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Editor's Notes

Addressing widespread poverty is perhaps the most challenging issue that every political administration in the Philippines has faced. It has perennially been a top priority of any government precisely because it remains to be a serious problem in the country.

Targeting the poor is an important component of poverty reduction. It is therefore critical that an effective and robust poverty line is available to serve as the government's core source of information for determining the number of poor people and consequently, for crafting relevant measures to achieve poverty reduction, if not totally win the war against poverty.

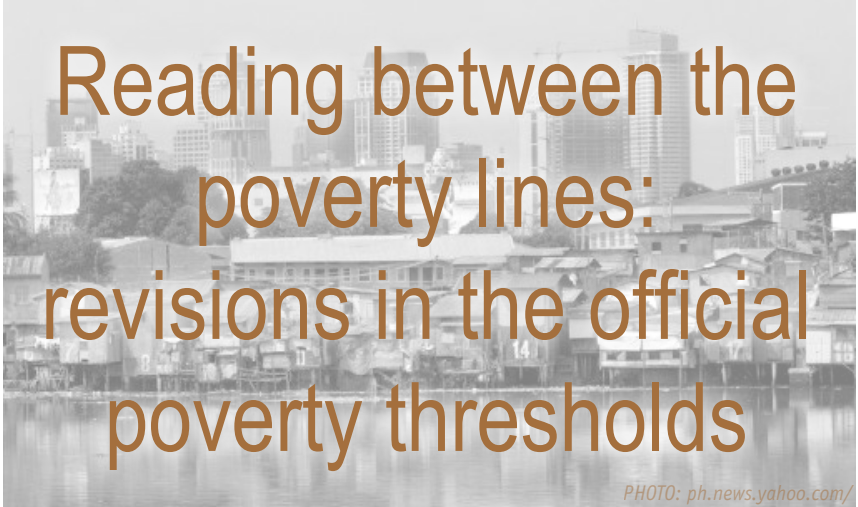
Our main feature explains the revised methodology for determining the poverty line. It has generated some negative feedbacks when it was released. Hopefully, this article will assuage pessimistic perceptions that have flourished, which even claimed the revisions as politically motivated.

Meanwhile, the second feature discusses important issues that hinder inclusive economic growth in the context of the Central Visayas region. Non-inclusive growth worsens poverty, therefore it is essential that all groups benefit from the fruits of economic growth. If there are important insights that the article has emphasized, one of the most resounding is the value of education, particularly higher education, in alleviating poverty by giving graduates a better shot in life.

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Reading between the poverty lines: revisions in the official poverty thresholds

PHOTO: ph.news.yahoo.com/

Most people have their own sense of what it means to be poor. Some think they are poor because they cannot afford a posh car while others say they are poor because they cannot send their children to school or they cannot pay their rent. Then, there are those who say they are poor because they are bereft of basic necessities to subsist like food, water, and decent shelter. Interestingly enough, there are also those who, despite their evident lack of such basic needs, think they are not poor. So where does one draw the line?

Determining who the poor are and defining what it means to be poor are indeed contentious tasks. The government needs, however, to set an absolute minimum standard of living, albeit differences in public perception and difficulty in setting it. Poverty metrics and statistics matter as they affect government policy. This is why they ought to be credible and useful for developing policies on monitoring and alleviating poverty incidence.

In February 2011, the National Statistical Coordination Board (NSCB) revised its methodology for determining the official poverty lines. This article abridges the full paper authored by Philippine Institute for Development Studies Senior Research Fellows Celia Reyes and Jose Ramon Albert where they explained these revisions. Reyes and Albert were Chair and Member, respectively, of the NSCB Technical Committee on Poverty Statistics (TC Povstats).

Explaining the poverty line and the old methodology

A poverty line is simply a delineation between the poor and nonpoor swathes of a society. In a more technical sense, this line refers to the poverty threshold or the minimum level of income deemed adequate for a person

Table 1. Comparison of PHP equivalent of international poverty line (PPP \$1.25 per person per day), official subsistence poverty line, and official (total) poverty line

Year	International \$1.25 per Person per Day (in PHP)	Official (National Average) Subsistence Poverty Line per Day (in PHP)	Official (National Average) Poverty Line per Day (in PHP)	Annual International Poverty Line (in PHP)	Annual (National Average) Official Subsistence Poverty Line	Annual (National Average) Official Poverty Line
2009	37.24	32.02	46.14	13,591	11,686	16,841
2010	38.65			14,109		
2011	40.42			14,753		

Source: National Statistical Coordination Board

to purchase basic food and nonfood necessities. A person whose income is equal to or higher than the poverty line is nonpoor while a person whose income is below the poverty line is poor.

Poverty means different things in different countries. Hence, each country has its own methodology in defining, assessing, and measuring the poverty line that is reflective of its context and goals. From a policy perspective, having a poverty line is a useful benchmark for identifying and counting the poor, targeting resources for the poor, and monitoring progress in poverty reduction.

The most widely used poverty line is the one-US-dollar-per-person-a-day poverty threshold in purchasing power parity (PPP) terms set by the World Bank. As its name suggests, this benchmark uses PPP exchange rates (and not foreign exchange equivalents) to calculate for the equivalent of one dollar to a local currency based on 1990 figures by determining the relative cost of a comparable basket of goods and services in each country. This international poverty line was recently revised into USD 1.25 per person per day in 2005 terms by the World Bank and other donors, including the Asian Development Bank (ADB).

In the Philippines, the official poverty line is determined by the National Economic and Development Authority (NEDA) through the NSCB. The previous methodology involved the computation by the NSCB of the minimum income a person needs to spend on food commodities to reach 2,000 calories per day, as well as the costs of other basic

nonfood goods, including housing, clothing, education, and health care, based on the results of the Family Income and Expenditure Survey (FIES). After the food poverty line is calculated, a nonfood minimum allowance is indirectly computed and added to the food poverty line to come up with the national poverty line which is established as an average, allowing for the fact that prices vary widely from urban to rural areas and from more prosperous regions to poorer ones. This approach is called the cost-of-basic needs (CBN) methodology which, according to the United Nations Statistics Division, is employed by most countries.

The CBN approach has certain limitations, however, according to Reyes and Albert. For instance, the 2,000 calories per day is the caloric benchmark used which is based on the results of the country's Food Consumption Survey. However, it is below the 2,100 prescribed by the World Health Organization and the Food and Agriculture Organization and used by two-thirds of the 93 countries surveyed by the United Nations. Moreover, 'low-cost' menus are used in estimating the food component of the poverty line, instead of a generic food basket used by other countries. Prepared by the Food and Nutrition Research Institute and validated through regional consultations, these low-cost menus are considered the representation of the recommended dietary allowance for energy and protein as well as other nutrients and vitamins.

The importance of a nuanced and localized methodology can be illustrated by comparing the international poverty line with the

national poverty line. The latter, according to policy analysts, chimes better with reality and describes the country's poverty threshold more accurately. For instance, the equivalent of USD 1.25 per person per day for the Philippines in 2009 terms is PHP 13,591.00 per person per annum or PHP 37.24 per person per day, which is even lower than the national average official poverty line set at PHP 16,841.00 per person per annum or about PHP 46.14 per person per day (Table 1).

Refining the poverty line

Like any other measurement system, the country's methodology for determining the poverty line undergoes periodic review to address weaknesses and to make it suitable to current conditions. Since its adoption in 1987, NSCB's methodology for poverty assessment has been revised thrice—in 1992, 2003/2005/2006, and 2011. The 1992 refinement excluded alcohol, tobacco, recreation, and durable equipment from the list of basic nonfood necessities. The 2003/2005/2006 refinements produced provincial poverty data vis-à-vis regional and national poverty statistics. The latest refinements introduced in February 2011 primarily addressed the need to improve the comparability of the estimates across space and time. These new refinements were recommended by the TC Povstats composed of poverty experts from the academic, government, and private sectors.

According to policy analysts, poverty yardsticks ought to be consistent and analogous across provinces to increase its usefulness in targeting recipients of social protection programs such as the conditional cash transfer.

Consistency means that differences in poverty lines among provinces measure only one standard of living adjusted to cost of living and inflation. For instance, if a poverty line of PHP 1,100.00 is used in Metro Manila, and a poverty line of PHP 1,000.00 is used in a rural area in Albay, then the 10-percent difference is merely a reflection of the 10-percent cost-of-living difference between those areas. Accordingly, if the poverty line in rural areas of Albay was pegged at PHP 950.00 three years ago, then an increase to PHP 1,000.00 is only on account of inflation.

For this reason, the new methodology shifted to the development of a national food bundle, which would then be converted to a provincial urban/rural food bundle to address issues on comparability of the threshold across geographic locations. Aside from this, there were also changes in estimating for the nonfood component of the poverty line. The new methodology adopted the average estimation for nonfood component determined nationally across several FIES results for 2000, 2003, 2006, and 2009 instead of using different estimates for each FIES year. This average estimation will be used for at least 12 years or for two presidential terms to ensure that the standard for poverty monitoring is consistent over time.

Understanding the new poverty line

A cursory look at the poverty statistics generated through the old and revised methodologies shows that the former methodology estimates a higher number of poor people (Table 2). For 2009, the old methodology estimates 28.5 million Filipinos and 4.9 million families who are poor, but the revised methodology estimates the number of poor

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Table 2. Trends in the proportion of poor people using the official subsistence thresholds, the official (total) poverty lines, and the USD 1.25 PPP international poverty lines from 2003 to 2009

Year	Poverty Line				
	Official Subsistence Threshold		Official (Total) Poverty Lines		USD 1.25 PPP per Person per Day
	Old Methodology	Revised Methodology	Old Methodology	Revised Methodology	
2003	13.5	11.1	34.7	24.9	21.99
2006	14.6	11.7	36.6	26.4	22.62
2009	13.9	10.8	37.3	26.5	

Source: National Statistical Coordination Board

Issues affecting inclusive growth tackled in local dissemination forum in Cebu

Recognizing the importance of local and regional economic growth in nation-building and development, PIDS, in partnership with the University of San Carlos (USC) and the National Economic and Development Authority Central Visayas (NEDA Region 7), successfully conducted a local dissemination forum titled *“Expanding Development to the Local Level: Issues for Inclusive Growth”* last May 7, 2012 in Cebu City. The event featured presentations by PIDS President Josef Yap and PIDS Senior Research Fellows Celia Reyes and Rosario Manasan, and was attended by Cebu’s local policymakers, academics, and various representatives from private and civil society organizations.

Knowledge sharing and inclusive growth

NEDA Region 7 Director Buenaventura Go-Soco, Jr. explained in his opening remarks the importance of knowledge sharing. He stated that policy researches such as those produced by PIDS have significant applications in the local policymaking process despite their focus on the national and macro levels. He underscored the importance of collaboration among academics, researchers, and policymakers in implementing sound development policies and strategies such as those contained in the Central Visayas Regional Development Plan.

NEDA 7 has drafted in 2010 its regional development plan which contains an assessment of the current development bottlenecks in the region. This plan has been integrated in the national government’s medium-term development plan and strategy dubbed as the Philippine Development Plan.

In recent years, the Central Visayas region which is composed of the provinces of Bohol, Cebu, Negros Oriental, and Siquijor has experienced rapid economic growth and has consistently been one of the top contributors to the gross domestic product (GDP), said

Go-Soco. This growth, however, is lopsidedly concentrated in Cebu province and its capital, Cebu City, the country’s oldest and second largest metropolis. The city has historically been a major trading and commercial hub even during the pre-Spanish era. In recent decades, its manufacturing and service sectors rapidly expanded, coupled with a boom in tourism. This resulted in rapid urbanization and, unfortunately, uneven development within the city as well as among the provinces in the region.

Go-Soco explained that the region’s most pressing development challenge is to sustain, even accelerate, economic growth and to disperse it within the region. To do this, improvements in infrastructure, through public-private partnership, are necessary to facilitate easy movement of products within the archipelagic region. This is also expected to attract more investments to other parts of the region from the already saturated Cebu metropolis.

Another core development challenge in the region is narrowing social inequality and achieving high economic inclusivity. Poverty alleviation and social services provision, particularly in education and health service, need to be improved and addressed, taking into consideration the issues of social inequality and sustainability. The region also has to invest on human capital to accelerate its labor productivity and increase its overall competitiveness.

The Philippine economy in context

Opening the forum, Yap provided an overview of the Philippine economy with his evaluation of its performance in 2011 and his forecasts for the year. An article on the same topic was published in the January-February issue of this newsletter.

The economy grew by a “dismal” 3.7 percent in 2011. Yap attributed this lackluster growth to four reasons. First, the absence of

elections in 2011 has affected government spending, in general. Election-related or induced spending has been an important factor for growth in the economy. Government spending generally increases during election season as politicians finish their priority projects and programs. Campaign-related spending by political aspirants also bolsters the economy. Second, the economy was adversely affected by the global increase in food and fuel prices which have affected spending and production. Third, the global economic downturn, particularly in the Euro zone, had disadvantaged the country's trade prospects. Last, the deceleration of government spending dragged economic growth.

Yap, however, sees an improved and better economy in 2012. In his annual forecast for the economy, based on trends and developments in the previous year, he expects GDP to grow at 5.6 percent. This growth will be largely stimulated by the revival of public spending. The implementation of the infrastructure projects of agencies like the Department of Public Works and Highways and the Department of Transportation and Communications is expected to be a key growth driver for this year. At the same time, continued expansion of manufacturing and service sectors as well as the recovery of the agricultural sector will altogether contribute to a higher economic growth.

A critical aspect that will be a major economic determinant this year is the attainment of a favorable political situation. Hence, Yap articulated that it is imperative to have a successful closure of the impeachment trial of the Chief Justice; otherwise, political uncertainty may ensue and may hamper investment. He further expressed that the confidence being enjoyed by the current administration is a positive attribute that can be harnessed to accelerate the economy through new businesses and stable investment inflows.

Walking on three legs: services, manufacturing, and agriculture

Cebu has a vibrant and thriving manufacturing sector. However, the country's manufacturing sector, as a whole, has disappointingly lagged through the years. Using a presentation prepared by ADB economist



	1960	1984	2010
Hongkong, China	1,960	14,163	35,671
Indonesia	196	467	1,180
Republic of	1,110	4,147	16,372
ia	784	2,161	5,264
	612	908	1,378
	2,251	11,042	32,111
	1,468	3,169	19,260
	329	933	2,751

PIDS President Josef T. Yap presents his evaluation of the Philippine economy at a forum held at the University of San Carlos in Cebu. (PHOTO: Precious Jose Baroy, PIDS)

Norio Usui, Yap reported the tragedy of the country's manufacturing sector whose share in GDP has continuously declined from 25.7 percent in 1980 to only 21.4 percent in 2009. With this trend, the Philippines has become the odd one out in the Southeast Asian region. This is because growth in countries like Thailand, Indonesia, Malaysia, and even Vietnam has been largely led by their thriving manufacturing sector. The country's growth, on the other hand, is largely driven by the service sector.

This stagnation is attributed to the unsuccessful industrialization policies in the past and the lack of product diversification. The lower income classes take the brunt for this because manufacturing usually employs people who are less educated. This implies that improving the manufacturing sector is necessary to achieve inclusive growth and alleviate poverty.

To do this, Yap suggested that the Philippines can follow South Korea's model of industrialization that integrated domestic small and medium enterprises, which are more labor intensive. South Korea's industrialization in the 1970s and 1980s can be largely attributed to large-scale enterprises subcontracting to small and cottage businesses. Yap further reminded that the government should not forget the agriculture sector which arguably has seen a similar trend as the manufacturing sector. Yap said it is important that the country walk on "three

legs” meaning the services, manufacturing, and agriculture sectors.

Unlocking the paradox of local economic enterprises

Complementing Yap’s presentation was PIDS Senior Research Fellow Rosario Manasan’s talk on local economic enterprises (LEEs). Manasan’s presentation, which she also delivered in a similar local dissemination forum in Calapan City in 2011 (see DRN November-December 2011 issue), delved on issues surrounding fiscal sustainability and viability of LEEs that are owned, operated, and managed by local government units (LGUs).

LEEs refer to state-owned enterprises that generate majority of their revenues from selling goods and services. Examples of LEEs include public markets, slaughter houses, hospitals, public cemeteries, parking areas, sports and recreational and cultural facilities, public utilities (water, power supply and distribution, and telecommunications), garbage collection and disposal, and public transport and terminal services, among others.

The legal basis for creating LEEs is the Local Government Code of 1991 (Republic Act No. 7160) which devolved regulatory and social services functions from the national government to LGUs including fiscal management. It is a common knowledge, however, that most LGUs fail to meet the huge budget allocations to fund devolved services and responsibilities. Hence, most LGUs have engaged in LEEs ostensibly to generate revenues that can augment their budget.

Manasan noted that the less business-like approach to local enterprise management has resulted in large arrearages and collection inefficiency, thereby causing LEEs to continuously incur losses instead of becoming self-sustaining and revenue-generating schemes. Thus, these local enterprises have become quite paradoxically a bane rather than a boon to local governments. To counter this, Manasan offered some recommendations which can hopefully salvage the situation of losing LEEs. She emphasized the need to strengthen LGU capability, especially in the development and evaluation of feasibility

studies, tariff setting and collection procedures, and the importance of conducting periodic review of existing LEEs.

Scarcity amidst plenty: rationalizing subsidies to state universities and colleges

Cebu City is also the region’s educational center. It hosts some of the best colleges and universities in Central Visayas and, arguably, in the country. These higher educational institutions play an important role in sustaining the region’s socioeconomic development because their graduates supply the growing demand for educated and high-skilled workers by the emergent service sector. Aside from this, tertiary education is instrumental in improving living standards and in reducing poverty in the region. This is particularly true for state universities and colleges (SUCs) that provide equitable opportunities to access higher education.

Manasan explained that higher education has a public good dimension as it has positive spillover effects on the economy and the society. Aside from producing competitive and high-skilled graduates, higher education institutions, through their researches, are knowledge producers and innovators. These roles are unquestionably important to socioeconomic growth and development. However, tertiary education also has a private good dimension to its recipients by giving them a better shot in life. Thus, Manasan argued that recipients, especially those who are capable, should pay for the price. This is why it is important that SUCs implement socialized tuition fee schemes to equitably provide access to higher education.

In recent years, the government has implemented reforms to rationalize subsidies to SUCs. Manasan, in her presentation, provided an analysis of these reforms and recommended measures to bolster their capacity and performance. One of her major proposals is the amalgamation of SUCs to cut down costs and to efficiently utilize government subsidies. The study also showed that spending per student does not have a statistically significant influence on the passing rate in licensure examinations, which can be a proxy for measuring quality of education. This result suggests that there is some scope for reducing the cost per student without

necessarily affecting the quality of education provided by SUCs.

Understanding the dynamics of poverty in Cebu

Meanwhile, PIDS Senior Research Fellow Celia Reyes gave a presentation on transient and chronic poverty with particular focus on the Central Visayas region. She first provided a general description of poverty trends in the Philippines and then discussed the poverty trends in the region. Based on the 2009 Family Income and Expenditure Survey (FIES), Central Visayas has one of the highest concentrations of poor families, together with the Bicol and Eastern Visayas regions. Within Central Visayas, Bohol has the highest poverty incidence with 41.0 percent of poor families followed by Negros Oriental with 36.4 percent. Meanwhile, the provinces of Siquijor and Cebu have a poverty incidence of 32.8 percent and 25.2 percent, respectively. Overall, the region's poverty incidence of 30.2 is higher than the national poverty rate of 20.9 percent.

Aside from looking at the snapshots of poverty trends in the region, Reyes extended her analysis by looking at poverty characteristics over time. Using data from the 2003, 2006, and 2009 FIES, she examined the chronic and transient poverty in the region. Chronic poverty refers to households that are consistently poor during the period of study, while transient poverty refers to households that are poor during a given point in time but were previously not poor during the period of study. For more details on this, you may refer to Reyes and Associates' study published as Discussion Paper No. 2010-30, which is downloadable from the PIDS website and the SocioEconomic Research Portal for the Philippines.

At the national level, only 47 percent of those who are classified as poor in 2009 are chronic poor, or consistently poor during the period 2003–2009. In Region 7, about half of those who are classified as poor in 2009 are chronic poor, or consistently poor during the same period. Reyes explained that the movement from being poor to being nonpoor and vice-versa can be attributed to various shocks such as environmental disasters and economic downturn, among others.

Analysis of the characteristics of chronic poor households shows that they have lower educational attainment and employed in the agricultural sector. The study also further showed that those employed in the agriculture sector are more vulnerable to shocks.

Reyes said distinguishing between chronic and transient poverty is important to poverty alleviation efforts. The government has treated poverty homogeneously and has been implementing a uniform antipoverty policy. Reyes argued that there should be a differentiated approach for addressing chronic and transient poverty. Some possible programs that address chronic poverty are conditional cash transfers, livelihood projects, and skills training. On the other hand, transient poverty can be addressed by having safety net programs such as crop insurance, calamity credit, and emergency employment programs.

Linking knowledge and local action

As emphasized in the presentations, PIDS recognizes the invaluable role that local and regional development plays in national progress. In recent years, there has been great support and demand for evidence-based policymaking at the local level. This is why the Institute continuously endeavors to disseminate and publicize its research products to local policymakers and decisionmakers. One of these strategies is organizing local forums to influence local policy and local action from both the public and private sectors. *PJB*



Climate-related natural disasters on the rise in Asia and the Pacific

In sustaining economic growth, many countries are using resources faster than ever at the cost of the environment. As a result, the frequency of powerful storms and intense flooding categorized as climate-related disasters have risen in Asia and the Pacific. This phenomenon is noticeable particularly in Australia, India, Pakistan, and the Philippines.

Evidence has suggested that South, South-east, and East Asian coastal regions are at a huge risk as rainfall and temperatures related with these episodes have become more variable and extreme. There are also indications that more frequent and intense impacts of weather-related disasters result from a confluence of the changing nature of hazards affected by climate change, rising population exposures, and limited adaptive capacities in many countries.

A recent report from the Intergovernmental Panel on Climate Change (IPCC) also links more intense rainfall and more extreme temperatures worldwide to rising carbon emissions and manmade greenhouse gasses (GHGs).

PIDS and the Independent Evaluation Department of the Asian Development Bank (ADB) jointly organized a forum to discuss

this issue. On June 28, 2012, a panel discussion on “Confronting the Rising Threat of Climate Disasters” was held at the AIM Conference Center, Makati City. A number of government stakeholders, private entities, and civil society groups discussed the rising challenges and risks of climate-related natural disasters that are seriously impacting lives and livelihoods. The forum underscored the urgent need for action from national and local governments to strengthen their preparation and resilience to natural disasters, improve adaptive capacities, and implement mitigation measures.

The frequency of intense hydro-meteorological disasters globally in 2001–2010 increased 66 percent to 2,004 from 1,210 in 1991–2000. Intense natural disasters during 1991–2000 claimed 1.6 million lives; two-thirds of these people came from Asia and the Pacific. Low-income and lower-middle-income countries are taking the heavier toll, said Vinod Thomas, Director General of ADB’s Independent Evaluation Department.

Thomas cited Typhoon Ketsana (Ondoy), the East Japan earthquake, and the floods in Thailand as intense hydro-meteorological disasters that forfeited the otherwise remarkable poverty reduction and development gains in Asia. Typhoon Ketsana in 2009 released a month’s worth of rainfall in 24 hours in the Philippines, washed away homes and flooded areas, killing hundreds and stranding thousands of people. In March 2011, around 16,000 people died and over 3,000 went missing due to a powerful earthquake and a tsunami that struck Japan. Heavy rains in Thailand in September 2011 caused serious floods in 63 provinces, which affected 13 million people and damaged 1.6 hectares of crops. There were also production shutdowns and manufacturing delays that caused billions of economic losses that fell disproportionately on the poor.

Also, in 2001–2010, it was estimated that the average annual number of people affected by intense hydro-meteorological disasters total to nearly 150 million compared to around 170 million in the 1990s, 60 million in the



(L-R) Mr. Richard Bolt, Ms. Ces Drilon, Mr. Vinod Thomas, and Dr. Rosa Perez discuss matters on how to confront climate disasters. (PHOTO: Ma. Gizelle Manuel, PIDS)

Table 1. Number of people affected by intense disasters per 1,000 population, per year: 2001–2010

Income Category	Geophysical	Meteorological	Hydrological	Climatological	Biological
Low Income	527	829	2,469	8,471	244
Lower Middle Income	994	2,902	2,844	4,382	136
Upper Middle Income	101	1,411	1,028	282	103
High Income	3	850	78	21	0
All Income Categories	1,925	5,992	6,418	13,157	484

Sources: EM-DAT, CRED; WDI Population projections, World Bank (2011); and WDI Gross National Income per capita data (in purchasing power parity-terms), World Bank (2011).

1980s, and 30 million in the 1970s. Among the most affected are the lower- and upper middle-income groups as Table 1 shows.

Climate impacts are an immediate concern, said Dr. Jose Ramon Albert, Senior Research Fellow at PIDS. “The incidence of extreme climate and weather events has been rising sharply in recent decades throughout the world. The Philippines, and indeed much of Asia, have been especially hard hit with the loss of many lives and extensive damage,” Albert added.

PIDS President Josef Yap, in his welcome remarks, likened the repetitions of events in the history of the Philippines to a refrain in a song as they happen repeatedly each year. They include maritime disasters due to overloaded boats and ships wherein half of the passengers are not in the manifesto; the perennial issues of shortage of classrooms every start of classes in June; and episodes of heavy flooding after every strong typhoon, which show how unprepared the victims are, and how they keep on returning to their disaster-prone areas despite repeated warnings. “The sad and unfortunate aspect of this so-called refrains is that their adverse impacts can actually be reduced substantially yet not enough has been done to address the failures. Government, of course, has a major role, but it is not the only actor,” Yap said.

The Philippine scenario

In his presentation titled “Natural Disaster and Climate Change”, Thomas highlighted the importance for the Philippines of communication in raising awareness, shifting focus to prevention and preparedness from the usual relief and reconstruction, and promoting public and private partnerships for mitigation and adaptation.

“With no action, the cost of impact will be unacceptable. Adaptation without mitigation will also be ineffective, thus mitigation and adaptation will optimize benefits,” Thomas stressed.

Weather

The Philippines is one of the countries that is a hot spot of hydro-meteorological disasters. This phenomenon, however, is happening not only in Asia and the Pacific, but across the world, because all the factors associated with risks such as hazards vulnerability and exposure are changing in the country.

From the period 1971–2010, the Philippines had 98 intense hydrological disasters, the fourth highest recorded in Asia and the Pacific. Indonesia led the list with 124, followed by India with 167, and 172 for China. In the same period, it had 218 incidences of intense meteorological disasters, the highest in the Asia-Pacific region.

Seventy percent or 1,154 tropical cyclones entered the Philippine Area of Responsibility (PAR) from a total of 1,641 that formed in the Western North Pacific in 1948–2010. An average of 19–20 tropical cyclones is formed in the PAR per year, which ranged from a low of 10 to a high of 32 tropical cyclones per year. Data from the Philippine Atmospheric, Geophysical and Astronomical Services Administration, however, suggested that from 1951 to 2010, the frequency of tropical cyclones that affected the Philippine has not increased. In fact, an evaluation of the 30-year average number of tropical cyclones showed that the mean for the last 30 years has slightly decreased to 18.8 tropical cyclones per year in the period 1981–2010 from 19.8 tropical cyclones per year in the period 1951–1980.

Dr. Rosa Perez, Senior Climate Specialist at the Manila Observatory Regional Climate System, said there are no clear trends in the frequency of tropical cyclones, typhoons, and extreme typhoons in the period 1945–2010. But, in the last decade, tropical cyclones and typhoons have poured in huge volumes of water, thereby increasing the frequency of extreme daily rainfall and may be attributed as the cause of more frequent flooding.

Perez explained that while the intensity of rainfall appeared to be increasing in most parts of the country in the latter part of the century, not all of these increases are statistically significant. There is evidence of statistically significant increase in rainfall intensity specifically for Baguio, Tacloban, and Iloilo. Also, while an increasing trend in the frequency of extreme daily rainfall is generally noticeable for most parts of the Philippines, not all of these trends are statistically significant. Trends are statistically significant only for Calapan, Laoag, Iloilo, and Tacloban. For Palawan, there is no noticeable increasing trend in the frequency of extreme rainfall intensity.

Additionally, although the frequency of extreme rainfall events may not be changing to a great extent across the decades, there is clear evidence that the nature of these extreme events are changing. Luzon, for example, has more frequent rainfall of greater than 350 millimeters recorded in the late 2000s. Compare this to the 275 millimeters of rainfall in the 1960s and 1970s.

The typical paths of tropical cyclones for every decade have also been changing. From the 1950s to the 1960s, most tropical cyclones were concentrated in the eastern part of the country. However, in the 1970s, it has shifted to Northern Luzon, where the frequency has decreased in the last 20 years. Recent data, on the other hand, indicate that the pathway of tropical cyclones have shifted to Central Philippines.

Climate

The Philippines, like most parts of the world, has also shown evidence of increasing temperatures. Its annual temperature rose at a rate of 0.65°C or an average of 0.0108°C per year during the period 1951–2010. Similar to the global changes in temperature, the warming trends have been attributed to natural variations in temperature and human-induced climate change such as the increased emissions of GHGs.

Temperatures have risen starting in the 1950s. However, in the latter half of the 1980s, temperatures have begun to rise rapidly in the Philippines. There has been an increase in the number of hot days while the number of cool days has been decreasing. The years that have recorded significantly high temperatures were more concentrated in the period after 1995.

Results of the research on projected temperature in the Philippines by the Manila Observatory showed that average temperature is projected to increase by 0.8°C and 2.2°C by 2020 and 2050, respectively, all over the Philippines, using temperature projections in the medium-range scenario (A1B) IPCC scenario in contrast to baseline conditions. Likewise, there is an evident change of more frequent days having 28°C in 2020 and 29°C in 2050 again compared to the baseline.

Detailed distribution of projected temperature in the country shows varying degrees of warming in different areas, with the southern regions expected to experience greater degree of warming compared to those in the north. It is also expected that Mindanao and Southern Visayas will be warmer by 2020 and 2050 compared to Luzon. The Zamboanga Peninsula is expected to experience the highest increase in temperature.

Furthermore, precipitation is expected to increase in high-latitude regions and to decrease in the tropics. The Manila Observa-



Rescuers ferry stranded residents while other people wade on Ortigas Avenue in Cainta, Rizal, due to massive flooding caused by Tropical Storm "Ondoy". (PHOTO: Edwin Bacasmas, Inquirer.net)

tory reported a decrease in rainfall by 2020 in nearly all parts of the country except for Luzon, where there is either an increase or no change in rainfall. In addition, by 2050, it is expected that Visayas and Mindanao will be drier than normal. In terms of extreme precipitation in the Philippines, the number of days with heavy precipitation (greater than 200 mm) is expected to increase with global warming by the year 2020 and 2050.

For its part, the Philippine government is proactive in dealing with the challenges of natural and manmade disasters, according to Presidential Adviser on Climate Change Elisea Gozun. She said a number of programs have been put in place by the current administration to avert the adverse impact of intense climate-related disasters on the economy and ensure the safety of every Filipino family.

By 2013, Gozun said the Department of Budget and Management will institutionalize a more climate-resilient national budget for its

various programs and project initiatives. Said budget allocation will be used in implementing adaptation and mitigation strategies for highly vulnerable communities.

Further discussions in the forum revolved around the importance of shifting to a low-carbon path. All nations need to improve on reducing their consumption of energy-intensive products and to switch to more renewable forms of energy.

Another key message highlighted in the forum is the need for political leaders and economic managers to recognize the critical link between climate-change response and economic success. Investing in adaptation and mitigation strategies is essential. For example, climate-proofing infrastructure is crucial for those living in risk-prone areas. Locals also need to have more access to catastrophe insurance and incentives to precautionary savings so they may be less burdened by the undesirable effects of climate-related disasters when these occur. [CSM](#)

Reading...from p. 3

Filipinos at 23.1 million and the number of poor families at 3.9 million. This difference is, however, expected because of the practice in the old methodology of using low-cost food bundles which may be costly in rich regions (such as urban areas) and therefore, poverty lines will be set higher than necessary in these regions and consequently, a much higher number of poor people in these regions than necessary. Moreover, the new methodology, as explained, uses a single yardstick of living standards across provinces thereby addressing the problem of overcounting poor people in richer areas.

Unfortunately, popular discourse has taken these results out of context. Some have hastily concluded and misinterpreted that there has been reduction in poverty incidence without taking into account that this seeming reduction was borne out of methodological difference. In addition, critics have doubted the timing of implementation of this new methodology saying that it is politically motivated. However, the NSCB has clarified that revisions in setting

the poverty line are not meant to make the current administration look better than the previous administration. The description of poverty conditions under the current administration will have to wait for the results of the 2012 FIES.

To fully appreciate these results, one needs to “read between these poverty lines”. According to poverty experts, these results show that the overall poverty trends are rather robust. That is, the description of poverty trends is the same: the proportion of poor persons in 2006 and in 2009 is higher than the corresponding rates in 2003, regardless of whether we use the old methodology or the new one. This is also consistent with the findings of the World Bank that poverty slightly increased from 2003 to 2006 despite economic growth in the same period. Hence, this implies that growth has not been inclusive and the current government should promote policies and implement programs so that growth could trickle down to the poor and marginalized sectors.

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Reading...from p. 11

The bottom line

In reality, there are no systematic breaks in living standards that are comparable to what a poverty line really means. Yet, the proportion of poor persons and families that is determined by a poverty line serves as an important welfare indicator. It is essential for policymakers and other social actors to have access to a quantitative assessment of the poverty incidence. This knowledge is an important tool in crafting relevant social policies and evaluating their impact.

Any changes in drawing the poverty line are a touchy matter because of its consequent effects on social programs and their beneficiaries. However, if taken in their proper context and fully appreciated by policymakers, these latest methodological changes can further improve the country's poverty measurement system and ensure that the government's scarce resources are maximized and are indeed directed to those who really need them. **PJB**

Ed notes...from p. 1

However, for education to be truly empowering, it is important that students get quality education. The dwindling performance of many state colleges and universities in this aspect is indeed a serious issue. It is about time to heed calls for reforms to bolster their capacity and performance. Some of the recommended reforms and measures were briefly discussed in the article.

Lastly, this issue discusses some trends in climate-related natural disasters. They are alarming, indeed, as their impacts are something that we all see and feel. In

relation to poverty, the low-income and lower-middle-income groups are the hardest hit by hydrological and climatological disasters between 2001 and 2010 based on statistics. They are the most vulnerable groups. This only indicates that unless appropriate measures are undertaken to protect them from the undesirable effects of these natural disasters or to minimize the negative impacts so the poor will be less burdened, poverty reduction efforts will be ineffective. The need to address climate change is vital in the battle against poverty because it hurts the poor disproportionately.