



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Growing and Strengthening the Middle Class as the path to *AmBisyon Natin 2040*

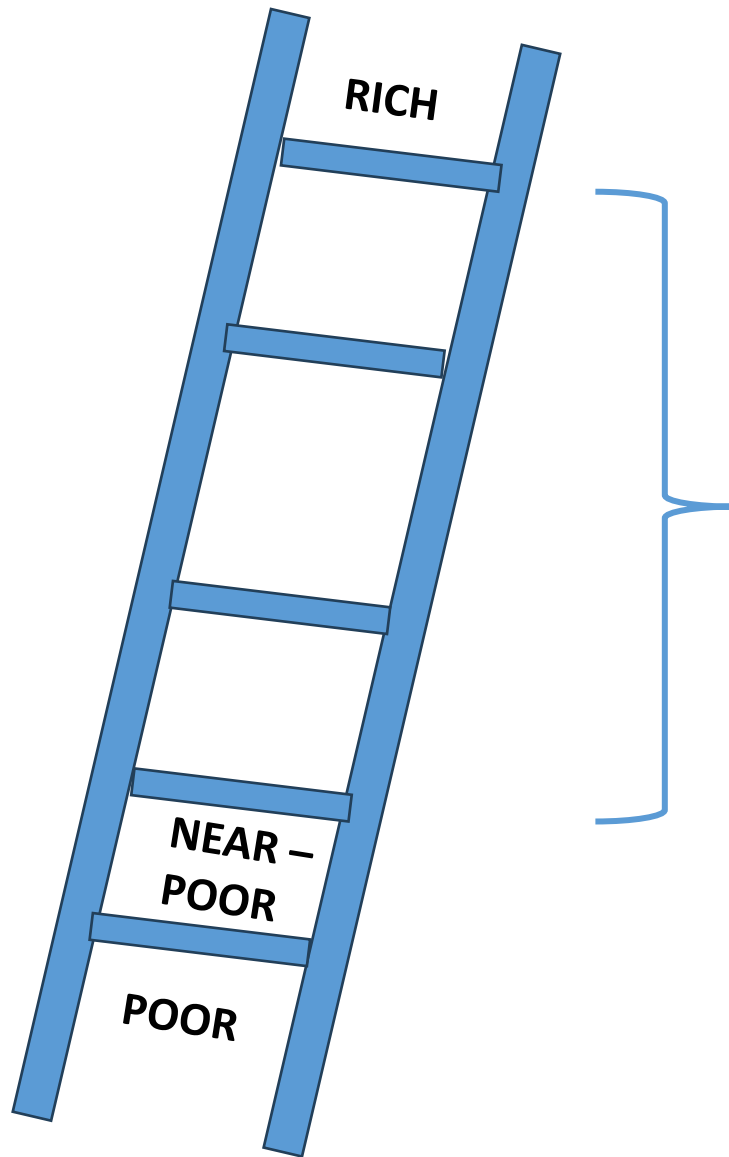
ROSEMARIE G. EDILLON, PH.D, CESO I

Undersecretary

Development Policy Research Month

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What is Poverty?

Monetary Approach: mainly seen in terms of insufficient money to pay for a minimum

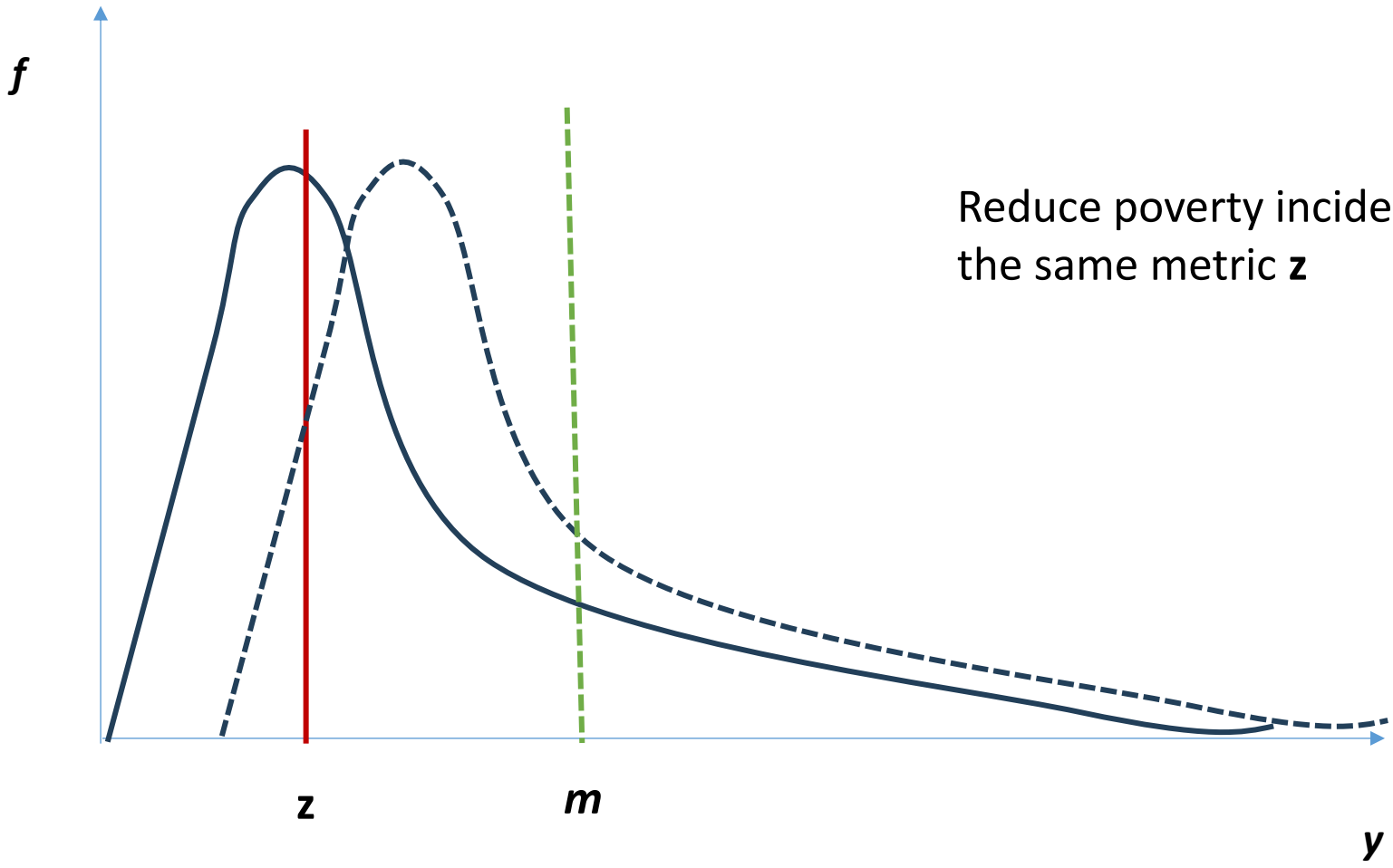
Capability Approach: concerned with evaluating, in terms of his or her actual



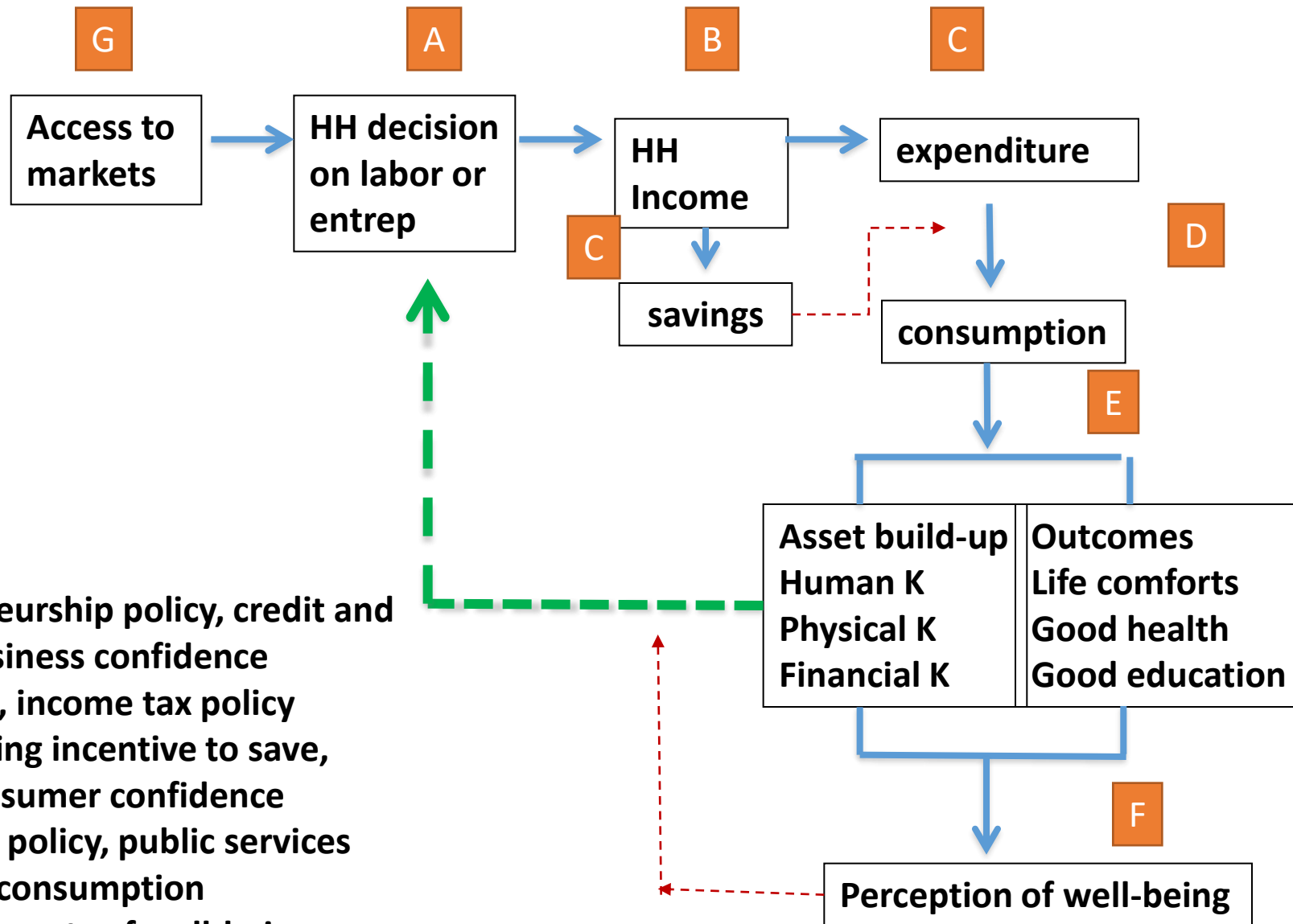
Philippine Statistics Authority (PSA):

“Poverty is a characteristic of the family. Thus, if a family is classified as poor, then all members of the family will be counted as poor. In other words, a family cannot have poor and non-poor members. Either all members are poor, or all members are non-poor.”





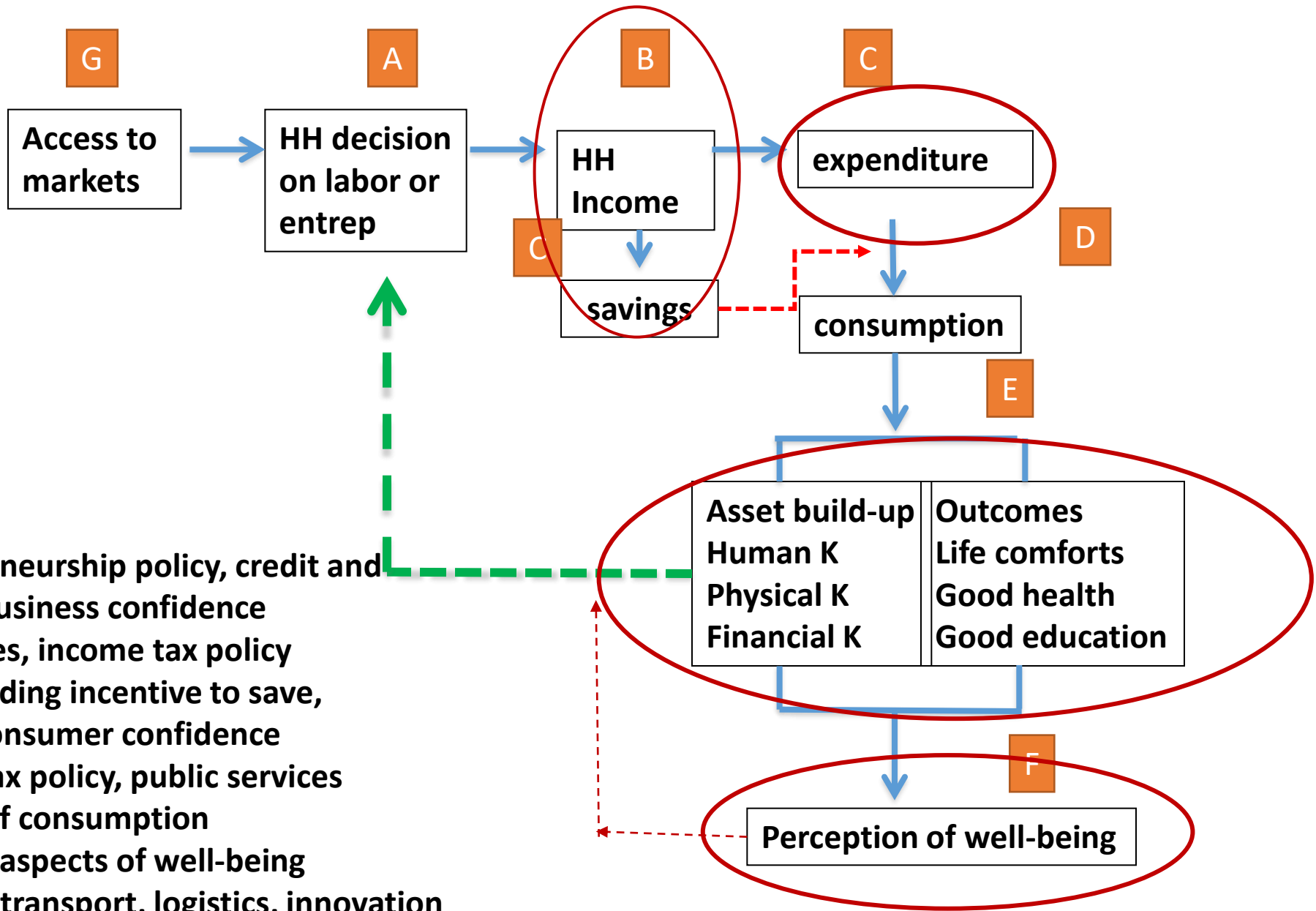
Determinants of Well-being



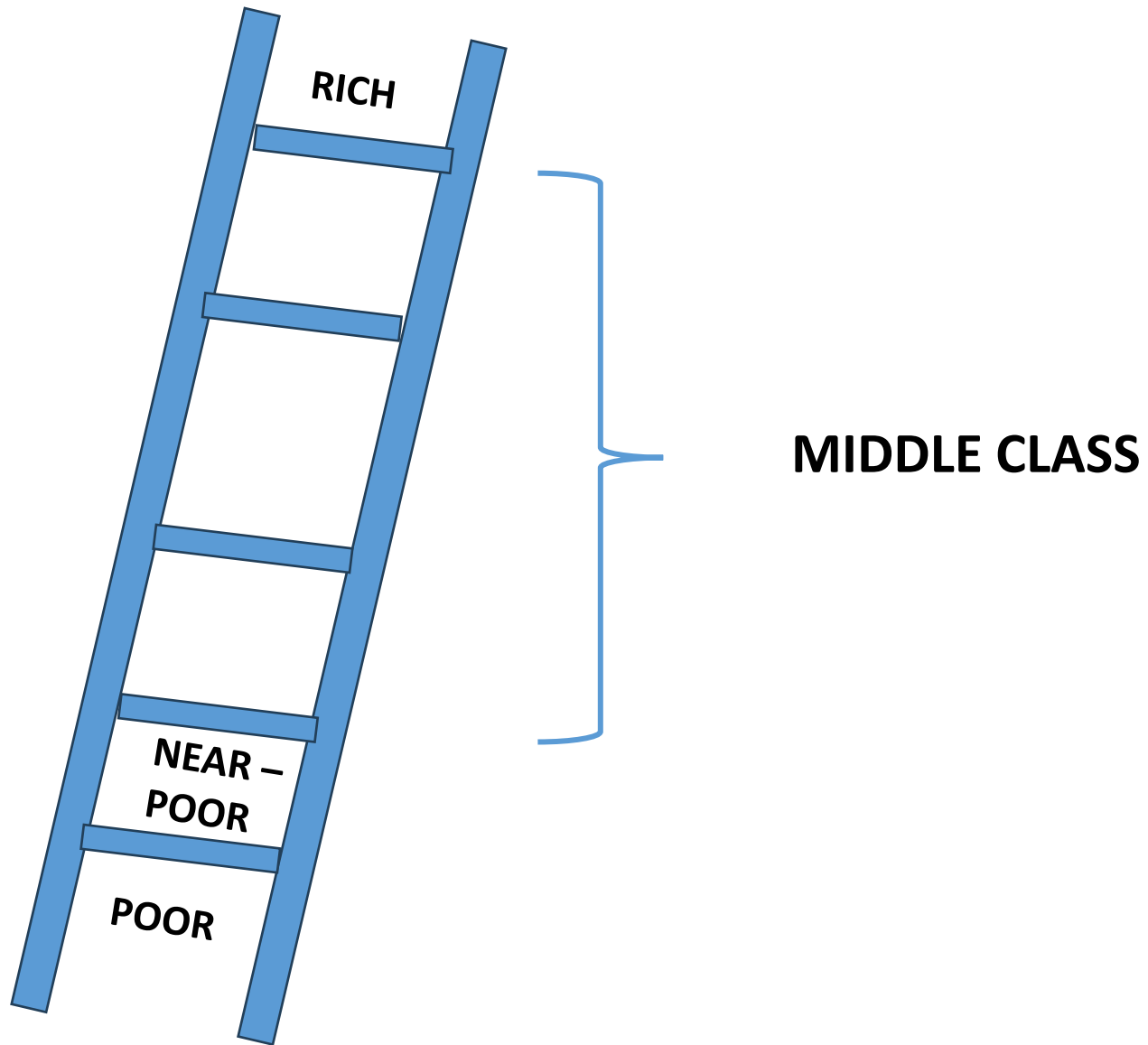
- A = labor policy, entrepreneurship policy, credit and business tax policy, business confidence**
- B = net transfers, subsidies, income tax policy**
- C = monetary policy including incentive to save, access to markets, consumer confidence**
- D = price, consumption tax policy, public services**
- E = preferences, quality of consumption**
- F = culture, values, other aspects of well-being**
- G = infrastructure, trade, transport, logistics, innovation**



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**What Filipinos
want to be**

**What Filipinos
want to do**

**What Filipinos want
to have**



Ambisyon Natin 2040

Strong family and community ties

MATATAG

- ✓ Family is together
- ✓ Time with friends
- ✓ Work-life balance
- ✓ Strong sense of community

Comfortable lifestyle

MAGINHAWA

- ✓ Free from hunger and poverty
- ✓ Decent house with secure long-term tenure
- ✓ Good transport, mobility options
- ✓ Travel and vacation
- ✓ Quality education and decent job

Secure future

PANATAG

- ✓ Enough Resources for day-to-day needs and unexpected expenses
- ✓ Peace and security
- ✓ Long and healthy life
- ✓ Comfortable retirement



How much is a “matatag, maginahwa at panatag na buhay”?

25,000

Own one car



50,000

Have enough money for day-to-day needs



26,000

Own a medium-sized home



P 194,000

Gross Monthly Income



30,000

All children are college-educated



45,000

Income Tax



10,000

Relax with family and friends



8,000

Able to take occasional trips around the country



How much is a “matatag, maginahwa at panatag na buhay”?

~~5,000~~
~~25,000~~
Good transport



~~40,000~~
~~50,000~~
Have enough money
for day-to-day needs



~~12,500~~
~~26,000~~
Own a medium-sized
home



P 92,000

Gross Monthly Income



~~5,000~~
~~30,000~~

All children are
college-educated



22,500

~~45,000~~
Income Tax



2,000

~~10,000~~
Relax with family and
friends



5,000

~~8,000~~
Able to take occasional
trips around the country



Invest in priority sectors that have direct impact on people's aspirations

Housing and Urban Development



Construction, construction-related manufacturing, house development-related manufacturing, and utilities (electricity, gas, and water).

Agriculture



Food production, commercial and industrial crop, agricultural biotechnology, etc.

Manufacturing



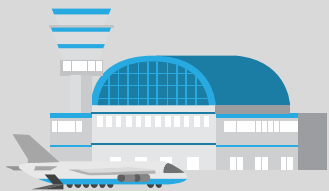
Food processing, housing-related, construction-related, transport manufacturing, and other manufacturing.

Tourism and Allied Services



Resort, rest-recreation hotels, accommodation, travel and tour cultural shows, heritage sites, etc.

Connectivity



Roads and bridges, port, airports, vehicles, transport-systems, and communication.

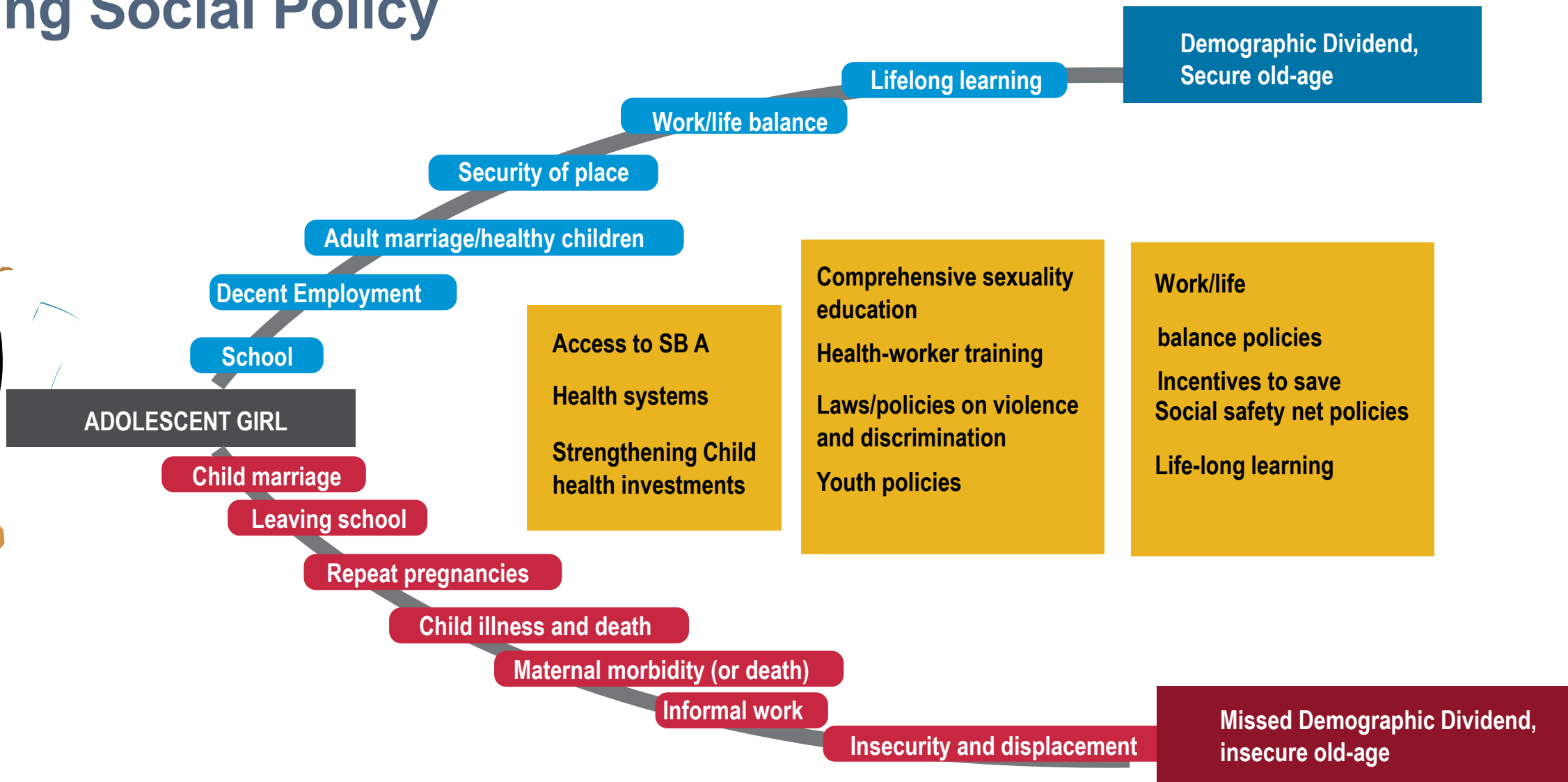


Financial Services



Consumer financing, enterprise financing, and insurance savings mobilization.

Enabling Social Policy



21st CENTURY SKILLS

Foundational Literacies

How students apply core skills to everyday tasks



Literacy



Numeracy



Scientific literacy



ICT literacy



Economic & Financial literacy



Cultural and civic literacy

Competencies

How students approach complex challenges



Critical thinking/
problem-solving



Creativity



Communication



Collaboration

Character Qualities

How students approach their changing environment



Curiosity



Initiative



Persistence/
grit



Adaptability



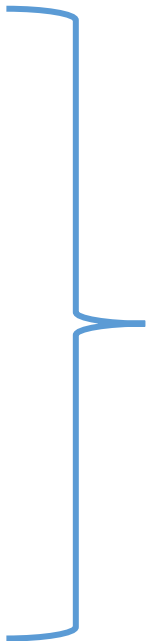
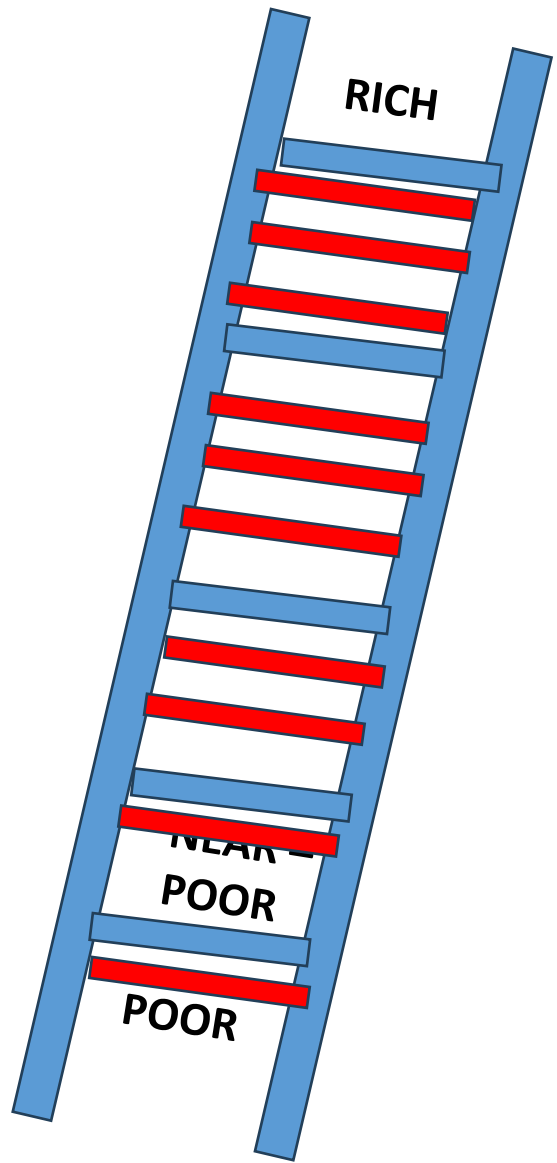
Leadership



Social and
cultural
awareness

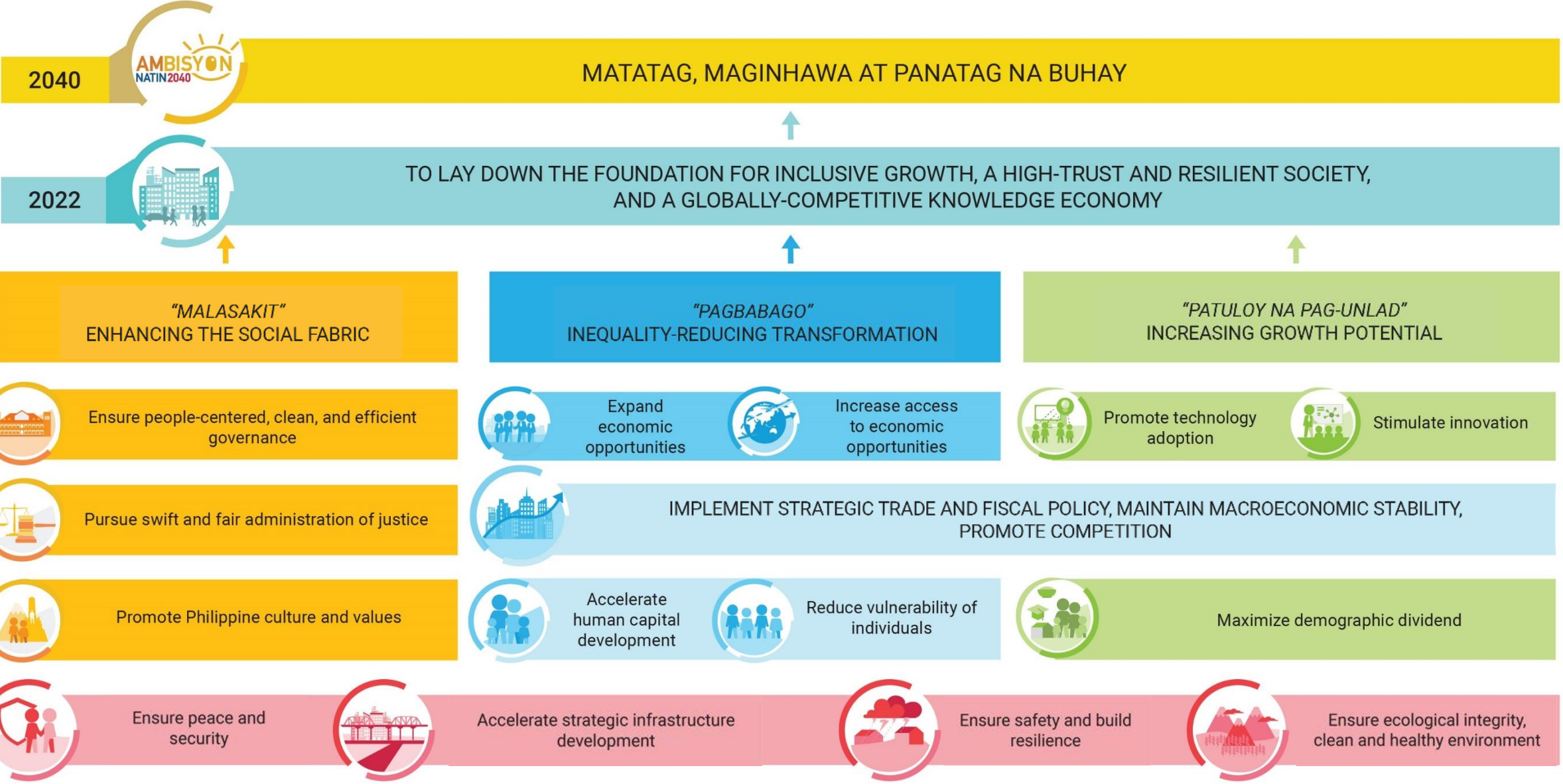
<http://www.consultancy.uk/news/1734/wef-bcg-students-lack-skills-needed-in-21st-century>



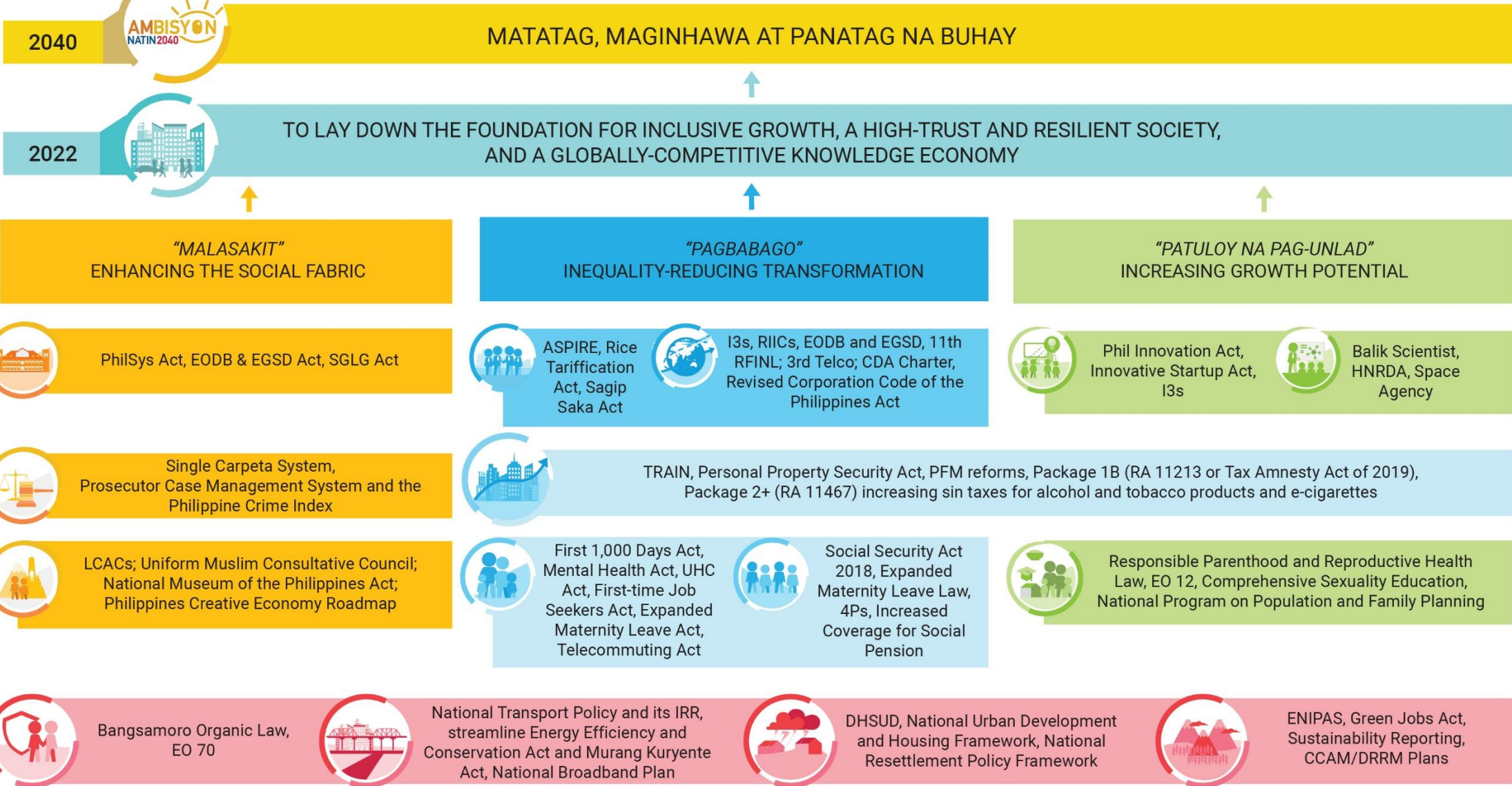


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PDP 2017-2022 Strategic Framework



Key Reforms and Programs



OUR UNWANTED FUTURES



MASAKUNA
Distress and Disasters



MABAGAL
Slow to Change



LANGIT-LUPA
Wider Inequalities

The Social Mobility Ladder



“The middle class, fundamental to a market economy, embodies values such as **dedication**, **thrift**, and the prioritisation of **education**. These values fuel innovation and entrepreneurship.”

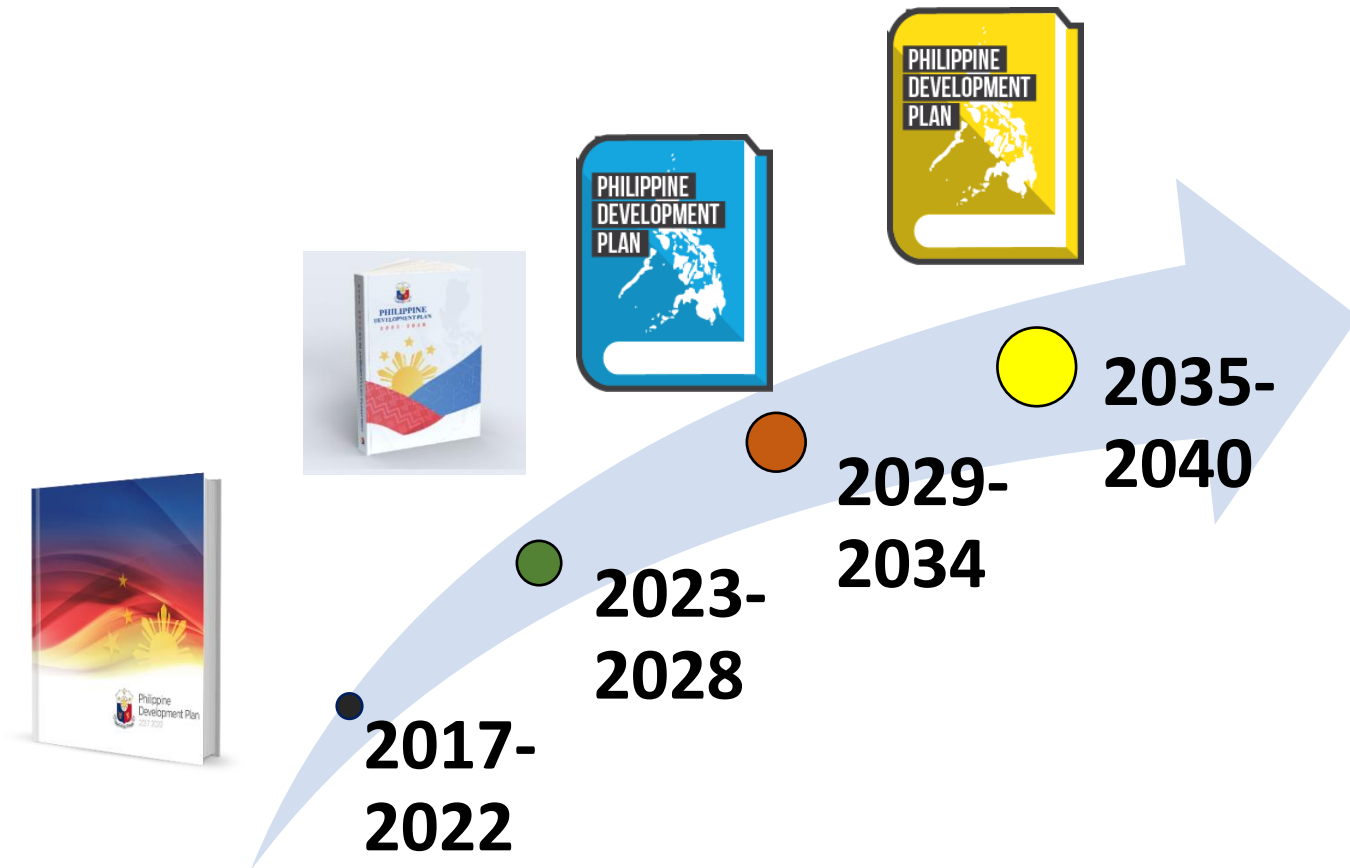


Chandler Institute of Governance (2024), *Helping People Rise*.



From vision to action

Long-term Developmental Goals



- By 2040, **Philippines** will be a
- prosperous,
 - predominantly middle-class society
 - where no one is poor;

Our peoples

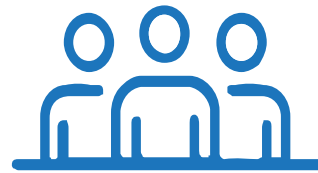
- are smart and innovative with high regard for sustainable development and quality of life for all;
- live long and productive lives, and continue to nurture their gifts, talents and passion to contribute to society; and
- live in a high-trust and caring society, and proudly identify themselves as Filipinos

II. Planning Parameters



PDP 2023-2028: A Plan for Economic Transformation

The overall goal is to



reinvigorate job creation and accelerate poverty reduction



by steering the economy back on the high-growth path and more importantly



effect economic transformation for a prosperous, inclusive, and resilient society.

Philippine Development Plan 2023-2028: A Plan for Social and Economic Transformation

**STRONGLY-ROOTED, COMFORTABLE, AND SECURE LIFE
(MATATAG, MAGINHAWA, AT PANATAG NA BUHAY)**

ECONOMIC TRANSFORMATION FOR A PROSPEROUS, INCLUSIVE, AND RESILIENT SOCIETY

**DEVELOP AND PROTECT CAPABILITIES
OF INDIVIDUALS AND FAMILIES**

**TRANSFORM PRODUCTION SECTORS
TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS**



**PROMOTE HUMAN
AND SOCIAL
DEVELOPMENT**



**REDUCE
VULNERABILITIES
AND PROTECT
PURCHASING POWER**



**INCREASE
INCOME-EARNING
ABILITY**



**MODERNIZE
AGRICULTURE AND
AGRI-BUSINESS**



**REVITALIZE
INDUSTRY**



**REINVIGORATE
SERVICES**

**IMPROVE EDUCATION
AND LIFELONG
LEARNING**

BOOST HEALTH

**ESTABLISH
LIVABLE COMMUNITIES**

**ENSURE FOOD
SECURITY AND
PROPER NUTRITION**

**STRENGTHEN
SOCIAL PROTECTION**

**INCREASE
EMPLOYABILITY**

**EXPAND EMPLOYMENT
OPPORTUNITIES**

**ACHIEVE SHARED LABOR
MARKET GOVERNANCE**

PROMOTE TRADE AND INVESTMENTS

ADVANCE R&D, TECHNOLOGY, AND INNOVATION

ENHANCE INTER-INDUSTRY LINKAGES

PROMOTE COMPETITION AND IMPROVE REGULATORY EFFICIENCY



**PRACTICE GOOD GOVERNANCE
AND IMPROVE BUREAUCRATIC EFFICIENCY**



**ENSURE MACROECONOMIC STABILITY
AND EXPAND INCLUSIVE AND INNOVATIVE FINANCE**



**ENSURE PEACE AND SECURITY,
AND ENHANCE ADMINISTRATION OF JUSTICE**



**EXPAND AND UPGRADE
INFRASTRUCTURE**



**ACCELERATE CLIMATE ACTION
AND STRENGTHEN DISASTER RESILIENCE**

The Transformation Agenda



Accelerate Digital Transformation



Improve Connectivity



Intensify public-private partnership



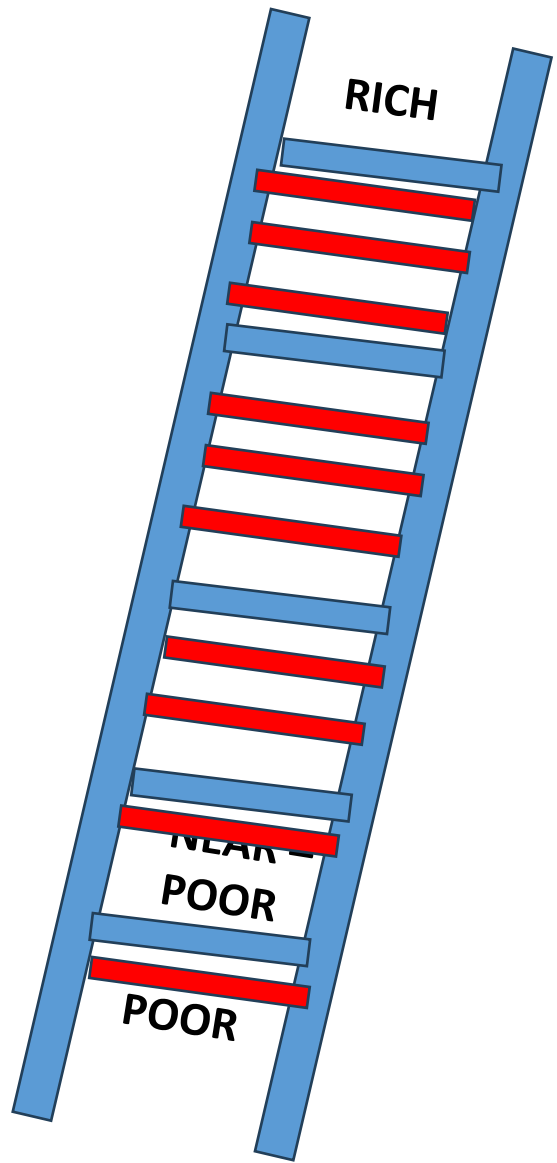
Promote Servicification



Establish a dynamic innovation ecosystem



Enhance the role of LGUs as partners in development



AMBISYON Natin 2040