

Creating Opportunities for More Inclusive Growth

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What Is Inclusive Growth?

- Development agencies have come up with several definitions agreeing on one salient point:
 - **INCLUSIVE GROWTH** is the *broad-based equitable distribution of economic gains to society*
- Investing in inclusive growth will enhance human capacities, produce a quality work force, and build a strong knowledge base.

What is Inclusive Growth?

- **Inclusive growth** is a worthwhile end towards which we should work and which should be pursued in conjunction with economic gains.

I. Gains have been achieved in both economic and social development

- GNP and GDP growth rates increased

	2006	2007
GNP	6.1%	7.8%
GDP	5.4%	7.3%

- First trillion peso budget in Philippine history (GAA of 2007)
 - Large portions allotted for education (PhP135B) and health (PhP11.7B)

I. Gains have been achieved in both economic and social development

- Investment in education and health yielded positive results:

Education

- 1:1 student-book ratio achieved
- More trainings provided for teacher effectiveness
- Gains sustained by 15.1% budget increase to finance construction of 10,000 classrooms and reduce deficiency in school chairs and desks

I. Gains have been achieved in both economic and social development

- Investment in education and health yielded positive results:

Health

- Under-5 Mortality Rate target, achieved ahead of schedule
- Infant Mortality Rate reduced to 24/1,000 live births in 2006 from 32 in 2003.
- Downtrend in maternal mortality rate from 209/100,000 live births in 1993, to 172 in 2003 and 162 in 2006

I. Gains have been achieved in both economic and social development

➤ NEDA-SDC's adoption of the Philippine Definition of Social Protection (2007), which identifies the Four Components of Social Protection:

- SOCIAL WELFARE
- SOCIAL SAFETY NETS
- SOCIAL INSURANCE
- LABOR MARKET INTERVENTIONS

I. Gains have been achieved in both economic and social development

- The Philippine Definition of Social Protection guided the sectoral reform agenda of DSWD, DepEd and DOH. These agencies have undertaken the following:
 - **Synchronized sectoral reforms**
 - **Improved capacity building for LGUs**

II. Why We Should Do More

- The FIES for 2006 indicates the worsening of poverty amidst remarkable economic growth.
- Poverty increased in the last 3 years.

Year	Poverty Incidence
2003	24.4%
2006	26.9%

- This translates to 32.9M or 1 out of 3 Filipinos living on less than a dollar per day.

II. Why We Should Do More

➤ The Problem of Equity

- Of every 100 middle income families, 3 families have been lost to the low income category from 1997-2003 (FIES)
- Income disparity is high. The income of the richest 10% is 20 times that of the poorest 10% (NEDA and NSCB estimates)
- Infrastructure is heavily concentrated in urban areas, reflecting geographic disparity in overhead capital investment

II. Why We Should Do More

➤ The Problem of Weakening Human Resources in Health and Education

- 17,731 medical workers representing 5.8% of 300,000 newly hired OFWs (2006)
 - 13,525 nurses and 171 doctors
- 890 newly-deployed teachers for 2006 alone
- Adverse impact on education indicators
 - Low pupil performance in English (54%), Math (53.68%) and Science (37.98%) based on NAT 2006
 - Increase in dropout rates from 6.98% (SY 2004-05) to 7.36% (SY 2006-07)
 - 28-34% of the population already considered education-poor (2000)

II. Why We Should Do More

➤ The Problem of a Large Population

- Expected to hit 90M by the end of 2008
- Unmitigated population growth affects strains human services and social programs and increases risks of poverty
- More vigorous implementation of the family planning methods and similar reproductive health programs should be undertaken

II. Why We Should Do More

➤ The Problem of the Long-Running Armed Conflict in Mindanao

- 11 out of 20 poorest provinces are in Mindanao (FIES 2006)
 - CARAGA, ARMM and Central Mindanao
- This situation calls for implementation of social programs to facilitate the peace process, which will be implemented based on principles of good governance and anti-corruption

What have we learned?

- **Achieving inclusive growth begins with investing in the MDGs.**
- The returns of investing in inclusive growth can only be maximized if all of us work together.

III. Our Next Steps

- Invest our economic gains in socially inclusive programs— both in place and newly developed— to **increase incomes for poorer households, improve delivery of social services, and improve social protection for the poor**

III. Our Next Steps

➤ Increasing Income of Poorer Households

- Diversifying crop production and improving agribusiness
- Stimulating off-farm employment by improving investment climate and rural infrastructure
- Supporting small businesses through micro-financing and facilitating flow of products from farms to markets

III. Our Next Steps

➤ Improving Delivery of Social Services

- **BESRA** of DepEd promotes School-Based Management (SBM), which contributes to increasing pupil performance
- **Health Sector Reform Agenda** improves access to affordable good quality medicines through its PhP100 drug treatment packages and expansion of Botikang Barangays.
- **KALAHI-CIDSS**
 - 1,860 kms. farm to market roads,
875 water sanitation projects,
267 health stations,
246 day care centers,
343 school buildings,
74 electrification projects

III. Our Next Steps

➤ Improving Social Protection for the Poor

- Social Welfare and Social Safety Nets
 - Programs that tie its targets to the MDGs e.g., *Ahon Pamilyang Pilipino* Conditional Cash Transfer Program
 - Implementing the Harmonized GAD Guidelines
- Social Insurance
 - PhilHealth Sponsored (Indigent) Program
- Labor Market Interventions
 - Enforcement of minimum wage fixing, labor standards, workers compensation and rehabilitation and programs against child labor

III. Our Next Steps

- Improving Social Protection for the Poor
 - Initiatives on the Peace Process
 - Mindanao National Initiatives (Mindanao Natin)
 - Investments in infrastructure i.e., construction of *Surigao-Davao* and *Lebak-Maguindanao* national highways (2008)
 - Bills proposing to extend CARP already with congress
 - Efforts to mitigate adverse effects of climate change
 - Adoption of the UN Cluster Approach for disaster risk management (NDCC)
 - Allotment of PhP5B for conservation efforts and PhP300M for reforestation in 2008

III. Our Next Steps

- Maximizing opportunities in the PDF to do the following:
 - Identify social inclusion areas we can effectively address, for example:
 - Creating and using a unified targeting system for poverty
 - Timely and efficient monitoring of the MDGs
 - Commit financial and technical support for impact evaluation of programs like the APP, which will help in assessing efficacy of anti-poverty programs
 - Support more consistent application of the Harmonized GAD Guidelines in programs and projects

Thank You

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