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Working Paper

Structural Adjustment and Poverty Alleviation in the Philippines

PIDS Discussion Paper Series, No. 1996-04

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Orbeta, Aniceto Jr. C. (1996) : Structural Adjustment and Poverty Alleviation in the Philippines, PIDS Discussion Paper Series, No. 1996-04, Philippine Institute for Development Studies (PIDS), Makati City

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Structural Adjustment and Poverty Alleviation in the Philippines

Aniceto C. Orbeta Jr.

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April 1996

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Structural Adjustment and Poverty Alleviation in the Philippines

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Structural Adjustment and Poverty Alleviation in the Philippines¹

*Aniceto C. Orbeta, Jr.*²

A. Introduction

Economies that have been bound for long periods of time by inward-looking policies, like the Philippines, have embarked on structural adjustment programs to gear up their economies for global competition. The example of East Asian countries is just too glaring to be ignored. It is, however, clear that many of the programs while beneficial for everybody in the long-run may have short-run adverse effects, particularly, for certain sectors of the population. It is for these concerns that government are also turning explicit attention to the social costs of structural adjustment programs. Faced with a boom-bust growth performance a few years ago, the main concern of the Philippine economic managers was how to make growth sustainable. Now that growth is secured, explicit attention is turned into the disadvantaged sectors. It has been accepted by many analysts that while growth is not sufficient for poverty alleviation, it is nonetheless a necessary condition for any sustained poverty alleviation effort (De Dios et al (1993), ADB (n.d.), World Bank (1995)).

This paper reviews the Philippine structural adjustment and poverty alleviation experience. It attempts to draw lessons from the experience. The next section presents the development experience of the country and the key structural adjustment programs. Section three describes the poverty situation of the country. Section four cites the reasons for poverty identified by a group of analysts. The fifth section presents the results of several studies that analyzed the impact of structural adjustment policies on poverty indicators. Section six highlights the policy alleviation initiatives. The final section presents some observations.

B. Development Performance

The growth record of the Philippine economy was characterized by high growth in the 1960s and 1970s that virtually came to a halt in 1980s. There was tentative resurgence in the late 1980s

¹ Paper prepared for the Senior Policy Forum of EDAP Network on Social Reform and Social Development Policies in Asia-Pacific Region, China Institute for Reform and Development, Haikou, Hainan, P.R. O. C., 6-8 February 1996.

² Research Fellow, Philippine Institute for Development Studies. Ideas presented here are personal opinions of the author and not of the Institute. Research Assistance by Aida Hilario is gratefully acknowledged.

while a complete recovery was demonstrated in the 1990s (**Table 1**). The projections for the coming years are equally upbeat.

Policy Regimes. In the 1960s, the country was under an import-substituting policy regime. It was only the 1970s that export promotion was emphasized. Although until late 1980s the trade and investment environment still favored inward-looking industries. It is the agriculture sector that has been heavily penalized by this policy environment. In the 1980s, the country embarked on a series of trade liberalization programs with postponement episodes due to concurrent economic crises. Studies of the post-war economic policies were unanimous in pointing to import-substituting policies as the main culprit in the country's failure to grow rapidly (Bautista and Power (1979); Medalla (1990), Medalla et. al. (1995)). The accession to the GATT-Uruguay round is the recent addition to these liberalization efforts.

The other recent significant policy changes include the liberalization of foreign investments, liberalization of the foreign exchange markets, privatization of government owned and controlled corporations, and the opening up of previously oligopolistic industries such as telecommunications and shipping, among others. These policies are designed to gear up the economy for an outward-looking strategy based on comparative advantage. In fact, the twin pillars of the current development strategy are world competitiveness and sustainable human resource development.

If the recent policy changes are sustained, many analysts believe that there will be substantial overhauling of the Philippine economy in the coming years hopefully along the lines of the country's comparative advantage resulting in vigorous employment generation.

Employment Generation. Given the long history of protection and bias against the agricultural sector, the employment generation record of the Philippine economy is expectedly not impressive. This situation can be gleaned from the sectoral contribution of output and employment (**Table 2 & 3**). For example, the industrial sector, which contributed a steadily rising share of output reaching as high as 41 percent in 1980, absorbed no more than 22 percent of employment. A striking case in the industrial sector is manufacturing which contributed as high as 28 percent in output but only 12 percent in employment. The agricultural sector, on the other hand, has a declining share in output but still contributes as high 45 percent of employment generation. The contribution of the service sector to output is relatively stable but its share in employment generation is rising. The data indicate that it is the service sector rather than the industrial sector which is absorbing surplus labor. The unemployment record of the country is highest in Southeast Asia. Contributing largely to this high unemployment rate is the failure to bring down fertility rates faster. The latest census figures (1990) put the population growth rate at 2.4 percent. A good indication of the extent of the unemployment problem of the country is that it has not spared even educated workers (**Table 4**). This lack luster performance in employment generation has contributed, in the no small a degree, to the flow of overseas contract workers. This has been construed as a deviation from the East Asian model. While neighboring countries attracts foreign direct investments, the Philippines sends its workers abroad (Orbeta and Sanchez, 1995).

Sources of Foreign Exchange. While the structure of the economy has not drastically changed, the structure of Philippine exports had changed a lot. Traditional exports of agricultural products no longer dominate. In the recent past, the first two major exports are electronics and textiles. In more recent years remittances of overseas contract workers contribute as much as 2 percent of gross national product. This figure may be grossly understated because it represents only the documented ones. These remittances have kept the economy afloat during the period that it was not growing.

Sectoral Allocation of the National Budget. It is noteworthy that throughout the 1980s, with the exception only of 1984, the share of the social sector in the national government budget has not drastically declined (**Table 5**). What has been declining is the share of the economic services. This trend has been singled out by many analysts as alarming because this may mean foregoing growth prospects in the future. The significant share of debt service has been the object of contention between many independent analysts and government policy makers. The analysts were prodding the government to negotiate for a debt relief and use the proceeds to spur growth in the middle of 1980s. The government, however, choose the conservative path of paying foreign debt as scheduled. This has resulted in the rapid growth of domestic debt.

C. Poverty Situation

Poverty incidence in the country is officially measured by a headcount ratio. The poverty threshold is the food threshold adjusted for non-food expenditure. The food threshold is computed as the expenditure of a typical and modest menu of food that satisfies 100% sufficiency in the required dietary allowance (2,000 kcal) for energy and protein and 80% sufficiency in vitamins, mineral and other nutrients. A different menu is determined for each region. This poverty line is considered too liberal compared to other countries (World Bank (1995)).

The decline in the overall poverty incidence is considered gradual. From 45% in 1985 the incidence declined to 36% in 1994 or an average annual decline of less than 1 percent (**Table 6**). The neighboring countries of Indonesia, Malaysia and Thailand, on the other hand, posted an average annual decline of 2.0, 1.6 and 1.4, respectively. As in many developing countries, the decline of poverty incidence in urban areas is much faster compared to rural areas. The national capital region exhibited the fastest decline and the lowest poverty incidence. While poverty incidence is declining in many regions, the stark reality of an increasing number of households that are poor remains.

Table 7 confirms a well-known hypothesis that large families are more prone to be poor. Poverty incidence of families beyond five exceeds the national proportion. It is not surprising to find that majority of the poor are dependent on agriculture for livelihood. Within the agricultural sector, rice farmers, rice and corn farm workers, foresters and deep-sea fishermen have very high incidence of poverty. In terms of numbers, however, the rice farmers dominate.

D. Causes of Poverty

The Philippine Institute for Development Studies in cooperation with IDRC published a volume that summarizes the reasons for poverty in the Philippines (De Dios, et al. (1993)). Philippine analysts are in a consensus that the reasons for poverty in the country are: (1) the failure of growth and the lack of employment opportunities; (2) the inequality of income; (3) high population growth; (4) declining productivity; and (5) inadequate provision of social services. They claim that although respectable growth rates in the 1970s were achieved, these did not benefit the poor owing to the structure of the economy. The failure of growth and the lack of employment opportunities in the 1980s have been explained above. The extent of inequality of income is indicated by the fact that for the past ten years the share of the bottom 30 percent has never gone beyond 10 percent while the share of the top 10 percent for the same period has never gone below 36 percent. The prospects for asset redistribution through land reform have diminished. It has become clear that what political consensus will allow is not sufficient to alleviate the poverty situation. It is also well known that the decline in fertility rates is not as impressive as either Thailand or Indonesia. As of the last census the population growth rate in the Philippines is still about 2.4 percent. **Table 7** clearly demonstrates that poverty incidence is high among large families. Finally, there is also a continuous decline in total factor productivity. This situation is even more pronounced in the agricultural sector where a large majority of the poor are dependent for livelihood (**Table 7**). With the failure of growth and the rapid population growth, it is not surprising that the provision of social services also deteriorates.

E. Impact of Structural Adjustment Programs on Poverty

Several simulation runs were conducted by analysts to determine the impact of structural adjustment programs on households. The results show that over the long-term the adjustment programs favor the poor. However, there are also indications of potential short-run adverse effects. For instance, it had been argued that the adjustment program in 1983-1985 indeed stabilized the economy. However, the share of national government expenditure on social sectors declined, particularly in 1984, making the poor bear disproportionately the cost of adjustment through the corresponding reduction of public spending in social services (ADB (n.d.)).

Balisacan (1995) measured the household welfare effects of adjustment policies using a macroeconometric model to generate changes in meso variables and a form of equivalent income to measure household welfare. The results show that the short-run effect of commodity (particularly food) price increases that may accompany an adjustment program is an increase in aggregate poverty, even within the agricultural sector. The households which are net buyers of food are the most vulnerable. In addition, it was pointed out that removal of existing subsidies on fuel, light, water and transport is not likely to adversely affect the poverty profile primarily because expenditures on these

items constitute a small share in the budget of poor households. Although, the dynamics of the labor market is not covered in the model he used, he surmised that the results are highly dependent on how the labor market is modelled, i.e., when a sluggish labor market is assumed the impact of a devaluation on net consumers and producers is expected to be more rapid compared to a situation where a flexible labor market is postulated.

In a simulation of the effects of devaluation on the distribution of income using a computable general equilibrium model, Cororaton (1996), indicated that under both fixed and flexible exchange rate regimes there is a progressive effect on income distribution. Households at the lowest income group experienced the highest increase in income. Relatedly, unskilled workers exhibited larger increase in wages compared to skilled workers.

A simulation of the impact of tariff reduction on the nutrition status of households using a computable general equilibrium model and a set of food demand equations (Orbeta (1994)), also indicated a progressive impact on calorie and protein availability. Lower income groups experience bigger increases in both calorie and protein availability. A devaluation, on the other hand, results in an across-the-board decline in calorie and protein availability.

Note that the studies cited above used CGE models which capture long-term impacts of a policy change. Unlike these studies, simulations using macroeconometric models (e.g. Constantino and Yap (1988), Bautista (1993)), where overtime changes are considered, show that a devaluation while expansionary in the long-run is contractionary in the short-run (i.e., it could have short-run adverse income distribution effects).

F. Poverty Alleviation Initiatives

A poverty incidence target based on the headcount ratio was set at the start of the term of the current administration in 1992. The target is from 45 percent in 1991 to 30 percent in 1998. The current development strategy is based on the twin pillars of global competitiveness and human development. It is a growth-based strategy via elimination of artificial barriers to the functioning of markets as well as investment in human resources and people empowerment. The significant poverty alleviation initiatives include: (1) sustained economic growth, (2) the social reform agenda, (2) the use minimum basic needs indicators, and (3) a strategy to fight poverty. Sustained economic growth is included because it is a necessary condition for sustained poverty alleviation efforts.

Sustained Economic Growth

The role of sustained economic growth on poverty alleviation was highlighted in the middle of 1980s when the economy was not growing. The poverty problem in the Philippines then was diagnosed as mainly due to the absence of economic growth. With a turbulent political condition

then, it was difficult to launch a coordinated effort to achieve economic growth. Immediately after the restoration of the democratic process in 1986, the economy started to grow but in a boom-bust fashion reflective of a weakened economic structure. In more recent years, however, growth have been sustained and many analysts are of the opinion that this time it is sustainable.

It worth noting that an estimate for the country of the elasticity of poverty gap to a distributionally-neutral growth is -1.8, i.e., a 10 percent growth in GDP per capita would reduce the average poverty gap by 18 percent (Balisacan (1994)). Therefore, assuming that the preliminary estimate of poverty incidence in 1994 of 36 percent is correct, the country's per capita GDP needs to grow by an average of 3.4 percent between 1995 and 1998 to achieve the 30 percent target. Given the population growth rate of 2.4 percent, this would imply a GDP growth rate of 5.8 percent annually. In order to achieve the poverty target, the current growth record needs to be sustained.

With structural reforms already in place and sustainable growth secured, the government in 1994 explicitly turned its attention to the plight of marginalized sectors. It launched the Social Reform Agenda (SRA) as an umbrella framework for all poverty alleviation efforts. Compared to the difficult time in the early 1990s that is marked by fiscal difficulties, this time the government is in a better position.

Social Reform Agenda

The umbrella framework for poverty alleviation in the Philippines known as the Social Reform Agenda (SRA) was launched in September 1994. The agenda is built on five principles, namely: (1) a continuing and coordinated effort; (2) partnership between government and other sectors; (3) provision of minimum basic needs to disadvantaged group; (4) explicit targets and commitments; and (5) a conducive policy environment for a sustainable implementation.

To give these agenda a sense of priority, the President heads the policy-making council. The council is composed of key implementation officers for each of the flagship programs, heads of allied national government agencies, and representatives from local government units and the private sector. To ensure a continuing effort, the activities under the SRA are included in the normal operations and budgeting of the national line departments. In addition, regular monitoring and semi-annual assessment of the progress of the implementation are conducted.

Targeting is done by geographic areas and by sectors. A total of 20 out of the 77 provinces has been identified as priority provinces. Seven disadvantaged groups have also been identified. These groups include: (1) farmers and landless rural workers, (2) fisherfolk, (3) urban poor, (4) indigenous cultural communities, (5) informal sector workers; (6) others including women, youth, disabled, elderly, and victims of disasters and calamities.

Specific programs were drawn for each sector based on the situation analysis conducted by each of these groups. For instance, the basic needs of farmers and landless rural workers include the

limited infrastructure, uncertain land tenure, limited access to technology and limited access to markets. Thus the program designed for this group is agricultural development consisting of intensified implementation of the Comprehensive Agrarian Reform Program, concentration of agricultural development resources using agrarian reform communities as main conduits, increasing budget for basic rural infrastructure such as irrigation systems, post-harvest facilities and farm-to-market roads and technology input for improved productivity. What came out of the needs assessment for cultural communities, on the other hand, was the non-recognition of their ancestral domain rights and lack of basic services. Therefore, the program developed for them is the protection of ancestral domains. In addition to these sector-specific programs, three cross-sectoral programs were also drawn up. These programs include: institution-building and effective participation in governance, credit, and livelihood programs.

Minimum Basic Needs

The popularity of income as a measure of poverty has diminished. Other measures of deprivation are now being used as a result of the development of the UNDP's human development index. In the Philippines, a set of deprivation indicators known as the Minimum Basic Needs (MBN) has been officially accepted. In this set, income is just one of the indicators. The indicators are divided into three groups which are arranged in a hierarchical manner, viz. (1) survival needs indicators (i.e., health, nutrition and water and sanitation indicators), (2) security needs indicators (i.e., income, shelter and peace and order), and (3) enabling needs indicators (i.e., basic education and political participation indicators). These indicators were derived from a series of regional consultations. Although there is no accepted threshold levels yet, these indicators are being used to monitor the status of well-being of poor households. There are efforts to gather information regarding these indicators at the local levels, however, up to this time data are still spotty. A simple exercise was done to validate the adequacy of income as a poverty indicator using cross tabulations of MBN indicators by income decile. The data set used is the bottom 30 percent a rider survey to the 1991 Family Income and Expenditure Survey. The results show that income was fairly able to represent survival and security indicators but failed in the case of enabling needs indicators (Orbeta and Hilario (1995)). This implies that income have to be supplemented by enabling needs indicators to fully capture the story that can be derived using MBN indicators.

A Strategy to Fight Poverty

The drawing up of a poverty alleviation strategy is another notable initiative (PCFP (1994)). One basic philosophy of the strategy is the definition of entitlement as the sum of earned income and the value of government transfers or public social services guaranteed by existing laws. Entitlement can also be defined in terms of goods, namely, the sum of private goods purchased and public services provided. Thus, measuring poverty incidence should not be limited to measuring income but also the state of public social services or the status of attainment of the minimum basic needs itself. By implication, poverty incidence can be reduced by either increases in income or provision of social

services or both.

Another facet of the strategy is the classification of the poor into the less poor and the ultra poor. Operationally, the ultra poor can be defined as those below the food threshold while the less poor are those whose income are below the income threshold but above the food threshold. It is assumed that the less poor are able to participate in market activities while the ultra poor are less able participants, if at all. Thus, the strategy for the less poor consists of both direct and indirect interventions. Indirect interventions consist of reform in the macroeconomic and sectoral policies. This can go a long way for the less poor because they participate in economic activities. This is sometimes labelled as the economic aspects of poverty alleviation. The direct intervention for them may take the form of livelihood and income generating projects with community organizing. The ultra poor, on the other hand, may not be able to benefit from well-functioning markets created by a conducive policy environment because they are less able participants. Thus, only direct interventions will be effective. In addition, livelihood programs may not be an effective intervention as survival is expected to be the primary concern. The direct interventions may consist of delivery of basic services (nutrition, health, education, etc.) and community organizing to build up capabilities. This is sometimes known as the social services aspects of poverty alleviation. As the poor household goes down the income ladder, direct interventions in the form of basic services will increase. Conversely, as the poor household goes up the income ladder, direct interventions will be more of the livelihood type.

In terms of institutional support, three Presidential Commissions were formed, namely: the Presidential Commission to Fight Poverty (PCFP) - concerned with the social services aspect of the poverty alleviation; the Presidential Commission for Countryside Development (PCCD) - concerned with the economic aspects; and the Presidential Commission for the Urban Poor - tasked with the interventions for the poor in urban communities.

As a final note, it should be mentioned that under the strategy the ultimate test of the effectiveness of the intervention is the status of attainment of the minimum basic needs.

G. Some Observations

When growth was faltering, the primary agenda was to restore growth. As soon as growth is secured, the government gave explicit attention to marginalized sectors. The experience shows that as long as growth continues, the problem of poverty seems to be manageable. Once growth stops poverty alleviation becomes more difficult to achieve.

There is always a temptation to abandon targeting especially if results are being produced. It should be understood, however, that the essence of an effective poverty alleviation program is good targeting. Without good targeting, poverty alleviation efforts can become very expensive making it more difficult to sustain. Many of the ultra poor are chronic poor. For them, a sustained

effort is necessary. Thus, it is extremely important that all efforts to disregard good targeting must be resisted. One looming example is the plan to expand the coverage of the SRA to include the other 57 non-priority provinces. In contrast, some are even of the opinion that the government needs to streamline its existing approaches (World Bank (1995)). It was recommended that poverty alleviation efforts be limited to the bottom decile.

High in the poverty alleviation agenda is asset reform through the Comprehensive Agrarian Reform Program (CARP). Analysts, however, have cautioned that what appears to be achievable under the current system of political consensus may yield insignificant results in terms of poverty alleviation. In addition, given that land ownership transfer is just one concern and that support services are needed for the program to succeed, it is getting to be expensive and complicated (World Bank (1995)). The estimated cost of completing the program is \$10 billion. This amount is difficult to come by. What is needed is to prioritize the use of limited funds, i.e., concentrate on sugar lands.

The high average education attainment of the population should not be allowed to cloud the fact that education status of the poor is low. Education is still their best chance of getting out of chronic poverty. Usually it is quality basic education that will be most beneficial to them.

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Table 1
Average Annual Growth Rates of Real Gross Domestic Product and Real Gross National Product
by Industrial Origin: Philippines, 1970, 1975, 1980, 1985, 1990-1995
(in percent)

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995**
Agriculture, Fishery & Forestry	3.64	3.18	5.57	-0.38	2.87	1.38	0.38	2.13	2.51	1.01
Industrial Sector	6.29	10.15	8.34	-3.77	5.48	-2.67	-0.54	1.65	6.06	7.85
Mining and Quarrying	-18.87	3.15	11.83	6.06	-1.35	-2.89	6.73	0.66	-6.98	8.75
Manufacturing	7.73	7.69	6.17	-2.90	5.57	-0.44	-1.73	0.75	5.01	7.11
Construction	-2.24	25.55	16.07	-9.86	8.83	-15.70	2.77	5.74	10.81	7.46
Utilities	10.40	22.62	10.08	5.45	3.69	4.70	0.66	2.92	13.85	14.14
Service Sector	5.16	5.66	6.15	1.04	6.15	0.33	1.72	2.49	3.84	4.70
Transport, Comm. and Storage	6.82	10.39	7.00	1.71	5.96	0.45	1.40	2.56	4.59	5.62
Commerce	5.09	4.73	6.61	-0.43	6.49	0.20	2.43	2.30	3.97	5.55
Services	4.68	5.93	4.70	4.26	5.59	0.54	0.43	2.84	3.22	-
GROSS DOMESTIC PRODUCT*	5.07	6.47	6.85	-1.24	5.11	-0.50	0.63	2.12	4.30	5.00
Net Factor Income from Abroad	72.39	-16.31	-0.10	250.70	-24.67	178.74	76.78	21.65	32.48	-
GROSS NATIONAL PRODUCT	4.73	6.91	6.86	-1.73	5.96	0.41	1.71	2.60	5.12	5.75

**1995 are advance estimates

Source: Philippine Statistical Yearbook, various issues

National Statistical Coordination Board, Economic and Social Statistics Office.

Table 2
Shares in the Real Gross Domestic Product, by Industry:
Philippines, 1970, 1975, 1980, 1985, 1990-1995
(in percent)

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995**
Agriculture, Fishery & Forestry	28.18	24.68	23.50	24.58	22.38	22.81	22.75	22.75	22.36	21.51
Industrial Sector	33.70	38.38	40.52	35.07	35.59	34.81	34.41	34.25	34.83	35.77
Mining and Quarrying	1.44	1.26	1.50	2.08	1.54	1.51	1.60	1.58	1.41	1.46
Manufacturing	27.07	28.32	27.60	25.15	25.61	25.63	25.03	24.69	24.86	25.36
Construction	4.06	6.99	9.39	5.08	5.83	4.94	5.04	5.22	5.55	5.68
Electricity, Gas and Water	1.13	1.81	2.03	2.76	2.60	2.74	2.74	2.76	3.01	3.27
Service Sector	38.12	36.94	35.98	40.35	42.03	42.38	42.84	42.99	42.81	42.68
Transport, Comm. and Storage	4.14	4.76	4.78	5.54	5.72	5.78	5.82	5.85	5.87	-
Commerce	23.92	22.34	22.14	23.10	24.36	24.53	24.97	25.02	24.94	-
Services	10.05	9.85	9.06	11.72	11.94	12.07	12.04	12.13	12.00	-
GROSS DOMESTIC PRODUCT (Million Pesos)	343,162	454,260	609,768	571,883	718,069	714,460	718,941	734,156	765,691	803,976

** 1995 data are advance estimates

Source: Philippine Statistical Yearbook, various issues

National Statistical Coordination Board, Economic and Social Statistics Office.

Table 3
Proportion of Employed Persons by Major Industry: Philippines, 1970-1994.

Major industry group	Census 1970	August 1975	Third Q 1980	Third Q 1985	October 1990	October 1991	October 1992	October 1993	October 1994	October 1995
Total ('000)	11,775	14,517	16,434	19,801	22,532	22,979	23,917	24,443	25,166	25,672
Agriculture, fishery and forestry	53.80	53.51	51.44	48.98	45.20	45.27	45.44	45.80	44.70	44.50
Industry	20.80	18.59	20.00	18.88	20.07	21.01	21.06	21.07	21.35	20.98
Manufacturing	11.80	11.37	11.04	9.71	9.71	10.41	10.65	10.04	10.26	9.84
Mining and quarrying	0.45	0.37	0.57	0.65	0.59	0.66	0.60	0.53	0.40	0.34
Electricity, gas and water	0.29	0.32	0.35	0.37	0.40	0.43	0.38	0.43	0.40	0.41
Construction	3.92	3.14	3.58	3.45	4.32	4.55	4.33	4.51	4.72	4.73
Transportation, storage & comm.	4.35	3.39	4.45	4.70	5.05	4.97	5.11	5.56	5.57	5.65
Services	23.67	27.63	28.53	32.12	34.66	33.68	33.40	33.08	33.92	34.45
Wholesale and retail trade	7.32	11.18	10.10	13.19	13.96	13.80	13.73	13.97	14.16	14.63
Financing, insurance, real estate, and business services	1.79		2.04	1.73	1.97	1.96	1.89	2.03	1.96	2.03
Community, social and personal serv	14.57	16.45	16.39	17.21	18.73	17.91	17.79	17.08	17.80	17.79
Industry not adequately defined or rep	1.65	0.27	0.04	0.02	0.07	0.04	0.09	0.05	0.03	0.08

Source: Labor Force Surveys

Table 4
Distribution of Unemployed Persons by Highest Grade Completed:
Philippines, Selected Years
(In percent)

Year	Total	No-Grade	Elementary		High School		College		Not Reported
			1-5	grad	1-3	grad	non-grad	grad	
1961	6.36	5.80	31.20	21.30	18.10	12.70	10.40	0.50	0
1965	6.16	6.30	26.80	28.30	13.30	12.70	12.20	0.50	0
1976	4.25	2.31	15.13	21.79	17.05	16.79	14.23	11.67	1.03
1980	5.05	3.58	15.27	16.15	16.77	19.38	17.27	10.21	0.67
1985	7.12	1.42	8.64	13.75	13.87	23.71	20.64	17.89	0.08
1990	8.13	2.80	12.40	14.80	14.20	24.80	14.70	15.90	0.50

Source: Labor Force Survey Series

Table 5
Sectoral Distribution of the National Government Budget, Obligation Basis: Philippines, 1975, 1980 - 1992

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Total (Billion Pesos)	19.032	22.332	22.596	27.573	32.884	37.026	48.214	55.810	61.977	93.397	88.590	114.505	155.503	167.409	199.260	255.775	293.161	286.603
Sectoral Shares:																		
Economic Services	44.30	42.67	38.51	42.90	42.25	40.98	44.81	39.74	35.99	25.95	32.96	33.17	18.98	17.17	18.11	19.28	22.20	18.80
Social Services	17.98	18.90	19.36	20.12	22.38	22.98	21.85	20.66	21.13	13.56	16.95	22.00	15.49	17.88	19.68	18.41	16.56	17.72
Education	11.49	11.43	12.13	13.00	12.16	12.83	12.34	11.87	10.43	8.47	10.90	12.19	10.88	13.15	13.68	13.01	11.20	13.01
Health	3.50	3.71	4.24	3.49	3.69	3.77	3.62	3.75	3.78	2.49	3.09	2.86	2.58	3.25	3.15	2.99	3.02	3.33
Soc. Serv., Lab. & Emp & Oth. Soc. Serv.	2.21	2.16	1.60	1.76	1.61	1.62	1.71	1.45	1.59	0.85	0.99	1.01	0.56	0.70	1.25	1.31	1.43	1.26
Housing & Com. Dev't.	0.79	1.61	1.39	1.87	4.92	4.76	4.18	3.58	5.33	1.76	1.97	5.94	1.45	0.77	1.60	1.10	0.91	0.12
National Defense	18.60	19.12	20.14	13.55	13.00	11.22	9.68	10.74	8.89	7.07	7.02	6.71	5.59	7.39	6.46	5.49	5.23	5.86
Public Services	9.10	9.62	10.27	12.12	12.16	11.64	12.59	8.26	10.81	8.11	9.87	9.32	12.32	12.36	10.83	11.63	11.31	12.42
Debt Service	5.02	5.07	6.25	6.24	6.00	8.06	6.81	15.56	17.99	41.14	27.60	24.51	45.16	42.60	41.36	41.58	41.08	38.11
Others	5.02	4.61	5.48	5.06	4.21	5.12	4.26	5.04	5.19	4.16	5.59	4.30	2.47	2.61	3.57	3.62	3.61	7.08

Source: R. Manasan. "Public Sector Statistics: User's Perspective, Analysis & Interpretation," Nov. 1995

Table 6
Annual Per Capita Poverty Threshold and Poverty Incidence: Philippines, 1985, 1988, 1991, & 1994

	Annual Per Capita Threshold (Pesos)				Magnitude of Families				Poverty Incidence			
	1985	1988	1991	1994	1985	1988	1991	1994	1985	1988	1991	1994
PHILIPPINES	3,744	4,777	7,302	8,969	4,355,052	4,230,484	4,780,865	4,558,974	44.2	40.2	39.9	35.7
Urban	4,365	5,893	8,327	9,910	1,250,398	1,198,555	1,847,579	1,539,087	33.6	30.1	31.1	24.2
Rural	3,353	4,094	6,276	8,035	3,104,655	3,031,929	2,933,286	3,019,887	50.7	46.3	48.6	47.1
NCR	4,527	6,576	9,286	11,312	301,973	310,284	217,602	150,020	23.0	21.6	13.2	8.5
Region 1	3,775	4,934	8,060	10,064	267,004	280,394	325,145	344,213	37.5	44.9	48.4	48.7
Region 2	3,448	4,573	7,035	8,522	174,844	177,072	211,839	189,087	37.8	40.4	43.3	36.1
Region 3	3,895	5,242	8,173	9,744	264,811	304,313	371,817	313,723	27.7	29.3	31.1	24.6
Region 4	3,794	4,832	8,075	9,481	524,839	527,360	612,213	511,104	40.3	41.1	37.9	29.5
Region 5	3,434	4,144	6,385	8,421	404,751	402,522	452,777	476,164	60.5	54.5	55.0	54.2
Region 6	3,675	4,344	6,403	8,201	528,098	472,909	484,505	481,663	59.9	49.4	45.3	42.5
Region 7	3,305	3,711	5,585	6,409	449,760	388,571	377,448	304,788	57.4	46.8	41.7	32.0
Region 8	3,283	3,818	5,138	6,482	334,751	292,953	264,906	268,304	59.0	48.9	40.1	38.7
Region 9	3,521	3,793	6,351	7,180	268,872	208,710	238,022	228,948	54.3	38.7	49.7	45.0
Region 10	3,546	4,523	6,433	8,682	300,226	279,900	363,231	383,558	53.1	46.1	53.0	52.2
Region 11	3,645	4,876	6,544	8,236	309,532	318,117	383,368	357,688	43.9	43.1	46.2	40.3
Region 12	3,673	4,147	7,321	8,961	225,551	177,807	209,458	216,460	51.7	36.1	57.0	54.8
CAR	NA	5,116	8,332	11,522	NA	89,572	111,030	133,730	NA	41.9	48.8	55.4
ARMM	NA	NA	7,450	8,885	NA	NA	157,507	199,524	NA	NA	50.7	60.5

Memo:

Peso/US\$	18.61	21.09	27.48	26.42
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Source: National Statistics Coordination Board

Table 7
Poverty Incidence by Family Size and Occupation:
Philippines, 1991

	Poverty Incidence %	% to Total No. of Poor Families
All families	39.2	100.0
Family size		
1	12.5	0.9
2	21.5	3.9
3	23.7	7.2
4	29.5	13.0
5	38.7	18.9
6	46.4	18.6
7	52.0	14.4
8	58.9	10.6
9	60.8	6.6
10 & above	56.7	6.1
Occupation		
Agricultural, animal husbandry, forestry workers, fishermen, and hunters	56.4	61.5
Rice farmers	56.0	42.9
Rice and corn farm workers	62.3	8.9
Foresters	59.7	0.8
Fishermen, deep-sea	53.8	8.6

Source: Intal, P. S., Jr., 1994. "The State of Poverty in the Philippines"
Understanding Poverty and Inequity in the Philippines: A Compendium of Policy
and Methodological Researches.