs) and municipal technical working groups (MTWGs) had been established as institutional mechanisms for the convergence of poverty alleviation efforts that would strengthen regional, provincial and municipal level delivery systems. The

Working groups coordinated and integrated the efforts of various agencies concerned such as the National Statistics Office, the local planning and development office, the local agriculturist, the social worker, and the local government operations officer<sup>34</sup>.

Despite the usual problems with multi-agency efforts toward convergence, it would be a pity if government does not build upon the groundwork of LGUs, academics, NGOs and community workers in pilot areas the interest of fast tracking poverty alleviation efforts and activating social safety when crises occur in the future.

## 5.2 *On NGO-Initiated SSNPs*

An examination of successful LGUs reveals the critical role played by local leaders and NGOs in laying the institutional infrastructure for the formulation and implementation of SSNPs. For at the local level, LGU-related SSNPs are usually collaborative ventures involving the local government, NGOs, the private sector and in some instances, volunteer experts from outside the municipality.

As noted previously, NGO-initiated SSNPs established in response to the 1997 crisis are hard to find. While recognizing the adverse impact of the crisis, the resource persons interviewed from the NGO community claim that the latest economic crisis did not impel them to redirect their energies to the creation of specific SSNPs. Rather, they continued with their advocacies and provision of support services since some of the potential victims of the crisis were within the coverage of their regular work. In other words, the 1997 crisis did not reach the same proportions as the 1985 crisis in Negros. The severity of the problem then forced the NGOs in the area to deviate from their organizing and political work to provide food and livelihood programs to the affected sugar workers. The 1997 crisis also differed in its effects on the thrust of NGO work from the Pinatubo disaster in Central Luzon or the war in Mindanao for which NGOs geared toward long-term development activities digressed to relief and rehabilitation operations.

It would be difficult to understand the impossibility of mapping the NGO-initiated SSNPs in the Philippines or situating the sampling of projects in Appendix 3 without digressing into a brief background of Philippine NGOs.

Various philanthropic and welfare organizations and cooperatives set up by religious and civic organizations in the early 1900s, that eventually evolved in the 1950s and 1960s into development-oriented organizations to curb peasant unrest and the Communist insurgency, are the forerunners of contemporary NGOs<sup>35</sup>. The decisive shift from philanthropic work to involvement in community organizing and socio-economic projects with a long-term development orientation and transformative mission occurred in the 1960s in response to the influence of Marxist-inspired national movements and for Catholic groups, the teachings of Vatican II.

<sup>34</sup> Draft Midterm Evaluation Report of Component 2 of the UNDP project.

<sup>35</sup> The following documented the origins, development and typologies of NGOs in the Philippines: Canlas, (1994); Romero and Bautista, (1995); Alegre (1996); Constantino-David (1997).

In the years of authoritarian rule, philanthropic work continued among various sectors but the development-oriented NGOs focused on their role as political catalysts. They advocated for human rights, the delivery of support services to the victims of abuse, and building networks among the sectors they worked with. Even the church- and business-initiated NGOs joined broad coalitions against the Marcos government. Then, the projects implemented by the NGOs, who were collectively referred to as cause-oriented groups (with the exception of church groups), took the form of relief and rehabilitation work in areas devastated by war or natural calamities and were mainly used as entry points for political organizing and advocacy.

However, with the end of authoritarian rule and the assumption of President Aquino into office, the key role of NGOs in democratization and development efforts was recognized and increasingly institutionalized. The wider democratic space in the immediate post-Marcos years gave NGOs more opportunities for meaningful participation in governance. Their participation was further ensured by external funding agencies, which provided grants for government projects along structural adjustment schemes on condition that NGOs are involved.

The Ramos administration continued to enlarge the stake of NGOs in development work. The 1991 Local Government Code challenged them to help deliver social services and participate in the work of local governance. But the process of redefining the NGO niche was not smooth, particularly for groups within the national democratic movement. It led to a splintering of the movement in the early 1990s along the reformulation of the NGOs' role in strengthening pluralism and participatory development work<sup>36</sup>.

Categorizing NGOs in the Philippines is a formidable task because of the sheer number of organizations (58,000) that can fit the formal and legal definition of an NGO as a non-stock, non-profit organization. There are about 14,000 organizations that may be distinctly identified as NGOs, i.e., 'formally constituted grassroots support organizations that operate with full-time staff and provide a range of services'.

Because of their number and their range of programs and activities, several typologies have been developed to categorize them. Constantino-David classifies NGOs into five groups: DJANGOs (development, justice and advocacy NGOs) are more commonly referred to as development NGOs; TANGOs (traditional NGOs) are charitable, welfare, and relief organizations; FUNDANGOs (funding agency NGOs) are foundations and grant-giving organizations; MUNGOs (mutant NGOs) included GRINGOs (government run/initiated NGOs), BONGOs (business-organized NGOs), and COME N'GOs (fly-by-night organizations set-up by so-called NGO entrepreneurs)

Korten identifies four types of NGOs: social-mission driven NGOs; public service contractors, common-interest self-help organizations, and government NGOs. CODE-

---

<sup>36</sup> For an account of the split within the national democratic movement see Dionisio, Josephine. *Social Safety Nets and NGOs in the Philippines*. Unpublished paper.



NGO's schema groups NGOs according to the activities they perform, the areas they operate in, the size or number of staff, the sector they service, their ideological bias, and their initiator. PhilDHRRA's schema, on the other hand, classifies NGOs as resource NGOs, implementing NGOs, People's/Grassroots Organizations, or as Networks.

Canlas' classifies NGOs on the basis of the following criteria:

- Sectoral focus – sectors may refer to social categories of people such as peasants, workers, women, children, etc. or to categories of issues such as debt, environment, agrarian reform, etc.
- Nature of services – services may be training, research, socio-economic projects, etc, or may refer to specialized services such as the provision of legal advice as compared to a host of integrated services
- Scope of Operations – operations may be local, regional or national in scope or urban/rural in concentration as defined by their territorial coverage
- Development vision – charity programs are mainly dole-out in orientation; community development programs focus on reformist and developmentalist reforms; transformational/liberational programs promote conscientization and the organization of the poor whose problems are rooted in the structural defects of the existing social order

Key resource persons opined that delineating NGOs according to ideological bias is less important at present because these differences are hardly identifiable in the official statements of NGOs' Vision-Mission-Goals. The major differences now lie in the approaches to community organizing and development work<sup>37</sup>. NGOs can forge unity regarding the centrality of asset-reform in the sustainability of efforts at poverty alleviation and holistic development. They can also readily agree that the overarching framework of community organizing is to promote the empowerment of poor and marginalized communities, and that the ownership of community organizing rightfully belongs to the communities themselves. NGOs diverge paths however when it comes to organizing approaches. Identifiable approaches are as follows: issue-based/cropline/sectoral approach, community approach, and the household approach.

Despite the divergences, most of the development-oriented NGOs see themselves as development facilitators. Their role is to support development processes initiated and implemented by poor communities. This thinking has emerged across ideological groups and has trickled down even to the more traditional welfare-oriented NGOs. Regardless of ideological lines, therefore, most development NGOs including foundations put primacy on community organizing as an essential component of development work toward empowerment. When asked what social safety nets were initiated by NGOs in the wake of various forms of crises since the 1980s, the resource persons representing NGO networks and recognized NGOs gave similar answers before informing the research team

---

<sup>37</sup> This observation seems to be controversial. The reactor for this Report in the CIDA-sponsored Policy Workshop held in Bangkok on July 24-25, who represented both government and the NGO community, claimed that ideological differences have lurked all the time.

of some of the SSNPs they were familiar with. Common to their answers is the view that organizing for empowerment and democratization are the main safety nets that have ensured the resilience of communities against natural, structural, and man-made disasters.

They note, however, that prior to the convergence of various NGO orientations toward the view of community organizing (CO) as key to effective SSNPs, CO work was territorial in orientation and interventionist in approach. It tended to promote ‘turfing’ and ‘niche-building’ even among NGOs who shared the same ideological bias and bred intense competition rather than cooperation. NGOs had since learned from experience that interventionist approaches led to unsustainable project implementation that bred the communities’ dependence on NGOs for funding and ended as soon as the project was terminated. With the end of a project, its impact on the community tended to fizzle out. In the face of crises or calamitous events, such communities were not empowered enough to mobilize themselves, plan their course of action, identify individuals and institutions and seek their assistance. The resource persons shared many illustrative examples from decades of organizing work in various parts of the country to prove this point.

Apart from the role of prior organizing in determining successful outcomes for poor communities, the NGO experience underscores the importance of building networks of supporters who can provide expertise and specialized services in the immediate aftermath of a devastating crisis (e.g. natural calamities). For economic crises, the importance of federating or linking with similar communities to promote economies and politics of scale are vital social safety nets for the poor. Micro projects can only survive the eventual onslaught of stronger forces that tend to marginalize small players if the latter, through the strength of linkages, are enabled to survive and eventually compete in the open market and level off the playing field.

In light of this perspective, the development NGOs have focused on community organizing although they had often delivered services that government is mandated to deliver in periods of crisis as well as under normal conditions. A sampling of SSNPs is presented in Appendix 3.

The sampling is far from comprehensive for it is virtually impossible to list effective programs that various types of NGOs undertake. The list merely gives examples of the kinds of projects NGOs have supported and excludes the usual provision of food, clothing and shelter by many church-related institutions. What Appendix 3 underscores, however, is the existence of different kinds of private initiatives and creative programs that need only to be tapped and coordinated with government efforts during crisis situations. As discussed in the previous section, the convergence of NGO and government efforts with those of the communities the NGOs are trying to help organize is essential on the ground. However, for SSNPs to effectively reach the vulnerable populations and protect them from the risks attendant to a crisis, it is equally important to achieve a convergence at a much higher level among networks of NGOs, government agencies and networks of LGUs. A mapping of their efforts in different provinces and regions, a system of identifying and monitoring the poor and vulnerable areas and peoples as well as

the impact of various forms of crisis are essential tasks that ought to be performed.

Who will orchestrate and facilitate the convergence is critical both for poverty alleviation efforts as well as the institution of SSNPs. Is the National Anti-Poverty Commission in a position to take on this function or is there any other multisectoral body that can assume the role?

## 6.0 BEST PRACTICES

This section presents three case studies of so-called “best practices” on social safety net provision and poverty alleviation. The first is run by the government (Self-Employment Assistance-*Kaunlaran* of the Department of Social Welfare and Development) in both urban and rural areas. The second is initiated by a non-government organization (Center for Empowerment and Research) in fishing communities in Southern Tagalog, Luzon. The third involves government-community-NGO collaboration on Primary Health Care in a peri-urban area in Mindanao.

While the concept and selection criteria of “exemplary practices” have been the subject of heated discussion in the development literature, this paper is not the place to discuss the finer points of the debate. It is only the intention of the research team to highlight the features of some exemplary examples in social service delivery and social safety nets for the poor without establishing prior criteria for selection, given the obvious limitations in knowing the full range and universe of existing programs at the micro and macro levels, and problems in comparability of cases. It is the authors’ contention that these cases are “best practices” in the sense that they have produced some concrete outcomes and impact on the lives of the poor at the local level. These cases are also relatively effective in combining social safety net provision and service delivery with community-based organizing. Their “practices” are the “best” possible interventions within the particular context in which they are situated, as they are able to take into account the multi-layered nature of poverty, and make adjustments in their programming as they respond to urgent needs identified by poor community members.

Appendix 2 presents the cases of exemplary practices in comparative perspective.

### 6.1 Government-Initiated Social Safety Net: The SEA-K Integrated Program

It is common knowledge that in times of crisis, the poor need cash to tide them over the initial shock. This explains why money transfers and the extension of micro credit are among the more popular social safety nets. The Philippines has had many cases of successful micro-credit programs. For instance, Project Dunganon, a program for women created by the Negros Women for Tomorrow Foundation in the wake of the 1985 crisis in Negros had established 609 centers operating in 213 villages in Negros. Patterned after the Grameen Bank, the Project supported poor women at the village level and employed the jobless poor to run the operations of an essentially self-reliant organization.

While quite successful, however, Dunngaon and other projects like it, do not link up with a more comprehensive anti-poverty program. For this reason, the research team chose instead to focus on the Self-Employment Assistance Kaunlaran Integrated Program (SEA-K) under the Comprehensive and Integrated Delivery of Social Services (CIDSS) alluded to earlier.

Before describing the SEA-K Program, it is important to situate it in the context of CIDSS. The Comprehensive and Integrated Delivery of Social Services (CIDSS), one of the flagship programs of the Social Reform Agenda (SRA), came into being in 1994 through the enactment of Republic Act 8425. Initially, CIDSS was instituted to test a comprehensive and integrated approach to poverty alleviation, but with the auspicious changes in the lot of the communities integrated into the program (there has been an average of 14% reduction for the top 8 problems in MBN in CIDSS areas compared to non-CIDSS areas), the strategies of CIDSS had since been institutionalized by former President Fidel Ramos through E.O. 443. The institutionalization of the strategies hopes to ensure the continuity of the program. Indeed there are indications of the Estrada Administration's resolve to expand and strengthen national delivery mechanisms using the Minimum Basic Needs approach in the country's poorest communities but there are also indications of CIDSS programs that have begun to stall with changes in leadership at the national and local levels.

To achieve its objectives, CIDSS pursued strategies formulated along the following criteria:

1. **Convergence**, which aims to consolidate and encourage the cooperation between government and civil society in addressing the needs of the marginalized segments of society;
2. **Focused targeting** which aims to identify individuals and families who stand to benefit from the government program. Community leaders are given the responsibility to identify the recipients of government assistance;
3. **Community Organizing** aims to encourage the active participation of the community in decision making, setting up of people's organizations, managing local funds and monitoring and evaluating the key local programs of the CIDSS.
4. **Total Family Approach** aims to examine individual problems within the overarching context of the family;
5. **Minimum basic needs approach** identifies the basic needs of families which will, in turn, be the basis for the analysis of the community's needs, the planning and implementation of appropriate programs for the community and the monitoring and evaluation of the improvement or decline of the situation of the identified families in the community;
6. **Installation of an information system** which would make pertinent information available to the government agencies and community as well;
7. **Capability building** involves imparting appropriate knowledge and skills necessary in implementing the MBN approach;

8. **Resource mobilization** encourages looking for alternative sources of revenues aside from those allotted by the national government.

To qualify as CIDSS communities, municipalities should belong to the fifth and sixth class municipalities in SRA convergence areas composed of Agrarian Reform Communities, PBL (Priority Bays and Lakes), Urban Poor areas, Certificate of Ancestral Domain Claim sites and disaster victim resettlement sites. Areas should also be equitably distributed across congressional districts

*Barangays*, on the other hand, were chosen based on the poverty incidence, presence of low-income groups, willingness of local groups to undertake CIDSS, stability of the peace and order situation, presence of development agencies and other support institutions providing assistance in the area, and accessibility<sup>38</sup> In 1994 CIDSS was launched in 150 poor barangays located in 75 municipalities in 33 provinces. 1995 saw the numbers increase to 625 barangays in 200 fifth and sixth class municipalities in 49 provinces. By 1997, 1,154 barangays in 432 municipalities in 77 provinces were already in the roster In her evaluation of the performance of CIDSS, however, Bautista (1999) noted that despite its relative success in targeting the poor, only 77.5% of the selected *barangays* were the poorest in the municipality.

In terms of agencies and sectors involved, CIDSS operates under the auspices of the Department of Social Welfare and Development (DSWD) which counts as its support groups the Department of Education Culture and Sports (DECS), Department of Health (DOH), Department of Interior and Local Government (DILG), Department of Labor and Employment (DOLE) and the Local Government Units (LGU). It targets such sectors as families, women, disadvantaged children, youth and students, elderly, persons with disabilities, disaster victims and other sectors covered by the other flagship programs. It also 'seeks to break down anti-poverty efforts into manageable efforts at the field level'<sup>39</sup>.

The tasks of CIDSS workers include the following:<sup>40</sup>

- *Social Preparation* -- unifying various development players in the local level on CIDSS goals and targets and overseeing the formation of a focal group that will be trained to mobilize the community to participate in CIDSS programs. Also assist in the identification and selection of the poorest families and the most poverty stricken barangays
- *Development of the neighborhood plan* -- initiating a process of community awareness characterized by providing opportunities for people in various neighborhoods to experience participative data gathering,

---

<sup>38</sup> Field Manual of CIDSS Program Implementors: 18

<sup>39</sup> Field Manual for CIDSS Program Implementors: 10.

<sup>40</sup> Field Manual for CIDSS Program Implementors: 16

analysis, listing of needs and problems, appraisal of resources and formulation of neighborhood goals/plans/activities

- *Formulation of the Community Development Plan* – consolidating neighborhood studies and plans and facilitating its integration in the Barangay Development Plan
- *Program Development and Management* – involves a process of planning, implementing, accessing social services, monitoring and evaluating programs and projects for changing the people's quality of life
- *Localization of the CIDSS Program* – ensuring the institutionalization and sustainability of identified mechanisms and structures for people empowerment

To target the chronically poor, the Minimum Basic Needs (MBN) Approach is used to identify the poorest families who will be the principal beneficiaries of the CIDSS Programs. The community, with the help of the local government, conducts annual MBN surveys using 33 indicators corresponding to 10 MBNs related to *survival* (food and nutrition, health, water and sanitation, clothing), *security* (shelter, public safety, income and employment) and *enabling needs* (basic education and literacy, people's participation, family care/psychological needs). Families with the most number of unmet indicators (see Table 6), and therefore, the ones deemed to be the poorest in the community, are thus enrolled in the program. The identification of the unmet basic needs would then determine the intervention programs the concerned agencies are going to introduce to satisfy these needs. (It is worth mentioning that beneficiaries are also encouraged to participate in the formulation of programs that would be used to meet their basic needs). But this is just the ideal paper situation, results in the review of the CIDSS (127-128) show that only 45% of CIDSS workers wholly relied on the MBN master list in the selection of the program beneficiaries. The rest had relied on the recommendations of key figures (mayors, municipal workers, barangay officials, etc) from the community.

Bautista (1999: 270) also identified problems such as the 'misinterpretation of the indicators which may have resulted, from either the weak preparation of the mobilizers or confusions brought about by the instrument itself. However, she is quick to say that enhanced forms had been formulated and translated into local dialects by the Presidential Commission to Fight Poverty (PCFP) to remedy the situation.

The unmet MBN services are met through a combination of programs which pertains to family and community welfare, women's welfare, child and youth welfare, emergency assistance, self-employment assistance (SEA-K), food and nutrition, health, water and sanitation, income security, peace and order, basic education and literacy, participation and governance, and infrastructure had been put up by CIDSS to meet the needs of the marginalized. Among these services, Bautista (1999; 217) relates that 'food

supplementation, immunization, self-employment assistance, family and community welfare and women's welfare were the most widely administered.

**Table 6. National MBN Profile for CIDSS Areas (Unmet MBNs)**

	<i>Indicator</i>
<b>1</b>	Family with income above subsistence threshold level
<b>2</b>	Family with access to potable water
<b>3</b>	Family with sanitary toilet
<b>4</b>	Other members of the family 18 years old and above employed
<b>5</b>	Head of family employed
<b>6</b>	Family members involved in at least one PO
<b>7</b>	Children 3-5 years old attending day care/ preschool
<b>8</b>	Housing durable for at least 5 years
<b>9</b>	No severely and moderately underweight children under 5 years old
<b>10</b>	Couples practicing family planning

Source: Bautista (1999: 36).

On the surface, the CIDSS services seem to be extensive and therefore successful in meeting the unmet needs of the people. However, the assessment of Bautista's key informant panel berates such impression. A whopping 45% of the respondents report that the top ranking problem relates to the failure to deliver the services addressing the unmet MBNs (130).

Architects of the CIDSS have not left out women when they chalked up the plans for CIDSS. In fact, they are among the primary target beneficiaries of the programs. Women's welfare is actively promoted by the program as seen in the great number of services offered to women. Among these services are the conduct of self-enhancement activities and leadership seminars, which would equip women to participate in the task of freeing the community from the claws of poverty. It would also help to mention that majority of the CIDSS workers are women, so therefore, they are presumably more sensitive to issues concerning women.

Finally, in terms of community response, CIDSS has been quite successful in mobilizing communities. Only 31.3% were reported to have had a negative and/or passive reaction to CIDSS.<sup>41</sup> What is impressive is that 98.5% of those who have responded positively to the program, reports that they have seen improvements in the quality of life in the *barangay* after CIDSS had been introduced. Developments such as increase in the delivery of basic services (77.8%), the increase in the residents' awareness of their situation (73.5%), increase in the participation of the community in planning, implementation and monitoring (62.4%), increase in the interaction between the community and *barangay*

<sup>41</sup> Bautista Ibid, 130.

officials (67%) have been revealed <sup>42</sup>

The CIDSS had not been immune to problems in its implementation. Topping the list is the lack of coordination among the different key players in the implementation of the program. This has been attributed to the jealousies among members, irregularity in the conduct of meetings, and difficulty to gather line agencies. Second to this was the delay in the national and local government's release of funds (207). The problems however, are not to be taken too seriously for very few have actually cited these problems and these problems are outweighed by the belief of those involved in the program that their lives have seen important improvements after CIDSS was introduced to their community. On the whole, these improvements lean on the positive end of the spectrum. A significant number of the unmet MBNs had seen improvements as well

Writing in the beginning of the Estrada administration, Bautista credits the 'success' of CIDSS to a 'confluence of factors': a workable management approach, presence of CIDSS workers who have generally performed better than mobilizers of non-CIDSS areas and the presence of financial support from CIDSS, other government entities, households and civil societies. In terms of convergence, Bautista (268-272) assesses that various sectors of society have been effectively mobilized to operate as a team; community-based approach was seen in the effort to interface the community in different phases of the management cycle, focused targeting, was also seen as close to half of the barangays utilized the MBN masterlist to identify the beneficiaries; community-based information, a significant number of barangays reported that they have installed the information system in the form of data board and spot maps; resource mobilization, the magnitude of support for CIDSS is evidenced by the fact that some projects have obtained additional funding form the program apart form the assistance they receive from both the barangay and municipal governments. The mobilization of the community has also inspired counterparting of resources even from the households themselves

The Self-Employment Assistance Kaunlaran (SEA-K) Integrated Program is one of the focal programs of the CIDSS. Managed by the CIDSS in cooperation with the Department of Social Work and Development, SEA-K is a community based micro-credit financing project which builds capabilities of people's organization to self-administer a socialized credit preparation scheme. Its components include social preparation, capital assistance, savings mobilization and access to other social services. The program has two levels. Level I is a capability building program for micro-enterprise and micro-finance development for the marginalized sector of the poor population. It involves the organization of 25-30 members into a self-managed community based credit organizations, called SEA Kaunlaran Associations (SKA), as conduits of various services.

---

<sup>42</sup> Bautista Ibid, 204.



SEA-K provides these people's organizations with the seed capital and the members of the POs are in-charge of lending this seed capital to its members for their livelihood needs. SEA-K membership is based on trust. The 25-30 members of the group are subdivided into groups of five. This cell acts much like a pressure group and it exploits the Filipinos' concern with *hiya* or shame. In case one member fails to pay his dues, other sub-group members are obliged to answer for this. In this way, members, out of shame or a sense of responsibility are compelled to pay their dues, which is most important to any credit program. For any credit program to be successful, and considered efficient, the credit agency must be able to recover the loans, along with the interest charges and fees, so that funds will continue to roll and grow. Only with this can the agency's reach grow wider and can it accommodate bigger loans from its creditors.

Level II, in the mean time, is a strategy of institutionalizing the gains of the SEA-K Level I through the formation of the SEA Kabayans comprising 2-5 SKAs which have paid their capita assistance in full and have adequate savings (1998 Annual Report DSWD). The SEA-K program is mostly implemented in the 5<sup>th</sup> and 6<sup>th</sup> class municipalities of the country

The CIDSS Mid-Term Assessment conducted by the UP College of Public Administration cites gains in the involvement of the community in development projects and programs. There have been success stories but there were also, as in every case, failures. Some of the problems cited were: cynicism of the people regarding the sincerity of government; slow process in mobilization because of the lack of preparation of the community for organized interface in development activities; difficulty of poverty-stricken areas to give counterpart funds to implement local development activities; etc. But these problems are off set by the heart-warming stories of success of the different poverty-stricken people and communities.

One case involved a woman whose husband lost both his legs to a debilitating disease. Their household could not meet basic survival needs/ On the advice of a CIDSS worker, the woman joined the SEA-.K. With seed capital of P4,000, she bought textiles and set up an RTW business in their area at Sagay City. As money came in, the household was able to pay the borrowed money from the SEA-K. At the time of the study, the woman had a pending P10,000 loan proposal for meat processing. At present, the case study heads the Kauswagan SEA-K organization with 15 members. Two years ago, their organization availed of P100,000 loan with no interest. This case is not an isolated one. Other success stories have been documented.

Resource persons claim that despite failures where the seed money given ended up as dole outs, the SEA-K has been relatively successful/ The members' determination, discipline and hard work have enabled them to pay on time and eventually borrow bigger amounts. While the 1997 crisis was not the impetus for the creation of the micro-credit program (although some of the borrowers were victims of El Nino), it has become a short-run social safety net with more long-term impact on the households.

Unfortunately, there have been anecdotal claims that the change of government has forestalled the initial gains of CIDSS and SEA-K.

*6.2. Non-Government Organizations (NGOs): Community-Based Water and Coastal Resource Management Program of the Center for Empowerment and Resource Development, Inc. (CERD)*

CERD was established in 1983 to assist coastal communities attain equitable and sustained economic development where the people, particularly fishers, control, use and manage their seas and resources. The most common problem in poor coastal communities is declining fish catch due to deterioration of marine resources from illegal fishing, resulting in declining incomes for fishers (CERD 1999: 28). CERD's founders wanted to demonstrate the practical effectiveness of the bottom-up approach to development as opposed to the top-down approach of the government. They also viewed that genuine development could not take place without structural changes in society (Cleofe 1999: 88).

The 1992 research done by CERD showed the following problems and issues in the Batangas coastal area: (1) private claims on foreshore lands of rich powerful families which led to the demolition of coastal communities, (2) quarrying of corals and sand, illegal cutting of mangroves, (3) unfair competition from big fishing vessels and business ventures, (4) fishers do not own gears, boats and other means to support their livelihood, (5) dependence of fisherfolk on middlemen to market their catch, and (6) blueprints on industrialization supporting tourist and recreation development in the area. These results were then presented to the community (CERD 1999:25-27).

Preparation for organizing work in the community was then done through the conduct of Rapid Rural Appraisal (RRA) system to assess the resources and identify the problems in the community. Results of this research are validated in a workshop participated by fishers and local government officials. Based on RRA results, the fishers presented at the workshops several demands to the municipal government for immediate action. The municipal government passed a resolution declaring not only Pagaspas Bay but the entire Calatagan area as Marine Reserve. Inspired by their first successful activity, the fishers decided to form their own organization called SAMMACA which eventually created chapters in all villages of the municipality (CERD 1999: 28).

CERD then supported the community's organizing efforts, particularly the raising of women's awareness in the community. Women's organizations for popular education, livelihood and micro-credit projects are created as women became aware of their needs and concerns. SAMMACA eventually created several village-level assemblies and one federated or general assembly. These assemblies have an Executive Committee assisted by 4 implementing Committees: Campaign/ Issue Committee, Education Committee, Socio-Economic Committee, Rehabilitation Committee, all formed from the women's organizations, men's organizations and youth organizations in the area (CERD 1999: 29-30).

CERD's core program, the Fisheries Integrated Resource Manage for Economic Development (FIRMED) operationalizes the concept of community-based coastal resource management (CBCRM) through an integrated approach. This means undertaking livelihood projects while taking steps to protect and rehabilitate productive land and marine/aquatic resources and using them to optimum levels. This also means the promotion of fishers' organizing activities that will enable them to control, restore, and manage their dwindling resources and in the process, create economically sustainable coastal communities (CERD 1999: 35).

FIRMED is an integrated approach to sustainable livelihood with five components:

(1) *Coastal Community Organizing* - the core component which aims to build viable and functional community organizations that will be federated from the village to municipal level, inter-municipal level, and inter-provincial level depending on the territorial coverage of the fishing ground and fishery-related coastal resources. Initial contacts are done with leaders and members of a coastal community, for example, in the Balayan Bay area of 450 kilometers in the southwestern part of Batangas province after some initial research.

(2) *Human Resource Development* - aims to develop and implement a training program for key leaders and members of people's organizations at the ward, village, municipal and provincial levels. It also includes the development of CERD's program staff and other NGOs to meet the required needs of the programs and projects.

(3) *Socio-Economic Program Development* - aims to establish cooperatives and savings and credit facilities to attain economic and political empowerment for the marginalized sectors.

(4) *Sustainable Fisheries Development* - geared towards the protection, conservation, and rehabilitation of the resources in order to achieve productivity and sustainability at the optimum level.

(5) *Advocacy and Networking* - this is coordinated and integrated at different complementary levels (village, inter-village, municipal, inter-municipal, provincial, inter-provincial, national) for efficiency and effectiveness.

CERD mobilizes participation and strengthens local community organization so that CERD could make the community self-reliant and able to manage and control their own activities independently. Local participation is strengthened through community-based organizing and training for the four program components of FIRMED which aims at sustainable resource management through community organizing, participatory research and resource monitoring, resource rehabilitation, setting up of socio-economic projects and support infrastructure and establishing linkages with both government and private institutions for technical support and advocacy for CBCRM.

An example of a project under the Socio-Economic Development program is the livelihood project run by the local women's organizations within SAMMACA. Training workshops on preparing feasibility studies, project proposal making, as well as orientation to building a cooperative are then conducted by CERD. The outputs of these training workshops are proposals on consumers' cooperative stores that they submit to CERD for funding. There was a need for such stores since there was an inadequate supply of basic goods in the village and the nearest stores were between 8-12 kilometers from the village. The projects were started with a loan of 26,000 pesos (\$1,000 Canadian) from CERD and 1,300 pesos (\$500 Can) share capital. Through the project, the women's groups were able to build their organization capacity, improve their income, and contribute to expenses for SAMMACA's activities (CERD 1999: 29-30).

CERD views that coastal resource management must involve all stakeholders including the government. Hence, networking with the government and military is important in its work. For example, in 1993, CERD supported SAMMACA in its series of negotiations with government that led to the formation of a Coastal Resource Management Council in Batangas, in coordination with the Philippine National Police, Office of the Congressman of the first district of Batangas, and fisher leaders from SAMMACA, placing local organizations and NGOs on equal position with local government. A Memorandum of Agreement creating the Council was signed in May 1997. The Council was composed of the mayors of three municipalities in Batangas, representatives from the Maritime Command of the National Police, Bureau of Fisheries and Aquatic Resources, Philippine Coast Guard, two local fisher organizations, and CERD. (CERD 1999: 30). CERD also networks with other NGOs and POs to lobby the national government for better legislation and government programs, such as pushing for fisheries issues in the Social Reform Agenda of the Ramos government.

### *6.3 Surigao City Primary Health Care (PHC) Federated Women's Club*

The PHC is an example of how the community health organizing efforts of a midwife were supported by the city government and led to formation of a women's club and other community organizations. It is fine example of how local government-community cooperation could help reduce malnutrition, and promote community health and development. Mrs. Zenaida Arana was a midwife assigned to Taft village (population 18,000) and two other villages, Washington and San Juan, located in Surigao City (population 104,909 in 54 villages, 3 are urban and the rest are rural) in northeastern Mindanao. Because of her heavy workload, Mrs Arana turned to the mothers of Taft village (*barangay*) for help initially in scheduling the children for immunization at the health center. She trained a core group of volunteers and reached out to other mothers, conducting many 3-day health seminars, and formed the PHC Women's Club from among the women who attended the seminars.

Their roles in the program gave women a sense of ownership and responsibility to promote health in their communities. The City Health Office noticed Mrs Arana's efforts and appointed her as PHC city coordinator in 1988. The PHC grew all over the city, and

led to the formation of a men's health and sanitation group, the PHC Youth (ages 12-21) and Mini-Youth (children 7-12) groups, from only 300 mothers in 1986 to over 12,000 members representing 63% of the city's total households. All members work as community health volunteers, and this saved the City's budget for salaries. For its efforts, the City was given the national HAMIS (Health Management and Information System) Gold Award in 1992, and the 1993 Diamond Award for its PHC Federated Women's Clubs. (Pineda and Lim 1998: 1-4).

PHC's livelihood and community development activities now go beyond purely health concerns. It participates actively in the government program implementation in immunization, nutrition, family planning, environmental sanitation, national tuberculosis program, disease surveillance, disaster preparedness management, and health information management. It has set up a *Health Emergency Fund* where members contributing 10 pesos (\$0.25) a year could borrow money for medical expenses (500 peso-loan without interest for hospitalization, and 300 pesos with 2% monthly interest for outpatient, payable in 3 months). Funding for the health fund comes from the *Mortuary Fund* which PHC set up for members who contribute additional 30 pesos (\$1.00) and are given P1,000 in case of death of a family member. Every PHC chapter has also set up an herbal garden for the *promotion of herbal medicine*. Women are trained to make herbal medicine, e.g. herbal cough preparation and liniments, and these medicine are distributed to people directly or sold at the local herbal clinics. It also sets up several *village pharmacies* by buying directly from drug manufacturers to enable them to sell medicine at 30% less than commercial drug stores (Pineda and Lim 1998:4-7, 10).

PHC chapters are organized at the ward level in every village where there is a PHC Integrated Club. The village chapters are further grouped into seven districts, each of which has a Board of Directors. Every level of PHC chapter has its sets of officers and representatives to the city-level Federated Women's Club, the umbrella organization under the City Health Office. (Pineda and Lim 1998: 5). To "enter" a community and mobilize community participation, community resource persons or PHC chapter organizers motivate, exhort and challenge mothers to get involved in health issues. Through leadership and health training seminars for women, the PHC collaborates with the City Health Office to give women the *capability to perform simple health-related tasks*. Hence, the mothers feel they are needed and have an important role to play in improving the quality of life in their communities. The City also provides funding to PHC activities and City officials give importance to the mothers by attending PHC meetings. (Pineda and Lim 1998: 7).

A more intensive study of PHC's reach and impact is needed to find out if PHC is successful in ensuring that its programs really target the poor and not the better-off members of the community. The documentation provided by Pineda and Lim (1998) does not indicate how PHC ensures that the poorest members of the community benefit from the program. As PHC gets more institutionalized into a layered bureaucracy, there is of course a danger that the more privileged and active members get to be chosen as representatives to the federated umbrella organization. There is also a danger that PHC

members are vulnerable to mobilization by local politicians to form a political base of support for their candidacy or office.

The well-off population of Surigao City would probably not avail of the PHC services as they could go to private hospitals and have money to pay for medicine and burial. However, Pineda and Lim (1998: 5) gave the reduction in bed capacity of private hospitals (150 in 1986 to 65 in 1995) as an indication of success of community health promotion's focus on preventive than on curative care. Whether this is a good indicator is open to question, but if there is indeed a *direct correlation between PHC's health promotion and private hospital admission*, then it is possible that PHC has benefited better-off community members who go to private hospitals, not the very poor who tend to go to public or government-run hospitals. On the other hand, PHC projects also seem to be designed to benefit the lower-income groups and women in poor households by ensuring payment of very low membership fees, providing only very small loans, and utilizing cheap local resources for the herbal garden, sanitation and other projects.

The organization is composed of women from various social and income groups, and as Pineda and Lim (1998: 6) indicated, the *differences between the educational attainment of women members* create problems for the organization. This constrains the participation of illiterate women and members with low-education who feel inferior and subordinate to educated women. This problem is being addressed by PHC through more leadership training for less educated women to make them more active and self-confident.

The PHC is basically an organization created to promote the implementation of government's social programs. However, PHC has also developed a life of its own independent of government initiatives and program implementation. Hence, PHC seems to operate with the *combination of top-down city-level planning*, i.e. community mobilization for government programs, and *bottom-up initiatives*, i.e. community inputs and participation in program activities. Various participatory methods in health promotion are used by PHC. It implements a very well-maintained *community health data board* to know the health status and needs of each household in every community. The data board is updated quarterly through household survey conducted by PHC members themselves. Health concerns are identified in the survey and presented in the data board in a small hut drawing for each household, showing the house number, name of household head, health concerns, and quarter period covered. The previous year's quarterly performance is included as baseline data for comparative purposes.

The health workers assisted by the mothers assign a color-coded circle for each health concern to indicate the status of each health concern. Each red circle alerts the health worker on the needs of households that are given priority. The number of red circles indicates the top health concerns in the ward (*purok*), which are then consolidated at the village (*barangay*) level, e.g. how many children are not immunized, how many households do not have toilets, etc. Quarterly comparisons indicate whether the situation became better or worse. (Pineda and Lim 1998: 9).

Color	Meaning	Example
Blue	Not Applicable	Nobody is pregnant in the household
Yellow	Improving	Malnutrition changed from severe to mild
Green	Safe	Children are fully immunized
Red	Danger	No proper toilet in the household

Monthly meetings are held to discuss these problems and what actions should be undertaken. PHC members use a monitoring chart to indicate the problems or needs, the steps required, the person responsible to do each step, the target completion state, and what has been accomplished, to ensure prompt action and accountability in implementation. The progress at the ward and village levels are reported by the Chapter president at monthly meetings with other chapters, where they also share experiences, problems and innovative intervention strategies used by the local chapters. The highlights of the discussion are then reported back to the village and ward members. This two-way communication creates flexibility for local chapters to make their own decisions even when they are monitored and supervised by other units. A strong camaraderie among women develops during these meetings that usually begin with prayers and Bible reading which members believe to guide them in their work (Pineda and Lim 1998: 7, 9).

A PHC Annual General Assembly is held every August which is designated as PHC Month. Annual evaluation for each chapter is done, and outstanding chapters and individuals are recognized based on their conduct of health-related programs, e.g. most number of babies immunized, most number of sanitary toilets constructed and maintained, least number of malnourished children, best community data board, best submitted reports, participation in radio programs, success of livelihood and income-generating projects, best attendance at meetings and other activities, fund raisins, and other community development projects (Pineda and Lim 1999: 9-10).

While PHC may be considered a women's program, we cannot automatically assume that PHC is gender-aware, just because PHC members are mothers and largely run by women. Community health, sanitation, and nutrition issues are often addressed by women because of their critical role in child care, food preparation, and other domestic duties. This could sometimes reinforce the idea that men have no role to play in health, nutrition and sanitation, and could create domestic conflicts when women are actively involved in community organizing, as in the case of PHC. Women members encountered conflicts with their husbands because of their active involvement in PHC activities, but they turned this crisis into an opportunity by organizing the men in 1989 into the *Barangay* Environmental and Sanitation Implementation Group (BESIG). Hence, the men became active partners of PHC by building feeding centers, installing toilets, fund raising, and assisting PHC women in their other activities that need manual and other forms of support.

The PHC has negotiated with the city government, the Surigao City Rotary Club and the Makati (Metro Manila) Rotary Club the creation of a big herbal garden. Under a memorandum of agreement between them, the Makati Rotary Club will buy a five-hectare

land in the City for the garden while Surigao City will monitor the project. The PHC has also maintained extensive media contacts and regularly provides health updates, news and interviews with local newspapers. It also has a weekly radio program (PHC on the Air) and a weekly television show (AKO: *Ang Katawang Okay*, or literally, Myself: My Body are Okay).

The PHC program has been replicated in different parts of the Philippines, including Quezon province, La Union, and other provinces in Mindanao. A similar project called Partnership for Community Health Development (PCHD) was also created in Surigao del Norte in 1991. The PHC may be replicated by undergoing the following process or steps: (1) Have community organizers or coordinators to motivate and mobilize people to get involved in health issues. NGOs who are good at community organizing and mobilization may be tapped. (2) Get health workers and health education advocates to conduct training at the community level. (3) Recruit other people who could be trained in conducting health classes and other health-related tasks. (4) Training packages from the Department of Health should be available for distribution during sessions. The training should involve leadership skills improvement, how to set up the community health board, PHC orientation, emphasis on the role of mothers in health promotion, and create a plan to adopt the program in the locality. (5) Organizers must guide participants in the election of officers and conduct of initial meetings. (6) Initiate projects at the local village level, such as the community health board, with a monitoring chart, the cooperative drug store, herbal garden and clinic, mortuary fund and medical loan fund, and appreciation of members and leaders by providing awards to outstanding clubs and individuals. (7) The health workers could proceed with supervision, monitoring and evaluation of the club's activities. (Pineda and Lim 1999: 11-13).

## **7.0 POLICY RECOMMENDATIONS**

This section reiterates some of the policy recommendations previously made by other researchers on social safety net provision and poverty alleviation in the Philippines. It also highlights a number of recommendations arising from the previous discussion and introductory chapter to this volume. .

1. The formulation and implementation of SSNPs ought to be linked to a more comprehensive anti-Poverty Program that converges at the local level. Without such an institutional arrangement, the SSNPs would remain fragmented and beset with the problem of reaching the target vulnerable populations. This recommendation implies, however, that such an anti-poverty program exists with a well-developed system of targeting and with convergence of various agencies of government and civil society on the ground.

In the case of the Philippines, the beginnings of such a program may be found in the SRA. In this connection, the study team forwards the following recommendations:



- The foundations laid by the SRA ought to be built upon. This would entail further refining the Poverty Indicator Monitoring System that has been developed and is currently being pilot-tested for nation-wide implementation. The PIMS is remarkable for its emphasis on outcome-based poverty indicators, i.e. human development indicators and minimum basic needs. There were even attempts in the past to develop and pilot-test governance indicators that may be obtained together with PIMS.

However, even the SRA would need to specify in greater detail the *institutional mechanisms and procedures for the participation of the poor and their organizations in local and national governance* – from policy-setting, program implementation to policy review and program monitoring. Angeles (2000d) has argued that the Social Reform Agenda (SRA) is not very clear on how the organizing and capacity-building of the poor in general, and poor women in particular, could be harnessed for policy-making and program implementation. It appears at least from the way the SRA has taken off the ground that capacity building of the poor is narrowly understood as “the formation of people’s organization” and their “assistance by voluntary organizations,” which would be considered as necessary but not sufficient conditions for poor people’s meaningful involvement in participatory governance at the local and national levels.

- Support for the CIDSS Program, which has partially succeeded in converging the efforts of line agencies and civil society groups and its implementation nation-wide ought to be continued. For indeed community-based delivery of social services and the maintenance of social and economic infrastructure would enhance the density of social capital, which is built over a long period of time, by the creation of “competent communities” of the poor that could lead to the creation of “competent programs” for the poor (Angeles, 2000e).<sup>43</sup>

While recommending the continued adoption of CIDSS, the authors are mindful of the need to continuously critique its approach and components. For instance, as Angeles noted (2000a), the “*total family approach*” preferred by service providers of DSWD augurs well with the traditional view of the Filipino household or family as a *unitary unit* where all members of society work harmoniously towards common goals and objectives, but clashes with critical view of the household or family as a *terrain of negotiation*, reflecting a

---

<sup>43</sup> The successful continuation of CIDSS component of SRA under the present administration hinges upon the collaboration of government, corporate and non-government sectors not only in the delivery of social services, but also in the strengthening of local communities, organizing efforts of the poor, and capacity enhancement of organizations run by the poor. Grassroots democracy and community empowerment could become effective tools of sustainable poverty reduction when the poor and underprivileged community members are empowered to use their democratic rights not only to press for individual and collective entitlements and freedoms, but also to reinvigorate the notions of public good, and social responsibility.

combination of cooperation and conflict, where members may express differing interests or experience conflicting choices and goals.

The reality in most Filipino households is somewhere between these two polarized views, as households may shift from one view to the next depending on circumstantial, temporal and spatial contexts. The first view may be appropriate in cases where the husband and wife have a harmonious marital relationship, have young children, share common life goals, and have no experience of domestic or child abuse. The second view which echoes feminist analysis of the domestic sphere and Amartya Sen's household economic analysis is appropriate in most cases where female family members have life goals which do not conform to traditional gender role expectations, and who do not view the family or household as the only unit that is able to fulfill their need for self-actualization. Hence, family welfare programs must be informed by a contextualized analysis of Filipino household dynamics which focuses on different poverty conditions and outcomes deriving from unequal gender relations and women and men's differential access and control of resources and benefits, and which does not idealize the "norm" or "normalcy" of monogamous, nuclear families.

Another point to consider is the need for *strong inter-government agency coordination and cooperation in the delivery of social programs* to tackle poverty reduction underlies the SRA efforts. However, it may be necessary to move away from the "beneficiary model" to the creation of an enabling environment to support programs aimed at developing the capacities and entrepreneurial energies of poor households and communities.

2. The limited coverage and scope of government's comprehensive Poverty Alleviation Program would make NGOs and People's Organizations more likely to deliver SSNPs effectively in the areas where they operate. Facilitating their convergence on the ground with local governments would help provide better services to the vulnerable populations. Such facilitation would occur if convergence were fostered at a higher level among networks of NGOs, government agencies and networks of LGUs. A mapping of their efforts in different provinces and regions, a system of identifying and monitoring the poor and vulnerable areas and peoples as well as the impact of various forms of crisis are essential tasks that ought to be performed.

As discussed in Section 5.0, is the National Anti-Poverty Commission in a position to take on this function or is there any other multisectoral body that can assume the role?

3. To enhance the effectiveness of LGUs, NGOs and community organizations, *policies to strengthen social networks, participatory governance, and grassroots democracy* at the community level are needed to help prevent the erosion of social capital during times of economic. Policies to *stimulate consumer demand and enlarge the domestic market* through poverty reduction programs, and effective, pro-poor social development agenda, for instance are necessary. These will develop local human resources, provide on-the-job

training, and engage the poor in local resources mobilisation through small rural and urban enterprises, expanded micro-credit, strong co-operatives, and other anti-poverty programs. Such policies will require *the expansion of tax base through taxation reforms and fiscal policy review* to restructure the national budget and fiscal policies by providing welfare transfer to highly vulnerable social groups, and expanding the tax base through increased direct taxation of wealth and less use of indirect taxes; improving the efficiency of the tax collection system; and creating a more progressive taxation system.

This policy requires gradual implementation and addressing intense opposition from business interest groups, landlords, and other state-based rent-seekers. Its success requires a strong political will, revamp of the tax collection system, and the government's demonstration to opposition groups that a progressive taxation policy for the purpose of strengthening social programs would be mutually beneficial to public and business interests by raising overall "social capability", and its educational, institutional, and organisational components, that are essential to productivity enhancement and absorption of new and advanced technologies.<sup>44</sup>

4. The existing literature underscores the instability of funds for government's Poverty Alleviation Program, let alone for social safety nets. The challenge facing government is how to create a Social Fund for poverty alleviation and for SSNPs within the regular budget allocation while developing more flexible procedures that will make the Program responsive to the urgent needs of the poor as they adhere to principles of accountability and transparency. If this is not possible under current auditing procedures, then efforts ought to be expended in mobilizing external resources for such a Fund.

5. Finally, the *role of households as social safety net providers* ought to be supported by appropriate policy interventions that complement and strengthen, rather than substitute and undermine, people's own initiatives (Moser and McIlwaine 1997: 13). The well-being of households and families could be fostered by providing support for parents and caretakers of children, such as better primary and secondary education, health clinics, and child care and public recreation facilities. Policies that discourage people's informal sector activities, such as laws against street vending and home-based businesses, must be reviewed and balanced against the need to create strong regulatory environments, while providing and enabling policy environment for the poor to help themselves.

---

<sup>44</sup> For an extended discussion of these and other policies, see Angeles (2000a; 2000b, 2000c).

The above recommendations are summarized below.

---

## **POLICY RECOMMENDATIONS:**

### **RECOMMENDATION 1**

**POLICY**: Link the formulation and implementation of SSNPs to a more comprehensive anti-Poverty Program that converges at the local level.

**GOAL**: a well-developed system of targeting and with convergence of various agencies of government and civil society on the ground.

#### **SUPPORTING POLICIES/ MECHANICS:**

- Build upon the foundations laid by the SRA.
- Refine the Poverty Indicator Monitoring System (PIMS) that has been developed and is currently being pilot-tested for nation-wide implementation.
- SRA must develop better institutional mechanisms and procedures for the participation of the poor and their organizations in local and national governance – from policy-setting, program implementation to policy review and program monitoring.
- Support for the CIDSS Program nation-wide ought to be continued to create “competent communities” of the poor that could lead to the creation of “competent programs” for the poor.
- Continuously critique the approach and components of CIDSS, e.g. “*total family approach*”.
- Strengthen inter-government agency coordination and cooperation in the delivery of social programs, perhaps by moving away from the “beneficiary model” to the creation of an enabling environment to develop the capacities and entrepreneurial energies of poor households and communities.

### **RECOMMENDATION 2**

**POLICY**: Facilitate the convergence of local government’s comprehensive Poverty Alleviation Program, NGOs and People’s Organizations on the ground.

**GOAL**: to provide better services to the vulnerable populations.

#### **SUPPORTING POLICIES/ MECHANICS:**

- Convergence could be facilitated and fostered at a higher level among networks of NGOs, government agencies and networks of LGUs.
- A mapping of their efforts in different provinces and regions, and a system of identifying and monitoring the poor and vulnerable areas and peoples

and the impact of various forms of crisis are essential tasks that ought to be performed.

### RECOMMENDATION 3

**POLICY:** Enhance the effectiveness of LGUs, NGOs and community organizations, policies to strengthen social networks, participatory governance, and grassroots democracy at the community level.

**GOAL:** to help prevent the erosion of social capital during economic crises, and develop local human resources, and engage the poor in local resources mobilization.

**SUPPORTING POLICIES/ MECHANICS:**

- Policies to stimulate consumer demand and enlarge the domestic market though poverty reduction programs, and effective, pro-poor social development agenda, for instance are necessary.

### RECOMMENDATION 4

**POLICY:** Create a Social Fund for poverty alleviation and for SSNPs within the regular budget allocation.

**GOAL:** to ensure adequate and regular funding sources while developing more flexible procedures that make the Program responsive to urgent needs of the poor.

**SUPPORTING POLICIES/ MECHANICS:**

- Above policies will require the expansion of tax base through taxation reforms and fiscal policy review to restructure the national budget and fiscal policies.
- Policies on welfare transfer to highly vulnerable social groups.
- Expanding the tax base through increased direct taxation of wealth and less use of indirect taxes.
- Improving the efficiency of the tax collection system; and creating a more progressive taxation system.

### RECOMMENDATION 5

**POLICY:** Support the role of households as social safety net providers by appropriate policy interventions.

**GOAL:** To create policies that complement and strengthen, rather than substitute and undermine, people's own initiatives.

**SUPPORTING POLICIES/ MECHANICS:**

- Provide support for poor parents and households to enable them to access public education, health clinics, child care and recreation facilities.
- Review policies that discourage people's informal sector activities to provide an enabling policy environment for the poor to help themselves.

## REFERENCES

- Alcid, Mary Lou. (1999) 'The Impact of the Asian Financial Crisis on International Labor: Migration of Filipino Women' in Illo, Jeanne and Rosalinda Pineda Ofreneo. *Carrying the Burden of the World*. Quezon City: UP Center for Integrative and Development Studies.
- Alegre, Alan (ed.) (1996) *Trends and Traditions, Challenges and Choices: A Strategic Study of Philippine NGOs* (Ateneo Center for Social Policy and Public Affairs & Philippine-Canada Human Resource Development Program, QC).
- Alonzo, Ruperto (1999) "Local Governance and Poverty Alleviation". In Balisacan, Arsenio and Shiegeaki Fujisaki. *Causes of Poverty: Myths, Facts and Policies*. Quezon City: University of the Philippines Press. Pp. 197-228
- Angeles, Leonora. 2000a. "Development, Security and Global Restructuring in Export Manufacturing: The Case of Garments and Electronics Industry in the Philippines," forthcoming in David Dewitt and Carolina Hernandez, eds. *Development and Security in Southeast Asia*. Toronto: York University Center for International and Security Studies.
- Angeles, Leonora. 2000b. "Gender, Technology, and Restructuring in Southeast Asian Electronics Industry: Gender-Responsive Environmental Planning for Sustainable Manufacturing in the Philippines," *Gender, Technology and Development Journal*. (forthcoming).
- Angeles, Leonora. 2000c. "Globalization and the Asian Economic Crisis: Impact and Responses of Foreign Direct Investments in Export Manufacturing in Southeast Asia." In Geoffrey Hainsworth, ed. *Globalization and the Asian Economic Crisis: Indigenous Coping Strategies, Institutional Response and Governance Reforms in Southeast Asia*. Vancouver: University of British Columbia Institute of Asian Research.
- Angeles, Leonora C. 2000d. "Women, Bureaucracy And The Governance Of Poverty: A Preliminary Study On The Integration Of Gender And Participatory Governance In Social Service Delivery In Two Philippine Cities." Paper presented at the Southeast Asian Urban Futures Conference, National University of Singapore, 21-22 July 2000.
- Angeles, Leonora. 2000e. "Grassroots Democracy and Community Empowerment: The Political and Policy Requirements of Sustainable Poverty Reduction in Asia," Paper presented at the "Democracy and Civil Society in Asia: Challenges and Opportunities" Conference, Montreal, Canada, 19-21 August 2000.
- Asian Development Bank. 1998. *Asian Development Outlook*. Oxford University Press.
- Balisacan, Arsenio (1999a) "What do we really know—or don't know about economic inequality and poverty in the Philippines?" In Balisacan, Arsenio and Shiegeaki Fujisaki. *Causes of Poverty: Myths, Facts and Policies*. Quezon City: University of the Philippines Press, pp 1-50.
- Balisacan, Arsenio and Rosemarie Edillon (1999b) *Poverty Profile in the Philippines An Update and Reexamination of Evidence in the Wake of the Crisis*. Unpublished paper (December).
- Balisacan, Arsenio and Rosemarie Edillon (1999c) *Reconstructing poverty profiles in the Philippines*. School of Economics, University of the Philippines Discussion Paper No. 9915. (September)
- Balisacan, Arsenio and Rosemarie Edillon (1999d) "Socioeconomic Dimension of the Asian Crisis: Impact and Household Response in the Philippines." School of Economics, University of the Philippines, Quezon City, 28 August 1999.
- Bautista, Ma. Cynthia Rose Banzon-Bautista, ed. (1992) *In the Shadow of the Lingering Mount Pinatubo Disaster*. Quezon City: University of the Philippines Press and Centre for Asian Studies Amsterdam.

- Bautista, Victoria (1999) *Combating Poverty Through The Comprehensive And Integrated Delivery Of Social Services* (CIDSS). Quezon City: National College of Public Administration and Governance and the Department of Social Welfare and Development.
- Bohning, W.R. (1999) The Impact of the Asian Crisis on Filipino Employment Prospects Abroad. SEAPAT Working Paper 1. Southeast Asia and the Pacific Multidisciplinary Advisory Team, International Labor Organization. Section B No. 7.
- Canlas, Corinne (1994) "NGOs and POs in the Philippines: Issues and Prospects" (manuscript prepared for the Philippine Peasant Institute).
- Constantino-David, Karina. (1997) "Intra-Civil Society Relations: An Overview" in *Civil Society Making Civil Society Philippine Democracy Agenda Vol. 3*, Miriam Coronel-Ferrer (ed.) (Third World Studies Center, 1997)
- CERD (Center for Empowerment and Research) (1999) "Changing Coastlines: CBCRM in the Context of Industrialization," *Gleanings: Lessons in Community-Based Coastal Resource Management*. Quezon City: OXFAM Great Britain Philippine Office.
- Cleofe, Ma. Jovelyn (1999) "Mainstreaming Gender: Gender Issues in CBCRM," *Gleanings: Lessons in Community-Based Coastal Resource Management*. Quezon City: OXFAM Great Britain Philippine Office.
- Datt, Gaurav and Hans Hoogeveen (2000) "El Nino or El Peso Crisis, Poverty and Income Distribution in the Philippines." World Bank. Feb 29.
- De Dios, Emmanuel S. (1999) "Can He Do It? Assessing the Estrada Administration's Anti-Poverty Program." Paper read at the Philippine Political Science Association Conference, Balay Kalinaw, University of the Philippines, July 23, 1999.
- De Dios, Emmanuel S. (1999) *Economic Crisis and its Impact on Labor*. Quezon City: Philippine Center for Philippine Studies.
- Igaya, Luis (1999) "Assessing One Year of ERAP *Para sa Mahirap*." *Political Brief*. Ateneo De Manila University, Institute of Philippine Culture.
- Illo, Jeanne and Rosalinda Pineda Ofreneo (1999) *Carrying the Burden of the World*. Quezon City: UP Center for Integrative and Development Studies.
- Karaos, Anna Marie (1999) 'What Went Wrong With ERAP's Pro-Poor Act?' *Intersect*. August.
- Knowles, James, Ernesto Pernia and Mary Racelis (1999) Assessing the social impact of the financial crisis in Asia. Integrative Report. Economic and Development Resource Center, Asian Development Bank, June 1999.
- Lim, Joseph (2000) *The East Asian Crisis and Employment: The Gender Dimension*. Quezon City: Philippine Center for Policy Studies.
- Lim, Joseph (1999a) "Learning from the East Asian miracle and the East Asian crisis". In Gonzales, Eduardo. *Reconsidering the East Asian Economic Model: What's Ahead for the Philippines?*. Development Academy of the Philippines. Pp. 15-82
- Lim, Joseph (1999b) "The East Asian Crisis and Employment: The Gender Dimension." *Issues and Letters*, Vol. 8 No. 9-11, pp. 1-16.
- Lim, Joseph (1998) *The Social Impact and Response to the Current East Asian Economic and Financial Crisis: The Philippine Case*. United Nations Development Programme/Regional Bureau for Asia and the Pacific. July.
- Llanto, Gilberto M., Piedad Geron and Christine Tang (1997) "Directed Credit Programs in the Philippines: The Experience and Policy Reform Issues." National Credit Council, Department of Finance.



- Llanto, Gilberto and Ma. Teresa C. Sanchez (1998) *Strengthening Credit Institutions for Rural Poverty Alleviation*. Makati: Philippine Institute for Development Studies.
- Mangahas, Mahar (1999) Monitoring Philippine Poverty by Operational Indicators." Paper presented at the World Bank's Poverty Reduction and Economic Management Network, July 13-14, 1999, University of Maryland, University College,
- Medel-Anonuevo, Carol and Roselle Leah Rivera (1993) "The Philippines in the 1980s: A Review of Social Policy and Urban Level Interventions." TWURD Working Paper 8. Washington, D.C.: World Bank.
- MIMAP (1997) "Assessing the SRA's Flagship Project: Can the CIDSS Meet Its Target?" Micro Impacts of Macroadjustment Policies (MIMAP) Project Updates, 4 (4) December.
- Monsod, Solita and Toby Monsod (1999) "International and Intranational Comparisons of Philippine Poverty". In Balisacan, Arsenio and Shiegeaki Fujisaki. *Causes of Poverty: Myths, Facts and Policies*. Quezon City: University of the Philippines Press. Pp. 51-96.
- Moser, Caroline and Cathy McIlwaine (1997) *Confronting Crisis in Commonwealth, Metro Manila, the Philippines. Household Responses to Vulnerability Vol. 3*. Washington, D.C.: World Bank Urban Management Program and the UNDP/UNCHS.
- National Anti-Poverty Commission (August 2000) *ERAP PARA SA MAHIRAP Breaking Free from Poverty. National Anti-Poverty Action Agenda*.
- Orbeta, Aniceto Jr., Cristina G. Lopez, and Dale W. Adams (1998) "Loan Guarantee Programs in the Philippines," *Policy Notes* No. 98-08. National Credit Council, Department of Finance, Philippines.
- Osteria, Trinidad (1996) "Implementation of the Local Government Code in the Philippines: Problems and Challenges," in T. Osteria, ed. *Social Sector Decentralization: Lessons from the Asian Experience*, Ottawa, International Development Research Center.
- Pineda, Virginia and Johnny Lim (1998) *People Power at Work: The Case of the Surigao City Primary Health Care (PHC) Federated Women's Club*. Discussion Paper Series No. 98-18. Makati: Philippine Institute for Development Studies.
- Pulse Asia. (1999) *Ulat ng Bayan Survey*, May 21-June 7, 1999.
- Quicho, Rodolfo Ferdinand (1999) "Linkaging for Legislation: Advocacy Networking in CBCRM," *Gleanings: Lessons in Community-Based Coastal Resource Management* Quezon City: OXFAM Great Britain Philippine Office.
- Pasadilla, Gloria (1999) Social impact of the Asian crisis in the Philippines: preliminary survey. Philippine APEC Study Center Network. Discussion paper No. 99-10.
- Racelis, Mary (1999) Integrative Participatory Report. Finalization Conference. Assessing the Social Impact of the Financial Crisis in Selected Asian Developing Countries. Asian Development Bank Auditorium, June 17-18, 1999.
- Republic of the Philippines (June 2000). *A Philippine Progress Report on WSSD+5. Towards Government-Civil Society Agenda on Social Development*. Geneva.
- Reyes, Celia, Rosario Manasan, Aniceto Orbeta and Generoso de Guzman (1999) Social Impact of the Regional Financial Crisis on the Philippines. Preliminary Report to the Asian Development Bank.
- Reyes, Celia and Edwin Del Valle (1998) Poverty Alleviation and Equity Promotion, PIDS Discussion Paper Series No. 98-06, October.
- Robielos, Maria Teresa Sanchez (1999) "Human and social development in the Philippines Towards Achieving NIC-hood" In Gonzalez, Eduardo. *Reconsidering the East Asian Economic Model: What's Ahead for the Philippines?* Development Academy of the Philippines.
- Romero, Segundo and Rustom Bautista (1995), "Philippine NGOs in the Asia-Pacific Context" in *Emerging Civil Society in the Asia-Pacific Community*. Tokyo & Singapore, GCIE & ISEAS.

Social Watch (2000) "Alleviating Philippine Poverty: A Tall Order for the Estrada Administration." Paper presented by Jessica Reyes-Cantos for Social Watch at the ESCAP Conference on Poverty Alleviation, March.

World Bank (1998). *East Asia: The Road to Recovery*. Washington, DC.

## LIST OF ACRONYMS:

ADB	Asian Development Bank
APIS	Annual Poverty Income Survey
BESIG	<i>Barangay</i> Environmental and Sanitation Implementation Group
CBCRM	community-based coastal resource management
CBMPIMS	Community Based Poverty Indicators Monitoring System
CERD	Center for Empowerment and Resource Development, Inc.
CIDSS	Comprehensive and Integrated Delivery of Social
CPM	Capability Poverty Measure
DAR	Department of Agrarian Reform
DBP	Development Bank of the Philippines
DSWD	Department of Social Welfare and Development
FIES	Family Income and Expenditure Survey
FIRMED	Fisheries Integrated Resource Manage for Economic Development
FLOL	Fixed Level of Living Lines
GDI	Gender-related Development Index
GEM	Gender Empowerment Measure
GATT	Generalized Agreement on Tariff and Trade
HAMIS	Health Management and Information System
HDI	Human Development Index
HPI	Human Poverty Index
LDCs	local development councils
LEDAC	Legislative and Executive Development Advisory Committee
LFS	Labor Force Survey
LGC	Local Government Code
LGUs	Local government units
LHBs	Local health boards
LSBs	Local school boards
MBN	Minimum Basic Needs
NAPC	National Anti-Poverty Commission
NCRFW	National Commission on the Role of Filipino Women
NEDA	National Economic Development Administration
NFA	National Food Authority
NGOs	Non-government organizations
PADER	Program to Address the Displacement of Employees in the Region
PBAC	pre-qualification bids and awards councils
PCHD	Partnership for Community Health Development
PESO	Philippine Employment Services Offices

PHC	Primary Health Care
PNDF	Philippine National Drug Formulary
POCs	Peace and Order Councils
RRA	Rapid Rural Appraisal
SAMMACA	<i>Samahan ng Mangingisda sa Calatagan</i> (Association of Fisherfolk in Calatagan)
SEA-K	Self-Employment Assistance <i>Kaunlaran</i> Integrated Program
SKA	SEA- <i>Kaunlaran</i> Associations
SRA	Social Reform Agenda
SSNPs	Social safety net programs
SSS	Social Security System
TLRC	Technology and Livelihood Resource Center