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## Social Impact of the Regional Financial Crisis in the Philippines

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Philippine Institute for Development Studies

## Social Impact of the Regional Financial Crisis in the Philippines

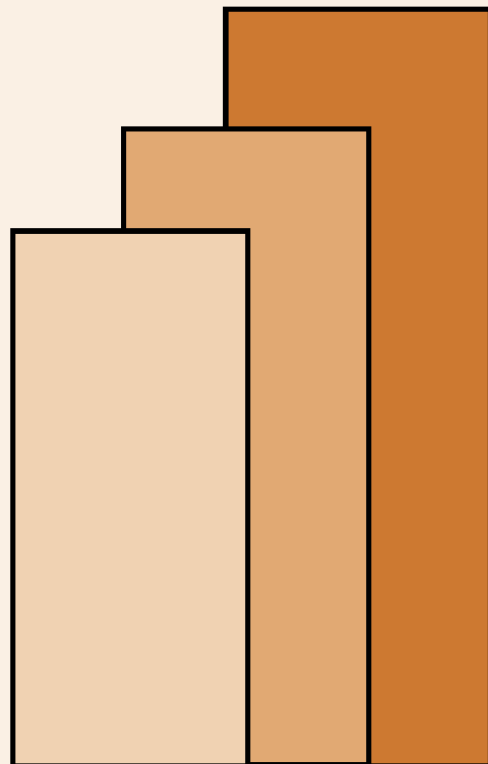
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# **SOCIAL IMPACT OF THE REGIONAL FINANCIAL CRISIS IN THE PHILIPPINES**

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# **SOCIAL IMPACT OF THE REGIONAL FINANCIAL CRISIS IN THE PHILIPPINES**

## **EXECUTIVE SUMMARY**

- The Philippines, having been integrated into the global economy, was not spared from the financial crisis that hit Asia in July 1997. Just like other countries in the region, the country became increasingly vulnerable as it absorbed a portion of the massive portfolio investments that flowed into the region two to three years before the crisis. The large capital inflows strengthened the domestic currency even as the country's trade deficit widened.
- Prior to the crisis, the Philippines experienced significant economic and human development improvements as it benefited from the various policy reforms instituted in 1991-1996. A year after the crisis hit, much of the gains has been eroded. Exacerbating the problem was the drought brought by El Niño and later on the typhoons associated with La Niña. Both wreaked havoc on the agricultural sector and consequently on the poorer segments of the population.
- This study is aimed at assessing the social consequences of the crisis, with the end in view of contributing to the development of appropriate policy responses and reforms towards the strengthening of the social protection systems on a more sustained basis. The study analyzes the nature and extent of the social impact of the crisis, identifies the specific groups adversely affected by the crisis, looks into institutional responses and household coping mechanisms, and determines areas where international organizations like the ADB can make useful contributions.
- Unlike previous studies of the same nature which had to base their analysis on very limited data, this study makes use of a rich set of information coming primarily from special data gathered for the specific purposes of the study and from regular and official statistics which were available only very recently. The former consists of primary data obtained through the participatory assessment approach involving the use of focused group discussions (FGDs), a key informant survey, and a household survey. The data was collected in January 1999 which is deemed appropriate from the point of view of being able to more or less capture the full impact of the crisis.

### **Economic Situation Prior to the Financial Crisis**

- In the three years preceding the crisis, the Philippines enjoyed stronger economic growth compared to its sluggish pace in the early 90's. It also experienced higher incomes and employment, stable prices, and favorable balance of payments and fiscal position. This was basically a result of the various policy reforms instituted in 1991-1996 which, among others, addressed infrastructure bottlenecks including the power supply situation, and stimulated investments and economic activity especially in deregulated and liberalized sectors.



- While the performance of the economy was creditable when matched with historical trends, it lagged behind its neighbors (i.e., Thailand, Indonesia, China, Malaysia and Singapore) which had been growing at almost neck-breaking pace since the early 90's. In spite of the growth experienced in 1994-1997, the country's per capita GNP in dollar terms has not yet recovered to match its peak level in 1981. Economic growth was not enough to get back to historical highs in per capita GNP largely because of the roller coaster pattern of growth that the country has undergone since the late seventies as well as the consistently high population growth rate.
- As in other countries in the region, the country enjoyed substantial inflow of foreign capital especially portfolio investments in 1995-1996. This resulted in the strengthening of the peso which occurred in spite of the large trade deficit. The large proportion of portfolio investments to total foreign investments, the stronger peso combined with a large trade and current account deficit, and the deterioration of the BOP position in early 1997 made the economy vulnerable to speculative attacks on its currency. However, as later confirmed by the country's experience after the start of the crisis, the various policy reforms instituted earlier, especially those that resulted in the strengthening of the banking system, made the country relatively more resilient to the impact of the crisis compared to some countries in the region.

### **Social and Human Development Situation Prior to the Crisis**

- As the country experienced economic improvements during the few years prior to the crisis, the country posted positive trends in some key human development indicators. (Reyes and Del Valle, 1998). This is expected to have stemmed from improved incomes and employment and from higher government spending on the social service sectors during the mid 1990s.
- Compared to 1986, the period 1994-1996 saw a marked improvement in the general health condition of the population. Available indicators show an increase in the average life expectancy, decline in malnutrition, and a reduction in crude death rate and in infant mortality rate. Similarly, poverty incidence dropped over the period 1986-1997. In spite of this improvement, however, the magnitude of poor people continued to swell.
- Despite the gains, the Philippines fared unfavorably compared to the other five ASEAN countries in terms of per capita incomes, unemployment, and poverty incidence. In terms of human development, it also fared poorly specifically in terms of life expectancy, low birth weight infants, crude death rate, infant mortality, employment, and access to sanitary toilet facilities. In terms of overall ranking for selected human development indicators, the country ranked fourth among the five ASEAN countries, better only compared to Indonesia.

## **Economic Impact of the Crisis**

- The most immediate impact of the financial crisis was manifested in the sudden outflow of substantial amounts of foreign capital which put a heavy strain on the country's dollar reserves, thus resulting in the steep drop in the value of the peso (more than 62% within seven months after the crisis struck). To ease the pressure on the exchange rate, interest rates were increased by up to about seven percentage points at their peak level.
- Only a slight deceleration in GDP growth was felt in the first six months after the start of the crisis, with agriculture registering a flat growth and the industrial and services sectors showing some signs of weakening. In 1998, however, the economy contracted especially in the second quarter when the drought was most intense and in the fourth quarter when two strong typhoons hit the country. While the economic contraction is more due to the weather disturbances rather than the financial crisis, the marked decline in manufacturing and construction output during the period indicated that the adverse impact of the crisis had already been more deeply felt.
- Inflation slightly accelerated in the first few months after the crisis, with pressures coming mainly from services and housing and with food prices being somewhat stable. However, when agricultural output dropped drastically in the second quarter of 1998, the increase in food prices accelerated, bringing the overall inflation to double-digit levels.

With the large depreciation of the peso, the balance of trade improved although occurring with some lag. In the six months immediately following the onset of the crisis, imports continued to outpace exports and the trade gap continued to widen. In 1998, imports dropped dramatically while exports continued to expand. By the second half of 1998, the trade balance turned into a surplus, drastically reducing the trade gap for the whole year. This, together with the availment of foreign borrowings contributed to an improved BOP position in 1998.

## **Fiscal Impact of the Crisis**

- The financial crisis shaved off a substantial amount from expected government revenues which left the government with no choice but to cut back on its spending. In spite of the latter, the economy faced a bigger budget deficit by end 1998. The reduced spending meant a curtailment in the delivery of economic and social services although efforts were made to shield the latter from deeper budget cuts.
- In view of the revenue drop which was primarily caused by the dramatic shortfall in import duties, the government imposed a 25% reserve on total maintenance and operating appropriations of all national government agencies in February 1998. At the same time, it imposed a 10% reserve on the LGUs' share in internal revenue allocation (IRA).

- Most adversely affected by the austerity measures were the economic services sectors and national defense which suffered absolute budget cuts. On the other hand, the social services sectors and general public services were relatively protected, as the reserves on the social sectors were selectively lifted during the year. Still, real per capita spending on the social services sectors went down in 1998. Among the social sectors, most adversely affected were health, education, and housing/community services.
- With the government's fiscal difficulties continuing in 1999, aggregate national government expenditures net of debt service based on the 1999 General Appropriations Act (GAA) will remain tight. However, expenditures on economic service sectors will somewhat recover.
- The national government's austere spending in response to the crisis was mirrored at the local level as the latter encountered similar revenue difficulties. Over and above the reduction in their IRA shares, many LGUs registered a decline in locally generated revenues. In response, many LGUs imposed an across-the-board 25%-30% cut on non-personnel recurrent expenditures.
- LGU expenditures on economic services and other purposes were most severely affected by the fiscal crunch. As in the national level, the social sectors were accorded some degree of protection. Nevertheless, deterioration was noted as in the sample of LGUs surveyed, 11 out of 18 had lower per capita expenditures for social services. Also following the pattern at the national level, the health sector seems to have suffered the most from the tight LGU budgets.

### **Social Impact of the Crisis**

- The financial crisis had an adverse impact on the employment situation which was exacerbated by the El Niño. Total employment in 1998 grew at a slower pace and was not sufficient to accommodate the faster growth in the labor force. Thus, both the unemployment and underemployment rates went up during the year. Most hurt were the construction, manufacturing, and mining and quarrying sectors. Agriculture also suffered due more to the drought rather than the crisis.

This trend is supported by the FGD results which, while showing no massive lay-off, indicated significant loss of gainful employment. The more badly hit groups include urban poor and fishing communities. Many farmers and fisherfolks were forced to abandon their jobs for more viable sources of livelihood. By age group, the older workers, presumably the more skilled, were better able to hold onto their jobs.

DOLE's survey of firms indicate that more firms either closed or retrenched in 1998 due to economic reasons. The number of firms which closed or retrenched in 1998 were double those in 1997. In wholesale and retail trade, financing, insurance, and real estate, the figures for 1998 are triple the figures in 1997.

- The FGDs and the household survey show that many individuals (30% of respondents in the household survey) experienced lower incomes. The proportion of persons experiencing income declines was much higher for upland communities and sustenance communities. The middle income communities were less adversely affected. Among the major reasons cited for the decline in incomes were poor harvest due to bad weather, lower product prices, and reduced number of earning family members especially among middle-income households.

In spite of the crisis, however, a number of households (17% of respondents) reported higher income, due mainly to job promotion, increased number of earning family members, better product prices, and new or additional work. Increased financial support from relatives was also cited as one of the main reasons for higher incomes reported in urban poor communities. This indicates the strengthening of the family support system during the crisis.

Among workers, those employed overseas benefited the most from the crisis because of the higher peso value of their dollar earnings. This is in spite of the decline in dollar earnings and remittances in 1997 and in 1998.

- While not all individuals experienced lower nominal incomes, price increases affected everyone, indicating declines in real incomes. Inflation rate in 1998 went up to 9%, from 5% in 1997 as a result of the peso depreciation and the food supply bottlenecks caused by the El Niño and La Niña. Food prices alone rose by 6.4%. FGD respondents felt that the sharp increases in prices were not matched by corresponding increases in wages and earnings, thus, implying weakened purchasing power and a decrease in access to basic services.
- The household survey indicates that the proportion of families who rated themselves poor rose from 40% in 1997 to 43% in 1999. The highest self-rated poverty seems to be evident among fishing and upland communities and among households in urban poor communities. The Social Weather Station surveys also indicate an upward trend in self-rated poverty between 1997 and 1998. The increase in poverty incidence is by itself not very large but is still a cause for concern because the poverty incidence is already high to begin with.

It should also be noted that while some households experienced lower incomes, a significant number of the household respondents (38%) also indicated that their well-being improved in spite of the crisis, and another big portion (30%) were unaffected. These consist mostly of families in the middle income communities.

- Lower enrolment rates and higher drop out rates are the primary effects of the crisis on the education sector as indicated by the FGDs. This seems to be most especially true in depressed communities such as the urban poor, sustenance farming, and upland and fishing communities. Among the specific reasons given are financial difficulties, inability to cope with higher tuition fees and school expenses and higher out-of-pocket costs (e.g., transportation, school projects), and the need to give priority to more essential items such as food. The increase in drop out incidence was more

greatly felt in public secondary schools and did not seem to be very large in elementary and private secondary schools.

Based on government's administrative reports, there was a slight growth in enrolment in public elementary schools between school year 1997-98 to 1998-99, but a considerable decline for the secondary level. There was, however, a decline in enrolment in Grade 1 and a slowdown in the growth of enrolment in the first year level. This indicates that families have postponed the enrolment of new entrants both to elementary and secondary level. Meanwhile, enrolment in private schools showed significant drops. It is speculated that a shift occurred in enrolment from the private to public schools at the elementary level.

- The more significant and evident impact of the crisis on the health sector is the reduced availability of medicine supplies and vaccines and other health services such as immunization. This has been strongly felt by the survey respondents and is consistent with the drop in government health expenditures both at the national and local levels. The skipping of meals is not prevalent and does not appear to have resulted in higher incidence of malnutrition.
- The financial crisis also affected the especially disadvantaged groups. In the case of farming communities, the severity of the El Niño aggravated the situation. Among farming and fishing communities, the impact of the crisis was experienced through higher input prices. Fisherfolks faced better market price for their produce but it was not enough to offset cost increases. The situation is worse for farmers who could not sell their produce at higher prices as they were usually at the mercy of traders and/ or landowners. On the children and youth, the adverse effect of the crisis was felt through the coping mechanisms adopted by poor families which, in general, have compromised the health, education and overall development of these young individuals. In the case of women, they took the added burden of stretching the household budget, looking for additional income-earning opportunities, and finding of credit sources or money to pay loans.
- The country's social fabric seems to have been left relatively unscathed by the financial crisis. In spite of the economic and financial difficulties faced by individuals and families, communities in general have remained peaceful. In a few communities though (particularly those among the urban poor and fishing villages), an increase in incidence of drug-related problems and criminality has been reported.

#### **Responses to the Crisis and Coping Mechanisms**

- Focusing on the social-related responses to the crisis and coping mechanisms, the government implemented certain measures to establish social safety nets and assist displaced workers. The business sector, which was doubly hit by the crisis through weaker demand and higher costs, resorted to cost-cutting measures such as freezing of salary increases and cutting down of work hours. Among households, the main coping mechanisms employed were the search for additional income-earning opportunities and adjustment in the household budget.

- In line with its objective of establishing social safety nets to cushion the poor from economic adversities, the government carried out various measures consisting of food and health care assistance to vulnerable groups affected by the crisis as well as the drought. These include the setting up of sari-sari stores that would sell basic food commodities at lower prices, continuation of the program on the comprehensive and integrated delivery of social services (CIDSS) to address the unmet needs of the poor, selling of rice at discounted prices by the National Food Authority rolling stores in targeted poor municipalities, and other forms of emergency assistance.

The government also provided assistance to displaced workers consisting mainly of the following: rural works projects specifically in Mindanao and in the CARAGA region; an emergency loan package for displaced sugar workers; strengthening of job facilitation services; loan programs and measures to ease repayment of loans by SSS members; and training and retraining intervention programs through the Technical Education and Skills Development Authority (TESDA).

- Based on the Survey of Philippine Industry and the Asian Financial Crisis undertaken in late 1998 (Lamberte and Yap, 1999), many manufacturing firms resorted to cutting down of work hours or days to minimize job losses while some implemented cost-cutting measures like freezing of salary increases, imposing forced vacation, enforcing compressed work week, and for a small number of firms, implementing salary cuts. In the same vein, the FGDs cited other cost cutting measures such as job rotation, longer working hours without additional pay, hiring of workers on a contractual basis, and employment of women at below minimum wage.
- The FGD reports indicate that many of those who lost their jobs tried to seek some part-time work, mainly in retail trade and doing odd jobs. Women in households where the males were displaced tried to augment the household income by seeking jobs or undertaking self-employment mechanisms such as direct-selling and setting up *sari-sari* stores or *carinderia*. In certain cases, children were also made to work mostly as laborers (for the men), or as domestic helpers (for the women).
- Among households, one common coping mechanism is adjusting the household budget, giving priority to more essential items like food and allotting more for education, medical/health, transportation and housing expenses to keep up with rising costs in these areas. Needs for clothing and leisure were sacrificed. Some changes in food consumption patterns were also made by doing away with non-essentials, having only one viand per meal, eliminating snacks, sleeping longer hours, and resorting to cheaper food substitutes.

To meet their financial needs, majority of the households surveyed resorted to borrowing or availing of credit, mostly from the informal sectors or from relatives and friends. When credit was not accessible or available, some households resorted to selling assets to raise cash.

### **Assessment of Existing Monitoring Systems**

- Most of the studies done on the impact of the crisis had to rely on very limited information because the existing monitoring systems especially for assessing social impact is very much inadequate in terms of timeliness, identifying affected sectors, and providing a full picture of what happened to the affected sectors. Social indicators, unlike economic indicators, are generally fewer and infrequently collected. Some data are available at the local level but it takes a long time before they go up to the national level. On the other hand, some indicators are too aggregated to provide useful information for targeted interventions. These problems have made the rendering of appropriate and timely response to the crisis very difficult.
- At the national level, there is no single monitoring system that tracks the country's performance vis-à-vis the different aspects of human development. There are different data sources that can provide indicators on the different dimensions of welfare but a more comprehensive and integrated assessment and analysis is done only about every three years when the national development plan is either formulated or updated.
- At the community level, there recently had been various efforts to come up with community-based monitoring systems. These are integrated with various projects including the following: Micro-Impacts of Macroeconomic Adjustment Policy (MIMAP) project; Comprehensive and Integrated Delivery of Social Services (CIDSS) project; and the Minimum Basic Needs (MBN) project of the former Presidential Commission to Fight Poverty (PCFP), now merged with the newly created National Anti-Poverty Commission (NAPC). Except for CIDSS, the monitoring systems which are proposed or undertaken under these projects, however, are not operative on a regular basis.
- In view of the importance of providing timely and adequate information on the social impact of a crisis in providing immediate and effective response, it is important that an appropriate monitoring system be put in place.

### **Conclusions and Recommendations**

- It is clear that the financial and economic crisis, together with the El Niño and La Niña, has affected the vulnerable groups through reduced employment and higher prices which resulted in lower real incomes. This in turn forced affected households to look for other income opportunities and to make adjustments in their spending and consumption patterns. Because of financial difficulties faced by households, their need for public social services increased. Unfortunately, because of the fiscal crunch, the delivery of social services especially in health suffered.
- On the whole, the social impact of the crisis in the Philippines does not appear to be very serious by itself and relative to the crisis-related experiences in Indonesia and

Thailand as initially reported. The policy reforms instituted in the years prior to the crisis seems to have been timely and have contributed to the greater resiliency of the economy to the crisis. Compared to the impact of the debt crisis in the early 80's, the impact of the present crisis also seems much more manageable.

- This, however, does not offer much of a comfort considering that prior to the crisis, the Philippines was way behind other ASEAN countries in both economic and human development aspects . The country's welfare situation was already very serious to begin with and any further slippage, no matter how small, is not acceptable.
- On the fiscal side, it is unfortunate that the provision of basic social services is curtailed when it is most needed. Worse, access to the services by persons or families who need it most is not assured by the present social service delivery system. This problem is reinforced by the absence of a strong monitoring system that would identify the individuals and groups that should be targeted.
- There are two ways of addressing this problem. First, by making available the necessary resources to reach the identified families or individuals when the situation calls for it. Second, by ensuring a more effective allocation and utilization of resources through more focused targeting mechanisms and more effective projects with immediate or significant impacts.
- On the first point, the analysis indicates that although the social service sectors were protected relative to other sectors from the fiscal crunch, the shortfall in government revenues is of such magnitude as to effectively reduce the budget cover for and, consequently, the coverage of basic social services. Undoubtedly, there is a need for additional sources of deficit finance if this problem is to be addressed. Domestic borrowing, however, carries the risk of raising local interest rates which may then stifle nascent recovery efforts. Thus, there is a need for government to look at external sources of finance. In this light, external assistance from donor agencies in the form of budget support is called for.

A number of donor agencies are in the process of providing budget support to the government. Given this perspective, such budget support may be made conditional on government commitment: (1) to increase resources allotted to the social service sectors, and (2) to rationalize the allocation of resources within the social service sectors.

- On the second point, a targeting mechanism that is more community-based and brought down further to the *barangay* level should be pursued. The *barangay* is deemed to be the most appropriate focal point for identifying beneficiaries, determining their needs, and delivering the required services. The minimum basic needs (MBN) approach which promotes participatory planning at the community level can be strengthened and supported.



- To support a community-based targeting mechanism that will provide timely and adequate response to a crisis, a strong social monitoring system has to be also established and maintained. The following are the recommendations towards the establishment of such a system: 1) Obtain and integrate existing information from various sources (administrative reports, official statistics, censuses and surveys) at the national and community level; 2) Create appropriate data banks at each geopolitical level; 3) Strengthen and expand the MBN community-based information system; 4) Integrate the community-based monitoring system with the local planning process; and 5) Designate a focal agency to be responsible for the coordination and maintenance of the social monitoring system and for the reporting of performance based on the results under the monitoring system.
- In addition to ensuring the availability of resources and adopting a community-based targeting mechanism, the specific issues in various areas of concern have to be addressed. The specific recommendations along this line are as follows:
  - 1) ***Access to Basic Commodities.*** Support programs that enhance access to basic commodities by making such commodities available in targeted areas at lower than market price. This may mean greater support for programs like the ERAP stores and the rice subsidy program.
  - 2) ***Employment.*** Undertake pump-priming programs that will create employment opportunities. The use of more labor- intensive techniques in infrastructure projects and the adoption of the Community and Employment Development Program is also recommended

As a medium and long-term strategy, address structural problems that persistently cause high unemployment. This should be tied to the agriculture modernization program and to efforts that will address the weaknesses in the manufacturing sector. Infrastructure support to agriculture should be pursued. Meanwhile, educational reforms should be carried out to ensure that skills are matched with market requirements.

- 3) ***Credit.*** Promote credit programs that match the collateral base and cash flow of borrowers. Grameen-type programs in providing the poor access to credit should be encouraged. The NGOs or cooperatives can be tapped for the implementation of these credit programs.
- 4) ***Health, Nutrition and Population.*** To address structural issues, focus on the provision of primary and public health care services rather than of curative care. At the same time, pursue the social insurance-based financing for access to curative care.

For women, provide more consistent support for family planning programs and more human capital investment opportunities. Increase funding for contraceptive supplies to arrest the decline in contraceptive prevalence.

As a short-term response, provide special support for the immunization program. Well- targeted feeding programs should also be expanded.

- 5) **Education.** To address the structural issues, rationalize government investments in tertiary education. In basic education, pursue cost recovery schemes in areas such as textbooks. Efforts at choosing more cost-effective options as opposed to that of providing “elementary school in each *barangay* and a high school in every municipality” should be made. Providing bus service and dormitory housing for students in far-flung areas should be considered.

Short-term measures should include the redesigning of the Government Assistance to Students and Teachers in Private Education (GASTPE) to allow for increasing the support value of the subsidy under the program. Including out-of-pocket costs on top of the usual coverage should be considered.

## I. INTRODUCTION

Almost two years has passed since the start of the financial crisis that hit Asia, including the Philippines, in July 1997. While the currency situation has stabilized, the effects of the financial turmoil continue to linger. The crisis, together with the El Niño and La Niña, caused economic contraction, increased unemployment, and higher prices. These had adverse social consequences and forced many affected families and individuals to make adjustments especially in their consumption and spending patterns. The government, faced with huge revenue shortfalls, adopted austere measures which caused reductions in its spending on a number of economic and social services. While this helped in minimizing the deficit, it aggravated the situation as it tended to weaken rather than strengthen the government's capability to provide assistance to those adversely affected by the crisis.

This study aims to take a closer look at the social impact of the regional financial and economic crisis in the Philippines with the end in view of assisting in devising policy responses and identifying reforms that would strengthen the social protection system on a more sustained basis. Unlike similar studies which were done earlier, this study benefits from being able to use official statistics that were made available only recently and from supplementary data gathered specifically for the purposes of this study.

This chapter discusses the specific objectives of this study, the framework of analysis used, the background on the causes of the crisis, the major findings of previous studies done, and the sources of the data utilized for this study.

In the second chapter, the economic and human development situation prior to the crisis is discussed. This, together with the economic impact of the crisis presented in Chapter III, is aimed at setting the proper perspective for discussing both the fiscal and the social impacts of the crisis, which are tackled in Chapters IV and V, respectively.

### 1. Specific Objectives

This study is undertaken with the following specific objectives in mind:

- 1) Examine the transmission of adverse social impacts from the financial and economic crisis, and analyze the nature and extent of these impacts;
- 2) Identify the various groups affected by the economic crisis and assess the differential impacts on them at the micro-level;
- 3) Review the various responses of the government, private sector, and other institutions, as well as the household responses or coping mechanisms to the crisis;
- 4) Assess the existing monitoring systems for tracking social impact of the crisis; and

- 5) Determine areas where the Asian Development Bank (ADB) and other international organizations can make useful contribution.

## **2. Framework of Analysis<sup>1</sup>**

There are four main channels through which the financial and broader economic crisis may have an adverse social impact. The first channel is through the effects of the crisis on employment, earnings, and income of households. Unemployment may rise not only because of increased number of business failures but also due to job losses in businesses experiencing substantially reduced sales. In an effort to maintain employment, and in some possible cases with the consent of employees and labor unions, many businesses may allow real wages to decline in the presence of inflation and additionally reduce employee benefits or shorten working hours. Informal sector workers may also experience reduction in income due to declining sales and rising prices of inputs with high import content (e.g., fuel).

The second channel is through the effect of the crisis on consumer prices. Prices of imported goods or goods with a high import content (e.g., pharmaceuticals, and fuel) may have increased dramatically. Prices of tradables, including notably rice and other basic foods, may have also increased (although the extent of the price changes may vary somewhat from country to country depending on the extent of government intervention).

The third channel by which the economic and financial crisis may have adverse social impact is through the government budget. Tax revenue may fall due to the economic slowdown while government expenditure may be reduced in order to provide additional funds to pay for the restructuring of domestic financial institutions and repay foreign debt. Although efforts may be made in some cases to maintain previous levels of government expenditure on key social services such as health and education, the availability of such services to the poor may be adversely affected by inflation and by increased demand from persons who previously used private services.

A fourth channel is through the crisis' effect in reducing the demand for migrant labor throughout the region. This may lead to the return of many overseas migrants and may prevent others from taking advantage of an important, traditionally available outlet for coping with economic adversity.

Although the impact of the crisis may adversely affect most population groups, its severity may vary from group to group.

Households may use a variety of ways to cope with the primary impact of the crisis, including adjusting their consumption and savings behavior and labor supply to the changes in relative prices, employment opportunities, wages and wealth (including adjusting their utilization of health and schooling services), migrating to other domestic or foreign locations in order to access different prices and wages and different

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<sup>1</sup> This section is based on the "Social Impact of the Financial Crisis in Asia: Economic Framework" Asian Development Bank, November 1998.

employment opportunities, and adjusting their utilization of and contributions to the social capital stock. Other institutions may have also responded to the crisis, including communities, businesses and labor unions governments, regional organizations, and international donors. Many of these responses (particularly the coping mechanism of households) may have additional secondary or indirect adverse social impacts.

### **3. Data Sources and Methodology**

A participatory assessment approach was the primary tool utilized in determining the social impact of the financial and economic crisis specifically on vulnerable groups and in identifying the coping mechanisms adopted by households in response to the crisis.

Focus group discussions (FGDs) were conducted in January 1999. This timing is thought to be appropriate from the point of view of being able to get a more complete picture of the impact of the crisis in the Philippines. The FGD covered 57 communities (*barangays* or villages) all over the country representing fishing, urban poor, middle income/wage earner, and farming (upland, sustenance, and commercial).

In addition, a key informant survey and a household survey were conducted to provide supplementary data. The key informant survey covered 31 out of the 57 FGD communities and tried to elicit views from community-based leaders regarding the impact of the crisis in the community. The key informants included the *barangay* chairman, the health worker, nutrition scholar, principal or head teacher, and social worker. Additional respondents were also interviewed in the municipalities where these *barangays* are situated and these included the municipal accountant, budget officer, health officer and social welfare officer.

The household survey consisted of 430 households in the same 31 communities. Sample households were selected based on spatial and sectoral dimensions. The spatial grouping considered four broad divisions: Mega Manila, Luzon, Visayas, and Mindanao while the sectoral divisions were based on the dominant economic characteristics of the community.

Secondary data were also obtained from the following: (1) administrative reports of various government agencies; (2) budget data of national and local governments; and (3) surveys done by the National Statistics Office (NSO). Administrative reports of the Department of Education, Culture and Sports (DECS) and Department of Health (DOH) and Department of Social Welfare and Development (DSWD) were utilized. Budget and expenditure data from the Department of Budget and Management, Commission on Audit, and selected local government units provided the data on national and local government spending. The NSO data include those obtained from the quarterly Labor Force Surveys, triennial Family Income and Expenditures Surveys, and the 1998 Annual Poverty Indicators Survey.

#### **4. Background on the Origin and Causes of the Crisis**

The Asian financial crisis that struck in July 1997 was triggered by speculative attacks on the Thai baht. International currency speculators withdrew their funds from the country, exerting excessive pressure on the country's foreign exchange reserves. The Thai Central Bank at first tried to protect the baht but was unsuccessful. After attacking the Thai baht, international currency speculators triggered several rounds of currency depreciation in other countries including the Philippines, Indonesia, Malaysia, Singapore, and South Korea. (See Table I.1).

There are three main reasons cited for the speculative attack on the Thai baht: (1) its being overvalued as reflected mainly in the growing trade and current account deficits, (2) a rapid increase in the country's debt servicing requirements relative to its foreign exchange earnings owing to the accumulation of a large foreign debt, and (3) unproductive investments in non-tradable services and in real estate involving businessmen with good political connections (ADB, 1998).

The underlying factors that made the Thai baht vulnerable to speculative attacks were also present in other countries hit by the crisis although at varying degrees of importance. In the case of the Philippines, the following factors contributed to the vulnerability of the peso:

##### **(1) Overvaluation of the Peso.**

In spite of a large current account deficit, which amounted to around 4.5 % of GNP, the peso appreciated in 1994 and 1995 and depreciated only slightly in 1996. The large inflow of foreign capital, which was encouraged by the liberalization of foreign exchange and investment, allowed the peso to strengthen in spite of large trade and current account deficits.

##### **(2) Increase in portfolio investments.**

With the liberalization of foreign exchange and investments in the early 1990's, foreign investment inflows surged in the mid-1990's. Significant increases in direct foreign investments were realized in 1992-1994 while portfolio investments rose from less than \$100 million a year in early 1990's to \$2.2 billion by 1996.

Direct foreign investments are longer-term in nature and should be relatively more stable as they could not be easily withdrawn. However, portfolio investments or aptly referred to as "hot money" can easily flow in and out of the country almost instantaneously and can therefore cause instability in the foreign exchange market.

By 1996, net portfolio investments accounted for 62% of total net foreign investment in the country. As early as the first half of 1997, this "hot money" already started flowing out in significant magnitudes thus causing a negative net

portfolio investment inflows during the period. Direct foreign investment continued to come in in the first semester but substantially dropped in the second half of the year although remaining positive. (See Table I.2).

Just like in other Asian countries, the Philippines resorted to higher foreign borrowings in the mid-1990's. In terms of magnitude, however, the Philippines was relatively more prudent in its foreign borrowings compared to the other Asian countries. Its external debt in 1996 was only 33.4% higher than its debt five years earlier while those of the other East Asian countries have more than doubled, except for Indonesia which actually declined. In the case of Indonesia, however, its debt has increased substantially relative to its GDP (see Table I.3).

The Philippines also experienced a boom in the property market during the mid-1990's which made bank lending to this sector increase substantially. However, unlike in other Asian countries, the exposure of the Philippine-banking sector to the property market was less compared to its neighboring countries like Thailand. The Philippines, to a certain extent, learned its lesson from the Thai experience where the bursting of the bubble occurred earlier and the Philippines had the benefit of obtaining warning signals that enabled it to regulate the further exposure of Philippine banks to the sector.

While the Philippines had an overvalued currency that made it vulnerable to speculative attacks, its foreign borrowings and banking sector's exposure to the property sector were more prudent. Moreover, it was experiencing strong macroeconomic fundamentals because of the policy reforms that it had earlier implemented. However, the country did not get spared from the crisis largely because of the "herd mentality" of both the portfolio investors and foreign private lenders which "looked at the entire ASEAN region as if it were homogenous even if there were differences in economic fundamentals from country to country" (Lim, 1998).

## **5. Review of Previous Studies Done**

There had been several studies done to assess the various effects of the crisis in the Philippines. Among these, there are two which specifically focus on the social impact of the crisis. The first study was undertaken by the World Bank (East Asia Pacific Regional Office) in February 1998 and the second was done by Joseph Lim under the auspices of the United Nations Development Programme in June 1998. Having been done at a relatively short period of time after the crisis, the World Bank study had to rely basically on foreseen rather than actual trends while the UNDP study employed various means of working with secondary data including regression analysis.

The World Bank study assessed the socio-economic impact of the crisis on wage and employment, credit market, health and education. It was found that at the time of the study, the social impacts of the crisis have not been conspicuous and dramatic. Nevertheless, five foreseen trends were identified involving mainly the expected impact of the devaluation, namely: 1) Higher inflation which will result in lower real incomes; 2) Higher interest rates which renders the cost of doing business difficult; 3) Lower government budgets allocated for health and education which could mean reduced

services delivered; 4) Tightness in credit; and 5) potential and imminent threat on social cohesion.

To safeguard the poor from lower real incomes due to higher prices, the World Bank study recommended direct transfers in cash (welfare payments and public works) and in kind (commodity subsidies). To alleviate the impending unemployment problems brought about by the crisis, the study proposed employment generation schemes. It was also recommended that health and education be protected from budgetary cuts, and over the long run, the allocation for these sectors should in fact be increased.

As in the World Bank study, Lim's study found that higher unemployment and inflation are the short run effects of the crisis. These translate to decreased real incomes, decline in social and human development indicators, increases in the number and incidence of poverty, and deterioration in income distribution. The medium-term impacts of the crisis are linked with the imminent effects of the 25% mandatory reserve on the provision of social services. The long-run effects are considered to be the lower health and education status of the population. These conclusions were derived basically from Lim's regressions of human and social indicators on economic factors. Lim's major breakthrough in coming up with the likely impact of the crisis is the sociological perspective he lent on studying the overall social milieu. He warned of the greater pressure to be placed on the extended family system and overseas migration as these two might be used as safety nets for increased poverty resulting from the crisis.

To address the impacts of the financial turmoil, Lim made the following recommendations for the short run: 1) International and regional efforts to address issues on exchange rates and capital flows; 2) Protecting basic social services, human development programs and key infrastructure projects from fiscal cutbacks; and 3) Prioritizing and intensifying poverty alleviation programs. The medium and long-run strategies he proposed are: 1) Agricultural and rural development to strengthen rural-urban and regional linkages; 2) Greater emphasis on human capital formation; 3) Higher investment in science and technology and research and development to raise productivity and hence, real wages; and 4) More balanced infrastructure spending.

In the absence of data to determine the impact of the crisis on social outcomes, Reyes (1998) used the MIMAP models to simulate the likely impact of the crisis on education, health and nutrition. Reyes finds that due to the combined effects of the crisis and El Niño, average incomes of all deciles will decrease and the GINI ratio will go up. Moreover, the simulations indicate that enrolment will tend to decline, nutrient availability will decrease and there will be greater demand for public health care facilities. The study highlights the need for measures to bring back the drop-outs into the educational system. Targeted food assistance programs will help stem the rise in malnutrition. The study calls upon the government to prioritize the provision of basic health and education services since the poor are expected to rely more on publicly-provided services in times of crisis.



## **II. ECONOMIC AND HUMAN DEVELOPMENT SITUATION PRIOR TO THE CRISIS**

To set the proper perspective for assessing the economic and social impact of the financial crisis in the Philippines, it is necessary to review the economic and human development situation during the decade preceding the crisis.

### **1. Economic Situation**

Philippine economic growth has followed a roller-coaster pattern in the past years or what many economists call a boom-bust cycle. A financial crisis of a different nature hit the economy in 1983-84 which caused dramatic economic contraction in 1984 and 1985. Then, the years 1986-1989 saw the Philippine economy recovering from the crisis, with the restoration of democracy and the institution of policy reforms (e.g., dismantling of monopolies) resulting in renewed investor confidence, thus, stimulating economic activity. In 1989-1991, a series of coup attempts on the Aquino administration stifled investment growth while natural disasters like the Mt. Pinatubo eruption adversely affected agricultural production and the business sector. Moreover, the power shortages which were at its worst in 1992 and other infrastructure constraints curtailed economic expansion. From 1991-1993, the economy grew at a snail's pace (Figure II.1).

Meanwhile, new economic policy reforms were instituted in 1991-1996. These reforms addressed infrastructure bottlenecks particularly in power supply and stimulated investments and economic activity in the deregulated industries. From a sluggish pace in 1991-1993, GDP growth accelerated in 1994 and 1995 and reached 5.8% in 1996. Thus, from 1994-1996, both the industrial and the services sectors exhibited renewed growth.

In spite of its good showing in 1994-1996, however, the Philippine economy was a laggard compared to its neighboring countries most of which grew within a 7-12% range (Table II.1). For this reason, the Philippines was considered to be a "basket case" in a region where most of the countries were already considered as economic tigers.

As Philippine growth followed a roller-coaster pattern, so did the country's per capita GNP. Because of the ups and downs experienced in the economy over the past one and a half decades, long-term real per capita GNP has been stagnant, with its 1997 level not very far from where it was fifteen years ago (Figure II.2).

During the few years prior to the financial crisis, the Philippines has been enjoying single-digit inflation of around 8.5% which in the first half of 1997 even went down to 4.6%. This is in contrast to that in 1989-1991 when inflation reached double-digit levels as the country experienced a substantial increase in the peso-dollar rate. In 1994-1996, stable food prices generally prevailed. The greater competition spawned by the policy reforms encouraged price stability during this period. Moreover, the peso appreciated vis-à-vis the dollar while interest rates were kept at relatively manageable levels (Table II.2).

During the three years prior to the crisis, the Philippine economy was not only enjoying a favorable economic growth and relatively stable prices but also a favorable balance of payments and fiscal position. From deficits in the fiscal position during the whole of the 1980's and early 1990's until 1993, surpluses were posted in 1994-1997 (Figure II.3).

Likewise, the balance of payments position reflected surpluses during the same period except in the first half of 1997 when the BOP turned into a deficit. Meanwhile, the country's gross international reserves was kept at a healthy level, enough to cover about three months' worth of import requirements. The country's external debt grew at a modest pace, thus making debt-servicing requirements manageable (Table II.3).

To summarize, the macroeconomic indicators show that in the few years prior to the financial crisis, the economy's health was in relatively good condition as it enjoyed strong macroeconomic fundamentals. Nevertheless, there were signs of increasing vulnerability as the BOP position started to deteriorate in early 1997. The strengthening of the peso in 1994-1996 despite a wide trade gap, and the increasing flows of portfolio investments made the economy vulnerable to potential shocks in the global capital market.

Meanwhile, as the crisis started to be felt, the economy faced other developments that impinged on its performance. At about the same time that the financial crisis hit, the Philippines was affected by the dry spell brought about by the El Niño phenomenon. The adverse effects of the El Niño started to be felt in the late 1997 but worsened in the second quarter of 1998.

## **2. Human Development Situation**

Available data show that the Philippines experienced improvements in some key human development indicators during the decade prior to the crisis (Reyes and Del Valle, 1998).<sup>2</sup> This is expected to have resulted from improved incomes and employment and from higher government spending on the social sectors during the mid 1990's.

Compared to 1986, the period 1994-1996 saw a marked improvement in the general health condition of the population. Available indicators show an increase in the average life expectancy, decline in malnutrition, and a reduction in crude death rate and in infant mortality rate. From 1986 to 1995, life expectancy rose from an average of 63.4 years to 69.1 years. Malnutrition prevalence rates declined from 9.9% in 1992 to 8.4% in 1996 for underweight children. Meanwhile, the country's crude death rate went down from 6 per 1,000 population in 1986 to 5 per 1,000 population in 1994. The infant mortality rate exhibited the same positive trend, declining from 63 to 47 per 1,000 live births for the decade 1986-1996.

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<sup>2</sup> This section draws heavily from the analysis and observations of Reyes and Del Valle in their paper on: Poverty Alleviation and Equity Promotion (1998).

Consistent with the above-mentioned trends, the poverty incidence dropped over the period 1986-1997. In 1997, the poverty incidence reached 32.1%, down from 35.5% in 1994 and from 44.2% in 1985. Similarly, the subsistence incidence which measures the proportion of the population unable to meet their basic food requirements, otherwise known as the “core poor”, went down to 16.5% in 1997, from 21.8% in 1994 and 28.5% in 1985.

In spite of the improvement in the poverty incidence from 1986-1997, however, the magnitude of poor people continued to swell. This reflects the very slow pace of improvement in the poverty situation.

Despite the significant gains made over the past decade, the Philippines fared unfavorably compared to the other five ASEAN countries in terms of per capita incomes, employment, poverty incidence, and human development indicators. In the decade prior to the crisis, most countries in the region such as Thailand, Indonesia, and Malaysia have experienced much faster economic growth than the Philippines (Table II.1). In terms of per capita income, the country ranked as the second lowest, next only to Indonesia. (Table II.4). In terms of unemployment, the Philippines had the highest rate in 1995, much higher than most countries in the region (Table II.5). The country also fares miserably in terms of poverty condition as the country with the next worse poverty incidence (i.e., Indonesia) has a rate that is already way below that of the Philippines (Table II.6).

In terms of human development, the Philippines also fared poorly compared to other ASEAN countries specifically in terms of life expectancy, low birth weight infants, crude death rate, infant mortality, employment, and access to sanitary toilet facilities (Tables II.7 and II.8). However, it ranked first in adult literacy, mean years of schooling, and growth of earnings per employee. In terms of overall ranking for selected indicators, the country ranked fourth among the five ASEAN countries, better only when compared to Indonesia.

### **III. ECONOMIC IMPACT OF THE FINANCIAL CRISIS IN THE PHILIPPINES**

The Asian financial crisis was immediately transmitted to the Philippine economy through the large capital outflows which instantly created downward pressure on the peso as well as resulted in a deterioration of the balance of payments position. This was readily accompanied by the raising of domestic interest rates and the tightening of monetary policies which aimed to reduce speculative pressures. Initially, economic growth remained strong but eventually slackened after a semester, exacerbated by the ill-effects of the El Niño and later on the La Niña. An improvement in the trade balance ensued, and later on in the improvement of the balance of payments position, on account of the dramatic contraction of imports. However, the latter resulted in shortfalls in government revenues, which put the fiscal position back in the red.

#### **1. Exchange Rate**

The most immediate impact of the financial crisis was manifested in the sudden outflow of substantial amounts of foreign capital, which readily resulted in the substantial depreciation of the peso.

As the Thai baht gave way due to speculative attacks, international currency speculators turned to other countries in the region including the Philippines. These currency speculators withdrew their portfolio investments in the country while foreign private lenders and other investors held back. This resulted in substantial amounts of capital outflows. While the BSP initially tried to defend the peso by dipping into its foreign exchange reserves, the peso value gave in as the country's reserves was not large enough to support such massive outflows.

From P26.40/\$ in June 1997, the peso-dollar rate shot up to P27.70/\$ in July, continuing to increase up to January 1998 (Figure III.1). In January 1998, the peso-dollar rate reached its peak level, moving to an average of P42.70/\$ for the month, or 62.4% higher than the exchange rate just before the crisis. For the rest of 1998 and in the first quarter of 1999, the exchange rate showed greater stability although it continued to reflect the on-and -off jitters in the Asian currency market. Towards end-1998, the peso even strengthened as the regional currency market exhibited relative calmness and as the country's reserves improved with the availment of new foreign borrowings.

#### **2. Interest Rates**

From 1993-1996, the bellwether 91-day Treasury bill rate averaged 12.31%, coming from a high of 20.4%, the average for 1990-1992. In the first half of 1997, the 91-day Treasury bill reached a low of 10.5%.

As the crisis struck and hit the peso, the government raised interest rates to ease the pressure on the exchange rate. The 91-day Treasury bill rate went up to 12.2% in July and peaked at 19.1% in January 1998, the same period when the exchange rate

reached its highest level (Figure III.2). In the succeeding months, however, interest rates followed a downtrend as the peso-dollar rate stabilized. By end-1998, the 91-day Treasury bill rate has slid to 13.4%, closer to the levels before the financial crisis. This downtrend continued in early 1999.

Following the uptrend in the 91-day treasury bill rate, bank lending rates rose in July 1997 and in the months that followed, reaching more than 20% in the last quarter of the year and in early 1998. In February and March 1998, bank lending rates did not drop as much as the decline in the Treasury bill rate but went down more substantially in the succeeding months (Figure III.3).

### **3. Economic Growth**

In the first six months of the crisis, the economy registered a respectable growth, continuing the momentum that has been achieved in 1994-1996. Only a slight deceleration in GDP growth was felt in the second semester of 1997 with the agriculture sector registering a flat growth in the third quarter and the industrial and services sectors showing some signs of weakening in the fourth quarter. In particular, the construction sector, which continued to show strong growth in the third quarter of 1997, slowed down considerably in the fourth quarter of the year, an indication that the glut in the property market started to be felt (Table III.1).

In 1998, however, the economy contracted especially in the second and fourth quarter of the year. While this could have been more a result of the weather disturbances than the financial crisis, the marked decline in manufacturing and construction output indicated that the adverse impact of the crisis had already been more seriously felt especially as the business sector had been squeezed on two sides – higher cost of funds and a weaker consumer market.

Largely responsible for the economic contraction in 1998 was the agricultural sector which was adversely affected by the El Niño in the second quarter and by typhoons which hit the country in October. The performance of the agriculture sector during the year was one of the worst in the history of the Philippines. For the whole year 1998, the country's two leading crops, *palay* and corn, declined by 24.1% and 11.7 % respectively.

The sectors that appear to have been most hurt by the financial crisis were the construction and manufacturing industries, which were enjoying strong growth prior to the crisis. The construction sector benefited not only from the boom in the property market in the earlier years but also from the development of infrastructures. In 1998, the output of these two sectors declined, with the drop in construction being more pronounced. In manufacturing, most badly hit were the following subsectors: transport equipment, metal industries, nonmetallic minerals, rubber products, basic metals, petroleum products, textiles, and chemical products.

In a related development, a number of multinational companies have been reported to have closed or to have plans of closing in 1999 their manufacturing facilities

in the country due to what many describe as a “rationalization” of production units. Among these companies are Colgate-Palmolive, Johnson and Johnson, Warner Lambert, Abbot Laboratories, Philips Electric and Lighting, and Van Melle. (Business World, Feb. 25, 1999). Some companies have cited as reason the overcapacity in Asia in the light of dwindling demand caused by the crisis.

On the demand side, most adversely hit by the crisis was investment spending. While the completion of ongoing and planned investment activities continued to prop up investments in the second half of 1997, investment spending declined substantially in 1998. High interest rates and the difficulty of obtaining financing, combined with uncertainties in the economic environment discouraged investment activity. In the second half of 1998, the wait-and-see attitude of investors with regard to the newly installed administration seems to have added to the weakness in investment activity.

Exports of goods in real terms posted a substantial deceleration in 1998 while imports of goods registered a significant decline (Table III.2). However, total trade has been pulled down further by the dramatic drop in exports and imports of non-factor services. This is largely on account of the negative impact of the crisis on the travel and tourism industry as well as on miscellaneous services.

One of the significant developments in the recent years is the dramatic increase in the inward remittances of dollars by overseas Filipino workers (OFWs). From only \$2.3 billion in 1993, personal income remittances from OFWs increased to \$5.7 billion in 1997. However, in 1998 personal remittances declined to \$4.1 billion.

Although the placement of overseas workers has declined further following the crisis, the depreciation of the peso has encouraged further increases in foreign exchange remittances of OFWs. These remittances have also boosted national economic growth, adding one half to one whole percentage point increase over the growth of domestic output.

#### **4. Inflation**

Although inflation increased somewhat in the later months of 1997, stable food prices allowed the country to experience relatively tame inflation in spite of the large peso depreciation that accompanied the financial crisis. This is also in spite of the drought that adversely affected agricultural production. In anticipation of the food supply shortages that could arise because of the drought, the government imported rice and corn and this tempered inflationary pressures. The overall price stability may also be attributed to greater competition arising from a more liberalized trade and investment environment. It was the rise in prices of services and housing repairs, which accelerated in the months following the onset of the crisis, that exerted some pressure on overall inflation. Nevertheless, inflation was kept below the psychological double-digit threshold up to the first quarter of 1998 (Figure III.4).

In the second quarter of 1998 when the biggest drop in agricultural output was felt because of the worsening of the drought, the increase in food prices accelerated, bringing

the overall inflation closer to double digit levels. Food price increases continued and worsened towards the latter part of the year, this time due to the typhoons that hit the country in October. By year-end, the inflation rate reached 10.4% and increased further to 11.6% in January 1999.

## **5. Unemployment**

Following the slowdown in the economy in the second half of 1997, unemployment and underemployment rates slightly went up during the same period (Table III.3). In 1998, however, there was a more significant increase in unemployment primarily due to the contraction in agricultural employment which in turn was due to the dramatic drop in agricultural production. In the second half of 1998, the decline in employment in the industrial sector contributed to the worsening of the unemployment rate. Meanwhile, underemployment rates in 1998 were kept at about the same level as those in 1997.

## **6. Trade Gap**

With the large peso depreciation arising from the currency turmoil, the balance of trade improved although occurring with some lag. In the six months immediately preceding the onset of the crisis, imports still outpaced exports and the trade gap continued to widen. However, exports posted a stronger growth and imports started to show signs of slowing down. In 1998, imports declined drastically while exports continued to expand, thus turning the trade balance into a surplus (Figure III.5).

While total imports continued to expand in the second semester of 1997, consumer goods imports already dropped (Table III.4). In fact, consumer goods imports started declining as early as in the first semester. In 1998, however, imports nose-dived across all types of commodities. Capital goods imports dropped substantially especially in the second half of 1998. In spite of this, capital goods accounted for an increasing share of total imports: 40.8% in 1998 versus 30.4% in 1995. Meanwhile, raw materials, fuels, and consumer goods have accounted for a declining share of total imports in recent years.

The financial crisis seems to have slowed down the country's export earnings but not to a very serious extent. While exports decelerated in 1998 especially towards the latter part of the year, it managed to grow by close to 17% for the year (Table III.5). This could be attributed to the fact that the country's biggest market which is the U.S. continued to be healthy. Propping up exports growth are manufactured exports, led by electronic equipment and parts, which in 1998 expanded by more than 30%. Other big manufactured exports like garments and textile yarns and fabrics performed poorly. Manufactured goods however continued to account for an increasing portion of total exports, from 79.5% in 1995 to 87.8% in 1998.

## **7. Balance of Payments and International Reserves Position**

From balance of payments surpluses in 1994-1996, the country realized a deficit in 1997 (Table III.6). This occurred as early as in the first semester (\$268 million) although the magnitude was much larger in the second half at \$ 3.0 billion. After the start of the crisis, net foreign capital inflows dropped dramatically. Heavy withdrawals of portfolio investments from the country occurred at the start of the crisis. Net direct foreign investments, while still positive, were cut down by about half in the second semester of 1997 compared to their previous levels.

In the first half of 1998, the balance of payments position started to improve, posting a surplus of \$ 1.56 billion. In addition to the significant narrowing down of the trade deficit, the country resorted to more foreign borrowings while portfolio investments began to trickle back. In the third quarter, however, the BOP position slightly deteriorated on account of larger principal payments and less capital inflows. As of end-October 1998, the BOP position registered a surplus of \$ 1.35 billion, a dramatic improvement from the \$ 3.28 billion deficit in 1997. The government is expected to avail of a much larger amount of foreign borrowings in 1999 and this is anticipated to improve the country's BOP position further.

With the deterioration in the country's BOP position in the second half of 1997, gross international reserves dipped. From more than \$ 11 billion prior to the crisis, GIR went down to \$ 8.6 billion by December 1997, equivalent to only 2.8 months of merchandise imports as against 3.8 months prior to the crisis. In the first semester of 1998, international reserves level improved to \$ 10.4 billion (end-June) as the country 's BOP position recovered and has risen further to \$ 10.7 billion by end-1998 and to \$ 11.5 billion in end January 1999 (Figure III.6).

## **8. Budget Deficit**

The financial crisis led to a squeeze in the government budget. On the one hand, revenues suffered largely because of the decline in imports and the slowdown in the economy. On the expenditure side, higher interest payments caused by the rise in interest rates and assistance requirements for drought- and typhoon-affected areas put greater pressure on budgetary resources.

From surpluses in 1994-1996 until the first half of 1997, the government started to post a deficit of P 2.3 billion in the second semester of 1997. This worsened to P 50 billion for the whole year of 1998 when marked revenue shortfalls were experienced. The original program was a deficit of only P16 billion.

The fiscal impact of the crisis is further discussed in the succeeding chapter.



## **IV. FISCAL IMPACT OF THE CRISIS**

### **1. National Government Revenues and Expenditures**

#### **1.1 Revenues**

Significant progress in tax revenue performance has been achieved, particularly in the late 1980s. Although some gains are still apparent in the mid-1990s, tax effort appears to have tapered off. Tax effort rose by a total of 3 percentage points of GNP in the four-year period between 1986 and 1990. In contrast, it only increased by 1 percentage point of GNP in the period 1992 and 1996. However, the slowdown in the upward trend in tax effort was masked by the large inflow of privatization proceeds (1.7% of GNP in 1994 and 1.2 % of GNP in 1995) (Table IV.1).

Thus, the national government posted a surplus in its fiscal position for the first time in more than 20 years in 1994. In 1995 and 1996, this feat was replicated (Table IV.2).

National government revenues started to falter in the last half of 1997 following the start of the Asian financial crisis. Tax revenues slipped from 16.4% of GNP in 1996 to 16.3% in 1997. The primary culprit was the dramatic shortfall in import duties which was P34.7 billion lower than target for the year. In contrast, the deficiency in collections of the Bureau of Internal Revenue was smaller at P3.1 billion (Table IV.3).

The tax revenue target of the national government for 1998 was reduced initially from P513.1 billion to P498.4 billion in February 1998 and then to P453.7 billion in June 1998. In spite of these adjustments, total tax collections still did not meet the target. Total tax take reached P416.6 billion, P96.5 billion short of the original target. Of this amount, P51.9 billion was accounted for by the Bureau of Internal Revenue (BIR) and P45.2 billion by the Bureau of Customs (BOC). In toto, tax effort dropped from 16.3% of GNP in 1997 to 14.9% in 1998.

#### **1.2 Expenditures**

At the time of the preparation of the 1997 national government budget in the early part of 1996, the fiscal position of the national government has been in surplus for two consecutive years, the first time in more than 2 decades. The picture was rosy, maybe at its rosiest in recent history.

Thus, the 1997 budget of the national government (net of debt service) was expansive. It grew by 21.2% compared to the previous year's growth rate of 13.5% and the 18.5% average in 1993-1997 (Table IV.4). As a proportion of GNP, it rose to 16.4% from 15.0% in 1996 (Table IV.5).

This expansive mood was carried over when the Executive branch formulated the 1998 budget in the first semester of 1997 as the national government continued to post a

surplus in 1996 and as the consolidated public sector itself posted a surplus for the first time in 20 years. Given this perspective, the President's Budget (net of debt service) for 1998 was projected to grow by 12.4%, climbing to 16.7% of GNP (Table IV.6).

#### National Government Budget in 1998.

Despite the onset of the Asian financial crisis in July 1997, the 1998 President's Budget was not downscaled when it was presented to Congress. Moreover, Congressional initiatives led to an even larger budget appropriation. The expenditure obligation program based on the 1998 General Appropriations Act provided for total expenditures net of debt service equal to 18.5% of GNP (Table IV.6).

Concomitant with the downward adjustment in the revenue program in the early part of 1998, the national government expenditure program was similarly modified. Administrative Order 372 was issued in February 1998 imposing a 25% reserve on total maintenance and operating appropriations of all national government agencies. At the same time, it imposed a 10% reserve on the IRA share of LGUs.

Total national government expenditures net of debt service was cut by 14.9% relative to the programmed level under the 1998 GAA and by 5.5% relative to the programmed level under the President's Budget (Table IV.6). Although national government expenditures net of debt service grew by 6.2% in nominal terms (Table IV.4), they actually declined by 3.5% in real terms in 1998. Thus, national government expenditures net of debt service contracted from 16.4% of GNP in 1997 to 15.8% in 1998 (Table IV.5).

Of the major expenditure items, those on economic services and national defense were the most adversely affected. Preliminary estimates of actual expenditure obligations for these sectors represented 30% and 17%, respectively, of their programmed levels under the 1998 GAA. Among the economic service sectors, water resource services and transportation/communication services suffered the deepest cuts relative to the 1998 GAA expenditure program. Actual national government expenditures in water resource development and transportation and communication for 1998 only reached 38.6% and 64.1% of levels under the GAA expenditure program. Moreover, national government expenditures on all the economic service sectors with the exception of agrarian reform posted negative rates of growth relative to their 1997 levels (Table IV.4). National government expenditures on infrastructure services (combined power/energy, water resources development and transportation and communication service sectors) also decreased from 2.5% of GNP in 1997 to 1.8% of GNP in 1998 (Table IV.5)

On the other hand, expenditures on social services and general public services were relatively protected. On the average, the reduction in aggregate expenditures on these sectors was equal to only 10% of the GAA program levels (Table IV.6). This came about as the reserves earlier imposed on the social service sectors were selectively lifted.

Among the social service sectors, housing/community services and social welfare/employment services were the hardest hit by the fiscal austerity measures

enforced in 1998. Preliminary estimates of national government expenditure obligations in housing/community services and social welfare/employment services were just equal to 50.4% and 24.3%, respectively, of GAA program levels. Thus, expenditures on housing/community services declined in nominal terms during the year (Table IV.5). Although allocation for the education and the health service sectors in 1998 were not reduced by as much as those of the other sectors relative to program levels, per capita expenditures on these sectors slid in real terms during the year (Table IV.7).

These developments are largely consistent with the experience during the crisis years of 1983-1985 when a reallocation of national government resources from economic services and national defense to debt service, general public services and social services was evident. However, unlike in the earlier period, general public services failed to be as resilient to the fiscal crunch in 1998.

In July 1998, the government announced the exemption of major departments engaged in the delivery of basic social services from the mandatory reserves (equivalent to 25% of non-personnel expenditures) earlier imposed on all government agencies. However, the lifting of the reserves was not implemented immediately.<sup>3</sup> Moreover, a slowdown in the release of Notices of Cash Allocation (NCAs) effectively restricted the spending of government agencies. Given this situation, government agencies naturally gave the payment of salaries of wages and salaries the highest priority. Thus, many agencies suffered delays in their expenditure obligation program as they postponed contracting for the supply of goods and services even if the allotment authority (i.e., the authority to obligate) was available in anticipation of inadequate cash availability. In cases, where procurement was not intentionally put on hold, existing suppliers and contractors paced their delivery of goods and services with their perception of government's ability to pay for its obligations.<sup>4</sup> It is also important to emphasize that government agencies/departments were given the discretion to decide which programs/activities will be given funding priority so that the impact of the fiscal austerity measures on actual expenditure obligations on various programs is largely uneven.

***Department of Health (DOH).*** In the health sector, the procurement of drugs and medicine was most harshly affected by the financial crisis. The allotment authority for the acquisition of drugs and medicines that was actually released as of the end of September 1998 was equal to only 23.6% of the appropriation cover (Table IV.8). In the last quarter of 1998, allotment authority for another 63.1% of the appropriation cover was issued (Table IV.9). Undoubtedly, the delay in the release of the allotments for drugs and medicines contributed to the slowdown in their procurement. As of the end of December 1998, actual obligation for drugs and medicines represented a low 49.2% of allotments and 42.7% of appropriations.

In the case of the regional assistance for drugs and medicines, there is no slack between obligation and allotment. But just the same, only 75% of its appropriation was supported by an allotment authority.

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<sup>3</sup> In the Department of Health, for instance, it was not until the last quarter of 1998 that the lifting of the mandatory reserves was actually lifted.

<sup>4</sup> The accounts payable of the government piled up towards the end of 1997, amounting to P108 billion.

The dramatic cutback in the expenditure obligation for drugs and medicines coupled with the 25%-30% increase in the price of drugs following the depreciation of the peso in mid-1997 implies a critical contraction in the supply of drugs and medicine in the public health sector. What makes this situation worse is the fact that this comes at a time when households themselves have little resources to supplement what the public health care system is able to provide.

The delay in the restoration of 25% mandatory reserves is an oft-repeated tale in the DOH. Only 72.8% of appropriations in public health services were supported by allotment authority as of the end of September 1998 (Table IV.8). Within this sub-sector, the most badly hit activities are: family health program with allotment cover equal to 50.1% of appropriations, the MOOE portion of physicians for doctorless communities (54.7%), community health program (56.2%), STD/AIDS control program (59.9%), non-communicable disease control program (62.5%), the expanded program of immunization (68.7%), primary health care (70.0%), dengue control (75.0%), rabies control (75%) and tuberculosis control (75.8%). Additional allotment authority was issued in the last quarter of 1998 such the allotment-to-appropriation ratio for most of these programs surged to 95% (Table IV.9). However, the ratio for STD/AIDS control, the MOOE portion for physicians for doctorless communities, and primary health care remained in the vicinity of 75%.

Moreover, actual delivery of services appears to be adversely affected as the obligation-to-allotment ratio reached an average of only 53.1% for public health services as a whole as of end of December 1998 (Table IV.9). In particular, the ratio for maternal and child health services, nutrition services, expanded program of immunization, family health program, and the MOOE portion of physicians for doctorless hospitals were all below 50%. In the case of immunization, there is some data, albeit incomplete, that tends to show a decline in the proportion of fully immunized children in 1998.

***Department of Education Culture and Sports (DECS).*** With over 80% of its total budget earmarked for personal services, the DECS has very little room to maneuver in times of fiscal restraint. Thus, in 1998, it found itself having to reduce the allocation for key educational inputs like textbooks, desks, school buildings and teacher training. In particular, obligation authority (or allotment) for desks, chairs, textbooks and instructional materials amounted to only 37.7% of total appropriation cover (Table IV.10). To make matters worse, no expenditure obligations were actually made for this expenditure item as of the end of December 1998. This situation aggravates the existing textbook shortfall. Note that textbook-pupil ratio currently stands at 1:8.

In a similar vein, the allotment-to-appropriation ratio for land and land improvement was a low 19.6% while those for teacher training and Government Assistance for Student and Teachers in Private Education (GASTPE) were 63.4% and 75.0%, respectively. On a positive note, the gap between allotments and obligations for these items was nil. Enrolment figures in both elementary and secondary levels were lower than normal in 1998. This may be attributable to households' inability to provide

the out-of-pocket costs<sup>5</sup> of education even in public schools which have been estimated to amount to 27.8% of total unit cost (or P1,830) at the elementary level and 41.2% of total unit costs (or P3,030) at the secondary level. This result indicates the need to re-examine and rationalize the government's scholarship program (particularly the GASTPE) in terms of both coverage and support level.<sup>6</sup>

The appropriations for two items (new teacher positions and to fund newly-legislated high schools) were largely left unfunded. The allotment-to-appropriation ratio for new teacher positions was 24.1% while that for new high schools was 47.9% in 1998. While these items may not be that critical given efficiency considerations, it cannot be denied that the funding shortfalls may cause short-term problems.<sup>7</sup>

*Department of Social Welfare and Development (DSWD).* The most severely reduced programs of the DSWD were the assistance to persons with disability (with an allotment-to-appropriation ratio of 41.8% as of end of September 1998) and calamity relief operations (45.7%).<sup>8</sup> All of its locally funded projects, including the Comprehensive and Integrated Delivery of Social Services (CIDSS) had ratios equal to 75% (Table IV.11).

It is notable, however, that absorptive capacity of the DSWD is rather high. The obligation-to-allotment ratio in most activities is close to unity.

#### National Government Budget in 1999

With the government's fiscal difficulties continuing in 1999, aggregate national government expenditures net of debt service (based on 1999 GAA) will further decline from 15.8% of GNP in 1998 to 15.2% (Table IV.5).

National government expenditures on economic service sectors will post some recovery. Aggregate expenditures on economic services is the fastest growing major expenditure item in 1999. Thus, expenditures on infrastructure will inch upward from 1.8% of GNP in 1998 to 1.9% of GNP in 1999 (Table IV.5). Also, expenditures on both agrarian reform and agricultural services will register substantial growth (Table IV.4). In spite of this, agriculture expenditures in 1999 will stand at 0.6% of GNP, 25% lower than the 0.8% average in 1975-1992. This appears to be rather inconsistent with policy pronouncements giving priority to the agriculture sector.

On the other hand, it is worrisome that national government per capita expenditures on education and health services will decline again in real terms in 1999. This will be the second year in a row that this is occurring.

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<sup>5</sup> Out-of-pocket costs include expenditures on transportation, textbooks and supplies but not uniform.

<sup>6</sup> It has been shown that the support level of the Education Service Contracting (ESC) and the Tuition Fee Supplements (TFS) are low such that only families which are relatively better off are able to leverage own resources and enjoy the benefits of these schemes.

<sup>7</sup> It has been pointed out that the high pupil-teacher ratio in public schools is traceable not so much to a real shortage in the number of teachers in the DECS payroll but to problems with deployment of teachers.

<sup>8</sup> Data for end of December is not yet available.

## **2. LGU REVENUES AND EXPENDITURES**

### **2.1 Revenues**

The fiscal austerity measures undertaken by the government in the light of the Asian financial crisis has had an adverse effect on local government finances. Early in 1998, the national government announced that it will withhold 10% of the IRA share of LGUs. Although 50% of the total amount withheld was eventually released to LGUs, the unfreezing of the mandatory reserves was made very late in the last quarter of the year such that for all intents and purposes LGUs were operating within the more restricted fiscal framework for the most part of the year. In fact, approximately half of the LGUs in our sample reported that the partial lifting of the reserves was only operationalized in January of 1999.

The imposition of a 10% reserve on the IRA share of LGUs essentially implies a measly 2.6% growth in the IRA level in 1998 while a 5% reserve means that on the average the 1998 IRA is 8.3% higher than its 1997 value. Compare these figures with the projected 14.0% growth in the IRA in 1998.

Over and above the reduction in their IRA shares, many LGUs likewise registered a decline in locally generated revenues. This situation is true in 7 out of the 20 LGUs in our sample (Table IV.12). In these LGUs, total locally generated revenues decreased by 0.9% to 49.8% in 1998.

The shortfall in LGU revenue inflows from local sources appears to be largely driven by significant reductions in nominal real property tax (RPT) collections. The RPT collections of rural LGUs appear to be more adversely affected than those of urban LGUs. Thus, 7 out of the 11 municipal local government units (MLGUs), 2 out of the 4 provincial local government units (PLGUs) and 2 out of the 5 city local government units (CLGUs) in our sample had lower RPT revenues in 1998 relative to 1997. The reduction in RPT collections ranged from a low of 1.1% to a high of 29.5%.

In contrast, non-RPT tax revenue collections of CLGUs exhibited a greater tendency to decline in 1998 compared to those of MLGUs and PLGUs. Note that non-RPT tax revenues in 2 out of the 5 CLGUs decreased in 1998 while only 2 out of 11 MLGUs had a similar problem.

But what perhaps caused greater dislocation in local government finances in 1998 is the overall shortfall in LGU revenues relative to projected or programmed levels. Actual local source revenues in 15 out of the 20 LGUs in our sample were lower than target levels in 1998. The revenue gap (i.e., the difference between actual collections and target levels) was substantial in most LGUs, ranging from 4.5% to 92.4% of actual collections (Table IV.12).

## 2.2 Expenditures

Because projected revenues are generally higher than their actual receipts in 1998, LGUs had to adjust their actual expenditure obligations and disbursements accordingly. The expenditure response of LGUs to the fiscal crunch is similar to that of the national government. Many LGUs imposed an across-the-board 25-30% cut on non-personnel recurrent expenditures (or maintenance and other operating expenditures, MOOE, in Philippine parlance). A few responded on a more targeted basis, i.e., they secured expenditures in programs and projects that are high on the priority list of local chief executives while implementing greater cuts on other items.

Comparing programmed/appropriated expenditure levels with actual obligations, LGU expenditures on economic services and other purposes were the most severely affected by the fiscal cutback in 1998 (Table IV.13). In particular, the expenditure share of economic services in total actual obligations in 10 out of the 20 LGUs in our sample declined relative to the sector's share in total appropriations. In the other LGUs, it is the share of other purpose expenditures in total obligations that was reduced relative to their share in total appropriations.

In contrast, LGU expenditures on general public services (consisting of general administration and police services) were the most resilient to the financial crisis. The share of general public service sector in actual total obligations was considerably higher than its share in total appropriations in 16 out of the 20 LGUs in our sample. This may be explained by the fact that LGU expenditures on general public services are largely composed of wages and salaries which remain untouched even when there is a fiscal crisis.

In like manner, share of the social service sectors in total actual LGU spending is slightly higher (or, at the very least, just about equal) to its share in total LGU appropriations in 15 out of the 20 LGUs in our sample. In this sense, LGUs accorded some degree of protection to the social sectors (Table IV.13).

However, the picture is not that rosy when one looks at the level of real per capita LGU spending. Although LGUs appeared to have been partly successful in putting up a firewall around social sector budgets by maintaining the expenditure shares of the sector, actual levels of LGU expenditures in real per capita terms posted some deterioration in 1998.

Per capital total LGU expenditure fell in real terms in 13 out of the 20 LGUs in our sample in 1998 (Table IV.14). Moreover, per capita real total social service expenditures declined in 10 LGUs in our sample.

Although per capita LGU expenditure on personal services declined in only 9 of these LGUs, real per capita MOOE and capital outlays were reduced in 12 of these LGUs in 1998.

One of the areas that is badly hit by the fiscal bind is MOOE in the basic health sector. In particular, per capita MOOE spending in basic health services declined in 13 out of the 20 LGUs for which we have data. This situation severely affected the availability of drugs and medicines in *barangay* health stations, rural health centers, and devolved hospitals and was consistently noted by FGD participants in most areas.



## V. SOCIAL IMPACT OF THE FINANCIAL CRISIS

### 1. Labor Market

The regional financial crisis and the abnormal weather pattern affected adversely the employment situation in the Philippines. Firms resorted to retrenchments, temporary lay-offs and reduced working hours as demand slackened and costs of production went up. Workers in the agricultural sector, meanwhile, had to contend with higher underemployment due to the drought.

Although massive lay-offs were not noted, the crisis and the drought hampered the economy from absorbing the new entrants to the labor force. This contributed to a higher unemployment rate, which was already considerable even before the crisis.

#### 1.1 Labor Force Participation

The labor force participation rate (LFPR) declined for five quarters from July 1997 to July 1998 compared to the year-ago rates (Table V.1). The labor force participation rate was 66.3% in July 1996, declining to 65.7% in July 1997, and further to 64.9% in July 1998. However, starting October 1998, the labor force participation rates increased slightly relative to the same quarter of the preceding year.

The decline in the LFPRs are more pronounced in the 15-19 and 20-24 age groups. The observed decline in the LFPR could be attributed mainly to the increase in the number of individuals 15 years old and over who have opted to go to school rather than join the labor force. This could be because of the belief that there is no work available for them. This is substantiated by the data from the panel of households from the labor force surveys.

#### 1.2 Unemployment and Underemployment<sup>9</sup>

##### Unemployment

When the regional financial crisis struck in July 1997, the unemployment rate was 8.7%. Since then, the unemployment rate for the next 6 quarters has been higher than the corresponding quarter of the previous year. The largest percentage increase in the unemployment rate was observed in April 1998 when it rose to 13.3% from 10.4% a year ago owing to the combined effect of the financial crisis and the El Niño. The unemployment rate has risen to 8.9% in July 1998 and 9.6% in October 1998 and 9% in January 1999 (Table V.2). This translates to a pool of 2.8 million unemployed Filipinos in 1999.

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<sup>9</sup> The analysis in this section is largely based on the quarterly labor force surveys conducted by the National Statistics Office.

The seesawing pattern observed in the unemployment rate is due to seasonal factors, i.e., unemployment rate is higher in the April rounds due to the influx of students on summer vacation who are looking for work.

Using the October survey results, total employment increased from 27.4 million in 1996 to 27.9 million in 1997 and 28.3 million in 1998 (Table V.3). The increase in available jobs was not enough to absorb the increase in the labor force. In 1998, the labor force increased by 1 million to 31.3 million. Consequently, the unemployment rate went up from 7.4% in 1996 to 7.9% in 1997. In 1998, it shot up to 9.6%.

Despite the improvement in the weather, the unemployment rate rose to 9% in January 1999, from a low of 7.7% in January 1997 to 8.4% in January 1998. This indicates the continued effect of the financial crisis on the economy.

### Sectoral Impacts

Employment in the industry sector fell. Among the industry subsectors, construction, manufacturing, and mining and quarrying were badly hit. Between October 1997 and October 1998, construction reduced its workforce by 130,000, while manufacturing laid off 68,000 employees (Table V.3). Mining and quarrying suffered a loss of 20,000 workers.

Employment in the agriculture sector declined by 191,000 between October 1996 and October 1997 due mainly to the El Niño. In October 1998, the sector was able to absorb additional 12,000 workers but this is still below the level in October 1996.

Meanwhile, employment in the services sector continued to increase as displaced workers flocked to this sector. The wholesale and retail trade, transportation and communication, and community, social and personal subsectors provided additional 546,000 jobs in 1997 and 563,000 jobs in 1998. On the other hand, after suffering a setback in 1997, employment in the financing sector expanded in 1998, albeit at a much lower growth rate than before the crisis.

### Underemployment

Based on the October rounds of the labor force surveys, the underemployment rate rose from 19.4% in 1996 to 20.8% in 1997 and to 23.7% in 1998 (Table V.2). This supports the observation at the focus group discussions that workers had to settle for less working time than be laid off. Moreover, the displaced workers and the rest of the population, particularly the poor, tried to find some form of employment, even part-time work, in order to generate some income.

### Urban-Rural Impacts

The financial crisis and the El Niño exacted tolls on both the urban and rural labor markets. The unemployment rate in the urban areas rose to 12.1%, representing 1.8 million unemployed. The unemployment rate in the rural areas rose to 7.4%, and this

translates to 1.2 million jobless persons. The underemployment rate has surged to 20.6% in the urban areas and 26.3% in the rural areas as of the fourth quarter of 1998.

### Regional Impact

Looking at the July 1997 and July 1998 data, unemployment rate has risen in NCR, CAR, Region 2, Region 5, Region 7, Region 9, Region 11, Region 12, and CARAGA. Based on the October rounds, the unemployment rate has increased in all regions. In October 1998, unemployment rate is highest in NCR at 15.1% and lowest in Region 2 at 4.1%.

### By Age Group and Educational Attainment

The older and presumably, more skilled workers were better able to hold on to their jobs. The proportions of employed persons who are in the 15-19, 20-24, and 25-34 age groups fell while the proportion of employed persons in the older categories increased (Table V.4). In July 1997, the proportion of workers who are 15-34 is 46.5%; this has gone down to 45.5% in July 1998. This went down further to 45.1% in October 1998.

The more educated workers are getting the available work. The proportion of employed persons whose educational attainment is below high school graduate decreased while the proportion of employed persons who are at least high school graduate increased.

Despite the increase in the number of employed males and females, the unemployment rate for both groups also went up. The share of female workers to total employment grew. Some FGDs reported that when the male spouses lost their jobs, the women took on direct selling, laundry and other odd jobs to augment family income.

## **1.3 Overseas Filipino Workers**

The regional financial crisis has affected the deployment of Overseas Filipino Workers. The number of OFWs deployed increased slightly by 1% from 747,696 workers in 1997 to 755,684 in 1998 (Table V.6). This is very much lower than the 13% growth registered in 1997. The number of sea-based OFWs grew by 2.6%. On the other hand, the total number of land-based OFWs expanded by 0.6%.

The marginal increase in land-based OFWs could be traced to fewer job opportunities in Asia. Deployment to Asia dropped by 6% in 1998 (Table V.7). This translates to 14,000 displaced OFWs last year. Countries such as Hong Kong, Singapore and Malaysia, which are among the top destinations of OFWs, were forced to cut back on the hiring of new workers as a result of the regional financial crisis.

The number of Filipino workers sent to Hong Kong fell by 18.3% to 64,160. Deployment to Singapore fell by 16.7% to 13,373 while deployment to Malaysia dropped by 65.7% to 4,660.

Meanwhile, deployment to the Middle East, which regained its position as the top destination, grew by 2.6%. Moreover, deployment to America, Europe and Africa increased but these were not enough to compensate for the decline experienced in Asia.

It surfaced in the FGDs that households who have members working abroad benefited from the higher peso value of the dollar remittances. A few OFWs were sent home, but this was mostly due to reasons other than the economic crisis.

Remittances of OFWs declined by 13.4% from \$5.15 billion in January–November 1997 to \$4.46 billion during the same period in 1998 (Table V.8). Remittances of sea-based workers declined minimally by 0.2% to \$239 million, while remittances of land-based workers declined by 14% to \$4.22 billion.

Records of the Bangko Sentral ng Pilipinas indicate that remittances of OFWs from January to November 1998 fell to \$4.46 billion. However, while remittances of OFWs declined in dollar terms by 13%, the peso value went up by 20%.

Remittances by OFWs in Singapore declined by 20.7% while remittances by those from Hong Kong decreased by 3.4%. Incomes of OFWs in Hong Kong were cut recently.

#### **1.4 Firms**

The data of the Department of Labor and Employment based on the reports of establishments indicate that the crisis has a significant impact on firms and workers. There has been an increase in the number of firms that closed or retrenched due to economic reasons. In 1996, it was 1,079; in 1997, it went up to 1,155; and in 1998, it jumped to 3,072 (Table V.9).

The impact seems to be greater in NCR compared to areas outside NCR. NCR experienced the largest increase in the number of affected firms with 1,708 that closed or retrenched in 1998 (Table V.10). This was triple the number in 1997. Central Visayas had the second largest number of affected firms at 268 in 1998, followed closely by Southern Mindanao with 257 affected firms.

The manufacturing, wholesale and retail trade, and financing, insurance, real estate and business services subsectors were heavily affected. There were 1,025 manufacturing firms that were affected in 1998, double the number in 1997 (Table V.11). There were 600 wholesale and retail firms that closed in 1998, more than triple the number the previous year. Almost 500 firms engaged in financing and real estate either closed or retrenched, more than three times the number in 1997. Construction was also hit, with 173 firms that either closed or retrenched.

Consequently, there has been a drastic increase in the number of workers who were permanently or temporarily laid off, or had reduced working time. The total number workers affected was 62,724 in 1997 which dramatically rose to 155,198 workers in 1998 (Table V.12). The number of permanently laid-off workers increased by 96%, temporarily laid-off workers by 156 % and the number of workers with reduced working

time by 648%. The figures indicate the kind of coping mechanisms utilized by firms and the extent to which it had affected workers.

The end-1998 figures however, show that the restructuring is waning. The number of affected workers declined from more than 12,000 in October, to more than 8,000 in November and down to about 4,900 in December.

## **1.5 Impact based on Focus Group Discussions**

Although massive layoffs were not observed, loss of gainful employment was noted among many communities as reflected in the FGD reports. Construction, real estate, manufacturing, and agriculture seemed to be among the hardest hit sectors.

Loss of jobs was felt largely by fishing communities, urban poor and middle income communities.

### **1. Farmers and fisherfolks were hardest hit by the crisis and El Niño**

The FGD participants reported that the crisis and El Niño forced many farmers and fisherfolk to abandon their jobs (whether temporarily or permanently) for more viable sources of livelihood. Reasons varied. First is the lack of control over the prices at which they sold their produce to traders (an oppressive situation that existed long before the crisis hit). Second are the crisis-driven increases in the costs of basic inputs.

The diminished use of farm/fishing inputs resulting from crisis-driven price increases (along with such elements as poor irrigation facilities, competition with commercial fishing vessels and weather disturbances such as La Nina and El Niño) contributed to lower farm yield/fish catch.

In Kalanganan, Cotabato for instance, serious flooding destroyed the fishponds that were the main source of income for most residents. Repairing the damage became difficult for many because of high input prices. As a result, many small fishpond owners had to sell-out to big fishpond owners.

### **2. “Free lance” laborers were also affected**

“Free-lance” daily wage laborers whom FGD participants in Baguio and Benguet referred to as the “por dia workers” were among the hardest hit. With the onset of the crisis, opportunities to work--which from the start were already irregular--became even scarcer and more difficult to access.

### **3. There were cases of employee retrenchment and displacement**

With the onset of the crisis, formal employment (particularly the blue- and lower white-collar workers) appears to have become less of a viable source of income for many poor families.

Communities largely dependent on employment were directly hit by retrenchment policies initiated by the business sector. Of this, 39% came from the middle income, 43% from the urban poor, 23% from farming and 50% from fishing communities. Factory closures affected 31% of middle income communities. Forty three percent of urban poor communities complained of huge unemployment problems due to the slowdown in real estate and construction industries which resulted in the slack demand for construction workers and other semi-skilled and non-skilled laborers. (Table V.13)

The household survey provided some interesting insights on the problems in the labor market. More than 45% are unemployed. There are over 51% unemployed persons in sustenance farm communities. The unemployed females in all communities outnumbered males by a ratio of almost 2:1 (Tables V.14 and V.15).

In the last 18 months, 8% of the labor force lost their jobs. Of these, 12% was from middle income communities. The others were: 10% from the urban poor, 8% from the upland, 5% from the sustenance farm, 5% from the commercial farm and 4% from fishing communities.

There were various reasons for unemployment. Eighteen percent blamed retrenchment as the primary reason. Twelve percent said that they were simply lazy and were not really looking for work. Nine percent said that there were no opportunities available. Six percent said that they changed residence while some 4% did not have any capital to start or continue their business (Table V.16).

These phenomena at the sub-national and national levels strongly indicate that gains in efforts to broaden the base of the economy through market reforms are being reversed.

## **2. Poverty and Income Distribution**

### **2.1 Incomes**

Incomes declined for many households. More households seem to have been adversely affected compared to those who have benefited from the crisis. Available data also suggest that the poor have suffered more.

#### MIMAP Simulations

Simulations done by Reyes (1998) using the MIMAP models show that the economic slowdown due to the financial crisis and the El Niño would have resulted to declines in the average income for the different deciles. The percentage declines range from a low of 4.6% for the richest decile and a high of 7.3% for the poorest decile (Table V.17)

#### Annual Poverty Indicators Survey

The results of the 1998 Annual Poverty Indicators Survey (APIS) and the 1997 Family Income and Expenditure Survey tend to support the simulation results obtained by Reyes, except for the richest decile. The data show that per capita income declined by 3.6% in nominal terms and by 12.1% in real terms (Table V.18). Moreover, the average family income of all deciles except for the richest decile decreased (Table V.19). The percentage decline is greatest for the lowest income decile at 29%.

The 1998 APIS also revealed that 17% of families experienced reduced wages. The richest 60% seems to have been more affected as 18% of the families in this group had reduced wages compared to 15% of families in the poorest 40%.

#### Household survey

The results of the household survey done in connection with this study indicate that 53% of households did not experience change in income as a result of the crisis. Thirty percent suffered reduction in incomes while 17% had higher incomes now than during the pre-crisis period. Half of the households in the upland communities and 40% of households in sustenance communities had lower incomes. On the other hand, less than 20% of households in middle income communities had lower incomes.

The major reasons cited for the decline in incomes were: poor harvest mainly due to bad weather (38%); lower price for their produce (18%); reduced number of earning members (12%); reduced financial support from relatives (8%) and retrenchment from work (6%). Farming and fishing communities ranked poor harvest (62%) as the number one cause for the decrease in their income. Households from middle income communities, on the other hand, considered the reduction in the number of earning members (61%) as the principal factor that contributed to the deterioration of their income. Among urban poor communities, the reduction in the financial support from their relatives (35%) and retrenchment from work (26%) were the two most important reasons for experiencing reduction in income.

Seventeen percent of the households claimed that during the period under review, their income had in fact increased. Among households in middle income communities, 23% claimed an increase in household income.

The major reasons that contributed to the increase in income include: promotion in job (22%); increased number of earning members (14%); new or additional work (12%); favorable prices for their outputs (6%); and increased harvest coupled with good weather (3%). About 25% of households from upland communities claimed that part of their additional income was derived from winnings in gambling. A few households from the middle income (6%) and urban poor (7%) communities, on the other hand, said that they availed of some credit to augment their income. In the middle income community, over 60% of the households said that their additional income came primarily from promotion in job. New or additional work (29%) and increased financial support from relatives (36%) were the two most important factors that contributed to improvements in the income of households from urban poor communities.

### Focus Group Discussions

Many participants experienced lower incomes during the crisis period. However, there were a few who reported increase in incomes.

## **2.2 Purchasing Power**

Prices of goods and services increased significantly due to the drought and the financial crisis. Prices of food items rose significantly. Sharp increases in transportation fares and in the prices of utilities, clothing and education were also noted. The acceleration in inflation, coupled with reduced incomes, shrank the purchasing power of households considerably.

While it is true that not all households experienced declines in incomes, everybody suffered from higher prices. The 1998 APIS show that 97% of the families were affected by higher prices of food and other basic commodities.

The impact of the crisis took some time to take effect. The sharp depreciation of the peso in the latter half of 1997 was offset by the decision to draw down on existing inventory. The increased competition arising from the liberalization efforts of the government and the dampened demand somehow averted the immediate hike in prices. However, in 1998, all the inventories had to be replenished at the higher exchange rate. Interest rates went up too, thus, prices of consumer items followed suit.

Prices of consumer goods rose by an average of 5% in 1997 as indicated by the consumer price index. In 1998, the depreciation of the peso as well as the effects of the El Niño caused the inflation rate to rise to 9%. Food prices increased by 6.4% in 1998, after posting a low inflation rate of 1.7% in 1997. Non-food prices also increased significantly led by services and housing and repairs (Table V.20).



The rate of price increases varied across regions (Table V.21). ARMM experienced the largest increase in consumer prices with an inflation rate of 13.7%. Southern Mindanao came next with 12.4%, Ilocos with 9.6%, Western Mindanao with 9.6%, Southern Tagalog with 9.4%, Northern Mindanao with 9.4%, and NCR with 9.3%. Central Mindanao experienced the lowest inflation rate in 1998 with 7.4%, followed by Central Visayas with 7.5% and Western Visayas with 7.6%.

The increase in prices implies a decline in the purchasing power of the households. In a span of 21 months, the peso has lost 14% of its value. Thus, one peso in March 1999 is less than nine-tenths of the value of the peso during the pre-crisis period (June 1997). This means that to be able to buy the same basket of commodities valued at P100 in June 1997, one has to spend P116 in March 1999. The increase in prices coupled with the decline in income translates to a much bigger decline in the purchasing power of households.

### **Focus Group Discussions and Household Survey**

Many FGD participants lamented that such sharp increases in prices were not matched by corresponding increases in wages and earnings. Thus, the net result was a weakened purchasing power and a decrease in access to basic necessities. The focus group discussions and the household survey provided more detailed information on how households were affected by the increase in prices. The major impacts include the following:

a) There was a widespread spiralling of prices; some households were forced to forego buying/consuming some goods.

The crisis forced more than 40% of the households to refrain from buying certain goods they used to enjoy before. Ninety-three percent cited high prices as the single major reason that prevented them from buying these items (Table V.22).

In one middle income community for example, an FGD participant said in jest that the crisis made him stronger. He said that before the crisis, he had to exert effort to be able to carry grocery items worth P1,000. Today, he could easily swing the P1,000 worth of groceries since the bag contains very little.

b) In general, households maintained 3 full meals a day.

Despite the hard times, 98% of the households was able to maintain 3 regular meals daily. The decrease in the number of meals taken was in fact, more of an exception (Table V.22).

No one from the farming and fishing communities reduced the number of meals taken. There was a reduction of meals to two in 4% of urban poor communities and 2% of middle income communities. Two percent now have irregular meals (Table V.23).

However, 20% of the households who used to eat only two meals a day before the crisis could now eat three meals a day.

Over 50% of those who reported reducing the frequency of regular meals said that they were forced to do it since over a year ago. Thirty percent has been practising it for about a year. The rest were equally divided between the group who was forced into it six months ago and those who were into it only a month ago (Table V.22).

c) There were major alterations in the household budget (Tables V.22 and V.23).

***Home-prepared food.*** Forty percent said that the cost of preparing food for one's household had increased. Sixty percent of the households from sustenance farm and 32% from the middle income communities shared this opinion.

Majority felt that the increase of food price in the market caused a 25% rise in the household food budget. About a fifth believed that it was much higher. Half of commercial farm communities said that it increased by 10%. About 48% of upland communities thought it went up by 25%. Thirty percent said that it did not go beyond 10%. Others noted a 50% increase. In the sustenance farm communities, 36% noted a 10% increase. However, an equal number said that it increased by up to 50%.

On the other hand, 18% said that their food budget actually decreased. Most had 25% reductions. Many households from middle income communities had 50% cuts.

Over 50% of the households from middle income communities reported that despite the crisis, they were able to maintain their usual food budget. About 30% from the rest of the communities concurred with this view.

***Dining out.*** There were big cuts in dining-out expenses. About 18% claimed that they decreased their budget for dining out. A fifth in this group reduced their budget by as much as 75%. Over 30% of households from middle income communities and 21% from urban communities reported significant cut in their budget. About a third said that reductions were up to 50%. Over a fifth claimed that the cut in their dining out budget exceeded 50%. Fifty eight percent of urban poor communities cut their dining out expenses by more than 75%.

***Clothing.*** While over 30% of the households said that they were able to maintain the same level of budget for clothing, some 29% averred that budget for children's clothing increased. About 40% thought that the increase was between 5-10%. Over a third felt that the budget increased by more than 10%. Meanwhile, about 19% of the households had decreased budgets. Thirty nine percent were able to decrease clothing expenditure budget by as much as 50%.

For adult's clothing, 22% of the households increased their budget. Of them, 44% made up to 10% adjustment. Twenty percent said they had budget reductions, while 35% said that they made 50% cuts.

***School Fees, Transportation, Medical Expenses, Housing and Utilities.*** Forty eight percent had to shell out more for their children's education. Some 42% of the total households made 25% increases. Sixty eight percent of fishing households allotted more money. Of this, 53% had to effect as much as 25% increase. Fifty six percent of urban poor households only made up to 10% adjustment. Very few said that they reduced their expenditures for this.

As much as 45% of households from sustenance farm communities said that they had to increase the allocation for transportation of their children. Forty one percent in this group and 33% from the middle income claimed to have increased their budget for their children's transportation by more than 25% of their pre-crisis budget.

Fifty five percent of all households had to increase their household budget for health care to cope with the increased costs of medicine and medical fees. About 40% increased their health care budget by up to 25%. Another 39% claimed to have made up to 10% increase.

At least 47% of all households had to appropriate additional money for housing expenses including monthly rental fees. Forty two percent in this group said that they made up to 10% adjustment, while 30% claimed that they had to add up to 25%.

Among all expenses, utilities was adjusted by the highest proportion of households. Sixty two percent of all households said that they had to increase their budget for this expense item; 41% claimed to have made up to 10% adjustment; and 28% percent said that they had to effect up to 25% increase. Among farming communities, at least 15% provided for up to 50% more than what they used to set aside before the crisis to pay for electricity, water and fuel.

### **2.3 Income Distribution**

The combined effects of the financial crisis and the El Niño have served to reduce incomes of the households and contributed to a further worsening of the income distribution. There has been an increase in income inequality as manifested by the increase in the GINI ratio from 0.451 in 1994 to 0.496 in 1997 based on the 1994 and 1997 FIES. The share of the poorest quintile to total income has declined from 4.9% to 4.4% during the same period. Meanwhile, the share of the richest quintile rose from 51.9% to 55.8%. The ratio of the richest quintile to the poorest quintile has gone up from 10.6 in 1994 to 12.7 in 1997.

As discussed in Section 2.1 simulations done by Reyes (1998) using the MIMAP models show that the financial crisis and the El Niño would have resulted to declines in the average income for the different deciles but the percentage declines are greater for the lower income groups (Table V.17). The lowest 4 deciles experienced contractions in income ranging from 6.7% to 7.3%, with the poorest decile obtaining the biggest

percentage decrease. The higher income groups were not spared either, although the richest decile suffered the lowest contraction of 4.6%. Consequently, the GINI coefficient increased indicating greater income inequality.

This pattern is also supported by the data from the National Statistics Office. Notwithstanding the differences in the methodology, the 1998 Annual Poverty Indicators Survey and the 1997 Family Income and Expenditure Survey show that all incomes of all deciles have declined between 1997 and 1998 (Table V.19). Furthermore, the share to total income of the lowest 90% has declined while the share of the richest decile has increased. The share of the poorest quintile has gone down from 4.4% to 3.4% while the share of the richest quintile has increased from 55.6% to 59.0% (Table V.24). In 1998, the ratio of the richest quintile to the poorest quintile has increased further to 16.4. This suggests greater income inequality.

## **2.4 Poverty**

The reduction in incomes and the increase in prices are expected to worsen further the poverty situation. While there has been a reduction in poverty incidence from 35.5% in 1994 to 32.1% in 1997, the absolute number of poor families increased by 22,217 to 4,553,387 families. More than 70 percent of the poor or 3,307,215 families are in the rural areas.

### **Self-Rated Poverty**

The household survey conducted as part of this study reveals that there has been an increase in self-rated poverty from 40% just before the crisis to 43% in January 1999. Some households sank below the poverty threshold while others were able to get out of poverty. Of those households who considered themselves poor in January 1999, about 10.3% were not poor before the onset of the crisis. Of those who are non-poor now, 2.5% were poor before.

More than half of the households in fishing and upland communities rated themselves poor. Forty eight percent of households in urban poor communities considered themselves poor. Only 21% of households in middle income communities considered themselves poor in 1999.

Thirty-eight percent of households indicated that their well-being improved since June 1997; 30% said that there was no change; and 31% claimed that they are worse off. Sixty two percent of households in upland communities said that they are worse off now. The corresponding figure for households in fishing communities is 53% and in urban poor households, 43%. The least adversely affected are the middle income communities where only 20% are worse off.

The surveys of the Social Weather Station also indicate an upward trend in self-rated poverty between 1997 and 1998. In the April, June and September rounds, 58% of the sampled respondents considered themselves poor. In December 1997, the proportion rose to 63% and went up further to 64% in March 1998. In September 1998, the self-rated poverty was 62%.

While the increase seems to be small (3 percentage points based on the household survey and 4 percentage points based on the SWS survey), it is still a cause for concern since the poverty incidence is already high to begin with.

### **3. Human Development**

#### **3.1 Health, Nutrition and Population**

Expenditures in health are motivated by both consumption and investment motives. The consumption motive is driven by the fact that good health is necessary to enjoy other goods and services. Better health and nutrition are known to raise labor productivity as well as improve the performance of students (Behrman 1990). These considerations underlie the investment motive. Essentially, for almost identical reasons that people invest on education, people also invest in their health and that of their children. Fertility, on the other hand, has a direct impact on the health of the child and the mother and is likewise affected by the health and nutrition status of the mother. In times of a crisis, people tend to become short sighted and are prone to foregoing expenditures when benefits accrue only over the longer term. For instance, preventive care and expenditures on public health is often sacrificed in favor of curative care.

Using macro level data, Lim (1998) pointed out that infant mortality is positively correlated with inflation rate and negatively correlated with GNP per capita. General mortality rate, on the other hand, is positively correlated with unemployment rate and negatively correlated with a 4-year moving average of GNP. These imply, Lim pointed out, that the crisis, which is characterized by decline or stagnation of GNP and higher unemployment, would mean higher infant and overall mortality rates.

Using household data, Orbeta and Alba (1999) have computed larger income and price elasticities of demand for outpatient care for poorer households compared to richer ones. This means that a price increase (one of the primary effects of the financial crisis) will adversely affect the demand of the poor more than the rich households. In addition, home care and public clinics have income elasticities that are negative which means that households consider these sources of care as inferior. Thus, a decrease in income due to the crisis is expected to increase dependence on home care and in public/charity clinic. Using this model, Reyes and Mandap (1999), simulated the impact of the crisis on the choice of outpatient care. The study pointed out that there would be an increased demand in home care and health care public/charity clinics because of the crisis. This would mean more resources are need in the public clinics to meet this increased demand. Using a similar model for food demand in Orbeta and Alba (1998), Reyes and Mandap (1999) simulated the impact of the crisis on nutrition. They found a negative impact of the crisis on macro-nutrient availability. Hence, it is expected that the prevalence of malnutrition will increase because of the crisis.

Looking now at the FGD results, it is the participants' opinion that in response to the crisis, households have de-prioritized health care. In particular, participants have observed: (1) an increase in malnutrition or a decrease in "nutritional status" among children; (2) a trend of decreasing weight among children; and (3) an increase in illness and a general weakening of resistance and vulnerability to illness. It was also mentioned that parents often leave the children to fend for themselves because of the pressing need to work. There are, however, other participants who pointed out that children are often

times shielded from adjustments households need to make, particularly, in terms of food intake.

FGD results also mentioned deterioration of health services as one of the key effects of the crisis. One of the primary aspects of this is the absence of medicines that used to be more abundant and free at local health centers. Accordingly, this has rendered these institutions virtually useless except for prescribing pain relievers and referring patients to hospitals that they can ill-afford. In addition, the facilities were said to become even more poorly maintained, feeding programs were suspended and services (e.g., pregnancy tests) were no longer free. Reduction in health personnel and/or their allowances was also mentioned.

The household survey, on the other hand, seems to indicate that health centers continue to be accessible. Only 3% of all households opined that health services have worsened while 26% have reported improvement in the service. More households in poorer communities stated that government health services have improved: 33%, 27% and 26%, respectively, among sustenance farming, fishing, and urban poor communities compared to 18% in middle income communities. In addition, households reported that health workers continue to be available and even increased in some areas. Households, however, agree that the prices of medicines and medical fees have increased. The respondents give an estimate of 20% increase in the price of medicines on the average. For medical fees, they estimated some 50% increase in hospital and private clinics.

The results of the key informant interviews show that the number of immunized children and pregnant women given tetanus toxoid vaccination did not decline on the average. If there are declines, these were experienced mostly in depressed communities such as upland, sustenance farming, fishing and urban poor communities. The number of health facilities and personnel were mostly not affected. The observation in the FGDs that more people are getting sick is also shared by the key informant interviews although they differ in their assessment of the availability of health facilities and personnel. Finally, the key informant interview confirms the increase in the cost of medicines and medical services.

In terms of nutrition, the key informant interviews show a couple of surprises. One, the number of malnourished children declined contrary to the impression highlighted in the FGDs. This is true even in urban poor and upland communities although it increased in sustenance farming and fishing communities. This is surprising because one would expect less of malnutrition in essentially food producing areas. Two, the number of *barangay* scholars supported by the communities increased rather than decreased in all communities. Again, this runs counter to the observations made in the FGDs.

To give a broader view of the problems highlighted by the primary data sources, monitoring data using the DOH Field Health Services and Information System (FHSIS) were also gathered for the regions covered by the FGDs to give a broader view of the problems highlighted by the primary data sources. Many of the regions, however, were not able to submit complete data for the whole of 1998. For the immunization program, 6

of the 12 regions covered by the FGDs were able to complete their 1998 report. Five of the 6 regions reported a decline in immunization coverage even if 3 of these 5 reported increases in the number of immunized children (Table V.25). This means that the crisis may have affected the ability of the system to respond adequately to increasing demand since some were able to increase the number of children fully immunized but these were insufficient to improve on their previous immunization coverage record. This failure to push forward the immunization coverage might be taken as one of forms of the decline in health services due to the crisis highlighted in the FGDs.

For the nutrition program, the FHSIS data for 1998 was complete for 6 of the 12 regions covered by the FGDs. Of these 6, only 2 regions (CAR and Region 7) reported increases in both the number and proportion of moderately and severely malnourished among children 6-59 months old (Table V.26). This corroborates the results of the household survey and key informant interviews and does not support the common impression given in the FGDs that malnutrition among children has increased.

The effects of the crisis on family planning practices were not discussed in the FGDs nor these were covered in the key informant interviews or household surveys. The only information source that can give indications as to what happened to family planning practices during the crisis are the National Demographic Surveys (NDS) done by the National Statistics Office (NSO) and Macro International in 1993 and 1998 and the Family Planning Surveys (FPS) done by NSO in 1996 and 1997. From Table V.27, it appears that there is declining trend in contraceptive prevalence rate (CPR) from 1996 to 1998. It is therefore difficult to attribute the decline in CPR between 1997 to 1998 to the crisis. However, it is clear from the table that while the overall CPR is declining from 1996 to 1998, the proportion using modern methods was rising up to 1997 before it declined in 1998. On the other hand, while the proportion of those using traditional methods was declining between 1996 and 1997 it increased in 1998. In terms of locality, while the CPR in urban areas is stable at around 50%, the one for rural areas has a mild decline between 1996 and 1997 but had a sharp decline between 1997 to 1998. With the qualifying note that some of the differences may be due to methodological differences of the two surveys, these information point to two possible impact of the crisis. One, the crisis has prevented households from using modern methods of contraception<sup>10</sup>. Two, there is a drastic decline in contraceptive use in rural areas.

For the family planning program, the FHSIS data for 1998 was complete for 4 of the 12 regions covered by the FGD. Of these 4 regions, 3 reported either a decline in current user or new acceptors or both (Table V.28). This generally corroborates the results of the NDS and FPS that shows that contraceptive prevalence rates have declined.

In spite of conflicting data from the various sources, the effects of the crisis on the health, nutrition and population sector can be summarized as follows: (1) immunization coverage have been adversely affected; (2) even if household eating pattern have been affected, this has not resulted in a universal increase in malnutrition rate, particularly

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<sup>10</sup> The 1998 NDHS says that as much as 26.3% of the respondents get their modern method supplies from private medical sources, notably private hospital/clinic (15.4%) and pharmacy (8.1%).



among children; (3) the use of modern family planning method has been adversely affected and contraceptive prevalence in rural areas has declined.

### **3.2 Education**

The role of education in development is seldom put in question. It is well-known that education improves both the market and home productivity of individuals. Investment in education is also critical in poverty alleviation (Behrman 1990). Besides these private benefits, there are also large public benefits (particularly for basic education) in having an educated populace. However, these returns come only over longer time horizons. In times of economic crisis people tend to become more short-sighted and put less weight on those activities whose benefits only accrue after longer periods. This is exemplified by parents asking their children to quit school and help augment sagging family incomes. Not only are households oftentimes shortsighted, policy makers likewise frequently fail to see beyond the short-term.

Several studies have related schooling indicators with variables that are affected by the crisis. For instance, based on regression estimates using aggregate data, Lim (1998) pointed out that enrollment rate in all levels is positively correlated with GNP per capita. In addition, elementary enrollment is positively correlated with real education expenditure of government. Finally, college enrollment is positively correlated with the unemployment rate. The crisis is expected to reduce income per capita and increase unemployment. Therefore, the crisis is expected to reduce enrollment in elementary and secondary levels. The impact on college enrollment, on the other hand, will depend on the relative magnitude of the effect of GNP per capita and unemployment rate. Based on the larger share of elementary and secondary enrollment to total enrollment, Lim (1998) expects that the net effect on human capital accumulation will be negative.

Using household survey data, Alba and Orbeta (1999) also found significant impact, albeit small in magnitude, of income on enrollment rates of children 7-14 years old even among those belonging to the bottom 30 percent of the population. In addition, the study also found that enrollment of this cohort is highly responsive to pupil-teacher ratio that is obviously dependent on government expenditure on education. Using the Alba and Orbeta (1999) model to simulate the impact of the crisis on enrollment, Reyes and Mandap (1999) pointed out that the negative effect of the crisis on income yielded a detrimental effect on school attendance. The study pointed out that this result has been validated by a special survey of schools in Metro Manila by the DECS which revealed an increasing number of students dropping out of school and DSWD's observation of an increasing number of street children. Of course, this study will later point out that this is not only true for Metro Manila but for the whole country as well, particularly for the secondary level.

Looking now at the results of the focused group discussions (FGDs), participants identified decline in enrollment, higher dropout, increased absenteeism, and decreases in student participation in special school activities as the impact of crisis. Many families were reported to have difficulty coping with increases in tuition fees and other school expenses (school materials, uniforms, food and transportation money). The reasons cited

for the increases in absenteeism include: (1) the need for children to help out in farm work to save on labor costs; (2) the need for children to watch over younger siblings while parents were at work; (3) the lack of basic school supplies, and money for allowances, transportation and lodging. The absences were noted to have resulted in poor grades and poor quality education. The attendance on special school activities (i.e., scouting) also declined because it meant additional expenses. Finally, the decline in food and transportation money resulted in skipping of breakfast and sometimes children walking to school. All of these, participants added, have contributed to the decline of children's interest in school.

From the household survey, the proportion of those quitting school because of financial reasons is 60%. This proportion ranged from 45.5% for commercial farm communities to 65.2% for urban poor communities (Table V.29). Those who quit school to get employment range from 4.8% for middle income communities to 13.6% for commercial farm communities. Other reasons such as to help in the farm or to help in household chores were mentioned by less than 10% of the households. Thus, financial difficulties have forced a considerable number of households to ask their children to either quit or postpone schooling.

At the awareness level, the household survey reveals there are more households expecting that enrollment in public school will increase and that of private school will decrease. A considerable proportion of the survey participants also expected that there would be more school dropouts although more than half has no opinion about this issue.

Among the primary reasons cited in the FGDs as the cause of higher dropout is the high out-of-pocket cost. It is noted that substantial proportions of these out-of-pocket expenditures are for transportation costs and school projects. This observation is confirmed by the estimates from a 1995 FAPE survey cited in Maglen and Manasan (1998). The transport costs comprise 16% and 27% of total expenditure per student in private and public secondary schools, respectively. The FGD participants also mentioned that public secondary schools are inaccessible. For instance, it was mentioned that students have to walk as far as 7 kilometers to reach the highway and pay P20 for round trip fare to go to school.

While FGD participants volunteered estimates on the extent of decline in enrollment and dropout, these were deemed less reliable so data on enrollments and dropout<sup>11</sup> in the locality were taken via key informant interviews and administrative reports of the city, provincial, regional national offices of the Department of Education, Culture and Sports (DECS).

Key informant interviews covered schools in the locality where the FGDs were conducted. The results of the key informant interviews show that total elementary school enrollment rate increased in all but one community between School Year (SY) 1997 and SY1998. Total elementary enrollment even grew faster than the growth in Grade 1 enrollment (4.7% vs. 3.4%) indicating that households have postponed entrance of

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<sup>11</sup> Owing to smallness in magnitude, the dropout rates gathered at the school level were deemed less reliable. Hence, these were not included in the discussions.

children to the school system for better times. Even if there is almost an even growth of boys (3.1%) and girls (3.6%) entering Grade 1, there appears to be higher growth rate of enrollment for boys (6.4%) compared to girls (2.9%) for the total elementary grades. Declines in enrollment are seen in urban poor communities (-10.0%) as middle income communities show positive enrollment growth (15.4%). In the high school level, the total enrollment rate increased by less than 1% with girl's enrollment even declining by 1.6%. Again, the localities showing declines in growth of enrollment in secondary schools are the depressed ones such as fishing (-10.6%) and upland (-11.9%) communities.

The 1998 Annual Poverty Indicators Survey asked households about their responses to the crisis. The survey reports that a small proportion (6.9%) of households has taken their children out of school. This proportion is understandably higher for the bottom 40% (7.5%) compared to the upper 60% (6.4%).

Based on an administrative report from the DECS, Table V.30 shows that total enrollment in elementary schools continued to increase by 0.67% between SY 1997-98 to 1998-99. This is clearly lower than the usual growth rate of enrollment that is about the growth in population. Growth in enrollment in Grade 1, however, declined by 3.37% indicating that families have postponed the entrance of their children into the school system corroborating the results in the KIs. This phenomenon is true in all regions except for Region 3. Only total enrollment in public schools has increased with private school enrollment declining in double-digit levels (-10.33%). At the secondary level, Table V.31 shows that the decline in the growth of enrollment is universal. Enrollments declined by 7.9% on the average and declined by over 10% in as many as 5 regions. There is a larger decline in enrollment in private secondary school compared to public schools. However, considering that enrollment in private secondary schools have been declining since the enactment of Free Secondary Education Act in 1988, it is difficult to attribute all these decline in enrollment in private secondary schools to the financial crisis. Again, the decline in the growth of enrollment in first year high school is larger than the decline in total secondary enrollment. This indicates that household are allowing older children to continue secondary enrollment and postponed the enrollment of the new entrants.

The dropout<sup>12</sup> data shows that the crisis may have affected only the public secondary grades (Tables V.31 and V.32). Elementary grade dropout rates declined for both public and privates schools. For secondary level, dropout declined for private school but increased by 15.57% for public secondary schools.

Even if the figures from the different sources don't match, it is clear from the foregoing that the crisis had the following effects: (1) enrollment in elementary school have increased at a lower than usual rate; (2) enrollment in secondary schools have declined; (3) households have allowed older children already in the system to continue while postponing the enrollment of new entrants both at the elementary and secondary levels; (4) the dropout of those already in school was not affected in the elementary and

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<sup>12</sup> This consist of the proportion of enrolled students who did not continue to finish the school-year they are enrolled in.

private secondary school but increased in public secondary schools; (5) children are making do with smaller food and transportation money.

## 4. Vulnerable Groups

### 4.1 Farming communities

Farming communities had to absorb the impact of two crises: the Asian financial crisis and the El Niño. The farmers largely attributed the significant reduction in the volume of their output to the El Niño. Although the upland and rain-dependent farmers were the hardest hit, even irrigated farms were not spared. Many irrigation facilities failed to deliver the water to the farms due to the low level of water supply.

A coconut community like Bogo, Tomas Oppus in Southern Leyte, observed that before the El Niño, 150 kilos of copra from 500 nuts is normally produced. Because of El Niño, their 500 nuts could only give them 60 to 70 kilos of copra. Thus, they missed the opportunity to benefit from the very attractive copra price of P17 as compared with the P7 a kilo in June 1997.

Among the participating *barangays*, the crisis had the following effects:

a) There were increases in the prices of farm inputs--fertilizers, pesticides, animal feeds, farm labor and equipment rental.

The FGDs reported that the increase varied from 15% to 100%, with animal feeds and farm labor registering close to 100% increases. The cost of fertilizer during the last year and a half were reported to have increased anywhere between 30% to as much as 60%.

Farmers also observed an increase in transportation costs. Palay farmers from Bantol, Marilog, Davao City noted that because of poor road conditions, hauling a 50-kilo sack of palay from the farm to the poblacion, which is less than 10 kilometers away, is costly. The rate is P20 for the transportation plus P10 for labor. To save money, some of these people made their wives and children do the work. Consequently, school-aged children were forced to either absent themselves from classes or completely drop out from school.

b) The price increases, coupled with the lack of sufficient capital (raised through savings or credit), led to the decline in the use of farm inputs. This decline in the use of inputs contributed to the decrease agricultural production.

The increase in the costs of farm inputs forced farmers to reduce the use of these inputs in their fields. Some FGD communities even reported farmers who did not apply fertilizer at all. This may be a cause of the significant drop in the agricultural output. In Sorsogon for example, *barangays* claimed their production was down by 40%.

c) Many families chose to temporarily abandon their fishing/farming activities to engage in odd jobs that could provide alternative sources of income, as reported by at least 20% of the upland and sustenance farming communities.

d) There was selling of farmlands and assets, although others said this was not widespread.

In some FGD communities close to urban centers, there was an observed increase in land conversion or sale of farmlands. For example, in Barangay Opol, Malanang, Misamis Oriental, participants expressed their concern over the 1,897 has. of timberland in their *barangay* which may soon be converted to agricultural land because the lease contract made by the government with the farmers already expired last year. Residents have heard that DENR is planning to award this land to some farmers. They said that once the area is declared alienable and disposable, the ecological balance in the area would most likely be adversely affected.

e) Almost all farmers claimed that they could not sell their produce at good prices.

FGD participants reported that the very unfavorable prices for farmers' produce further compounded their problems. As is the practice, landowners and/or traders are the ones who dictate the selling prices. The farmers are indebted to them because of their assistance, either in cash or in the form of farm inputs. For this, the farmers' produce would first be sold to them. The 'suki' would already deduct the loans when he pays the farmer. The regional financial crisis further weakened the farmers' power to dictate prices for their produce.

The government's decision to import huge volumes of rice and corn has been pointed in many FGDs as the main reason for the very low buying price of palay and corn in 1998. Corn farmers for example, said that before the importation, traders were buying corn for at least P5.30 a kilo. During the last major harvest in September, however, corn was priced at only P4 to P4.50 a kilo. Even some big wholesale buyers in Mindanao stopped purchasing corn altogether. In Davao City, palay prices went down from P6 a kilo in 1997 to P4.30 a kilo in 1998.

f) The regional financial crisis aggravated an already oppressive situation.

Even before the regional financial crisis struck, the odds were already against the farmers. As mentioned, farmers were already locked in an oppressive relationship with landowners and/or dealers. Among the FGD participating *barangays*, most farmers had less than a hectare to cultivate. Most did not have irrigation facilities. Those who did had to contend with poorly maintained ones, as LGUs struggled to maintain their upkeep. There was, furthermore, limited access to credit. Farmers lack appropriate credit facilities to support their production activities.

g) Farmers also suffer from poor marketing strategies.

At least 23% of all FGD farming communities said that their main problem in increasing their farm income is either the absence of the market that will absorb their produce or the lack of information on efficient marketing systems. Most farming communities rely solely on their 'suki' or traditional traders as their main market.

Twenty five percent of upland communities also added that aside from the lack of market, they also did not have control of it.

- h) The devolution of agricultural services to the local government did more harm than good to the farmers.

The FGDs noted that as an aftermath of the devolution, a number of mayors appointed some technicians who do not have the expertise and training to perform extension services. Some services provided by the DA before the devolution are no longer extended to the communities. This is especially true in communities perceived by municipal government officials as belonging to a different political affiliation.

#### 4.2 Fishing communities

The bigger impact of the financial crisis on fishing communities is in the increase of their input and operating costs. This was exacerbated by the already depleted traditional fishing grounds and the consolidation of resources in favor of the elite in the fishing industry.

- a) Fisherfolks benefited from better market prices but this was more than offset by higher maintenance costs.

For the positive effect, fisherfolks participating in the FGDs said that with the increase in prices came the increase in the market price for fish. This meant added income for the same level of output they used to get from their traditional fishing grounds. The negative effect however, was that while the price for a kilo of fish may have increased, the cost of maintenance of their fishing vessels and gears also increased. The costs of oil and other intermediate inputs have increased accordingly. Most fishing communities said that the increase in the price of fish could not compensate for the increase in the cost of inputs.

- b) The higher cost of oil and gasoline prevented fisherfolks from expanding into new fishing grounds.

Fisherfolks could no longer catch the same volume because the fish stock in traditional fishing grounds has been depleted. And, because of the increased cost of oil, they could not venture to new fishing grounds. In San Andres, Bauan, Batangas, fishermen may hear of a possible good catch somewhere. The high cost of gasoline prevents them from rushing off to the area. Instead, they wait and see until there is a real assurance of a good catch. Some complained too, that they could not find fishing grounds with abundant fish supply. Illegal fishing practices like dynamite or cyanide fishing and the use of very fine nets have resulted in the destruction of fish sanctuaries.

- c) In some cases, the crisis also appears to have contributed to the consolidation of various economic resources at the hands of the elite--endowed, as they are, with the financial capability to maintain such resources in productive use.

Forty percent of small fishpond owners in Barangay Kalanganan, Cotabato City, sold their fishponds to bigger pond owners. With the high prices of labor and fishing inputs brought about by the crisis, small fishpond owners found it impossible to repair

fishponds destroyed by floods in 1998--and were consequently forced to sell out to bigger fishpond owners. This widespread selling of ponds virtually altered the pattern of ownership of the means of production within the industry.

### **4.3 Children and Youth**

The efforts of poor families to cope with the crisis had serious effects on the welfare of children and the youth, compromising not only the health, education and overall development of these young individuals, but possibly compromising the country's "social capital", the next generation upon which the future of the country depends.

Unhealthy changes in the diet caused malnutrition and weakened resistance among children.

About three-fourths of the depressed FGD communities reported that their children, high school and college, left school either to look after younger siblings while parents worked or to become additional income earners. Young girls would work as salesladies or domestic helpers often in cities like Manila or Cebu. Young men would work as farm hands, or migrate to the cities to look for odd jobs. In the Bicol region, many of these children were recruited as household helpers in Manila and other urban areas. FGD participants expressed apprehension over the physical dangers that such young income-earners were exposed to.

Many FGD groups like in three *barangays* in Cotabato City expressed concern over the vulnerability of out-of-school-youths to the harmful influences of drugs, drinking and petty gambling.

In the Navotas fishing village and some *barangays* in Davao City, young girls were lured to prostitution. In some cases, the parents themselves were the ones encouraging their daughters to join the flesh trade because of the attractive income.

FGD participants in Ondol (Bohol) and Navotas also observed the vulnerability of out-of-school-youths to early marriages which in turn increases the number of community members with little or no capacity to provide for their families' needs.

In Tulay na Lupa, Camarines Norte residents noted that "several years from now, we will see an incoming portion of the population not socially and economically prepared to face the rigors of life."

### **4.4 Women**

The crisis appears to have reinforced women's proverbial "multiple burden"--forcing more women to take on, in addition to the role of wife/mother/homemaker, the role of secondary income-earner. They engage in direct selling, ambulant peddling of fish and vegetables, open up sari-sari stores or accept laundry work.

Women are also additionally saddled with the need to stretch meager household budgets, the need to source credit and to find money with which to pay past loans.



Trying to make both ends meet also puts tremendous strain on husband-wife relationships. Two FGD groups reported cases of domestic violence resulting from fierce disagreements as to whether the wife should work or not.

#### **4.5 Senior Citizens and the Disabled**

FGD groups in Benguet-Baguio said that senior citizens and the disabled also suffered during the crisis--as survival needs forced them to work and compete alongside the able-bodied.

## 5. Social Fabric

### a) Many communities remain peaceful...but for how long?

In general, the FGD groups reported no significant disturbances in the peace and order situation in their respective *barangays*. However, a few communities, particularly those among the urban poor and fishing villages reported a higher incidence of drug-related problems and criminality. In the fishing village of Sipac, Navotas for example, some participants said that drug abuse in their community is so prevalent that only one percent of households do not have a member who is either a user or a pusher. They said that shabu could be bought anywhere like candy. It was depressing to note, though, that despite the entire community's awareness of the evils resulting from this problem, nobody seems to want to offer a solution.

Some reported increases in petty crimes, streetchildren and prostitution.

### b) Threat to family cohesiveness

The crisis appears to have helped create an environment that is not conducive to maintaining the cohesion of the family. With parents away due to the demands of survival, children were often left to fend for themselves. FGD participants in Gregorio del Pilar (Sorsogon) echoed the sentiments of many communities when they said that parents were not happy having their older children work in big cities, far from the family.

## **VI. RESPONSES TO THE CRISIS AND HOUSEHOLD COPING MECHANISMS**

### **1. Government**

#### **1.1 Macro Level**

On the macro level, the immediate response of the government to the crisis was to stabilize the peso mainly by jacking up interest rates and undertaking measures to discourage currency speculation especially by banks. Having recognized the lessons from the experiences of other Asian countries like Thailand, the government also moved quickly to adopt additional prudential measures to further strengthen the banking system. It likewise resorted to open market operations to control liquidity growth as a way of easing inflationary pressures.

In response to the drastic reduction in government revenues arising from the crisis, the government as mentioned earlier, imposed mandatory reserves on the all government agencies' operating budget and a reserve on the IRA shares of the LGUs in early 1998. This was, however, lifted in July 1998 for critical basic health and social services. A partial lifting for the LGUs was also made towards the latter part of 1998.

The current administration has programmed a higher budget deficit for 1999 in an effort to avoid a recession. But to keep domestic interest rates low, the government has started to avail of more foreign borrowings and to float bonds in the international capital market to finance the bigger deficit.

To address the challenge of keeping industrial peace in the midst of the crisis, the DOLE facilitated an agreement among employers and labor to cooperate through the Social Accord for Industrial Harmony and Stability. Under this accord, employers commit to exercise restraint in the lay-off and termination of their employees while labor promises to exercise restraint in going on strike, slowing down work and preventing other forms of work stoppages.

#### **1.2 Employment**

The macro environment would determine the capability of the economy to generate employment. The loss of jobs was linked to the decrease in demand and consequently, no amount of skills training will be able to generate jobs in the near term. Job creation could have come from government pump-priming activities but the fiscal position of the national and local government units prevented them from doing so.

### **Provided employment assistance to displaced workers**

An enormous number of workers were adversely affected by company closures, labor retrenchment and shorter working hours. Workers who were reported permanently displaced from their jobs reached 76,726 for the year 1998. To address this plight, some initiatives were undertaken by the Department of Labor and Employment (DOLE).

DOLE, through stronger networking of their Regional Offices with Public Employment Service Offices (PESOs) based at the LGUs, the Philippine Economic Zone Authority, and other local placement entities, accommodated more active employment-facilitation or placement assistance to job seekers to ease the effects of the displacement of workers. As a result, about 342,868 placements of job applicants were recorded in 1998.

This placement assistance was extended to overseas labor markets. In spite of the financial turmoil in the region, deployment in 1998 managed to reach 755,684 OFWs, an increase of 1% from 1997. Remittances declined to US\$1.8 billion in the second semester from US\$2.9 billion in the same period of 1997.

DOLE had allotted the amount of P7.4 million for the Mindanao regions financing the **Rural Works Program** for displaced workers in coordination with the Local Government Units (LGUs). This project will fund small infrastructure projects in order to induce employment opportunities in selected depressed, rural communities of Mindanao, particularly for workers displaced by company closures and retrenchments, and those affected by El Niño and La Niña phenomena. A total of 3,364 unemployed workers in Mindanao were able to find temporary jobs in various government infrastructure projects for which P4.4 million of the total budget had already been disbursed. Among them, 1,549 were employed in P2 million worth of various infrastructure projects in CARAGA region, particularly in Agusan del Norte and Surigao del Sur. Another 665 workers were given work in the Central Mindanao provinces of North Cotabato and Sultan Kudarat as well as Lanao del Norte. Moreover, 602 workers found jobs in three infrastructure projects in Davao del Sur. These projects include rehabilitation or maintenance of farm roads, improvement of drainage systems, bridge and solar dryer construction, and the repair and repainting of public buildings.

The government will release another P2.8 million under the Rural Works Program that will benefit some 2,500 workers in Mindanao. It will now be expanded to cover Luzon and the Visayas regions.

Along this line, the CARAGA region developed “Program to Address the Displacement of Employees in the Region” (PADER) to obstruct job loss among those workers who are under threat of displacement and to provide work opportunities among the displaced workers. To date, 20 rural projects were implemented benefiting 957 displaced workers.

Likewise, an emergency loan package of P100 Million was approved specifically for displaced sugar workers. In addition, rice subsidies and cash bonuses and other

regular benefits received under the Social Amelioration Program were provided. Already 15,384 sacks of rice worth P10 million have been fully disbursed to 76,923 sugar workers and their families from August to November 1998.

In CARAGA region, a pilot-tested Emergency Employment Measures such as training-cum-production and livelihood development adopted the 'one-village, one-product' concept. The Sinai, Sibagat, and Agusan del Sur areas were developed into an Abaca Village Enterprise, and the Del Pilar, Cagdimaao, Surigao del Norte areas into a Fish Processing Village Enterprise.

#### Strengthened Job Facilitation Services

The Phil JobNet, launched by President Estrada on November 6, 1998 in Malacañang, is a computerized system which facilitates job vacancy and applicant-matching, aiming to help fleetingly job-seekers' search for jobs and employers' search for manpower, either for local or international employment. To date, Phil JobNet is being operationalized in five regions including NCR, IV, III, VI and XI, 17 PESOs, 20 Employers Confederation of the Philippines (ECOP) groups, 3 labor federations, PEZA and Malacañang. Accurate information regarding employment opportunities are available and can be easily accessed by employers' groups, different workers' organizations and the public.

#### Provided Welfare Assistance and Benefits for the OFWs

Through the established One-Stop Sea-based/Land-based Documentation Center, DOLE streamlined the procedure for processing the documents of the departing OFWs resulting in the reduction of the processing time from five days to just within 24 hours. In line with this, a One-Stop Balik-Manggagawa Processing Center was also established to streamline the processing of documents of OFWs on vacation during the holiday season. Moreover, an express lane was placed at the Ninoy Aquino International Airport (NAIA) in July for *Balikbayan* workers in order to facilitate faster processing of Overseas Employment Certificates (OECs).

The Department also operationalized the Re-placement and Monitoring Center, a promotion house for Filipino migrant workers for their local employment to utilize their skills and potentials for the good of the country. Likewise, the DOLE provided a mechanism for their reintegration into the society.

#### Maintained Industrial Peace

The DOLE, through the National Coalition Mediation Board (NCMB), exerted consultative and conciliatory efforts to further minimize the outbreak of labor disputes. The DOLE facilitated the agreement among employers and labor to cooperate through the Social Accord for Industrial Harmony and Stability. Under this accord, employers commit to exercise restraint in the lay-off and termination of their employees while labor promises to exercise restraint in going on strike, slowing down work and preventing other forms of work stoppages. Through these efforts, the actual number of strikes went down to 23 since July 1998 as compared to 43 cases during the same period of 1997. From

July to November 1998, work stoppages affected only 15,898 workers, lower than 23,354 workers affected in the same period of the previous year.

### Responses of the Local Governments

Some local governments tried to address the rising unemployment. Their fiscal positions, however, severely constrained their capabilities to do so.

The Officer-in Charge of the Provincial Planning and Development Office of Misamis Oriental mentioned that the province adopted the Community Employment and Development Program (CEDP) to generate jobs. This decision was partly due to the fact that the governor in 1997 and some other officials were involved in the CEDP when it was first implemented in the region in 1986-1987. According to Mr. Gallego, this strategy of using more-labor-intensive techniques was adopted during the latter part of 1997 and the whole of 1998 in implementing infrastructure programs under the 20% Annual Development Fund. For instance, in constructing a road, workers will be used instead of graders or compaction equipment. The effectiveness of this strategy in 1997-1998 would still have to be assessed, however.

### **1.3 Safety Nets**

In line with its objective of establishing social safety nets to cushion the poor from economic adversities, the government carried out various measures consisting of food and health care assistance to vulnerable groups affected by the crisis as well as the drought. These include the setting up of sari-sari stores that would sell basic food commodities at lower prices, continuation of the program on the comprehensive and integrated delivery of social services (CIDSS) to address the unmet needs of the poor, the selling of rice at discounted prices by the National Food Authority rolling stores in targeted poor municipalities, and other forms of emergency assistance.

Specifically, the following programs were undertaken:

#### Enhanced Retail Access for the Poor (ERAP) Sari Sari Store and Rolling Store

The idea of a rice rolling store was conceptualized based on the premise of providing low cost rice to the remote areas in the country. This was pilot-tested in the rural areas of South and Central Mindanao in July 1988. Upon receiving wide acceptance from the public, the NFA then extended the program to ERAP *Sari Sari* stores which accredits existing *barangay* stores to sell basic food commodities at a lower market price. The program also aims to enhance entrepreneurial capabilities and generate employment in the depressed and/or remote areas of the country.

During the previous administration, the NFA has already started a similar kind of program. However, due to the effects of the Asian crisis and the thrust of the Estrada administration relenting to the plight of the poor, the NFA formally launched the ERAP Sari-Sari store as a pro-poor program in a three-pronged approach: availability, accessibility and affordability.

The sari-sari store caters to the household needs of basic commodities like sugar, coffee, cooking oil, milk, sardines and noodles. The commodities are customized according to the demand of the consumers such as brands, size and packaging. Tag pricing is based on the prevailing market rate of the commodity but the ERAP *sari sari* store ensures a lower market price.

NFA targets to establish one Erap *sari-sari* store (ES<sup>3</sup>) in each of the *barangays*. As of January 27 1999, there are already 1,231 Erap stores in the country. The location of the stores considers easy access of the consumers, specifically in the depressed and remote *barangays*. Interested owners of existing sari-sari stores are enjoined for accreditation. However, if no store wishes to assist in the product delivery, then the NFA or LGUs choose the depot of the Erap commodities.

### Rice Subsidy Program (RSP)

The Rice Subsidy program was one of the initial steps taken by the government as early as January 1998 to combat the combined effects of the economic crisis and the then upcoming El Niño phenomenon. The main objective of the program is to provide affordable and quality rice to the subsistence poor or else defined as those families living below the food threshold. Priority is also given to those families with at least five members and with moderately and severely malnourished children. Target areas are the identified CIDSS areas which are also highly vulnerable to El Niño. Pilot testing was conducted in these areas for three months after which the full implementation of the program officially started on April 1998.

**Phase I.** The recipient provinces are Sorsogon, Antique, Iloilo and Surigao del Norte. Three municipalities for each of these provinces are identified. Existing rice retailer stores such as *Tindahang Bigay Buhay* SEAK Association, NFA retailer stores and other cooperative stores are identified by MSWDO and CIDSS workers as rice retailers for the RSP. The beneficiaries are given rice discount cards which will be used in purchasing rice. The cards are non-transferable to other families and can be used only by immediate members of the family. Subsidy shall be at P2.50 per kilo regardless of the variation in the prevailing price of rice (i.e. If the NFA rice is sold at P14.00 or P13.50, the card holders can avail of the same quality rice with a P2.50 discount).

**Phase II (*Enriched Rice for Anemia Protection – ERAP*).** The second phase of the program focused on the distribution of iron- fortified rice. The mechanics used in Phase I was also employed. However, due to budgetary constraints phase II focused only on Surigao and Sorsogon as the baseline provinces. The identification of Surigao as one of the target provinces was due to the significant degree of iron deficiency registered in that province. The subsidy was estimated at P2.54 – P1.50 for the rice subsidy and P1.04 for iron fortification subsidy.

### Credit and Livelihood programs

**DSWD-CIDSS.** Some communities were recipients of the DSWD-CIDSS self-employment assistance program. For example, in Dulong, Libertad, Misamis Oriental,

CIDSS provided financial assistance to the housewives for their livelihood programs. A seed capital of P200,000 was given to the community. The community was divided into 2 groups called the Strugglers and the Strivers. Each group has 25 members. Each member was given a capital of P4,000 which could be used for any livelihood project – selling fish or vegetables, putting up a sari-sari store, assisting their husbands in the farm operations, etc. The money was to be paid back in installment without interest for 2 years. To increase the repayment rate, both groups required their members to make daily repayments of P84. Half of the amount is credited as the member's forced savings. The money is deposited in the bank and the group expects to return the seed capital to the DSWD after 2 years. The community is optimistic that once they learn the value of paying and saving, they would be able to sustain the program when the DSWD pulls out.

The program beneficiaries are appreciative of this DSWD effort as they are able to help augment family income. It was however noted that the DSWD's requirement of depositing the daily collection in the bank instead of immediately rolling it over to other members of the community, will slow down the community's effort to evolve a sustainable livelihood credit facility. (It was estimated that through a process of daily amortization roll over, the group could get an additional beneficiary of the P4,000 loan every 2 days).

### **Social Security Benefits**

The present system does not provide unemployment benefits. Nevertheless, several measures were adopted by the Social Security System (SSS) to enable members to secure loans as well as to ease the burden of repayment of loans.

***Relaxation of qualifying conditions for salary loans.*** A more relaxed term in availing of salary loans enables SSS members to have easy access to the loan programs. Effective September 1, 1998 members who have paid at least 36 monthly contributions will qualify for a one-month salary loan. Moreover, the interest rate was reduced from 10% to 6%, with the interest charge incorporated in amortization payments and not deducted in advance.

***Employees' Compensation Emergency Loan Program for separated members.*** To compensate the number of unemployed persons in the private sector due to the financial crisis, SSS also designed an emergency loan program for separated members. Under this loan facility, the members may avail of emergency loans of up to P 12,500 at six per cent annual interest rate, free of service charge. The budget allocation for this loan facility has been increased from P200 million to P 300 million due to the influx of loan applications. A total of 21,219 workers have been assisted, with over P230 million being incurred as loan grants.

***Condonation of penalties for housing loan delinquencies.*** In accordance with the Housing Loan Condonation Act of 1998, SSS condoned penalties of overdue housing loans running from May 8, 1998 to May 9, 1999. To qualify for the amnesty, the borrowers are required to pay their arrears and restructure their loans to prevent foreclosure proceedings against them. At the end of 1998, SSS had P34 million



condoned penalties and total collections of P291.3 million with 17,600 members availing the program.

*Condonation of penalties for salary, educational, and calamity loan delinquencies.* This loan facility follows the procedure in the abovementioned condonation of penalties for housing loan. However, the availment period is from September 1, 1998 to March 31, 1999. As of 30 October 1998, a total of P5 million has been collected from over 1,830 members who have availed of the program.

## **2. Business**

The business sector had been adversely affected by the crisis mainly through weaker demand for their products and through higher costs of doing business arising from higher interest rates and import costs. These meant reduced utilization of capacity for many manufacturing firms as indicated in the results of the Survey of Philippine Industry and the Asian Financial Crisis undertaken in late 1998 (Lamberte and Yap, 1999). Based on the survey, many manufacturing firms resorted to cutting down of work hours or days to minimize job losses while some implemented cost-cutting measures like freezing of salary increases, imposing forced vacation, enforcing compressed work week, and for a small number of firms, implementing salary cuts.

In the same vein, FGD participants said that many employers initiated cost-cutting measures to prevent massive lay-off of workers. These include job rotation, longer working hours without additional pay, hiring of workers on a contractual basis and employment of women at below minimum wage.

Almost all firms hire contractual workers, so claimed 57% of the urban poor communities participating in the FGDs. Job security could no longer be enjoyed because of this practice. Under the contracting scheme, employees are hired for a maximum of five months and then are dismissed from the job. (This is to get around the government ruling that hiring of workers on a contractual basis should be only for a maximum of 6 months, otherwise, the worker should be hired on a permanent basis.) Some firms would rehire them after a month but others would opt to take a fresh batch every time the job contract lapses. Rather than be jobless, people were left with no other alternative but to accept the arrangement.

Fifty seven percent of urban poor communities work longer hours with varying compensation arrangements (Table V.13). This is most prevalent in the service industry, particularly that of security guard agencies. For example, instead of hiring 3 security guards to work in 3 shifts, the agencies would ask the guards to work for 12 hours with compensation computed on a per hour basis. Most firms however, would require their workers to work longer hours (usually extending 8-hours a day to 10 to 12 hours) without added pay.

A number of workers have experienced job rotation: 31% of total respondents from middle income (communities); 25% in fishing (communities); and 14% in urban poor communities. Instead of working for 5 or 6 days a week, their working days were

cut anywhere from 3 to 4 days, with corresponding compensation deductions (Table V.13).

About 15% of the FGD communities reported some firms engaging the services of women workers at lower than minimum wage. In Sipac, Navotas, an urban fishing village, a big fish-processing factory in a nearby *barangay* employ women as fish sorters at P88 a day. Many accept the arrangement instead of being idle at home.

In April 1999, the *Linis Bayan* program was launched to provide immediate casual jobs while simultaneously inculcating the daily need for cleanliness in one's house and surroundings. *Linis Bayan* encourages participation of the private sector as initiated by the government to create jobs, lessen criminality, improve the sanitation condition, clean the environment, and boost tourism. Private firms which are generating profits will be asked to hire, on a casual basis and on a minimum wage, one or two additional workers to be involved in the *Linis Bayan* campaign.

### **3. Households**

#### **3.1 Labor**

In general, workers affected by the crisis took two major courses of action: getting into government jobs perceived to provide them with a more stable employment, or strike on their own through formal and informal business ventures.

A big shift in favor of government work is noted in farming communities. Before the crisis, only 4% of the respondents were in government. At the time of the survey, close to 12% are already working in government offices. Increases of about 4 percentage points were also observed for those who entered household operated activities, transport and utility industries, and factories. (Table VI.1).

Government and factory workers from fishing communities surged from zero during the pre-crisis period to 9% of the respondents after the crisis. An increase of 18 percentage points in the number of employed persons was also noted in the informal sector. Similarly, those engaged in business and personal service increased from 9% to 36%. (Table VI.2).

In the sample urban poor communities, before the crisis nobody worked in government offices. Today, 18% of the employed labor force have government jobs. There was also a 12 percentage point increase in business and personal service industries and a 6 percentage point addition to the informal sector. (Table VI.2).

Affected workers in the middle income communities took entrepreneurship as a survival route. Table VI.2 shows that there was a large 22 percentage point increase in the number of persons engaged in household-operated activities. Others moved to community service and the business and personal service industries.

FGD participants claimed those businesses like motor shops, appliance repairing, and personal services (beauty and barbershops), felt a slump in business operations. Some

entrepreneurs who used to operate in town or in business centers were forced to close shop because of the escalation in the rent, the increase in transport and other operating costs. Some decided to conduct their businesses in their residences to cut down on overhead costs.

About 25% of all household survey respondents cited the desire to change work as the major reason for job shifting. Twenty percent cited the search for better pay and stability in job. Fifteen percent said that they changed work because they were either retrenched, dismissed or the factory or place where they used to work closed shop. Twelve percent said that their change of residence triggered the change of work. On the other hand, 10% said that the irregularity of their former work compelled them to look for other jobs (Table VI.3).

The FGD participants agreed that among all households, families of overseas workers were the principal beneficiaries of the financial crisis. Except for 3 OFWs who lost their job in Malaysia, the OFWs continue to work abroad. Those who came home did so because of the completion of their job contracts. However, most of them would be traveling again soon. These OFWs work either as seamen, domestic helpers or 'japayukis' (a term used for Filipino entertainers in Japan).

Only a few of the migrant workers were directly adversely affected by the financial crisis. Forty three percent of migrant workers who returned to the country in the past 18 months did so because of the completion of their contracts. Nine percent returned because of termination or retrenchment. Of this, about 22% from the urban poor and 17% from the commercial farm communities returned because they said they were dissatisfied with the working conditions. At least 30% of returning migrant workers from the upland, sustenance farm and fishing communities were in the country on vacation and would again be going back to work (Tables VI.4 and VI.5).

Households with relatives working elsewhere are provided with big monetary support. About 28% of these households derive at least 50% of their income from their relatives' remittances. Another 26% get anywhere from 25-50% of their income from these remittances. In the upland communities, some 38% of the households with relatives abroad said that at least 75% of their income regularly come from the 'padala' of these relatives (Table VI.6).

The remittances of these OFWs remained constant. FGD participants noted, however, remarkable improvements in the lifestyles of these households owing to the peso devaluation. Extra money is usually spent for the home, either for the renovation of their current residences or for the purchase of new ones. The OFWs' spouses were jokingly said to be afflicted with 'hepatitis', referring to the sometimes excessive gold jewelry worn. It has also been observed that while most households had problems in supporting the children's education, the families of OFWs even sent their children to better known schools in the area. In many instances, these families started their own small businesses. Some invested their money in real estate.

These families are also active initiators for community development. They contribute money to support community projects. Some provide credit facilities for placement fees for those interested to work abroad.

Even with the increased placement fees charged by recruiters, the material benefits available to OFWs continue to attract many people, especially among urban poor communities. However, 43% of the urban poor communities agree that many OFW families are experiencing deteriorated relations and changed values and most often can be seen in their children's attitudes. The lack of proper guidance from both parents often results in the child's disinterest in school. Most of them would rather hang-out with their 'barkada' (peer group). Many children tend to be materialistic. Others turn to vices like smoking, gambling and even drug use. For the married couples, adulterous relations of one or both spouses were reported to be common (Table VI.7).

The increase in prices of consumer goods, and--in the case of farming/fishing families-- the increase in the prices of farm/fishing inputs, combined with low harvests and fish yield, and low selling prices, forced families to look for other sources of income.

A few decided to return to the province either to work in the farm, engage in fishing activities or simply live with their relatives, so claimed FGD participants. Some residents of 25% of the fishing communities sought employment elsewhere.

The crisis appears to have nourished the growth of the underground economy. Forty six percent of the middle income and 43% of the urban poor communities engaged in selling fish, putting up a sari-sari store, or direct selling. The stability and viability of the sector as a source of income, however, can at best be described as questionable. Many went bankrupt after only a few months of operations, apparently because they lacked the business know-how (Table VI.8).

In Lumil, San Jose Batangas, FGD participants opined that finding a job in their community is not really a problem. According to them, there are many livestock and poultry farms in the *barangay* in need of farm hands. The local job-seekers however, frown on such menial jobs. As a result, these farms get laborers from other provinces (mostly Bicolanos).

### **3.2 Household Expenditures**

The FGD participants reported various ways in which people coped with the crisis, particularly with the increase in prices of consumer items and other basic necessities. Some of the coping mechanisms include reduction and reallocation of expenditures, borrowing, and selling of assets to compensate for reduced income.

FGD participants, however, reported that "coping" has taken its toll. As a result of unhealthy changes in food consumption, malnutrition has increased among children. Illness results from weak resistance, which in turn comes from poor nutrition. The

education of children has also suffered--as the number of school drop-outs has increased due to out-of pocket expenses incurred even by those in public schools.

1. Household budget was adjusted (Table VI.9)

As a result of the financial crisis, household respondents to the survey were forced to make some adjustments in their budget. The table below shows the allocation of income vis-à-vis the major expense items before the crisis and at present.

<u>Expense item</u>	<u>1997</u>	<u>1998</u>
Food	46.3%	47.3%
Education	10.0	10.3
Medical/Health	7.9	8.1
Clothing	7.0	5.9
Transportation	7.2	7.3
Housing	5.0	5.2
Leisure	2.8	2.1

The adjustments reflect the priority level attached to a specific item of expenditure. Food received the largest upward adjustment to catch up with the price increases of basic food items such as meat, vegetables, cooking oil sugar and other processed food items. Households also made upward adjustments in education, medical/health, transportation and housing expenses. They had to sacrifice clothing and leisure in the process.

In spite of the bigger allocation for food, households still had to adopt some changes in their food consumption patterns. Many households did away with non-essentials such as softdrinks, ice cream, meat, coffee, etc. Others resorted to having only one viand per meal, and generally, less of meat and more of the cheaper food items such as dried fish and vegetables. Some resorted to backyard food production to augment food supply.

Apparently because of poor harvest and unattractive prices for agricultural products, upland farm communities had to make the largest adjustment in food budget. Respondents from these areas reported 4% increases. Fishing and middle-income communities made a 2% increase. Sustenance farm and urban poor households managed to keep their budget. Commercial farming communities had a 2% decrease.

To cope with the increased cost of schooling, majority of households in all communities increased the allocation for education. Sustenance farm communities made the largest adjustment of 0.6%. Fishing and upland communities had 0.5%. Commercial farm communities made a 0.2% adjustment. Urban poor and middle income households registered the lowest adjustment of 0.1%.

The surge in medicine and medical fee costs also resulted in budget changes. Middle income households effected a 0.6% increase. Urban poor communities made a 0.5% increment. Upland and fishing communities made 0.4% upward adjustment. Two communities reduced their budget for medical expenses. Commercial farm community

households scaled down their budget by 1%. Sustenance farm community households on the other hand, managed to shave off 0.4%.

For housing, four communities (urban poor, middle income, upland and fishing) made upward adjustments from 0.1% in urban poor communities to 0.4% in middle income communities. Commercial farm households kept the pre-crisis proportion of housing expenditure, while sustenance farm communities reduced their budget by 0.4%.

Increased transportation budget was largest among households in middle income communities at 0.7%. Fishing, upland and sustenance farm households effected increments not exceeding 0.4%. Decreases were 0.6% for commercial farm and 0.4% for urban poor communities. The larger allocation to transportation was noted inspite of efforts to reduce transportation expenses. People resorted to more walking instead of riding vehicles; riding jeepneys instead of tricycles and taxis; segregating errands that entail transportation expenses; and requesting neighbors going into town to buy whatever is needed (“pakisuyo”).

All households reported reducing their clothing budget from 0.4% in middle income communities to 1.6% in urban poor communities. Second-hand clothes were bought instead of new ones and use of hand-me-downs were resorted to. Ready-to-wear clothes were bought instead of having a custom-made dress. School children either had to use the old uniform or buy just one set.

Budget for leisure was significantly reduced in urban poor (1.6%) and fishing (1.5%) communities. Households from middle income and sustenance farm communities likewise made a 1.2% reduction.

## 2. Credit provided additional household resource

*Uses of credit* (Tables VI.10 and VI.11). Credit was used more for consumption than for productive purposes during the crisis. Although people continued to avail of credit facilities for consumption purposes and to raise capital for income generating projects, consumption loans increased relative to business loans because people had less money to spend for basic needs.

Those who availed of credit used the additional resources for a variety of reasons. Thirty two percent used the money to augment their household income. Twenty seven percent was meant to support the school expenses of children; 21% went to pay for medical expenses of sick household member(s); 19% used the money to buy household capital goods (mostly appliances); 16% had to repair their houses; another 16% used the money to support the household productive activities. At least 30% of borrowers from the farming communities used the credit principally to support farm production.

It is apparent from the pattern of utilization of credit that at least 84% of the credit obtained by the households (except for farming communities) were not used for productive purposes. This means that they would have to pay back the money they

borrowed from their regular sources of income. Thus, it would not be surprising if many of these households would later incur arrears for non-payment of loans.

The amount of credit availed is a clear indication of the financial difficulties brought by the current crisis. Forty four percent of those who availed of credit said that they borrowed more than what they used to borrow before the onset of the crisis. About 20% claimed to have borrowed up to 10% more than before. Sixty eight percent were equally divided on the amount of loan they got after the onset of the crisis. One half said that they exceeded their pre-crisis credit ceiling by up to 25%; the other half exceeded it by up to 50%. Meanwhile, 11% said that they borrowed over 50% of the credit level they were getting before the crisis.

**Sources of credit.** Sixty-three percent of the households availed of credit during the past 18 months prior to the survey, relying more on informal lenders. According to the household survey, 46% of households relied on relative and friends to get loans, 24% on “5/6” lenders, and 26% on banks. The Indian nationals, locally called ‘bumbays’ are one of the more popular sources of “5/6” loans. Four percent get loans from traders. Many farmers go to traders for production loans because interest rates are negotiable. A little over 10% got loans from unmentioned sources. Farming communities named their friends/relatives and banks as the two most ready sources of credit (Table VI.10).

**Formal lending institutions’ credit facilities became more inaccessible.** To the majority of the FGD participants, their primary consideration in approaching a potential credit provider is the ease in acquiring a loan. As a result of the crisis, formal lending institutions were reported to have become more inaccessible because of stricter lending guidelines, increased collateral requirements and voluminous paper work. Very few residents went to the banks for small loans as they were overwhelmed with the many requirements they were to submit and the many papers they had to sign. It was therefore not surprising that the informal credit providers were their preferred source.

Banks, cooperatives, pawnshops and GFIs (GSIS, SSS or Pagibig) are the most common sources of formal credit. Government and private employees can avail of the GSIS, SSS or Pagibig loans. Banks and pawnshops normally have collateral requirements. The amount of loan that could be had from cooperatives is usually a fraction of the member’s total savings in the coop.

**Informal moneylenders provided less credit facilities.** Credit facilities provided by informal moneylenders remained available, but to a less extent than before the crisis. The same usurious rates of at least 20% per month continued to be utilized by informal money lenders. These moneylenders, however, became more choosy and wary because of what they perceived as the diminished paying capacity of borrowers. Among the informal moneylenders, the traders and “bumbays” dominate.

FGDs reported a proliferation of informal credit sources in some areas because of the increased demand for quick credit. From Luzon to Mindanao, the same groups of individuals have been identified as the most popular sources of credit. These are the traders, private individuals and the ‘bumbay’ (Indian nationals who usually ride in

motorcycles and provide commodity and cash loans). The same usurious interest rates of anywhere from 10% a month to 20% a week continued. Loans are usually paid either on a daily or weekly basis. Loans provided by traders to farmers, for instance, are settled on harvest time when the farmers sell their outputs to them.

These moneylenders, however, became more choosy and wary because of what they perceived as the diminished paying capacity of borrowers. Barangay officials attested to this condition. They said that many credit providers complain about delinquent borrowers. For this reason, some creditors chose not to lend at all.

3. When credit was not accessible or available, people resorted to selling assets to raise cash

To cope with their financial woes, about 17% of households surveyed reported to have sold some assets in the last 18 months. About 20% of them sold real property, specifically land. Of this, 33% came from middle income communities. Appliances (18%) and jewelry (18%) were the two other properties often sold. Only about 3% sold their houses, most of them from fishing communities. In farming communities, 77% sold animals such as carabao, cattle, hogs and goats, while 43% of the urban poor sold their jewelry. (Tables VI.12 and VI.13).

The most compelling reason cited for the disposition of properties was to augment household income (52%). Additional reasons include: payment of school fees (11%), payment of health service including medicine (8%), and payment for loan (4%). Only 3% claimed to have sold some asset to provide capital for productive activities (Table VI.12).

The sale of assets could lead to a more inequitable distribution of wealth. Past gains in land reform could be undermined by this recent turn of events.

### **3.3 Health, Nutrition, and Population**

Government has not introduced special measures to counteract the impact of the crisis on health, nutrition and population sector beyond exempting it, along with other social services, from the mandatory reserve of 25% of the 1998 budget and 10% cut in the Internal Revenue Allotment for Local Government Units.

The FGD gathered information on the household coping mechanisms. There was a general tendency to de-prioritize health in household budgeting. The other coping schemes include reliance on free or cheaper sources of health services such as government facilities, traditional healers, self-medication, seeking assistance from *barangay* officials and politicians, NGOs operating in the area and prayers. Health care from private practitioners or hospitalization had become a luxury. However, as mentioned earlier, the lack of medicines has often hindered access to public health care facilities.



The 1998 Annual Poverty Indicators Survey asked households about their response to the crisis. The survey revealed that 47% have altered their eating pattern. This proportion is higher for the bottom 40% (51.4%) compared to the upper 60% (45.5%). As to the effect of this adjustment on nutrition however, no indication was given.

It is also interesting to note that a study of the impact the 1983-84 economic crisis on urban poor communities in Cebu and Davao, found similar household coping mechanisms including among others, reduced consumption expenditures notably food and limitation of additional children (Herrin 1987).

### **3.4 Education**

Just like the health sector, government has not introduced special measures to counteract the impact of the crisis on education beyond exempting the sector, along with other social services, from the mandatory reserve of 25% of the 1998 budget and 10% cut in the Internal Revenue Allotment for Local Government Units.

The FGDs have gathered information on how households and communities cope with the crisis. One of the saving grace for education mentioned is that government subsidized elementary and secondary education. There are also sporadic scholarships from NGOs which students have availed of to be able to stay in school.

Feeding programs, although in limited quantities, have also helped particularly those children who have gone to school with lesser allowance. Since most of these are funded from government revenues, these may have been further limited due to the crisis.

Families, for their part, resorted to several cost-minimizing steps just to keep their kids in school. These include: (1) letting their children stay in public schools; (2) transferring their children from private to public schools; (3) asking younger children to postpone schooling to allow children about to finish a cycle finish expecting that they can, in turn, help their younger ones to go back to school; (4) sacrificing basic necessities like sugar to save for tuition; (5) setting school allowance to minimum levels or letting children go to school without allowance and supplies; (6) letting children go to class without uniforms or with untidy clothes to save on soap; and (7) asking children to walk to school to save on transportation expenses.

Working part-time for students who can is also another coping mechanism used. Students tended stores, worked as sales ladies or house help, or sell bottles and plastic bags.

## **4. Community**

A few *barangays* have instituted measures to preserve peace in the area and prevent the youth from engaging in unlawful activities. The responses mentioned were holding regular consultative assemblies, instituting curfews for teenagers, and confidential monitoring of movements of people, especially non-residents. There are also

civic-minded individuals who took the initiative to organize the out-of-school youths and give them regular training or lectures on value formation and spirituality.

## **VII. ASSESSMENT OF EXISTING MONITORING SYSTEMS**

Eighteen months have elapsed since the onset of the crisis and it is still not widely known what the social impacts are. While we have monthly data on prices and international reserves, we have data on poverty incidence every three years and prevalence of malnutrition every five years. The absence of an adequate monitoring system makes it difficult to assess the impact of macroeconomic crises and natural calamities. This also hampers the design and implementation of targeted interventions to alleviate the adverse impacts of the crises.

This is primarily because social indicators, unlike economic indicators, are generally fewer and collected infrequently. Moreover, some data are available at the local level but they take a very long time, if ever they do so, to go up to the national level to make them useful to national policymakers. On the other hand, some indicators are too aggregated to provide useful information for targeting interventions.

### **Assessment**

There are recent attempts of the government to develop monitoring systems, especially related to poverty. While there are systems for collecting data, it is obvious that there is really no existing system for collecting, processing and disseminating data on a regular basis that would enable policymakers and program implementors to monitor and evaluate the programs being implemented to enhance social development in a comprehensive and regular manner.

#### **1.1 National Monitoring System**

There is no single monitoring system at the national level that tracks the performance of the country vis-à-vis the different aspects of social development. There are different sources of data on the different dimensions of welfare. Administrative reports of different government agencies, and surveys and censuses undertaken by the Philippine Statistical System, particularly the National Statistics Office, are the major sources of data.

For instance, data on infant mortality rate can be obtained from the vital statistics records of the National Statistics Office and the National Demographic and Health Survey. The former provides annual estimates but they are considered to be understated since not everybody reports births and deaths. The NDHS, on the other hand, is conducted only every five years.

Enrolment rates can be obtained from the administrative reports of the Department of Education, Culture and Sports. It takes about a year, however, before the data from the various school districts could be aggregated to generate regional and national estimates.

At the central offices of the line agencies, provincial and regional data are available but municipal and *barangay* data may have to be collected from the provincial municipal offices, respectively.

Table VII.1 shows the different items of information related to the well-being of the population that could be obtained from these various sources.

While sectoral assessments may be done yearly by the different government agencies in the course of the preparation of their annual reports, a comprehensive assessment of the performance of the country vis-à-vis the various social concerns is undertaken when a development plan is made or updated. Since a new development plan is prepared every six years and it is updated mid-period, an assessment is done every three years.

More recently, our international commitments to achieve social development targets necessitate a regular though not annual review of our accomplishments in the social area. In this regard, the United Nations Economic and Social Council for Asia and the Pacific (UN ESCAP) is considering the setting up of a social development monitoring and information system. In an ESCAP meeting, it was noted that such a monitoring system is not existing right now in these countries. In the case of the Philippines, Reyes (1998) claims it is feasible to develop a system given the existing data collection activities.

## **1.2 Community-based monitoring system**

Recognizing the deficiencies of the existing statistical system, there has been a lot of interest in developing community-based monitoring system (CBMS) recently. The CBMS would be very useful in monitoring what is happening to the different population subgroups. Moreover, it would provide the necessary information for more efficient targeting.

### MIMAP

The Micro Impacts of Macroeconomic Projects has proposed a community based monitoring system in 1992. The details are presented in the paper of Florentino and Pedro (1992) and modified in the paper of Reyes and Alba (1994). A set of indicators has been identified and a flow of information has been designed.

### CIDSS

The Department of Social Welfare and Development has implemented the Comprehensive and Integrated Delivery of Social Services in 1994. Part of this program is a community-based monitoring system using the MBN indicators. This is intended to meet the information needs of the social workers to identify appropriate interventions to the family. But as early as 1990, the Social Welfare Development Indicators has been developed to identify the needs of families.

## PCFP

The Presidential Commission to Fight Poverty viewed the community-based information system as an empowerment tool for the community. It started to conduct this in 1996. By June 1998, when PCFP has been merged into the newly created National Anti-Poverty Commission, about 20,000 barangays<sup>13</sup> have conducted at least one round of the community-based census of households.

In the meantime that changes in the organizational structure of the NAPC are being effected, no one has taken the lead in monitoring the conduct of said CBIS. Visits to selected barangays by the study team reveal that many have not undertaken the survey every six months as originally designed. In fact, for some of the *barangays*, the first and last survey was done in 1996.

Despite the data collection that has been done by many communities under the supervision of PCFP, the data have not been consolidated to reach policymakers at the provincial and national levels. The proposed Poverty Watch that will enable policymakers to know the status of the communities vis-à-vis the minimum basic needs still has to be implemented.

### **Recommendation**

The lack of an adequate monitoring system can hamper the ability of the various stakeholders to respond appropriately to adverse impacts of a macroeconomic crisis. It is therefore imperative for the government to establish a social monitoring system that will enable policymakers, the researchers and the general public to assess the welfare status of the individuals and households, and to provide early warning signals on the adverse impact of a crisis.

The proposed social monitoring system will obtain its data from the following: (1) administrative reports being collected by the various agencies of the national government and local government units; (2) censuses and surveys being undertaken by the National Statistics Office; and (3) community-based monitoring system.

Since the data will be coming from different sources, it will be important that a focal agency be designated for this social monitoring system. Moreover, an annual report should be prepared and presented to policymakers and the public on the performance of the country in the social sectors, similar to the regular briefings done on the economic performance of the country.

As proposed by MIMAP<sup>14</sup>, a monitoring system calls for the creation of databanks at each geopolitical level. Data on relevant indicators will be retrieved periodically from concerned line agencies and the information will be fed to the development planning bodies at the respective levels. The databank could be the Barangay Development Council (or a Barangay Development Planning Office) at the

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<sup>13</sup> According to PCFP.

<sup>14</sup> Refer to papers of Florentino and Pedro (1992) and Reyes and Alba (1994).

*barangay* level, and the Municipal/City and Provincial Development Planning Offices at the municipal, city and provincial levels. The National Statistics Office may then obtain MIMAP statistics from these databanks for reporting to national level policymakers.

Alternatively, the national monitoring system could be lodged at the National Statistical Coordination Board, the National Economic and Development Authority, or the Philippine Institute for Development Studies.

The community-based information system developed and implemented by the Presidential Commission to Fight Poverty (now part of the National Anti-Poverty Commission) could be revived and modified and be a crucial component of this social monitoring system. The concern regarding the quality of the data being collected in the CBIS could be addressed by modifying certain features of the current CBIS. For example, the experience of MIMAP suggests that it would be better to use the *barangay* Health Worker and the Mother Leaders as the enumerators. Moreover, data on malnutrition should be obtained from the records of the *barangay* Health Worker and not rely on the recall of the respondents in the household survey. Furthermore, reliable data on income is very difficult to obtain from such a data collection activity. Instead, proxy indicators for income should be used in this system.

To ensure that *barangays* will continue with the conduct of the survey, this should be made a part of the *barangay* planning process as proposed by Reyes and Alba (1994). In Davao City, the study team found that it is a requirement to conduct the MBN survey first before the *barangay* development plan is approved. However, it was found also that the same survey conducted in 1996 could be used repeatedly. Local government units could adopt the same strategy to ensure that the programs being proposed by the *barangays* are based on the unmet needs of the *barangay*. The Department of Interior and Local Governments can also strengthen the planning capabilities of the *barangays* by incorporating the use of the data from the CBMS in their training modules for local officials.

The Annual Poverty Indicators Survey (APIS) undertaken by the National Statistics Office could provide the data provided by the triennial Family Income and Expenditure Survey in between the conduct of the FIES. The APIS could provide the required data on family income.

With a social monitoring system in place, particularly with the community-based monitoring system, the targeting scheme being employed by the government in its poverty alleviation projects can be further improved. During the Ramos Administration, 20 provinces were selected as priority areas for the implementation of the Social Reform Agenda. This was further refined to 5<sup>th</sup> and 6<sup>th</sup> class municipalities nationwide. More recently, the President has announced that poverty alleviation efforts will be focused on the poorest 100 families in each province and city nationwide. The community-based monitoring system will be very useful in identifying the poorest families in each locality. With clear guidelines on eligibility to government assistance programs, identification of beneficiaries could be done by local governments.

## VIII. CONCLUSION AND RECOMMENDATIONS

It is clear that the financial and economic crisis, together with the El Niño and La Niña, has affected the vulnerable groups via reduced employment and higher prices which resulted in lower real incomes. This in turn forced affected households to cope by attempting to look for other income opportunities and to make adjustments in their spending and consumption patterns. Because of financial difficulties faced by households, their need for public social services increased. Unfortunately, because of the fiscal crunch, social services especially in health suffered.

The sectors most affected by the financial crisis are the construction, manufacturing, and mining and quarrying sectors. The agricultural sector was also adversely affected but this is considered to be more a result of the abnormal weather rather than the crisis itself. The services sectors were relatively protected although in the case of financial services, it began feeling the crunch as early as 1997.

Both the urban and rural communities were negatively affected by the crisis. In the urban areas, the impact was more pronounced among the poor. In the rural areas, farmers and fisherfolks were more badly hit. Self-rated poverty deteriorated the most among fishing and upland communities and among the urban poor. This is consistent with the findings in terms of where there are experiences of lower enrolment rates and higher drop out incidence.

The middle income households seem to have been relatively less affected by the crisis. In middle-income households adversely affected by the crisis, the reasons given are job retrenchments and reduced number of earning family members. Among workers, the first to lose their jobs are the less educated and less skilled or younger persons.

For those who lost their jobs because of the crisis, an attempt is made to look for other income earning opportunities in the informal sector or in government, or to hit it on their own doing entrepreneurial activities. Others had to contend with doing odd jobs. Women coming from families whose male workers were laid off were also forced to look for income earning opportunities.

The most common household coping mechanism in response to the crisis is adjusting one's buying and consumption patterns. Priority was given to food needs, with non-essentials like clothing and leisure being the first to be given up. Expenses such as those for education and transportation were increased to accommodate higher prices. However, health care was de-prioritized. Reduced enrolment growth and higher drop-out incidence also indicated that some households pulled out their children from school or postponed their schooling, especially for those entering either the elementary or secondary levels for the first time.

On the whole, the social impact of the crisis in the Philippines does not appear to be very serious by itself and relative to the crisis-related experiences in Indonesia and Thailand as initially reported. The policy reforms instituted in the years prior to the crisis seems to have been timely and have contributed to the greater resiliency of the economy

to the crisis. Compared to the impact of the debt crisis in the early 80's, the impact of the present crisis also seems much more manageable.

This, however, does not offer much of a comfort considering that prior to the crisis, the Philippines was way behind the other ASEAN countries in both economic and human development aspects. On the human development side, the country's welfare situation is already very serious to begin with and any further slippage, no matter how small is not acceptable.

On the fiscal side, it is unfortunate that the provision of basic social services is curtailed when it is most needed. Worse, access to the services by persons or families who need it most is not assured by the present social service delivery system. This problem is reinforced by the absence of a strong monitoring system that would identify the individuals and groups that should be targeted.

There are two ways of addressing this problem. First, by making available the necessary resources to reach the identified families or individuals when the situation calls for it. Second, by ensuring a more effective allocation and utilization of resources through better targeting mechanisms and more effective projects with immediate or significant impacts.

On the first point, the analysis indicates that although the social service sectors were protected relative to other sectors from the fiscal crunch, the shortfall in government revenues is of such magnitude as to effectively reduce the budget cover for all sectors and, consequently, the coverage of basic social services. Undoubtedly, there is a need for additional sources of deficit finance if this problem is to be addressed. Domestic borrowing, however, carries the risk of raising local interest rates which may then stifle nascent recovery efforts. Thus, there is a need for government to look at external sources of finance. In this light, external assistance from donor agencies in the form of budget support is called for.

A number of donor agencies are in the process of providing budget support to the government. Given this perspective, such budget support may be made conditional on government commitment: (1) to increase resources allotted to the social service sectors, and (2) to rationalize the allocation of resources within the social service sectors.

On the second point, a targeting mechanism that is more community-based and further brought down to the *barangay* level should be pursued. This is along the same line as the devolution strategy but further brought closer to the targeted beneficiaries themselves. The *barangay* level is deemed to be the most appropriate focal point for identifying the potential beneficiaries, determining their needs, and delivering the required social services. The minimum basic needs (MBN) approach adopted by the former Presidential Commission to Fight Poverty (PCFP), which promotes participatory planning at the community level, can be used as a take off point. The program can be strengthened and fully supported. This will also necessarily imply the need to undertake the necessary institutional building capability at the community level.



To support a community-based targeting mechanism and to provide a timely and adequate response to a crisis, a strong social monitoring system has also to be established and maintained. Following the assessment in the previous chapter, the following are the main recommendations towards the establishment of such a monitoring system:

- 1) Obtain and integrate existing information from various sources (administrative reports, official statistics, censuses and surveys) at the national and community level
- 2) Create appropriate data banks at each geopolitical level
- 3) Revive and strengthen the community-based information system developed by the PCFP
- 4) Integrate the community-based monitoring system with the local planning process
- 5) Designate a focal agency to be responsible for the coordination and maintenance of the social monitoring system and for the reporting of performance based on the results under the monitoring system.

In addition to the general recommendation of ensuring better availability of resources and adopting a community-based targeting mechanism as one of the measures to improve resource allocation, the specific issues in the different areas of concern arising from the crisis will have to be individually addressed. The specific recommendations along this line are discussed below.

### 1. Access to Basic Commodities

An impact of the crisis that was widely felt was the increase in prices. To help the poor meet their basic requirements, programs that enhance access to basic commodities will be necessary in times of crisis. Making such commodities available in areas where they are usually scarce at lower than market prices is critical. For instance, the ERAP stores mentioned in Section 1.3 enabled households to buy basic commodities at prices slightly lower than market prices. The National Food Authority was able to do this through bulk buying and its marketing network.

It is important to emphasize, however, that the proposed program does not intend to promote price control as this will run counter to the government's market-oriented policy and to its efforts at reducing the budget deficit. The proposed program should be target-specific and should not be made to apply indiscriminately to families and individuals.

### 2. Employment

*Short-term.* The immediate and short-term response to the negative effects of the crisis on employment will necessarily have to include the implementation of pump-priming projects especially in the more affected geographic areas. These can include rural infrastructure projects which are beneficial to the development of these communities and which can improve their long-term productivity. The use of more labor-intensive techniques particularly in infrastructure projects, both in the short and

long term should also be promoted. Along this line, the Community Employment and Development Program can be adopted not just as a crisis measure but as a regular feature of the employment strategy.

*Structural.* While the crisis and the El Niño adversely affected employment, even without the crisis, unemployment and underemployment are already high especially in the rural areas. This is because much of the underlying causes of high unemployment are structural in nature. Although short-term measures are proposed, the structural problems have to be addressed over the medium and long term. The solution to this concern can be tied up with the implementation of the government's agriculture and fishery modernization program and the strategy to address the inherent weaknesses in the manufacturing sector (such as low productivity and level of technological development). Plans to fully implement the agriculture modernization program which is supposed to be in place in 1999 (although there are still funding constraints to be addressed) should be supported. In general, the proposed strategies attempt to address both the absorptive capacity and the low level of productivity in the sector. Moreover, to minimize fluctuations in income due to the vagaries of weather, rural non-farm employment need to be promoted.

To enable women to avail of employment opportunities, day care services should be made available the whole day from the current 2-3 hours a day.

Another concern that has to be addressed is the workers' skills. To better equip workers with skills that will enable them to compete in a global environment, reforms in the educational system are necessary. Skills training programs need to be more market-led rather than supply-driven. This means that the type of skills to be promoted are those needed by the market.

Similarly, livelihood programs have to be market-led too. For instance, it is possible that there can be too many meat processing ventures. There can be a large production volume but the marketing side is neglected. This is an often-cited problem. Either the individual does not have adequate knowledge as to where and how to market his product or there is no demand for the product. This highlights the importance of taking the marketing aspects in consideration when providing livelihood programs.

### 3. Credit

The popularity of informal lenders, particularly the "bumbays", as sources of credit among the cash-strapped households stems from the ease in acquiring the loan and the repayment scheme. Unlike with formal lenders, there is usually little or no collateral required and there is very little or no paperwork involved in applying for a loan. This feature becomes even more important during the crisis when the collateral base especially of farmers usually collapse.

On the aspect of repayment, the amortization is usually on a daily basis, which perfectly matches the income stream of the usual borrowers such as those engaged in retail trade (sari-sari store operators, market vendors, etc.), and the daily-paid workers

(construction, drivers, laundry women). In the case of farmers, traders are popular sources, again both because of the “no-collateral” requirement and because of the repayment scheme. Farmers are able to pay their loans at harvest time. Thus, traders are only too willing to lend because they can accept the produce as payment.

Credit programs for the poor should therefore take two important considerations: the collateral aspect along with the need for simple procedures, and the cash flow of the borrowers. Borrowers from poor communities inherently lack the capability to show collateral. Moreover, in general, they are mostly more comfortable in repaying on a daily basis as many of them (except the farmers) earn their income on a daily basis. Thus, credit programs that match the collateral base and cash flow of borrowers should be promoted. Grameen-type programs in providing the poor access to credit should be encouraged.

Banks cannot handle this type of operation but NGO-type organizations can be tapped as they are better equipped for this. In fact, there had been recent cases of banks using NGOs as a conduit for their loan programs.

#### 4. Health, Nutrition and Population

*Structural.* In terms of allocation of health resources, the government should continue to focus on the provision of primary and public health care services rather than be drawn into curative care as the current trend is showing. This focus is being eroded by the heightened support to retained hospitals due to the perceived breakdown of the devolved district hospitals. Not only is this tendency undermining the devolution, it is also drawing limited public health resources into areas where government should have limited presence. On the other hand, the social insurance based financing for access to curative care should be pushed. The Philippine Health Insurance Corporation must be supported to improve its coverage of indigents as well as improve its fund utilization.

Stronger and more consistent support for family planning programs and more human capital investment opportunities for women are needed to pull down the high population growth rate of the country. This will not only make the economy grow faster but it will also make the provision of services less burdensome to the families and the economy as a whole.

*Short-term.* With the decline in immunization coverage due to the crisis, there is a need to provide special support for this program to restore coverage levels. This is particularly so because the shots need to be administered at specific periods in a child’s life.

Households respond to drastic changes in prices even for food. While households were, in general, able to protect their children from malnutrition, this will easily be threatened by increases in prices. There is then a need to stabilize prices, particularly of food, so as to enable households to continue to protect the nutrition status of their members. Even if malnutrition has not increased in general, pockets of increases in

malnutrition incidence were observed. There is therefore a need to expand well-targeted feeding programs particularly because there is a very limited number of such programs.

The decline in contraceptive prevalence, particularly the modern methods, needs to be arrested. The country's population is growing at a rate faster than its Southeast Asian neighbors. The country's contraceptive prevalence is also one of the lowest in the region. There is therefore a need to increase funding for contraceptive supplies to arrest this decline in contraceptive prevalence.

## 5. Education

*Structural.* Education resources are being dissipated unnecessarily by maintaining too many underutilized state colleges and universities. Support is needed to rationalize government investments in education. Rationalizing government investments in tertiary education, which promotes leadership in specific fields and improve access of the poor through other means besides public provision, should be pursued. In basic education, cost recovery schemes in areas such as textbooks need to be considered.

To improve upon the 1:6 pupil-to-textbook ratio in elementary and 1:8 ratio in the secondary level, several options are available. Textbooks can be allocated in a pro-active manner utilizing cross-subsidy. Children of better-off families can be made to pay for their textbooks so as to allow more children of poor families to have free textbooks. Another way is to reduce the number of textbooks from the current 10 to say 4 covering only the core subjects.

There is a need to arrest the decline in school attendance. One significant factor is high out-of-pocket cost. A major proportion of this out-of-pocket cost is transportation primarily because of the distance from homes to the school. The current unwritten objective of "elementary school in every *barangay* and a high school in every municipality" may not be attainable in the foreseeable future. There are even doubts on the cost-effectiveness of this way of providing basic education. Efforts at choosing other cost-effective options need to be supported. One, providing bus services may be effective in areas where there are good roads. Two, providing dormitory housing for students from far-flung areas may be a better alternative for areas where roads will not make bus services feasible. Three, in areas where schools can be cost-effectively provided, incentives for teachers to locate in these areas need to be developed.

*Short-term.* The current government subsidy to basic education through the Education Service Contracting (ESC) and Tuition Fee Supplements (TFS) components of Government Assistance to Students and Teachers in Private Education (GASTPE) can be so designed to counteract the dropout and withdrawal of students in the secondary and elementary schools. Since this is expected to be high in poor households, the subsidy should be targeted to them. In order for this to happen, targeting the poor is necessary but not sufficient. Increasing the support value of the subsidy is needed so that the poor will be encouraged to avail of it. Covering some of the out-of-pocket cost may even be necessary.

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**TABLE I.1 EXCHANGE RATES FOR SOUTHEAST ASIAN COUNTRIES, 1997-1998**

Year	Month	Indonesia (Rupiah/US\$)	Malaysia (Ringgits/US\$)	Singapore S\$/US\$	Thailand Baht/US\$	Philippines Php/ US\$	Korea Won/US\$
1997	Jan	2396	2.49	1.41	25.71	26.3	849.88
	Feb	2406	2.48	1.42	25.93	26.3	866.85
	Mar	2419	2.48	1.44	25.95	26.3	879.41
	Apr	2433	2.51	1.44	26.05	26.4	893.56
	May	2440	2.51	1.44	25.87	26.4	892.05
	Jun	2450	2.52	1.43	25.78	26.4	889.49
	Jul	2599	2.64	1.45	30.27	27.7	890.50
	Aug	3035	2.96	1.50	32.48	29.3	895.90
	Sep	3275	3.20	1.52	36.28	32.4	909.53
	Oct	3670	3.44	1.56	37.55	34.5	921.85
	Nov	3648	3.50	1.58	39.30	34.5	1024.58
	Dec	4650	3.89	1.65	45.29	37.2	1484.08
1998	Jan	10375	4.55	1.75	53.71	42.7	1701.53
	Feb	8750	3.68	1.66	46.30	40.4	1626.75
	Mar	8325	3.64	1.62	41.33	39	1488.87
	Apr	7970	3.74	1.60	39.48	38.4	1388.32
	May	10525	3.88	1.64	39.14	39.3	1400.13
	Jun	14900	4.18	1.70	42.36	40.4	1395.26
	Jul	13000	4.14	1.71	41.19	41.8	1293.70
	Aug	11075	4.22	2.87	41.58	43	1312.12
	Sep	10700	3.80	2.90	40.41	43.8	1372.58
	Oct	7550	3.80	2.78	38.14	42.9	1336.24
	Nov	7300	3.80	2.72	36.41	39.9	1297.74
	Dec	8025	3.80	2.76	36.19	39.1	1211.50

Sources: Bank of Indonesia  
 Bank of Malaysia  
 Monetary Authority of Singapore  
 Bank of Thailand

**TABLE I.2 DIRECT AND PORTFOLIO INVESTMENTS, 1990 - 1996**

	Net Direct Investments		Net Portfolio Investments	
	US\$ M	Growth Rate (%)	US\$ M	Growth Rate (%)
1990	528	n/a	-48	n/a
1991	529	0.19	125	360.42
1992	675	27.60	62	-50.40
1993	864	28.00	-52	-183.87
1994	1289	49.19	269	617.31
1995	1361	5.59	248	-7.81
1996	1338	-1.69	2179	778.63

Source: Bangko Sentral ng Pilipinas.

**TABLE I.3 EXTERNAL DEBT AND DEBT SERVICE BURDEN AS PERCENT  
FOR SELECTED EAST ASIAN COUNTRIES, 1990 - 1996**

	1990	1991	1992	1993	1994	1995	1996
<b>External Debt ( in billion US dollar)</b>							
Philippines	30.0	31.4	32.1	35.5	38.7	39.4	41.9
Indonesia	66.9	76.1	83.8	89.5	58.6	64.4	59.1
Malaysia	15.4	16.1	16.4	19.2	28.0	33.9	38.9
Thailand	25.1	33.4	37.4	46.8	55.0	68.1	90.5
Korea	46.8	54.7	59.2	66.2	85.6	113.5	112.6
<b>Debt Service Burden (As % of GDP)</b>							
Philippines	8.00	6.23	5.55	5.94	6.54	6.79	6.07
Indonesia	8.71	8.06	8.30	8.39	7.42	7.49	8.76
Malaysia	9.79	5.67	6.95	6.71	8.00	6.43	7.23
Thailand	5.07	4.11	4.55	4.85	5.01	4.33	3.55
Korea	2.32	1.59	1.87	2.49	1.71	0.89	.

Source: Selected Philippine Economic Indicators.



**TABLE II.1 REAL GDP GROWTH RATES IN SELECTED EAST ASIAN C  
1990 - 1996 (In Percent)**

	1990	1991	1992	1993	1994	1995	1996
Indonesia	7.2	-0.8	6.5	6.5	7.5	8.2	8.0
Malaysia	9.7	8.6	7.8	8.3	9.3	9.4	8.6
Singapore	9.0	7.3	6.2	10.4	10.5	8.7	7.8
Thailand	11.2	8.6	8.1	8.7	8.9	8.7	6.4
China	11.5	10.3	14.2	13.5	12.7	10.5	8.2
Korea	9.5	9.1	5.1	5.8	8.6	8.9	7.1
Philippines	3.0	-0.6	0.3	2.1	4.4	4.8	5.8

Sources: International Financial Statistics, National Statistics and Coordination Board.

**TABLE II.2 INFLATION, INTEREST RATE, EXCHANGE RATE, 1981-1996**

	<b>Inflation Rate (%)</b>	<b>91-Day T-bill Rate (%)</b>	<b>Exchange Rate (Peso/US\$)</b>
1981	17.8	n/a	7.9
1982	8.6	n/a	8.5
1983	5.3	14.2	11.1
1984	47.1	28.5	16.7
1985	23.4	26.7	18.6
1986	-0.4	16.1	20.4
1987	3.0	11.5	20.6
1988	8.9	14.7	21.1
1989	12.2	18.6	21.7
1990	14.1	23.7	24.3
1991	18.7	21.5	27.5
1992	9.0	16.0	25.5
1993	7.6	12.4	27.1
1994	9.1	12.7	26.4
1995	8.1	11.8	25.7
1996	8.4	12.3	26.2

Sources: National Statistics Office, Bangko Sentral ng Pilipinas

**TABLE II.3 BALANCE OF PAYMENTS, GROSS INTERNATIONAL RESERVES,  
EXTERNAL DEBT, 1981 - 1996**

<b>Year</b>	<b>BOP (US\$ M)</b>	<b>GIR (US\$ B)</b>	<b>External Debt (US\$ B)</b>
1981	-547.0	2.6	20.9
1982	-1671.0	1.7	24.7
1983	-2118.0	0.9	24.8
1984	243.0	0.9	25.4
1985	2301.0	1.1	26.3
1986	1242.0	2.5	28.3
1987	264.0	2.0	28.6
1988	593.0	2.1	27.9
1989	451.0	2.3	27.6
1990	-93.0	2.0	30.0
1991	2103.0	4.5	31.4
1992	1492.0	5.2	32.1
1993	-166.0	5.8	35.5
1994	1802.0	7.0	38.7
1995	631.0	7.6	39.4
1996	4107.0	11.6	41.9

Source: Bangko Sentral ng Pilipinas.

**TABLE II.4 GROSS NATIONAL INCOME PER CAPITA, 1960 - 1994**  
**( In Constant 1987 US dollars )**

Country	1960	1965	1970	1975	1980	1985	1990	1994
Indonesia	140	140	160	210	340	410	480	570
Malaysia	810	860	950	1,130	1,740	1,840	2,260	2,940
Singapore				4,090	5,370	7,460	10,550	15,010
Thailand	320	400	530	590	740	830	1,270	1,620
Korea, Republic of	330	390	610	850	1,840	2,530	4,200	5,320
China	70	60	90	100	140	210	270	410
Philippines	430	450	510	570	660	540	630	640

Source: World Data 1995, CD.

**TABLE II.5 UNEMPLOYMENT RATES OF SELECTED ASIAN COUNTRIES, 1971 - 1995**

Country	1971	1975	1980	1985	1990	1995
Indonesia	...	...	1.7	2.1	2.5	1.6 <sup>a</sup>
Malaysia	6.8	6.9	5.6	6.9	5.1	2.8
Thailand	...	0.4	0.9	3.7	2.2	1.5 <sup>b</sup>
Singapore	4.8	4.6	3.5	4.1	2	2.7
Korea	4.5	4.1	5.2	4	2.4	2
Taipei, China	...	...	1.2	2.9	1.7	1.8
Philippines	4.8	4.2	5	7.1	8.1	8.4

Notes:

<sup>a</sup> 1994

<sup>b</sup> 1993

Sources:

1971-1975: Key Indicators of DMCs of ADB, 1985.

1980-1995: Key Indicators of Developing Asian and Pacific Countries, ADB, 1996.

**TABLE II.6 POVERTY IN SELECTED ASIAN COUNTRIES,  
SUMMARY STATISTICS, 1975-1995**

Economy	Head-count Index (percent)		
	75	85	95
China	59.5 <sup>a</sup>	37.9	22.2
Indonesia	64.3	32.2	11.4
Malaysia	17.4	10.8	4.3
Philippines	35.7	32.4	25.5
Thailand	8.1	10.0	<1.0
Vietnam	n.a.	74.0 <sup>b</sup>	42.2

Notes:

All numbers in this table are based on the international poverty line of US\$1 per person per day at 1985 prices

a.: Data relates to 1978 and applies to rural China only.

b.: The figures refer to 1984. "Vietnam Household Welfare in Vietnam's Transition" in Macroeconomic Reform and Poverty Reduction, edited by D. Dollar, J. Litvack, and P. Glewwe. World Bank Regional and Sectoral Study, 1998

n.a.: not available

Source: Everyone's Miracle?, World Bank 1997.

**TABLE II.7 HUMAN DEVELOPMENT INDICATORS  
OF SELECTED ASEAN COUNTRIES, 1988-1995**

	1988	1989	1990	1991	1992	1993	1994	1995
<b>Low-Birth-Weight Infants (%)</b>								
Indonesia	14.0	-	14.0	-	-	-	14.0	-
Malaysia	10.0	-	10.0	-	-	-	8.0	-
Philippines	18.0	-	15.0	-	-	-	15.0	-
Singapore	6.0	-	7.0	-	-	-	7.0	-
Thailand	12.0	-	13.0	-	-	-	13.0	-
<b>Crude Death Rate (per 1,000 population)</b>								
Indonesia	11.0	9.0	8.9	9.0	8.4	8.3	8.0	-
Malaysia	6.0	5.0	5.3	5.0	5.1	5.1	5.0	-
Philippines	8.0	7.0	7.4	7.0	7.0	6.9	6.8	-
Singapore	6.0	5.0	5.4	5.0	5.7	5.8	4.8	-
Thailand	7.0	7.0	6.8	6.0	6.1	6.1	6.1	-
<b>Infant Mortality Rate (per 1,000 livebirths)</b>								
Indonesia	84.0	73.0	71.0	68.0	58.0	-	53.0	-
Malaysia	24.0	23.0	22.0	15.0	13.0	-	12.0	-
Philippines	44.0	44.0	43.0	42.0	44.0	-	55.0	-
Singapore	9.0	8.0	8.0	7.0	6.0	-	5.0	-
Thailand	38.0	27.0	26.0	28.0	37.0	-	29.0	-
<b>Access to Health Services (%) <sup>/1</sup></b>								
Indonesia	-	-	-	80	-	80	-	80
Malaysia	-	-	-	90	-	-	-	-
Philippines	-	-	-	75	-	76	-	76
Singapore	-	-	-	100	-	100	-	100
Thailand	-	-	-	70	-	90	-	90
<b>Access to Safe Water (%) <sup>/2</sup></b>								
Indonesia	-	-	-	51	-	51	-	62
Malaysia	-	-	-	72	-	78	-	78
Philippines	-	-	-	82	-	82	-	85
Singapore	-	-	-	100	-	100	-	100
Thailand	-	-	-	76	-	77	-	86
<b>Access to Sanitary Toilet (%) <sup>/2</sup></b>								
Indonesia	-	-	-	44	-	44	-	51
Malaysia	-	-	-	94	-	94	-	94
Philippines	-	-	-	69	-	69	-	69
Singapore	-	-	-	96	-	99	-	99
Thailand	-	-	-	74	-	74	-	74

**NOTES :**

- data not available

/1 figures for the year are the average of the period starting 1985

/2 figures for the year are the average of the period starting 1988

figures in italics are from the World Development Report

Sources: UNDP Human Development Report, World Bank, Asian Development Bank Annual Report.

**TABLE II.8 HUMAN DEVELOPMENT RANKING OF SELECTED ASEAN COUNTRIES, 1988-1995**

	Per Capita GDP (PPP), US \$ constant	Unemployment Rate (%)	Earnings per employee	Adult Literacy Rate (%)	Mean Years of Schooling	Life Expectancy at Birth	Low Birth Weight Infants (%)	Crude death rate (per 1,000 population)	Infant Mortality Rate (per 1,000 livebirths)	Access to Health Services (%)	Access to Safe Water (%)	Access to Sanitary Toilet (%)	<b>OVER-ALL RANKING</b>	<b>OVER-ALL RANKING</b>
Indonesia	4	1	3	4	3	5	4	5	4	4	5	5	<b>3.9</b>	<b>5</b>
Malaysia	2	3	4	5	2	2	2	2	2	4	2	2	<b>2.7</b>	<b>2</b>
Philippines	5	4	1	1	1	4	5	4	5	3	3	4	<b>3.3</b>	<b>4</b>
Singapore	1	2	2	3	4	1	1	1	1	1	1	1	<b>1.6</b>	<b>1</b>
Thailand	3			2	5	3	3	3	3	2	2	3	<b>2.9</b>	<b>3</b>

Sources of basic data: UNDP Human Development Report, World Bank, Asian Development Bank Annual Report.



**TABLE III.1 GDP and SECTORAL GROWTH TRENDS, 1990-1998**  
(Growth Rates in Percent)

	1990-1993	1994-1996	1997					1998				
			Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
<b>Gross Domestic Product</b>	<b>1.2</b>	<b>4.9</b>	<b>5.5</b>	<b>5.6</b>	<b>4.9</b>	<b>4.8</b>	<b>5.2</b>	<b>1.6</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-1.9</b>	<b>-0.5</b>
<b>Agriculture, Fishery and Forestry</b>	<b>6.1</b>	<b>2.2</b>	<b>4.9</b>	<b>1.8</b>	<b>0.4</b>	<b>4.1</b>	<b>2.9</b>	<b>-3.8</b>	<b>-11.5</b>	<b>-3.1</b>	<b>-7.8</b>	<b>-6.6</b>
of which:												
Palay	0.0	6.3	1.6	-6.0	-15.5	9.9	-0.1	-13.4	-41.4	-28.2	-19.9	-24.1
Corn	2.9	-4.6	-2.0	11.7	6.9	1.4	4.4	-23.5	-68.7	13.8	8.3	-11.7
Coconut including copra	-0.6	2.2	8.3	9.5	9.5	-3.2	5.7	-1.8	-14.4	-15.0	-19.0	-13.1
Sugarcane	8.4	-1.2	7.9	-15.0	-85.8	17.3	0.4	9.7	-31.9	-83.8	-39.0	-13.8
Other crops	0.6	2.9	9.1	2.5	9.9	4.0	6.2	-6.3	-4.5	-6.8	-5.9	-5.8
Livestock	2.5	5.5	5.6	6.6	4.5	4.8	5.3	2.2	3.6	4.3	6.2	4.1
Poultry	7.7	6.4	11.1	7.2	0.6	8.0	6.8	4.6	1.4	-2.9	-4.0	-0.3
<b>Industry Sector</b>	<b>0.3</b>	<b>5.3</b>	<b>5.1</b>	<b>7.6</b>	<b>6.4</b>	<b>5.6</b>	<b>6.1</b>	<b>1.6</b>	<b>-0.2</b>	<b>-3.4</b>	<b>-4.4</b>	<b>-1.8</b>
Mining and Quarrying	0.5	-6.4	-13.1	-1.0	1.8	23.9	1.7	17.5	5.7	1.9	-16.0	1.4
Manufacturing	-2.2	5.8	2.3	5.3	4.3	4.7	4.2	2.0	-0.9	-1.5	-3.4	-1.1
Construction	-0.6	8.8	21.3	18.5	18.1	7.6	16.2	-5.0	-1.8	-15.6	-10.0	-8.1
Electricity, Gas and Water	2.0	11.4	3.8	8.0	4.1	3.4	4.8	7.2	6.1	3.2	1.5	4.4
<b>Service Sector</b>	<b>2.1</b>	<b>5.1</b>	<b>6.1</b>	<b>5.7</b>	<b>5.6</b>	<b>4.6</b>	<b>5.5</b>	<b>4.5</b>	<b>3.6</b>	<b>2.7</b>	<b>3.3</b>	<b>3.5</b>

Source: National Statistics Coordination Board.

**TABLE III.2 GNP by EXPENDITURE SHARES, 1990-1998**  
(Growth Rates in Percent)

	1990-1993	1994-1996	1997					1998				
			Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Personal Consumption Expendit	3.5	3.7	5.0	5.1	5.0	4.9	5.0	4.5	3.9	2.9	2.8	3.5
Government Consumption	2.5	6.1	0.4	3.3	2.6	-0.2	1.6	-1.4	1.5	1.7	1.4	0.8
Capital Formation	3.6	8.7	14.9	7.1	9.3	15.0	11.7	-9.2	-16.0	-18.9	-23.9	-17.1
Exports	4.7	19.8	22.3	17.2	13.4	18.3	17.5	11.4	-10.3	-16.3	-22.1	-10.4
Goods	5.2	13.4	8.6	15.2	17.6	14.5	14.2	13.4	3.7	6.3	-4.8	4.1
Non-Factor Services	3.8	29.4	51.0	21.0	7.0	24.3	23.4	8.6	-36.2	-53.9	-47.4	-33.8
Imports	7.3	14.5	13.90	9.8	17.3	16.3	14.4	4.0	-13.9	-14.4	-19.0	-11.4
Goods	7.5	15.2	3.0	2.7	10.2	15.0	7.8	-2.3	-12.1	-13.1	-18.6	-11.9
Non-Factor Services	6.1	35.6	190.7	73.5	77.3	24.3	71.8	40.2	-23.4	-21.3	-20.9	-8.5
<b>Gross National Product</b>	<b>2.2</b>	<b>5.3</b>	<b>5.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.3</b>	<b>5.3</b>	<b>2.0</b>	<b>-0.3</b>	<b>0.01</b>	<b>-1.2</b>	<b>0.1</b>

Source: National Statistics Coordination Board.

**TABLE III.3 UNEMPLOYMENT AND UNDEREMPLOYMENT RATE, 1990 - 1998**  
(In Percent)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1995		1996		1997		1998	
										Sem1	Sem2	Sem1	Sem2	Sem1	Sem2	Sem1	Sem2
Underemployment Rate	22.4	22.5	20.5	21.7	21.4	20.0	21.0	22.1	21.8	38.9	41.1	21.6	20.5	22.3	22.0	21.3	22.3
Unemployment Rate	8.4	10.5	9.8	9.3	9.5	9.5	8.5	8.7	10.1	20.9	17.2	9.6	7.5	9.1	8.3	10.9	9.3

Source: National Statistics Office.

TABLE III.4 IMPORTS BY COMMODITY, 1995-1998

Levels (In Billion US\$)	1995	1996	1997	1998	1997		1998		1999
					Sem1	Sem2	Sem1	Sem2	Jan - Feb
<b>Total Imports</b>	<b>26.4</b>	<b>31.9</b>	<b>36.4</b>	<b>29.5</b>	<b>17.4</b>	<b>19.0</b>	<b>15.2</b>	<b>14.3</b>	<b>4.7</b>
Capital Goods	8.0	10.5	14.4	12.0	6.2	8.1	6.2	5.8	1.9
Raw Materials & Intermediate Goods	12.2	14.1	14.6	11.6	7.5	7.2	5.6	5.5	1.8
Mineral Fuels & Lubricant	2.5	3.0	3.1	2.0	1.5	1.5	1.1	0.9	0.3
Consumer Goods	2.8	3.3	3.1	2.6	1.6	1.5	1.2	1.4	0.4
Special Transactions	0.9	1.0	1.2	1.2	0.5	0.7	1.1	0.6	0.2
<b>Growth Rates (In %)</b>									
<b>Total Imports</b>	<b>23.7</b>	<b>20.8</b>	<b>14.0</b>	<b>-18.8</b>	<b>11.1</b>	<b>16.9</b>	<b>-12.2</b>	<b>-25.0</b>	<b>-12.0</b>
Capital Goods	16.9	30.4	37.2	-16.1	26.2	47.1	-0.1	-28.8	-13.8
Raw Materials & Intermediate Goods	26.7	15.5	4.1	-20.8	6.1	2.1	-24.8	-22.9	-11.9
Mineral Fuels & Lubricant	20.6	22.2	2.2	-34.3	10.4	-4.8	-28.4	-40.2	-33.8
Consumer Goods	32.0	19.6	-7.2	-15.2	-9.5	-4.6	-23.4	-6.4	10.1
Special Transactions	32.8	7.7	16.8	5.0	5.9	26.5	109.7	-8.1	5.0

Sources: Bangko Sentral ng Pilipinas.

National Statistics Office (for January and February 1999 values).

TABLE III.5 EXPORTS BY COMMODITY, 1995 - 1998

Level (In Billion US\$)	1995	1996	1997	1998	1997		1998		1999
					Sem1	Sem2	Sem1	Sem2	Jan-Feb
Total Exports	17.4	20.5	25.2	29.5	11.7	13.5	13.9	15.6	5.4
Manufactures of which:	13.9	17.1	21.5	25.9	9.9	11.5	12.0	13.9	4.6
Electronic Eqpt.&Parts	7.4	10.0	13.0	17.2	5.9	7.1	7.9	9.4	3.1
Garments	2.6	2.4	2.3	2.4	1.1	1.3	1.1	1.2	0.3
TextileYarns/Fabrics	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.0
OtherAgro-BasedProducts	2.1	1.9	1.9	1.9	1.0	1.0	1.0	0.9	0.2
MineralProducts/Petroleum Products	1.1	1.0	1.0	0.7	0.5	0.5	0.4	0.3	0.1
SpecialTransactions/Re-Exports	0.4	0.5	0.8	1.0	0.3	0.5	0.6	0.5	0.5
<b>Growth Rates (In %)</b>									
Total Exports	29.4	17.7	22.8	16.9	22.3	23.8	18.6	15.2	23.3
Manufactures of which:	30.6	23.3	25.5	20.5	25.8	25.4	20.7	20.4	23.7
Electronic Eqpt.&Parts	48.7	34.7	30.4	31.7	27.3	33.2	32.9	31.5	27.1
Garments	8.2	-5.7	-3.1	0.3	-6.6	0.2	2.9	-1.8	-3.3
TextileYarns/Fabrics	20.2	21.2	18.7	-19.1	42.0	0.0	-12.6	-25.6	-23.2
OtherAgro-BasedProducts	25.5	-12.7	4.4	-4.1	4.2	-0.9	4.4	-9.1	-45.8
MineralProducts/Petroleum Products	16.7	-2.0	-2.2	-29.4	-4.5	0.0	-25.8	-32.9	-15.1
SpecialTransactions/Re-Exports	49.4	31.0	60.5	30.3	37.2	107.9	64.9	-7.4	216.3

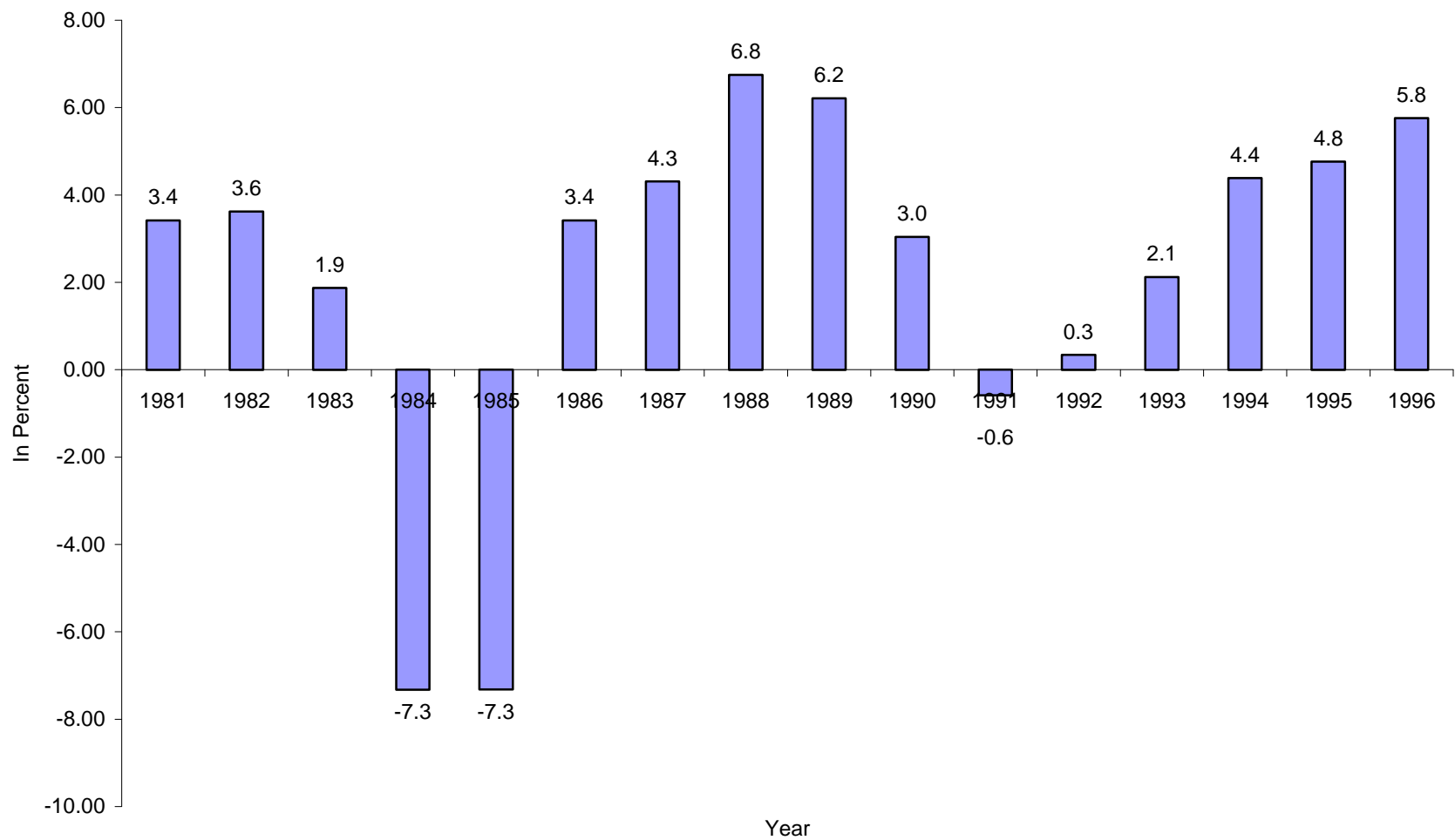
Source: Bangko Sentral ng Pilipinas.

**Table III.6 Balance of Payments  
In Millions of US\$, 1995-1998**

	1995	1996	1997	1998	1997				1998			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Balance of Payments	631	4107	-3284	1346	474	-742	-974	-2042	617	942	22	-235
Current Account, Net	-3297	-3953	-4351	1294	-519	-1652	-1461	-719	-85	97	427	855
Trade	-4179	-4542	-5431	859	-767	-1897	-1762	-1005	-272	-43	347	827
Goods, Net	-8944	-11342	-11127	-28	-2893	-2764	-3081	-2389	-1085	-253	512	798
Exports	17447	20543	25228	29496	5506	6194	6663	6865	6816	7089	7940	7651
Imports	26391	31885	36355	29524	8399	8958	9744	9254	7901	7342	7428	6853
Services, Net	4765	6800	5696	887	2126	867	1319	1384	813	210	-165	29
Transfers, Net	882	589	1080	435	248	245	301	286	187	140	80	28
Capital and Financial Account, Net	3393	11072	6593	956	2731	3074	1901	-1113	811	1891	-1294	-452
Medium and Long-Term Loans, Net	1276	2841	4824	2850	1291	1055	1720	758	689	1699	196	266
Availments	3927	6540	7724	5791	2012	1818	2216	1678	1071	2595	870	1255
Repayments	2651	3699	2900	2941	721	763	496	920	382	896	674	989
Trading of Bonds in the Secondary Market		-37	-676	-1082	-177	-167	-139	-193	-89	-251	-164	-578
Resale of Bonds		4148	3072	3308	943	826	704	599	620	658	1254	776
Purchase of Bonds		4185	3748	4390	1120	993	843	792	709	909	1418	1354
Investments, Net	1609	3517	761	1672	1000	-231	-25	17	521	187	-133	1097
Non-Resident Investments in the Phils.	2944	3621	842	2016	944	-214	32	80	622	265	-45	1174
Resident Investments Abroad	1335	104	81	344	-56	17	57	63	101	78	88	77
Short-Term Capital, Net	-56	540	493	-1521	264	-25	130	124	-589	-238	-153	-541
Change in Commercial Banks' NFA	564	4211	1191	-963	353	2442	215	-1819	279	494	-1040	-696
Purchase of Collateral												
Others	81	-5	-360	84	-181	59	-56	-182	53	-45	88	-12
Net Unclassified Items	454	-3007	-5166	-988	-1557	-2223	-1358	-28	-162	-1001	801	-626

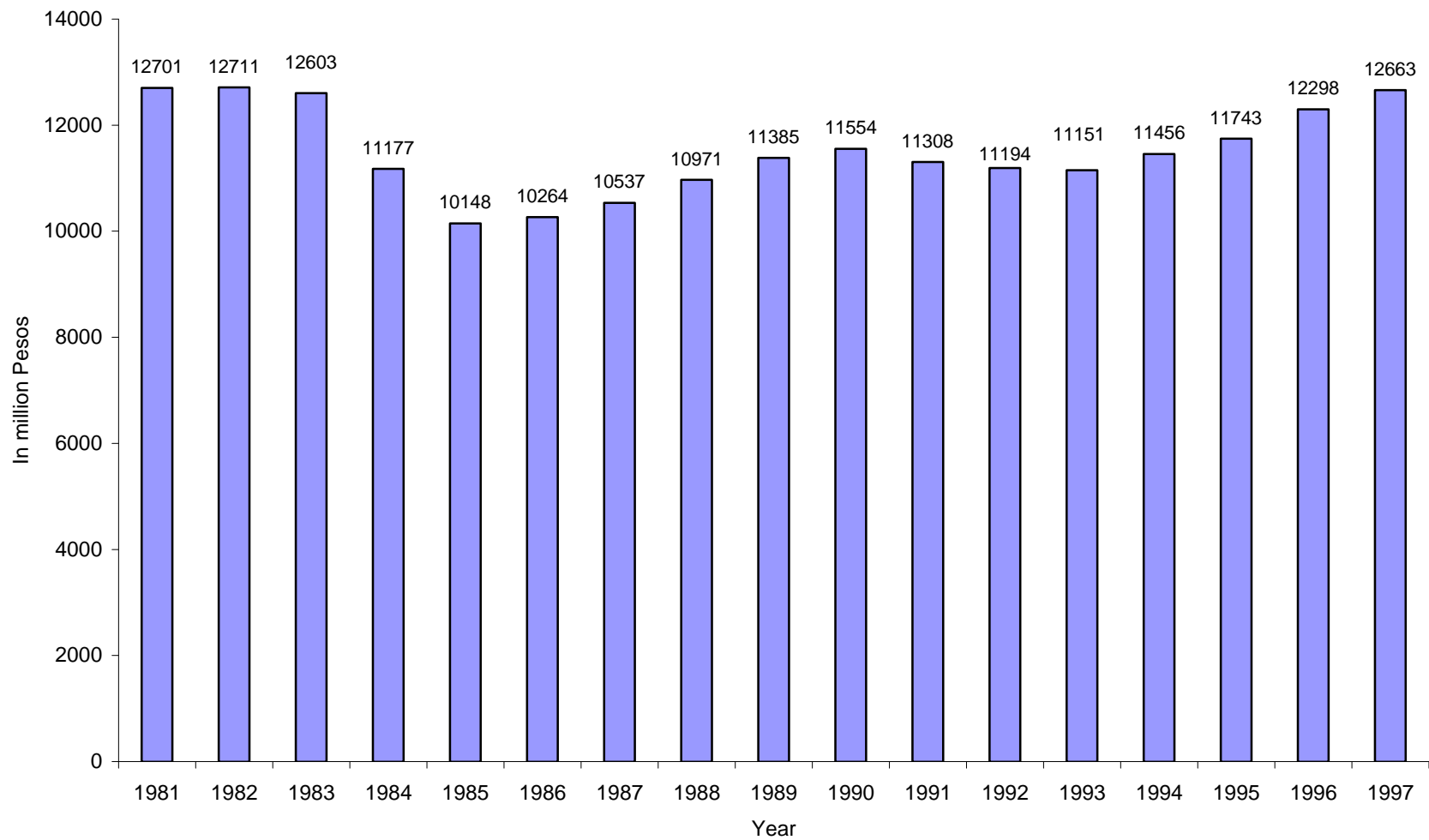
Source: Bangko Sentral ng Pilipinas.

**FIGURE II.1 REAL GDP GROWTH RATES, 1981-1996**



Source : National Statistics Coordination Board.

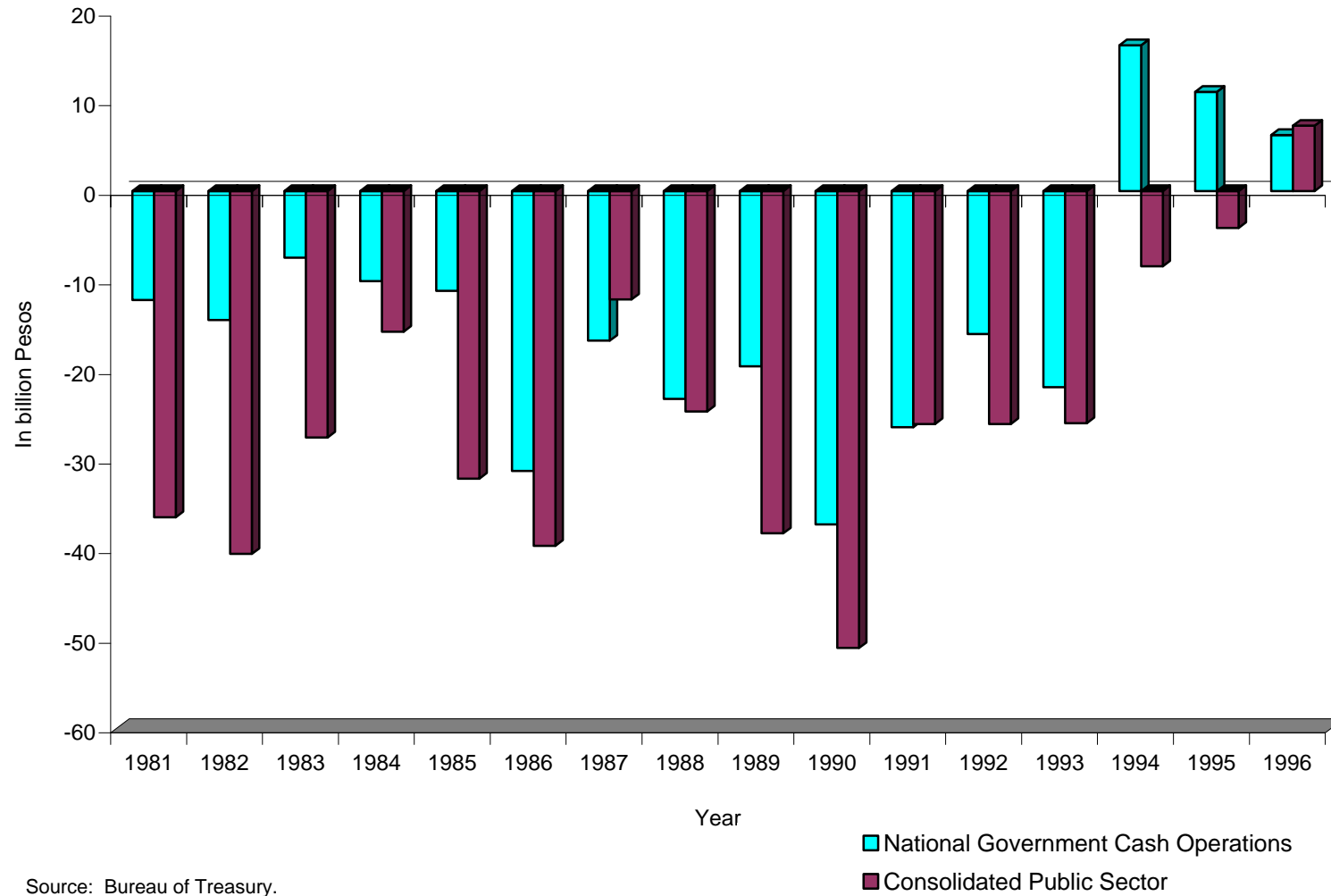
**FIGURE II.2 REAL PER CAPITA GNP, 1981 - 1997**



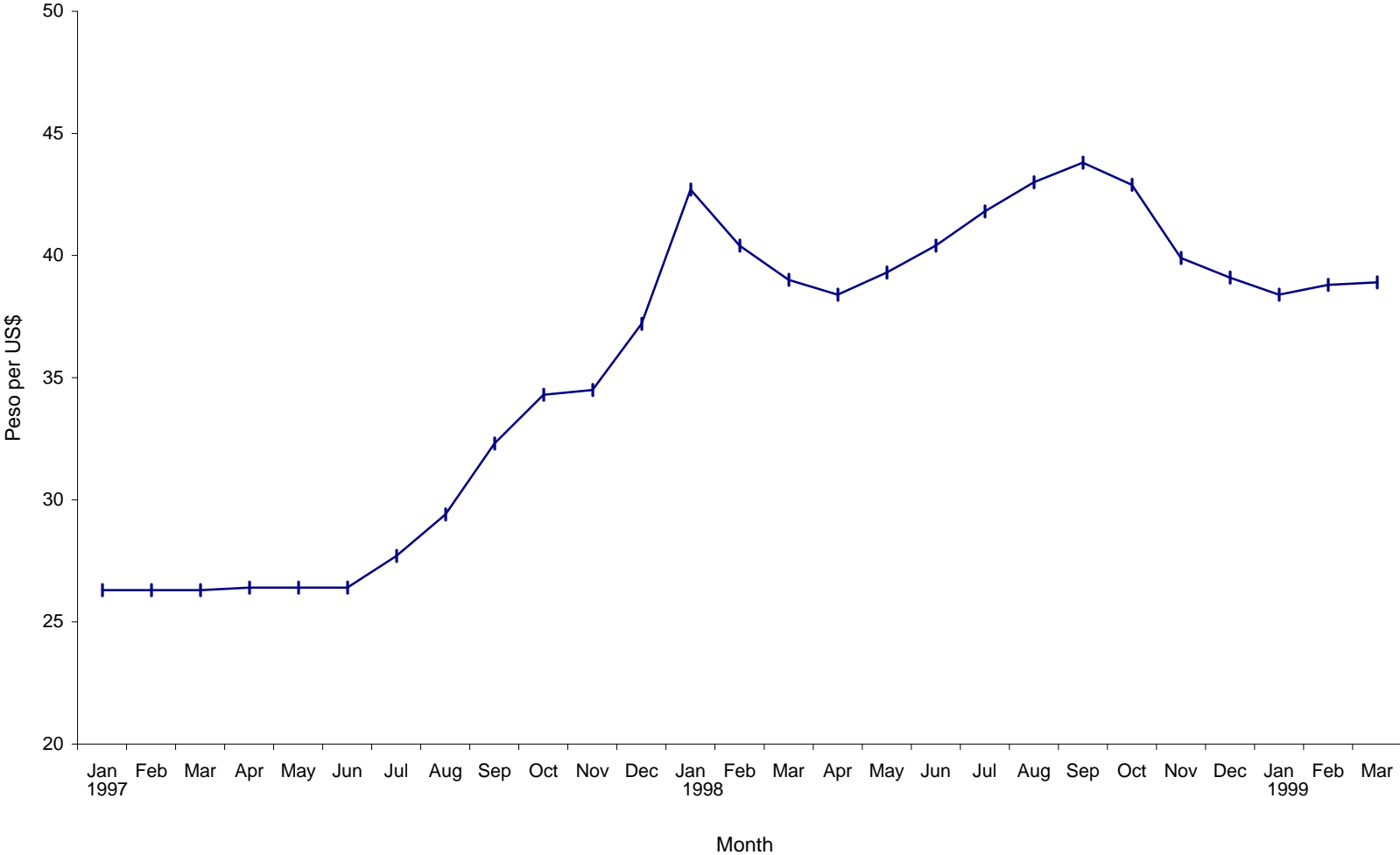
Source: National Statistics Coordination Board.



Figure II.3 FISCAL POSITION, 1981 - 1996

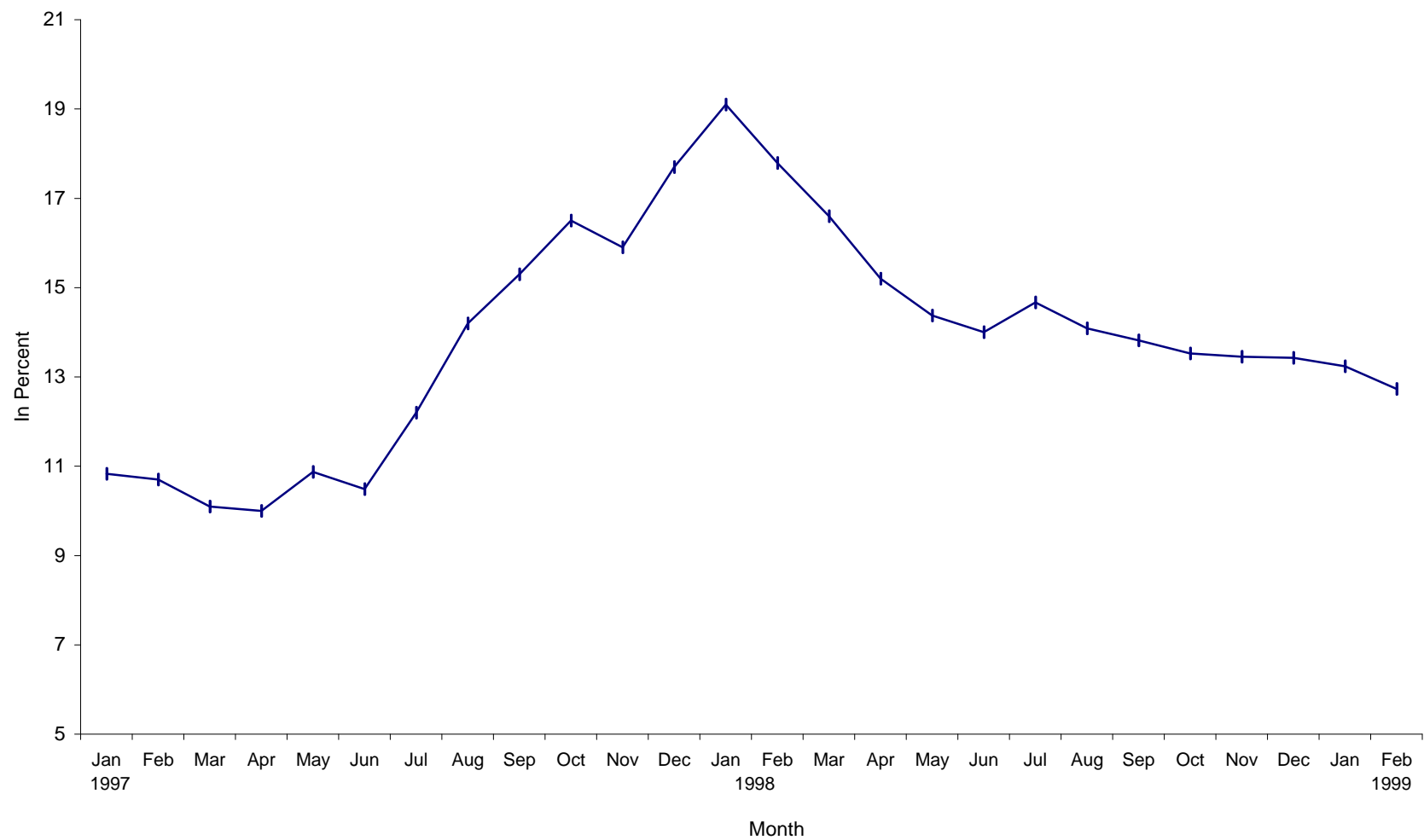


**FIGURE III.1 MONTHLY EXCHANGE RATES, 1997 - 1999**



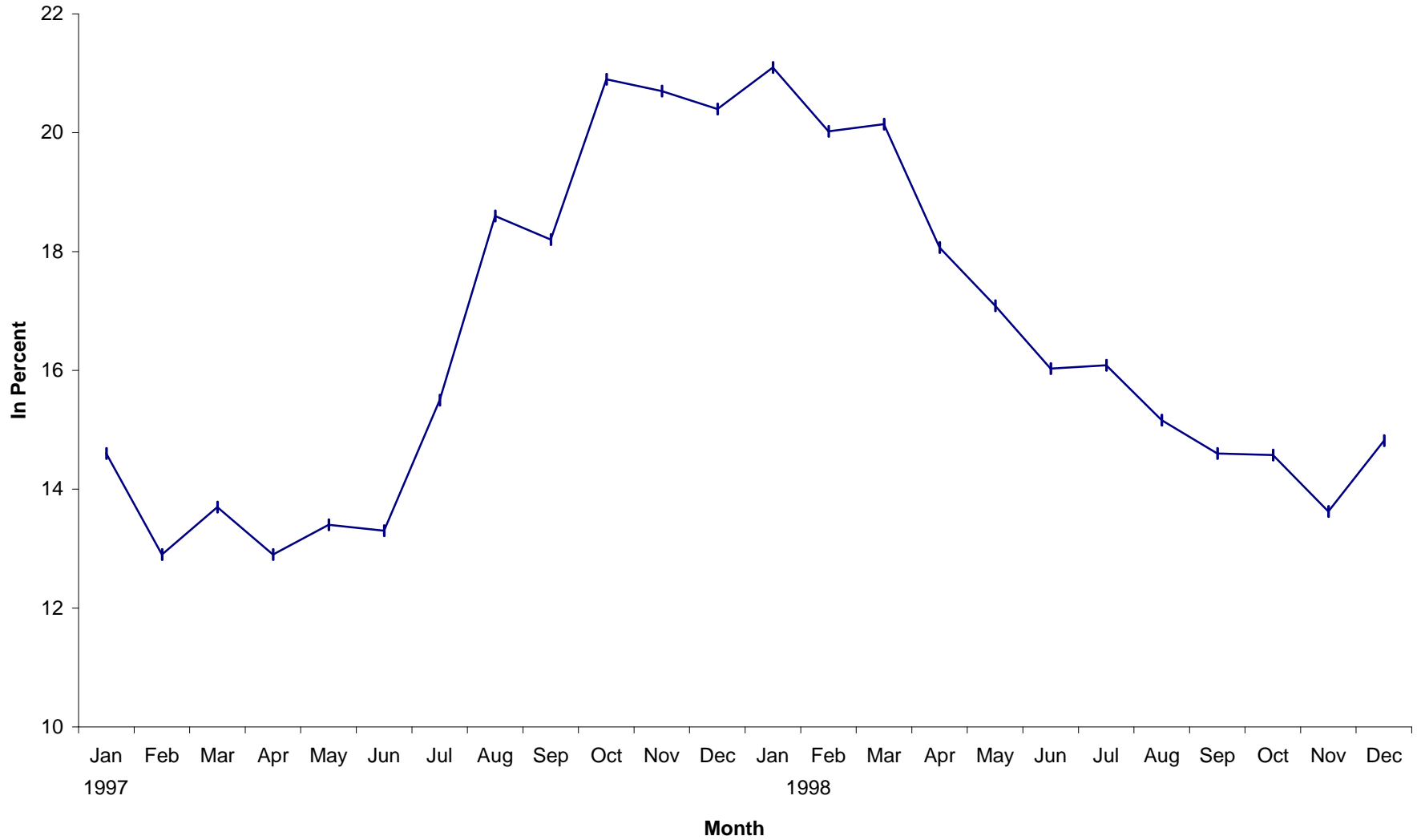
Source: Bangko Sentral ng Pilipinas.

**FIGURE III.2: MONTHLY 91-DAY TREASURY BILL RATES, 1997 - 1999**



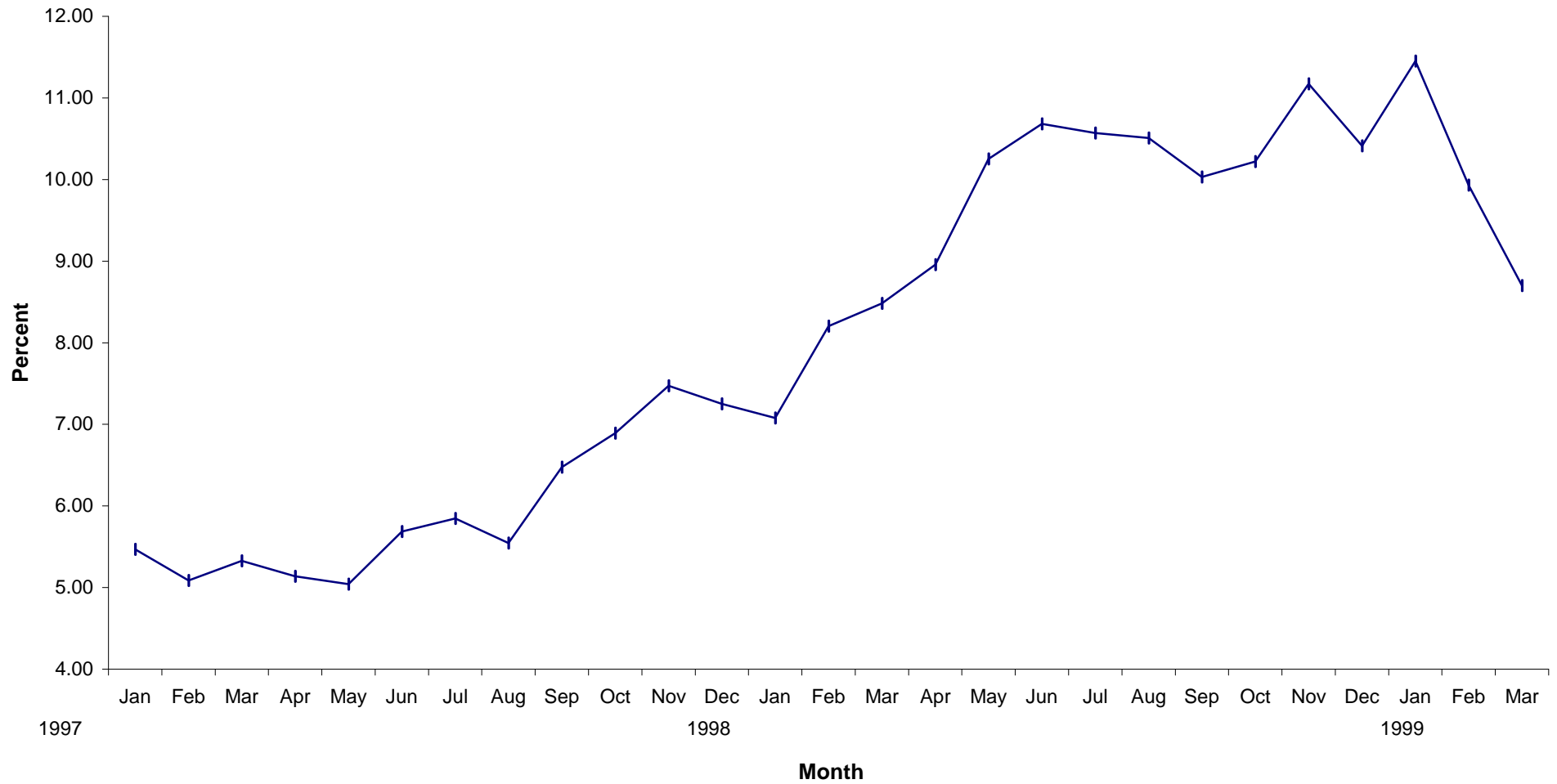
Source: Bangko Sentral ng Pilipinas.

**FIGURE III.3 MONTHLY AVERAGE BANK LENDING RATES, 1997 - 1998**



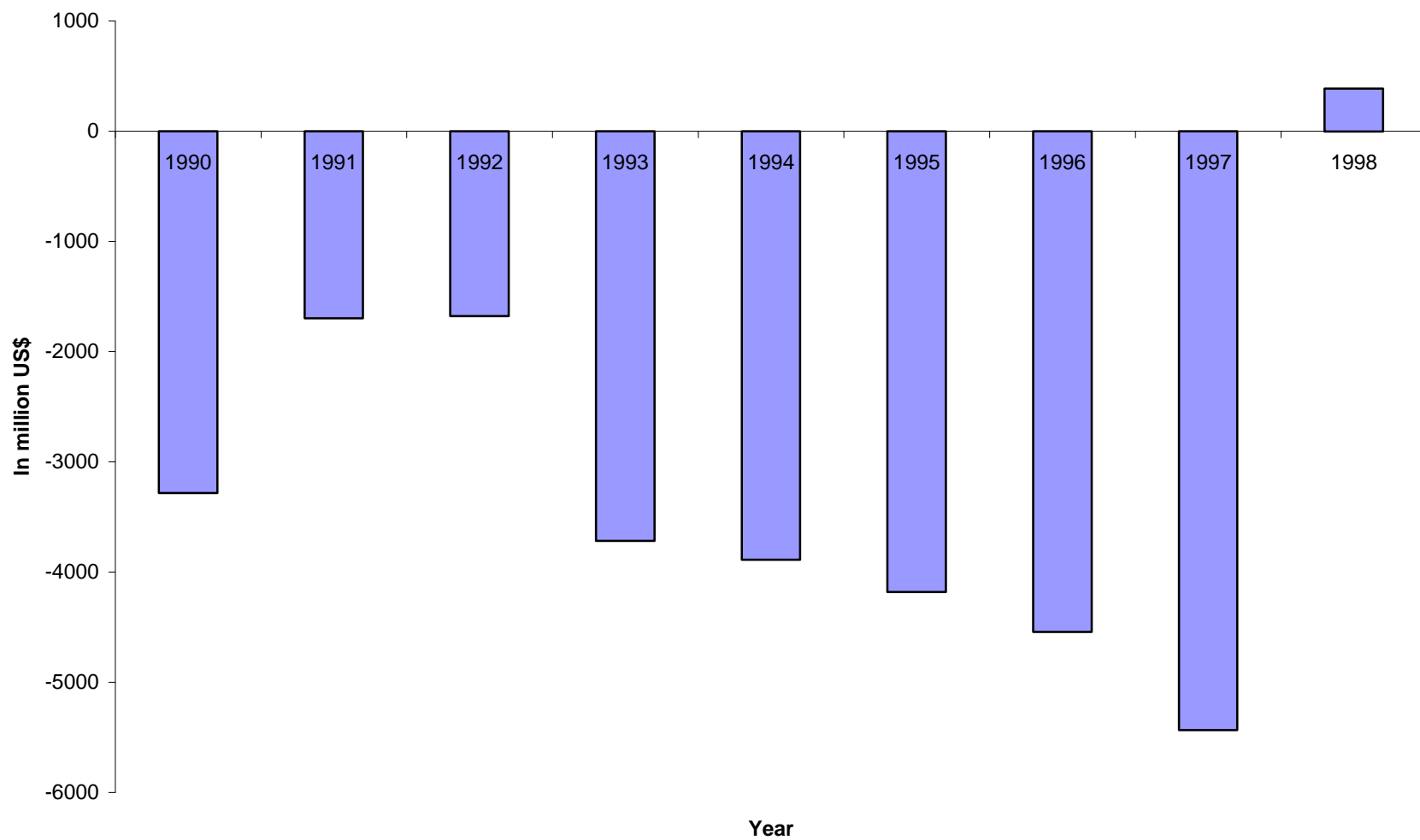
Source: Bangko Sentral ng Pilipinas.

**FIGURE III.4 INFLATION RATE**



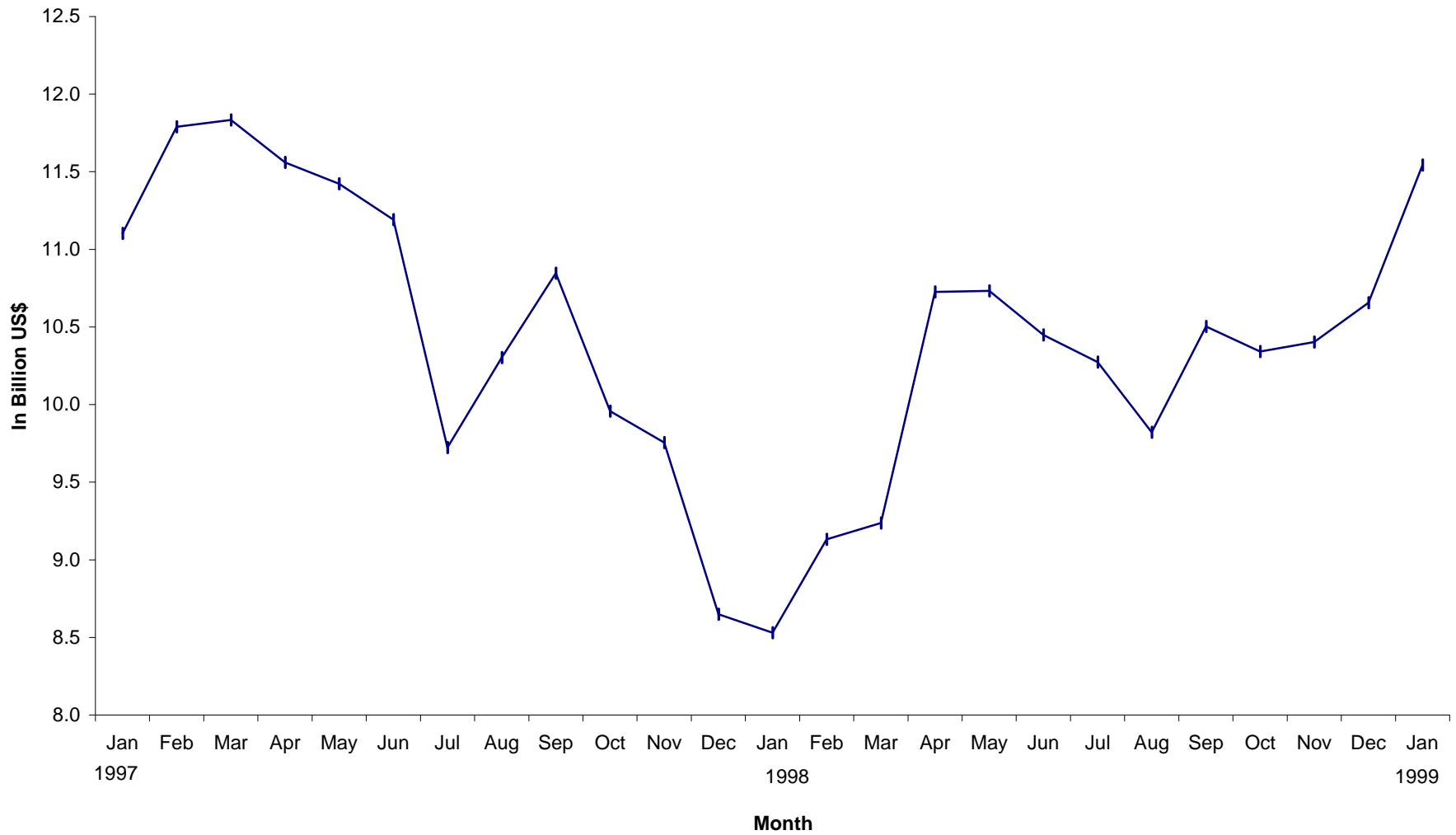
Source: National Statistics Office.

**FIGURE III.5 TRADE BALANCE, 1990 - 1998**



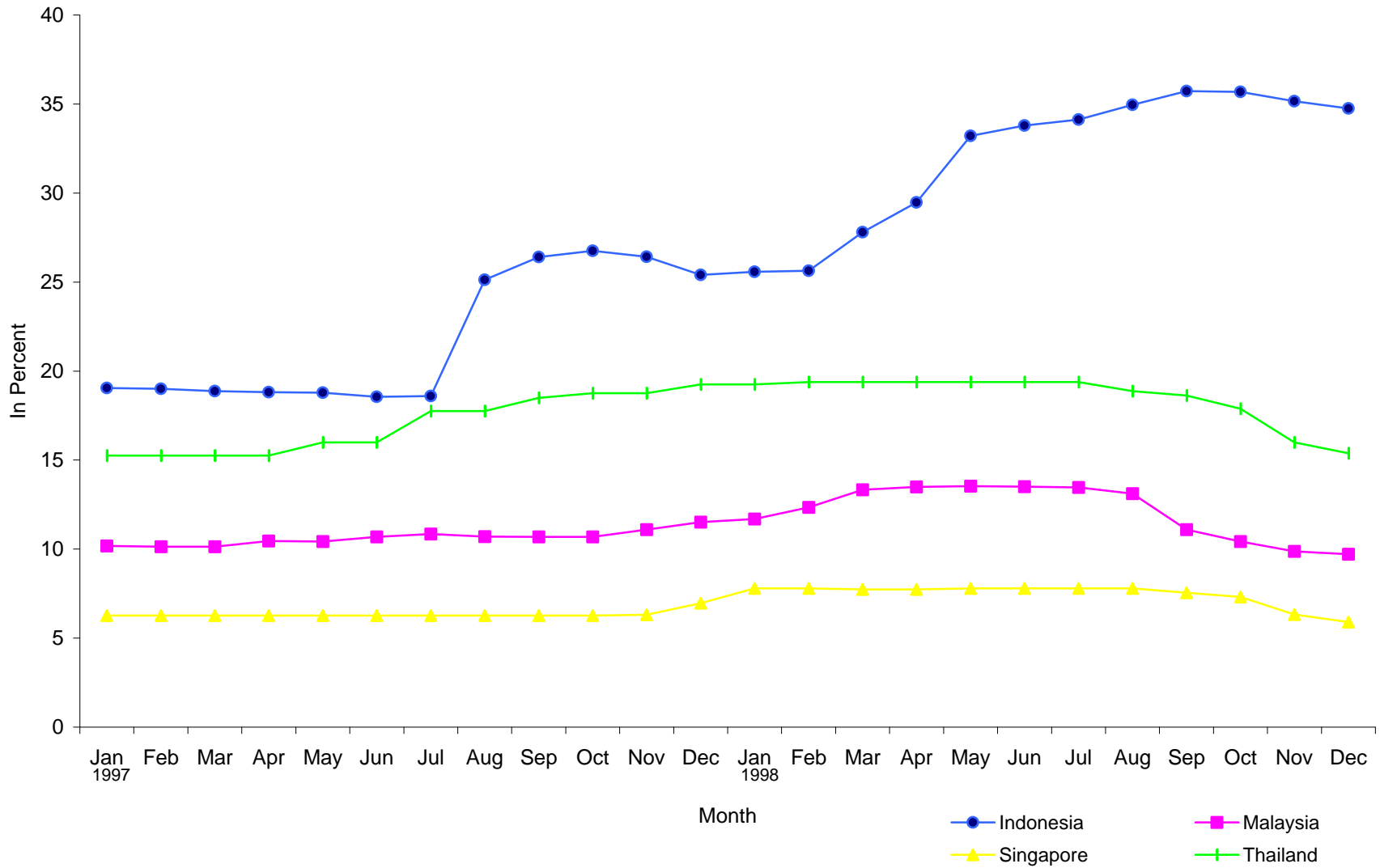
Source: Bangko Sentral ng Pilipinas.

**FIGURE III.6 GROSS INTERNATIONAL RESERVES, 1997 - 1999**



Source: Bangko Sentral ng Pilipinas.

## Interest Rates for South East Asian Countries, 1997 - 1998





**TABLE IV.1 NATIONAL GOVERNMENT REVENUES AS A PROPORTION OF GNP, 1986-1998**  
(In Percent)

	Average			1986	1990	1992	1994	1996	1997	1998
	1975-85	1986-91	1992-97							
TOTAL REVENUES	12.90	15.97	18.34	13.29	16.71	17.52	19.36	18.26	18.67	16.59
1. TAX REVENUES	11.26	13.12	15.86	10.98	14.01	15.06	15.62	16.38	16.31	14.94
a. Bureau of Internal Revenue	6.72	8.86	11.04	7.85	9.61	9.66	10.80	11.64	12.44	12.09
b. Bureau of Customs	4.04	4.08	4.70	2.93	4.24	5.26	4.70	4.62	3.77	2.72
c. Other Offices	0.51	0.20	0.13	0.20	0.16	0.14	0.13	0.11	0.11	0.12
2. NON-TAX REVENUES	1.64	2.84	2.48	2.31	2.70	2.45	3.74	1.88	2.36	1.65

Source of basic data: Bureau of Treasury.

**TABLE IV.2 NATIONAL GOVERNMENT DEFICIT AS A PROPORTION OF GNP, 1986-1998**  
(In Percent)

	Average			1986	1990	1992	1994	1996	1997	1998
	1975-85	1986-91	1992-97							
<i>Revenues</i>	12.90	15.97	18.34	13.29	16.71	17.52	19.36	18.26	18.67	16.59
<i>Expenditures</i>	15.15	18.87	18.34	18.53	20.15	18.67	18.42	17.87	18.61	18.37
<b>SURPLUS/DEFICIT</b>	(2.25)	(2.90)	(0.00)	(5.24)	(3.44)	(1.15)	0.94	0.39	0.06	(1.79)

Source of basic data: Bureau of Treasury.

**TABLE IV.3 1997/1998 REVENUE PROGRAM**  
(In Million Pesos)

	1997 BESF <sup>1/</sup> Program Target (1)	1997 Actual Collection (2)	Deviation (2)-(1) (3)	1998 BESF Program Target (4)	1998 GOP <sup>2/</sup> -IMF Target 02/24/1998 (5)	1998 Target 06/16/1998 (6)	1998 Actual Collection (7)	Deviation (7)-(4) (8)
TOTAL REVENUES <i>% of GNP</i>	485,110	471,843 <i>18.4%</i>	-13,267	540,920	531,302 <i>19.7%</i>	488,037 <i>17.0%</i>	462,616	-78,304
1. TAX REVENUES <i>% of GNP</i>	450,595	412,165 <i>16.1%</i>	-38,430	513,088	498,354 <i>18.5%</i>	453,661 <i>15.8%</i>	416,585	-96,503
a. Bureau of Internal Revenue	317,786	314,697	-3,089	389,087	378,688	367,303	337,175	-51,912
b. Bureau of Customs	129,486	94,800	-34,686	121,205	116,918	83,611	76,005	-45,200
c. Other Offices		2,668	2,668		2,748	2,748	3,405	3,405
2. NON-TAX REVENUES	34,515	59,678	25,163	27,832	32,948	34,376	45,930	18,098

Notes : 1/ BESF - Budget of Expenditure and Sources of Finance

2/ GOP - Government of the Philippines

Source: Department of Budget and Management

**TABLE IV.4**  
**GROWTH RATE OF NATIONAL GOVERNMENT EXPENDITURES, BY SECTORAL CLASSIFICATION, 1975-1999**  
 (%)

	AVERAGE			1995-96	1996-97	1997-98	1998-99
	75-85	86-92	93-97				
GRAND TOTAL	16.06	19.08	13.48	4.76	17.95	12.59	9.72
Total Economic Services	14.05	8.03	15.12	1.20	27.66	-25.85	20.07
Agriculture	9.84	13.51	20.24	23.07	52.64	-38.73	31.13
Agrarian Reform	3.72	29.22	18.89	12.42	44.92	63.75	27.39
Natural Resources	10.83	19.11	23.20	14.41	65.98	-37.49	2.99
Industry	18.90	3.98	11.89	9.61	2.04	-31.54	21.98
Trade	2.76	-5.16	14.14	33.66	3.83	-17.07	35.83
Tourism	8.54	21.10	23.24	47.45	28.48	-37.21	9.75
Power & Energy	-3.02	22.67	1.08	-78.19	120.59	-50.62	-55.66
Water Resources Devt.	35.48	5.18	4.37	25.87	18.57	-86.12	48.17
Transp. & Comm.	9.02	16.98	11.95	3.59	19.48	-17.39	20.69
Other Econ. Services	38.95	-36.60	59.24	-16.20	-15.59	-89.07	-69.19
Total Social Services	15.60	19.52	19.29	25.49	21.73	11.28	7.52
Education	16.02	21.29	20.21	20.45	27.28	11.39	6.32
Health	14.45	20.64	6.48	34.56	26.17	-6.03	2.11
Social Welfare and Employment	7.63	22.34	30.24	42.95	10.97	31.33	11.49
Housing & Com. Devt.	25.75	-18.50	47.61	55.23	-47.24	-10.81	62.89
National Defense	5.81	15.25	17.33	13.02	20.22	2.91	-2.39
Total Public Services	17.28	22.66	15.50	22.63	14.62	7.37	3.78
Public Administration	13.89	23.89	15.37	21.52	14.99	7.22	-1.98
Peace and Order	30.73	20.01	15.83	25.34	13.74	7.73	17.45
Others	17.90	22.33	28.69	6.43	22.32	46.73	8.81
Debt Service	34.68	28.63	2.84	-14.29	6.72	33.65	12.63
MEMO ITEM:							
Grand Total Less Debt Service	13.77	15.25	18.46	13.50	21.85	6.20	8.60

Source: Mini Budget, Department of Budget and Management

**Table IV.5**  
**NATIONAL GOVERNMENT EXPENDITURES AS A PROPORTION OF GNP, BY SECTORAL CLASSIFICATION, 197**  
**(%)**

	AVERAGE			1996	1997	1998P	1999gaa
	75-85	86-92	93-97				
GRAND TOTAL	15.67	21.57	21.17	20.23	21.35	21.78	21.28
Total Economic Services	6.20	4.51	4.08	3.77	4.31	2.90	3.10
Agriculture	0.79	0.75	0.69	0.67	0.92	0.51	0.60
Agrarian Reform	0.08	0.27	0.15	0.14	0.18	0.26	0.29
Natural Resources	0.25	0.29	0.28	0.25	0.37	0.21	0.19
Industry	0.31	0.16	0.12	0.12	0.11	0.07	0.07
Trade	0.04	0.01	0.01	0.01	0.01	0.01	0.01
Tourism	0.03	0.02	0.03	0.03	0.04	0.02	0.02
Power & Energy	0.77	0.31	0.21	0.05	0.10	0.04	0.02
Water Resources Devt.	0.14	0.08	0.05	0.04	0.05	0.01	0.01
Transp. & Comm.	2.71	2.14	2.29	2.19	2.34	1.75	1.88
Other Econ. Services	1.08	0.48	0.27	0.27	0.21	0.02	0.01
Total Social Services	3.16	3.94	4.13	4.46	4.85	4.89	4.69
Education	1.87	2.74	3.12	3.25	3.71	3.74	3.54
Health	0.57	0.67	0.45	0.46	0.52	0.44	0.40
Social Welfare and Employment	0.24	0.23	0.44	0.54	0.53	0.64	0.63
Housing and Community Developmnet	0.47	0.30	0.13	0.21	0.10	0.08	0.11
National Defense	1.78	1.31	1.38	1.37	1.48	1.38	1.20
Total Public Services	1.70	2.53	2.73	2.82	2.90	2.82	2.60
Public Administration	1.16	1.94	1.94	1.98	2.04	1.98	1.73
Peace and Order	0.54	0.59	0.79	0.84	0.86	0.83	0.87
Others	0.82	0.90	2.70	2.59	2.84	3.77	3.65
Debt Service	2.01	8.38	6.14	5.21	4.97	6.02	6.04
MEMO ITEM:							
Grand Total Less Debt Service	13.66	13.19	15.03	15.02	16.38	15.75	15.24

Source: Mini Budget, Department of Budget and Management

'5-1999

**TABLE IV.6 EVOLUTION OF 1998 NATIONAL GOVERNMENT BUDGET**  
(In Million Pesos )

Nominal	1997 Actual	1998 President's	1998 GAA	1998 Preliminary Actual	RATIO 98 Prelim/ 1998 GAA	RATIO 98 Prelim/ 98 PRESIDENT'S
<b>GRAND TOTAL</b>	539,461	590,702	641,674	607,377	0.9466	1.0282
<b>Total Public Administration</b>	73,165	83,509	86,692	78,559	0.9062	0.9407
Public Administration	51,554	59,423	62,368	55,278	0.8863	0.9302
Peace & Order	21,611	24,086	24,324	23,282	0.9572	0.9666
National Defense	37,366	45,487	46,492	38,454	0.8271	0.8454
<b>Total Social Services</b>	122,668	144,954	152,301	137,106	0.9002	0.9459
Education	93,639	107,144	109,130	104,301	0.9558	0.9735
Health	13,062	13,770	14,506	12,274	0.8462	0.8914
Social Welfare & Employment	13,493	20,113	23,418	17,720	0.7567	0.8810
Housing & Community Development	2,474	3,126	4,447	2,207	0.4962	0.7059
<b>Total Economic Services</b>	108,952	101,918	115,159	80,786	0.7015	0.7927
Agrarian Reform	4,426	8,371	8,426	7,247	0.8601	0.8657
Agriculture	23,225	17,221	18,372	14,229	0.7745	0.8263
Natural Resource	9,336	6,687	6,626	5,836	0.8808	0.8727
Industry	2,766	2,031	2,288	1,894	0.8276	0.9325
Trade	215	213	213	178	0.8364	0.8364
Tourism	940	677	810	590	0.7284	0.8715
Power	2,541	3,968	1,495	1,255	0.8392	0.3161
Water	1,175	362	422	163	0.3864	0.4505
Transportation	59,101	62,057	76,164	48,823	0.6410	0.7867
Other Economic Services	5,227	330	343	572	1.6678	1.7310
Debt Service	125,649	125,459	125,459	167,927	1.3385	1.3385
Others	71,661	90,175	116,371	105,147	0.9036	1.1660
MEMO ITEM:						
Grand Total Less Debt Service	413,812	465,243	516,215	439,450	0.8513	0.9446
Percent of GNP	16.38	16.68	18.51	15.75		

Source: Department of Budget and Management

**Table IV.7**  
**PER CAPITA NATIONAL GOVERNMENT EXPENDITURE in 1985 Prices, 1996-1999**

	Average			1996	1997	1998	1999F
	75-85	86-92	93-97				
GRAND TOTAL	1901.00	2408.04	2561.33	2517.49	2733.04	2736.47	2700.25
Total Economic Services	775.87	512.23	492.07	469.76	551.98	363.97	371.36
Agriculture	104.09	90.28	81.24	83.75	117.66	64.11	69.63
Agrarian Reform	12.26	29.75	17.51	16.81	22.42	32.65	37.51
Natural Resources	33.57	31.80	32.55	30.96	47.30	26.29	24.58
Industry	34.98	19.73	14.06	14.92	14.01	8.53	9.45
Trade	6.84	0.92	1.12	1.14	1.09	0.80	1.02
Tourism	4.39	2.49	3.57	4.03	4.76	2.66	2.69
Power & Energy	107.14	34.35	27.35	6.34	12.87	5.65	2.81
Water Resources Devt.	18.02	9.43	6.27	5.46	5.95	0.73	0.98
Transp. & Comm.	359.84	228.06	275.35	272.27	299.42	219.97	219.42
Other Econ. Services	94.75	65.43	33.05	34.09	26.48	2.58	3.27
Total Social Services	388.49	444.16	490.16	554.70	621.47	617.72	605.38
Education	229.59	305.50	370.01	404.97	474.40	469.92	447.81
Health	70.45	74.32	53.84	56.98	66.17	55.30	50.92
Social Welfare and Employment	32.26	23.92	51.31	66.93	68.36	79.84	89.77
Housing and Community Development	56.19	40.41	15.01	25.82	12.54	12.66	16.88
National Defense	249.83	148.66	166.21	171.09	189.31	173.25	152.62
Total Public Services	206.34	281.05	327.95	351.36	370.67	353.94	332.44
Public Administration	144.14	214.83	233.01	246.77	261.18	249.05	222.10
Peace and Order	62.20	66.22	94.93	104.59	109.49	104.89	110.34
Others	96.73	94.98	325.25	322.48	363.05	471.01	470.18
Debt Service	183.75	926.96	759.69	648.10	636.57	756.58	768.28
MEMO ITEM:							
IRA	72.19	84.03	317.58	311.52	359.95	328.41	393.12
Grand Total Less Debt Service	1717.25	1481.08	1801.64	1869.39	2096.47	1979.89	1931.98

Source: Department of Budget and Management.

Table IV.8  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
As of September 30, 1998  
(Current)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
<b>A. PROGRAMS AND ACTIVITIES</b>												
<b>I. General Administration and Support</b>	0.3700	0.7500		0.4190	0.1623	0.3733		0.1895	0.4388	0.4977		0.4524
<b>II. Support to Operations</b>	1.0000	0.7036	0.7500	0.7770	0.4678	0.3269	0.0000	0.3569	0.4678	0.4646	0.0000	0.4593
<b>III. Operations</b>												
a. Public Health Services	1.0000	0.7011	1.0000	0.7285	0.6469	0.2209	0.0391	0.2569	0.6469	0.3151	0.0391	0.3527
1. Family Health Nutrition and Welfare	1.0000	0.7327	1.0000	0.7485	0.6576	0.2003	0.0391	0.2211	0.6576	0.2734	0.0391	0.2954
a. Maternal and Child Health Service	1.0000	0.8815	1.0000	0.9109	0.6087	0.1903	0.0391	0.2370	0.6087	0.2159	0.0391	0.2602
b. Nutrition Service including Salt Iodization Program	1.0000	0.6980		0.7248	0.6952	0.4281		0.4518	0.6952	0.6134		0.6234
c. Family Planning Service	1.0000	0.7500		0.7836	0.7058	0.2292		0.2933	0.7058	0.3056		0.3743
d. Dental Health Service	1.0000	0.7500		0.8462	0.6338	0.1419		0.3312	0.6338	0.1892		0.3913
e. Control of Diarrheal Diseases		1.0000		1.0000		0.0021		0.0021		0.0021		0.0021
f. Immunization Program		0.6866		0.6866		0.1259		0.1259		0.1833		0.1833
g. Control of Acute Respiratory Infection/ Integrated Child Care Management		1.0000		1.0000		0.5627		0.5627		0.5627		0.5627
h. Family Health Program		0.5013		0.5013		0.0933		0.0933		0.1861		0.1861
2. National Disease Control Program	1.0000	0.6862		0.7130	0.6454	0.2279		0.2636	0.6454	0.3321		0.3697
a. Communicable Disease Control Program	1.0000	0.7268		0.7548	0.6484	0.1770		0.2253	0.6484	0.2435		0.2984
1. Communicable Disease Control Service	1.0000	0.7502		0.9575	0.6598	0.4709		0.6277	0.6598	0.6277		0.6555
2. Tuberculosis Control	1.0000	0.7500		0.7584	0.6198	0.1043		0.1217	0.6198	0.1391		0.1604
a. Tuberculosis Control Services	1.0000	0.7500		0.8763	0.6198	0.4029		0.5125	0.6198	0.5372		0.5849
b. Philippine Tuberculosis Society		0.7500		0.7500		0.6250		0.6250		0.8333		0.8333
c. National Tuberculosis Control Program		0.7500		0.7500		0.0165		0.0165		0.0220		0.0220
3. STD/AIDS Control Program	1.0000	0.5614		0.5989	0.4935	0.3002		0.3167	0.4935	0.5347		0.5288
4. Malaria Control Program	1.0000	0.7500		0.8111	0.6466	0.4828		0.5229	0.6466	0.6438		0.6447
5. Rabies Control Program		0.7500		0.7500		0.0301		0.0301		0.0401		0.0401
6. Schistosomiasis Control Service	1.0000	0.7500		0.9085	0.7047	0.2241		0.5288	0.7047	0.2988		0.5821
7. Dengue Control Program		0.7500		0.7500		0.7037		0.7037		0.9383		0.9383
8. Filaria Control Program		0.7495		0.7495		0.1513		0.1513		0.2019		0.2019
9. National Leprosy Elimination Program		0.7500		0.7500		0.2912		0.2912		0.3882		0.3882
b. Non-communicable Disease Control Program	1.0000	0.6053		0.6250	0.6325	0.3290		0.3441	0.6325	0.5436		0.5506
1. Non-communicable Disease Control Service	1.0000	0.7378		0.8670	0.6325	0.2198		0.4232	0.6325	0.2979		0.4881
2. Cardiovascular Disease Control		0.5656		0.5656		0.4546		0.4546		0.8038		0.8038
3. Smoking Cessation Program		0.7500		0.7500		0.3158		0.3158		0.4210		0.4210
4. Cancer Control Program		0.4766		0.4766		0.1237		0.1237		0.2595		0.2595
5. Blindness Prevention Program		0.7500		0.7500		0.4577		0.4577		0.6103		0.6103
6. Preventive Nephrology		0.5923		0.5923		0.2947		0.2947		0.4975		0.4975
7. National Preventive Mental Health Program		0.9304		0.9304		0.7780		0.7780		0.8362		0.8362
8. Occupational Health Program		0.7500		0.7500		0.6099		0.6099		0.8132		0.8132
9. National Diabetes Program		0.5000		0.5000		0.0747		0.0747		0.1494		0.1494



Table IV.8  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
As of September 30, 1998  
(Current)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
3. Environmental Health Program	1.0000	0.7500		0.8181	0.7852	0.4621		0.5502	0.7852	0.6162		0.6725
a. Environmental Health Service	1.0000	0.7500		0.8302	0.7882	0.5419		0.6209	0.7882	0.7225		0.7479
b. Operation of Inter-Agency Committee on Environmental Health	1.0000	0.7497		0.7825	0.6893	0.4410		0.4735	0.6893	0.5882		0.6051
c. Hospital Waste Management		0.7500		0.7500		0.0802		0.0802		0.1069		0.1069
4. Community Health Program	1.0000	0.5244		0.5618	0.6069	0.2831		0.3086	0.6069	0.5398		0.5492
a. Community Health Service	1.0000	0.7500		0.8811	0.6069	0.1757		0.4019	0.6069	0.2343		0.4561
b. Traditional Medicine Program		0.6175		0.6175		0.1040		0.1040		0.1684		0.1684
c. Health Development Program		0.4007		0.4007		0.3398		0.3398		0.8480		0.8480
d. Community-based Rehabilitation Program		0.7500		0.7500		0.7330		0.7330		0.9773		0.9773
e. Indigenous People		0.7500		0.7500		0.0000		0.0000		0.0000		0.0000
5. Provision for a pool of eighty (80) Rural Health Physicians for Doctorless Communities	1.0000	0.5470		0.8441	0.5978	0.2403		0.4747	0.5978	0.4392		0.5624
b. Primary Health Care Program	0.0000	0.7488		0.7014	0.0000	0.2496		0.2338		0.3333		0.3333
c. Health Facilities Maintenance and Operations	0.9912	0.7891	0.9900	0.8532	0.6224	0.6134	0.0762	0.5209	0.6279	0.7773	0.0769	0.6105
d. Health Facility Standards, Regulations and Licensing	1.0000	0.7500	0.7500	0.8554	0.6633	0.4508	0.0000	0.4793	0.6633	0.6011	0.0000	0.5604
e. Drugs and Medicines	0.9388	0.2174		0.2365	0.4672	0.0199		0.0317	0.4976	0.0915		0.1342
j. Women and Children Protection Program		0.0491		0.0491		0.0000		0.0000		0.0000		0.0000
k. Regional Assistance Fund for Drugs & Micronutrients		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
<b>Subtotal, III</b>	0.9877	0.6885	0.9716	0.7271	0.6343	0.2839	0.0662	0.3101	0.6422	0.4123	0.0682	0.4266
<b>TOTAL A</b>	0.5864	0.6919	0.9617	0.6717	0.3138	0.2907	0.0633	0.2907	0.5351	0.4201	0.0658	0.4328
<b>B. PROJECTS</b>												
<b>I. Locally-Funded Project(s)</b>												
a. Construction, Improvement, Repair and Rehabilitation/ Renovation including the Purchase of Equipment of Special Hospitals, Medical Centers, Sanitaria, Regional Hospitals, Central Office, Regional Field Office and Other Related Facilities on a Priority Basis as may be Determined by the Secretary of Health											1.0000	1.0000
b. Health Status Survey		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
f. Construction and Expansion of the Baguio General Hospital, Baguio City			0.0168	0.0653			0.0000	0.0018		0.0371	0.0000	0.0276
h. Assistance to Mandaluyong Medical Center, Mandaluyong City		0.0267	0.0000	0.0041		0.0267	0.0000	0.0041		1.0000		1.0000
i. Procurement of Medicines and Health Kits		0.0230		0.0230		0.0230		0.0230		1.0000		1.0000
j. Construction of Deep Wells for National Mental Health			3.1676	3.7500			3.1676	3.7500		1.0000	1.0000	1.0000
<b>TOTAL B</b>		0.1883	0.0312	0.0745		0.1068	0.0200	0.0439		0.5670	0.6412	0.5895
<b>GRAND TOTAL</b>	0.5864	0.6673	0.2295	0.6015	0.3138	0.2817	0.0292	0.2617	0.5351	0.4222	0.1273	0.4351

Source: Department of Health, Office of the Secretary

Table IV.9  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
As of December 30, 1998  
(Current)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
<b>A. PROGRAMS AND ACTIVITIES</b>												
<b>I. General Administration and Support</b>	0.3700	0.7500		0.4190	0.2537	0.5786		0.2956	0.6857	0.7715		0.7055
<b>II. Support to Operations</b>	1.0000	0.7036	0.7500	0.7770	0.9883	0.5432	0.7500	0.6554	0.9883	0.7720	1.0000	0.8435
<b>III. Operations</b>												
a. Public Health Services	1.0000	0.9075	1.0000	0.9159	0.9980	0.4402	0.0391	0.4865	0.9980	0.4851	0.0391	0.5312
1. Family Health Nutrition and Welfare	1.0000	0.9698	1.0000	0.9716	0.9999	0.3568	0.0391	0.3851	0.9999	0.3679	0.0391	0.3963
a. Maternal and Child Health Service	1.0000	0.9427	1.0000	0.9569	1.0000	0.2869	0.0391	0.3675	1.0000	0.3043	0.0391	0.3841
b. Nutrition Service including Salt Iodization Program	1.0000	0.9637		0.9669	0.9998	0.5499		0.5898	0.9998	0.5706		0.6100
c. Family Planning Service	1.0000	0.8802		0.8963	1.0000	0.4945		0.5625	1.0000	0.5618		0.6276
d. Dental Health Service	1.0000	0.9113		0.9454	1.0000	0.2195		0.5198	1.0000	0.2408		0.5498
e. Control of Diarrheal Diseases		1.0000		1.0000		0.0070		0.0070		0.0070		0.0070
f. Immunization Program		1.0000		1.0000		0.3109		0.3109		0.3109		0.3109
g. Control of Acute Respiratory Infection/ Integrated Child Care Management		1.0000		1.0000		0.5627		0.5627		0.5627		0.5627
h. Family Health Program		0.6833		0.6833		0.2614		0.2614		0.3825		0.3825
2. National Disease Control Program	1.0000	0.8632		0.8749	0.9953	0.5424		0.5812	0.9953	0.6284		0.6642
a. Communicable Disease Control Program	1.0000	0.9139		0.9228	0.9943	0.5826		0.6248	0.9943	0.6374		0.6771
1. Communicable Disease Control Service	1.0000	0.9063		0.9841	0.9878	0.7248		0.9431	0.9878	0.7997		0.9584
2. Tuberculosis Control	1.0000	0.9609		0.9622	0.9872	0.6021		0.6151	0.9872	0.6267		0.6392
a. Tuberculosis Control Services	1.0000	0.8939		0.9475	0.9872	0.5646		0.7782	0.9872	0.6316		0.8213
b. Philippine Tuberculosis Society		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
c. National Tuberculosis Control Program		0.9943		0.9943		0.5821		0.5821		0.5855		0.5855
3. STD/AIDS Control Program	1.0000	0.6305		0.6621	1.0000	0.3629		0.4174	1.0000	0.5756		0.6304
4. Malaria Control Program	1.0000	0.8654		0.8983	0.9952	0.5213		0.6371	0.9952	0.6023		0.7092
5. Rabies Control Program		0.9790		0.9790		0.7053		0.7053		0.7204		0.7204
6. Schistosomiasis Control Service	1.0000	0.8568		0.9476	1.0000	0.3375		0.7576	1.0000	0.3938		0.7994
7. Dengue Control Program		0.9732		0.9732		0.7182		0.7182		0.7380		0.7380
8. Filaria Control Program		0.8245		0.8245		0.6399		0.6399		0.7761		0.7761
9. National Leprosy Elimination Program		0.9388		0.9388		0.7171		0.7171		0.7639		0.7639
b. Non-communicable Disease Control Program	1.0000	0.7624		0.7742	0.9995	0.4627		0.4894	0.9995	0.6069		0.6321
1. Non-communicable Disease Control Service	1.0000	0.8674		0.9327	0.9995	0.4455		0.7185	0.9995	0.5136		0.7704
2. Cardiovascular Disease Control		0.7032		0.7032		0.5130		0.5130		0.7295		0.7295
3. Smoking Cessation Program		0.9572		0.9572		0.7121		0.7121		0.7439		0.7439
4. Cancer Control Program		0.5227		0.5227		0.2273		0.2273		0.4348		0.4348
5. Blindness Prevention Program		0.7964		0.7964		0.5871		0.5871		0.7372		0.7372
6. Preventive Nephrology		0.8794		0.8794		0.5095		0.5095		0.5794		0.5794
7. National Preventive Mental Health Program		1.0000		1.0000		0.8251		0.8251		0.8251		0.8251
8. Occupational Health Program		0.9218		0.9218		0.6624		0.6624		0.7185		0.7185
9. National Diabetes Program		0.9357		0.9357		0.1700		0.1700		0.1816		0.1816
3. Environmental Health Program	1.0000	0.8467		0.8885	0.9984	0.5514		0.6732	0.9984	0.6513		0.7578
a. Environmental Health Service	1.0000	0.8322		0.8860	1.0000	0.6397		0.7553	1.0000	0.7687		0.8525
b. Operation of Inter-Agency Committee on Environmental Health	1.0000	0.8977		0.9112	0.9471	0.5738		0.6227	0.9471	0.6391		0.6835
c. Hospital Waste Management		0.8938		0.8938		0.1068		0.1068		0.1195		0.1195

Table IV.9  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
As of December 30, 1998  
(Current)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
4. Community Health Program	1.0000	0.7104		0.7332	1.0000	0.4286		0.4736	1.0000	0.6033		0.6459
a. Community Health Service	1.0000	0.9129		0.9586	1.0000	0.3377		0.6851	1.0000	0.3699		0.7147
b. Traditional Medicine Program		0.7382		0.7382		0.5052		0.5052		0.6844		0.6844
c. Health Development Program		0.6145		0.6145		0.3448		0.3448		0.5611		0.5611
d. Community-based Rehabilitation Program		0.9470		0.9470		0.7329		0.7329		0.7739		0.7739
e. Indigenous People		1.0000		1.0000		0.6755		0.6755		0.6755		0.6755
5. Provision for a pool of eighty (80) Rural Health Physicians for Doctorless Communities	1.0000	0.7154		0.9020	1.0000	0.2407		0.7386	1.0000	0.3365		0.8188
b. Primary Health Care Program	0.0000	0.7488		0.7014	0.0000	0.4040		0.3784		0.5395		0.5395
c. Health Facilities Maintenance and Operations	0.9912	0.8500	0.9900	0.8947	0.9911	0.7498	0.0762	0.6670	0.9999	0.8822	0.0769	0.7455
d. Health Facility Standards, Regulations and Licensing	1.0000	0.7500	0.7500	0.8554	0.9961	0.5504	0.0153	0.6659	0.9961	0.7339	0.0204	0.7784
e. Drugs and Medicines	0.9388	0.8655		0.8675	0.9083	0.4140		0.4271	0.9675	0.4783		0.4924
j. Women and Children Protection Program		0.0491		0.0491		0.0050		0.0050		0.1024		0.1024
k. Regional Assistance Fund for Drugs & Micronutrients		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
<b>Subtotal, III</b>	0.9877	0.8812	0.9716	0.8946	0.9857	0.4879	0.0675	0.5214	0.9979	0.5537	0.0694	0.5828
<b>TOTAL A</b>	0.5864	0.8613	0.9617	0.7929	0.5092	0.4958	0.0979	0.4889	0.8684	0.5756	0.1018	0.6166
<b>B. PROJECTS</b>												
<b>I. Locally-Funded Project(s)</b>												
a. Construction, Improvement, Repair and Rehabilitation/ Renovation including the Purchase of Equipment of Special Hospitals, Medical Centers, Sanitaria, Regional Hospitals, Central Office, Regional Field Office and Other Related Facilities on a Priority Basis as may be Determined by the Secretary of Health											0.4895	0.4895
b. Health Status Survey		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
f. Construction and Expansion of the Baguio General Hospital, Baguio City			0.0168	0.0653			0.0152	0.0210		0.1186	0.9045	0.3210
h. Assistance to Mandaluyong Medical Center, Mandaluyong City		0.0267	0.0000	0.0041		0.0000	0.0000	0.0000		0.0000		0.0000
i. Procurement of Medicines and Health Kits		0.0230		0.0230		0.0000		0.0000		0.0000		0.0000
j. Construction of Deep Wells for National Mental Health			3.1676	3.7500			3.1676	3.1676		0.0000	1.0000	0.8447
<b>TOTAL B</b>		0.1883	0.0454	0.0848		0.0894	0.0301	0.0465		0.4749	0.6637	0.5480
<b>TOTAL</b>	0.5864	0.8285	0.2406	0.7097	0.5092	0.4760	0.0446	0.4369	0.8684	0.5745	0.1852	0.6156
<b>Sub-allotment</b>												
Automatic Appropriation (Life & Retirement)										0.9832		0.9832
Productivity Incentive Bonus										1.0000		1.0000
Miscellaneous Personnel Benefits										0.6376	0.9662	0.8867
<b>TOTAL SUB-ALLOTMENT</b>										0.9857	0.9662	0.9853
<b>GRAND TOTAL</b>	0.8576	0.8305	0.2406	0.7729	0.7765	0.4779	0.0446	0.4991	0.9055	0.5754	0.1852	0.6458

Source: Department of Health

Table IV.9  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
<b>A. PROGRAMS AND ACTIVITIES</b>												
<b>I. General Administration and Support</b>	0.3700	0.7500		0.4190	0.3683	0.5786		0.3954	0.9955	0.7715		0.9437
<b>II. Support to Operations</b>	1.0000	0.7036	0.7500	0.7770	0.9883	0.5432	0.7500	0.6554	0.9883	0.7720	1.0000	0.8435
<b>III. Operations</b>												
a. Public Health Services	1.0000	0.9075	1.0000	0.9159	0.9980	0.4402	0.0391	0.4865	0.9980	0.4851	0.0391	0.5312
1. Family Health Nutrition and Welfare	1.0000	0.9698	1.0000	0.9716	0.9999	0.3568	0.0391	0.3851	0.9999	0.3679	0.0391	0.3963
a. Maternal and Child Health Service	1.0000	0.9427	1.0000	0.9569	1.0000	0.2869	0.0391	0.3675	1.0000	0.3043	0.0391	0.3841
b. Nutrition Service including Salt Iodization Program	1.0000	0.9637		0.9669	0.9998	0.5499		0.5898	0.9998	0.5706		0.6100
c. Family Planning Service	1.0000	0.8802		0.8963	1.0000	0.4945		0.5625	1.0000	0.5618		0.6276
d. Dental Health Service	1.0000	0.9113		0.9454	1.0000	0.2195		0.5198	1.0000	0.2408		0.5498
e. Control of Diarrheal Diseases		1.0000		1.0000		0.0070		0.0070		0.0070		0.0070
f. Immunization Program		1.0000		1.0000		0.3109		0.3109		0.3109		0.3109
g. Control of Acute Respiratory Infection/Integrated Child Care Management		1.0000		1.0000		0.5627		0.5627		0.5627		0.5627
h. Family Health Program		0.6833		0.6833		0.2614		0.2614		0.3825		0.3825
2. National Disease Control Program	1.0000	0.8632		0.8749	0.9953	0.5424		0.5812	0.9953	0.6284		0.6642
a. Communicable Disease Control Program	1.0000	0.9139		0.9228	0.9943	0.5826		0.6248	0.9943	0.6374		0.6771
1. Communicable Disease Control Service	1.0000	0.9063		0.9841	0.9878	0.7248		0.9431	0.9878	0.7997		0.9584
2. Tuberculosis Control	1.0000	0.9609		0.9622	0.9872	0.6021		0.6151	0.9872	0.6267		0.6392
a. Tuberculosis Control Services	1.0000	0.8939		0.9475	0.9872	0.5646		0.7782	0.9872	0.6316		0.8213
b. Philippine Tuberculosis Society		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
c. National Tuberculosis Control Program		0.9943		0.9943		0.5821		0.5821		0.5855		0.5855
3. STD/AIDS Control Program	1.0000	0.6305		0.6621	1.0000	0.3629		0.4174	1.0000	0.5756		0.6304
4. Malaria Control Program	1.0000	0.8654		0.8983	0.9952	0.5213		0.6371	0.9952	0.6023		0.7092
5. Rabies Control Program		0.9790		0.9790		0.7053		0.7053		0.7204		0.7204
6. Schistosomiasis Control Service	1.0000	0.8568		0.9476	1.0000	0.3375		0.7576	1.0000	0.3938		0.7994
7. Dengue Control Program		0.9732		0.9732		0.7182		0.7182		0.7380		0.7380
8. Filariasis Control Program		0.8245		0.8245		0.6399		0.6399		0.7761		0.7761
9. National Leprosy Elimination Program		0.9388		0.9388		0.7171		0.7171		0.7639		0.7639
b. Non-communicable Disease Control Program	1.0000	0.7624		0.7742	0.9995	0.4627		0.4894	0.9995	0.6069		0.6321
1. Non-communicable Disease Control Service	1.0000	0.8674		0.9327	0.9995	0.4455		0.7185	0.9995	0.5136		0.7704
2. Cardiovascular Disease Control		0.7032		0.7032		0.5130		0.5130		0.7295		0.7295
3. Smoking Cessation Program		0.9572		0.9572		0.7121		0.7121		0.7439		0.7439
4. Cancer Control Program		0.5227		0.5227		0.2273		0.2273		0.4348		0.4348
5. Blindness Prevention Program		0.7964		0.7964		0.5871		0.5871		0.7372		0.7372
6. Preventive Nephrology		0.8794		0.8794		0.5095		0.5095		0.5794		0.5794
7. National Preventive Mental Health Program		1.0000		1.0000		0.8251		0.8251		0.8251		0.8251
8. Occupational Health Program		0.9218		0.9218		0.6624		0.6624		0.7185		0.7185
9. National Diabetes Program		0.9357		0.9357		0.1700		0.1700		0.1816		0.1816
3. Environmental Health Program	1.0000	0.8467		0.8885	0.9984	0.5514		0.6732	0.9984	0.6513		0.7578
a. Environmental Health Service	1.0000	0.8322		0.8860	1.0000	0.6397		0.7553	1.0000	0.7687		0.8525
b. Operation of Inter-Agency Committee on Environmental Health	1.0000	0.8977		0.9112	0.9471	0.5738		0.6227	0.9471	0.6391		0.6835
c. Hospital Waste Management		0.8938		0.8938		0.1068		0.1068		0.1195		0.1195

Table IV.9  
DEPARTMENT OF HEALTH, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
4. Community Health Program	1.0000	0.7104		0.7332	1.0000	0.4286		0.4736	1.0000	0.6033		0.6459
a. Community Health Service	1.0000	0.9129		0.9586	1.0000	0.3377		0.6851	1.0000	0.3699		0.7147
b. Traditional Medicine Program		0.7382		0.7382		0.5052		0.5052		0.6844		0.6844
c. Health Development Program		0.6145		0.6145		0.3448		0.3448		0.5611		0.5611
d. Community-based Rehabilitation Program		0.9470		0.9470		0.7329		0.7329		0.7739		0.7739
e. Indigenous People		1.0000		1.0000		0.6755		0.6755		0.6755		0.6755
5. Provision for a pool of eighty (80) Rural Health Physicians for Doctorless Communities	1.0000	0.7154		0.9020	1.0000	0.2407		0.7386	1.0000	0.3365		0.8188
b. Primary Health Care Program	0.0000	0.7488		0.7014	0.0000	0.4040		0.3784		0.5395		0.5395
c. Health Facilities Maintenance and Operations	0.9912	0.8500	0.9900	0.8947	0.9911	0.7498	0.0762	0.6670	0.9999	0.8822	0.0769	0.7455
d. Health Facility Standards, Regulations and Licensin	1.0000	0.7500	0.7500	0.8554	0.9961	0.5504	0.0153	0.6659	0.9961	0.7339	0.0204	0.7784
e. Drugs and Medicines	0.9388	0.8655		0.8675	0.9083	0.4140		0.4271	0.9675	0.4783		0.4924
j. Women and Children Protection Program		0.0491		0.0491		0.0050		0.0050		0.1024		0.1024
k. Regional Assistance Fund for Drugs & Micronutrients		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
<b>Subtotal, III</b>	0.9877	0.8812	0.9716	0.8946	0.9857	0.4879	0.0675	0.5214	0.9979	0.5537	0.0694	0.5828
<b>TOTAL A</b>	0.5864	0.8613	0.9617	0.7929	0.5838	0.4958	0.0979	0.5082	0.9956	0.5756	0.1018	0.6409
<b>B. PROJECTS</b>												
<b>I. Locally-Funded Project(s)</b>												
a. Construction, Improvement, Repair and Rehabilitation/ Renovation including the Purchase of Equipment of Special Hospitals, Medical Centers, Sanitaria, Regional Hospitals, Central Office, Regional Field Office and Other Related Facilities on a Priority Basis as may be Determined by the Secretary of Health											0.4895	0.4895
b. Health Status Survey		0.7500		0.7500		0.7500		0.7500		1.0000		1.0000
f. Construction and Expansion of the Baguio General Hospital, Baguio City			0.0168	0.0653			0.0152	0.0210		0.1186	0.9045	0.3210
h. Assistance to Mandaluyong Medical Center, Mandaluyong City		0.0267	0.0000	0.0041		0.0000	0.0000	0.0000		0.0000		0.0000
i. Procurement of Medicines and Health Kits		0.0230		0.0230		0.0000		0.0000		0.0000		0.0000
j. Construction of Deep Wells for National Mental Health			3.1676	3.7500			3.1676	3.1676		0.0000	1.0000	0.8447
<b>TOTAL B</b>		0.1883	0.0454	0.0848		0.0894	0.0301	0.0465		0.4749	0.6637	0.5480
<b>TOTAL</b>	0.5864	0.8285	0.2406	0.7097	0.5838	0.4760	0.0446	0.4539	0.9956	0.5745	0.1852	0.6396
<b>Sub-allotment</b>												
Automatic Appropriation (Life & Retirement)										0.9832		0.9832
Miscellaneous Personnel Benefits										0.6376	0.9662	0.8867
<b>TOTAL SUB-ALLOTMENT</b>										0.9799	0.9662	0.9795
<b>GRAND TOTAL</b>	0.7794	0.8305	0.2406	0.7550	0.7729	0.4779	0.0446	0.4983	0.9917	0.5754	0.1852	0.6600

Source: Department of Health, Office of the Secretary

Table IV.10  
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
For the Period Ending December 31, 1998

	Ratio of Allotments to Appropriations				Ratio of Obligations to Appropriations				Ratio of Obligations to Allotments			
	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL	PS	MOE	CO	TOTAL
<b>A. PROGRAMS AND ACTIVITIES</b>												
<b>I. General Administration and Support</b>												
a. General Administration and Support Services												
a. General Management and Supervision												
1. General administrative services	1.00000	0.75479	0.50000	0.88745	1.00000	0.75479	0.50000	0.88745	1.00000	1.00000	1.00000	1.00000
b. Operation and Maintenance of Centers	1.00000	0.90165		0.91704	1.00000	0.90165		0.91704	1.00000	1.00000		1.00000
c. Human Resources Training and Development including an amount of P15 Million for Teacher's Training		0.61543	1.00000	0.63447		0.61543	1.00000	0.63447		1.00000	1.00000	1.00000
d. Contributions to Various Activities		0.80884		0.80884		0.80884		0.80884		1.00000		1.00000
e. Out-of-School Adult Education Program		0.75000		0.75000		0.75000		0.75000		1.00000		1.00000
<b>Subtotal, I</b>	1.00000	0.76858	0.66667	0.86309	1.00000	0.76858	0.66667	0.86309	1.00000	1.00000	1.00000	1.00000
<b>II. Support to Operations</b>	1.00000	0.68302		0.88246	1.00000	0.68302		0.88246	1.00000	1.00000		1.00000
<b>III. Operations</b>												
e. Regional Operations												
16. NATIONWIDE												
a. Requirements of Newly-Created Positions												
3. Requirements for the following Positions Authorized in 1996 Subject to Actual Deployment by Municipalities												
a. Teacher I Positions (2,000 Items)	0.24128	0.00000		0.24074	0.24128	0.00000		0.24074	1.00000			1.00000
b. Public Health Nurse Positions (2,240 Items)	0.81518			0.81518	0.81518			0.81518	1.00000			1.00000
b. Government Assistance to Students and Teachers in private Education (GASTPE)		0.75000		0.75000		0.75000		0.75000		1.00000		1.00000
c. Lump-sum for Reclassification of Positions	1.00000			1.00000	1.00000			1.00000	1.00000			1.00000
d. Lump-sum for Subsistence and Laundry Allowance	1.00000			1.00000	1.00000			1.00000	1.00000			1.00000
e. Pre-School Education		0.75000		0.75000		0.00000		0.00000		0.00000		0.00000
f. Secondary Education												
1. Operational Expenses of Newly-Legislated/ Established High Schools	0.55782	0.00000		0.47949	0.55782	0.00000		0.47949	1.00000			1.00000
h. Purchase of Desks, Chairs, Textbooks, Instructional Materials, Tools, Furniture, Fixtures, Computers and other Equipment		0.51265	0.00000	0.37714		0.00000	0.00000	0.00000		0.00000		0.00000
m. Lump-sum for Land and Land Improvement Outlay			0.19595	0.19595			0.17380	0.17380			0.88697	0.88697
<b>Subtotal, III</b>	0.58351	0.66390	0.03403	0.58369	0.58351	0.46453	0.03018	0.46676	1.00000	0.69970	0.88697	0.79967
<b>Total</b>	0.68070	0.67801	0.04449	0.63371	0.68070	0.51052	0.04070	0.53732	1.00000	0.75296	0.91497	0.84790

Source: DECS, Office of the Secretary

Table IV.11  
DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT, 1998 APPROPRIATIONS, ALLOTMENTS & OBLIGATIONS  
OFFICE OF THE SECRETARY (Central Office Only)  
As of September 30, 1998

	Ratio of Allotments to Appropriations TOTAL	Ratio of Obligations to Appropriations TOTAL	Ratio of Obligations to Allotments TOTAL
<b>A. PROGRAMS AND ACTIVITIES</b>			
I. General Administration and Support			
a. General Administration and Support Services			
1. General Management and Supervision	0.87231	0.77259	0.88569
b. Productivity Incentive Bonus	1.00000	1.00000	1.00000
II. Support to Operations			
a. Policy formulation, Standard Setting, Program Devt, Social Research, International and Local Networking, and Technical Assistance			
1. Family and Community Welfare	0.86734	0.82510	0.95131
2. Child and Youth Welfare	0.67152	0.66774	0.99438
3. Women's Welfare	0.63824	0.63150	0.98945
4. Disabled Person's Welfare	0.88878	0.87694	0.98667
5. Emergency Assistance	0.48790	0.48729	0.99873
III. Operations			
a. Assistance Program for Distressed and Disadvantage Population			
1. Nationwide Emergency Assistance/Calamity Relief Operations, etc.	0.45737	0.44158	0.96546
2. Assistance to Persons with Disability including P15,000,000 for Senior Citizens	0.41824	0.41824	1.00000
3. Protective Services for Children and Youth in Especially Difficult Circumstances	0.63173	0.54063	0.85579
c. Maintenance and Operations of Centers and Ins'	0.79948	0.79818	0.99837
<b>TOTAL</b>	0.75391	0.72485	0.96145
<b>B. PROJECTS</b>			
I. Locally-Funded Project(s)			
a. CIDSS in the Most Depressed Provs under SR/	0.75086	0.74976	0.99853
b. Sulong Dunong Para sa Kabataan	0.75000	0.74867	0.99822
c. Tulay 2000	0.75000	0.75000	1.00000
d. Special Project for Poverty Mapping	0.75000	0.66787	0.89050
e. SEA-Kaunlaran II	0.75000	0.74580	0.99440
f. Family Welfare Fund	0.75000	0.16667	0.22222
<b>TOTAL</b>	0.75080	0.74510	0.99241
<b>GRAND TOTAL</b>	0.75268	0.73283	0.97362

Source: Department of Social Welfare and Development, Office of the Secretary

**Table IV.12**  
**PERCENTAGE CHANGE IN LOCALLY SOURCED REVENUE**  
**1997-1998**

	<b>GROWTH RATE (%)</b>				<b>Ratio of Actual LSR to Estimated LSR</b>
	<i>RPT</i> <sup>1</sup>	<i>Other Tax</i>	<i>Nontax</i>	<i>Total LSR</i> <sup>2</sup>	
<b>Province</b>					
Bulacan	0.26	(0.29)	0.26	0.14	100.00
Iloilo	23.25	2.46	5.30	16.70	125.61
Misamis Oriental	(1.70)	3.21	(20.27)	(19.01)	71.43
Southern Leyte	(0.02)	(0.04)	(0.10)	(0.05)	80.50
<b>Cities</b>					
Antipolo	(1.06)	12.88	(58.93)	(18.34)	91.70
Quezon	(5.31)	(5.02)	(8.28)	(5.50)	76.23
Iloilo	8.74	6.47	12.37	8.18	100.00
Cagayan de Oro	8.23	15.95	8.42	11.86	84.57
Davao	25.78	(12.47)	26.56	4.22	68.99
<b>Municipalities</b>					
San Jose del Monte, Bulac	(14.24)	11.70	(23.05)	(9.11)	119.77
Bauan, Batangas	(27.68)	5.58	19.92	11.84	98.00
Banate, Iloilo	(7.99)	(64.20)	(49.51)	(49.75)	23.65
Leon, Iloilo	1.97	25.41	(8.70)	(1.22)	106.49
San Miguel, Iloilo	26.01	15.43	18.98	20.64	72.93
Libagon, S. Leyte	13.38	25.09	(7.23)	2.11	94.09
Padre Burgos, S. Leyte	69.88	9.95	(3.17)	6.00	49.95
Tomas Oppus, S. Leyte	(6.97)	(6.24)	37.96	10.30	68.14
Gitagum, Misamis Oriental	(29.49)	8.56	25.75	(0.91)	93.36
Libertad, Misamis Oriental	(22.39)	29.00	29.25	22.63	45.16
Opol, Misamis Oriental	(20.42)	30.38	19.70	16.39	47.98

Notes : 1/ RPT - Real Property Tax

2/ Locally Sourced Revenue

Source: Local Government Units.



**Table IV.13**  
**EXPENDITURE SHARE BY SECTOR, APPROPRIATIONS VERSUS OBLIGATIONS**  
**GENERAL FUND (CURRENT ACCOUNT ONLY), 1998**

	<u>GENERAL SERVICES</u>		<u>ECONOMIC SERVICES</u>		<u>SOCIAL SERVICES</u>		<u>HEALTH</u>		<u>SOCIAL WELFARE</u>	
	<i>Appropriations</i>	<i>Obligations</i>	<i>Appropriations</i>	<i>Obligations</i>	<i>Appropriations</i>	<i>Obligations</i>	<i>Appropriations</i>	<i>Obligations</i>	<i>Appropriations</i>	<i>Obligations</i>
<b>Province</b>										
Bulacan	35.57	35.57	19.65	19.65	39.26	39.26	25.19	25.19	2.62	2.62
Iloilo	40.70	46.64	26.95	29.39	15.34	16.79	5.97	7.01	0.54	0.64
Misamis Oriental	22.23	23.35	33.31	38.90	28.64	28.34	20.22	21.03	1.97	1.93
Southern Leyte	20.54	22.22	30.47	26.81	35.71	38.85	34.95	38.11	0.63	0.64
<b>Cities</b>										
Antipolo	38.33	40.96	17.42	17.42	24.86	24.94	8.09	8.22	1.35	1.33
Quezon	46.97	43.42	5.15	6.01	28.59	31.44	4.58	4.50	1.85	1.77
Iloilo	38.38	48.79	21.72	12.67	29.29	28.10	9.64	12.39	3.83	4.91
Cagayan de Oro	29.97	31.28	21.73	20.09	37.28	37.92	13.34	14.63	1.91	2.19
Davao	41.76	46.56	19.70	13.42	18.46	19.70	7.28	7.67	2.09	2.05
<b>Municipalities</b>										
San Jose del Monte, Bulaca	64.39	62.14	10.56	11.29	18.53	20.09	12.16	13.51	1.66	1.72
Bauan, Batangas	16.91	16.99	63.35	64.52	18.24	18.36	11.03	11.24	0.48	0.48
Banate, Iloilo	51.70	56.91	19.38	18.62	11.94	13.26	7.95	9.13	3.98	4.13
Leon, Iloilo	54.38	57.21	18.11	19.36	16.21	16.82	11.21	12.82	2.18	2.56
San Miguel, Iloilo	49.97	54.41	27.73	23.92	17.35	16.26	8.57	8.61	2.77	3.29
Libagon, S. Leyte	56.37	62.02	24.12	20.95	14.20	16.17	7.86	9.08	6.34	7.09
Padre Burgos, S. Leyte	55.87	61.14	28.48	25.24	11.10	13.48	6.24	7.65	4.85	5.83
Tomas Oppus, S. Leyte	63.22	63.08	21.44	21.16	10.47	11.38	8.70	9.42	1.77	1.96
Gitagum, Misamis Oriental	53.27	57.78	21.59	20.73	20.47	21.37	10.47	11.77	3.57	3.59
Libertad, Misamis Oriental	43.95	49.87	21.70	25.47	27.24	21.83	12.09	10.54	7.23	7.85
Opol, Misamis Oriental	42.31	51.33	23.82	23.95	17.83	12.83	9.96	8.87	2.94	2.36

Source: Local Government Units



TABLE V.1 LABOR FORCE PARTICIPATION RATE BY AGE GROUP, URBAN-RURAL, 1995-1999

	1995					1996					1997					1998					1999
	Q1	Q2	Q3	Q4	Ave	Q1	Q2	Q3	Q4	Ave	Q1	Q2	Q3	Q4	Ave	Q1	Q2	Q3	Q4	Ave	Q1
<b>Philippines</b>	64.27	67.60	65.61	65.56	65.76	65.49	69.09	66.28	65.81	66.67	65.37	68.76	65.67	65.49	66.32	65.02	68.60	64.93	65.97	66.13	65.32
15-19 years	35.50	50.72	40.45	37.72	41.15	37.49	52.79	39.71	38.14	42.14	37.47	52.33	37.45	36.17	40.86	35.59	52.03	35.28	37.66	40.15	36.15
20-24 years	67.63	72.53	69.63	68.29	69.53	68.80	73.80	68.11	66.59	69.28	66.42	71.38	67.56	66.10	67.86	66.42	71.70	66.83	67.41	68.09	65.88
25-34 year	73.45	74.05	73.75	74.62	73.96	75.19	75.79	74.60	74.97	75.12	74.65	75.06	74.75	74.90	74.84	74.27	74.76	74.34	75.16	74.63	74.90
35-44 years	77.05	76.89	77.50	78.29	77.43	77.92	77.86	78.29	78.44	78.13	78.05	77.98	79.10	79.59	78.68	78.62	78.58	78.77	79.47	78.86	79.11
45-54 years	77.96	77.41	78.53	78.97	78.22	78.56	78.88	79.25	79.25	78.98	79.06	79.07	10.77	78.82	61.75	78.57	78.34	78.40	78.94	78.56	78.61
55-64 years	69.19	69.49	68.80	70.65	69.52	70.60	71.05	69.29	69.98	70.26	69.60	70.01	69.86	70.37	69.97	70.71	70.12	69.54	70.62	70.25	69.94
65 years and over	41.91	40.50	40.93	43.03	41.58	42.39	41.87	42.30	42.10	42.16	41.07	40.91	41.82	42.11	41.49	41.24	40.97	41.07	42.39	41.42	41.75
Age not reported	-	-	40.00	-	12.50	-	25.00	20.00	66.67	35.29	-	-	50.00	25.00	28.57	-	50.00	-	42.86	29.17	33.33
<b>Urban</b>	62.01	64.54	63.15	62.59	63.08	62.83	66.25	63.46	62.99	63.89	62.51	65.77	63.42	63.10	63.70	62.75	66.35	62.79	63.87	63.94	63.41
15-19 years	29.62	41.72	33.60	30.32	33.86	31.05	44.82	31.75	30.68	34.75	29.56	42.89	31.40	29.95	33.45	29.10	43.50	29.61	31.78	33.50	30.75
20-24 years	66.97	71.63	68.48	66.77	68.49	67.85	73.21	34.16	65.45	60.20	65.14	37.87	67.16	65.42	58.94	66.10	71.86	66.72	67.06	67.93	65.29
25-34 year	74.30	74.39	74.60	75.68	74.74	76.10	76.82	75.42	75.27	75.88	75.19	76.01	75.41	75.69	75.57	75.26	75.89	75.16	76.19	75.62	75.99
35-44 years	76.46	75.77	76.72	76.96	76.48	77.07	76.54	77.39	77.82	77.21	77.04	77.50	78.86	78.88	78.07	78.10	78.64	77.83	79.41	78.50	78.75
45-54 years	75.67	75.40	76.75	76.02	75.96	75.39	75.81	76.79	76.39	76.07	75.86	76.40	76.52	77.22	76.51	76.74	77.03	77.07	77.26	77.03	77.20
55-64 years	62.51	62.62	62.67	63.46	62.81	64.12	64.77	62.99	63.60	63.92	63.31	62.33	63.06	63.74	63.11	64.03	63.83	62.21	63.83	63.48	63.67
65 years and over	33.36	31.62	32.17	33.16	32.57	33.03	32.54	31.43	31.12	32.05	31.24	31.37	31.39	32.34	31.59	31.74	32.01	31.05	32.27	31.77	32.18
Age not reported	-	-	-	-	-	100.00	33.33	100.00	62.50	-	-	-	50.00	-	28.57	-	75.00	50.00	50.00	54.55	-
<b>Rural</b>	66.59	70.77	68.15	68.60	68.53	68.25	72.03	68.96	68.50	69.42	68.06	71.58	67.80	67.74	68.79	67.17	70.72	66.96	67.95	68.20	67.12
15-19 years	41.38	59.74	47.49	45.14	48.50	44.13	60.84	47.20	45.09	49.37	44.69	60.96	43.03	41.95	47.67	41.55	59.74	40.51	43.07	46.25	41.05
20-24 years	68.48	73.70	71.09	70.14	70.86	69.95	74.46	69.68	67.86	70.41	67.84	72.66	68.00	66.88	68.85	66.79	71.48	66.99	67.84	68.28	66.54
25-34 year	72.49	73.68	72.80	73.41	73.10	74.19	74.62	73.77	74.65	74.30	74.12	74.10	74.06	74.09	74.09	73.26	73.59	73.49	74.08	73.60	73.74
35-44 years	77.64	78.02	78.31	79.63	78.40	78.80	79.18	79.11	79.03	79.03	79.01	78.45	79.29	80.26	79.25	79.12	78.54	79.67	79.53	79.21	79.45
45-54 years	80.22	79.38	80.27	81.92	80.44	81.73	81.90	81.54	81.90	81.77	82.04	81.52	80.05	80.28	80.95	80.16	79.54	79.50	80.40	79.90	79.85
55-64 years	75.29	75.67	74.35	77.14	75.60	76.66	77.08	74.61	75.30	75.93	74.76	76.29	75.47	75.69	75.56	76.23	75.20	75.41	76.12	75.74	75.16
65 years and over	49.12	48.10	48.19	51.22	49.15	50.24	49.51	50.94	50.82	50.37	48.67	48.57	50.31	50.08	49.42	48.99	48.36	48.92	50.57	49.22	49.41
Age not reported	-	50.00	66.67	-	44.44	-	-	-	50.00	14.29	-	-	50.00	50.00	28.57	-	25.00	-	33.33	15.38	25.00

Source: Labor Force Survey, National Statistics Office

TABLE V.2 LABOR FORCE BY EMPLOYMENT STATUS, URBAN-RURAL, 1995-1998

	1995				1996				1997				1998				1999
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Labor Force</b>																	
Philippines	27619	29259	28602	28040	28924	30713	29657	29637	29631	31368	30154	30265	30240	32111	30593	31278	31168
Urban	13530	14209	14027	13542	14129	14975	13841	13826	13738	14596	14145	14180	14212	15112	14363	14733	14720
Rural	14089	15051	14574	14497	14795	15738	15816	15811	15893	16772	16009	16084	16027	16998	16230	16545	16448
<b>Employed</b>																	
Philippines	25194	25724	26090	25698	26527	27358	27419	27442	27335	28105	27531	27888	27689	27837	27856	28262	28368
Urban	11964	12103	12379	12045	12637	12883	12478	12505	12423	12748	12523	12688	12658	12790	12680	12947	12963
Rural	13230	13621	13710	13652	13890	14475	14941	14937	14912	15357	15008	15200	15031	15046	15176	15315	15405
<b>Unemployed</b>																	
Philippines	2425	3535	2512	2342	2397	3355	2238	2195	2296	3263	2623	2377	2551	4274	2737	3016	2800
Urban	1566	2106	1648	1497	1492	2092	1363	1321	1315	1848	1622	1492	1554	2322	1683	1786	1757
Rural	859	1430	864	845	905	1263	875	874	981	1415	1001	884	996	1952	1054	1230	1043
<b>Unemployment Rate</b>																	
Philippines	8.8	12.1	8.8	8.4	8.3	10.9	7.5	7.4	7.7	10.4	8.7	7.9	8.4	13.3	8.9	9.6	9.0
Urban	11.6	14.8	11.7	11.1	10.6	14.0	9.8	9.6	9.6	12.7	11.5	10.5	10.9	15.4	11.7	12.1	11.9
Rural	6.1	9.5	5.9	5.8	6.1	8.0	5.5	5.5	6.2	8.4	6.3	5.5	6.2	11.5	6.5	7.4	6.3
<b>Underemployment Rate</b>																	
Philippines	18.6	20.3	21.3	19.8	21.0	22.2	21.5	19.4	21.1	23.4	23.1	20.8	21.6	21.0	20.8	23.7	22.1
Urban	14.6	17.3	19.1	17.3	18.5	19.9	18.1	14.4	16.9	20.2	19.1	16.9	17.7	17.1	17.3	20.6	18.6
Rural	22.2	23.0	23.3	22.0	23.2	24.3	24.4	23.6	24.5	26.1	26.3	24.1	24.9	24.3	23.8	26.3	25.1

Source: National Statistics Office

**TABLE V.3 EMPLOYMENT BY MAJOR INDUSTRY GROUP (In Thousand Persons), 1991 - 1998**

Industry Group	1991	1992	1993	1994	1995	1996	1997	1998
<b>Total</b>	22,979	23,917	24,443	25,166	25,696	27,442	27,888	28,261
Agriculture, Fishery and Forestry	10,403	10,869	11,194	11,249	11,323	11,451	11,260	11,272
Industry	3,686	3,816	3,793	3,970	4,008	4,567	4,659	4,442
Mining and Quarrying	150	143	130	101	95	115	124	104
Manufacturing	2,391	2,546	2,455	2,582	2,571	2,756	2,755	2,687
Electricity, Gas and Water	99	92	106	100	103	123	139	140
Construction	1,046	1,035	1,102	1,187	1,239	1,573	1,641	1,511
Services	8,891	9,231	9,457	9,947	10,365	11,424	11,969	12,547
Wholesale and Retail	3,172	3,283	3,415	3,563	3,745	4,062	4,219	4,328
Transportation, Storage and Communication	1,143	1,221	1,359	1,402	1,489	1,657	1,769	1,885
Financing, Insurance, Real Estate and Business Services	451	452	496	494	551	681	680	695
Community, Social and Personal Services	4,116	4,254	4,174	4,480	4,559	5,019	5,296	5,631
Not elsewhere classified	9	21	13	8	21	5	5	8

Source: October Rounds of the Labor Force Survey, National Statistics Office

**TABLE V.4 EMPLOYED WORKERS BY AGE GROUP, URBAN-RURAL, January 1996 to October 1998**

<b>Area and Age Group</b>	<b>Jan-96</b>	<b>Apr-96</b>	<b>Jul-96</b>	<b>Oct-96</b>	<b>Jan-97</b>	<b>Apr-97</b>	<b>Jul-97</b>	<b>Oct-97</b>	<b>Jan-98</b>	<b>Apr-98</b>	<b>Jul-98</b>	<b>Oct-98</b>
Philippines	26,527	27,358	27,419	27,335	27,335	28,105	27,531	27,888	27,689	27,837	27,856	28,262
15 - 19	2,688	3,255	2,696	2,615	2,615	3,185	2,517	2,549	2,497	2,879	2,464	2,571
20 - 24	3,158	3,324	3,383	3,366	3,366	3,401	3,295	3,242	3,219	3,264	3,285	3,255
25 - 34	6,213	6,175	7,068	7,019	7,019	7,000	6,982	7,024	6,888	6,789	6,922	6,913
35 - 44	6,027	6,059	6,380	6,370	6,370	6,322	6,409	6,535	6,510	6,426	6,437	6,648
45 - 54	4,527	4,584	4,282	4,303	4,303	4,413	4,440	4,548	4,553	4,493	4,677	4,709
55 - 64	2,684	2,725	2,428	2,480	2,480	2,582	2,625	2,702	2,745	2,712	2,739	2,785
65 years and over	1,230	1,234	1,181	1,182	1,182	1,203	1,260	1,288	1,276	1,270	1,331	1,379
Age not reported	-	1	1	-	-	-	3	1	-	4	1	2
Urban	12,637	12,883	12,478	12,423	12,423	12,748	12,523	12,688	12,658	12,790	12,680	12,947
15 - 19	1,042	1,193	964	912	912	1,099	899	930	886	986	909	941
20 - 24	1,650	1,694	1,665	1,658	1,658	1,679	1,631	1,602	1,621	1,651	1,631	1,642
25 - 34	3,249	3,236	3,486	3,470	3,470	3,512	3,478	3,484	3,441	3,434	3,462	3,502
35 - 44	2,938	2,956	3,023	3,023	3,023	3,006	3,041	3,076	3,078	3,072	3,041	3,173
45 - 54	2,158	2,172	1,963	1,961	1,961	2,019	1,997	2,081	2,076	2,099	2,127	2,109
55 - 64	1,169	1,202	997	1,008	1,008	1,025	1,058	1,073	1,112	1,101	1,072	1,113
65 years and over	432	430	379	391	391	408	418	443	443	446	437	467
Age not reported	-	1	1	-	-	-	2	-	-	3	1	1
Rural	21,678	14,475	14,941	14,912	14,912	15,357	15,008	15,200	15,031	15,046	15,176	15,315
15 - 19	1,646	2,062	1,732	1,703	1,703	2,086	1,619	1,619	1,611	1,893	1,555	1,630
20 - 24	1,508	1,630	1,718	1,709	1,709	1,722	1,664	1,640	1,598	1,613	1,654	1,613
25 - 34	2,964	2,939	3,582	3,549	3,549	3,488	3,504	3,540	3,447	3,355	3,460	3,411
35 - 44	3,090	3,103	3,357	3,347	3,347	3,316	3,368	3,459	3,432	3,354	3,396	3,476
45 - 54	2,369	2,412	2,319	2,342	2,342	2,394	2,443	2,467	2,476	2,394	2,550	2,600
55 - 64	1,515	1,523	1,431	1,472	1,472	1,557	1,567	1,629	1,634	1,611	1,667	1,672
65 years and over	798	804	802	791	791	795	842	845	833	824	894	912
Age not reported	-	-	-	-	-	-	1	1	-	1	-	1

Source: Various Labor Force Survey rounds, National Statistics Office.

**TABLE V.5 TOTAL EMPLOYED BY HIGHEST EDUCATIONAL ATTAINMENT, January 1996 - October 1998**

<b>Educational Attainment</b>	<b>Jan-96</b>	<b>Apr-96</b>	<b>Jul-96</b>	<b>Oct-96</b>	<b>Jan-97</b>	<b>Apr-97</b>	<b>Jul-97</b>	<b>Oct-97</b>	<b>Jan-98</b>	<b>Apr-98</b>	<b>Jul-98</b>	<b>Oct-98</b>
Total	26,527	27,358	27,419	27,442	27,335	28,105	27,531	27,888	27,689	27,837	27,856	28,262
No Grade Completed	844	822	934	884	892	903	858	870	859	812	820	844
Grade I to V	5,099	5,060	5,385	5,306	5,220	5,285	5,382	5,335	5,262	5,123	5,233	5,312
Elementary Graduate	5,966	6,061	5,970	5,998	5,968	5,893	5,860	6,064	5,966	5,865	5,915	5,907
1st to 3rd Year	3,467	3,785	3,540	3,478	3,495	3,876	3,605	3,636	3,622	3,818	3,684	3,760
High School Graduate	5,467	5,687	5,430	5,498	5,471	5,571	5,585	5,713	5,663	5,777	5,724	5,881
College Undergraduate	2,730	2,910	2,966	2,963	2,966	3,260	3,095	3,062	3,065	3,243	3,145	3,125
College Graduate	2,911	2,988	3,129	3,266	3,257	3,250	3,079	3,128	3,160	3,110	3,267	3,347
Not Reported	43	54	65	50	65	67	67	79	92	88	69	85

Source: Various Labor Force Survey rounds, National Statistics Office.

**TABLE V.6 DEPLOYED OVERSEAS FILIPINO WORKERS, 1991-1998**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>In Persons</b>								
Workers Deployed	615,019	686,461	696,630	719,602	654,022	660,122	747,696	755,684
Landbased	489,260	549,655	550,872	565,226	488,621	484,653	559,227	562,384
Seabased	125,759	136,806	145,758	154,376	165,401	175,469	188,469	193,300
<b>Growth Rates (%)</b>								
Workers Deployed	37.9	11.6	1.5	3.3	-9.1	0.9	13.3	1.1
Landbased	46.1	12.3	0.2	2.6	-13.6	-0.8	15.4	0.6
Seabased	13.1	8.8	6.5	5.9	7.1	6.1	7.4	2.6

Source: Philippine Overseas Employment Administration



**TABLE V.7 DEPLOYED LANDBASED OVERSEAS FILIPINO WORKERS BY COUNTRY OF DESTINATION, 1991-1998**

	In Persons								Growth Rates (%)						
	1991	1992	1993	1994	1995	1996	1997	1998	1992	1993	1994	1995	1996	1997	1998
<b>Total</b>	<b>489260</b>	<b>549655</b>	<b>550872</b>	<b>565226</b>	<b>488621</b>	<b>484653</b>	<b>559227</b>	<b>562344</b>	<b>12.3</b>	<b>0.2</b>	<b>2.6</b>	<b>-13.6</b>	<b>-0.8</b>	<b>15.4</b>	<b>0.6</b>
Asia	132592	134776	168205	194120	166774	174308	235129	221257	1.6	24.8	15.4	-14.1	4.5	34.9	-5.9
Hongkong	50652	52261	62583	62161	51701	43861	78513	64160	3.2	19.8	-0.7	-16.8	-15.2	79.0	-18.3
Indonesia	639	760	812	922	1225	1497	2031	1625	18.9	6.8	13.5	32.9	22.2	35.7	-20.0
Japan	57344	51949	43542	54879	25032	20183	33226	38122	-9.4	-16.2	26.0	-54.4	-19.4	64.6	14.7
Korea	193	230	703	5054	4395	2968	3647	2091	19.2	205.7	618.9	-13.0	-32.5	22.9	-42.7
Malaysia	5741	7095	12409	11674	11622	12340	13581	4660	23.6	74.9	-5.9	-0.4	6.2	10.1	-65.7
Singapore	7697	8656	11568	11324	10736	15087	16055	13373	12.5	33.6	-2.1	-5.2	40.5	6.4	-16.7
Thailand	43	109	278	442	748	916	1269	1058	153.5	155.0	59.0	69.2	22.5	38.5	-16.6
Others	10283	13716	36310	47664	61315	77456	86807	96168	33.4	164.7	31.3	28.6	26.3	12.1	10.8
Middle East	302825	340604	302975	286387	234310	221224	221047	226803	12.5	-11.0	-5.5	-18.2	-5.6	-0.1	2.6
Americas	13373	12319	12228	12603	13469	8378	7058	8210	-7.9	-0.7	3.1	6.9	-37.8	-15.8	16.3
Europe	13156	14590	13423	11513	10279	11409	12626	15682	10.9	-8.0	-14.2	-10.7	11.0	10.7	24.2
Africa	1964	2510	2425	3255	3615	2494	3517	5548	27.8	-3.4	34.2	11.1	-31.0	41.0	57.7
Oceania	1374	1669	1507	1295	1398	1577	1970	2062	21.5	-9.7	-14.1	8.0	12.8	24.9	4.7
Trust Territories	7380	11164	8890	8489	7039	4869	5280	6483	51.3	-20.4	-4.5	-17.1	-30.8	8.4	22.8
Unspecified	16596	32023	41219	47564	51737	60394	72600	76299	93.0	28.7	15.4	8.8	16.7	20.2	5.1

Source: Philippine Overseas Employment Administration

**TABLE V.8 REMITTANCES OF OVERSEAS FILIPINO WORKERS - BY DESTINATION, 1990-1998**  
(in Thousand US Dollar)

<b>YEAR</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998<sup>b</sup></b>
Total	1203009	1649374	2221788	2276395	3008117	3868378	4306641	5741835	4461894
Africa	25	18	6	1	10	0	0	0	516
America	803235	1276295	1162823	1430656	1984888	2763188	2579942	4127656	3592331
Asia	75401	89701	112009	172983	388930	462250	535959	454791	372090
Europe	93053	112868	147932	178470	254364	250490	574062	436050	304018
Middle East	105362	104793	152653	173278	131688	41483	39188	25375	53030
Oceania	19714	9097	8036	10866	54614	70638	67873	19396	14703
Other <sup>a</sup>	106219	56602	638329	310141	193623	280329	509617	678567	125206

Notes:

<sup>a</sup> Total amount of remittances of Overseas Filipino Workers from countries not elsewhere classified.  
Thus, totals for the regions may be understated as there may be countries covered which are lumped under others.

<sup>b</sup> January-November 1998

Source: Bangko Sentral ng Pilipinas

**TABLE V.9 NUMBER OF FIRMS THAT CLOSED OR RETRENCHED DUE TO ECONOMIC REASONS**  
**Semestral Data, 1996-1998**

<b>Semester</b>	<b>Total</b>	<b>Closure</b>	<b>Retrenchment</b>	<b>Rotation, etc.</b>
1996	1,079	347	724	39
1st Sem	614	146	455	20
2nd Sem	599	211	372	23
1997	1,155	338	804	48
1st Sem	580	180	381	26
2nd Sem	683	163	508	25
1998	3,072	642	2,310	293
1st Sem	1,936	403	1,420	172
2nd Sem	1,725	254	1,378	169

Source : Bureau of Labor and Employment Statistics

- Figures may not add up to total due to multiple reporting

**TABLE V.10**  
**NUMBER OF FIRMS THAT CLOSED OR RETRENCHED DUE TO ECONOMIC REASONS**  
**Regional Annual Data, 1996 -1998**

Region	1996	1997	1998
Philippines	1,077	1,155	3,072
NCR	610	575	1,708
CAR	10	12	16
1 - Ilocos Region	15	21	40
2 - Cagayan Valley	8	5	21
3 - Central Luzon	48	60	155
4 - Southern Tagalog	52	99	192
5 - Bicol Region	8	25	26
6 - Western Visayas	48	72	186
7 - Central visayas	140	115	268
8 - Eastern Visayas	0	13	32
9 - Western Mindanao	6	9	18
10 - Northern Mindanao	27	37	108
11 - Southern Mindanao	96	98	257
12 - Central Mindanao	0	14	26
CARAGA	9	0	19

Source : Bureau of Labor and Employment Statistics

**TALBE V.11**  
**NUMBER OF FIRMS THAT CLOSED OR RETRENCHED DUE TO ECONOMIC REASONS**  
**BY SECTOR, Annual Data, 1996-1998**

Industry	1996	1997	1998
All Industries	1,077	1,155	3,072
Agricultural, Fishery and Forestry	97	70	95
Industry	545	568	1,254
Mining	14	23	48
Manufacturing	508	505	1,025
Electricity, Gas and Water	2	9	8
Construction	21	31	173
Services	435	517	1,723
Wholesale and Retail Trade	134	167	600
Transportation , Storage and Comm.	68	91	257
Financing, Insurance, R. Estate and Business Services	93	130	491
Community, Social and Personal Services	140	129	375

Source : Bureau of Labor and Employment Statistics

TABLE V.12 NUMBER OF WORKERS AFFECTED BY THE CRISIS, PHILIPPINES, 1995-1998

MONTH	1995				1996				1997				1998			
	Total	Permanent	Temporary	Rotation, etc.	Total	Permanent	Temporary	Rotation, etc.	Total	Permanent	Temporary	Rotation, etc.	Total	Permanent	Temporary	Rotation, etc.
<b>Total</b>	<b>66,060</b>	<b>37,980</b>	<b>19,265</b>	<b>8,815</b>	<b>80,701</b>	<b>47,008</b>	<b>29,487</b>	<b>4,206</b>	<b>62,724</b>	<b>39,176</b>	<b>19,843</b>	<b>3,705</b>	<b>155,198</b>	<b>76,726</b>	<b>50,744</b>	<b>27,728</b>
January	3,156	2,075	503	578	7,324	3,783	2,557	984	5,093	4,337	671	85	15,568	6,428	7,387	1,753
February	4,050	1,745	1,478	827	4,664	2,955	1,353	356	3,400	1,991	734	675	17,046	7,844	5,700	3,502
March	2,945	1,683	905	357	8,720	7,282	1,338	100	7,357	5,875	1,191	291	19,577	8,572	7,652	3,353
April	3,556	2,970	174	412	6,003	3,940	1,879	184	4,218	3,553	364	301	10,434	6,091	2,717	1,626
May	2,483	1,739	332	412	7,303	2,590	4,641	72	7,988	4,111	3,603	274	9,218	6,230	1,287	1,701
June	3,422	2,239	836	347	6,309	2,081	4,147	81	5,059	1,596	3,210	253	12,009	4,758	4,699	2,552
July	5,929	1,821	1,373	2,735	8,292	5,000	3,074	218	5,099	2,638	2,113	348	16,114	8,820	4,806	2,488
August	5,681	2,709	2,039	933	10,759	7,050	2,949	760	2,988	2,175	737	76	16,146	7,627	4,839	3,680
September	2,547	1,443	627	477	4,853	3,579	638	636	3,760	2,440	974	346	12,958	5,885	4,700	2,373
October	11,385	8,955	1,511	919	5,930	2,902	2,213	815	4,243	2,914	704	625	12,849	6,923	4,293	1,633
November	4,681	3,414	650	617	3,554	2,661	893	0	6,042	3,397	2,466	179	8,397	4,426	1,762	2,209
December	16,225	7,187	8,837	201	6,990	3,185	3,805	0	7,477	4,149	3,076	252	4,882	3,122	902	858

Source: Bureau of Labor and Employment Statistics (BLES)

**Permanent** complete and total separation of workers from employment.  
**Temporary** separation of workers not more than six (6) months.  
**Rotation, etc.** rotation of work, reduce of working time.

**TABLE V.13**  
**IMPACT OF THE CRISIS AND EL NIÑO**  
**ON EMPLOYMENT AND LABOR MARKET, JANUARY 1999**  
**(Percent of Communities)**

<b>Impact</b>	<b>Middle income</b>	<b>Urban Poor</b>	<b>Fishing</b>	<b>Farming</b>
No Effect	15			18
Retrenchment	39	43	50	23
Closure	31	14	13	9
Large Scale Unemployment	8	29		9
Slack demand for laborers (esp. construction workers)	15	43	13	5
Longer working hours	8	57	13	9
Job rotation	31	14	25	5
Contractualization	8	57	13	5
Below Minimum Wage Employment	15	14	13	
Reduced business operation	8	29	13	

Source :Social Impact of the Regional Financial Crisis, 1999  
Focus Group Discussions

**TABLE V.14 PERCENT DISTRIBUTION OF PERSONS 15 YEARS OLD AND OVER  
BY OCCUPATION, BY SEX, ALL COMMUNITIES**

<b>Occupation</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
All Occupation	100.0	100.0	100.0	100.0	49.3	50.7
Professional	3.7	3.0	4.5	100.0	39.3	60.7
Administrative, executive	1.8	3.1	0.5	100.0	85.2	14.8
Clerk, office worker	3.1	2.7	3.4	100.0	43.5	56.5
Sales worker	5.9	3.8	7.9	100.0	31.8	68.2
Beautician, barber, service worker, inc. household help	6.3	4.1	8.4	100.0	31.9	68.1
Factory worker, driver, carpenter, laborer and related workers	13.1	22.6	3.9	100.0	84.8	15.2
Farmer, fisherman and related worker	12.6	22.8	2.6	100.0	89.4	10.6
Others	7.5	6.6	8.4	100.0	43.4	56.6
Not Gainfully Employed	46.1	31.4	60.4	100.0	33.5	66.5

Source: Labor Force Survey, National Statistics Office



**TABLE V.15 DISTRIBUTION OF PERSONS 15 YEARS AND OVER, JANUARY 1999  
BY OCCUPATION, SEX AND TYPE OF COMMUNITY**

<b>Occupation and Sex</b>	<b>Commercial</b>	<b>Upland</b>	<b>Sustenance</b>	<b>Fishing</b>	<b>Middle Income</b>	<b>Urban Poor</b>
All Occupation	100.0	100.0	100.0	100.0	100.0	100.0
Female	47.4	47.5	50.6	52.3	50.8	54.5
Male	52.6	52.5	49.4	47.7	49.2	45.5
Professional	2.6	0.5	4.0	1.5	8.3	3.0
Female	83.3	100.0	60.0	66.7	51.9	66.7
Male	16.7	-	40.0	33.3	48.1	33.3
Administrative, executive	0.4	1.0	0.8	0.5	5.2	1.3
Female	100.0	-	-	-	5.9	50.0
Male	-	100.0	100.0	100.0	94.1	50.0
Clerk, office worker	2.6	1.5	3.2	1.0	6.5	2.0
Female	33.3	100.0	75.0	50.0	52.4	50.0
Male	66.7	-	25.0	50.0	47.6	50.0
Sales worker	3.1	3.0	3.2	6.2	7.7	9.9
Female	100.0	66.7	25.0	75.0	56.0	80.0
Male	-	33.3	75.0	25.0	44.0	20.0
Beautician, barber, service worker, inc. household help	6.1	5.5	4.0	7.7	6.8	7.3
Female	57.1	81.8	20.0	66.7	72.7	86.4
Male	42.9	18.2	80.0	33.3	27.3	13.6
Factory worker, driver, carpenter, laborer and related worker	11.8	6.0	10.0	13.3	15.4	18.8
Female	22.2	16.7	24.0	34.6	8.0	5.3
Male	77.8	83.3	76.0	65.4	92.0	94.7
Farmer, fisherman and related worker	19.7	30.5	17.1	16.4	0.6	2.0
Female	17.8	6.6	11.6	3.1	-	33.3
Male	82.2	93.4	88.4	96.9	100.0	66.7
Others, n.e.c.	8.3	7.5	7.2	9.2	4.0	9.9
Female	47.4	80.0	55.6	72.2	53.8	43.3
Male	52.6	20.0	44.4	27.8	46.2	56.7
Not gainfully employed	45.2	44.5	50.6	44.1	45.5	45.9
Female	60.2	67.4	70.9	66.3	66.2	66.9
Male	39.8	32.6	29.1	33.7	33.8	33.1

Source: Social Impact of the Regional Financial Crisis  
Household Survey

**TABLE V.16 REASONS FOR NOT WORKING, JANUARY  
1999  
ALL COMMUNITIES**

Reason	Percent
All Reasons	100.0
Change of residence	5.5
Lack of capital	4.4
No opportunity available	8.8
Not looking for work/laziness	12.1
Others	50.5
Retrenched/dismissed/closure	17.6
Seasonal/farm not ready for planting	1.1

Source: Social Impact of the Regional Financial Crisis  
Household Survey

**Table V.17 Impact of the Financial Crisis on  
Income of Households  
by Decile, 1998**

Decile	Percent Change in Income
1	-7.28
2	-7.08
3	-6.82
4	-6.65
5	-6.30
6	-5.87
7	-5.50
8	-5.06
9	-4.88
10	-4.64

Source: National Statistics Office.

**Table V.18. Comparative Per Capita Income Using 1997 FIES and 1998 APIS**

	1997 FIES	1998 APIS	Growth Rate
Nominal	24,840	23,949	(3.6)
Real	19,909	17,494	(12.1)

Source: National Statistics Office.

**TABLE V.19 COMPARATIVE ANNUAL INCOME PER FAMILY USING the APIS and 1997 FIES,  
BY INCOME DECILE**

<b>Income Decile</b>	<b>1997 Family Income and Expenditure Survey</b>	<b>1998 Annual Poverty Indicator Survey</b>	<b>Percentage Change 1997-1998</b>
PHILIPPINES	123,008	121,438	(1.28)
First Decile	20,659	14,644	(29.12)
Second Decile	33,064	26,852	(18.79)
Third Decile	42,611	36,689	(13.90)
Fourth Decile	53,101	47,211	(11.09)
Fifth Decile	66,291	60,176	(9.22)
Sixth Decile	83,224	76,641	(7.91)
Seventh Decile	106,919	100,170	(6.31)
Eight Decile	141,394	135,051	(4.49)
Ninth Decile	199,891	196,018	(1.94)
Tenth Decile	482,927	520,928	7.87

Sources: FIES, 1997 and APIS, 1998 of the National Statistics Office.

**TABLE V.20 INFLATION RATE BY MAJOR COMMODITY GROUP, 1991 - 1998**  
(In Percent, 1988 = 100)

<b>Commodity Group</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>All Items</b>	<b>18.71</b>	<b>8.95</b>	<b>7.56</b>	<b>9.06</b>	<b>8.10</b>	<b>8.40</b>	<b>5.02</b>	<b>9.01</b>
Food, Beverages and Tobacco	15.35	6.83	6.11	8.27	9.53	9.88	1.93	7.75
Food	14.84	6.58	6.02	8.64	9.93	10.14	1.75	6.42
Beverages	23.35	14.20	6.29	3.16	5.79	8.14	2.19	2.62
Tobacco	18.79	3.00	7.94	6.14	4.12	5.16	6.79	9.75
Non-Food	23.41	11.62	9.43	10.04	6.36	6.56	9.06	9.43
Clothing	16.93	10.77	7.39	4.79	3.33	3.56	3.81	5.71
Housing and Repairs	(26.18)	17.57	12.63	13.08	10.66	9.53	9.66	10.64
Fuel, Light and Water	27.41	5.71	7.59	6.92	2.99	6.60	8.23	7.97
Services	32.51	7.13	7.84	8.82	6.51	9.51	13.24	14.29
Miscellaneous	16.23	13.36	8.04	10.97	0.91	(3.82)	1.99	7.10

Source: National Statistics Office.

**TABLE V.21 INFLATION RATE BY REGION, 1991 - 1998**  
(In Percent, 1988 = 100)

Region	1990	1991	1992	1993	1994	1995	1996	1997	1998
<b>Philippines</b>	<b>128.08</b>	<b>18.71</b>	<b>8.95</b>	<b>7.56</b>	<b>9.06</b>	<b>8.10</b>	<b>8.40</b>	<b>5.02</b>	<b>9.01</b>
NCR	127.30	20.66	12.17	10.50	10.19	8.10	8.33	6.59	9.32
CAR	129.37	15.72	6.57	6.99	11.68	7.94	7.29	2.09	8.54
Ilocos	128.48	16.17	7.46	10.88	8.48	8.41	8.94	2.91	9.64
Cagayan Valley	127.71	15.51	10.86	7.83	5.63	6.52	9.09	3.79	8.88
Central Luzon	124.49	20.63	7.51	5.54	9.98	6.60	7.96	6.01	8.88
Southern Tagalog	129.08	19.15	7.32	5.88	9.01	7.88	8.58	5.82	9.40
Bicol	132.86	16.46	7.06	7.60	8.22	10.68	9.92	2.38	8.13
Western Visayas	131.88	19.04	6.10	8.34	7.13	9.11	7.63	3.99	7.60
Central Visayas	134.48	21.86	8.06	6.38	8.03	6.98	7.54	5.13	7.54
Eastern Visayas	125.68	18.23	9.24	6.75	9.36	9.84	9.70	1.59	8.23
Western Mindanao	129.25	18.05	6.96	6.79	9.23	7.14	10.86	2.75	9.59
Northern Mindanao	126.33	15.49	9.15	5.60	9.29	7.93	7.90	4.18	9.38
Southern Mindanao	120.56	14.49	9.26	4.70	8.66	8.10	7.53	4.17	12.39
Central Mindanao	129.62	18.19	9.02	5.96	7.87	5.32	7.64	4.90	7.41
ARMM	-	-	-	-	-	-	9.33	7.77	13.72

Source: National Statistics Office.

**TABLE V.22**  
**CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES,**  
**ALL COMMUNITIES, JANUARY 1999**  
**(Continuation)**

Item	Percent of Total Respondents	Item	Percent of Total Respondents
Stop consuming some good		Changes in number of full meals	
High prices	41.6	One in '97 and now	0.2
Not available	93.3	Two in '97	3.7
Lost interest	2.2	One now	6.3
Others	0.6	Two now	75.0
	3.9	Three now	18.8
When reduced		Three in '97	93.5
All times	100.0	Two now	1.2
Since last month	6.7	Three now	98.3
About 6 months ago	6.7	Irregular now	0.5
About a year	33.3	Irregular in '97 and now	0.2
Over a year	53.3	No reply	2.3
Changes in Household Expenditures			
Dining out	100.0	Food prepared at home	100.0
not aware	23.0	not aware	1.2
no change	37.2	no change	34.9
increase	9.3	increase	42.3
at most 10%	52.5	at most 10%	39.0
up to 25%	25.0	up to 25%	33.5
up to 50%	22.5	up to 50%	22.5
Decreased	17.7	over 50%	4.9
at most 10%	14.5	Decreased	17.7
up to 25%	19.7	at most 10%	27.6
up to 50%	30.3	up to 25%	40.8
up to 75%	14.5	up to 50%	31.6
over 75%	21.1	no reply	4.0
no reply	12.8		
Children's clothing	100.0	Adults' clothing	100.0
not aware	6.0	not aware	4.4
no change	35.1	no change	44.9
increase	28.8	increase	22.3
at most 5%	23.4	at most 5%	28.1
up to 10%	40.3	up to 10%	43.8
up to 25%	22.6	up to 25%	17.7
up to 50%	13.7	up to 50%	10.4
Decreased	18.6	Decreased	20.5
at most 10%	23.8	at most 10%	23.9
up to 25%	20.0	up to 25%	15.9
up to 50%	38.8	up to 50%	35.2
over 50%	17.5	over 50%	25.0
no reply	11.4	no reply	7.9

**TABLE V.22**  
**CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES,**  
**ALL COMMUNITIES, JANUARY 1999**  
**(Continuation)**

Item	Percent of Total Respondents	Item	Percent of Total Respondents
Children's transportation	100.0	Others' transportation	100.0
not aware	12.6	not aware	9.3
no change	29.5	no change	23.0
increase	34.0	increase	29.5
at most 5%	20.5	at most 5%	21.3
up to 10%	28.8	up to 10%	33.1
up to 25%	38.4	up to 25%	37.8
over 25%	12.3	over 25%	7.9
Decreased	3.3	Decreased	3.5
at most 10%	35.7	at most 10%	46.7
up to 25%	14.3	up to 25%	13.3
over 25%	50.0	over 25%	40.0
no reply	20.7	no reply	34.7
School fees and related expenses	100.0	Medical expenses	100.0
not aware	12.1	not aware	5.6
no change	16.3	no change	25.3
increase	48.1	increase	55.1
at most 10%	38.6	at most 10%	38.8
up to 25%	42.5	up to 25%	39.7
up to 50%	16.4	up to 50%	17.3
over 50%	2.4	over 50%	4.2
Decreased	3.0	Decreased	6.0
at most 20%	61.5	at most 10%	50.0
over 20%	38.5	up to 50%	38.5
no reply	20.5	over 50%	11.5
Utilities	100.0	no reply	7.9
not aware	3.5	House rent, repair & maintenance	100.0
no change	24.0	not aware	11.2
increase	62.1	no change	47.2
at most 5%	15.0	increase	25.1
up to 10%	40.8	at most 10%	41.7
up to 25%	27.7	up to 25%	30.6
up to 50%	11.6	up to 50%	20.4
over 50%	4.9	over 50%	7.4
Decreased	2.8	Decreased	1.4
at most 10%	58.3	at most 10%	66.7
over 10%	41.7	over 10%	33.3
no reply	7.7	no reply	15.1



**TABLE V.22**  
**CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES,**  
**ALL COMMUNITIES, JANUARY 1999**  
**(Continuation)**

Item	Percent of Total Respondents		Item	Percent of Total Respondents
Leisure	100.0		Gambling	100.0
not aware	17.9		not aware	38.1
no change	39.8		no change	23.7
increase	11.2		increase	4.4
at most 10%	45.8		at most 20%	57.9
up to 25%	33.3		over 20%	42.1
up to 50%	12.5		Decreased	7.4
over 50%	8.3		at most 10%	40.6
Decreased	13.7		up to 50%	18.8
at most 10%	20.3		over 50%	40.6
up to 50%	47.5		no reply	26.3
over 50%	32.2			
no reply	17.4			
	<u>1997</u>	<u>1998</u>		
Food	46.3	47.3		
Education	10.0	10.3		
Medical	7.9	8.1		
Clothing	7.0	5.9		
Transportation	7.2	7.3		
Housing	5.0	5.2		
Leisure	2.8	2.1		

Source : Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE V.23 CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES  
BY TYPE OF COMMUNITY, JANUARY 1999  
(Percent of Total Household Respondents)**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Stop consuming some goods - reasons:						
High prices	25.0	40.0	48.3	45.8	38.6	50.0
Not available	93.3	95.8	79.3	88.9	100.0	97.8
Lost interest	-	-	10.3	3.7	-	-
Others	-	-	-	3.7	-	-
	6.7	4.2	10.3	3.7	-	2.2
Changes in number of full meals						
All Meals	100.0	100.0	100.0	100.0	100.0	100.0
One in '97 and Now	-	1.7	-	-	-	-
Two in '97	5.0	8.3	-	3.4	1.0	4.5
One Now	-	-	-	-	-	-
Two Now	33.3	100.0	-	50.0	100.0	100.0
Three Now	66.7	-	-	50.0	-	-
Three in '97	90.0	83.3	98.3	94.9	99.0	93.3
Two Now	-	-	-	-	2.0	3.6
Three Now	100.0	100.0	100.0	100.0	96.0	96.4
Irregular Now	-	-	-	-	2.0	-
Irregular in '97 and Now	-	-	-	-	-	1.1
no reply	5.0	6.7	1.7	1.7	-	1.1
Changes in Household Expenditures						
Dining out	100.0	100.0	100.0	100.0	100.0	100.0
not aware	23.3	31.7	26.7	37.3	14.9	14.4
no change	35.0	33.3	28.3	39.0	39.6	43.3
increase	15.0	8.3	16.7	1.7	8.9	6.7
at most 10%	66.7	40.0	60.0	-	44.4	50.0
up to 25%	22.2	40.0	20.0	100.0	22.2	16.7
up to 50%	11.1	20.0	20.0	-	33.3	33.3
Decreased	5.0	10.0	18.3	10.2	30.7	21.1
at most 10%	33.3	-	18.2	16.7	19.4	5.3
up to 25%	-	-	45.5	50.0	22.6	-
up to 50%	33.3	66.7	27.3	16.7	32.3	21.1
up to 75%	-	16.7	9.1	-	19.4	15.8
over 75%	33.3	16.7	-	16.7	6.5	57.9
no reply	21.7	16.7	10.0	11.9	5.9	14.4
Food prepared at home	100.0	100.0	100.0	100.0	100.0	100.0
not aware	1.7	5.0	-	-	-	1.1
no change	33.3	25.0	20.0	25.4	53.5	37.8
increase	40.0	45.0	60.0	47.5	31.7	38.9
at most 10%	50.0	29.6	36.1	35.7	43.8	40.0
up to 25%	33.3	48.1	22.2	32.1	37.5	31.4
up to 50%	16.7	14.8	36.1	14.3	18.8	28.6
over 50%	-	7.4	5.6	17.9	-	-
Decreased	20.0	18.3	18.3	27.1	11.9	15.6
at most 10%	58.3	18.2	18.2	18.8	16.7	35.7
up to 25%	16.7	45.5	63.6	50.0	33.3	35.7
up to 50%	25.0	36.4	18.2	31.3	50.0	28.6
no reply	5.0	6.7	1.7	-	3.0	6.7

**TABLE V.23 CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES  
BY TYPE OF COMMUNITY, JANUARY 1999  
(Percent of Total Household Respondents)**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Children's clothing	100.0	100.0	100.0	100.0	100.0	100.0
not aware	5.0	13.3	8.3	3.4	5.0	3.3
no change	33.3	26.7	30.0	37.3	41.6	36.7
increase	33.3	23.3	31.7	30.5	26.7	28.9
at most 5%	30.0	35.7	21.1	22.2	18.5	19.2
up to 10%	25.0	50.0	36.8	33.3	40.7	53.8
up to 25%	25.0	14.3	36.8	11.1	29.6	15.4
up to 50%	20.0	-	5.3	33.3	11.1	11.5
Decreased	13.3	26.7	25.0	25.4	13.9	13.3
at most 10%	25.0	25.0	20.0	20.0	14.3	41.7
up to 25%	50.0	18.8	26.7	-	28.6	8.3
up to 50%	12.5	37.5	53.3	66.7	28.6	16.7
over 50%	12.5	18.8	-	13.3	28.6	33.3
no reply	15.0	10.0	5.0	3.4	12.9	17.8
Adult's clothing	100.0	100.0	100.0	100.0	100.0	100.0
not aware	3.3	11.7	6.7	-	3.0	3.3
no change	38.3	31.7	31.7	52.5	61.4	43.3
increase	28.3	21.7	36.7	20.3	9.9	24.4
at most 5%	35.3	23.1	27.3	41.7	30.0	18.2
up to 10%	23.5	61.5	45.5	33.3	50.0	50.0
up to 25%	23.5	15.4	22.7	25.0	10.0	9.1
up to 50%	17.6	-	4.5	-	10.0	22.7
Decreased	16.7	28.3	23.3	27.1	15.8	16.7
at most 10%	50.0	23.5	21.4	12.5	12.5	33.3
up to 25%	30.0	17.6	7.1	12.5	25.0	6.7
up to 50%	10.0	23.5	50.0	75.0	25.0	20.0
over 50%	10.0	35.3	21.4	-	37.5	40.0
no reply	13.3	6.7	1.7	-	9.9	12.2
Transportation for children	100.0	100.0	100.0	100.0	100.0	100.0
not aware	11.7	18.3	21.7	8.5	11.9	6.7
no change	30.0	33.3	13.3	44.1	23.8	34.4
increase	30.0	28.3	45.0	40.7	32.7	30.0
at most 5%	33.3	11.8	22.2	4.2	21.2	29.6
up to 10%	33.3	11.8	29.6	37.5	27.3	29.6
up to 25%	33.3	76.5	40.7	41.7	27.3	25.9
over 25%	-	-	7.4	16.7	24.2	14.8
Decreased	-	1.7	10.0	5.1	2.0	2.2
at most 10%	-	-	50.0	33.3	50.0	-
up to 25%	-	-	16.7	-	50.0	-
over 25%	-	100.0	33.3	66.7	-	100.0
no reply	28.3	18.3	10.0	1.7	29.7	26.7

**TABLE V.23 CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES  
BY TYPE OF COMMUNITY, JANUARY 1999  
(Percent of Total Household Respondents)**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Transportation for others	100.0	100.0	100.0	100.0	100.0	100.0
not aware	5.0	11.7	18.3	5.1	6.9	10.0
no change	31.7	31.7	21.7	30.5	11.9	20.0
increase	23.3	21.7	40.0	30.5	33.7	26.7
at most 5%	35.7	23.1	16.7	33.3	11.8	20.8
up to 10%	28.6	15.4	45.8	27.8	23.5	50.0
up to 25%	28.6	46.2	37.5	38.9	44.1	29.2
over 25%	7.1	15.4	-	-	20.6	-
Decreased	1.7	5.0	3.3	5.1	3.0	3.3
at most 10%	-	66.7	50.0	-	66.7	66.7
up to 25%	-	-	50.0	33.3	-	-
over 25%	100.0	33.3	-	66.7	33.3	33.3
no reply	38.3	30.0	16.7	28.8	44.6	40.0
School fees and related expenses	100.0	100.0	100.0	100.0	100.0	100.0
not aware	10.0	13.3	16.7	10.2	13.9	8.9
no change	23.3	23.3	20.0	15.3	7.9	14.4
increase	40.0	35.0	51.7	67.8	47.5	47.8
at most 10%	33.3	57.1	29.0	35.0	27.1	55.8
up to 25%	45.8	28.6	58.1	52.5	41.7	27.9
up to 50%	20.8	14.3	12.9	10.0	25.0	14.0
over 50%	-	-	-	2.5	6.3	2.3
Decreased	3.3	8.3	1.7	3.4	2.0	1.1
at most 20%	50.0	80.0	100.0	100.0	-	-
over 20%	50.0	20.0	-	-	100.0	100.0
no reply	23.3	20.0	10.0	3.4	28.7	27.8
Medical expenses including medicine	100.0	100.0	100.0	100.0	100.0	100.0
not aware	5.0	16.7	3.3	6.8	2.0	3.3
no change	21.7	20.0	18.3	27.1	35.6	23.3
increase	53.3	45.0	61.7	57.6	53.5	58.9
at most 10%	37.5	37.0	48.6	38.2	31.5	41.5
up to 25%	37.5	29.6	32.4	41.2	48.1	41.5
up to 50%	15.6	18.5	18.9	17.6	16.7	17.0
over 50%	9.4	14.8	-	2.9	3.7	-
Decreased	6.7	8.3	15.0	5.1	2.0	3.3
at most 10%	75.0	40.0	44.4	33.3	100.0	33.3
up to 50%	25.0	60.0	33.3	33.3	-	66.7
over 50%	-	-	22.2	33.3	-	-
no reply	13.3	10.0	1.7	3.4	6.9	11.1
House rent, repair, maintenance	100.0	100.0	100.0	100.0	100.0	100.0
not aware	10.0	23.3	6.7	15.3	5.0	11.1
no change	46.7	43.3	60.0	49.2	42.6	45.6
increase	15.0	18.3	23.3	27.1	38.6	21.1
at most 10%	22.2	27.3	35.7	43.8	46.2	52.6
up to 25%	11.1	36.4	50.0	43.8	25.6	21.1
up to 50%	44.4	36.4	14.3	12.5	17.9	15.8
over 50%	22.2	-	-	-	10.3	10.5
Decreased	-	1.7	3.3	-	1.0	2.2
at most 10%	-	100.0	50.0	-	100.0	50.0
over 10%	-	-	50.0	-	-	50.0
no reply	28.3	13.3	6.7	8.5	12.9	20.0

**TABLE V.23 CHANGES IN HOUSEHOLD CONSUMPTION AND EXPENDITURES  
BY TYPE OF COMMUNITY, JANUARY 1999  
(Percent of Total Household Respondents)**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Utilities	100.0	100.0	100.0	100.0	100.0	100.0
not aware	3.3	6.7	1.7	3.4	3.0	3.3
no change	20.0	40.0	23.3	27.1	17.8	21.1
increase	63.3	40.0	71.7	66.1	67.3	61.1
at most 5%	13.2	29.2	23.3	10.3	5.9	18.2
up to 10%	34.2	25.0	34.9	53.8	47.1	40.0
up to 25%	26.3	25.0	25.6	23.1	30.9	30.9
up to 50%	15.8	16.7	14.0	7.7	10.3	9.1
over 50%	10.5	4.2	2.3	5.1	5.9	1.8
Decreased	1.7	3.3	1.7	3.4	3.0	3.3
at most 10%	100.0	-	100.0	-	100.0	66.7
over 10%	-	100.0	-	100.0	-	33.3
no reply	11.7	10.0	1.7	-	8.9	11.1
Leisure	100.0	100.0	100.0	100.0	100.0	100.0
not aware	18.3	28.3	13.3	32.2	7.9	15.6
no change	36.7	45.0	55.0	35.6	34.7	36.7
increase	5.0	6.7	11.7	3.4	19.8	13.3
at most 10%	66.7	-	42.9	100.0	45.0	50.0
up to 25%	33.3	75.0	57.1	-	30.0	16.7
up to 50%	-	-	-	-	15.0	25.0
over 50%	-	25.0	-	-	10.0	8.3
Decreased	10.0	1.7	15.0	22.0	18.8	12.2
at most 10%	16.7	-	22.2	15.4	26.3	18.2
up to 50%	66.7	100.0	44.4	46.2	47.4	36.4
over 50%	16.7	-	33.3	38.5	26.3	45.5
no reply	30.0	18.3	5.0	6.8	18.8	22.2
Gambling	100.0	100.0	100.0	100.0	100.0	100.0
not aware	38.3	40.0	40.0	52.5	36.6	27.8
no change	23.3	25.0	41.7	23.7	14.9	21.1
increase	1.7	3.3	5.0	3.4	5.0	6.7
at most 20%	-	50.0	66.7	100.0	80.0	33.3
over 20%	100.0	50.0	33.3	-	20.0	66.7
Decreased	1.7	6.7	3.3	10.2	3.0	17.8
at most 10%	-	75.0	100.0	16.7	33.3	37.5
up to 50%	100.0	-	-	16.7	66.7	12.5
over 50%	-	25.0	-	66.7	-	50.0
no reply	35.0	25.0	10.0	10.2	40.6	26.7

Source : Social Impact of the Regional Financial Crisis, Household Survey.

**Table V.24 COMPARATIVE AVERAGE MONTHLY INCOME USING THE APIS and 1997 FIES, BY INCOME DECILE**

Income Decile	1997 Family Income and Expenditure Survey		1998 Annual Poverty Indicator Survey	
	Value (In P1,000)	Percent	Value (In P1,000)	Percent
PHILIPPINES	145,482,668	100.0	145,429,030	100.0
First Decile	2,443,310	1.7	1,753,661	1.2
Second Decile	3,910,487	2.7	3,215,663	2.2
Third Decile	5,039,661	3.5	4,393,773	3.0
Fourth Decile	6,280,286	4.3	5,653,844	3.9
Fifth Decile	7,840,237	5.4	7,206,445	5.0
Sixth Decile	9,843,010	6.8	9,178,194	6.3
Seventh Decile	12,645,437	8.7	11,995,918	8.2
Eight Decile	16,722,746	11.5	16,173,106	11.1
Ninth Decile	23,641,295	16.3	23,474,261	16.1
Tenth Decile	57,116,200	39.3	62,384,166	42.9

Source: National Statistics Office.

**TABLE V.25 IMMUNIZATION PROGRAM PERFORMANCE, 1996-1998**

Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	1996-1997	1997-1998	1996-1997	1997-1998
<b>NCR</b>													
1s Dist. Mun.	31,734	27,752	87.5	33,116	31,122	94.0	34,559	31,283	90.5	12.1	0.5	7.4	-3.7
Manila	49,951	48,774	97.6	50,260	49,682	98.8	50,572	49,874	98.6	1.9	0.4	1.2	-0.2
2nd Dist. Mun.	39,506	38,704	98.0	41,142	40,206	97.7	42,859	41,009	95.7	3.9	2.0	-0.3	-2.0
Quezon City	61,676	67,407	109.3	63,736	63,207	99.2	65,865	60,131	91.3	-6.2	-4.9	-9.2	-8.0
3rd Dist. Mun.	27,275	21,124	77.4	27,702	24,755	89.4	28,138	26,770	95.1	17.2	8.1	15.5	6.4
Caloocan City	32,426	28,414	87.6	34,255	30,915	90.3	36,187	34,789	96.1	8.8	12.5	3.1	6.4
4th Dist Mun.	38,295	32,115	83.9	40,597	36,319	89.5	43,041	39,607	92.0	13.1	9.1	6.7	2.8
Pasay City	12,499	12,056	96.5	12,744	11,618	91.2	12,993	11,952	92.0	-3.6	2.9	-5.5	0.9
<b>NCR</b>	<b>293,362</b>	<b>276,346</b>	<b>94.2</b>	<b>303,551</b>	<b>287,824</b>	<b>94.8</b>	<b>314,214</b>	<b>295,415</b>	<b>94.0</b>	<b>4.2</b>	<b>2.6</b>	<b>0.6</b>	<b>-0.8</b>
<b>CAR</b>													
Abra	5,944	5,273	88.7	6,010	4,899	81.5	6,077	5,243	86.3	-7.1	7.0	-8.1	5.9
Apayao	2,564	2,257	88.0	2,618	2,184	83.4	2,674	2,459	91.9	-3.2	12.6	-5.2	10.2
Benguet	9,479	8,914	94.0	9,543	9,042	94.7	9,608	9,346	97.3	1.4	3.4	0.7	2.7
Ifugao	4,501	4,546	101.0	4,514	4,020	89.1	4,527	3,794	83.8	-11.6	-5.6	-11.8	-5.9
Kalinga	4,727	3,927	83.1	4,833	4,044	83.7	4,941	3,481	70.5	3.0	-13.9	0.7	-15.8
Mt. Province	4,008	3,179	79.3	4,096	3,009	73.5	4,185	2,959	70.7	-5.3	-1.7	-7.3	-3.8
Baguio City	7,085	6,472	91.3	7,375	6,703	90.9	7,676	7,109	92.6	3.6	6.1	-0.4	1.9
<b>CAR</b>	<b>38,308</b>	<b>34,568</b>	<b>90.2</b>	<b>38,989</b>	<b>33,901</b>	<b>86.9</b>	<b>39,689</b>	<b>34,391</b>	<b>86.7</b>	<b>-1.9</b>	<b>1.4</b>	<b>-3.7</b>	<b>-0.2</b>
<b>Region 1</b>													
Ilocos Norte	11,929	11,870	99.5	12,029	10,236	85.1	12,130	4,455	36.7	-13.8	-56.5	-14.5	-56.9
Ilocos Sur	16,509	13,430	81.4	16,657	12,298	73.8	16,807	5,423	32.3	-8.4	-55.9	-9.3	-56.2
La Union	18,212	17,094	93.9	18,505	15,452	83.5	18,803	7,154	38.0	-9.6	-53.7	-11.1	-54.5
Pangasinan	58,362	51,141	87.6	59,191	50,499	85.3	60,031	23,780	39.6	-1.3	-52.9	-2.6	-53.6
Dagupan City	3,809	3,832	100.6	3,832	3,605	94.1	3,855	1,781	46.2	-5.9	-50.6	-6.5	-50.9
Laoag City	2,677	3,030	113.2	2,703	2,891	106.9	2,730	1,370	50.2	-4.6	-52.6	-5.6	-53.0

Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	% Change, Number		% Change, Proportion	
										1996-1997	1997-1998	1996-1997	1997-1998
San Carlos City	4,077	3,257	79.9	4,134	4,297	103.9	4,191	1,940	46.3	31.9	-54.9	30.0	-55.4
<b>Region 1</b>	<b>115,574</b>	<b>103,654</b>	<b>89.7</b>	<b>117,051</b>	<b>99,278</b>	<b>84.8</b>	<b>118,548</b>	<b>45,903</b>	<b>38.7</b>	<b>-4.2</b>	<b>-53.8</b>	<b>-5.5</b>	<b>-54.4</b>
<b>Region 3</b>													
Bataan	15,145	13,494	89.1	15,557	10,211	65.6	15,980	3,534	22.1	-24.3		-26.4	
Bulacan	55,268	51,199	92.6	57,058	56,025	98.2	58,907	28,557	48.5	9.4		6.0	
Nueva Ecija	36,357	27,155	74.7	37,606	23,613	63.3				-13.0		-15.3	
Pampanga	42,675	42,140	98.7	43,307	44,165	102.0	43,948	20,975	47.7	4.8		3.3	
Tarlac	28,885	28,760	99.6	29,405	28,801	97.9	29,934	13,966	46.7	0.1		-1.7	
Zambales	11,800	8,906	75.5	11,916	8,176	68.6	12,032	3,684	30.6	-8.2		-9.1	
Angeles City	7,020	9,140	130.2	7,020	2,201	31.4	7,020	4,334	61.7	-75.9		-75.9	
Cabanatuan City	6,203	5,262	84.8	6,380	1,465	23.0	6,561	1,395	21.3	-72.2		-72.9	
Olongapo City	5,393	5,363	99.5	5,393	5,079	94.2	5,393	2,725	50.5	-5.3		-5.3	
Palayan City	848	642	75.7	893	725	81.2	940	253	26.9	12.9	-65.1	7.3	-66.9
San Jose City	2,981	686	23.0	3,059	661	21.6	3,138	1,502	47.9	-3.6		-6.1	
<b>Region 3</b>	<b>212,575</b>	<b>192,747</b>	<b>90.7</b>	<b>217,293</b>	<b>181,122</b>	<b>83.4</b>	<b>183,854</b>	<b>80,925</b>	<b>44.0</b>	<b>-6.0</b>		<b>-8.0</b>	
<b>Region 4</b>													
Aurora	4,911	7,804	158.9	5,036	4,512	89.6	5,164	4,285	83.0	-42.2	-5.0	-43.6	-7.4
Batangas	38,901	35,756	91.9	39,757	36,950	92.9	40,632	36,935	90.9	3.3	0.0	1.1	-2.2
Cavite	46,883	36,099	77.0	49,917	44,975	90.1	53,146	47,220	88.8	24.6	5.0	17.0	-1.4
Laguna	44,861	40,907	91.2	46,351	43,554	94.0	47,890	44,908	93.8	6.5	3.1	3.1	-0.2
Marinduque	6,082	4,847	79.7	6,168	5,132	83.2	6,255	4,546	72.7	5.9	-11.4	4.4	-12.6
Mindoro Occidental	10,545	8,806	83.5	10,914	10,239	93.8	11,296	9,307	82.4	16.3	-9.1	12.3	-12.2
Mindoro Oriental	18,607	17,550	94.3	18,963	18,140	95.7	19,325	18,972	98.2	3.4	4.6	1.5	2.6
Palawan	15,890	12,590	79.2	16,473	12,703	77.1	17,078	9,026	52.9	0.9		-2.7	
Quezon	41,628	34,751	83.5	42,473	34,883	82.1	43,335	11,234	25.9	0.4		-1.7	
Rizal	41,611	36,539	87.8	43,975	41,910	95.3	46,472	36,441	78.4	14.7	-13.0	8.5	-17.7
Romblon	7,439	6,840	91.9	7,541	6,249	82.9	7,643	4,428	57.9	-8.6	-29.1	-9.8	-30.2
Batangas City	6,520	6,543	100.3	6,689	6,341	94.8	6,861	6,532	95.2	-3.1	3.0	-5.5	0.4
Cavite City	2,785	1,660	59.6	2,790	3,001	107.5	2,796	2,958	105.8	80.8	-1.4	80.4	-1.6
Lipa City	5,443	1,375	25.3	5,551	5,599	100.9	5,662	5,673	100.2	307.2	1.3	298.8	-0.7



Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	1996-1997	1997-1998	1996-1997	1997-1998
Lucena City	5,500	4,395	79.9	5,674	5,342	94.2	5,852	4,748	81.1	21.5	-11.1	17.9	-13.9
Puerto Princessa City	4,144	3,126	75.4	4,417	3,755	85.0	4,709	3,919	83.2	20.1	4.4	12.7	-2.1
San Pablo City	5,647	4,975	88.1	5,784	5,509	95.2	5,924	5,141	86.8	10.7	-6.7	8.1	-8.8
Tagaytay City	919	225	24.5	956	942	98.5	996	1,057	106.2	318.7	12.2	302.0	7.8
Trece Martires City	645	169	26.2	678	865	127.6	712	951	133.5	411.8	9.9	387.0	4.6
<b>Region 4</b>	<b>308,962</b>	<b>264,957</b>	<b>85.8</b>	<b>320,105</b>	<b>290,601</b>	<b>90.8</b>	<b>331,748</b>	<b>258,281</b>	<b>77.9</b>	<b>9.7</b>	<b>-11.1</b>	<b>5.8</b>	<b>-14.2</b>
w/ complete records	251,444	217,616	86.55	261,159	243,015	93.05	271,335	238,021	87.7	11.7	-2.1	7.5	-5.7
<b>Region 5</b>													
Albay	26,431	25,958	98.2	26,962	19,498	72.3	27,504	17,750	64.5	-24.9		-26.4	
Camarines Norte	13,464	11,607	86.2	13,761	12,363	89.8	14,063	2,739	19.5	6.5		4.2	
Camarines Sur	37,336	31,236	83.7	37,990	33,253	87.5	38,655	14,498	37.5	6.5		4.5	
Catanduanes	6,165	5,147	83.5	6,257	6,347	101.4	6,351	3,509	55.2	23.3		21.4	
Masbate	19,937	18,773	94.2	20,264	15,603	77.0	20,597	10,960	53.2	-16.9		-18.3	
Sorsogon	18,175	15,765	86.7	18,602	15,824	85.1	19,039	11,514	60.5	0.4		-1.8	
Iriga City	2,523	1,997	79.1	2,573	2,121	82.4	2,624	989	37.7	6.2	-53.4	4.2	-54.25
Legaspi City	4,376	4,755	108.7	4,507	3,270	72.6	4,641	2,120	45.7	-31.2		-33.2	
Naga City	3,878	4,356	112.3	3,949	4,726	119.7	4,021	2,383	59.3	8.5		6.6	
<b>Region 5</b>	<b>132,287</b>	<b>119,594</b>	<b>90.4</b>	<b>134,865</b>	<b>113,005</b>	<b>83.8</b>	<b>137,495</b>	<b>66,462</b>	<b>48.3</b>	<b>-5.5</b>		<b>-7.3</b>	
<b>Region 6</b>													
Aklan	12,492	16,170	129.4	12,671	8,092	63.9	12,852	4,340	33.8	-50.0		-50.6	
Antique	13,099	11,818	90.2	13,248	11,071	83.6	13,399	5,044	37.6	-6.3		-7.3	
Capiz	15,364	13,655	88.9	15,557	12,489	80.3	15,753	5,304	33.7	-8.5		-9.7	
Iloilo	42,896	37,178	86.7	43,347	32,929	76.0	43,802	12,222	27.9	-11.4	-62.9	-12.3	-63.3
Negros Occ.	41,486	40,353	97.3	42,042	59,199	140.8	42,606	16,444	38.6	46.7		44.7	
Guimaras	3,844	3,742	97.4	3,894	3,227	82.9	3,945	1,407	35.7	-13.8		-14.9	
Bacolod City	12,297	12,422	101	12,528	12,450	99.4	12,764	8,617	67.5	0.2		-1.6	
Bago City	4,026	4,114	102.2	4,082	3,729	91.4	4,139	1,875	45.3	-9.4		-10.6	
Cadiz City	3,814	5,444	142.7	3,850	3,712	96.4	3,887	3,010	77.4	-31.8		-32.4	
Iloilo City	10,184	9,538	93.7	10,333	9,803	94.9	10,485	3,769	35.9	2.8		1.3	
La Carlota City	1,692	1,533	90.6	1,692	1,428	84.4	1,692	1,002	59.2	-6.8		-6.8	
Roxas City	3,656	2,934	80.2	3,753	3,190	85.0	3,853	1,633	42.4	8.7		6.0	

Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	1996-1997	1997-1998	1996-1997	1997-1998
San Carlos City	3,043	2,944	96.8	3,043	2,776	91.2	3,043	1,449	47.6	-5.7		-5.8	
Silay City	3,819	3,049	79.8	3,962	2,828	71.4	4,109	1,996	48.6	-7.2		-10.5	
Sagay City	-	-	-	3,955	3,053	77.2	4,008	2,335	58.3				
<b>Region 6</b>	<b>171,714</b>	<b>164,894</b>	<b>96.0</b>	<b>177,960</b>	<b>169,976</b>	<b>95.5</b>	<b>180,339</b>	<b>70,447</b>	<b>39.1</b>	<b>3.1</b>		<b>-0.5</b>	
<b>Region 7</b>													
Bohol	28,080	24,664	87.8	28,330.0	23,081.0	81.5	28,582	22,704	79.4	-6.4	-1.6	-7.2	-2.6
Cebu	51,687	36,685	71.0	52,726	44,116	83.7	53,786	45,280	84.2	20.3	2.6	17.9	0.6
Negros Or.	25,319	22,462	88.7	25,811	22,236	86.2	26,311	21,193	80.5	-1.0	-4.7	-2.8	-6.6
Siquijor	2,213	1,510	68.2	2,213	1,471	66.5	2,213	1,467	66.3	-2.6	-0.3	-2.5	-0.3
Bais City	1,923	1,589	82.7	1,945	1,651	84.9	1,967	1,289	65.5	3.9	-21.9	2.7	-22.9
Canlaon City	1,265	904	71.5	1,290	1,067	82.7	1,316	1,025	77.9	18.0	-3.9	15.7	-5.8
Cebu City	20,175	19,299	95.7	20,486	16,967	82.8	20,801	17,501	84.1	-12.1	3.1	-13.5	1.6
Danao City	2,437	2,655	109.0	2,476	2,698	109.0	2,516	2,684	106.7	1.6	-0.5	0.0	-2.1
Dumaguete City	2,855	2,649	92.8	2,932	2,713	92.5	3,012	3,127	103.8	2.4	15.3	-0.3	12.2
Lapu-Lapu City	5,384	5,618	104.4	5,561	6,220	111.9	5,744	6,133	106.8	10.7	-1.4	7.2	-4.6
Mandawe City	5,928	6,688	112.8	6,014	6,523	108.5	6,102	6,855	112.3	-2.5	5.1	-3.8	3.5
Tagbilaran City	2,065	1,843	89.3	2,131	1,722	80.8	2,199	1,939	88.2	-6.6	12.6	-9.5	9.2
Toledo City	3,652	972	26.6	3,661	3,679	100.5	3,669	3,383	92.2	278.5	-8.0	277.8	-8.3
<b>Region 7</b>	<b>152,982</b>	<b>127,538</b>	<b>83.4</b>	<b>155,576</b>	<b>134,144</b>	<b>86.2</b>	<b>158,219</b>	<b>134,580</b>	<b>85.1</b>	<b>5.2</b>	<b>0.3</b>	<b>3.4</b>	<b>-1.3</b>
<b>Region 8</b>													
Biliran	4,052	3,869	95.5	4,139	3,717	89.8	4,228	1,813	42.9	-3.9		-6.0	
Leyte Del Norte	36,679	32,602	88.9	37,372	30,838	82.5	38,078	7,415	19.5	-5.4		-7.2	
Leyte Del Sur	9,527	11,332	118.9	9,527	8,213	86.2	9,527	3,506	36.8	-27.5		-27.5	
Eastern Samar	11,065	10,209	92.3	11,265	10,782	95.7	11,467	4,826	42.1	5.6		3.7	
Northern Samar	14,063	10,917	77.6	14,515	9,810	67.6	14,981	6,823	45.5	-10.1		-12.9	
Western Samar	14,064	13,195	93.8	14,329	12,516	87.3	14,598	6,009	41.2	-5.1		-6.9	
Calbayog City	3,959	4,562	115.2	4,044	3,209	79.3	4,131	1,339	32.4	-29.7		-31.2	
Ormoc City	4,407	4,515	102.4	4,496	4,554	101.3	4,587	2,299	50.1	0.9		-1.1	
Tacloban City	5,212	3,326	63.8	5,411	5,208	96.2	5,618	1,737	30.9	56.6		50.8	

Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	1996-1997	1997-1998	1996-1997	1997-1998
<b>Region 8</b>	<b>103,028</b>	<b>94,527</b>	<b>91.7</b>	<b>105,097</b>	<b>88,847</b>	<b>84.5</b>	<b>107,215</b>	<b>35,767</b>	<b>33.4</b>	<b>-6.0</b>		<b>-7.9</b>	
<b>Region 10</b>													
Bukidnon	28,790	28,116	97.7	29,381	26,869	91.5	29,983	27,520	91.8	-4.4	2.4	-6.3	0.3
Camiguin	2,063	1,941	94.1	2,086	1,735	83.2	2,108	1,914	90.8	-10.6	10.3	-11.6	9.1
Misamis Occidental	7,763	5,173	66.6	7,878	5,987	76.0	7,995	1,453	18.2	15.7		14.1	
Misamis Oriental	15,319	14,247	93.0	15,643	14,370	91.9	15,975	14,565	91.2	0.9	1.4	-1.2	-0.8
Cagayan De Oro City	13,420	13,645	101.7	14,016	12,063	86.1	14,638	13,049	89.1	-11.6	8.2	-15.3	3.5
Gingoog City	2,655	2,684	101.1	2,684	2,387	88.9	2,714	1,988	73.3	-11.1	-16.7	-12.1	-17.5
Oroquieta	1,701	1,767	103.9	1,722	1,528	88.8	1,743	1,556	89.3	-13.5	1.8	-14.5	0.6
Ozamis City	3,121	1,562	50.0	3,185	3,108	97.6	3,250	3,748	115.3	99.0		95.2	
Tangub City	1,398	1,121	80.2	1,417	1,005	70.9	1,435	1,225	85.4	-10.3	21.9	-11.6	20.5
<b>Region 10</b> w/ complete records	<b>76,230</b>	<b>70,256</b>	<b>92.2</b>	<b>78,011</b>	<b>69,052</b>	<b>88.5</b>	<b>79,840</b>	<b>67,018</b>	<b>83.9</b>	<b>-1.7</b>	<b>-2.9</b>	<b>-4.0</b>	<b>-5.2</b>
				66,949	59,957	89.6	68,596	61,817	90.1		3.1		0.6
<b>Region 11</b>													
South Cotabato	19,134	17,893	93.5	19,647	16,162	82.3	20,173	8,194	40.6	-9.7		-12.0	
Davao Oriental	12,512	11,519	92.1	12,621	11,326	89.7	12,731	4,285	33.7	-1.7		-2.6	
Davao Del Norte	36,558	29,739	81.3	37,392	32,179	86.1	38,244	6,656	17.4	8.2		5.9	
Sarangani	11,558	9,476	82.0	12,134	9,898	81.6	12,738	4,815	37.8	4.5		-0.5	
Davao Del Sur	20,572	18,477	89.8	20,835	18,135	87.0	21,102	3,726	17.7	-1.9		-3.1	
Davao City	31,178	24,764	79.4	32,182	29,858	92.8	33,218	14,398	43.3	20.6		16.9	
General Santos City	10,317	8,197	79.5	10,850	9,583	88.3	11,408	4,782	41.9	16.9		11.1	
<b>Region 11</b>	<b>141,830</b>	<b>120,065</b>	<b>84.7</b>	<b>145,661</b>	<b>127,141</b>	<b>87.3</b>	<b>149,615</b>	<b>46,857</b>	<b>31.3</b>	<b>5.9</b>		<b>3.1</b>	
<b>Region 12</b>													
Lanao Del Norte	13,546	9,527	70.3	13,877	9,953	71.7	14,215	4,784	33.7	4.5		2.0	
North Cotabato	26,475	23,758	89.7	27,084	25,100	92.7	27,707	11,192	40.4	5.6		3.3	
Sultan Kudarat	16,205	12,815	79.1	16,762	13,203	78.8	17,339	9,762	56.3	3.0		-0.4	
Cotabato City	4,524	4,666	103.1	4,648	5,237	112.7	4,775	1,861	39.0	12.2		9.3	
Iligan City	8,482	7,150	84.3	8,784	7,625	86.8	9,096	3,516	38.7	6.6	-53.9	3.0	-55.4

Province/City	1996			1997			1998			% Change, Number		% Change, Proportion	
	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	Eligible Population	No. of immunized population	% of Eligible Pop'n.	1996-1997	1997-1998	1996-1997	1997-1998
	Marawi City	3,575	1,295	36.2	3,725	2,474	66.4	3,881	1,314	33.9	91.0	-46.9	83.4
<b>Region 12</b>	<b>72,807</b>	<b>59,211</b>	<b>81.3</b>	<b>74,880</b>	<b>63,592</b>	<b>84.9</b>	<b>77,014</b>	<b>32,429</b>	<b>42.1</b>	<b>7.4</b>	<b>-49.0</b>	<b>4.4</b>	<b>-50.4</b>
w/ complete records	12,057	8,445	70.04	12,509	10,099	80.7	12,977	4,830	37.2	19.6	-52.2	15.3	-53.9

Note:

# -no data

\* - 1st quarter report only

\*\* - 2nd quarter report only

\*\*\* - 3rd quarter report only

Source:

DOH, Field Health Services and Information Systems (FHSIS), Manila.







Province/City	1996								1997								1998								% CHANGE IN NUMBER OF MODERATELY & SEVERELY UNDERWEIGHT			% CHANGE IN PF MODERATELY UNDERWEIGHT		
	Eligible Population	MODERATELY UNDERWEIGHT			SEVERELY UNDERWEIGHT			MODERATELY & SEVERELY UNDERWEIGHT		Eligible Population	MODERATELY UNDERWEIGHT			SEVERELY UNDERWEIGHT			MODERATELY & SEVERELY UNDERWEIGHT		Eligible Population	MODERATELY UNDERWEIGHT			SEVERELY UNDERWEIGHT			MODERATELY & SEVERELY UNDERWEIGHT		1996-1997	1997-1998	1996-1997
		No.	%	No.	%	No.	%	No.	%		No.	%	No.	%	No.	%	No.	%		No.	%	No.	%	No.	%					
		No.		%		No.		%			No.		%		No.		%			No.		%		No.		%				
Lanao Del Norte	55,088	9,148	16.6	1,985	3.6	11,133	20.2	56,432	5,858	10.4	1,128	2.0	6,986	12.4	57,809	3,961	6.9	594	1.0	4,555	7.9	-37.2	-34.8	-38.7						
North Cotabato	107,666	18,268	17.0	3,209	3.0	21,477	19.9	110,142	19,497	17.7	3,741	3.4	23,238	21.1	112,676	11,380	10.1	1,637	1.5	13,017	11.6	8.2	-44.0	5.8						
Sultan Kudarat	65,898	10,054	15.3	3,302	5.0	13,356	20.3	68,165	14,956	21.9	2,224	3.3	17,180	25.2	70,510	6,087	8.6	1,553	2.2	7,640	10.8	28.6	-55.5	24.4						
Cotabato City	18,398	1,978	10.8	548	3.0	2,526	13.7	18,902	1,287	6.8	282	1.5	1,569	8.3	19,420	1,013	5.2	216	1.1	1,229	6.3	-37.9	-21.7	-39.5						
Iligan City	34,492	2,296	6.7	113	0.3	2,409	7.0	35,720	3,527	9.9	454	1.3	3,981	11.1	36,992	2,075	5.6	321	0.9	2,396	6.5	65.3	-39.8	59.6						
Marawi City	14,540	905	6.2	700	4.8	1,605	11.0	15,149	1,273	8.4	876	5.8	2,149	14.2	15,784	688	4.4	246	1.6	934	5.9	33.9	-56.5	28.5						
<b>Region 12</b>	<b>296,082</b>	<b>42,649</b>	<b>14.4</b>	<b>9,857</b>	<b>3.3</b>	<b>52,506</b>	<b>17.7</b>	<b>304,511</b>	<b>46,398</b>	<b>15.2</b>	<b>8,705</b>	<b>2.9</b>	<b>55,103</b>	<b>18.1</b>	<b>313,190</b>	<b>25,204</b>	<b>8.0</b>	<b>4,567</b>	<b>1.5</b>	<b>29,771</b>	<b>9.5</b>	<b>4.9</b>	<b>-46.0</b>	<b>2.0</b>						

Notes:

# -no data

\* - 1st qtr. Report Only

Source:

\*\* - 2nd qtr. Report Only

\*\*\* -3rd qtr. Report Only

DOH, Field Health Services and Information Systems (FHSIS), Manila.



**PROPORTION OF  
& SEVERELY  
WEIGHT**

1997-1998

21.8  
63.0  
-27.9  
17.3  
-7.8  
-49.9  
169.9

**7.6**

-71.0  
-57.6  
-67.0  
-49.0

113.5  
-12.2  
-83.3  
-37.4  
215.0

**-60.7**

PROPORTION OF  
& SEVERELY  
WEIGHT

1997-1998
-47.6
-18.4
-54.8
-22.1
-2.1
43.8
706.4
-34.5
-99.6
-42.8
10.1
18.5
-28.5
-59.5
-100.0
105.0
14.3
-1.8
<b>-42.2</b>

PROPORTION OF  
& SEVERELY  
WEIGHT

1997-1998

-48.6

11.3

45.9

-11.1

374.4

610.5

-55.1

-7.8

173.9

-2.4

-32.2

-62.3

3.0

**1.1**

-17.4

-46.1

-39.5

-71.6

-18.4

-38.3

458.5

-72.8

-36.3

-29.2

PROPORTION OF & SEVERELY WEIGHT
1997-1998
-36.4
-45.2
-57.0
-23.8
-41.9
-58.3
-47.5

**Table V.27 CONTRACEPTIVE PREVALENCE RATE FOR CURRENTLY MARRIED WOMENT 15 - 49 YEARS OLD, 1993, 1996-1998 (in Percent)**

	Overall	By Type		By Locality	
		Modern	Traditional	Urban	Rural
1993	40.0	24.9	15.1	43.0	36.8
1996	48.1	30.2	17.9	50.7	45.5
1997	47.0	30.9	16.1	50.0	44.1
1998	46.5	28.2	18.3	50.7	42.2

Source: 1993 National Demographic Survey, NSO and Macro Int'l  
1996, 1997 Family Planning Survey, NSO  
1998 National Demographic and Health Survey, NSO and Macro Int'l

**TABLE V.28 FAMILY PLANNING PROGRAM PERFORMANCE, 1996 - 1998**  
(Unit: Number of Persons)

Province/City	1996		1997		1998		Percentage Change				
	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors		Current Users		
							1996-1997	1997-1998	1996-1997	1997-1998	
<b>NCR</b>											
1s Dist. Mun.	17,846	21,891	22,551	37,238	20,969	29,571	26.4	-7.0	41.2	-20.6	
Manila	28,756	32,235	24,053	39,188	20,497	20,918	-16.4	-14.8	17.7	-46.6	
2nd Dist. Mun.	15,894	33,774	20,362	40,294	18,397	40,242	28.1	-9.7	16.2	-0.1	
Quezon City	47,405	88,636	55,322	100,467	44,760	102,711	16.7	-19.1	11.8	2.2	
3rd Dist. Mun.	5,256	24,444	27,777	31,651	18,320	29,544	428.5	-34.0	22.8	-6.7	
Caloocan City	16,022	21,171	15,995	18,424	16,288	21,087	-0.2	1.8	-14.9	14.5	
4th Dist Mun.	16,839	27,302	22,609	41,385	20,345	49,567	34.3	-10.0	34.0	19.8	
Pasay City	8,388	17,175	8,148	17,636	7,033	17,047	-2.9	-13.7	2.6	-3.3	
Makati City	15,242										
<b>NCR</b>	<b>171,648</b>	<b>266,628</b>	<b>196,817</b>	<b>326,283</b>	<b>166,609</b>	<b>310,687</b>	<b>14.7</b>	<b>-15.3</b>	<b>22.4</b>	<b>-4.8</b>	
<b>CAR</b>											
Abra	2,140	5,719	2,166	5,261	2,303	5,221	1.2	6.3	-8.7	-0.8	
Apayao	1,536	36,366	1,710	14,631	1,499	3,209	11.3	-12.3	-148.6	-78.1	
Benguet	6,554	10,676	5,762	6,504	6,214	13,557	-12.1	7.8	-64.1	108.4	
Ifugao	5,238	5,744	4,718	5,467	4,308	3,273	-9.9	-8.7	-5.1	-40.1	
Kalinga	2,082	10,706	2,879	3,282	2,001	3,686	38.3	-30.5	-226.2	12.3	
Mt. Province	1,619	3,896	1,936	3,642	1,643	2,997	19.6	-15.1	-7.0	-17.7	
Baguio City	1,673	4,403	1,997	4,717	2,453	5,348	19.4	22.8	6.7	13.4	
<b>CAR</b>	<b>20,842</b>	<b>77,510</b>	<b>21,168</b>	<b>43,504</b>	<b>20,421</b>	<b>37,291</b>	<b>1.6</b>	<b>-3.5</b>	<b>-78.2</b>	<b>-14.3</b>	
<b>Region 1</b>											
Ilocos Norte	4,571	21,381	5,320	18,581	2,370	36,673	16.4		-15.1		
Ilocos Sur	6,621	22,271	11,089	82,608	3,344	19,165	67.5		73.0		
La Union	7,428	23,428	7,206	30,156	3,439	26,898	-3.0		22.3		
Pangasinan	29,287	78,477	31,264	85,594	17,905	76,111	6.8		8.3		
Dagupan City	1,048	4,173	1,107	17,165	487	4,659	5.6		75.7		
Laoag City	1,409	5,571	1,422	4,585	558	4,699	0.9		-21.5		
San Carlos City	2,059	3,302	3,325	3,650	1,532	3,382	61.5		9.5		
<b>Region 1</b>	<b>52,423</b>	<b>158,603</b>	<b>60,733</b>	<b>242,342</b>	<b>29,635</b>	<b>171,587</b>	<b>15.9</b>		<b>34.6</b>		
<b>Region 3</b>											
Bataan	7,197	24,324	5,981	25,304	1,819	31,963	-16.9		3.9		

Province/City	1996		1997		1998		Percentage Change			
	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors		Current Users	
							1996-1997	1997-1998	1996-1997	1997-1998
Bulacan	22,770	63,942	26,344	65,006	13,453	56,789	15.7		1.6	
Nueva Ecija	16,006	36,526	15,676	31,846	-	-	-2.1		-14.7	
Pampanga	16,839	26,630	20,026	28,904	11,324	27,031	18.9		7.9	
Tarlac	17,999	52,192	17,183	55,278	8,912	48,982	-4.5		5.6	
Zambales	6,218	17,452	4,879	17,704	2,789	16,960	-21.5		1.4	
Angeles City	7,208	13,808	1,832	8,172	3,500	7,038	-74.6		-69.0	
Cabanatuan City	1,845	6,362	1,906	9,622	737	8,848	3.3		33.9	
Olongapo City	3,513	4,490	4,608	4,925	1,998	4,698	31.2		8.8	
Palayan City	358	-	458	706	174	1,435	27.9			
San Jose City	537	3,706	485	5174	967	5,812	-9.7		28.4	
<b>Region 3</b>	<b>100,490</b>	<b>249,432</b>	<b>99,378</b>	<b>252,641</b>	<b>45,673</b>	<b>209,556</b>	<b>-1.1</b>		<b>1.3</b>	
<b>Region 4</b>										
Aurora	6,347	6,643	3,936	8,439	3,834	8,128	-38.0	-2.6	21.3	-3.7
Batangas	19,337	37,772	4,783	191,939	3,694	56,674	-75.3	-22.8	80.3	-70.5
Cavite	18,101	36,745	25,054	195,544	27,171	237,328	38.4	8.4	81.2	21.4
Laguna	25,976	172,259	4,160	79,900	18,735	63,302	-84.0	350.4	-115.6	-20.8
Marinduque	2,537	21,289	2,283	7,389	1,739	4,564	-10.0	-23.8	-188.1	-38.2
Mindoro Occidental	10,365	16,356	1,624	46,196	2,313	16,404	-84.3	42.4	64.6	-64.5
Mindoro Oriental	8,883	24,342	12,546	29,816	10,566	37,844	41.2	-15.8	18.4	26.9
Palawan	9,184	13,982	2,449	58,936	1,955	43,501	-73.3		76.3	
Quezon	17,760	54,077	11,941	71,315	3,914	36,841	-32.8		24.2	
Rizal	24,602	43,208	23,618	42,065	16,477	36,933	-4.0	-30.2	-2.7	-12.2
Romblon	1,958	9,594	664	34,196	1,241	11,111	-66.1	86.9	71.9	-67.5
Batangas City	2,521	4,167	2,804	4,328	3,457	5,016	11.2	23.3	3.7	15.9
Cavite City	1,146	1,827	178	6,683	197	1,652	-84.5	10.7	72.7	-75.3
Lipa City	1,451	1,966	267	7,176	149	2,175	-81.6	-44.2	72.6	-69.7
Lucena City	4,769	11,742	3,325	22,434	13,262	3,147	-30.3	298.9	47.7	-86.0
Puerto Princessa City	868	7,537	208	39,846	1,070	4,157	-76.0	414.4	81.1	-89.6
San Pablo City	1,574	5,115	365	22,947	297	7,415	-76.8	-18.6	77.7	-67.7
Tagaytay City	461	1,182	97	5,168	122	1,706	-79.0	25.8	77.1	-67.0
Trece Martires City	730	1,444	131	6,953	156	2,108	-82.1	19.1	79.2	-69.7
<b>Region 4</b>	<b>158,570</b>	<b>471,247</b>	<b>100,433</b>	<b>881,270</b>	<b>110,349</b>	<b>580,006</b>	<b>-36.7</b>	<b>9.9</b>	<b>46.5</b>	<b>-34.2</b>
w/ complete records	131,626	403,188	86,043	751,019	104,480	499,664	-34.6	21.4	46.3	-33.5

Province/City	1996		1997		1998		Percentage Change				
	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors		Current Users		
							1996-1997	1997-1998	1996-1997	1997-1998	
<b>Region 5</b>											
Albay	7,736	35,044	15,094	87,553	7,919	29,851	95.1			149.8	
Camarines Norte	9,281	22,893	5,592	17,661	1,454	18,785	-39.7			-22.9	
Camarines Sur	14,390	22,260	14,006	139,002	6,616	36,058	-2.7			524.4	
Catanduanes	2,118	3,363	8,879	13,996	1,527	3,850	319.2			316.2	
Masbate	8,956	24,004	32,593	36,974	4,222	11,331	263.9			54.0	
Sorsogon	15,069	30,098	6,191	59,987	5,763	15,340	-58.9			99.3	
Iriga City	717	8,105	1,107	24,408	373	5,489	54.4			201.1	
Legaspi City	2,201	3,535	1,688	11,438	771	3,802	-23.3			223.6	
Naga City	3,072	23,782									
<b>Region 5</b>	<b>63,540</b>	<b>173,084</b>	<b>85,150</b>	<b>391,019</b>	<b>28,645</b>	<b>124,506</b>	<b>34.0</b>			<b>125.9</b>	
w/complete records	58,267	145,767	83,462	379,581			43.2			160.4	
<b>Region 6</b>											
Aklan	4,106	11,274	6,304	15,170	3,043	14,915	53.5			34.6	
Antique	8,056	16,358	9,244	18,285	3,603	19,217	14.7			11.8	
Capiz	7,805	20,862	7,746	19,969	3,293	17,620	-0.8			-4.3	
Iloilo	17,108	57,863	17,834	52,291	7,301	38,152	4.2			-9.6	
Negros Occ.	24,570	56,902	40,749	52,562	11,349	55,750	65.8			-7.6	
Guimaras	3,586	5,638	3,124	6,260	500	3,221	-12.9			11.0	
Bacolod City	3,989	21,114	4,507	20,714	4,654	20,285	13.0			-1.9	
Bago City	1,904	5,151	3,629	7,240	1,045	6,348	90.6			40.6	
Cadiz City	1,341	5,741	2,231	6,164	2,007	5,437	66.4			7.4	
Iloilo City	2,188	11,560	2,026	13,339	1,327	13,618	-7.4			15.4	
La Carlota City	389	1,953	529	2,358	391	2,239	36.0			20.7	
Roxas City	1,088	2,295	518	2,301	210	1,849	-52.4			0.3	
San Carlos City	1,476	1,739	1,878	2,837	641	2,230	27.2			63.1	
Silay City	755	4,020	1,116	4,170	1,403	4,649	47.8			3.7	
Sagay City			2,572	8,962	1,881	10,629					
<b>Region 6</b>	<b>78,361</b>	<b>222,470</b>	<b>104,007</b>	<b>232,622</b>	<b>42,648</b>	<b>216,169</b>	<b>32.7</b>			<b>4.6</b>	
<b>Region 7</b>											
Bohol	15,709	49,635	18,551	48,354	19,094	50,301	18.1	2.9	-2.6	4.0	
Cebu	19,048	56,501	29,707	263,285	26,301	72,057	56.0	-11.5	366.0	-72.6	
Negros Or.	16,120	37,275	21,121	49,549	18,349	61,035	31.0	-13.1	32.9	23.2	
Siquijor	1,045	4,443	1,159	4,596	865	3,706	10.9	-25.4	3.4	-19.4	
Bais City	2,015	4,096	2,146	4,457	1,281	5,129	6.5	-40.3	8.8	15.1	
Canlaon City	796	1,954	725	2,018	826	2,674	-8.9	13.9	3.3	32.5	



Province/City	1996		1997		1998		Percentage Change			
	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors		Current Users	
							1996-1997	1997-1998	1996-1997	1997-1998
Cebu City	9,229	17,772	7,216	78,660	5,873	21,949	-21.8	-18.6	342.6	-72.1
Danao City	1,367	6,688	1,457	26,110	1,190	8,447	6.6	-18.3	290.4	-67.6
Dumaguete City	888	4,032	1,442	4,870	1,420	4,637	62.4	-1.5	20.8	-4.8
Lapu-Lapu City	2,609	4,640	3,607	6,070	4,234	8,965	38.3	17.4	30.8	47.7
Mandawe City	3,131	13,612	3,470	5,781	2,837	7,381	10.8	-18.2	-57.5	27.7
Tagbilaran City	466	1,866	525	1,844	698	2,201	12.7	33.0	-1.2	19.4
Toledo City	227	3,357	919	3,299	633	2,330	304.8	-31.1	-1.7	-29.4
<b>Region 7</b>	<b>72,650</b>	<b>205,871</b>	<b>92,045</b>	<b>498,893</b>	<b>83,601</b>	<b>250,812</b>	<b>26.7</b>	<b>-9.2</b>	<b>142.3</b>	<b>-49.7</b>
<b>Region 8</b>										
Biliran	2,411	12,471	3,031	7,285	1,488	15,896	25.7		-41.6	
Leyte Del Norte	18,094	43,266	17,782	51,354	3,520	42,293	-1.7		18.7	
Leyte Del Sur	6,634	37,158	5,788	11,495	2,328	11,577	-12.8		-69.1	
Eastern Samar	3,490	6,864	5,559	10,587	2,275	9,967	59.3		54.2	
Northern Samar	3,285	7,764	2,740	5,933	2,042	4,390	-16.6		-23.6	
Western Samar	3,034	6,924	2,850	6,877	2,399	6,743	-6.1		-0.7	
Calbayog City	2,086	4,882	1,975	8,737	861	8,933	-5.3		79.0	
Ormoc City	2,989	11,079	2,205	8,378	1,110	8,990	-26.2		-24.4	
Tacloban City	1,065	910	917	2,106	214	1,309	-13.9		131.4	
<b>Region 8</b>	<b>43,088</b>	<b>131,318</b>	<b>42,847</b>	<b>112,752</b>	<b>16,237</b>	<b>110,098</b>	<b>-0.6</b>		<b>-14.1</b>	
<b>Region 10</b>										
Bukidnon	18,376	222,743	19,850	72,383	21,844	284,211	8.0	10.0	-67.5	292.6
Camiguin	703	4,937	1,116	3,879	1,598	4,400	58.7	43.2	-21.4	13.4
Misamis Occidental	2,701	20,805	3,081	11,714	876	17,476	14.1		-43.7	
Misamis Oriental	9,785	50,691	9,923	32,874	9,776	37,003	1.4	-1.5	-35.1	12.6
Cagayan De Oro City	4,926	19,871	3,747	14,398	4,450	20,213	-23.9	18.8	-27.5	40.4
Gingog City	1,439	15,279	1,336	15,680	3,113	4,739	-7.2	133.0	2.6	-69.8
Oroquieta City	1,485	5,700	1,444	5,107	1,128	5,425	-2.8	-21.9	-10.4	6.2
Ozamis City	811	10,084	2,785	6,712	2,691	7,153	243.4	-3.4	-33.4	6.6
Tangub City	150	3,452	170	3,567	496	3,233	13.3	191.8	3.3	-9.4
<b>Region 10</b>	<b>40,376</b>	<b>353,562</b>	<b>43,452</b>	<b>166,314</b>	<b>45,972</b>	<b>383,853</b>	<b>7.6</b>	<b>5.8</b>	<b>-53.0</b>	<b>130.8</b>
w/ complete records	37,675	332,757	40,371	154,600	45,096	366,377	7.2	11.7	-53.5	137.0
<b>Region 11</b>										
South Cotabato	11,394	31,859	13,794	30,206	6,925	34,157	21.1	-49.8	-5.2	13.1
Davao Oriental	9,882	30,173	11,197	22,608	4,095	7,764	13.3	-63.4	-25.1	-65.7
Davao Del Norte	11,067	56,577	24,202	78,395	5,441	26,886	118.7	-77.5	38.6	-65.7

Province/City	1996		1997		1998		Percentage Change			
	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors	Current Users	New Acceptors		Current Users	
							1996-1997	1997-1998	1996-1997	1997-1998
Sarangani	7,719	25,467	8,382	24,695	4,743	26,195	8.6	-43.4	-3.0	6.1
Davao Del Sur	19,064	48,457	19,202	49,107	4,075	2,927	0.7	-78.8	1.3	-94.0
Davao City	16,221	47,385	24,752	50,857	12,170	50,602	52.6	-50.8	7.3	-0.5
General Santos City	8,097	36,536	11,126	15,132	4,925	13,343	37.4	-55.7	-58.6	-11.8
<b>Region 11</b>	<b>83,444</b>	<b>276,454</b>	<b>43,917</b>	<b>271,000</b>	<b>42,404</b>	<b>161,874</b>	<b>-47.4</b>	<b>-3.4</b>	<b>-2.0</b>	<b>-40.3</b>
<b>Region 12</b>										
Lanao Del Norte	6,476	15,512	7,160	11,904	3,225	14,934	10.6		-23.3	
North Cotabato	15,564	43,756	19,045	46,355	12,330	42,982	22.4		5.9	
Sultan Kudarat	10,611	21,690	13,238	28,042	9,422	22,299	24.8		29.3	
Cotabato City	3,333	6,090	2,425	2,830	1,272	2,573	-27.2		-53.5	
Iligan City	982	12,276	1,726	17,498	622	17,551	75.8		42.5	
Marawi City	104	222	323	368	135	135	210.6		65.8	
<b>Region 12</b>	<b>37,070</b>	<b>99,546</b>	<b>43,917</b>	<b>106,997</b>	<b>27,006</b>	<b>100,474</b>	<b>18.5</b>		<b>7.5</b>	

Notes:

# -no data

\* - 1st qtr. Report Only

\*\* - 2nd qtr. Report Only

\*\*\* -3rd qtr. Report Only

Source:

DOH, Field Health Services and Information Systems (FHSIS), Manila.

**TABLE V.29 REASONS FOR CHANGING SCHOOL BY TYPE OF COMMUNITY, JANUARY 1999  
( In Percent )**

<b>Reason</b>	<b>Commercial</b>	<b>Upland</b>	<b>Sustenance</b>	<b>Fishing</b>	<b>Middle Income</b>	<b>Urban Poor</b>
All Reasons	100.0	100.0	100.0	100.0	100.0	100.0
Financial reason	8.3	40.0	40.0	40.0	25.0	55.6
Graduation to higher grade	75.0	60.0	60.0	50.0	10.0	33.3
Change of residence	16.7	-	-	10.0	65.0	11.1

Source :Social Impact of the Regional Financial Crisis, Household Survey.

**Table V.30 PERCENTAGE CHANGE IN ELEMENTARY ENROLLMENT BY REGION, 1996 - 1999**

Region	Percentage Change											
	1996-97 to 1997-98						1997-98 to 1998-99					
	Public		Private		Total		Public		Private		Total	
	Grade I	Total (I-VI)	Grade I	Total (I-VI)	Grade I	Total (I-VI)	Grade I	Total (I-VI)	Grade I	Total (I-VI)	Grade I	Total (I-VI)
I	-3.34	0.84	3.98	3.99	-2.99	0.99	-3.55	-0.07	-3.19	2.63	-3.54	0.06
II	-3.05	2.37	-2.32	3.02	-3.03	2.39	-1.55	1.46	-1.45	4.34	-1.54	1.56
III	0.00	2.84	5.45	6.93	0.43	3.19	-1.71	2.51	55.53	13.99	3.07	3.54
IV	0.76	4.87	5.90	7.24	1.22	5.09	-2.06	1.03	3.33	7.27	-1.56	1.63
V	0.55	1.56	-2.61	0.10	0.48	1.52	-1.60	1.42	-22.98	-21.43	-2.09	0.80
VI	-2.19	4.19	11.78	11.47	-1.72	4.50	-4.69	-2.09	-41.64	-36.63	-6.12	-3.64
VII	-3.50	0.54	-1.34	3.23	-3.39	0.68	-2.70	6.20	-18.02	-5.03	-3.49	5.59
VIII	3.60	2.14	-2.14	1.01	3.51	2.12	-4.40	1.80	-5.57	3.60	-4.41	1.84
IX	0.41	2.74	19.96	18.41	0.77	3.12	-4.69	2.71	-26.49	-24.09	-5.18	1.95
X	-0.91	4.66	-7.27	-1.61	-1.17	4.36	-6.31	-1.88	-43.10	-37.16	-7.69	-3.49
XI	12.23	15.59	19.89	22.68	12.68	16.04	-1.62	1.93	-46.62	-46.90	-4.43	-1.36
XII	-21.61	-19.91	10.46	14.60	-20.50	-18.45	0.10	-0.45	-29.73	-27.34	-1.33	-2.05
XIII	2.13	4.08	16.80	6.08	2.48	4.13	-5.57	1.48	-22.96	-8.08	-6.05	1.21
NCR	1.22	3.54	0.44	1.87	1.05	3.13	-1.02	2.78	-20.79	-15.99	-5.48	-1.77
CAR	-1.55	2.47	-5.99	-7.88	-1.86	1.58	-7.10	1.23	-1.91	-3.39	-6.75	0.87
ARMM	2.05	4.51	94.84	32.62	2.53	4.75	-3.52	4.18	-30.92	3.05	-3.79	4.16
Total	-0.22	3.07	4.33	5.59	0.08	3.26	-2.88	1.58	-10.07	-10.33	-3.37	0.67

\* as of August 31, 1998

Source: DECS

**TABLE V.31 PERCENTAGE CHANGE IN SECONDARY EDUCATION BY REGION, 1996-1999**

Region	Percentage Change											
	1996-97 to 1997-98						1997-98 to 1998-99					
	Public		Private		Total		Public		Private		Total	
	1st year	Total (I-IV)	1st year	Total (I-IV)	1st year	Total (I-IV)	1st year	Total (I-IV)	1st year	Total (I-IV)	1st year	Total (I-IV)
I	-0.36	1.65	-4.80	-3.67	-1.24	0.48	-9.02	-8.64	-8.87	-9.63	-8.99	-8.85
II	1.47	3.70	-9.86	-5.98	-1.08	1.19	-27.87	-27.61	-5.21	-6.76	-23.22	-22.59
III	3.09	4.08	-4.91	-4.77	0.46	0.82	-22.89	-21.86	-2.85	-3.09	-16.66	-15.31
IV	4.07	2.88	-2.81	-1.54	1.89	1.35	-1.55	0.05	-5.17	-4.36	-2.64	-1.44
V	1.64	-1.87	-12.22	-10.24	-1.14	-3.80	-0.77	1.54	-15.36	-13.75	-3.38	-1.75
VI	-0.08	0.44	-5.30	-3.69	-1.01	-0.37	-21.23	-19.19	-43.88	-34.37	-25.09	-22.07
VII	6.27	7.71	-1.15	-0.48	4.20	5.00	0.92	4.22	-2.51	-2.39	0.01	2.15
VIII	4.40	0.27	-6.60	-4.41	2.71	-0.56	-17.97	-16.32	-5.73	-7.19	-16.26	-14.77
IX	-6.41	-8.32	11.59	20.29	-3.78	-3.46	-10.67	-4.73	-38.20	-36.54	-15.33	-11.46
X	10.23	6.59	-10.96	-7.05	3.59	1.80	-7.97	-2.42	-2.52	-2.83	-6.50	-2.55
XI	13.80	12.09	8.60	14.40	12.71	12.67	3.60	6.18	-55.74	-56.30	-8.43	-9.66
XII	-15.63	-18.10	-28.91	-18.10	-19.23	-18.10	-1.65	1.31	-28.10	-28.88	-7.96	-7.42
XIII	12.77	11.37	-2.07	1.60	9.50	8.91	-5.17	-7.42	-5.33	-5.09	-5.20	-6.88
NCR	-0.08	0.23	-4.39	-3.07	-1.48	-0.94	-1.30	-0.30	-10.04	-8.95	-4.06	-3.30
CAR	-1.78	-2.81	-11.31	-7.26	-4.69	-4.27	-9.30	-5.90	3.49	5.78	-5.66	-2.18
ARMM	21.15	13.71	5.70	-0.08	18.33	10.91	-1.42	9.68	-5.36	7.75	-2.06	9.33
Total	2.62	1.93	-4.87	-2.61	0.70	0.62	-8.17	-6.27	-13.01	-12.10	-9.35	-7.90

\* as of August 31  
Source: DECS

**TABLE V.32 ELEMENTARY DROP-OUT RATE BY REGION BY REGION, 1995-1998**  
(In Percent)

Region	Level									Percentage Change					
	1995-1996			1996-1997			1997-98			1995-96 to 1996-97			1996-97 to 1997-98		
	Public	Private	Total	Public	Private	Total	Public	Private	Total	Public	Private	Total	Public	Private	Total
I	3.26	4.50	3.18	4.77	4.59	4.76	4.71	4.48	4.70	46.32	2.00	49.69	-1.26	-2.40	-1.26
II	7.10	7.07	7.09	7.42	0.07	7.20	6.83	5.64	6.79	4.51	-99.01	1.55	-7.95	7957.14	-5.69
III	4.22	3.39	4.15	4.99	2.76	4.79	5.24	1.90	4.95	18.25	-18.58	15.42	5.01	-31.16	3.34
IV	4.72	2.25	4.50	6.91	3.44	6.59	4.39	1.80	4.15	46.40	52.89	46.44	-36.47	-47.67	-37.03
V	7.08	10.94	7.19	8.26	3.84	8.14	7.00	5.29	6.96	16.67	-64.90	13.21	-15.25	37.76	-14.50
VI	10.20	3.22	9.92	10.16	2.77	9.87	7.39	6.25	7.34	-0.39	-13.98	-0.50	-27.26	125.63	-25.63
VII	7.52	4.03	7.35	5.75	9.42	5.96	9.32	6.98	9.19	-23.54	133.75	-18.91	62.09	-25.90	54.19
VIII	9.25	7.56	9.22	11.50	3.96	11.38	10.65	8.37	10.61	24.32	-47.62	23.43	-7.39	111.36	-6.77
IX	10.82	5.35	10.68	13.21	1.57	12.96	12.69	4.61	12.51	22.09	-70.65	21.35	-3.94	193.63	-3.47
X	6.66	14.95	7.10	9.92	4.20	9.65	8.03	8.04	8.03	48.95	-71.91	35.92	-19.05	91.43	-16.79
XI	8.72	3.13	8.37	9.85	8.88	9.79	10.33	1.58	9.78	12.96	183.71	16.97	4.87	-82.21	-0.10
XII	11.29	3.55	10.97	12.40	6.87	12.17	9.60	1.50	9.26	9.83	93.52	10.94	-22.58	-78.17	-23.91
XIII	11.70	12.27	11.72	7.51	5.05	7.44	8.15	6.09	8.09	-35.81	-58.84	-36.52	8.52	20.59	8.74
NCR	4.11	0.43	3.17	4.61	3.81	4.41	4.51	3.90	4.36	12.17	786.05	39.12	-2.17	2.36	-1.13
CAR	7.77	6.93	7.69	6.98	2.24	6.58	7.64	12.72	8.07	-10.17	-67.68	-14.43	9.46	467.86	22.64
ARMM	22.96	3.54	22.80	21.10	7.48	20.98	19.79	23.69	19.82	-8.10	111.30	-7.98	-6.21	216.71	-5.53
Total	7.66	2.90	7.31	8.37	4.22	8.06	7.70	3.93	7.42	9.27	45.52	10.26	-8.00	-6.87	-7.94

Source: DECS

**TABLE V.33 SECONDARY DROP-OUT RATE BY REGION, 1995 - 1998**  
( In Percent )

Region	Level									Percentage Change					
	1995-1996			1996-1997			1997-98			1995-96 to 1996-97			1996-97 to 1997-98		
	Public	Private	Total	Public	Private	Total	Public	Private	Total	Public	Private	Total	Public	Private	Total
I	6.38	9.06	7.03	7.29	4.35	6.62	7.83	6.12	7.46	14.26	-51.99	-5.83	7.41	40.69	12.69
II	9.74	5.09	8.37	6.50	4.95	6.07	6.88	6.07	6.67	-33.26	-2.75	-27.48	5.85	22.63	9.88
III	9.21	6.49	8.12	9.99	8.45	9.40	9.91	7.38	9.00	8.47	30.20	15.76	-0.80	-12.66	-4.26
IV	8.14	6.91	7.68	9.42	7.35	8.68	14.52	5.30	11.40	15.72	6.37	13.02	54.14	-27.89	31.34
V	16.01	8.03	14.02	12.22	9.34	11.51	14.14	14.13	14.14	-23.67	16.31	-17.90	15.71	51.28	22.85
VI	9.07	4.52	8.16	13.25	6.11	11.83	8.40	9.23	8.56	46.09	35.18	44.98	-36.60	51.06	-27.64
VII	7.12	4.00	5.97	12.27	14.22	12.98	9.53	6.31	8.50	72.33	255.50	117.42	-22.33	-55.63	-34.51
VIII	14.94	10.14	14.04	13.37	10.51	12.86	15.29	8.44	14.10	-10.51	3.65	-8.40	14.36	-19.70	9.64
IX	14.29	11.11	13.67	8.03	5.32	7.55	26.53	4.13	22.89	-43.81	-52.12	-44.77	230.39	-22.37	203.18
X	17.39	9.04	14.34	14.02	6.47	11.36	11.68	11.11	11.48	-19.38	-28.43	-20.78	-16.69	71.72	1.06
XI	11.61	10.52	11.34	12.47	2.29	10.00	17.61	8.83	15.52	7.41	-78.23	-11.82	41.22	285.59	55.20
XII	14.38	3.60	11.28	13.59	11.61	12.97	9.66	2.18	7.44	-5.49	222.50	14.98	-28.92	-81.22	-42.64
XIII	16.31	12.88	15.48	10.43	5.62	9.20	11.36	4.74	9.74	-36.05	-56.37	-40.57	8.92	-15.66	5.87
NCR	7.00	3.80	5.75	6.86	10.73	8.32	10.33	4.80	8.43	-2.00	182.37	44.70	50.58	-55.27	1.32
CAR	7.18	5.81	6.67	14.93	6.76	12.22	14.76	12.62	14.05	107.94	16.35	83.21	-1.14	86.69	14.98
ARMM	14.14	6.97	12.75	20.93	1.21	16.81	15.79	17.48	16.13	48.02	-82.64	31.84	-24.56	1344.63	-4.05
Total	10.31	6.49	9.11	10.60	8.27	9.90	12.25	7.00	10.76	2.81	27.43	8.67	15.57	-15.36	8.69

Source: DECS

**TABLE VI.1 DISTRIBUTION OF PERSONS 15 YEARS and OVER WHO CHANGED WORK in the PAST TWO YEARS by PLACE of WORK,  
ALL COMMUNITY, AS OF JANUARY 1999  
( IN PERCENT )**

PresentPlace of Work	Previous Place of Work									
	All Sectors	Government	Private office, banks	Factory	Informal sector	Owner, HH operated	Transport / utilities	Store, business & personal service	Community service (school, hospital)	Others
All Sectors	100.0	2.9	4.4	8.8	13.2	8.8	5.9	17.6	5.9	32.4
Government	100.0		12.5			25.0			12.5	50.0
Private office, banks	100.0		20.0	20.0	20.0			20.0		20.0
Factory	100.0	50.0			50.0					
Informal sector	100.0		10.0		10.0	20.0	10.0	20.0		30.0
Owner, HH operated	100.0	10.0		30.0	10.0			10.0		40.0
Transport/utilities	100.0				33.3		33.3	16.7		16.7
Store, business & personal service	100.0			12.5	18.8		6.3	25.0		37.5
Community service(school, hospital)	100.0					20.0		20.0	60.0	
Others	100.0					16.7		33.3		50.0

PresentPlace of Work	Previous Place of Work									
	All Sectors	Government	Private office, banks	Factory	Informal sector	Owner, HH operated	Transport / utilities	Store, business & personal service	Community service (school, hospital)	Others
All Sectors	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Government	11.8		33.3			33.3			25.0	18.2
Private office, banks	7.4		33.3	16.7	11.1			8.3		4.5
Factory	2.9	50.0			11.1					
Informal sector	14.7		33.3		11.1	33.3	25.0	16.7		13.6
Owner, HH operated	14.7	50.0		50.0	11.1			8.3		18.2
Transport/utilities	8.8				22.2		50.0	8.3		4.5
Store, business & personal service	23.5			33.3	33.3		25.0	33.3		27.3
Community service(school, hospital)	7.4					16.7		8.3	75.0	
Others	8.8					16.7		16.7		13.6

Source :Social Impact of the Regional Financial Crisis, Household Survey.



**TABLE VI.2 DISTRIBUTION OF PERSONS 15 YEARS AND OVER WHO CHANGED WORK IN THE PAST TWO YEARS  
BY PLACE OF WORK AND TYPE OF COMMUNITY, AS OF JANUARY 1999  
( IN PERCENT)**

Place of Work	Farming		Fishing		Middle Income		Urban Poor	
	Former	Present	Former	Present	Former	Present	Former	Present
All Sector	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Government	3.8	11.5	-	9.1	4.3	4.3	-	17.6
Private office, bank	7.7	7.7	-	-	-	8.7	17.6	11.8
Factory	3.8	7.7	-	9.1	17.4	-	5.9	-
Informal sector	7.7	7.7	9.1	27.3	21.7	8.7	17.6	23.5
Owner, household operated	7.7	11.5	18.2	-	4.3	26.1	5.9	-
Transport, utilities	7.7	11.5	-	-	8.7	8.7	-	5.9
Store, business & personal service	23.1	26.9	9.1	36.4	17.4	21.7	11.8	23.5
Community services (school, hospital)	3.8	-	-	-	13.0	21.7	-	-
Others, n.e.c.	34.6	15.4	63.6	18.2	13.0	-	41.2	17.6

Source :Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.3 REASONS FOR LEAVING LAST JOB, ALL COMMUNITIES, JANUARY 1999**

Reason	Percent
All Reasons	100.0
Retrenched/dismissed/closure	15.1
Seasonal	9.6
Desire to change work	24.7
Change of residence	12.3
For better pay/stability in job	20.5
Others	17.8

**TABLE VI.4 REASONS FOR THE RETURN OF MIGRANT HOUSEHOLD MEMBER, ALL COMMUNITIES, JANUARY 1999**

Reason	Percent
Completion of contract	42.9
Others	48.2
Termination/retrenchment	8.9

**TABLE VI.5 REASONS FOR THE RETURN OF MIGRANT FAMILY MEMBER BY TYPE OF COMMUNITY, JANUARY 1999**

Reason	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
	100.0	100.0	100.0	100.0	100.0	100.0
Completion of contract	50.0		47.4	33.3	85.7	33.3
Termination; retrenchment		16.7	10.5	11.1		11.1
Vacation		33.3	36.8	33.3		11.1
Job dissatisfaction	16.7					22.2
Others	33.3	50.0	5.3	22.2	14.3	22.2

**TABLE VI.6 DISTRIBUTION OF HOUSEHOLDS GETTING FINANCIAL SUPPORT FROM MIGRANT FAMILY MEMBERS BY PERCENT SHARE TO TOTAL HOUSEHOLD INCOME, ALL COMMUNITIES, JANUARY 1999**

Share to Household Income	Percent
Total	100.0
at most 5%	12.2
over 5-10%	18.4
over 10-25%	15.3
over 25-50%	26.5
over 50-75%	13.3
over 75%	14.3

Source of the four tables: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.7 IMPACT ON FAMILIES OF MIGRANT WORKERS, JANUARY 1999  
(Percent of Communities)**

<b>Impact</b>	<b>All Com- munities</b>	<b>Middle Income</b>	<b>Urban Poor</b>	<b>Fishing</b>	<b>Farming</b>
Return to home because					
Loss of job	8			25	18
Finished contract	10			13	18
Not satisfied with working conditions	8		14	13	9
Family/personal reasons	2				5
Deterioration of social fiber	14	15	43	13	5
Better living conditions	36	38	57	38	27
Repair, renovation or construction of residences	28	8	43	38	32
Establish business, investment	6		14		9
Source of credit	2				5
Contribute to community projects	16		29	25	18
Attraction to work abroad	22	8	43	13	27

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.8 HOUSEHOLDS RESPONSE TO EMPLOYMENT AND  
LABOR MARKET PROBLEMS, JANUARY 1999  
(Percent of Communities)**

<b>Response</b>	<b>Middle Income</b>	<b>Urban Poor</b>	<b>Fishing</b>	<b>Farming</b>
Increased child labor	31	71	75	59
Working housewives	46	29	50	18
Seek employment elsewhere	15	14	25	18
Shift to home-based operation	8	14	13	9

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.9 PERCENT CHANGES IN HOUSEHOLD BUDGETING AND POVERTY AND WELL-BEING ASSESSMENT BY TYPE OF COMMUNITY, 1997-1998**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Household Budget						
Food						
1997	48.0	49.5	50.7	49.9	38.5	46.4
1998	46.3	53.3	50.4	52.0	40.4	46.7
Education						
1997	11.6	9.8	13.1	10.9	9.4	7.1
1998	11.8	10.3	13.7	11.4	9.5	7.2
Medical						
1997	8.8	8.1	8.8	8.7	7.3	6.9
1998	7.8	8.5	8.4	9.1	7.9	7.4
Housing						
1997	2.9	2.9	2.9	5.1	9.1	4.5
1998	2.9	3.1	2.8	5.3	9.5	4.6
Clothing						
1997	6.9	7.5	8.1	5.1	6.8	7.5
1998	6.3	6.0	6.7	4.1	6.4	5.9
Transportation						
1997	6.3	6.6	7.9	6.7	7.6	7.4
1998	5.7	6.9	8.1	7.1	8.3	7.1
Leisure						
1997	1.3	0.5	3.2	3.1	4.3	3.4
1998	1.4	0.6	2.0	1.6	3.1	2.8
Poverty Assessment						
Poor now	31.7	60.0	41.7	69.5	20.8	47.8
Poor in '97	94.7	83.3	100.0	87.8	76.2	95.3
Middle income in '97	5.3	16.7	-	12.2	19.0	4.7
Rich in '97	-	-	-	-	4.8	-
Middle income now	65.0	36.7	56.7	27.1	76.2	50.0
Poor in '97	5.1	-	-	12.5	1.3	2.2
Middle income in '97	94.9	100.0	100.0	87.5	98.7	97.8
Rich now and '97	-	-	-	-	1.0	-
No reply	3.3	3.3	1.7	3.4	2.0	2.2
Self rating of change in well-being						
Worst	8.3	20.0	1.7	5.1	4.0	12.2
Worse	11.7	20.0	11.7	11.9	4.0	12.2
Bad	10.0	21.7	20.0	35.6	11.9	18.9
Neutral	41.7	23.3	51.7	22.0	25.7	24.4
Good	23.3	11.7	10.0	16.9	30.7	24.4
Better	5.0	3.3	1.7	8.5	16.8	7.8
Much improved	-	-	3.3	-	6.9	-

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.10 INFORMATION ON CREDIT AND SAFETY NETS, ALL COMMODITIES  
JANUARY 1999**

Item	Percent	Item	Percent
Availed credit	63.0	Source of credit	
		Friends, relatives	46.5
Availment level	100.0	5/6lenders	23.6
More	44.2	Banks	25.5
at most 10%	20.8	Traders	4.4
up to 25%	34.0	Others	11.1
up to 50%	34.0		
over 50%	11.3	utilization of credit	
Less	9.2	Production	15.5
at most 10%	31.8	House repair	15.5
up to 50%	45.5	Augmentation of income	32.1
over 50%	22.7	School expenses	26.9
Same	46.7	Medical expenses	21.4
		Acquisition of capital Goods	19.2
Availment of safety net		Gambling	0.4
Financial assistance DSWD	12.8	Others	14.0
Free food	20.7		
Subsidized food	18.6		
Free vaccination	45.6	Adequacy of safety nets	17.9
Free or subsidized farm input	10.7		
Employed in public works projects	4.7		

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.11 INFORMATION ON CREDIT AND SAFETY NETS BY TYPE OF COMMUNITY, JANUARY 1999**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Availed credit	65.0	45.0	70.0	64.4	70.3	60.0
Availment level	100.0	100.0	100.0	100.0	100.0	100.0
More	45.2	52.2	62.2	42.4	33.3	42.0
at most 10%	14.3	16.7	26.1	21.4	22.7	19.0
up to 25%	50.0	33.3	21.7	42.9	22.7	42.9
up to 50%	28.6	25.0	34.8	35.7	36.4	38.1
over 50%	7.1	25.0	17.4	-	18.2	-
Less	6.5	8.7	10.8	6.1	10.6	10.0
at most 10%	-	-	25.0	50.0	28.6	60.0
up to 50%	100.0	50.0	50.0	50.0	42.9	20.0
over 50%	-	50.0	25.0	-	28.6	20.0
Same	48.4	39.1	27.0	51.5	56.1	48.0
Source of credit						
Friends, relatives	38.5	51.9	52.4	55.3	39.4	48.1
5/6 lenders	2.6	7.4	2.4	36.8	35.2	38.9
Banks, financial institutions	35.9	18.5	38.1	10.5	35.2	9.3
Traders	7.7	7.4	-	-	-	13.0
Others	28.2	14.8	9.5	15.8	2.8	5.6
Utilization of credit						
Production	38.5	37.0	28.6	5.3	2.8	1.9
Augmentation of income	15.4	3.7	16.7	-	25.4	18.5
School expenses	25.6	40.7	33.3	55.3	19.7	31.5
Medical expenses	23.1	22.2	33.3	44.7	19.7	24.1
House repair	20.5	29.6	19.0	34.2	15.5	18.5
Acquisition of capital goods	5.1	3.7	11.9	15.8	29.6	31.5
Gambling	-	-	-	-	-	1.9
Others	23.1	3.7	9.5	28.9	11.3	9.3
Availment of safety nets						
Financial assistance DSWD	18.3	15.0	15.0	18.6	10.9	4.4
Free food	30.0	23.3	23.3	27.1	6.9	22.2
Subsidized food	13.3	16.7	18.3	39.0	6.9	23.3
Free vaccination	46.7	53.3	56.7	67.8	23.8	42.2
Free or subsidized farm input	13.3	28.3	23.3	5.1	4.0	-
Employed in public works projects	3.3	3.3	3.3	5.1	7.9	3.3
Adequacy of safety nets	21.7	21.7	28.3	22.0	5.9	16.7

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.12 PROFILE OF INCOME DISTRIBUTION AND CONSUMPTION OF HOUSEHOLDS,  
JANUARY 1999**

Item	Percent	Item	Percent
Increase in income	17.0		
Decrease in income	30.5		
No change	52.6		
Increase in income	100.0	Decrease in income	100.0
At most 5%	9.6	at most 10%	16.8
over 5 - 10%	26.0	over 10 - 20%	19.8
over 10 - 20	28.8	over 20 - 30%	22.1
over 20 - less than 50%	32.9	over 30 - 50%	28.2
50% and over	2.7	over 50%	13.0
Reason for increase in income	100.0	Reasons for decrease in income	100.0
Promotion in job	22.2	Poor harvest; bad weather	37.7
increased in number of earning members	14.4	Lower price for produce	17.5
New/additional work	12.2	Reduced number or earning members	12.0
Favorable price	5.6	Reduced financial support from relatives	8.2
Increased harvest; good weather	3.3	Retrenchment	6.0
Availment of credit	2.2	Payment of overdue loans	2.2
Winning in gambling	1.1	Losses in gambling	1.1
Others	38.9	Others	15.3
Sale of assets/property	100.0	Reasons for sale of assets	100.0
yes	17.4	Augmentation of household income	51.5
no	82.6	Payment of school fee	10.6
		Payment of health service/medicine	7.6
Kind of property sold	100.0	Payment of Loan	4.5
Land	21.2	Capital for production/farm	3.0
Appliance	18.2	House repair	3.0
Jewelry	18.2	Others	19.7
House	3.0		
Others	39.4		

Source: Social Impact of the Regional Financial Crisis, Household Survey.

**TABLE VI.13 INCOME DISTRIBUTION PROFILE OF HOUSEHOLDS BY TYPE OF COMMUNITY  
JANUARY 1999**

Item	Commercial	Upland	Sustenance	Fishing	Middle Income	Urban Poor
Change in household income	100.0	100.0	100.0	100.0	100.0	100.0
no change	50.0	41.7	46.7	55.9	58.4	56.7
Increase in income	23.3	8.3	13.3	11.9	22.8	17.8
at most 10%	35.7	40.0	37.5	28.6	34.8	37.5
up to 20%	21.4	-	12.5	28.6	43.5	31.3
up to 50%	42.9	40.0	50.0	42.9	21.7	25.0
over 50%	-	20.0	-	-	-	6.3
Decreased	26.7	50.0	40.0	32.2	18.8	25.6
at most 10%	18.8	20.0	16.7	10.5	-	30.4
up to 20%	12.5	3.3	25.0	31.6	31.6	21.7
upto 30%	31.3	13.3	20.8	26.3	15.8	30.4
up to 50%	31.3	43.3	16.7	21.1	36.8	17.4
over 50%	6.3	20.0	20.8	10.5	15.8	-
Cause of increase in income	100.0	100.0	100.0	100.0	100.0	100.0
promotion in job	22.2	25.0	33.3	25.0	61.1	21.4
goo weather	11.1	-	16.7	25.0	-	-
favorable prices	22.2	25.0	-	-	5.6	7.1
new work	22.2	25.0	16.7	-	16.7	28.6
increased financial support	22.2	-	33.3	50.0	11.1	35.7
winning in gambling	-	25.0	-	-	-	-
availability of credit	-	-	-	-	5.6	7.1
Cause of decrease in income	100.0	100.0	100.0	100.0	100.0	100.0
retrenchment	4.00	2.33	-	11.11	11.11	26.09
poor harvest	60.00	58.14	51.35	77.78	-	13.04
lower prices for produce	32.00	27.91	29.73	-	-	4.35
reduction in working members	4.00	6.98	10.81	-	61.11	13.04
reduction in remittances	-	2.33	5.41	11.11	16.67	34.78
payment of overdue loans	-	2.33	-	-	5.56	8.70
losses in gambling	-	-	2.70	-	5.56	-
Sold asset	13.3	18.3	21.7	10.2	20.8	17.8
Asset sold	100.0	100.0	100.0	100.0	100.0	100.0
House	-	-	-	25.0	-	7.1
land	22.2	9.1	20.0	25.0	33.3	14.3
Jewelry	-	-	-	25.0	27.8	42.9
Appliance	-	18.2	-	25.0	27.8	28.6
Animals	77.8	72.7	80.0	-	11.1	7.1
Reasons for sale of assets						
Augmentation of income	55.6	54.5	50.0	50.0	55.6	42.9
Payment of school fees	22.2	18.2	30.0	-	-	-
Payment for health service; medicine	-	18.2	-	-	-	21.4
Payment of loan	-	-	-	25.0	-	14.3
Capital for production/farm	-	-	10.0	-	5.6	-
House repair	-	9.1	-	-	-	7.1
Others	22.2	-	10.0	25.0	38.9	14.3

Source: Social Impact of the Regional Financial Crisis, Household Survey.



**Table VII.1. LIST OF AVAILABLE INDICATORS**

<b>Indicators</b>	<b>Disaggregation</b>	<b>Source</b>	<b>Frequency of Data Collection</b>	<b>Schedule of Data Release</b>
<b>Employment</b> Labor Force by Employment Status by Major Occupation Group by Major Industry Group Employed Person by class of workers	National, Regional	Labor Force Survey from the National Statistics Office (NSO)	Every quarter (Jan, April, July, Oct)	five months after the conduct of the survey (May, Aug, Nov, Feb)
Overseas Filipino Workers Deployment	by Country of Destination	Philippine Overseas Employment Administration(POEA)	Every month	three months after the reference month
Remittance	by Country of Destination/ by Type of Worker	Selected Philippine Economic Indicators (SPEI) from the BSP	Every month	two months after the reference month
Minimum Wage Rate	National, Regional,	National Wage and Productivity Commission (NWPC)	Every month	
<b>Poverty Incidence</b> Poverty Threshold Poverty Incidence Magnitude of the Poor Subsistence Threshold Subsistence Incidence Magnitude of the Subsistence	National, Regional, by Urbanity	National Statistical Coordination Board (NSCB)	Every three years (1991, 1994, 1997 )	One year after the reference year
<b>National Accounts</b> Gross Domestic Product	National	National Income Accounts from the NSCB	Every quarter (Jan, April, July, Oct)	Two months after the reference quarter (May, August, November, February)
Gross Regional Domestic Product	Regional	Gross Regional Domestic Product from the NSCB	Every year	Seven Months after the reference year
<b>Prices of basic commodities</b>	National, Regional	Bureau of Agricultural Statistics (BAS)	Every month	One week after the reference month
<b>Consumer Price Index</b>	National, Regional	NSO	Every month	Five days after the reference month (July)

Indicators	Disaggregation	Source	Frequency of Data Collection	Schedule of Data Release
<b>Housing</b> Housing and Housing Characteristics Tenure Status Roofing Materials Wall Materials Housing Convenience Electricity Source of drinking water Time to get to water source Sanitation Facility Flooring Persons per sleeping room Mean persons per room Iodized salt	National, Regional, Provincial, by urbanity  National, Regional, by urbanity	Family Income and Expenditure Survey (FIES) from the NSO  National Demographic Survey from the NSO	Every three years (1991, 1994, 1997)  Every Five years (1988, 1993, 1998)	One year after the reference year  Four months after the reference year (April)
<b>Access to Social Services</b> Access to basic needs : Source of Water Supply Electricity Toilet Facility Ownership of Durables (Radio, TV, Sala Set, etc...)	National, Regional, Provincial, by urbanity	FIES from the NSO	Every three years (1991, 1994, 1997)	One year after the reference year
Unduplicated Number of Clients served Coverage and Contributions by GSIS/SSS Benefits Paid by GSIS/SSS	National, Regional,	Stat Yearbook from the NSCB	Every year	Three months after the reference year
<b>Crime Statistics</b> Crimes by Type Index Crimes Non Index Crimes Crime Against Property Crime Against Person Crime Rate	National, Regional Provincial, by Cities  National, Regional	Philippine National Police	Every year	One month after the reference year

Indicators	Disaggregation	Source	Frequency of Data Collection	Schedule of Data Release
<b>Enrolment</b> Gross Enrolment Ratio Participation Rate Cohort Survival Rate Retention Rate Graduation Rate Drop out Rate Completion Rate Transition Rate Repetition Rate - Functional Literacy Rate	National, Regional, by Sex, by type of school (Govt, Private)	Statistics Bulletin from the Department of Education Culture and Sports (DECS)	Every year	Four months after the reference school year (October)
<b>Health</b> Mortality Rate Infant Mortality Rate Child Mortality Rate Maternal Mortality Rate Leading Causes Number of Crude Death Rate Fertility Rate Current Fertility Fertility Trends Teenage Fertility Family Planning	National, Regional       National, Regional by age, urbanity by marital duration	Functional Literacy Education and Mass Media Survey (FLEMMS) of the NSO       National Demographic Survey of the NSO	Every Five years (1989, 1994, 1999)	One year after the reference year       Four months after the reference year (April)

Indicators	Disaggregation	Source	Frequency of Data Collection	Schedule of Data Release
<b>Nutrition</b> Life Expectancy  Malnutrition Percent of Malnourished Children Protein Energy Malnutrition (PEM) Deficiency in : Vitamin A Iron and Micronutrients Iodine  Mean Per Capita Food Consumption Nutrient Intake Energy Protein Iron and Micronutrients Calcium Retinol Equivalent Thiamin Riboflavin Niacin Ascorbic Acid Fats Carbohydrates	National, Regional  National, Regional by urbanity  National, Regional, by urbanity by Income Quartile by One-day per Capita Food Peso Value by HH size by Occupation of Highest income earner	National Demographic Survey of the NSO  National Nutrition Survey from the Food and Nutrition Research Institute (FNRI)	Every Five years (1988, 1993, 1998)  Every five years (1993, 1988, 1993, 1998)	Four months after the reference year (April)  One year after the reference year

Source: Various Government Agencies.