





## 10<sup>th</sup> Mindanao Policy Research Forum

*“Navigating Global Trends, Mindanao’s Future: Opportunities and Strategies for Expanding Middle Class*

September 206 2024 | General Santos City

***“Land of Promise, Land of Contradictions:”***  
Navigating Mindanao's Future Towards a Middle Class Society

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**We are nothing  
but relationships**

Today (2024)

**By 2040, the  
Philippines is  
a prosperous  
middle  
class society  
where no one  
is poor.**

**“...build a just  
and a humane  
society...”**

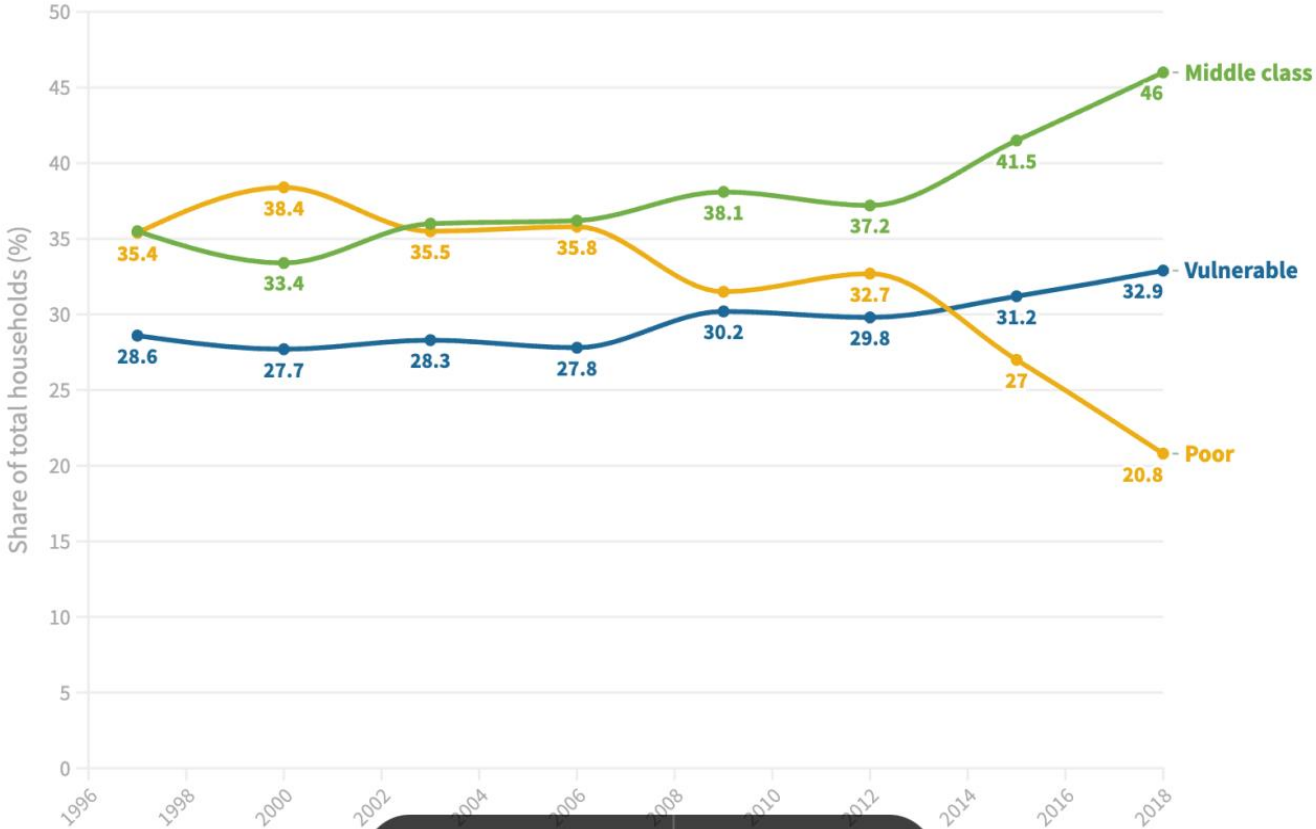
# Indicators of a Middle Class Philippines

- ❑ **Income:** Middle-class families in the Philippines have per capita incomes between twice and twelve times the official poverty line. Basic income in 2021 prices translates to a monthly family income range of approximately PHP 25,000 and PHP 145,000 (for a family of five).
- ❑ **Education:** The middle class has significantly higher levels of educational attainment compared to the low-income class.
- ❑ **Family size:** Middle-class households tend to be smaller than low-income households.
- ❑ **Location:** The middle class is predominantly urban.

# Structure of the PH economy

- We're a predominantly middle class society; poverty has gone down a lot

## Rising middle class



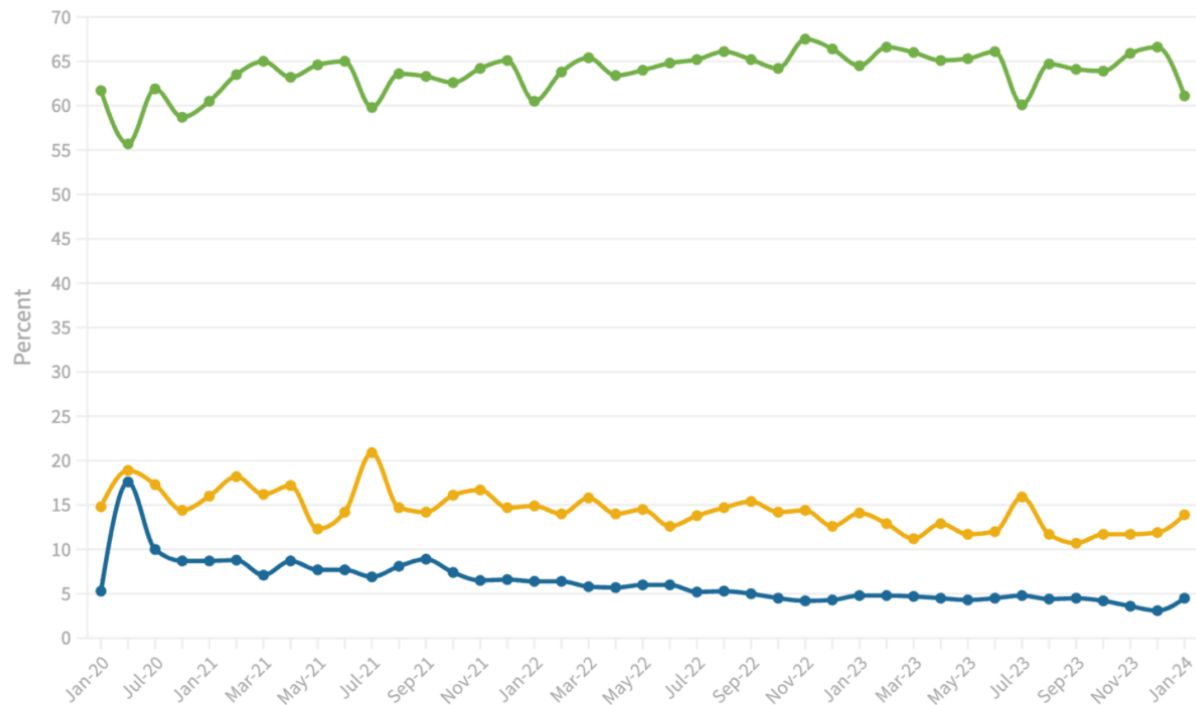
Source: de Dios and Tuaño [2022]

# Unemployment recently reached historic low

- 4.5% in Jan 2024
- But underemployment remains stuck at high levels

## Philippine labor force statistics

■ Unemployment rate ■ Underemployment rate ■ Labor force participation



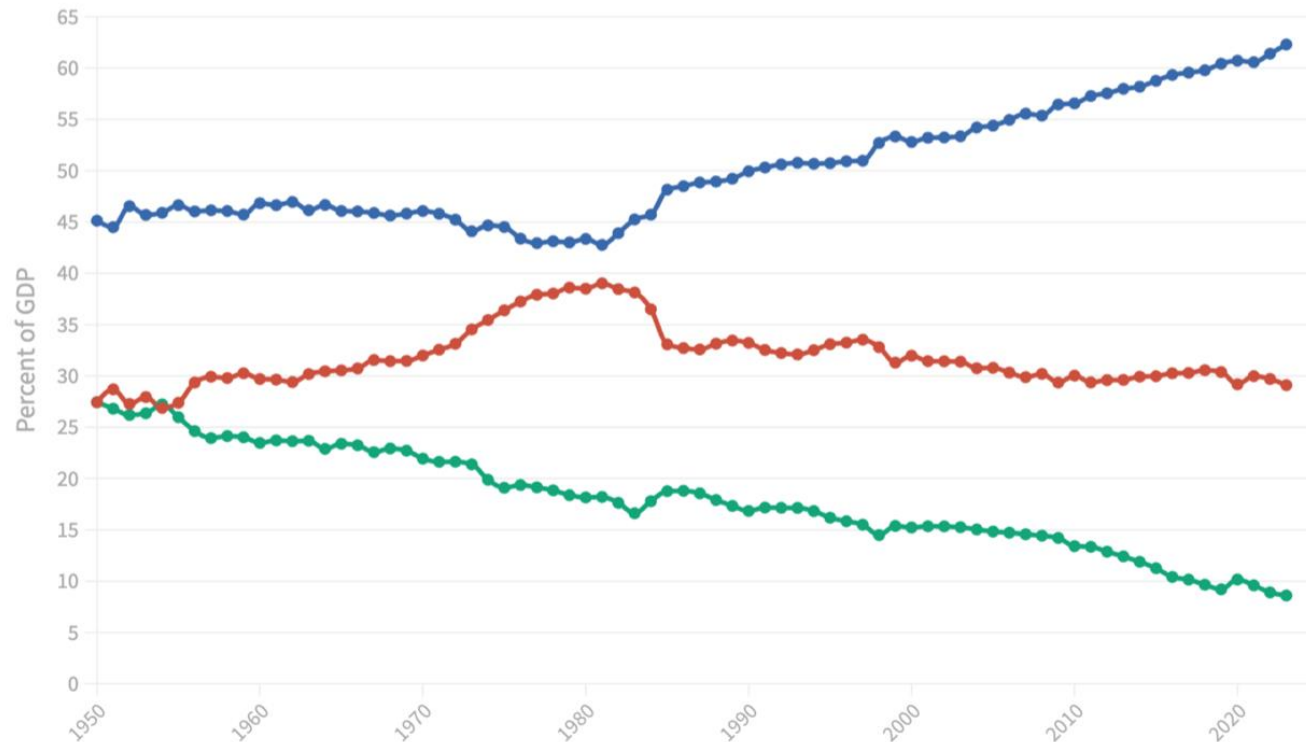
Source: Philippine Statistics Authority

# Structure of the PH economy

- We're a service-driven economy; can we still revive manufacturing?

## Components of GDP (production approach)

■ Agriculture ■ Industry ■ Services



Source: Philippine Statistics Authority • Note: 2018 prices  
Graph by JC Punongbayan, PhD



Land of three people:  
different in culture  
and traditions, of  
history, and relations  
to the land.

All are victims of  
the colonial and  
post-colonial  
governments

Mindanao: Land of  
contradictions





## **LAND OF CONTRADICTIONS**

- Land of **PLENTY**; plenty of poor people
- Land of people professing different faiths; Land of the **LORDS** - political lords, landlords, warlords, drug lords
- Land of diverse culture, including “culture of poverty and the poverty of culture”

# Philippine History defines what we are as a people today

Independent communities /sultanates  
(50,000 BC-1565 AD)

**333 years in Spanish Convent**  
(1565-1898)

50 years in Hollywood  
(1898-1946)  
*1st Republic*

3 years under the Empire of the Sun  
(1942-1945)  
*2nd Republic*

**78 years under the Filipinos (1946-present)**  
*3rd Republic*

## (Social Reform & Poverty Alleviation Act)

Defines Poor as "Individuals or families whose income fall below the poverty threshold as defined by the NEDA and/or cannot afford in a sustained manner to provide their minimum basic needs of food, health, education, housing and other essential amenities of life."  
(Section 3 of the RA 8425).

## POVERTY THRESHOLD

is the minimum income required for an individual or a family to meet the basic food and non-food needs, also known as the **POVERTY LINE**.



AMONG FAMILIES

In 2023, a Filipino family with five members needed around

**PH** **Php 13,873**

**NCR** **Php 15,713**

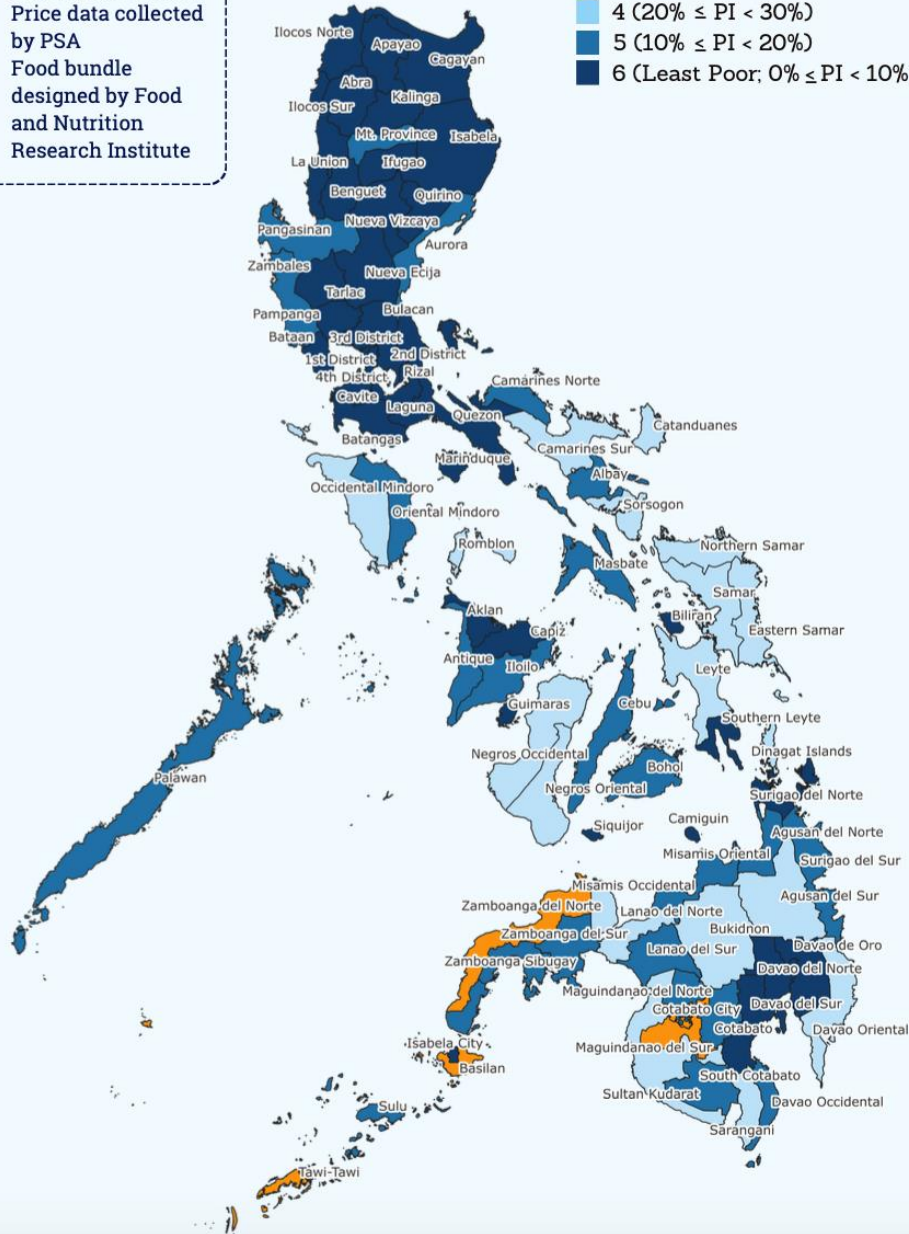
on average, per month  
to meet their basic food and non-food needs.

is computed using the following:

- Income data from Family Income and Expenditure Survey
- Price data collected by PSA
- Food bundle designed by Food and Nutrition Research Institute

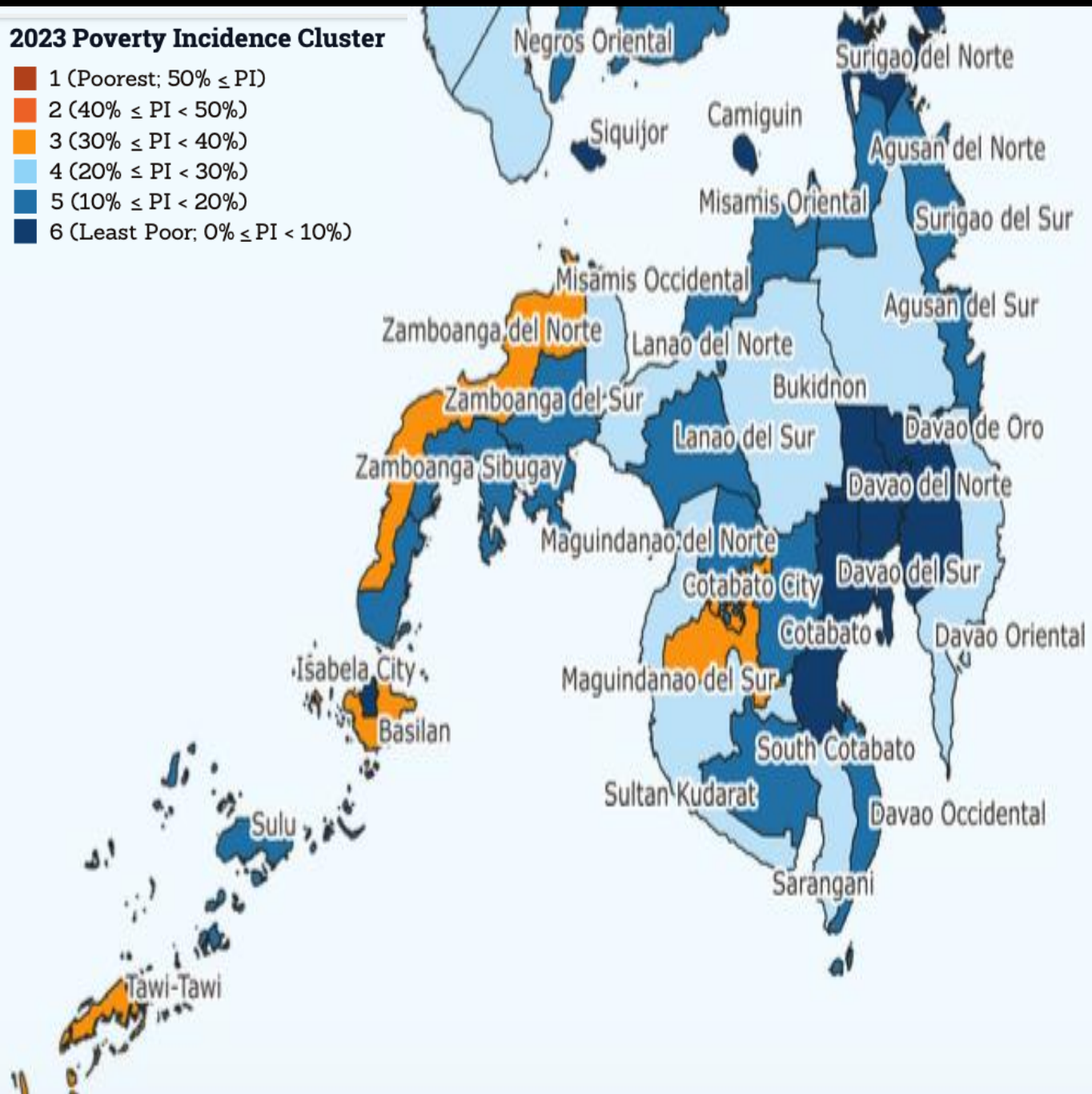
### 2023 Poverty Incidence Cluster

- 1 (Poorest;  $50\% \leq PI$ )
- 2 ( $40\% \leq PI < 50\%$ )
- 3 ( $30\% \leq PI < 40\%$ )
- 4 ( $20\% \leq PI < 30\%$ )
- 5 ( $10\% \leq PI < 20\%$ )
- 6 (Least Poor;  $0\% \leq PI < 10\%$ )



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## FOOD THRESHOLD

is the minimum income required for an individual or family to meet the basic food needs, which satisfy the nutritional requirements for economically necessary and socially desirable physical activities.



AMONG FAMILIES

A Filipino family with five members needed around

**PH** **PhP 9,581**

**NCR** **PhP 10,972**

on average, per month

## SUBSISTENCE INCIDENCE

is the proportion of individuals or families with income less than the **Food Threshold** to the total number of families or individuals.



AMONG POPULATION

**4.3%** of Filipinos were not able to meet their basic food needs in 2023, which translates to

**4.84 million** food poor Filipinos.



AMONG FAMILIES

**2.7%** of Filipino families were not able to meet their basic food needs in 2023 which translates to

**742 thousand** food poor Filipino families.

## POVERTY THRESHOLD

is the minimum income required for an individual or a family to meet the basic food and non-food needs, also known as the **POVERTY LINE**.



AMONG FAMILIES

In 2023, a Filipino family with five members needed around

**PH** **PhP 13,873**

**NCR** **PhP 15,713**

on average, per month to meet their basic food and non-food needs.

Poverty Threshold = PhP 13,873

Food Threshold = PhP 9,581  
(P63/day or P21.29/meal/day/person)

Balance = PhP 4,292  
(P143/day)

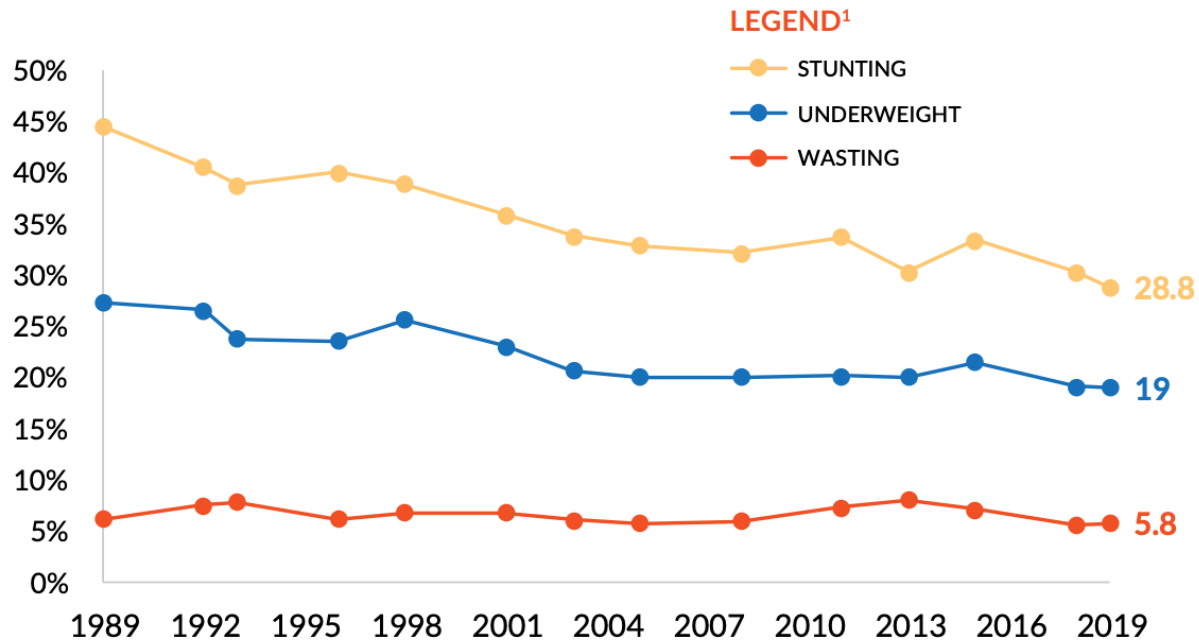
**Table 1. Full Year Poverty Thresholds per Family per Month and Poverty Incidence among Families, by Region: 2018, 2021 and 2023**

Region	Poverty Thresholds per Family* per Month (PhP)			Poverty Incidence among Families (%)				Coefficient of Variation		
	2018	2021	2023	2018	2021	2023	% point change (2023-2021)	2018	2021	2023
<b>PHILIPPINES</b> <sup>a/</sup>	10,756	11,998	13,873	12.1	13.2	10.9	-2.3	1.4	1.4	1.5
<b>NCR</b> <sup>a/</sup>	11,951	13,741	15,713	1.4	2.2	1.1	-1.0	10.4	6.7	9.9
<b>CAR</b> <sup>a/</sup>	10,378	11,793	13,239	8.6	6.9	4.4	-2.5	5.3	5.4	7.9
<b>Region I</b> <sup>a/</sup>	11,273	12,964	14,356	7.0	11.0	8.4	-2.5	9.6	6.8	9.8
<b>Region II</b> <sup>a/</sup>	10,458	11,788	13,400	12.5	11.7	7.2	-4.5	6.4	7.1	8.3
<b>Region III</b> <sup>a/</sup>	11,231	13,160	16,046	5.2	8.3	5.7	-2.6	6.4	5.7	6.2
<b>Region IV-A</b> <sup>a/</sup>	11,637	12,941	15,457	5.1	7.2	5.3	-2.0	7.3	6.4	6.7
<b>MIMAROPA</b>	9,714	10,967	12,697	10.5	15.0	16.3	1.2	6.5	5.1	6.6
<b>Region V</b>	10,192	11,531	13,989	20.0	21.9	20.3	-1.6	4.0	4.0	3.7
<b>Region VI</b> <sup>a/,1/</sup>	10,513	11,391	13,801	10.1	12.1	9.8	-2.2	6.3	6.7	6.4
<b>NIR</b> <sup>a/,2/</sup>	10,096	11,040	14,185	15.8	18.2	22.6	4.4	7.5	6.2	6.6
<b>Region VII</b> <sup>a/,3/</sup>	10,820	13,510	14,397	12.2	22.0	12.3	-9.7	7.5	5.9	6.2
<b>Region VIII</b>	10,411	11,187	13,492	23.9	22.2	20.3	-1.8	3.6	4.1	4.0
<b>Region IX</b> <sup>4/</sup>	10,687	11,975	13,897	25.4	23.4	24.2	0.8	4.3	4.3	4.5
<b>Region X</b>	10,348	12,015	13,964	17.3	19.2	18.4	-0.8	3.8	4.4	4.1
<b>Region XI</b>	10,814	11,709	13,134	13.9	11.9	11.3	-0.6	5.1	4.8	9.2
<b>Region XII</b> <sup>a/,5/,6/</sup>	10,426	11,018	12,241	21.6	20.9	17.0	-3.8	5.2	5.0	6.5
<b>Caraga</b> <sup>a/</sup>	10,573	11,390	12,319	24.1	25.9	14.9	-11.0	3.5	3.5	4.9
<b>BARMM</b> <sup>a/,7/,8/</sup>	11,548	11,347	12,884	52.6	28.0	23.5	-4.5	2.5	3.8	3.6

Source: Philippine Statistics Authority



**FIGURE 1:** Malnutrition trends in the Philippines for children under age five, 1989-2019



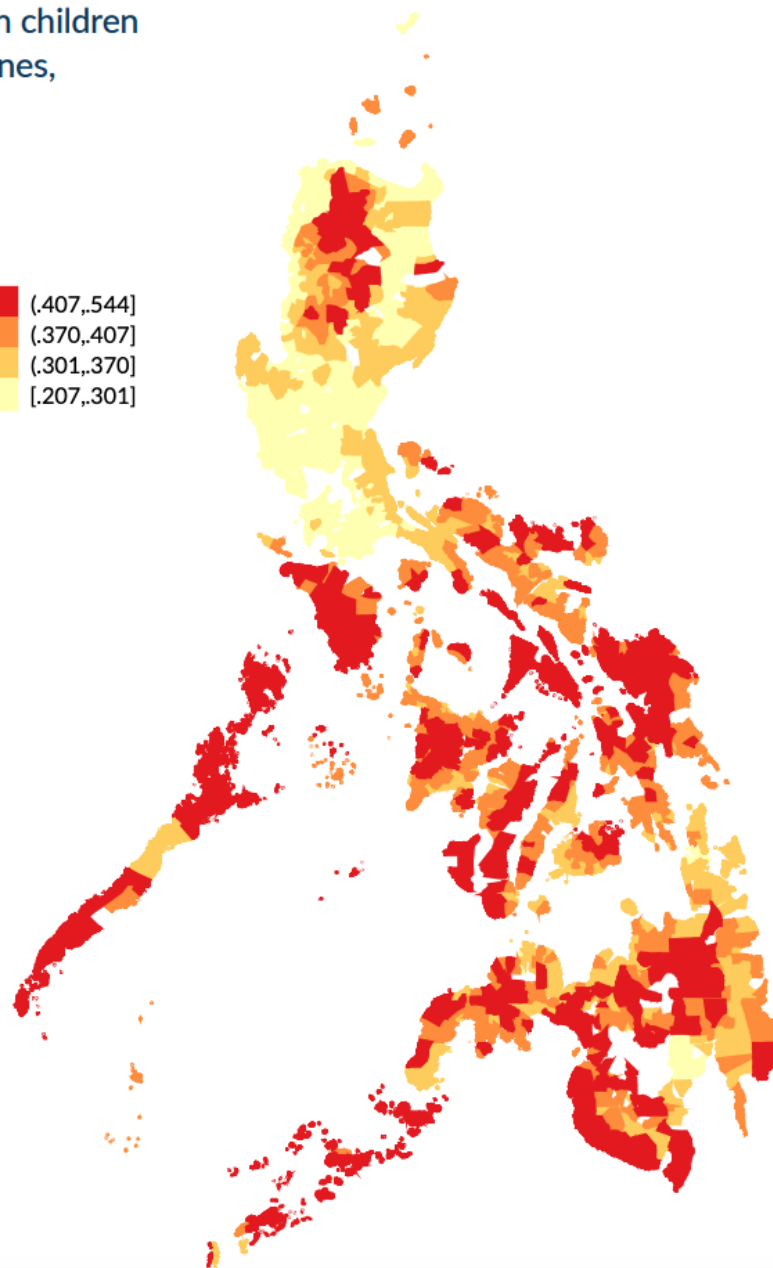
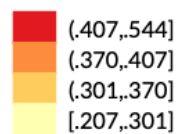
1- "Stunting" is being small in size for their age; "Underweight" is being below the expected weight for their age"; and, "Wasting" is being underweight for their height.

*Source: National Nutrition Survey reports from the Food and Nutrition Research Institute*

**FIGURE 2:** Rate of stunting in children under age five in the Philippines, by municipality

The darker the color, the higher the stunting rate.

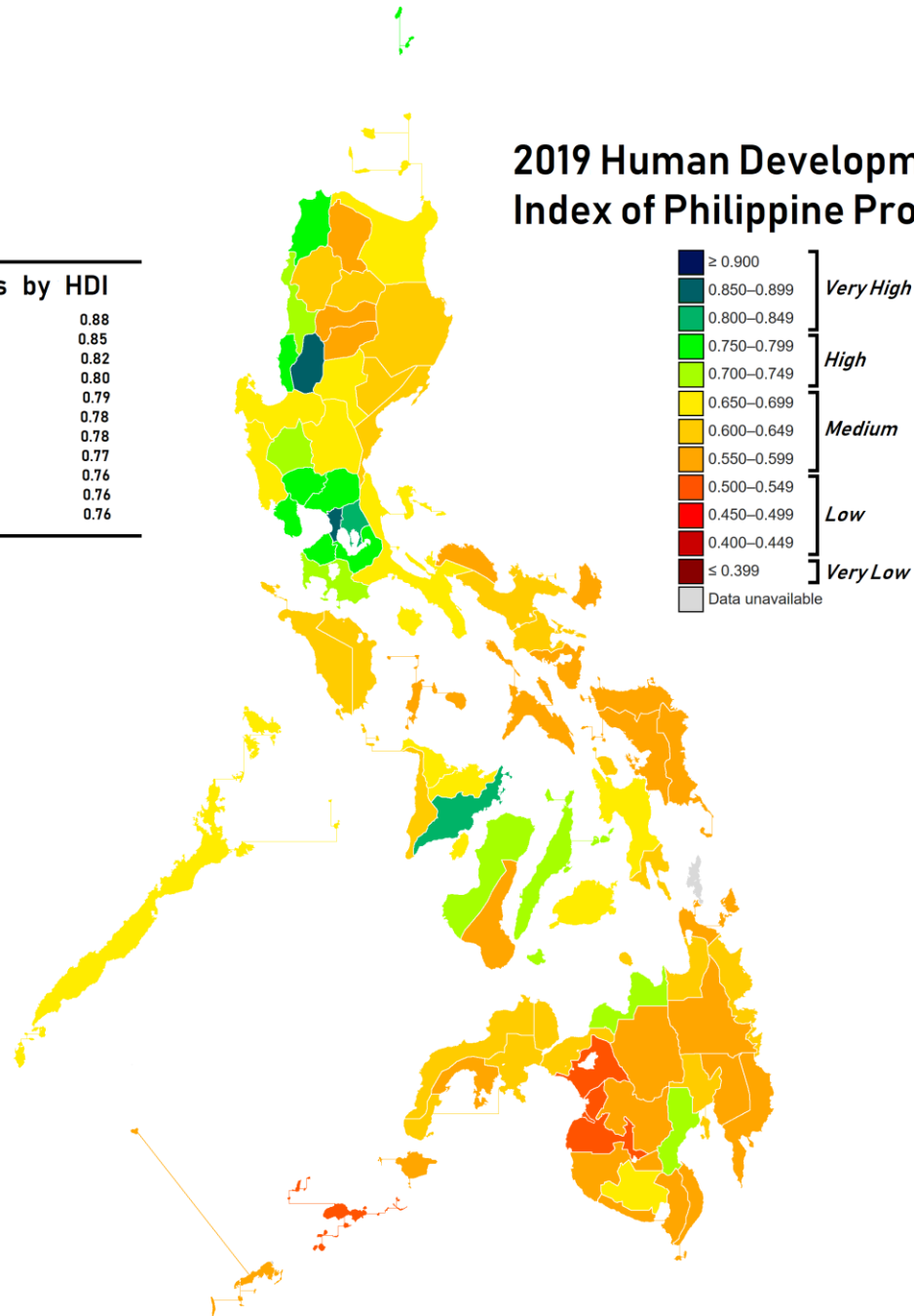
Sources: FNRI 2015; PSA 2015



## 2019 Human Development Index of Philippine Provinces

### Top Areas by HDI

1. Benguet	0.88
2. Metro Manila	0.85
3. Rizal	0.82
4. Iloilo	0.80
5. Batanes	0.79
6. Ilocos Norte	0.78
7. Cavite	0.78
8. Laguna	0.77
9. La Union	0.76
10. Bulacan	0.76
11. Pampanga	0.76



## ARMM Percentage of Population 10 to 64 Years Old Who are Classified into the Different Literacy Levels

Literacy Level	1994	2003	2013
Cannot Read and Write (%)	32.4	31.7	20.9
Can Read and Write (%)	63.8	65.5	78.2
Can Read, Write and Compute (%)	61.2	62.9	72.1
Can Read, Write, Compute and Comprehend (%)	40.0	51.2	51.5
High School Graduate or Higher (%)	21.9	20.9	29.2
Undetermined (%)	3.8	2.9	1.0

## Percentage of Urban Population 2020 PSA

<b>Philippines</b>	<b>54.0</b>
REGION IX (ZAMBOANGA PENINSULA)	38.4
REGION X (NORTHERN MINDANAO)	50.3
REGION XI (DAVAO REGION)	66.8
REGION XII (SOCCSKSARGEN)	55.5
REGION XIII (CARAGA)	36.6
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM)	27.6

# Cultural Irony



Culture of poverty,  
poverty of culture: an  
intergenerational  
phenomenon; an  
institutional dilemma

# Underlying issues affecting the Development of Mindanao

1. Archipelagic nature of the Philippines
2. The country's bypassing the industrialization process, normally associated with urbanization, having shifted directly from agriculture to service sector dominance
3. Stagnating manufacturing sector which has not resulted in high quality jobs and, in turn, has negatively affected urban led growth
4. Poor business environment
5. Weak infrastructure, land management and access to markets
6. Low demand for innovation and skills match
7. Limited access to finance and business support
8. Insufficient economic planning
9. Exposure to natural and other hazards
10. Social problems of crime and violence

# What Now?

“...to build a just and humane society...”



# What needs to be done?

- Deep investment in health and education (arrest human capital deterioration)
- Developing & Updating comprehensive land use plans (CLUPs) of LGUs (data)
- Addressing peace and security issues;  
Addressing land issues
- Spending and investment growth
- Job creation, beyond ayuda.



***“The quality of our lives is s good as the quality of our governance”***

# Mindanao Politics – Land of Lords and Warlords



- Continuation of an elite democracy – a system where political power remains in the hands of the elite (from the landed elite during the Spanish and American period to the business class today) forming a political dynasty.

Different forms of  
insecurities in Mindanao



# “From Gown to Town” Challenge

Not just about quality instruction,  
research and extension but meaningful  
community engagement.

It is about developing  
empathy,  
critical thinking  
and active citizenship

*Peace is not just about the absence of war; it is about Social  
Justice.*

# Daghang Salamat!

