



DEVELOPMENT RESEARCH NEWS

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Corruption, IP issues beset PH mining

VARIOUS ENVIRONMENTAL, INSTITUTIONAL, and human rights issues still hound the Philippine mining sector more than 20 years after the passage of the Philippine Mining Act.

This is according to Eligia Clemente, consultant at state think tank Philippine Institute for Development Studies (PIDS), in her study, “Challenges in the Philippine mining industry”.

According to Clemente, the current mining regime is all encompassing and covers the triple bottom-line of sustainable development, namely, the growth of the economy, environmental protection, and social responsibility. She commended the law for laying down various measures to protect the environment and the stakeholders of the mining sector and defining areas where mining can be allowed.

Particularly protected, according to Clemente, are indigenous peoples (IPs), who hold certificates of ancestral domain titles (CADTs) on lands inside the planned mining contract.

Nonetheless, as in the case of other Philippines laws, the reality on the ground tells another story.

Despite the provisions of the Act, Clemente revealed that audits conducted by the Department of Environment and Natural Resources (DENR) found that several mine areas

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Editor's Notes

Good governance and good policies work hand in hand. They reinforce one another. Both are necessary to keep a country running smoothly. Lack of good governance can hinder the successful implementation of good policies while the absence of the latter can make the former ineffective and inefficient. This is evident in some of the sectors studied by PIDS and featured in this issue of the *Development Research News* (DRN).

First is the mining sector. An overhaul of the country's mining policies is an urgent task for the government. While a comprehensive law is in place, a PIDS study uncovered that its implementation is saddled by poor enforcement, corruption, inconsistent execution, and clashing interests between local government units (LGUs) and the agency concerned in the approval of the mineral sharing agreement. It also revealed that the law has failed to protect the rights of the indigenous peoples (IPs) as the required free, prior, and informed consent, which is necessary before a mining project is implemented in an IP community, has become merely a "formality rather than a critical requirement".

Another sector begging for repair is forestry. The degradation of the country's forest cover at an alarming rate of 41 percent in just two decades raises red flags not just to the government but (Page 22)

were lacking proper environmental plans, with denuded forests and silted rivers as evidence of such uncontrolled degradation.

The partner-agencies of DENR in the implementation of the Mining Act, such as the National Commission on Indigenous Peoples (NCIP), were also reported to be suffering from institutional issues that affect the performance of their role in the mining sector.

Corruption among mining agencies

One of the institutional issues raised in the study is the rampant corruption among mining regulatory bodies of the government.

According to Clemente, such corruption roots from the unclear regulatory regime, wherein various government agencies have overlapping functions.

"This creates a venue for cracks, which, interestingly, are filled in by enterprising government employees through illegal means," Clemente said.

She also cited clashing interests between local government units (LGUs) and the Mines and Geosciences Bureau (MGB) in the approval of the mineral production sharing agreement (MPSA), one of the three types of mineral agreements that the government grants to a private contractor for the conduct of mining-related activities.

For instance, the national government, through MGB, is empowered under the Mining Act, to enter into MPSA with mining contractors.

On the other hand, the Local Government Code has devolved to the LGU the powers and functions needed to ensure the protection of the environment and maintain sustainability of its constituents.

"This has resulted in contradicting decisions on approvals of MPSA," according to Clemente.

"Although the Code specifies that national laws have preference over local ordinances, the breadth of power LGUs need still to be delineated," the PIDS researcher added.

Clemente also lambasted the lack of uniformity in the interpretation of administrative orders, which has given too much leeway to regional directors to provide their system of implementation.

"It would be good to discuss such issues and come up with a common implementing guideline for all offices to eliminate personal tendencies to relax rules," she said.

Violation of IP rights

The study also revealed how the rights of the IPs have been repeatedly defiled, especially in the mining areas.

Under the current mining regime, a mining firm must secure a free, prior, and informed consent (FPIC) before the commencement of any resource extraction project in an IP community.

This requirement is in recognition of IPs' right to self-determination, as well as



Free, prior, and informed consent of indigenous people (IP) communities in mining areas has become “a formality rather than a critical requirement”, according to Eligia Clemente, consultant at the Philippine Institute for Development Studies. (Photo by Jeff Pioquinto/Flickr)

their right to freely determine their social, economic, and cultural development.

However, this requirement for FPIC “has been relegated more as a formality rather than a critical requirement for the development of a project in their domain”, according to Clemente.

This stems from the fact that the mining act was passed two years earlier than the Indigenous People’s Rights Act (IPRA), which means the absence of a law where the IP communities can base their rights over their ancestral domains at that time.

Clemente added that IPRA only provided for the recognition of the rights the IPs have, but it was not able to immediately set guidelines and processes for the community’s consent.

In fact, the manual for FPIC process was only released in 2012, more than

a decade later than the passage of the Mining Act.

“This delay in the guidelines accompanied by the late processing of CADTs do not leave much room for IPs to stand against the proposals of big companies,” she argued.

NCIP has a huge role to fill, particularly in the protection of the rights of IP communities.

However, Clemente said the institution “does not have enough personnel to echo the mandated organizational setup in all regions. Multiple tasks are assigned to personnel with no mentors or higher ups as supervisors.”

She added that the lack of human resource has also resulted in a lackluster performance of the agency, particularly in upholding the rights of IPs to the land and the preservation of their culture.

“Nonlawyers are even tasked to take on the role of legal personnel in arbitration cases,” Clemente stated.

Not the first time

This is not the first time PIDS has raised concerns regarding the issues pestering the local mining sector. As early as 2000, the Institute has advocated for the improvement of the mining law implementation and regulation in the country.

In 2000, for instance, PIDS spearheaded an economic analysis of mercury pollution due to small-scale gold mining in the Philippines. In the said study, the Institute called for stronger monitoring and enforcement of laws and regulations regarding mining in the country.

Ten years after, another PIDS study was conducted, this time focusing on the national industrialization of the mining

sector. Despite earlier calls for the strengthening of mining regulation, the 2010 study found that mining regulation and monitoring of government mining agencies remained weak, which resulted in poor efforts of the government in industrializing the mining sector.

Meanwhile, it was in 2011 that PIDS criticized the status of the Philippine mining sector as “mere exporter of raw materials” to industrialized countries.

This, according to the Institute, has limited the potential of the country to fully benefit from mining development. In line with this, the Institute proposed the conduct of a full-blown value chain

analysis to improve the sector’s access to global markets.

In reality, such recommendation is not limited to improving market access of mining firms, as it can also encourage them to strictly adhere to local mining and environmental laws.

Several studies of PIDS have found that participation in global value chains forces local markets to meet the requirements of higher-tier foreign firms, some of which pertain to the processes involved in their services.

In 2018, the Institute, in a study, reiterated the Mining Act’s lack of teeth in mitigating

environmental degradation and contributing to poverty alleviation and preservation of cultural communities under the current mining regime.

It also noted the institutional overlaps and lack of delineation of function between MGB and the Environmental Management Bureau, which are considered the root cause of bureaucracy concerns and proliferation of graft.

Some of the authors of these studies have since retired from PIDS, but the serious mining concerns identified in their studies, such as the adverse environmental and social side effects of mining, have persisted to this day, as proven by the 2019 study of Clemente. **RGV**

Poor governance, lax regulations threaten PH forests

DESPITE SIGNIFICANT GROWTH over the years, the Philippine forestlands are still at risk of deforestation due to decades of lax regulations and poor governance in the country.

This was according to a study by Sonny N. Domingo and Arvie Joy A. Manejar, senior research fellow and research analyst, respectively, at state think tank Philippine Institute for Development Studies (PIDS).

According to Domingo and Manejar, the country’s forestland area has continuously grown at a significant rate due to several government initiatives in the forestry sector.

Latest data from the Department of Environment and Natural Resources – Forest Management Bureau (DENR-FMB) show that the Philippine forestland area grew from about 20 percent in the 1990 to almost 27 percent in 2015.



The Philippines also fared well in global forest statistics.

According to the 2015 Global Forest Resources Assessment released by the Food and Agriculture Organization, the Philippines ranked 5th among 234 countries in terms of forest gain.

The assessment revealed that the country was able to grow its forest area at a rate of 240,000 hectares (ha) per year from 2010 to 2015 ahead of its neighboring countries in the Association of Southeast Asian Nations region, particularly Lao People's Democratic Republic (189,000 ha/year) and Viet Nam (129,000 ha/year).

Behind such growth were Executive Order (EO) 23, which issued a moratorium on logging, and EO 26, which mandated the National Greening Program (NGP), according to Domingo and Manejar.

Together, these policies significantly affected the increase in Philippine forestlands over the years.

Dwindling forest cover

The authors, however, clarified that the impact of these policies was limited on the forestland area, not on the country's forest cover.

As compared to mere forestland area, forest cover generally refers to the sure portion of the forestlands still covered with trees.

In fact, a closer look at the local statistics reveals a significant decrease in the



Continuous practice of kaingin is among the major causes of forest cover reduction in the country, according to the Department of Environment and Natural Resources. (Photo by sukaiburu/Flickr)

country's total forest cover from around 17 million ha in the early 1900s, down to around 7 million ha in 2010.

According to DENR-FMB, this reduction is due to continued *kaingin*, global warming, and land development issues, among others.

For this, Domingo and Manejar criticized the country's forest policies, which they claimed were more attentive to attaining positive economic outcomes but barely focused on the conservation and protection of the country's forestlands.

"Since the colonial era until 2010, the policies were geared toward supporting extractive industries—export, timber businesses, and multiple land uses—that

eventually resulted in dwindled forest cover," the authors argued.

These so-called "economic drivers" also challenged the strict implementation of the forest protection provisions of these policies.

For instance, despite the role of illegal logging in deforestation and degradation, some local governments deferred from shutting down activities related to it because their communities have already become dependent on timber revenues.

Poverty and labor issues in the poor communities near forested areas also hindered the achievement of forest protection goals.

“Illegal timber poaching was simply driven by the lack of economic opportunities and worsening poverty,” Domingo and Manejar added.

Poor forest governance

Aside from the poor policies governing the country’s forest sector, poor planning and limited resources of government agencies involved have also deterred effective forest protection in the Philippines.

“The devolution of forest protection to the Provincial Environment and Natural Resources Office and Community Environment and Natural Resources Office was not complemented with labor and fiscal resources,” the Domingo and Manejar argued.

For instance, each of the existing forest guard is expected to watch over forestland area ranging 4,000 to 7,000 ha, which is too extensive for accurate monitoring and too exposed to armed threats considering little to no security detail.

The government has also failed to provide these forest guards with decent income and security of tenure.

In terms of programs, even the rehabilitation programs under NGP were also ineffective in sustaining the forest.

The PIDS researchers cited local cases in the Caraga region, where tree-cutting and earth-balling activities were “counter effective” as transplanted trees continue to die.

“Replacement trees were not even endemic species thereby affecting not only the forest cover but also the ecological integrity of the area,” they revealed.

Caraga is identified as one of the last ecological frontiers of the Philippines, along with Palawan, and is home to 12 key biodiversity areas, the authors furthered.

Policy recommendations

To address conflicting outcomes and improve forest governance, the authors called for institutional reforms that are more centered on protection and conservation of Philippine forests.

The authors lauded Senate Bill (SB) 402, or the Sustainable Forest Management Bill, which is expected to enable a more comprehensive and encompassing policy that will cover both forest management and protection.

Once enacted, the bill is expected to “follow guiding principles, such as watershed management, multisectoral representation, community-based forest management, economic and ecological reforestation, equitable access to forest resources, and professionalism in forest service”.

Another institutional reform that can address enforcement and legal protection issues is the creation of an Environmental Protection and Enforcement Bureau (EPEB) under the DENR.

EPEB will have as one of its main mandates the detection and surveillance of environmental areas, particularly the forestlands.

In line with this, it will have the power to arrest, search, apprehend, and confiscate guided by a standard operating procedure on existing and future environmental protocols.

Once established, EPEB will also create employment opportunities for people living in adjacent or nearby communities.

Further, partnerships with other related government agencies are recommended to promote accountability and inclusivity in the forestry sector.

Given that community officers are not allowed to carry firearms and forest guards are exposed to great risks during apprehensions, tapping the services of the Philippine National Police and the Armed Forces of the Philippines will address issues on security, human resource, and logistics, among others.

The study “Forest protection in the Philippines: Policy evolution and sector outcomes” is published as part of the PIDS 2019 Research Paper Series, a formal publication featuring the final outputs of PIDS research staff meant to promote research, stimulate discussion, and encourage the use of study results. **CPSD**

Poor infra triggers high fertilizer costs in PH provinces



Farmers in the provinces experience increasing fertilizer costs due to the country's "seemingly insufficient infrastructure", study says. (Photo from sfgate.com)

THE COUNTRY'S POOR infrastructure may have influenced previous increases in the prices of fertilizers, particularly in remote provinces, according to a study by state think tank Philippine Institute for Development Studies (PIDS).

The study titled, "Spatial integration analysis of the regional fertilizer markets in the Philippines", found that some regions sold fertilizers in prices excessively higher than the national average.

Using 2017 data from the Philippine Statistics Authority (PSA) on monthly retail prices of urea fertilizer by region, the study identified MIMAROPA (Mindoro, Marinduque, Romblon, and Palawan), Eastern Visayas, and the Autonomous Region in Muslim Mindanao (ARMM) as

"anomalous" regions, where fertilizer prices were 5 percent higher than those of other regions in the country.

"Given the archipelagic nature of the country, one possible cause of such disparity is the poor condition of the domestic transport infrastructure," said Ivory Myka Galang, PIDS supervising research specialist and author of the study.

"Most regions lie below the national average price but those that appear to be 5 percent higher than the national average price were suspected to be anomalous. Their price differences were excessively high," she said.

In June 2019, the average price of urea fertilizer was at PHP 1,139.78 per sack, based on PSA-released data.

However, the highest price of PHP 1,295.00 was recorded in ARMM, while the lowest was noted in Ilocos Region at PHP 1,008.51.

The PSA said prices of urea fertilizer in Mindanao increased due to transport costs.

Serious challenge

As early as 2016, PIDS Senior Research Fellow Roehlano M. Briones has already noted the large discrepancies of fertilizer prices in the Philippine regional markets.

"A more serious challenge is the persistence of apparent inefficiencies in fertilizer marketing, as seen in the large discrepancies in pricing across adjacent regions for the same product," he said in his 2016 study titled, "The fertilizer industry and Philippine agriculture: Policies, problems, and priorities".

Similar to the study of Galang, Briones attributed the large price variations to market inefficiencies caused by the country's seemingly insufficient infrastructure, aside from the poor logistics networks and low rates of investments.

"The fact that markets are competitive does not preclude inefficiencies in the fertilizer supply chain at least in some areas, owing to poor transport infrastructure, weak logistics systems, and low investment," Briones said.

A priority area

Both Galang and Briones agree that “addressing these inefficiencies must be a priority area for public investment”.

According to the *2018 Global Competitiveness Report* of the World Economic Forum, the Philippines had a generally low infrastructure level compared with its neighbors, particularly in areas of road connectivity, electrification rate, and efficiency of train services.

As such, Galang noted the need to fast-track the completion of infrastructure projects, such as roads, bridges, airports, seaports, and irrigation systems, in MIMAROPA, Eastern Visayas, and ARMM, which consist mainly of island provinces. Nonetheless, “the infrastructure and logistics system depends on the need of each island group,” she said.

Fortunately, the country’s competitiveness in trade logistics has fairly improved in the past years.

In 2018, the country jumped to 60th place among 168 countries in the biennial Logistics Performance Index (LPI) of the World Bank.

The LPI is composed of customs, infrastructure, international shipments, logistics quality and competence, tracking and tracing, and timeliness.

The Philippines had a score of 2.91 in the 2018 LPI. The government considered it as a significant increase, compared with the country’s LPI score of 2.86 in 2016.

Market integration eyed

Aside from government efforts geared toward infrastructure development, Galang highlighted the value of market integration, which she claimed can cut down redundancy in government interventions.

“Integrated markets are cheaper to finance given that any intervention imposed on one market would affect other markets,” she said.

Moreover, “the regional fertilizer markets whose retail price of urea was initially observed higher than the average were found to be spatially integrated with the other regional markets,” she added.

She clarified that the price variations were not caused by market power or spatial monopolies. The latter happens when companies divide the market either by area or through privatization of public utilities.

“Given the number of activities and players in the fertilizer market, it is hard to imagine

some players dominating and controlling prices,” the author said.

“The number of market players in the fertilizer industry also contributes to the competitive nature of the industry,” she added.

Galang explained that market inefficiency could be triggered when a single or multiple companies are “able to exercise market power”. Such is when they can impose different prices of goods in various locations and at the same time prevent resale of products from one location to another.

“The price difference between segmented markets is greater than the transfer cost,” she said, citing market segmentation by location as an example.

Most-used grade

Urea is the most-used grade of fertilizer in the country for major crops, like rice and corn, according to PSA.



The World Economic Forum’s 2018 Global Competitiveness Report cites the country’s low investment on infrastructure compared with neighboring countries. (Photo by Jenny Tañedo/Flickr)

The agency cited Ilocos Region, Cagayan Valley, Cordillera Autonomous Region, and Central Luzon as top users of urea from 2003 to 2014. The top rice-producing provinces of Luzon are found in these regions.

As such, Central Luzon made the biggest contribution to the Philippines' total rice yield in 2017.

PSA data showed that the region yielded 3.36 million metric tons (MT), or 19 percent of the country's total rice produce of 19.28 MT during the said year.

In 2018, however, the country's total rice output dipped a bit to 19.07 MT.

It was down by 1.1 percent, along with harvested areas and yields, which fell from the earlier year by 0.24 percent and 0.86 percent, respectively.

Today, Central Luzon seeks to improve its agricultural productivity by pouring investments into the industry and extending better technological and infrastructural tools and services to the farmers.

Seen to boost economic growth in Central Luzon are huge infrastructure and community developments, such as the New Clark City and the athletic center Olympic City, according to the National Economic and Development Authority (NEDA).

NEDA added that the two developments would help guarantee low production costs and enhance regional markets in Central Luzon. **EGR**

Gov't support urged to boost agri ventures



Despite adverse reactions, agrarian reform beneficiaries still benefitted from government-initiated agribusiness venture arrangements and sugarcane block farming programs, study says.

THE GOVERNMENT NEEDS to boost its support to the agrarian reform beneficiaries (ARBs) to ensure the productivity and profitability of their lands granted under the country's Comprehensive Agrarian Reform Program (CARP).

This is according to the study, "Ensuring the success of agribusiness ventures in the Philippines", authored by Blanquita Pantoja, Joanne Alvarez, and Flordeliza Sanchez and recently released by state think tank Philippine Institute for Development Studies (PIDS).

Currently, the Philippine government implements two initiatives, the agribusiness venture arrangements (AVAs) and sugarcane block farming (SBF), which are both aimed at boosting farm productivity and income of ARBs. They cover three of

the country's biggest export crops, namely, banana, pineapple, and sugarcane.

Through AVAs, ARBs awarded with lands planted with high-value crops, such as banana and pineapple, can implement an agribusiness venture with private investors to make farming more economically viable for them.

Meanwhile, sugarcane farmers owning farms 10 hectares or less can set up cooperatives or organizations through SBF to consolidate their operations and attain economies of scale.

While productivity of the crops had risen and was considered even higher compared to the national statistics under these agribusiness initiatives, both AVAs and SBF have been the subject of increasing

scrutiny following reports that ARBs have not been successful in their partnerships with private investors as shown in a 2016 study of the United Nations Food and Agriculture Organization.

These have prompted lawmakers in both houses of Congress to propose legislations to review the AVAs and change some of the provisions governing how they are implemented.

“While it is true that many farmers have entered into one-sided contracts, there are also existing arrangements which have benefited the farmers as indicated,” they said.

With this, the authors suggested that it may be worthwhile to look into the conditions of the successful AVAs that can be inputted in the proposed bills.

Nonetheless, they highlighted the need to resolve persistent problems faced by ARBs to strengthen the implementation of AVAs and SBF.

First, the PIDS researchers noted that farmers or cooperatives should have security of tenure over the land awarded to them so that they can partner with private investors.

They added that “labor, farm machinery, and irrigation should also be available and accessible to them.”

Provision of credit is another necessity highlighted in the PIDS study.

The researchers cautioned that unless capital is provided, individual farmers

will always be tempted to go into a lease agreement without thinking of its consequences.

“Financial assistance is needed by the farmer to ensure that recommended inputs are applied. If government cannot provide the needed capital, it should look into the possibility of providing subsidized inputs to farmers or cooperatives,” the authors suggested.

Since banana, pineapple, and sugarcane are export crops, the government does not have control over their prices. However, the government can provide the necessary policy support such as pushing for lower tariffs for banana and pineapple. Doing so can potentially increase the country’s share in the global market for these high-value crops, which, in turn, will benefit local farmers.

For the SBF to be successful, the PIDS study recommended that the Department of Agrarian Reform must sustain the support services being given to the ARBs.

It likewise urged the government to lobby for the imposition of a quota on corn syrup after 2018 to ensure that the local demand for sugar will increase.

Corn syrup, which is normally from China, was identified as a sugar substitute only in 2017 and therefore, an importation quota has not yet been set. This reduced the demand for sugar by soft drinks companies, which, in turn, led to a decline in sugar prices.

Finally, the authors cautioned that “creating a new government entity that would address the needs of the banana and pineapple industry is costly and tedious.”

They recommended that it may be more practical and feasible for the Department of Agriculture or the Department of Trade and Industry to create a section within its organization that will look into the concerns of the two industries. **GGM**



Study recommends imposing quota on corn syrup to sustain sugarcane farmers as local demand for sugarcane gets threatened by the country’s corn syrup importation.

Valuing Women's Work in the Philippines

MEN AND WOMEN play important roles in the economy. However, the contribution of men and women are often not accounted for similarly.

This infographic shows some of these unaccounted contributions by providing new estimates of the value of men's and women's work

using the Philippine National Transfer Accounts and National Time Transfer Accounts. It also highlights some issues and recommendations on how to encourage more women to work outside the home and how to improve the system of accounting in valuing the work of both men and women. **GGM**

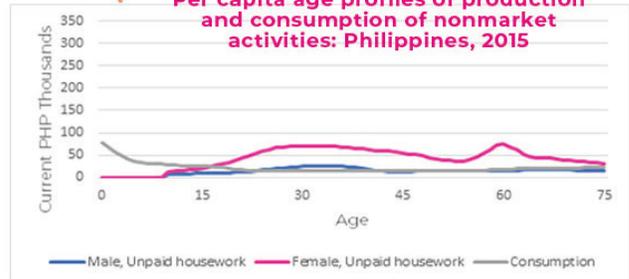
Across the lifecycle, men earn more on average compared to women.

Per capita age profiles of production and consumption of market activities: Philippines, 2015



However, women dominate over men in unpaid home production when these activities are valued at market wages.

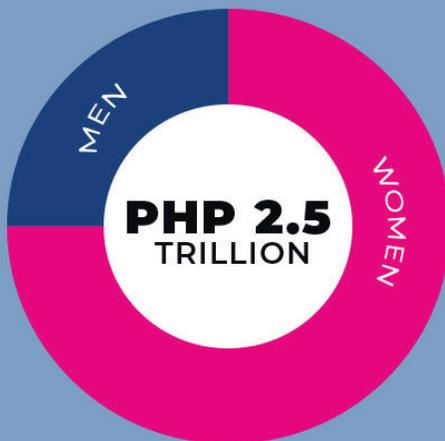
Per capita age profiles of production and consumption of nonmarket activities: Philippines, 2015



SOURCE: Authors' estimates. (NOTE: NTA and NTTA estimates are in annual per capita values by age.)

Counting the Unpaid Home Production Work

Overall, the value of **unpaid home production activities** in 2015 was estimated at **PHP 2.5 trillion**, with **women contributing about 75%** of the value.



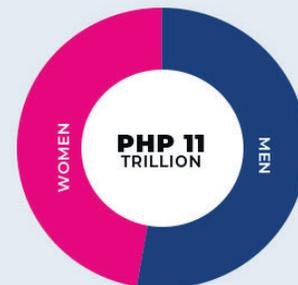
SOURCE: Authors' calculations.

Conventional national accounts-based estimates put the value of aggregate labor income at **PHP 9.3 trillion**, with **men contributing 60%** of the value.



CONVENTIONAL ESTIMATES

However, combining the values of the paid market work and unpaid home production activities raises the country's aggregate labor income to **PHP 11 trillion**, with **women contributing 47%** of the value.



PAID + UNPAID ACTIVITIES

SOURCE: Authors' calculations.

ISSUES

Raising Women's Participation in the Labor Force

Some women may be unwilling to (re-)enter the labor market due to greater potential loss to the household compared to gains from paid employment.

Recognizing the value of men's and women's contribution to the economy

Value of work estimates need to include not only the salary of workers but also savings and investments.

- Develop policies that allow greater participation of both men and women in home production to fill the void that having more women work for pay outside the home may pose. (Examples: longer paid parental time off from work available equally to male and female parents, more flexible working hours)
- Promote equal participation of men and women in home production activities among young people early through schools and mass media
- Challenge the traditional gendered roles at home and work. (For example, girls and boys must be treated equally by parents. Children should also be encouraged to share the workload at home. At work, equal pay for equal work must be supported.)



RECOMMENDATIONS

- Regular collection of time-use information, such as through stand-alone time-use surveys or as rider questions in other household-based surveys, is important in clarifying issues and advocating policies surrounding the care economy.

This infographic is based on PIDS Discussion Paper Series No. 2019-02 titled, "Counting women's work in the Philippines", written by Michael Ralph M. Abrigo and Kris Francisco-Abrigo, PIDS research fellow and consultant, respectively.

POLICY ISSUE AT A GLANCE

RESEARCH DIGESTS

PN 2019-08

Evaluation of National Irrigation Systems in the Philippines

by Roberto S. Clemente, Arthur L. Fajardo, Vicente G. Ballaran Jr., and Julie Carl P. Ureta

National irrigation systems (NIS) are crucial to the Philippine agriculture sector. Currently, they account to about half of the area that supply rice in the country, making their operation and maintenance critical in the food sufficiency program of the government. Despite the huge budget allocated to the National Irrigation Administration, however, many NIS are underperforming based on selected indicators. For instance, this *Policy Note* finds that NIS are still suffering from various issues, such as siltation, flooding, deterioration of canals, and other institutional and policy issues. Some of the NIS also experience salinity problems, which can pose serious effects on crop production and yield. To address these issues, the study urges the government to adopt good watershed management and enhance maintenance and rehabilitation of NIS facilities, including pipe network, among others.

DP 2019-08

Understanding the New Globalization: Implications for the Philippines

by Roehlano M. Briones, Michael R.M. Abrigo, Connie B. Dacuycuy, and Francis Mark A. Quimba

The world economy has undergone at least three waves of globalization and is currently on the fourth wave. The Philippines has been reaping the growth dividend from the third wave of globalization: functioning democracy, monetary stability, trade liberalization, and related market reforms. In a fast-changing world, the strategies forged previously may need a fundamental rethinking to enable the country to survive, and thrive, in an era of global transition. There are four key features of the new globalization: economic restructuring; worsening global inequality; threats to international cooperation in providing global public goods; and weakening of traditional ties of social cohesion and trust. The paper develops a set of recommendations on how to navigate the new globalization for policymakers and other stakeholders in the Philippines

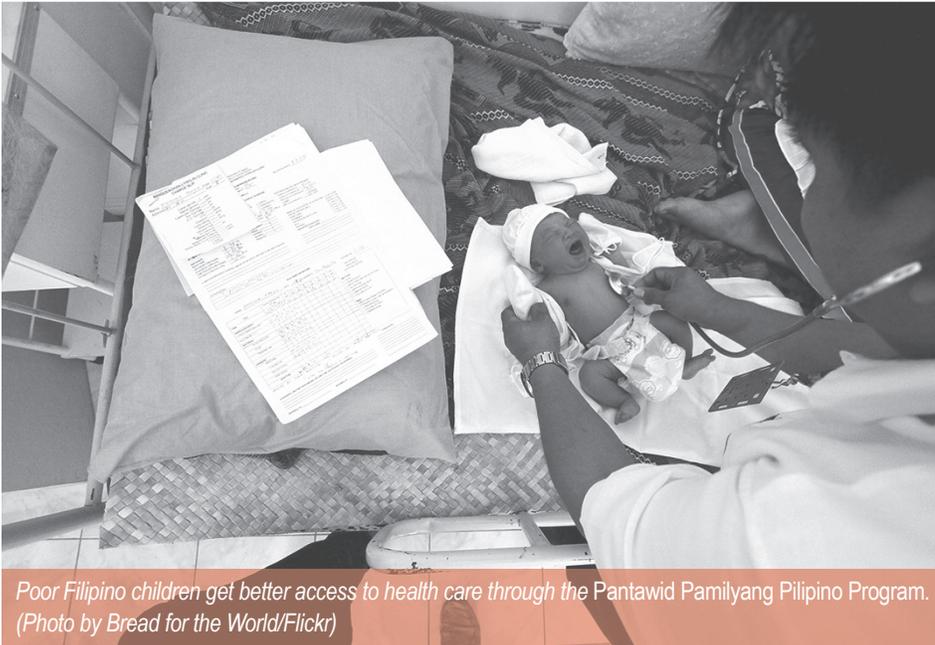
DP 2019-07

The Evolution of APEC and its Role in Philippine Trade and Investment

by Francis Mark A. Quimba and Mark Anthony A. Barral

This paper presents the Asia-Pacific Economic Cooperation's (APEC) evolution as an institution, the changes it has undergone, and the challenges it has faced for the past decades. It also enumerates the roles of APEC in positioning the Philippines in the global economy. Anchored on the desire to promote economic growth, foster and strengthen trade, and improve the living standards in the region, APEC initiated programs focused on trade and investment liberalization, trade facilitation, and economic and technical cooperation. The economy must utilize these initiatives, backed with the upgrading of domestic facilities to meet global standards and the aligning of domestic regulations. These address behind-the-border barriers that limit the flow of goods and services and expand the coverage of businesses to overseas markets, among others.

4Ps improves health access of poor Filipino kids



Poor Filipino children get better access to health care through the Pantawid Pamilyang Pilipino Program. (Photo by Bread for the World/Flickr)

THE PANTAWID PAMILYANG Pilipino Program (4Ps), together with the government's social health insurance (SHI) program, has dramatically increased demand for health-care services among poor Filipino children and significantly reduced their families' out-of-pocket (OOP) spending, according to a study by the Philippine Institute for Development Studies (PIDS).

In the PIDS study, "Social protection and demand for health care among children in the Philippines", researchers Michael Abrigo and Vicente Paqueo assessed the joint impact of 4Ps as a conditional cash transfer (CCT) program and the automatic enrolment into the SHI program on access to health services by Filipino children.

Among others, they found that the two programs have contributed to increased hospital visits for consultation, treatment, and confinement of children, as well as provided financial security against health-care expenses.

In terms of SHI, the study noted that insured children were more likely to visit a health-care facility compared to noninsured children. The OOP payments of those insured were also lower by as much as 64.5 percent than those of the noninsured.

CCT and SHI programs

As the flagship CCT program of the Philippine government, 4Ps aims to

eradicate extreme poverty by investing in health and education, particularly among children.

Under the program, the Department of Social Welfare and Development (DSWD) provides 4Ps beneficiaries with cash grant amounting to PHP 500 monthly. In return, the families are expected to comply with conditions, such as school attendance of children and regular health checkups for mother and children. They are also required to attend family development sessions (FDS), which cover topics on self-development, health, and civic empowerment, among others.

As of 2018, there were 4.1 million household beneficiaries under 4Ps as reported by DSWD.

Meanwhile, the country's SHI system has existed for almost half a century and has now evolved into the National Health Insurance Program (NHIP). Currently, it covers 97 percent of the total Philippine population, according to the Philippine Health Insurance Corporation (PhilHealth).

Since 2010, the government has fully subsidized the premium contributions of poor households through the automatic enrollment of 4Ps beneficiaries in NHIP.

Sponsored beneficiaries now comprise 40 percent of the total PhilHealth coverage, according to Abrigo and Paqueo.

The country's SHI program was further strengthened with the passage of the Universal Health Coverage law in September 2017, which aims to provide comprehensive health care and insurance for all Filipinos.

In 2017 alone, the combined budget of CCT and SHI programs amounted to PHP 182 billion, or about 1 percent of the country's gross domestic product for the said year. This funding was derived from the revenues generated from excise taxes under the first tax reform package, the Tax Reform Acceleration and Inclusion (TRAIN) law.

Under TRAIN, personal tax is lowered while sin tax is increased for certain commodities, such as tobacco and alcohol, fossil fuels and petroleum products, automobiles, and sugar-sweetened beverages, among others.

High cost, lack of knowledge of health services

Despite these programs, poor families are still challenged by poor access to quality health services.

In 2015, the World Health Organization (WHO) and World Bank estimated that about 400 million people worldwide had no access to essential health-care services, primarily due to the high cost of these services.

This is particularly true in the case of the Philippines, where the cost of hospital confinement can reach as high as PHP 800 per day in a tertiary public hospital, according to the 2005 data of WHO.

This figure did not include drugs and laboratory tests, which could also cost relatively high.

Meanwhile, the cost of outpatient hospital visit ranged from PHP 150 to PHP 300 depending on hospital level.

Not surprisingly, the National Economic and Development Authority reported that about 54.5 percent of total health payment came from Filipinos' own pocket, with medicines and drugs as the main contributors.

The automatic enrolment in PhilHealth somehow served as equalizer for the poor, particularly children from poor households. It resulted in the increase in the number of the country's population covered by PhilHealth, from 73 percent in 2007 to about 90 percent in 2016.

Aside from the high cost of health services, another factor affecting Filipinos' access to quality health services is the lack of knowledge about SHI benefits.

In another study, PIDS researchers Paqueo and Aniceto Orbeta also noted the cost of transportation and related expenses for medical check-ups as reasons behind nonavailing of benefits under the government's health programs.

The authors recommended the adjustment of the health grant conditions to ensure "beneficiaries are able to take advantage of their PhilHealth benefits and minimize the effects of ill health".

Noncompliance to no-balance billing policy

There are, however, instances where hospitals themselves are the ones not

complying with the requirements under the health programs.

For instance, PhilHealth, in 2011, introduced the "no-balance billing" (NBB) policy for sponsored members and their dependents admitted in government hospitals.

Under said policy, no other fees or expenses shall be charged or be paid for by qualified NBB patients beyond the packaged rates. Health-care institutions are required to cover the costs of health services provided to sponsored program beneficiaries beyond what is paid for under the PhilHealth case rates and shall not deny access to health services whenever necessary.

Abrigo and Paqueo, however, discovered implementation failure of such policy.

Beneficiaries who are supposed to be fully covered by the SHI program were still shouldering OOP for health care. The authors argued such concerns "may undermine the expected outcomes not just of the SHI program but also of the country's poverty reduction programs".

A report from the Philippine Information Agency also revealed some issues that hinder compliance to the NBB policy, particularly in the Province of Antique. Among these were ineffective consignment scheme, little knowledge of some hospital staff on NBB, insufficient stock of medicines and supplies, and OOP expenses for diagnostic tests, such as X-ray, ultrasound, and professional fee for doctors.

The study of Abrigo and Paqueo will appear in the upcoming issue of the *Philippine Journal of Development*, also published by PIDS. **MJLS**

Quality of mother tongue instruction ‘wanting’—PIDS study



Lack of resources and experts on the ground is one of the challenges affecting the implementation of the Mother Tongue-Based Multilingual Education Program, PIDS study says. (Photo by Asian Development Bank)

THE QUALITY OF the implementation of the Mother Tongue-Based Multilingual Education (MTB-MLE) Program is “wanting”, according to a study released by state think tank Philippine Institute for Development Studies (PIDS).

Among others, the MTB-MLE program requires the use of the mother tongue as the medium of instruction (MOI) during the first four years of primary education.

The logic of the program is to use the child’s first language as MOI so that learning and acquisition of other languages in later grades can be easily facilitated.

However, while the country enjoys an almost universal implementation of the MTB-MLE program, the PIDS research team headed

by PIDS Senior Research Fellow Aniceto Orbeta Jr. found that less than 1 in every 10 schools has done all four activities needed to ensure its proper implementation.

These activities include writing of big books, documentation of orthography, documentation of grammar, and writing of the language dictionary.

In particular, the study found that only one activity has been accomplished by half of the schools. Meanwhile, some 25 percent have adopted two of the activities, and merely 11 percent of the schools have implemented at least three activities.

Some 6 percent of the schools have chosen not to implement any of the activities under the program.

In terms of specific activities, the writing of books has been the most accomplished task, with 45 percent of the schools writing books on language, literature, and culture.

On the other hand, only 21 percent have documented the orthography of the language, 18 percent have documented the grammar of the language, and merely 13 percent have done the dictionary of the language.

Nonimplementation

Aside from the poor quality of implementation, some schools have also opted not to implement the program at all due to lack of resources and expertise in the chosen MOI of the school.

Other factors include students not speaking the chosen MOI of the school, as well as resistance of the parents to use the mother tongue for academic purposes.

Given the country’s linguistic diversity, the PIDS study noted problems with children being taught and teachers being asked to teach not in the mother tongue but in a regional language closely similar but not identical to the language chosen by the school.

“There are dialectal differences that need to be recognized even among the 19 officially adopted languages. It is well known that Bikol in Naga is different from Bikol used a few kilometers from Naga or Cebuano in Cebu is different from Cebuano in Cagayan de Oro City or Iloko in Ilocos is different from Iloko in Baguio,” the authors noted in the study.

This has since spawned a lot of conceptual and operational issues, including resentment and teaching capability issues. In particular, complaints have been raised by parents that their children are being taught the archaic version of their language.

There also seems to be a lack of understanding and wrong appreciation of the basic rationale for the implementation of the MTB-MLE program.

“The concept of ‘starting where the children are’ and ‘learner-centered’ education objectives conflicts with the practical objectives, such as the comment *‘Waray na nga sa loob ng bahay, Waray pa rin sa school’* (We are already using Waray at home. Do we still have to use it in school?)’ or *‘hindi naman Waray ang gagamitin during job interviews’* (Waray is not even the language

used during job interviews),” according to Orbeta and his team.

These views have engendered resistance among parents and teachers, they revealed.

Issues on procurement and apparent lack of specific funding support for the MTB-MLE-related operational activities have also affected the implementation of the program.

There have been delays in the delivery of learning materials to some schools, leading to a situation where MTB-MLE-related activities even had to compete for funding with other expenses, such as maintenance and other operating expenses.

To address these issues, the study urges the promotion of the program’s benefits

to the communities where the program is being implemented.

It also pushes for the creation of indigenized learning materials that are quality-prepared and constantly reviewed and updated.

Training and seminars for teachers and MTB-MLE focal persons are also encouraged, as well as monitoring and evaluation of the program at the regional level.

In terms of funding, Orbeta and his team call for the designation of a fund for MTB-MLE operational activities.

They also encourage schools to systematize and institutionalize the use of language mapping in determining the MOI of schools and enlist the help of local governments and the private sector, particularly in funding localization efforts. **JOA**

Mobilize LGUs to address child stunting

LOCAL GOVERNMENT UNITS (LGUs) play a key role in addressing the prevalence of child stunting in the country, thus the need to improve local health systems and the technical capacities of local health workers.

This is according to a study published by state think tank Philippine Institute for Development Studies (PIDS) titled, “Mobilizing local governments to prevent child stunting”, presented in a public seminar recently. The authors include Alejandro Herrin, PIDS consultant, and Michael Abrigo, Zhandra Tam, and Danica Ortiz, PIDS research fellow, research analyst, and supervising research analyst, respectively.

With stunting prevention as a major objective of the Philippine Plan of Action for Nutrition (2017–2022), the government has developed a number of health and nutrition-specific programs supported by the Department of Health. The implementation of these programs is devolved to LGUs, as mandated by the Local Government Code of 1991.

Photo from filamorg.com



The most recent one was Republic Act 11148, which aims to address child undernutrition in the context of an integrated maternal, neonatal, child health, and nutrition (MNCHN) in the first 1,000 days of life.

However, the study found that the set of MNCHN interventions “has yet to produce sufficient national impact”.

In terms of child stunting, Herrin said there has been a slow progress in preventing it, noting that there was only a 4-percent decrease in stunting prevalence rate from 2003 to 2018.

The fragmented local health systems and wide variations in resources and technical capacities of LGUs pose a challenge in ensuring that local implementation of these programs results in “large and sustained national impact”.

Moreover, the limited performance of LGUs in addressing child undernutrition is attributed to various factors, including “difficulty of aligning LGU priorities with achieving national targets, aggravated by inadequate local data for priority setting, and the limited local resources for investment in health and nutrition”.

The authors pointed out that these issues have “contribute[d] to gaps in the delivery of a continuum of health and nutrition services across delivery platforms operated by different local jurisdictions”.

During his presentation, Herrin said another important consideration is that LGUs initially focused on addressing the

prevalence of underweight to be in line with the Millennium Development Goals.

Thus, LGUs implemented nutrition programs related to child feeding and weighing of children, which are “a bit too late to deal with [the] stunting problem”.

It was only in 2015, when the Sustainable Development Goals were adopted, that prevalence of child stunting became one of the indicators for child nutrition intervention.

“One cannot really blame LGUs for the predicament we are in because it might be that the guidance they were given were not very clear,” Herrin explained.

Good practices

Despite the abovementioned issues, the authors noted some good practices by LGUs that showed “they can implement a number of nutrition-related interventions in a sustained matter.”

For one, they noted that the implementation of the First 1,000 Days Program has been receiving interest—an improvement from past interventions that focused on feeding programs for older children.

Some local offices with leadership and governance trainings have also invested in their local health facilities and enhanced inter-LGU cooperation to enhance delivery of province-wide health services.

“Based on the experiences of these LGUs, it is possible to move forward in mobilizing

LGUs for greater national impact,” the authors said.

To further make this mobilization possible, the authors said it is important to communicate to the LGUs the importance of addressing child stunting in the context of the overall nutrition agenda, as well as the need to deliver a continuum of MNCH interventions.

They also encouraged the use of accurate local data for proper implementation of local programs and suggested that alternative ways of obtaining them be developed.

“Clearly, it would be more difficult to advocate to LGUs to place high priority on stunting prevention if the local prevalence rate reported is less than the accurate rate of 40 percent,” the authors explained.

Moreover, given limited local resources, the Department of Budget and Management and the Department of the Interior and Local Government should continue providing guidance to LGUs “on the use of the internal revenue allotment and other funds for investment in health and nutrition”.

The study also urged the national government to “design more effective national grants system to augment local financing”.

The study has also put importance on the First 1,000 Days Program and proposed that “national government should develop a comprehensive national guideline and operational strategies” to guide LGUs in the implementation of the program. **GBDC**

Adopt measures on poverty risk management—PIDS

A SENIOR RESEARCH fellow from state think tank Philippine Institute for Development Studies (PIDS) has urged the government to adopt policies on poverty risk management.

Dr. Jose Ramon Albert, who presented his paper titled, “Vulnerability to poverty in the Philippines: An examination of trends from 2003 to 2015”, in a public seminar organized by PIDS recently, said the government should see the importance of “forward-looking planning and risk resilience building in the context of uncertainty” in terms of poverty reduction.

“Government assessments have largely focused on measuring and monitoring poverty, which is ex-post. Yet there is a recognition that poverty is dynamic. While poor households are likely to stay poor, there are nonpoor households, especially those near the poverty line, that are at risk of becoming poor in the future,” he explained.

This makes approaches to poverty in the Philippines largely “curative”, although, in reality, “preventive” measures are the ones that can protect those vulnerable from risks and harmful effects of poverty by building their resilience, according to Albert.

Based on his study, households are classified as vulnerable if their chance of being poor exceeds the national poverty

rate. Meanwhile, highly vulnerable households refer to those that have more than half a chance of being poor.

They are considered relatively vulnerable if the probability is between the national poverty rate and 50 percent.

“The results of the study revealed that across the years, the proportion of households vulnerable to income poverty has been double to triple the corresponding official estimates of the proportion of households in poverty,” Albert explained.

Overall, household vulnerability rates were noted to have been steadily declining by 6.6-percentage points, from 55.1 percent in 2003 to 48.5 percent in 2015.

In terms of location, the PIDS researcher said the rural population is more vulnerable than its urban counterpart.

In 2015 alone, more than two-thirds of all households in rural areas were vulnerable compared to 40.4 percent in urban communities.

Across regions, the Autonomous Region in Muslim Mindanao posted the highest vulnerability rate at 83.3 percent, with half of these households classified as highly vulnerable.

Ilocos Region, on the other hand, had the lowest proportion of households that are highly vulnerable.

The National Capital Region (26.6%) and the Central Luzon (34.9%) were the only regions with overall vulnerability rates below 35 percent.

The study also reported that vulnerability decreases as the household climbs up the income ladder.

Families that rely on fishing, forestry, and mining were found to be highly vulnerable while the least vulnerable were those receiving wages or salaries from nonagriculture activities, those with



Fishing households are among those deemed highly vulnerable to poverty compared to families relying on nonagricultural activities. (Photo by Kenneth Gaerlan/Flickr)

businesses, and those with pensions and retirement benefits.

It also showed that the agriculture sector still has the highest vulnerability rate.

This is despite the fact that the vulnerability of households with heads dependent on agriculture already declined, from 82 percent in 2003 to 72 percent in 2015.

Meanwhile, households with heads employed in services have consistently been found to be least vulnerable at 33 percent in 2015.

Higher educational attainment also lessens risk for households' vulnerability to income poverty.

Moreover, demographic patterns among households, particularly the size of their families, especially the number of young

members, appear to be also contributing to additional risk to poverty vulnerability whether in urban or rural areas.

To prevent the vulnerability of households to poverty, the study proposed two sets of intervention, namely, protection from likely exposure to shocks which may result from job loss of the household's breadwinner, spikes in food prices, death of a household member, loss of life or assets due to natural disasters, as well as assistance for households to increase their incomes and assets.

According to Albert, social assistance to the poor should also be differentiated interventions, not a "one size fits all" strategy, such as uniform cash assistance to all beneficiaries.

Among these uniform programs is the *Pantawid Pamilyang Pilipino Program*, which provides assistances without

recognizing differences in opportunity costs for schooling between boys and girls.

Another is the social pension, which provides monthly pensions to all beneficiaries, who are supposed to be indigent citizens under the law.

The government also needs to build an enabling environment for shared action and responsibility with local governments and other stakeholders.

Albert said it must develop an action agenda that addresses all relevant risks and vulnerabilities using all available resources and means of implementation across sectors.

Apart from increased investments in infrastructure, there is also a need to invest in building people's skills and capacities in mitigating risks to future poverty in the wake of the Fourth Industrial Revolution. **RTT**

PH warned on new global forces

STATE THINK TANK Philippine Institute for Development Studies (PIDS) has prodded the Philippine government to fine-tune its policies as new forces start to dominate the global sphere under Globalization 4.0.

These forces, according to the PIDS study, "Understanding the new globalization: Implications for the Philippines", include trade restructuring, environmental degradation, cross-border public health threats, worsening poverty and inequality, erosion of social cohesion and trust, and proliferation of disinformation.

In her opening remarks during the press conference on the celebration of the Development Policy Research Month (DPRM), PIDS President Celia Reyes warned that the country's failure to manage these forces could undermine its ability to sustain its rapid economic growth and attain its long-term development vision under the *AmBisyon Natin 2040*, as well as its targets under the Sustainable Development Goals.



Such management, according to Reyes, is part and parcel of the country's efforts to mitigate the risks and harness the opportunities that come along with the New Globalization.

Trade restructuring, wars

Of the various forces involved in the new globalization era, global trade is one of the most affected by the rise of Globalization 4.0.

According to Roehlano Briones, PIDS senior research fellow, this is due to the recent technological advances, which have changed the way businesses participate in the global market.

For instance, additive manufacturing, one of the key technologies under the Fourth Industrial Revolution (FIRE), has narrowed the scope of global value chains as parts of a product can already be produced closer to home.

Other FIRE technologies, such as blockchain, have also helped reduce cost of coordination, increase transparency, and eliminate corruption in the global trade.

Meanwhile, e-commerce platforms, such as Chinese firms Alibaba and Jingdong, have made it easier for small companies to compete in the global market without the need to set up independent supply chains.

The adoption of these technologies, Briones noted, can potentially increase the productivity of workers while reducing labor costs.

On the other hand, such digitization has its own share of pitfalls, as it has

created rapid and unpredictable effects on jobs.

"We are seeing a potential backlash in terms of massive job displacements and reevaluation of the skills that are important because of these new technologies," Briones explained.

Aside from trade restructuring, another trend that has emerged as part of the New Globalization is the rise of trade wars, such as those between US and China and East Asian powerhouses Korea and Japan.

"Because of trade wars, countries may move away from countries, such as China, to other countries, such as the Philippines, as an alternative for their investments or source of goods and services that they want to buy," Briones explained.

Poor financing to address GPGs

Another issue related to the rise of the new global order pertains to threats in the provision of global public goods (GPGs).

GPGs generally refer to goods whose impact transcend national boundaries and which no single nation can devise a response sufficient to address them.

They also extend across generations and go beyond one socioeconomic group.

At the opposite of GPGs are global public bads (GPBs), such as carbon emissions and global warming, whose effect can be felt across the world, yet no single nation necessarily has the ability to address them.

In health, communicable diseases are also considered GPBs.

Meanwhile, GPGs include policies on social justice, such as the United Nations (UN) Convention on the Elimination of All Forms of Discrimination against Women, and international law, such as UN Convention on the Law of the Sea.

While GPGs and GPBs are not new concepts, Briones claimed they have become more important in the face of globalization and technological progress.

Even with such relevance, the PIDS researcher revealed that GPGs remain underprovided.

"Despite the increasing need for GPGs, total spending on them has remained relatively unchanged—even declining in some categories—over the years," Briones explained.

Recalibration urged

To address these issues, PIDS researchers led by Briones urged the government to recalibrate its policies.

In terms of trade restructuring, Briones said the Philippines should primarily strengthen the digital trade of services.

"One way to focus policy is by identifying service sectors where weak national regulation can undermine the benefits of liberalization, particularly by remedying regulatory inadequacies in these service sectors," he stated in the PIDS study.

"The country also needs to pay attention to the new patterns that have emerged and reevaluate strategies solely focusing on

upgrading to participate in complex global value chains (GVCs),” he added.

He also urged the government to take advantage of the ongoing trade wars to lure investments to Philippine markets.

Among others, he advised the country to reduce unit labor costs, improve logistics and connectivity, and provide an efficient process for meeting international requirements and standards.

The government should also equip domestic industries to participate in evolving GVCs through innovation support, reskilling and retooling of employees, and strengthening business matching and international partnerships.

In terms of GPGs and GPBs, Briones insisted for the country to support international action to increase the provision of GPGs, especially those particularly beneficial to the country.

He added that it is likewise crucial to strengthen national and local capacity to harness benefits from GPGs, and to minimize risks from GPBs.

The PIDS researcher also urged the government to capacitate local stakeholders to fully harness the benefits from GPGs.

This requires, for instance, training and retooling of workers and entrepreneurs on existing regional and global trade platforms.

He said basic education curricula may need to be revisited for children to be aware of the importance and issues surrounding GPGs, and the roles played by different stakeholders.

The DPRM, held every September, is a nationwide celebration to highlight the importance of research evidence in decisionmaking and cultivate a strong culture of research.

Presidential Proclamation 247 issued in 2002 by then President Gloria Macapagal-Arroyo designated the PIDS as the lead agency in the observance of the DPRM.

This year, the event carries the theme “Navigating the New Globalization: Local Actions for Global Challenges”. **GGM**

Message of Sympathy on the Passing of Former PIDS President Dr. Ponciano Intal Jr.

The board of trustees, management, and staff of the Philippine Institute for Development Studies (PIDS) deeply mourn the demise of Dr. Ponciano Intal Jr., president of the Institute from 1991 to 1998. He was an indispensable pillar in the institution building of PIDS and instrumental to the advancement of policy research and ASEAN studies in the Philippines and the Asia-Pacific region.

A brilliant economist and administrator, he wrote numerous papers and led various research projects on international trade and economic relations, agroindustrial adjustment, agricultural pricing and R&D policy, macroeconomic policy, poverty and inclusive growth, and regional integration.

Dr. Intal was senior economist and senior policy fellow of the Economic Research Institute for ASEAN and East Asia at the time of his passing. He also served as undersecretary of the National Economic and Development Authority, executive director of the De La Salle University Angelo King Institute for Economic and Business Studies, and chairman of the Department of Economics of the University of the Philippines Los Baños.

As we celebrate his life’s work, we join his wife Miren and daughter Noelle in mourning and express our deepest condolences for the loss of an exceptional man.



Editor's Notes (continued from page 2)

to all relevant stakeholders. PIDS researchers attributed this to the primacy placed by forest policies on the economic outcomes of extractive industries at the expense of the environment.

In the agriculture sector, the high cost of fertilizers in some regions exacerbates the already critical situation of rice farmers. Analyses done by PIDS revealed that contrary to common belief, monopolies are not the culprit behind this. Instead, the country's poor infrastructure has resulted in market inefficiencies, triggering large price variations. Aside from fertilizers, PIDS has also raised concerns regarding the agribusiness venture arrangements and sugarcane block farming, two government initiatives aimed at enhancing the productivity and income of agrarian reform beneficiaries. Several studies of the Institute urged the government to revisit their implementation as farmers still face problems entering into these farming arrangements with the private sector. In particular, they highlighted the necessity of security of tenure for the farmers, provision of credit and other forms of financial assistance, and for the SBF to be successful, the imposition of a quota on imported corn syrup to protect the local sugar industry.

In the area of health, while poor Filipino children have better chances of getting health care through the *Pantawid Pamilyang Pilipino Program* and their automatic enrollment into the government's social health insurance program, most of them still suffer from stunting. A PIDS study noted the slow progress of the country in reducing the stunting prevalence rate and the modest performance of LGUs in tackling child undernutrition.

Even the education sector is not spared from governance and policy challenges. A case in point, as featured in this issue, is the Mother Tongue-Based Multilingual Education program, which was found to be inadequately and ineffectively implemented across the country. Some schools opted not to implement it as they lack not only textbooks on the chosen medium of instruction (MOI) but also teachers who have the capability to teach in the chosen MOI of the schools. Other operational and conceptual issues were unearthed by the PIDS study, such as the resistance of parents to the program and the general lack of understanding of its underlying principles and intended benefits.

Completing this issue are articles on poverty risk management, an infographic on valuation of women's work in the context of the Philippines, and a piece reporting on this year's Development Policy Research Month (DPRM) theme. More articles about DPRM 2019 and the recently concluded Fifth Annual Public Policy Conference will be published in the next DRN.

Also in this quarter's issue, the PIDS conveys its deepest sympathies to the family of the late Dr. Ponciano Intal Jr., a well-loved administrator and one of the brains behind PIDS research studies on international trade, regional integration, and ASEAN. **SVS**

About DRN

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