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MDG Five Years After: Issues, Gaps and Challenges

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THERE ARE ISSUES, GAPS, CHALLENGES ALL OVER the place. I will take up only a few of them, and highlight the spending gap. I will close with a challenge and a somewhat simple, if not simplistic, way to address it.

A scary future

After five years from the Millennium Summit and ten years from the Copenhagen and Beijing summits the Philippines is still struggling to deliver on its social commitments. A generation of less educated, less healthy Filipinos living in a much degraded environment is a very real possibility.

Where the gaps and issues are

MDG Targets	Official Assessment	SWP Assessment	
		Overall Prospects	Prospects for the Poorest Regions & Provinces
Poverty	High	Less Likely	Unlikely
Hunger/Nutrition	Medium	Unlikely	Very Unlikely!
Safe water	High	Access, Yes Quality, No!	Unlikely
Educ: Participation	High	Likely	Less Likely
Educ: Survival	Medium	Unlikely	Unlikely
Educ: Gender	High	Parity, Yes Equality, No!	Parity Equality, No!
Child Mortality/IMR	High	Less Likely	Unlikely
Maternal Health	Medium	Unlikely	Very Unlikely!
HIV/AIDS	High	Likely	Growing Threat
Environment	?	Less Likely	Unlikely
On Slum Dwellers	High	Less Likely	Unlikely

Obviously, our claims vary. Take poverty for illustration. The government claims that poverty incidence has fallen between 2000 and 2003. But other indicators with strong correlation to poverty point to the opposite direction. Average household income actually contracted during the same period. Incidence of hunger has gone up to record levels in Metro Manila and the rest of the country. Employment in the formal sector contracted sharply, with almost a million jobs lost from 1999 to 2003 despite economic growth. High school dropouts rose dramatically to 12% over the last 5 years, alongside massive migration from private to public schools.

Basic health indicators place the Philippines among the least healthy in Asia and the rest of the world. Maternal mortality ratio: 172 per 100,000 births (1998), equivalent to 10 mothers dying everyday due to pregnancy and childbirth related causes (among highest in Asia). Under-five mortality rate: 40 (NDHS 2003). Infant mortality rate: 29 (NDHS 2003). Malnutrition incidence is 27.6 % (almost same level as that of Sub-Saharan Africa).

The income gap ratio between the richest 20 percent and the bottom 20 percent has widened from 13 to 1 in 1990 to about 16 to 1 today. The Philippines dropped in HDI ranking from 70 in 1999 to 84 in 2003.



Compromising the future

The government is compromising long-term sustainability by not investing enough in education and health and by its failure to protect our natural wealth.

The Philippines has been under-investing in basic education as far back as the 1970s. Public expenditure on education has been generally below 3% of GNP which is lower than most neighboring countries in Southeast Asia. UNESCO recommends an expenditure level of at least 6% of GNP.

Health gets 1% of the national budget under the present administration. The level of health expenditure places the Philippines as the 2nd least spender in health per capita among all countries (WHO). According to WHO, the Philippines ranks among the last (161st) in terms of health spending. It ranks 126th in overall health level. Its spending level is far lower than other middle-income countries and cannot generate comparable health conditions.

A World Bank study of 10 Asia-Pacific countries in 1993 shows that the Philippines has the second lowest per capita health expenditure and was also ranked as the second lowest in health spending as percentage of gross domestic product (GDP).¹

Environment and natural resources also ranks low in public spending even as policies are being relaxed for further exploitation of our already depleted natural capital by foreign extractive companies.

Here's where roughly the 2004 budget peso goes: 33 cents to debt service; 32 cents to salaries of government employees; 12 cents to basic education; 1.3 cents to health; between 10 and 20 cents lost to corruption.

A study conducted by Dr. Rosario Manasan for the UNDP revealed that the country needs a total of PhP221 billion to meet half the targets for basic education, health, and water supply and sanitation (using high cost assumptions of schedules up to 2008, without budget reform).²

Financing for the MDG cannot be sourced alone from current revenues. It would be impossible with present generating capacity to produce the PhP221 billion and spread over 2008, through into 2009-2015 period. As it is, the deficit is being financed with borrowing, and by government projections, this will not stop until 2010.



National Government Spending Pattern, 2000-2005 (In Millions of Pesos)

Items	2000	2001	2002	2003	2004	%age of Budget FY 2004
Economic Services	167,216	141,236	151,255	164,108	155,924	18.0%
Social Services	212,982	217,217	230,495	235,568	248,252	28.7%
Defense	36,208	32,782	38,907	40,645	43,191	5.0%
General Services	122,526	120,019	132,878	134,944	140,365	16.2%
Net Lending	2,634	7,023	2,626	5,500	5,500	0.6%
Debt Service	140,894	181,601	185,861	230,697	271,531	31.4%
Total	682,460	699,878	742,022	811,462	864,763	100.00%

Source: DBM

As if poverty were an emergency

If I were government, and enjoying people's trust, I will attack poverty as if it were an emergency. I will mobilize the whole government machinery, from the central agencies to the LGUs, for a focused and dedicated response.

The first order of the day will be the suspension of automatic appropriation for debt service and reallocation of budget to be able to:

- [1] Get all poor children in school and make sure they stay to finish basic education. Abolish all user fees and make all the essential textbooks and materials available for free. Provide poor children with free and nutritious meals, preferably prepared from locally grown food. Get the best teachers and pay them highly.
- [2] Ensure that no poor mother gives birth without being attended by a professional health worker and that no child dies of hunger and malnutrition. Build the primary health care system to be able to address every poor (wo)man's disease.
- [3] Engage in massive productive employment program based on natural resource conservation and restoration of environmentally-degraded areas and building light infrastructure especially in rural villages. There are more than enough job and livelihood opportunities in this area for the rural and urban poor to be out of work.



I'm sure these proposals will be an immediate equalizer but cannot be sustained for long. I know this is but a 'catch and provision' solution, like saving babies being thrown into the pool. I must realize that poverty is being reproduced in a big way by an unsustainable development strategy. Things are not going to change until I dare confront the guy who's throwing the babies.

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Footnotes

- ¹ Philippine Institute for Development Studies, 1998. Health Care Financing Reform: Issues and Updates. PIDS Policy Notes # 98-06.
- ² Manasan, R. (2002). Analyzing Government Spending for Human Poverty Reduction, 1995-2000, in Gonzales (ed.) Investing in People, Presidential Task Force on the 20/20 Initiative, DAP.



About the author

Isagani R. Serrano is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He's written for CIVICUS the following: *Civil Society in the Asia-Pacific*, 1994; *Humanity In Trouble But Hopeful* in CITIZENS, 1995; *Profile: Philippines* for CIVIC INDEX, 1997; *Coming Apart, Coming Together* in Civil Society at the Turn of the Millennium, 1999; *A Global Citizens' Commitment*, 1999. A community organizer, educator, writer, guitarist, 'farmer', and political prisoner for seven years during martial law in the Philippines. Trained in education and literature, community organization and development management. Holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.



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