

# PHILIPPINES

## Achieving Sustainable Development

Isagani Serrano\*

Social Watch Philippines (SWP)

In 2015, the Philippines joined the UN community in pledging to put an end to poverty in all of its forms and achieve the 2030 Agenda for Sustainable Development by 2030. That same year the Government also signed up to reducing vulnerability to risks from disasters (Sendai Framework), to contribute its share in averting climate catastrophe (Paris Agreement), and to ensuring that all these commitments get sufficiently financed (Addis Ababa Action Agenda).

Ending poverty and achieving sustainable development are aspirations long overdue in realization. The challenge is how to realize these goals in 15 years after so many years of trying to deliver on virtually the same set of promises, and failing. If the Philippines is to deliver on the more ambitious 17 SDGs in 15 years when it could not fully deliver on the minimalist MDGs during the last 15 years, it needs to recognize and confront serious obstacles, both external and internal, to achieving these goals.

### Promises, promises, promises

In 2015, the Philippines joined the UN community in pledging to put an end to poverty in all of its forms and achieve the 2030 Agenda for Sustainable Development by 2030. That same year the Government also signed up to reducing vulnerability to risks from disasters (Sendai Framework), to contribute its share in averting climate catastrophe (Paris Agreement), and to ensuring that all these commitments get sufficiently financed (Addis Ababa Action Agenda).

However, the 2030 Agenda is not quite new. The commitments to building a world without poverty and hunger, a world where there is greater fairness and people are out of harm's way from natural and

especially, “man-made” disasters, have been with us for decades, piling up like the problems they are supposed to address.

There have been many such commitments since the environment and climate change were put on the development agenda in the 1972 UN Conference on the Human Environment in Stockholm. The Philippines translated most of these commitments into national policies and legislation, from the first environmental legislation during the regime of Ferdinand Marcos to the most recent law on “green jobs” in the current Benigno Aquino administration.<sup>1</sup>

Table 1 in the Philippine Senate’s GHG At a Glance<sup>2</sup> shows that the Philippines had started on the climate track early enough although it has no mitigation obligation under the United Nations Framework Convention on Climate Change (UNFCCC). Before the UNFCCC COP 21 in Paris, the Philippines offered a 70 percent reduction of its greenhouse gas (GHG) emissions by 2030 as its Intended Nationally Determined Contribution (INDC).

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\* Isagani Serrano, Co-Convenor, Social Watch Philippines (SWP) and president of the Philippine Rural Reconstruction Movement (PRRM) and the Earth Day Network Philippines.

1 <http://interaksyon.com/business/127264/pnoy-signs-bill-on-promoting-the-creation-of-green-jobs>

2 Author corrected Table 2 of the Philippine Senate Economic Planning Office (SEPO) policy brief GHG At A Glance by deleting ‘adoption of Philippine Agenda 21 1991’ from the first row and adding a third row, ‘Creation of the Philippine Council for Sustainable Development (PCSD) to oversee the crafting of Philippine Agenda 21 1992.’

Table 1. Philippines' GHG Emissions Reduction Strategies

Strategy/Activity	Year of Implementation
Formulation of the Philippine Strategy for Sustainable Development (PSSD)	1991
Creation of the Inter-Agency Committee on Climate Change (IACCC) Change (IACCC)	1991
Creation of the Philippine Council for Sustainable Development (PCSD) to oversee the crafting of Philippine Agenda 21	1992
Enactment of the Clean Air Act of 1999 (RA 8749)	1999
Enactment of the Ecological Solid Waste Management Act of 2000 (RA 9003)	
Signing of the UNFCCC on June 1992 and ratification on 20 November 2003	
Designation of the Department of Environment and Natural Resources (DENR) as the National Authority for Clean Development Mechanism (CDM) by virtue of Executive Order No. 320	2004
Enactment of the Biofuels Act of 2006 (RA 9367)	2006
Enactment of the Renewable Energy (RE) Act of 2008 (RA 9513)	2008
Enactment of the Climate Change Act of 2009 (RA 9729)	2009
Signing of the National Framework Strategy on Climate Change (NFSCC)	2010
Mainstreaming climate change in the Philippine Development Plan (PDP) 2011-2016	2010
Signing of the National Climate Change Action Plan (NCCAP)	2011

Source: Environment and Climate Change Division, National Economic and Development Authority (NEDA) – Agriculture staff

The Philippine Strategy for Sustainable Development (PSSD) was crafted in 1989, three years before the Rio Earth Summit in 1992. The creation of the Philippine Council for Sustainable Development (PCSD) to oversee the formulation of the Philippine Agenda 21 immediately following the 1992 Earth Summit was in keeping with the Rio commitments to poverty eradication, biodiversity protection and climate stabilization.

Poverty has long been on top of the policy agenda. Almost all post-World War II regimes identified eradicating it as a priority, some even declared war against it. The 1996 Social Reform Agenda was the national translation of the 1995 Copenhagen Social Summit commitments on eradicating poverty, achieving full employment and strengthening social cohesion.

If policies and legislation were all that is needed, sustainable development might have been a reality already in the Philippines. Some say it's a problem of implementation. But there are other more basic issues. While in some areas the country's laws may be excessive, important bills such as those on land use and

freedom of information have been pending for over a decade now. More, laws tend to contradict each other, such that if you find one that benefits the poor, there are still more that protect the interests and assets of the rich.

#### Obstacles to overcome

If sustainable development is the goal that brings the greatest good to the greatest number for the longest time, this certainly is not a reality in the Philippines, not in 1992, and not now.

Crafting a consensual 2030 Philippine Agenda is a huge challenge, starting with understanding the obstacles impeding sustainable development. We cannot be free of poverty and achieve sustainable development if we don't know what's wrong with Philippine development to begin with. As well, we must be able to find sustainable solutions to the issues or paradoxes that have been blocking sustainable development in the Philippines and worldwide.

## 1. Vulnerability and adaptive capacity

For sustainable development and quality of life, one study on carrying capacity recommended that for each person a total of 0.004 sq. km or 0.4 hectares would be needed to satisfy the optimum Filipino food requirement/capacity.<sup>3</sup> We long ago exceeded that. Yet 20 percent of the population, or over 15 million people, are considered undernourished.<sup>4</sup>

The Philippines is a fragile archipelago right on the world's typhoon highway. It is now home to 102 million people living off shrinking farmlands, degraded land and water resources, and deteriorating marine ecosystem. The country is fast urbanizing, with more than half of its population living along the long coastline threatened by storm surges and sea level rise.

Out of the 173 countries evaluated by the World Risk Index, the Philippines ranks third most at risk.<sup>5</sup> The Index stresses not only the magnitude and frequency of a natural event but also the social, economic and ecological factors characterizing a country, looking at exposure to natural hazards, susceptibility, coping capacities, and adaptive capacities. Whether natural hazards will turn into disasters depends not only on the intensity of an event but is also crucially determined by a society's level of development. Raising our adaptive capacity is a must.

## 2. High inequality, high poverty despite economic growth

While many are being denied their rights to live with dignity, the benefits from growth are concentrated in the hands of few billionaire families, the less than 1 percent who dominate the political economy. Wealth and income are concentrated in select regions of the country, which is why inequality remains high at the

mid-range of the Gini.<sup>6,7,8</sup>

In 2015, more than 26.3 percent or about 27 million Filipinos live in poverty.<sup>9</sup> Of these, 12.1 percent or over 12 million people are below subsistence level, eking out a hand-to-mouth existence. About 5 million families, of a total of 20 million, live below the poverty line.

These masses of poor people are being left out and left behind on the basis of gender, generation, physical disability, geography, ethnicity and culture. They are mostly found in the countryside, in farming, forest and fishing communities far away from Metro Manila. They are the landless, homeless, jobless who could not secure their food, education and health care. The most excluded among them would be persons with disability (PWD)<sup>10</sup> who also happen to be out-of-school, sick or stunted girl-children or older women, from indigenous or Muslim communities. Their vulnerability would be most vividly exposed in times of disasters, as during the monster 2013 typhoon Yolanda (Haiyan) tragedy.

Social protection is not universal, and what exists is so inadequate and under constant threat of erosion from privatization of essential services.

The country's regressive tax system punishes the poor, including a wide section of non-rich middle class, while failing to fairly tax the rich.

Jobless growth and massive poverty beget expensive cash and provisioning programmes like the conditional cash transfer (CCT) and Pantawid Pamilyang Pilipino Programme (4Ps). The 4Ps is heavily financed by World Bank and Asian Development Bank loans, adding to the

3 T.C. Mendoza, "Why food prices increase and what can be done." Philippine Journal of Crop Science 32(2): 87-101, 2008.

4 <https://www.freedomfromhunger.org/philippines>

5 Alliance Development Works, United Nations University, and The Nature Conservancy, World Risk Report, Berlin, 2012, available at:

<http://www.worldriskreport.org/>

6 M.R. Raquiza, "Combating Poverty, Hunger and Inequality: A Sisyphean Exercise?" Social Watch Philippines Spotlight Report, 2016.

7 Tomas Africa, former chief of the National Statistics Office plotted the almost flat growth of the Filipino middle class since 1985.

8 J.R. Albert, Raymond Gaspar, and M.J. Raymundo. "How big is the middle class? Is it benefiting from economic growth?" Rappler, 24 June 2015.

9 Philippine Statistical Authority (PSA) Reference Number: 2016-318 Release Date: Friday, 18 March 2016.

10 Philippine Coalition on the UNCRPD, CRPD Parallel Report submitted to the Committee on the Rights of Persons with Disabilities on the Implementation of the Convention in the Republic of the Philippines from 2008 – 2013.

huge national debt burden (about 6 trillion pesos) that will be dumped onto the next generation.

Beneficiaries of 4Ps welcome cash transfer but don't want to be "enslaved" by it. Even the most vulnerable among them, the people with disabilities (PWDs), for example, prefer secure and decent jobs that will enable them to buy food and nutrition, education, health care and freedom of movement.

### 3. Growth with a growing carbon footprint

Philippine economic growth leaves a huge carbon footprint, relying heavily on coal, oil and gas despite the Renewable Energy Law mandating an increasing share of geothermal, hydro, solar, wind, and biomass in the energy mix. In the pipeline are 27 new coal plants expected to generate 8419 megawatts, on top of 19 existing coal plants producing 5832 megawatts of electricity.

In 1994, the Philippines released about 50 million tons of CO<sub>2</sub> from the use of fossil fuels in electricity generation, transport, industry, and in residential, commercial and institutional areas. This accounts for nearly half (49%) of our country's greenhouse gas (GHG) inventory as reported in the Initial National Communication (INC) to the UNFCCC. In 2000, the energy share increased to about 70 million tons of CO<sub>2</sub>, accounting for 55 percent of the total GHG inventory in the Second National Communication (SNC).<sup>11</sup>

The share of industry, agriculture, and waste sectors in GHG emissions has also increased. This may be due to increased use of construction cement, carbon intensification in conventional agriculture, as well as poor implementation of ecological waste management. Land use change and forestry (LUCF) is reported to be a net sink rather than source of GHG emissions. This might be due to failure to account for the degradation of land cover other than forest, like croplands and sparsely vegetated areas, wetlands and water bodies, and

pavement.

The Electric Power Industry Reform Act (EPIRA) of 2001 that privatized the power industry failed to reduce the carbon footprint or protect the public interest. Government gave up a traditional state monopoly to corporations involved in fossil fuels and extractives and got little or nothing in return. Electricity cost in the country is still the highest in the ASEAN sub-region.

### 4. Economy dominated by big companies

In 2011 the World Bank valued the Philippine economy at about 9.4 trillion pesos or USD 224.75bn.<sup>12</sup> By the end of 2016 the Philippines' GDP was expected to grow to USD 302 bn and by 2020 to USD 398.97 billion, according to Trading Economics.<sup>13</sup>

Despite continuous economic growth, the country is unable to provide full employment, much less decent jobs for the majority of those already formally employed. Annual remittances from Filipinos overseas, which range from USD 28bn to USD 33bn keep the economy alive.

Big companies account for only 0.4 percent of the 946,988 establishments in the Philippines, according to data provided by the Philippine Statistics Authority (PSA). The remaining 942,925 (99.6%) are micro, small, and medium enterprises (MSMEs). Of the total number of MSMEs, 851,756 (90.3%) are micro enterprises, 87,283 (9.3%) are small enterprises, and 3,886 (0.4%) are medium enterprises. The proportion of big companies to MSMEs has not changed since 2010 when the National Statistics Office recorded a total of 777,687 enterprises in the Philippines.<sup>14</sup> In bad times, the MSMEs and the informal economy serve to cushion the impact of the crisis and keep the economy alive.

Corporations rule Philippine development, aided by government policies and public-private partnerships (PPPs)—the main promoters of the growth mindset. PPPs control the commanding heights "surrendered by

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11 G.T. Narisma, "Counting Greenhouse Gases in Local Communities' in Disturbing Climate," in J. Villarin et al., eds., 1999. Presentation by J. Villarin of the results of GHG inventory for the Second National Communication (SNC) 27 November 2009 at the AIM Conference Center.

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12 World Bank, 2011.

13 <http://www.tradingeconomics.com/>

14 National Statistics Office, 2010.

government”---land, water, electricity, transportation and communication, banking and finance, media, schools, hospitals, sports and entertainment. They run an economy powered by fossil fuels. They take the lion’s share of wealth and income of the nation. They are beneficiaries of tax incentives and may also be responsible for illicit financial flows which run into billions of forgone revenues.

The country’s economic geography illustrates highly uneven development and unequal distribution of created wealth and income. Primate cities suck up most of the resources. Metro Manila, with neighboring Central Luzon and Calabarzon, would claim half to two-thirds of GDP.<sup>15</sup> These regions are getting richer at the expense of regions like Bicol, Eastern Visayas, Cagayan Valley and, most especially, Mindanao. No wonder small savings deposited in faraway rural banks eventually end up in the vaults or ledgers of big banks in Metro Manila and then lent to big borrowers who prefer to invest in already highly-developed areas.

The situation in Mindanao is illustrative.<sup>16</sup> The elusive peace there is symptomatic of a much deeper problem, namely that the level of poverty is far higher than the country’s average. Mindanao is such a rich area, hardly visited by typhoons till recently, that it could achieve prosperity left to itself. How could it fail to make progress on something as basic as the MDGs?

The poverty and inequality that continues to dog Mindanao, especially Moro (Muslim) and indigenous tribal (indigenous tribal (lumad) areas, are rooted in historical injustices and discrimination dating back to our colonial past and perpetrated by a succession of post-colonial regimes. They are imbedded in unjust economic, political, and socio-cultural structures urgently needing change. War is not the answer, as governments realized long ago.

Philippine development means developing the city and

beggaring the countryside.<sup>17</sup>

## 5. Politics and governance by the rich

Government can be either an obstacle or a positive force for sustainable development. It remains a powerful institution in the Philippines despite liberalization. Politicians invest money to obtain government jobs. It’s the single biggest employer, with over 1.3 million people in 2011, according to the Civil Service Commission. It commands a budget that runs to trillions of US dollars, enough to eradicate poverty, reduce inequality, and achieve prosperity for all.

In a country dominated by patronage only about 250 rich families wield political power.<sup>18</sup> Not much has changed despite regime changes occasioned by so-called “people power” revolutions. The failure of the P-Noy regime’s “no corruption, no poverty” agenda suggests the failure of both its anti-corruption and its anti-poverty programmes.

Government is responsible for the tax injustice already imbedded in the system. While big investors enjoy tax holidays and incentives, wage workers and fixed income earners bear the greatest burden in the personal income tax (PIT) system. Employees contribute 86 percent of total taxes collected from individuals – that is, P271.5B out of P283.6B in 2014--- equivalent to 60 percent of total corporate income taxes. The biggest increase in Bureau of Internal Revenue collections from 2013 to 2014 came from PIT (15%).<sup>19</sup>

Unsustainable development begets human rights violations. The state as duty bearer must answer for the violations of social, economic and cultural rights as indicated by lack of food security, homelessness, landlessness, joblessness, poor education and health care, vulnerability to disasters, high maternal mortality, and inadequate social protection.

Government must also answer for the unregulated

15 Ernesto E. Pernia, Regional development BusinessWorld. Posted on 2 September 2012 09:33:00 PM

16 I.R. Serrano, “Breaking through to sustainability,” Social Watch Philippines and UN Millennium Campaign 2012.

17 I.R. Serrano, “Assessing RD under P-Noy,” UP-CIDS 2015.

18 <http://newsinfo.inquirer.net/782979/the-politics-of-charm-in-philippine-elections>

19 R.T. Manuel, Tax Management Association of the Philippines (TMAP) #TAXREFORMNOW

corporate activities that harm people and the environment.<sup>20</sup>

### Change the system, change everything

There is an urgent and compelling need to find ways to depart from development as usual, starting from our own vision of the future to the means of achieving it. We need to radically change what we value most in life in light of cyclical unwanted outcomes despite all the efforts.

The 2030 Agenda promises so much which may not be realized. It's like a narrative without villains: it does not say why we have so much poverty and inequality and who's causing it. There are underlying contradictions among its 17 goals, say, between growth and redistribution, which could lead to counterproductive results.

#### 1. Prosperity without growth

"Prosperity without growth"<sup>21</sup> could be a game-changing vision of the future, meaning fairly shared prosperity with carbon neutrality, suggesting sustainable consumption and production. Is it possible?

Yes, if we slow down<sup>22</sup> and shorten everything. Slow down, take time to grow and enjoy our food. Slow down and make time for nurturing our families and communities. Slow down and make time to produce goods that last for a lifetime.

Yes, if we shorten the food mile, health mile, education mile, leisure mile, whatever it is that alienates people from the means to live in dignity. We have to reduce and limit the ecological/carbon footprints of over-consumers and over-emitters among us while also focusing on improving the lives of the poorest, the most

oppressed, the excluded and left-behind.

Ways must be found to dramatically change unsustainable consumption and production patterns. Current patterns---in food, homes, education, health care, leisure, freedom of movement---are highly unequal. More, they exact a heavy toll on nature and the human environment, breach ecological limits, threaten systemic breakdowns, and destabilize the climate system.

The financial system should serve the real economy. The money game, driven by greed and speculation, cannot continue making claims on real people, honest labor, and nature.

Social enterprise (SE)<sup>23</sup>, which combines economic, social and environmental bottom lines, could be a game-changer in a highly unequal society like the Philippines. The local economy and trading system, or LETS, may also be an alternative worth trying.

#### 2. Justice and fairness

Yes, why should so few have so much when so many have so little? No society can be stable or sustainable that way. Government must and can be an equalizer. It can establish equality of conditions through land reform and universal social protection. It must be able to tax the rich and prevent concentration of wealth in the hands of a few.

The Philippines can reduce inequality by changing the economic geography. We can reverse the big city-oriented development by supporting the provincial and local economies. We can do this by changing the pattern of public expenditure. For example, we can shift budget allocation in economic services away from already developed areas.

Let's bring the city to the farm, and the farm to the city to break the Manila-bias of Philippine development. The structure of growing wealth creation that we see in the

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20 A case without precedent filed by a group of climate activists with the Philippine Human Rights Commission, is looking into the possible human rights violations committed by the Carbon Majors.

21 Slogan of a placard in a huge rally on climate justice in 2009 in Copenhagen UNFCCC COP 15. UK Sustainable Development Commission economics commissioner Tim Jackson is among those promoting the concept of "prosperity without growth."

22 Donella H. Meadows, *The Global Citizen*, Island Press, Washington, DC, 1991.

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23 Marie Lisa Dacanay, "Social Enterprises and the Poor: Enhancing Social Entrepreneurship and Stakeholder Theory." PhD Series 30. Copenhagen Business School: Doctoral School of Organization and Management Studies, 2012.

Philippines contradicts the mantra of broad-based, inclusive growth. Attempts to create growth centres away from Manila by the Ferdinand Marcos regime and later under that of Gloria Macapagal-Arroya are laudable. But they will not work unless government is able to break the current elite and urban-centered structure of power and resources. The Local Government Code of 1991 can be a means to decentralization and sustainable local development.

Government must see to it that adequate resources, and authority, too, are deliberately transferred from the rich regions to the poorer ones. This sort of “Robin Hood” act is very much needed in the Philippines.

### 3. Break free from fossil fuels

Solarize, solarize, solarize. The faster we can transition to the solar age the faster we will achieve sustainable development. Government can take the lead by solarizing the rooftops of all public buildings, parks and other common areas needing lighting. The ways and means to migrate from the current high-fossil fuel regime to a renewable energy-based one should be a no-brainer.<sup>24</sup> Only the super-rich who control the fossil fuel industry and profit from it would resist that transition.

We must revive and expand the national railway and lead the shift to a more sustainable transport system.

The sooner we shift from conventional, fossil fuel-intensive farming to organic and sustainable agriculture the better for our long-term food security. Sustainable agriculture is the foundation for a green economy. Sustainable land management (SLM), along with integrated water resources management (IWRM), can restore healthy soils and help achieve land degradation neutrality (LDN). Ecological waste management and community-based coastal resources management (CB-CRM) will help rehabilitate polluted inland water bodies and marine ecosystems.

Our commitment to the Paris Agreement demands that we break free from fossil fuels, starting with coal, and pursue low-carbon development. A realistic proposal<sup>25</sup> recommends that any new electricity demand should be met by 100 percent renewables. We can do without any new construction of fossil-fueled power plants. Supply is large enough to make the early retirement of some of the oldest coal plants possible. The government's own energy efficiency and renewable energy targets were more than enough to supply all new demand with 100 percent renewable electricity. Had the government worked really hard to attain these targets, there was no need—since 2013—to build new fossil-fuel power plants.

### 4. Change what we measure<sup>26</sup>

Pursuit of happiness should be the ultimate end of development. We can learn from Bhutan's Gross National Happiness which uses unconventional targets and indicators to measure human progress. Use of time for work, rest and leisure is classic example. The index's four pillars, nine domains and 33 indicators might have universal applicability. Individuals and societies whose happiness depends so much on fossil fuels and money might find prosperity without growth and Gross National Happiness an assault on their right to be happy at any cost. That unsustainable lifestyle must change.

Albert Einstein said, “Not everything that counts can be counted, not everything that can be counted counts.” People use one or another set of indicators depending on what's important to them. Consider, for example, one author's<sup>27</sup> choice: percent of food supply grown organically; percent of streams you can drink from safely; average age of trees in the forest; population trends of migrating songbirds; distance between where food is grown and consumed; average distance traveled by a person each year; how many elections when you vote for a politician you really trust and like; average

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24 Roberto Verzola, *Crossing Over: The Energy Transition to Renewable Electricity*. Manila: Friedrich Ebert Stiftung, 2015, available at: [https://rverzola.files.wordpress.com/2015/03/crossing-over\\_final-layout\\_13mar2015.pdf](https://rverzola.files.wordpress.com/2015/03/crossing-over_final-layout_13mar2015.pdf) (Last accessed 9 Apr. 2016).

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25 Roberto Verzola, “A remarkable energy plan by the Philippine government,” a paper contributed to *Social Watch Philippines Spotlight Report: “100% renewable electricity---how soon?”* Center for Renewable Electricity Strategies (CREST), 2016.

26 Serrano, “Breaking through to sustainability,” 2012.

27 Meadows, *The Global Citizen*, 2012.

distance between living places of members of an extended family; average number of minutes spent every day in prayer, meditation, or quiet time; how many “clowns” in a village; number of people who say they have “enough”.

To some of us, the infant mortality rate (IMR) is the most sensitive single indicator of a society’s wellbeing. It tells us the quality of nutrition and health care. It can be connected to the quality of water resources, homes, education, especially the education of women.

It says a lot about how we take care of the most vulnerable among us, our children, and therefore our future. We can choose and focus on the most appropriate SDG indicators that hold the key to the resolution of the Philippine development paradox.

In short, we cannot go on seeing the unbearable human suffering around us and the threat of climate change to our very existence. We must find ways to change everything that discounts and degrades labor and nature.