

# **Protecting the Most Vulnerable: An Analysis of Poverty Targeting Programs in the Philippines**

## **Abstract:**

In 2000, the Philippine government embarked on an anti-poverty program that targets the poorest people in the country. This paper scrutinizes the gains of this approach by comparing the poorest provinces in the country over a six-year period. The study revealed that the poorest provinces eight years back were almost the same poorest provinces at present.

The government's preoccupation with the 'victims of poverty' rather than with 'victimizing processes' missed the essential questions in pursuing poverty reduction goals and treated the poor as 'the problem'. This paper argues that this paradigm of looking at and addressing poverty provides only temporary relief and not remedy; it treats only symptoms, and not causes. The more important question then, is not 'who', but 'why'.

*Keywords: targeting, poverty reduction, Philippines*

## **MAPPING POVERTY IN THE PHILIPPINES**

Official poverty measurement in the Philippines uses the cost of basic needs (CBN approach), in which poverty lines are calculated to represent the money resources required to meet the basic needs of the household (referred to as the food threshold), including an allowance for non-food consumption (referred to as the poverty threshold) (NSCB 2005). Basic food requirements are defined using area-specific menus comprising of low-cost food items available locally and satisfying minimal nutrition requirements as determined by the Food and Nutrition Research Institute (currently equivalent to 2000 kilocalories per capita).

To determine the poverty line, a food menu which is representative of both urban and rural areas of the country is constructed and forms the food threshold. The expenditure patterns of households within the ten percentile in the income distribution are then utilized to determine the poverty threshold which is the cost of minimum food and non-food requirements of every household. (Virola and Encarnacion 2003). The poverty threshold is used to compute the poverty incidence which refers to the proportion of families with income less than the poverty threshold to the total number of families in the population. (NCSB 2005)

This method, however, has some technical deficiencies. For example, food menu is used instead of food basket and is based on low-cost menu instead of nutritionally adequate menu. Moreover, the non-food requirements are measured using indirect cost estimation (Virola 2002). Also, the computations are done on a per-household basis, thus, poverty incidence is computed at per household level and not per capita and thus ignores age and gender of members of the household as well as economies of scale (Balisacan 2007).

Nevertheless, results of this exercise is used by the government and other organizations in the design of poverty reduction programs. In the current discourse on poverty reduction conditioned by the larger context of Millennium Development Goals, poverty statistics, dubious or not, realistic or not, has been highlighted in every forum tackling the country's growth and development. It was estimated that in 2006, given the 84 million population of the country, the total number of poor people below the official poverty line is 32%; 1 out of every three Filipino did not meet the official poverty line (Balisacan 2008).

As a corollary exercise to national poverty estimation, the NSCB occasionally releases poverty maps. These are essentially spatial representations and analysis of indicators of human well being and poverty (Davis 2002) and have increasingly become important tools in the implementation of poverty reduction programs (Henninger and Snel 2002). In the Philippines, its primary use is to "identify where the poor are, analyze their poverty status and needs and determine how poverty assistance can be delivered effectively" (Domingo 2003) as well as to "raise awareness on the extent of poverty and provide a basis for the allocation of scarce resources" (Virola 2002). Inarguably, poverty mapping is an exercise that subscribes to the targeting paradigm in solving poverty, as opposed to universalism, because of reasons of resource constraints (Mkandawire 2005).

As a consequence, poverty statistics in the Philippines has recently become not only as a means of gauging economic condition of people at the national scale, but also at identifying the most deprived regions or provinces and strategizing for the needed interventions.

Because poverty in some areas is more pronounced than in others and the resources of the government as well as other development players are scarce, targeting is the poverty reduction strategy, and the identified areas of deprivation the target of resources.

## **ADDRESSING POVERTY: THE KALAHI PROGRAM**

The Philippine current government’s poverty reduction program is lodged at the National Anti-Poverty Commission and this was called Kapit Bisig Laban sa Kahirapan (Linking Arms Against Poverty) or KALAHI project. While there were different poverty reduction programs in the past, these were all implemented under the poverty targeting frame. The KALAHI Project has the following components and targets as indicated in Table 1.

<b>Component</b>	<b>Major Interventions</b>	<b>Targeted Local Government Units</b>
KALAHI Rural Projects	Potable water systems, farm to market roads, micro-enterprises, livelihood activities, multi-purpose halls, day care center	90 barangays
KALAHI Urban Projects	Human development services, housing, land	8 cities
KALAHI Social Initiatives Projects	Animal dispersal, abaca plantation, water systems installation, shelter construction, farm to market roads	6 provinces, 7 municipalities, 25 barangays
KALAHI Resettlement	Resettlement	5,000 households
KALAHI in Conflict Areas	Peace and community development	100 communities in conflict

**Table 1. KALAHI Project – Components, Interventions, and Targets (Source: KALAHI Report)**

The KALAHI Project spent around 8 million US dollars as of 2004 to implement its different interventions through a piloting-demonstration-scaling up model (WB 2005). The program also has a heavy focus on basic social services, conditioned by the MGDs and the deprivation levels it has identified - like access to sanitary water, housing, financial capital and early childhood education. While there were livelihood projects, these were significantly rural-focused in nature and the urban projects largely concentrated on improving land tenure security and housing, as well as basic social services.

The program is not without criticisms. In the Asian Development Bank-commissioned review of poverty programs in the country (2005) the program was seen to be “highly centralized”, “highly politicized” and “resource-constrained” resulting to mediocre achievements when contrasted to its optimistic targets. Bautista (2001) also commented on the inappropriate poverty targeting mechanisms employed, more particularly in the selection of beneficiaries. Reyes (2002) also emphasized that poverty targeting program has benefited not the poorest but the relatively richer quantiles of the population because of inefficiencies in poverty targeting mechanisms that result to leakages and the unavailability of more locale-specific poverty data.

## **WHY THE SAME POOR PROVINCES OVER TIME?**

The arguments in the immediately preceding paragraph indicate, that indeed, there were significant lapses not only in the way poverty measurement is done, but also in the way the

problem of poverty is addressed. Below we present the ranking of the poorest provinces in the country over a ten-year period since 1997:

1997	2000	2003	2006
Sulu	Masbate	Zamboanga del Norte	Tawitawi
Masbate	Sulu	Maguindanao	Zamboanga del Norte
Eastern Samar	Romblon	Masbate	Maguindanao
Ifugao	Ifugao	Surigao del Norte	Apayao
Mt. Province	Lanao del Sur	Agusan del Sur	Surigao del Norte
Lanao del Sur	Sultan Kudarat	Surigao del Sur	Lanao del Sur
Romblon	Maguindanao	Misamis Occidental	Northern Samar
Abra	Tawi-tawi	Mt. Province	Masbate
North Cotabato	Abra	Biliran	Abra
Camarines Norte	Agusan del Sur	Lanao del Norte	Misamis Occidental
Davao Oriental	Mt. Province	Camarines Norte	Agusan del Sur
Northern Samar	Capiz	Kalinga	Occidental Mindoro
Agusan del Sur	Camarines Norte	Sulu	Oriental Mindoro
Antique	Eastern Samar	Sarangani	Sulu
Marinduque	Camiguin	Antique	Kalinga
Surigao Del Norte	Marinduque	Palawan	Surigao del Sur
Surigao Del Sur	Lanao del Norte	Sultan Kudarat	Mountain Province
Camarines Sur	<b>Bohol</b>	Abra	Sarangani
Caraga	Catanduanes	Occidental Mindoro	Lanao del Norte
Siquijor	Zamboanga del Norte	Zamboanga Sibugay	Negros Oriental

**Table 2. Ranking of Poorest Provinces in the Country – 1997-2006**  
(Red – present in list for 4 periods; Orange – present in list for 3 periods; Rust – present in list for 2 periods)

As can be noted in Table 2, over the ten-year period, almost the same provinces are considered poor, using income poverty standards. Though, poverty programs were also implemented in these provinces under the KALAHI programs. Even using Human Development Indicators as basis, almost the same provinces were also considered the most deprived in the country, indicating a relative convergence of income and human development measures.

In search of explanations, economists from the University of the Philippines argued that geographical and political economy factors are pervasive causes in the achievements in poverty reduction at one end, and the persistence of poverty, at the other, in the Philippines (Collas-Monsod et al 2004). They pointed to geographic factors as climate, topography, and proximity or access to markets to have pervasive effects on poverty and poverty reduction. Political economy factors as political dynasty and pervasive conflict (not only in the Muslim south) have significant impacts on poverty and poverty reduction in the areas.

Also, in a seminal paper analysing poverty reduction variables in the Philippines using available data of 72 provinces in the period 1980 – 1990, Balisacan and Pernia (2004) argued that there are determinants of poverty reduction other than growth. They identified several

variables, either considered as 'initial condition' or 'time-varying' that positively or negatively affected poverty reduction.

Among those that they found to have significant positive effects on poverty reduction were irrigation, relative price incentives on agricultural products, agrarian reform, and schooling, but only when schooling was complemented with road access. Conversely, the presence of political dynasties in an area, typhoons, and high transport costs were significantly negatively correlated with poverty reduction. Farm size, road access, and electricity were found insignificant using econometric analyses.

## **SPATIALIZATION OF POVERTY**

Table 2, however, points to one basic fact – that indeed there is spatialization of poverty in the country. In 2007, the Republic of the Philippines reported, in its midterm progress report on the MDGs that “socioeconomic development in the Philippines is uneven and poverty is characterized by wide disparities across regions and population groups”. A graphical presentation of poverty incidence in the country produced by NSCB in 2005 indicated that poverty incidence is more pronounced and urgent in the southern part of the country, farther down from the political and economic capital– Manila.

Blank (2005) argues that the 'place', the natural environment of the area, has significant bearing on poverty incidence. In her paper, she argues that isolation, one of the components of the natural environment and defined as “limited accessibility from location to specific markets or nearby population centers” creates distance, limits market exchange, affects labour markets, and hampers an area's ability to benefit from comparative advantage thus leading to meagre achievements in poverty reduction.

The importance of 'place', more notably on its effects on the access of people not only to markets but also to government services finds a considerable ground in the Philippines, where most of the poorest provinces are located farther beyond the national center – the seat of political power and the business capital of the country. This somehow mirrors Lipton's (1977) “urban-bias” argument on development where resources are argued to be transferred or utilized in favour of urban areas to the detriment of rural places. In the early days of Philippine development, governmental projects and social assistance as well as development programs governments are clustered in areas near the political and economic centers. This is not only true using provincial data. Analysis of municipal data also reveals that the farther the barangay is from the town centre, the more likely would its poverty incidence be higher.

There are several reasons for this. First, offices of service providers are normally stationed at national, provincial, and town centres. Second, accessibility of provinces, municipalities and barangays, in terms of roads and transport, are necessary preconditions for providers to be able to effectively and efficiently deliver services in specific areas, given its limited funds, since the less accessible the area, the higher are the service delivery costs. Third, people are also unable to access services of providers for the same accessibility reason as above, more particularly related to high transport costs. Fourth, and a more serious contention, is that representation of people in the periphery is low in governments and organizations that their interests are underrepresented in the local development discourse.

“Urban bias”, however, does not only pertain to this but also to the uneven terms of trade that exist at the expense of the rural producers (Lipton 1977). In the Philippines, this has been observed as one of the reasons why poverty persist in the countryside (Balisacan 2002). A local study in a town in Bohol, in Sierra Bullones, one of the twenty poorest municipalities, concludes that persistent poverty of farmers in the area is partly caused by production losses due to low gate prices of farm products matched with expensive agricultural inputs (Canares 2005).

In this respect, it is argued that ‘place’ is an important characteristic in poverty reduction (Schelzig 2005) especially when the poor’s access to the benefits of both markets and social provision is affected (Corbridge and Jones 2005). The case of the Philippines suggests not just a problem of ‘place’, but also of the poor’s influence in how local development is organized and pursued. The challenge of the government is to ensure how to improve access of people in the periphery to the services of the government and ensure that the government itself is not a cause of marginalization of people in the periphery.

### **NARROW TARGETS, LOW ACHIEVEMENTS**

The national initiative to reduce poverty was narrowed down, only and strictly, to improvement in access to services by the poor. This was largely influenced by how poverty was understood (a deprivation from basic services as health and education). Unsurprisingly, government directions are aimed towards these identified strategies. The poverty reduction agenda in the Philippines, because of its predominantly targeting framework, becomes poverty reduction of the poorest areas only. Thus, resources were transferred to poorest communities without regard of the deep seated poverty that are also found in richer areas (Bird and Rodriguez 1999). The fact that the provincial poverty ranking showed provinces getting poorer or better across time reveals that provincial aggregates reveal nothing about the depth of poverty which may be responsible for the ranking variations.

Though tainted with many inconsistencies, poverty data and statistics in the country is used to locate the provinces that are the poorest and initiate interventions with them. The practice does not only violate social justice principles, but also reduces the phenomenon of poverty into purely individualistic terms. This framework of viewing poverty has not only narrowed down the problem of poverty from being a social to a household or individual concern, but has also made poverty a static concept despite the presence of poverty-causing events and occurrences. By concentrating on who the poor are and where they live, the questions on what makes people poor, what conditions caused them to be stuck in their miserable state, and what processes and events are occurring everyday that contributes to their deprivation, are unfortunately forgotten.

Government-engineered poverty reduction efforts, even when implemented with increased people’s participation and targeted at the poorest areas, are not the panacea to solving problems in destitution. As earlier argued, there are alternative routes in how poverty can be addressed. This paper argues that initiatives to solve poverty can only be successful by asking the right people the right questions and avoiding the wrong ones.

## REDEFINING POVERTY

The fight against poverty needs to start by understanding poverty both at its conceptual (the theories as contained in voluminous literature) and practical spheres (the context of poverty as lived by those affected and not affected by it). This understanding, which is contextual and never automatic, and nevertheless a matter of judgement (Saith 2007), should become the basis in asking further questions. The greatest mistake with development stakeholders however, is how they proceed from this question to the next – they automatically get preoccupied with knowing who the poor are, where they live, and what are their needs (or their deprivation), and proceed to assisting them and providing them opportunities of access. Like the Philippine experience, where the same set of provinces are poor over a three year period, initiatives like this will likely fail.

The preoccupation with the ‘victims of poverty’ rather than with ‘victimizing processes’ does not only miss the essential questions in pursuing poverty reduction goals, but has also treated the poor as ‘the problem’ whose needs must be met so that they will not turn up again in the next year’s statistics. In the Philippines, we see non-government organizations distributing sanitary bowls for the poor to have sanitary toilets, government offices constructing potable water systems to allow the poor to have access to safe drinking water, without asking the question why in the first place these basic services were not there.

This paradigm of looking at and addressing poverty provides only temporary relief and not remedy. Further, it treats only the symptoms, and not the causes. The more important question then, is not ‘who’, but ‘why’.

This is a difficult question to answer because it does not only search for reasons but also seeks to establish accountability. It may point to corrupt leaders whose families have been ruling the municipality for generations or to oppressive businessmen who profit at the expense of the poor. It may point to a corrupt government that lessens incentive for local investment, to inefficient private educational institutions that earn more than teach, or to unjust land distribution. Nobody desires to wallow in destitution and everyone has a dream of a good life. The poor are not poor because they like to be; their poverty always has causes and instigators.

Framing poverty reduction initiative in this context does not only require of government to provide livelihood opportunities, but also to ensure that the poor gets a fair share of their labour. It does not only require of non-government institutions to implement community-based forestry management programs, but also to ensure that private corporations do not squander environmental gains. It requires that poverty reduction efforts are set against a wider context where micro-interventions are complemented with enabling macro-mechanisms to ensure that the poor improve their lives consistently.

Poverty reduction, in this case, becomes a very difficult problem to solve, because it certainly is. It is a complex state and process that can not be dealt with by just distributing toilet bowls, constructing reservoirs, giving out hand tractors, or conducting community trainings. As targeting is definitely not a solution to poverty, universalism on the other hand, while most desirable, is hardly feasible for local governments in developing countries oftentimes facing resource deficiency. Poverty reduction can only be successful through the removal of

conditions that perpetuates the cycle of poverty and the fostering of conditions that would help the poor remove themselves out of their destitution.

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