

MIMAP

Micro Impacts of Macroeconomic Adjustment Policies

PHILIPPINES

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Project Updates

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POVERTY INCIDENCE OR THE incidence of poor families is determined by comparing the computed per capita annual income of each sample family from the *Family Income and Expenditures Survey (FIES)* to the respective annual per capita poverty threshold of the region (urban/rural) where the sample family resides. Those with incomes below (above) the poverty threshold are identified as belonging to the poor (nonpoor) for each region, urban and rural, where the sample family resides.

The number of families below the poverty threshold at the national level is determined by adding the number of families below the poverty threshold for each region, urban and rural. For regional poverty incidences, the estimates are derived by adding the number of families below the determined poverty threshold for that region separately for rural and urban areas.

The source of poverty statistics in the Philippines is the National Statistical Coordination Board (NSCB). As of this writing, its official provincial estimates are not yet in. As such, this article refers to the provincial poverty incidence on the basis of the regional thresholds in which the province belongs.

Situation at the National Level

Recent data from the NSCB show that poverty in the Philippines continues to decline. This is evident in the fact that in 1997, 31.8 percent

Poverty in the Philippines: A Situationer

of all families in the country had income below the poverty threshold of P11,319.00, 3.7 percentage points lower than the 1994 incidence at 35.5 percent. In terms of magnitude, though, the total number of poor families remains at 4.5 million.

However, there are indications that poverty is on the rise. In fact, preliminary results from the 1998 *Annual Poverty Indicator Survey (APIS)* show that average monthly income for the 9 poorest deciles declined between 1997 and 1998 (Table 1). This indicates that poverty incidence would be higher than the 31.8 poverty incidence registered in 1997. The increase can be attributed to the Asian financial crisis and the El Niño weather phenomenon which hit the country in 1997. This finding validates the results obtained in an earlier study of MIMAP on the impact of the financial crisis.¹ The MIMAP finding based on simulation results shows that the average income of families would decline and the percentage decline would be greater for the lower income groups.

¹See "An Analysis of the Social Impact of the Financial Crisis in the Philippines" in MIMAP Project Updates, March 1999

Regional Profile

Looking at the regional picture, overall poverty level is seen to be still high since most of the regions have poverty incidence higher than that of the national estimate. The Autonomous Region of Muslim Mindanao (ARMM) had the highest poverty incidence in 1997, with 57.3 percent of the families considered poor. Other regions with high poverty incidence were Region 5 (Bicol) with 50.1 percent and Region 12 (Central Mindanao) with 50 percent.

Meanwhile, only three regions had poverty incidence lower than

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Manila Social Forum: Recommending a Social Monitoring System for a New Social Agenda

DR. CELIA M. REYES, SENIOR Research Fellow at the Philippine Institute for Development Studies (PIDS) and Project Director of the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) Philippines Project, was recently invited as a resource speaker during the Manila Social Forum on the new social agenda for Central, East and Southern Asia. The event, organized by the Asian Development Bank (ADB) and the World Bank (WB), was held on November 9-12, 1999 at the ADB head office in Mandaluyong City.

In her presentation, Dr. Reyes pointed out the need for a social monitoring system that will help gov-

ernment officials, researchers and the general public assess the welfare status of individual Filipinos and households, and provide early warning signals on the adverse impact of a crisis.

In line with this, Dr. Reyes recommended the following:

- * Creation of databanks by the government at each geopolitical level, starting at the household level, with the respective barangays taking the lead in data collection since the immediate set-up of a social monitoring system at the national scale may be too costly;

- * Need for an established flow of information from the

barangay to the National Government which will generate feedback; and

- * Conduct of more surveys and formation of community-based monitoring systems to fill in the "data gaps."

Dr. Reyes added that the community-based monitoring system plays a major role in the social monitoring system through the provision of up-to-date information on key social indicators to decisionmakers.

The Forum was attended by policymakers, researchers, nongovernment organizations (NGOs) from Central, East and Southern Asia, and donor representatives. **LEV**

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The MIMAP-Palawan Collaboration: *An Update*

AS PART OF THE CONTINUING collaboration between the MIMAP-Philippines Project Management Office (PMO) and the lo-

cal government units of the province of Palawan, the latter invited the MIMAP-PMO to participate in an action planning workshop to assess the existing welfare monitoring

system at the community level in the province of Palawan. The activity, which was held from October 26-27 in the Municipality of Taytay, Northern Palawan, is in line with the proposed implementation of a community-based monitoring system (CBMS) in the province.

The workshop started with an overview of the workings of a community-based monitoring system for development planning. In this re-

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the national estimate. The National Capital Region (NCR) leads, with the lowest poverty incidence at 6.4 percent, followed by Region 3 (Central Luzon) at 15.4 percent, and Region 4 (Southern Tagalog) at 25.7 percent.

Almost all of the regions reported a decline in poverty incidence from 1994 to 1997. For instance, Region 1 (Ilocos Region) and Region 3 (Central Luzon) experienced the highest level of decline at 10.1 and 9.8 percentage points, respectively, from 1994 to 1997. However, there are other provinces which exhibited minimal reduction in their poverty incidence. Among these are the NCR (1.6), Southern

Mindanao (2.1), Northern Mindanao (2.2) and ARMM (2.7).

On the other hand, there are two regions which saw a rise in poverty incidence. These are Region 8 (Eastern Visayas) and Region 7 (Central Visayas) with an increase percentage change of 2.9 and 1.7 percent, respectively.

Provincial Level

As earlier mentioned, the official estimates for the provincial poverty incidence presented in this article were derived using the regional poverty thresholds where the specific province belongs.

The procedure shows varying results when it comes to provincial poverty scenarios. Among the provinces, Sulu registered the highest poverty incidence with 69.3 percent, followed by Romblon with 68.5 percent and Abra with 66.5 percent (Table 2).

On the other hand, Batanes had the lowest poverty incidence at 7.2 percent in 1997, followed by Cavite and Bulacan, with 7.6 and 9.0 percent, respectively (Table 3).

When it comes to poverty alleviation, meanwhile, the outcomes were far from uniform across provinces. For instance, the province of Quirino experienced the highest level of de-

Table 2: top 10 Provinces with Highest Poverty Incidence (PI): 1997

Province	PI
Sulu	69.3
Romblon	68.5
Abra	66.5
Masbate	64.9
Ifugao	61.0
Eastern Samar	58.5
Lanao del Sur*	57.8
Maguindanao**	57.1
Cotabato	56.0
Agusan del Sur	54.5

*Not including Marawi City
**Not including Cotabato City

Table 3: top 10 Provinces with Lowest Poverty Incidence (PI): 1997

Province	PI
Batanes	7.2
Cavite	7.6
Bulacan	9.0
Pampanga	9.1
Rizal	9.8
Bataan	11.6
Laguna	15.1
Batangas	19.2
Zambales	19.3
Nueva Vizcaya	21.9

cline of 23 percentage points. Other provinces which exhibited high reduction in poverty incidence were Camiguin, Ifugao and Bataan with 22.7, 20.4 and 20.0 percentage points, respectively (Table 4). On the other hand, two provinces, namely, Agusan del Norte and Samar, experienced no change in

Table 1: Comparative Average Monthly Income by Income Decile

Income Decile	1997*	1998**
Philippines	145,482,668	145,429,030
First decile	2,443,310	1,753,661
Second decile	3,910,487	3,215,663
Third decile	5,039,661	4,393,773
Fourth decile	6,280,286	5,653,844
Fifth decile	7,840,237	7,206,445
Sixth decile	9,843,010	9,178,194
Seventh decile	12,645,437	11,995,918
Eight decile	16,722,746	16,173,106
Ninth decile	23,641,295	23,474,261
Tenth decile	57,116,200	62,384,166

Values in 1000 pesos
*Source: 1997 Family Income and Expenditures Survey
**Source: 1998 Annual Poverty Indicators Survey (Preliminary Results)

Revisit to Barangays Masusô and Real de Cacarong: Assessing their Present Welfare Conditions

IN MARCH 1999, THE MIMAP Project Team returned to Pandi, Bulacan to conduct a second round of survey in Barangays Masusô and Real de Cacarong.¹ The results of the survey were to be the basis for analyzing the present situation and welfare of the barangay residents vis-a-vis the baseline survey results in 1995 and 1996 on their minimum basic needs (MBN). Said results would also be helpful in assessing the effects of the recent Asian financial crisis on the welfare status of the barangays and their residents.

Barangay Masusô is a developing barangay with home and livestock industries gradually growing to complement the existing rice production. Because of its development, it has become a natural magnet for migrants from nearby places and other provinces. The study of Barangay Masusô yields interesting insights into the dynamics of a progressive barangay and the problems accompanying its development. In contrast, Barangay Real de Cacarong is an upland community where agriculture is a major source of income and livelihood. Other working members of the community are involved

¹See "MIMAP Completes Second Survey in Bulacan" in MIMAP Project Updates VI, 2, March 1999.

in menial jobs in the construction industry.

Latest Survey Results

Table 1 shows the summary of the results of the latest surveys for the two barangays. The data obtained from these surveys show improvements in the welfare status of the households in terms of their health, nutrition, sanitation, literacy, and security needs as compared with the previous surveys conducted.

On Income and Livelihood

In Real de Cacarong, the results show a decline of 8 percentage points in the number of households with income greater than the poverty threshold. This may be attributed to the fall in the proportion of households with at least one employed member, from 94.2 percent in 1996 to 85.2 percent in 1999. It may be noted that a significant number of the working members of households in Real are either involved in agriculture or the construction industry.

Despite the heavy dependence in agriculture, though, there is no irrigation system that would facilitate year-round farming in Real. With this situation, and especially as a result of the effects of El Niño, many farmers were left jobless. Some

therefore resorted to working as construction workers in nearby areas or in far-off cities while others resorted to other means of livelihood, such as hog raising, quarrying, retailing and mango picking.

Underemployment also worsened in Real, with the number of households having no underemployed worker declining by 9 percentage points, from 22.4 percent in 1996 to 13.5 percent in 1999.

In the case of Barangay Masusô, meanwhile, the number of households with income greater than the poverty threshold increased, but only by 0.6 percentage points. Despite the increase, it can be observed that the proportion of households with at least one employed member declined by 1.2 percentage points. Most of the employed persons in the community work in manufacturing and construction, followed by agriculture.

The increase in unemployment may be attributed to the closure of the hog-raising operations of the General Milling Corporation (GMC), one of the erstwhile biggest employers in Pandi, Masusô. Many lost their jobs because of the closure though some remained and established their own small business such as retail stores and hog raising.

INDICATORS

Table 1: Summary of Survey Results in Barangays Masusô and Real de Cacarong

Area of Concern	Indicators	Barangay Masusô			Barangay Real de Cacarong		
		1995 ^a	1999 ^a	% Change ('99-'95)	1996 ^a	1999 ^a	% Change ('99-'96)
A. Survival	Households:						
Health	1 With no infant death	92.6	96.3	3.7	84.2	100.0	15.8
	2 With no deaths of children (1-6 yrs. old)	97.2	99.6	2.4	100.0	100.0	0.0
Nutrition	3 With no malnourished children (0-6 yrs. old)	45.6	68.4	22.8	78.5	85.5	7.0
Water and sanitation	4 With access to safe water supply	100.0	100.0	0.0	100.0	100.0	0.0
	5 With access to sanitary toilet facility	81.7	85.2	3.5	71.2	79.5	8.3
B. Security							
Shelter	6 Not in makeshift housing	94.2	93.6	(0.6)	95.2	98.4	3.2
Peace and order	7 With no members who were victims of crimes	95.9	98.4	2.5	96.1	99.2	3.1
	8 With no members who were victims of armed encounters	-	99.8	-	-	100.0	-
C. Enabling							
Income and livelihood	9 With income greater than the poverty threshold	28.4	29.0	0.6	40.0	32.0	(8.0)
	10 With at least 1 employed member (15 yrs. old and above)	92.8	91.6	(1.2)	94.2	85.2	(9.0)
	11 With no underemployed worker	44.8	28.7	(16.1)	22.4	13.5	(9.0)
Basic education and literacy	12 With all children 6-12 yrs.old attending elementary schooling	70.5	79.1	8.6	81.0	65.6	(15.5)
	13 With all children 13-16 yrs.old attending secondary schooling	54.0	57.4	3.4	63.9	54.3	(9.6)
	14 With all members who are literate	84.6	91.2	6.6	80.8	91.0	10.2
Political participation	15 With at least 1 member who is a member of any organization	17.7	21.4	3.7	40.4	31.1	(9.2)
	16 With at least 1 member who participated in the last electoral process	93.3	84.7	(8.6)	96.2	93.4	(2.7)

^aDivisor used is the total number of households for which the indicator is relevant. For example, for the indicator on infant death, the divisor used is the total number of households with at least 1 livebirth during the year.
 - Data not available

Others bought jeepneys or tricycles upon receiving their separation pay from GMC.

At the same time, the results show a significant decrease in the proportion of households with no underemployed worker, an indication that households tried to engage in additional sources of livelihood to compensate for the inad-

equacy of their present incomes to meet household needs and expenses.

On Health and Nutrition

In terms of health and nutrition, meanwhile, the recent survey shows that the municipal government of Pandi and the province of Bulacan, as a whole, have relatively succeeded in prioritizing health pro-

grams, specifically among children, in their budgets. Some of the programs implemented were on immunization, health and nutritional education, family planning services and medical care services. These are reflected in the marked improvement in health conditions among children in Real de Cacarong and Masusô. In

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fact, none of the households surveyed in Real experienced infant and child death. In addition, the proportion of households without malnourished children increased by 7 percentage points.

The same can be observed in Barangay Masusô. There were less infant deaths reported during the previous year, as compared to that in 1995, bringing about an improvement of 3.7 percentage points in the proportion of households with no infant deaths occurring. In addition, the proportion of households without malnourished children increased by 22.8 percentage points.

On Water and Sanitation

In Real, the proportion of households with access to sanitary toilet facilities increased by 8.3 percent. This may be attributed to the construction of 15 toilet facilities in the area in 1997, a project by the municipal government. On the other hand, there was no change in the proportion of households in Real having access to safe water supply in spite of the installation of two artesian wells in the community. The reason may be due to the increase in the number of households in the community.

Results in Masusô also show an increase of 3.5 percentage points in the proportion of households with access to sanitary toilet facility due to the construction of 10 toilet facilities in the community in 1997.

And like before in its baseline survey, all households in the community have access to safe water supply.

On Education

The survey result in Real indicates a decline in the rate of school attendance in the community. Households with children attending primary education had decreased by 15.4 percent since 1996. Likewise, households with children attending secondary education marked a decline from 63.9 percent in 1996 to 54.3 percent in 1999.

The major reason for the decline may be attributed to the distance of the schools from the barangay. The Real elementary school only offers up to Grade 2. Thus, children enrolled in Grade 3 or higher have to walk a long distance to go to their school in the next barangay. Likewise, children studying in high school have to travel far just to attend their classes.

On the other hand, the results in the case of Barangay Masusô show an increase in the rate of school attendance for both primary and secondary levels. The number of households with children attending primary education had increased by 8.6 percentage points since 1995. Likewise, the proportion of households with children attending secondary schooling increased by 3.4 percentage points, from 54 percent in 1995 to 57.4 in 1999.

Assessment

As shown in the latest survey results, the major problem in both barangays is still the lack of employment opportunities.

This situation is aggravated by the slow infrastructure development in the municipality. According to the Municipal Planning and Development Officer of Pandi, the slowdown in infrastructure development was due to changes in budget spending. More funding was allocated for the assistance of the unemployed and for the health services of the constituents. Furthermore, municipal government revenues declined due to the decrease in income from tax collection, renewal of business permits, and from the closure of business establishments in the municipality.

To address the unemployment problem in both areas, irrigation facility could be improved or provided, as in the case of Real. This would ensure a year-round employment for farmers in the area. Furthermore, assistance to the unemployed should be prioritized by establishing more employment opportunities as well as by providing credit assistance to entrepreneurs and small businesses in the area. *KCI*

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Reference

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Poverty Situationer...

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Table 4: top 10 Provinces with Highest Poverty Reduction: 1997

Province	Poverty Incidence		% Change 1997-1994
	1994	1997	
Quirino	59.9	36.9	-23.0
Camiguin	63.2	40.5	-22.7
Ifugao	81.4	61.0	-20.4
Bataan	31.6	11.6	-20.0
Zambales	37.8	19.3	-18.5
Capiz	55.9	38.3	-17.6
Masbate	81.3	64.9	-16.4
Ilocos Sur	49.2	33.0	-16.2
Romblon	83.6	68.5	-15.1
Tarlac	40.8	25.7	-15.1

poverty incidence from 1994 to 1997 while Southern Leyte experienced a minimal reduction of 0.1 percentage point.

In the meantime, there were provinces which exhibited a rise in

Table 5: top 10 Provinces with Highest Increase in Poverty Incidence: 1997

Province	Poverty Incidence		% Change 1997-1994
	1994	1997	
Eastern Samar	27.5	58.5	31.0
Occidental Mindoro	33.2	47.2	13.9
Lanao del Sur*	47.4	57.8	10.4
Catanduanes	34.5	43.6	9.1
Siquijor	42.2	50.7	8.4
Surigao del Sur	43.4	49.8	6.4
Misamis Occidental	45.9	51.5	5.6
Northern Samar	47.8	52.2	4.4
Bohol	45.4	48.4	3.4
Albay	44.5	47.2	2.7

*Not including Marawi City

the incidence of poverty in their areas. Among those with the highest increase in poverty incidence were Eastern Samar, Occidental Mindoro

and Lanao del Sur which increased by 31.0, 13.9 and 10.4 percentage points, respectively (Table 5). *KCI*

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gard, the PMO shared MIMAP's experience in terms of the design and implementation of said system. In addition, the PMO stressed the value of such system in addressing socio-economic concerns at the various levels of development planning, i.e., barangay, municipal, provincial, and national levels, respectively.

After a thorough evaluation of existing data needs, system and gaps during the group discussion, the par-



Dr. Caesar Cororaton explains the usefulness of the community-based monitoring system to the volunteer enumerators and officials of Barangay Old Guinlo.

ticipants jointly identified a set of vital indicators for each of the municipality. These indicators will be incorporated in the proposed CBMS that will be installed in the respective areas.

The workshop was participated in by barangay officials and health workers of 3 selected barangays in the municipalities of Taytay and El Nido as well as their municipal planning and development officers.

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The MIMAP-PMO was represented by Dr. Celia Reyes, Project Director, Dr. Caesar Cororaton, Assistant Project Director, Ms. Bernadette Mandap, Research Associate, and Mr. Rex Robielos, Research Assistant. Also present were Mr. Dirk Heinrichs, Environmental,

Urban and Regional Planner of the Provincial Government, and the Provincial Planning and Development Office (PPDO) staff led by Ms. Josephine Escaño.

Following the abovementioned activity, the MIMAP-PMO then assisted the PPDO in the pilot test of the community-based monitoring system in two barangays in Taytay, Northern Palawan from November 22-23, 1999. The pilot test started with a training of enumerators on the conduct of the survey operation in Barangay Old Guinlo. The training module included an overview of the CBMS, orientation on the questionnaire to be utilized, the actual survey operation, and the processing of the collected information. *BEM*



Ms. Josie Escaño (extreme left) of the Provincial Planning and Development Office facilitates the group discussion during the assessment of existing indicators at the pilot barangays.

Important Notice

The MIMAP-Philippines Project homepage has transferred to a new location. It can now be accessed at:
<http://www.pins.ph.net/mimap>

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