



REPUBLIC OF THE PHILIPPINES

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Universalism vs targeted social policy: Philippines' experience in addressing the challenges facing the poor and disadvantaged and marginalized groups

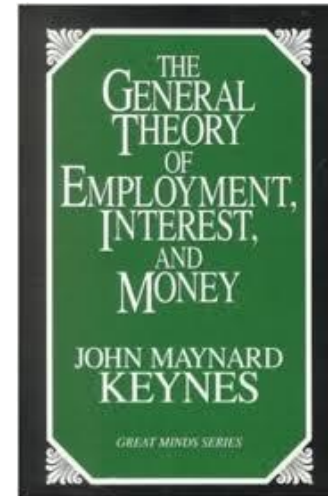
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Expert Group Meeting on Eradicating Poverty... UN, NY, 9 May 2017

"If the Treasury were to fill old bottles with bank-notes, bury them at suitable depths in disused coal-mines which are then filled up to the surface with town rubbish, and leave it to private enterprise on well-tryed principles of laissez-faire to dig the notes up again (the right to do so being obtained, of course, by tendering for leases of the note-bearing territory), there need be no more unemployment and, with the help of repercussions, the real income of the community, and its capital wealth, would probably become a good deal greater than it actually is."



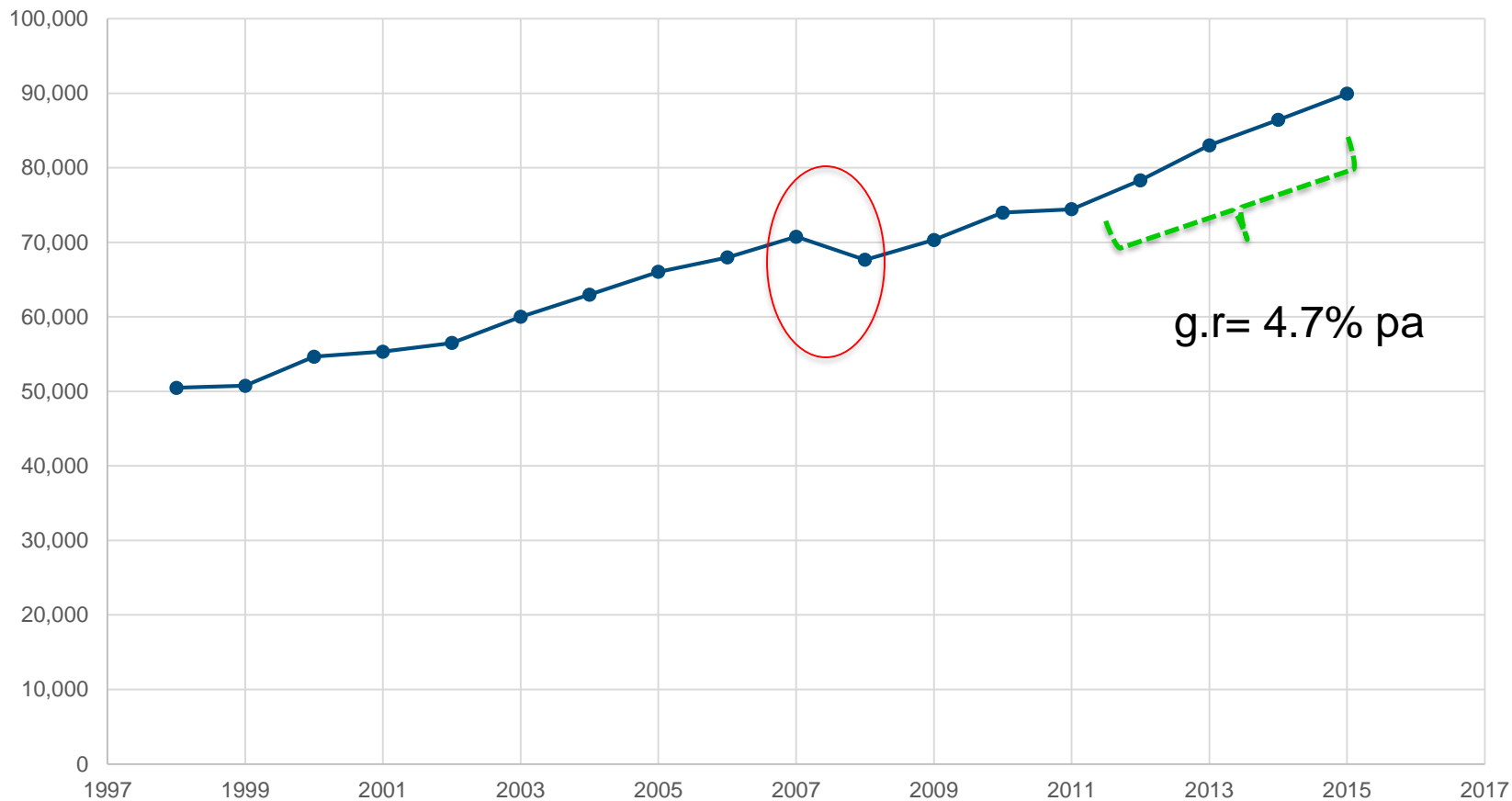
Perhaps, the failure of market mechanisms to address the challenges faced by the poor, the disadvantaged and marginalized groups could be considered as another of these situations that warrant government intervention.



Presentation Outline

- I. The Philippines' experience of growth and poverty reduction**
- II. Conditional Cash Transfer (CCT) program**
- III. Expanded CCT program**
- IV. Enhanced CCT program**
- V. Concluding Remarks**

Figure 1. Gross National Income, real per capita (Php)

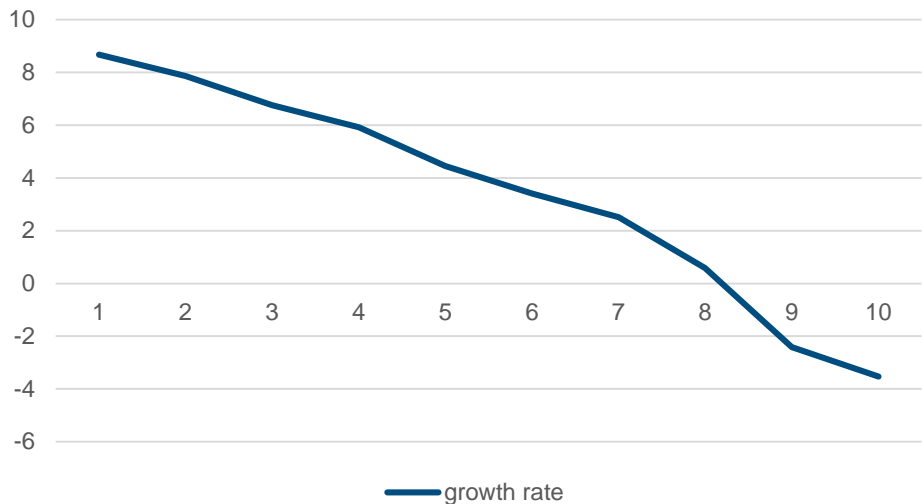


In general, per capita income expanded.....

Table 1. Growth impact on Poverty and Inequality

	2003	2006	2009	2012	2015
Poverty Headcount (%)	24.9	26.6	26.3	25.2	21.6
Subsistence Incidence		12.0	10.9	10.4	8.1
Growth rate of Per Capita Income (three years ending in year)					
Cumulative		13.3	3.5	11.4	14.8
average annual		4.2	1.1	3.7	4.7
Growth elasticity of poverty		0.5	-0.3	-0.4	-1.0
Estimated gini coefficient			0.464	0.460	0.444

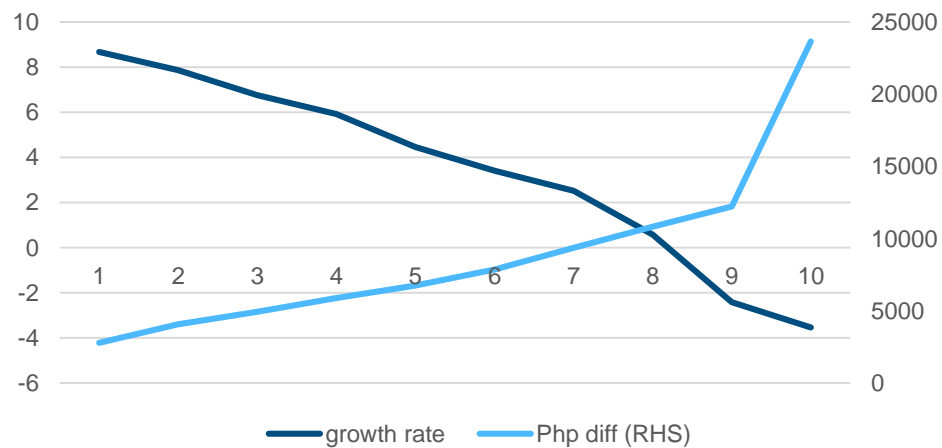
Figure 2a. Growth Incidence Curve, 2012-2015



Incomes of the poor grew faster

But of course, the rich had higher gains in income

Figure 2b. % change and absolute change in per capita income, 2012 vs 2015



Poverty reduction strategies

- 1990s: community empowerment; CDD strategies in 20 poorest provinces (later expanded to 26); partnership between government and civil society institutionalized
- 1998-2000: template programs of key line agencies converged on the poorest 100 families per province
- 2001-2010: CDD strategies in poorest municipalities but with national government intervention; piloted CCT in 2007 and expanded to cover 800,000 families in 2009
- 2010-2016: CCT; expanded scope and coverage in 2013 and covered 4.4 million families

Expanded Conditional Cash Transfer Program

- Objectives:
 - To break the inter-generational cycle of poverty
 - To ensure that the rights of the children of the poor are met
- Rigorous targeting mechanism
- Family beneficiary receives cash transfer equivalent to 12% of poverty line, on the condition that
 - School-age children go to school
 - Pregnant and lactating women have regular health check-ups
 - Preschool children have regular health check-ups
 - One or two parents attend monthly Family Development Sessions

Expanded Conditional Cash Transfer Program

- Other line agencies also converged on the beneficiaries (higher ed scholarship, livelihood program, even LGU assistance programs)
- Modified CCT implemented that caters to families in need of special protection, i.e.,
 - street families;
 - itinerant indigenous families;
 - displaced families due to man-made and natural disasters;
 - families with differently abled children, and other families with members with terminal disease,
 - child laborers,
 - children in conflict with the law; exploited, abandoned, victims of trafficking, etc

Without CCT and with economic growth alone, poverty incidence would have been 1.5 ppt higher

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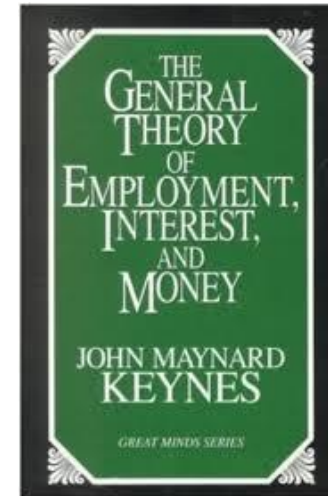
Enhanced CCT Program

- Amount of the transfer was increased, now at 15% of poverty line
- Training on proper nutrition was introduced in the FDS
- Training on Bio-intensive gardening was introduced in the FDS; LGUs provides space for the community gardens, Dept of Agriculture conducts the training and provides the necessary implements
- The plan is to include more livelihood and skills training programs in the FDS

Concluding Remarks

- Economic growth is necessary to reduce poverty.
 - But, Philippines is an archipelago and the core-periphery model does not apply
 - Also, frequent occurrence of disasters shortens the growth rally
- Aggressive redistribution program urgent
- But, we need to manage the opposition
 - ‘need to show results
 - ‘need credible M&E
 - ‘need to achieve scale ***

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