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## THE SOCIAL REFORM AGENDA

Massive poverty has been a nagging problem of every administration since the last global war, and its eradication, the professed foundation from which all government programmes and action emanate. In keeping with tradition, the Ramos government has adopted «growth with equity» as its rallying cry. In 1993, the government formalised the Medium–Term Philippine Development Plan (MTPDP) or «Philippines 2000». The year after, it launched the Social Reform Agenda (SRA) as an accompanying programme to the MTPDP. Both programmes address poverty: MTPDP aims for rapid growth with the assumption that the benefits will eventually trickle down to the lower classes while the SRA was designed to level up the playing field, in favour of the poor majority. By the year 1998, the government has set its sights on attaining a 10% growth rate while reducing poverty to 30%.

For the period covered in this paper (1990–1995), the economy did rebound from a recession in 1991 to register a 5.1% growth in the country's gross national product (GNP) in 1994. But whether growth has benefited the country's impoverished majority is an altogether different matter. This paper delves into the country's poverty situation, with specific focus on women, and government anti-poverty efforts.

### POVERTY SITUATION

The five-year period saw a reduction in poverty levels. The government estimates the decline of poverty incidence from 39.9% in 1991 to 35.7% in 1994. Growth was partly responsible for this reduction by creating new jobs, albeit the actual number consistently fell short of the annual target. Partly too, poverty has eased due to the extra household income provided by family members working abroad. Overseas contract workers account for about 5% of the country's labour force and, in 1995, provided US\$ 4.9 billion in remittances.

This said, coping with poverty has become a way of life for many Filipinos. In 1994, a Filipino man or woman had to earn at least 8,969 pesos—more than 1,000 pesos he or she did three years ago—to survive. Using this officially–defined poverty threshold, 4.56 million families were poor. Of this number, more than half were unable to meet even their basic food requirements.

Poverty is worse in the rural areas than in the urban ones. Based on government figures, from 1991 to 1994, poverty declined in the rural areas by only about 2% and in the urban areas by almost 7%. The World Bank estimates that 68 percent of the rural population remain poor. The rural poor consist of the following: tenants, leaseholders, or farm workers in rice, corn, coconut, and sugar lands; artisans, municipal fisherfolk; and upland populations including indigenous communities. On the other hand, the urban poor represent 17 percent of the national population and 40 percent of the urban population. The urban poor are largely composed of wage earners (working in factories or the service sector), the self-employed, or those engaged in the informal sector.

The government has identified the loci of intense poverty down to the provincial level. Generally speaking, impoverished provinces share some or all of the following characteristics: their geographic location is relatively far from the National Capital Region, the Philippines economic and political centre, or within the «typhoon belt»; they have relatively meagre natural resources; and, land ownership remains highly concentrated. The government has identified 20 out of the country's 77 provinces that are suffering from extreme poverty.

Particularly in the rural areas, income distribution closely reflects the pattern of ownership of resources. Rural wealth derives from massive landholdings and industrial cartels. The implementation of the Comprehensive Agrarian Reform Programme of 1987 has been excruciatingly slow. By the end of 1994, it covered only 31 percent of the 10.3 million hectares targeted for redistribution. Democratising the market is also urgently needed. The coconut industry is one prime example of the dominance of monopolies: in 1992, more than 8 million coconut farmers depended on the operations of only 114 coconut and coconut product processing plants and 5 coco–chemical factories.

Hence, despite the rise in GNP, the richest 20% continued to amass 52.5% of the total national income while the poorest 40% got only 13.6%. From 1991 to 1994, the share of total household income of the richest 10% declined from 37.8% to 36.1% (a 1.7% decrease), while that of the lowest 10% went up from 1.8% to 1.9% (a 0.1% increase). The slow pace of income redistribution indicates how entrenched the rich and besieged the poor are in Philippine society.

Two other factors stand out in determining the poor's quality of life: 1) access to gainful employment, and, 2) the accessibility of social services. As earlier stated, job creation has yet to keep up with a growing labour force. In 1990–1995, unemployment and underemployment averaged about 9% and 21%, respectively. The high figures may partly be explained by the fact that while the country has attracted foreign business into the country, few of them go into direct, equity investments that create real goods and jobs. Portfolio investments (e.g., stocks, real estate, and treasury bills) make up the bulk of foreign capital inflows. The ratio of portfolio investments to direct investments shot up from about 2:1 in 1990 to almost 6:1 in 1995.

Predictably, limited access to income and assets affected the poor's access to basic social services. In 1992, while more from the low-income bracket attended primary school, there were still almost 2 million children who did not get any formal education. Only 39% and 6.4% of the youth attended high school and college, respectively. Of about 18% of the poor who reported having been taken ill in January–June 1992, only 5.1% used health facilities. The majority of poor, pregnant women delivered their babies at home (88.9%) with the help of a traditional midwife (68.6%). Finally, about 35% of the national population did not have access to safe drinking water. Of those who did, more than 40% shared their supply with other families.

## FILIPINO WOMEN'S REALITIES

Against this national backdrop, one gains a deeper insight into the lives of Filipino women. Among the country's poor, women are the poorest. The majority are born to poor families, concentrated in the rural areas. Yet, their class origin is only one obstacle to their full human development; the other is the persistence of gender discrimination. Women, traditionally seen as homemakers, have even less access to technology, education, capital, and other resources, relative to men, the traditional breadwinners.

According to the National Commission on the Role of Filipino Women (NCRFW), a woman earns 47 centavos for every peso a man earns across the different economic sectors. In the agricultural sector where her farm work is usually regarded as unpaid, family labour, she earns only nine centavos for every peso. On the other hand, equal recognition of her role in production has long been denied her. Even if women farmers perform at least half of farm activities, they seldom have control over the land, farm implements, and the production process. Women constitute only 18 percent of land title holders. In Central Luzon, they represent only 10 percent of farm operators.

Nevertheless, statistics show that women's earning capacities have increased over time. In fact, the 47 centavos mentioned above already represent a 12-centavo increase from what they used to get in the early 1990s. Largely out of necessity and the type of jobs created by the present growth, more and more women have entered the labour force. Gross domestic growth has been largely fuelled by an expanding service sector and the establishment of export processing zones (EPZs) –two areas that draw large-

ly from women's labour. The service sector represents a broad range of traditionally women-dominated jobs, from teaching to domestic housework and from sales to «entertainers». On the other hand, women comprise more than 70 percent of the workforce in EPZs, mainly made up of semi-conductor manufacturing, garment, and food processing factories.

Given the labour market, the early 1990s have seen a rise in women's participation in the formal and underground economy. In 1991, about 47 percent employed in the manufacturing sector were women (above their 37% national employment rate). Women's labour is also particularly sought after with the adoption of sub-contractual and more flexible labour practices. For instance, only 32% of about half a million garment workers, mostly women, are factory-based. Women, traditionally home-bound, thus present cheap labour, thus saving companies thousands of pesos in overhead expenses and workers' benefits. In the early 1990s, it was estimated that more than 600,000 women were involved in the informal sector as well.

The fact that the rural-urban distribution of the population shows that there are less women than men in the rural areas and, conversely, more women in the urban areas, suggests that more women are leaving their hometowns in search of work. Also, the growing number of women overseas contract workers (OCWs) corresponds to this emerging migration pattern. Significantly, the period when the country's economy began to grow also saw a rise in the number of women OCWs. By 1994, they comprised 60% of the total number of Filipinos working abroad. Thus, even as no data is available on the number of poor women compared to their male counterparts, local women's organisations have cited such statistics as proof of the growing feminisation of poverty.

## THE GOVERNMENT'S PROGRAMME

The Social Reform Agenda (SRA), formally launched in September 1994, constitutes government's response to poverty. As an SRA document states: the SRA as the «*Integrated National Action Agenda on Anti-Poverty*» aims to «ensure the welfare and early integration of disadvantaged groups into the political and economic mainstream». It aims to achieve three general objectives: improved access of the basic sectors to social services and productive assets; incorporation of sustainable development in the management and use of natural resources; and, increased participation of key stakeholders in governance.

To achieve its objectives, a multi-sectoral Social Reform Council (SRC) headed by the President was formed. The SRC mobilises the different government line agencies as well as local government units and has an SRC Secretariat to backstop its efforts. The basic sectors (farmers, children, fisherfolk, indigenous peoples, organised labour, urban poor, senior citizens, students, women, persons with disabilities, workers in the informal sector, victims of disasters, business, and the NGO community) are also represented in the SRC.

Particularly, the SRA outlines six flagship programmes: agrarian reforms for farmers and landless rural workers; aquatic re-

forms in coastal communities along priority bays and lakes; certification of ancestral domain claims of indigenous peoples; urban reform in cities and towns, including those identified as growth centres; resettlement for victims of disasters and calamities; and, the comprehensive delivery of basic social services. Targeted for integrated, multisectoral interventions are 5th and 6th class municipalities, initially in 20 poverty-stricken provinces.

For this effort, national government agencies and local government units allot a portion of their regular budget. In the 1996 national budget, social reform funds totalled PhP<sup>1</sup> 86.7 billion. Other sources of SRA funds include the 4-billion peso Poverty Alleviation Fund and the 100-million peso Local Government Empowerment Fund. Official development assistance (ODA) has also been tapped to fund SRA projects. As of October 1996, ODA project funds amounted to P269.34 billion. The donor community has also recently committed US\$ 308.6 million for the SRA.

The NGO-PO community has set up its own secretariat, currently lodged in the National Peace Conference office. This parallel initiative has got from government some 5 million pesos for the basic sectors' mobilisation efforts. The represented sectors can also access funds from the different flagship programmes.

Particularly for women, the National Commission on the Role of Filipino Women is implementing the «Philippine Plan for Gender Responsive Development» (1995–2005), as «the main vehicle for implementing in the Philippines the action commitments during the Fourth World Conference on Women in Beijing, China». In October 1995, the SRA was expanded to cover the Beijing Platform of Action and the NCRFW was made a member of the SRC. An executive memorandum was also issued, instructing government agencies to incorporate gender and development funding needs into their annual budgets, particularly for training and database management on these issues. Accordingly, the 1996 General Appropriations Act required all departments, bureaus, offices and agencies to set aside at least 5% of their 1996 budgets for such projects.

## OMINOUS TRENDS

The Social Reform Agenda, as government's centrepiece programme for poverty alleviation, seems to be the logical translation of commitments government had made in the different UN conferences held this decade. In truth, it can be said that the SRA, as it integrates the reforms of the different government agencies, serves as the social conscience of the MTPDP.

It is difficult to evaluate the SRA's effectiveness in achieving its avowed goal, however, due to its still relatively brief record and the lack of more recent official figures on the poverty situation, from the national down to the SRA's targeted communities levels. The SRA does not open itself up to a concrete impact evaluation because government has yet to further disaggregate the

SRA budget to indicate exactly how much resources go to what specific reform and to whom. What programmes or thematic areas actually fall under the criteria of social spending also remain ambiguous in light of reports, for instance, that even the Philippine National Police can pass off its budget as SRA funds. Because the SRA encompasses every line agency and all government levels, tracking responsibility and accountability remains elusive. Nevertheless, even at this early point, one wonders how far the SRA can go given government's overall development programme. The SRA is framed within a development model, hinged on rapid, blanket liberalisation that risks the livelihood and natural resources, if not sovereignty, of communities. In the Asia Pacific Economic Co-operation (APEC), government pledged to phase down tariffs on industrial and non-sensitive agricultural products to a uniform rate of 5% by 2004 (faster still than the APEC-prescribed 20/20 goal for developing countries) and lift quantitative restrictions on agricultural products. This indiscriminate opening up of the economy to foreign capital threatens to displace millions of direct producers and small to medium scale Filipino entrepreneurs. It is instructive that the Southern Tagalog growth region of Calabarzon is also the region with the highest concentration of landless families (78% of households).

In fact, asset reforms earmarked for the basic sectors cannot even begin to match incentives given to foreign investors. To illustrate, certificates of stewardship over ancestral domains, given to indigenous peoples, run for only 25 years. In contrast, the passage of the Foreign Investment Act in 1994 allows foreign investors to lease land up to 500 hectares for 75 years. How the asset-less can compete with capital for already scarce natural resources is a question that the government has yet to seriously respond to. Clearly, the government's programme of liberalisation, deregulation, and privatisation will pauperise more individuals, at a faster rate, than the number of beneficiaries that its poverty alleviation programmes can possibly accommodate.

Equally significant is where the SRA will get its funding, given the country's chronic fiscal and monetary shortfall. Asset reforms cost money and the most that the government has done to generate internal revenues is to resort to regressive taxation: in 1995, indirect taxes made up 57% of revenues. Indeed, the adoption of a progressive tax system is the most effective way to help correct social disparity, yet the elite-dominated Legislature has consistently resisted the popular call to tax the rich and the Internal Revenue Bureau has so far failed to arrest tax evasion and avoidance (from which government has lost at least 50% of potential collectibles).

In light of its budget deficit, the government has lessened public spending. For instance, the proposed solution to the need to provide safe, drinking water to all is to privatise the waterworks systems. On the other hand, agrarian reform is fast losing out to land speculation. The World Bank has pointed out that the rising market value of land has raised the cost of implementing CARP's next phase to at least 55 billion pesos. As such, it recommends a

1 PhP Pesos filipinos.

review of land reform efforts in rapidly urbanising areas as well as a stop to such initiatives in lands lower than 24 hectares (despite the fact that these constitute two-thirds of targeted lands in the next phase).

For 1997, the National Economic Development Authority stated that the country will need 151-billion peso-worth of external financing to sustain growth. Out of this amount, 63% will go to the infrastructure sector and only 1% to human development. Past budget allocations reveal that social development is a far second in government's priorities. Public spending in social services has steadily declined from 1994 to 1996: during the first quarters of 1994, 1995, and 1996, the percent of GNP (at constant prices) garnered by government services amounted to 5.20%, 5.08%, and 4.91%, respectively. As of this writing, the NCRFW and women's organisations are lobbying Congress amidst the threat that the NCRFW's funding for the new fiscal year will be slashed to 12 million pesos, a seven million pesos decrease from the already meagre budget it got in 1996.

Evidently, the fulfilment of the Social Reform Agenda goes against the grain of the MTPDP, and the contradictions between government word and action are bound to intensify. Unless government reorients its overall development strategy towards having social justice and gender equality at its centre –and asserts its economic role vis-à-vis the market–, the SRA will, at best, be only one big safety net for the many who are bound to fall by the wayside of progress.

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- PRRM The Philippine Rural Reconstruction Movement is a development non-governmental organization that, since its founding in 1952, has been working to uplift and empower the rural poor. Through its core programme, the Sustainable Rural District Development Programme, PRRM field interventions and policy advocacies fall under four general thematic areas: empowerment and governance; natural resource management; sustainable local economic development; and, family/social development. It is a member of the NGO network, involved in the Social Reform Agenda process.