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A Conversation with Eminent Persons on Global Trends and Strategies

**POVERTY AND VULNERABILITY IN A GLOBALIZING WORLD¹
Points for a Conversation**

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The Persistence of Poverty

1. *Poverty is increasing.*

The large number of people remaining or falling into poverty worldwide is alarming; although many countries have adopted anti-poverty programs, the problems linked to poverty reduction efforts are overwhelming.

2. *The world's poor are concentrated in Asia.*

In 1998, of the 1.2 billion poor people in the world (<\$1 a day), 800 million (67%) lived in Asia; in 1987, Asians made up 75% of the world's poor (World Bank 2000).

3. *Assessing poverty in terms of averages can be deceiving.*

The 8-point Asian poverty decline, 1987-98 stemmed mainly from poverty reduction in East and Southeast Asia: from 418 million in 1987 to 278 million in 1998, with poverty incidence at 15%. In contrast, the number of poor people in South Asia rose from 474 million in 1987 to 522 million in 1998, with poverty incidence at 40% (World Bank 2000).

4. *In Southeast Asia, the Philippines may serve as a reasonably typical case of a developing country whose economy is growing but which faces serious problems in its efforts to end poverty.*

The negative effects of globalization, environmental disasters, and poor governance.

- A steady decline in poverty incidence, down from 49.2% in 1985 to 36.9 in 1997, was subsequently reversed in the last three years of the 20th century, when poverty incidence again rose to 39.5 in 2000 (Dancel 2001). Among the causes were the Asian financial crisis, the severe effects of the

Points for discussion by sociologist Mary Racelis at the United Nations DPI/NGO Conference, "Human Security and Dignity: Fulfilling the Promise of the United Nations," Plenary Panel, Wednesday, September 10, 2003, 3:00 – 5:00 p.m. Mary Racelis is a member of the UN Secretary-General's Panel of Eminent Persons on United Nations Relations with Civil Society, and Research Scientist at the Institute of Philippine Culture, Ateneo de Manila University..

El Niño drought, and the disastrous performance of the Estrada Administration (Racelis 2001).

- Moreover, as a result of the Asian economic crisis (1997-2000), an estimated 704,000 *families* (or 3.5 million people of the total 75 million) who had been above the poverty line dropped below it in the period 1997-2000. Recovery is believed to be hardest for those poor who sold whatever assets they had and also took their children out of school to save money and to work in order to contribute to family income. The future of the next generation was thus also compromised (Reyes 2000).

Widening income disparities. In 2000, the bottom 70% of the population earned a combined 33.4% of total income, while the upper 10% earned an even higher percentage at 38.7% of total income. The share of the poorest quintile declined from 4.8% in 1985 to 4.7% in 2000; the share of the richest quintile has increased from 52.1% to 54.8% in those years (Reyes 2000).

Regional disparities within the country. Although statistical averages place the Philippines in the category of a middle-level developing country, great variations exist *within* the country. In 2002, 16 of 80 provinces show poverty incidence levels of over 50 percent, with Sulu in the Muslim south worst off at 76.6 p%, and Metro Manila and adjacent provinces best off at 9% (DSWD 2002).

Rural versus urban poverty

- Rural poverty is over twice that of urban poverty (46.9% vs 19.9%). One of every two Filipinos in rural areas is poor compared to one of five in urban centers (Reyes 2000).
- Approximately one-third (3 ½million) of Metro Manila’s population live in informal settlements (“squatter areas” “illegal shantytowns”) in varying levels of poverty and poorly served by urban services. The concentration of economic investments in Metro Manila and other large cities skew averages and hide serious poverty in urban informal settlements.
- Urban areas are growing much faster than rural ones. The urban rate of population increase is 3%, while the rural equivalent is less than 1%; the Philippines is now an urban society, with 52% of the population in cities and towns. Urban areas account for 80% of all population growth, and absorb 1 million people annually. The National Capital Region (Metro Manila and surrounding provinces) accounts for 54.5% of economic growth; virtually 100% of all growth in employment has occurred there in manufacturing and services (Webster, Corpuz and Pablo 2002).

Services unable to catch up with a rapidly growing population

- Even as poverty rates decline, rapid population increases make it difficult for the government’s strong poverty-reduction efforts to provide poor

people with basic services and other poverty-reduction benefits. Even though poverty rates declined from 49.2% in 1985 to 36.9% in 1997, for example, the absolute number of poor Filipinos increased from 24 million to 28.3 million in those 12 years of declining poverty rates. This means that *an additional 4.3 million people* were added to the poverty roster.

- The average size of poor families is 6.0; non-poor families, 4.67 (Reyes 2000).
5. *Many governments in Asia are focusing on developing programs aimed at significant poverty reduction; the Philippines case under President Gloria Macapagal Arroyo's Administration is instructive.*
- The revised Medium-Term Philippine Development Plan approach to poverty reduction emphasizes (NEDA 2002):
 - Macroeconomic stability and equitable growth based on free enterprise
 - Agricultural and fisheries modernization with social equity
 - Comprehensive human development and protecting the vulnerable
 - Good and effective governance
 - The National Anti-Poverty Commission focuses on redistributive reform and access by the poor through (LAMP 2003:43):
 - Asset reform: land security and access to productive resources (agrarian, aquatic, ancestral domain; focus on basic sectors)
 - Basic social and human development services: food/nutrition, water, health, sanitation, education, shelter, electricity
 - Livelihood and employment: credit/microfinance, production, technology, infrastructure, job placement/facilitation
 - Social protection and security from violence; social safe nets, social insurance, peace-building and conflict resolution
 - Participation of the basic sectors in policy setting, institution building, and program development; these include poor and vulnerable groups, among them, small farmers, small-scale fisherfolk, indigenous people, women, children, youth, older persons, disabled, informal workers, urban poor, etc.
 - While the Philippines has a population management program, the rate of population increase remains high at 2.4%; Catholic and related sensitivities have encouraged the government to address poverty reduction in terms of reforming structural and institutional inequities rather than through population/family planning approaches.

- Progress has been slowed by, among others reasons, political instability --. internal political conflict and continuing corruption, ethnic tensions, terrorist actions, and warfare -- together with unfavorable terms of trade in the global economy.

The Multiple Dimensions of Poverty

1. *Defining poverty: non-poor analytical perspectives*
 - Income poverty: longstanding approach to poverty measurement in economics – consumption and expenditure; poverty threshold, basic basket of consumption goods and services
 - Social exclusion: marginality, vulnerability, deprivation; levels of poverty
 - Social psychological: apathy, hopelessness, despair; anger, aggression; the cycle of poverty
 - Environmental: victimization by natural and manmade calamities; ecological degradation
 - Political: limited or no participation in decision making; dependency, powerlessness, lack of control over one's future
2. *Poor people's perspectives in Asia: striving for well-being and happiness* (Narayan, Chambers, Shan, and Petesch 2000).
 - Material well-being: enough food; assets in the form of land, livestock, savings, employment, money
 - Physical well-being: a healthy body, freedom from illness, looking and dressing well
 - Social well-being: good care for children, self-respect and dignity, informal support networks, peace and good relations within the family, community and country
 - Security: a physically safe and secure environment; personal safety and protection from natural disasters
 - Freedom of choice and action: helping others, gaining education and skills, traveling freely, deciding on matters affecting one's life, and making political choices
 - The absence of the above conditions is equated with poverty, or ill-being.
3. *Notions of poverty and well-being are culture-specific* but are comparable across societies.
4. *Poverty implies vulnerability*, with certain groups systematically falling into this category, each experiencing a set of problems common to them

- Small farmers and small fisherfolk: natural calamities and environmental degradation, fluctuating markets; dearth of additional income sources; exploitative middle-men/women
 - Women: making ends meet, lack of capital for business, domestic violence and abuse; powerlessness vis-à-vis men
 - Children: entering/staying in school; excessive work in the family; abuse

 - Youth: dropping out of school, jobs/income, drugs, gangs, violence, abuse
 - Older persons: insecure income/support, loneliness, abandonment
 - Indigenous people: exploitation, insecure domain tenure, repression, lack of basic services
 - Informal workers: income/work security
 - Disabled: physical mobility, jobs/income, dependence, marginalization, need for respect and understanding
 - Urban poor: tenure insecurity, eviction, forced relocation to areas with insufficient income opportunities; degraded environments
5. *Resilience of the poor*: despite adversity, coping with daily problems and pursuing a range of strategies for survival and improved well-being (Racelis and Castro Guevara 2002)
- Reduce expenditures
 - Sell or dispose of assets
 - Increase family labor supply
 - Borrow food, money, basic items
 - Build social relationships (social capital)
 - Seek out political patrons
6. *The poor as poverty experts*
- Since it is the poor who experience poverty daily, they constitute the most reliable source of information about their experiences and needs; their voices must thus be sought and heard (Narayan *et al* 2000)
 - Poor people in a community can delineate categories and levels of poverty and who falls into those categories, e.g. poor but managing, hard up, living from hand to mouth.

Empowering the Poor: Roles of NGOs and Other Civil Society Groups

1. Enable poor groups to organize around their interests.
2. Keep the political space open for poor people to assemble, discuss, and take decisions freely.
3. Build/enhance poor people's capacities to learn/strengthen skills for

income and employment, leadership, negotiations with government and other power figures, and access to information.

4. Pay attention to and, in collaboration with the groups themselves, create or reinforce programs aimed at addressing the needs of specific vulnerable groups.
5. Encourage network formation among people's organizations (CBOs), and alliances with civil society and other external groups interested in promoting people's well-being.
6. Advocate poor people's rights in policy circles without depriving them of their right as CBOs to make such representations themselves; more broadly, promote human rights perspectives in governance.
7. For particular civil society groups, enable people's organizations to benefit from their special skills
 - Academics: training CBOs' to obtain and analyze data and information from the community and elsewhere, so as to enhance CBO activities; carry out and publish research that "listens to people's voices" and enables them to be heard; advocate in policy circles participatory approaches in addressing the needs of poor people
 - Religious/Faith-based groups: helping people link their actions toward improved well-being within the context of the people's own spiritual and cultural heritage; discussing in the society at large religious and ethical concepts highlighting the society's obligations toward poverty elimination and improved well-being of the poor; provide social services for the poorest
 - Trade unions: bringing the positive experience of the labor movement to informal sector workers
 - Media: disseminating information on poverty-reduction strategies and highlighting the efforts of poor people to improve their lives; reporting on corruption; highlighting external actions that undermine the poor, e.g. eviction, discrimination, lack of access to basic services, etc.
8. Draw on United Nations support to NGO, CBO and other civil society groups, and, in particular, join the Secretary-General's efforts to strengthen this capacity. See the website of the Secretary-General's Panel of Eminent Persons on United Nations – Civil Society Relations
<<http://www.un.org/reform/index.html>>

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