

## Assessing RD under Pnoy<sup>1</sup>

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There's no final word to how PNoy did in rural development (RD) in his first four years and how he would deliver on RD for the remainder of his term.

Measuring progress in RD will continue to be contested. People will second guess according to what RD means to them and what in RD they value most.

RD as usual means modernizing the rural, short of transforming it into urban. PNoy's RD man, Secretary Kiko Pangilinan stresses increasing farmer's income. Great, problem is how. He hits a nerve there, a constant farmer dilemma, legacy of Green Revolution. Which is, that increasing farmer productivity does not necessarily translate into increased farmer income. He wants mechanization of agriculture. How on earth could you do that when you don't have an industrialization capacity level capable of absorbing massive rural labor displacement? This could very well reproduce the GR-generated dilemma cum rural jobs crisis.

The World Bank RD strategy talks about modernization covering the agriculture (perhaps including fisheries) plus natural resource sector and rural infrastructure. Modernization as they mean it implies extraction and exploitation of the rural to serve both rural and urban demands, but mainly the latter. It is also hooking the rural to the globalization process which reaches deep into the countryside to concentrate agri-based commodities and wealth to the city.

What RD means to this author, to us in PRRM, and perhaps like-minded groups, is this---improving the lives of rural people and a life of dignity for all. This would translate as below.

- Education and health care for all
- Zero deficit--no household without access to good roads, water and sanitation, electricity
- Decent jobs for rural workers in a resilient, sustainable rural economy
- Participatory governance: people's voice and say in governance, as in local development planning & budgeting

In strategy this means bringing the "city to the farm, and the farm to the city", to borrow a metaphor of Architect Palafox. City here is not in the sense of the Greek *polis*

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<sup>1</sup> UP-CIDS Forum on the the Assessment of Rural Development Under the PNoy Government, 17 November 2014@UP Bahay ng Alumni

which is exclusive in citizenship terms, at least. City in this case is as is meant in Serrano's *Promise of Habitat* (1996).

*Like money, cities are one of the most creative of human inventions. Cities facilitate and make for the most intense human interaction. They are the exchange spaces where people are linked by a dense network of homes, workshops, schools and cultural centers, and other human artifacts. Through this network people are enabled to facilitate sharing of information, build friendships and solidarity, trade goods and services, encounter different cultures and traditions without having to travel far.*

*Cities contribute to stabilizing the carrying capacity of a country. Imagine a future mega city like Metro Manila. Right now one of seven Filipinos live here. Assuming this ratio to be constant till 2025, this megapolis will still accommodate a huge part of our population within just .002 percent of the country's land area.*

*Cities do us a great favor by accommodating so many in a small land area and freeing up a vast space for the rest of the population. If other existing and emerging cities go the same way as mega Metro Manila, there should be enough elbow room for agriculture, protection and conservation areas, and human settlements in the countryside.*

Measuring RD progress must begin from the perspective of the most vulnerable. Rural poverty and misery express in many ways, but extreme vulnerability, according to this author means this: a girl-child with physical disability, out of school, prone to sickness, from a poor rural family, living far away from Metro Manila, belonging to a tribal or Muslim community, and located in a disaster-prone zone.

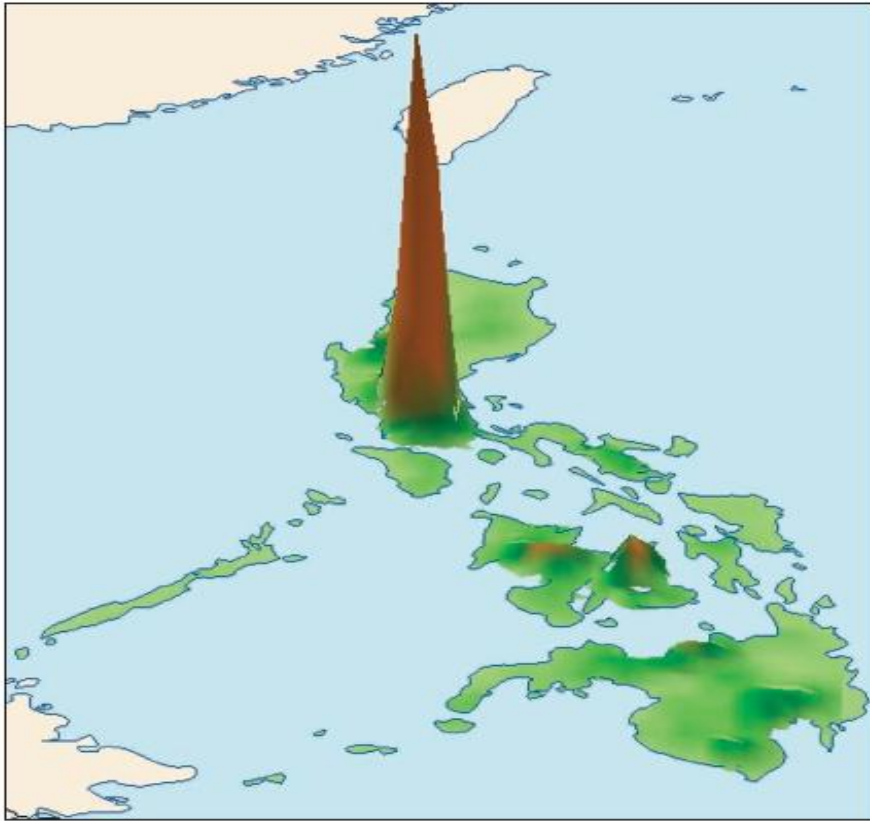
To begin with, PNoy's overall development strategy already stands to question. Breaking it down to its components his strategy would express as in below:

- Captured in the tagline 'inclusive growth;'
- Operationally, growing the economy cum catch-and-provisioning strategy targeting about 5M poorest families in 600+ poorest municipalities in 30 priority provinces and where the poorest could be found;
- Investing in big infrastructure & power, fossil-intensive energy;
- Huge cash transfers/subsidy, especially for MDG 2 (education) and MDG 5 (maternal health);
- Food self sufficiency program;
- Heavy reliance on 'winners': BPO and remittances

We take this assessment from the reference year of the PNoy regime---2010. PNoy's baseline in urban-rural divide is indicated in the graph below on economic density (WB 2007). This figure is a most graphic portrayal of inequality in the country. From here you could derive many of our stubbornly persisting woes in development, rural or urban.

The richest regions at the center of power---NCR, CALABARZON, and Central Luzon---virtually own the country, accounting for about two-thirds share of national income and perhaps total wealth.

**Figure 1 Economic density in the Philippines, 2007**



Source: World Bank 2009b.

Note: Expressed in terms of gross regional domestic product (GRDP) per square kilometer.

As in 2010, so in 2014, not much has really changed. Inequality shows in widening urban-rural and class divide and is high within the rural itself.

This figure also indicates that poverty is still principally a rural phenomenon, as it has been ever since. Rural poverty levels are way above the national average. For example, in percentage ARMM poverty level is up to 15 times that of NCR. With continuing environmental decline, bad governance, mistrust of government, widespread cynicism, social unrest and insurgency, you get an explosive brew that could tear rural communities apart.

The state of rural infrastructure likewise vividly indicates RD failure. An example of an outstanding critical deficit is rural roads or farm-to-market roads (FMRs). Fritzie Rodriguez of Rappler's #HUNGERPROJECT reported that in 2010 PNoy began with a rural roads deficit of about 15,000 kilometers. By 2014 PNoy ended up with more than 13,000

kilometers more to do. About 20 percent of Filipino families, mostly living in rural areas, don't have access to clean water and basic sanitation. About the same number of households have no access to electricity. Maybe more, since the gross counting of electrification outreach ends with the last electric post connected to the grid.

Ironically, the budget tells us we have the means to solve our problems. This financing of this huge budget is guaranteed by taxes collected from all of us, including the poorest among us

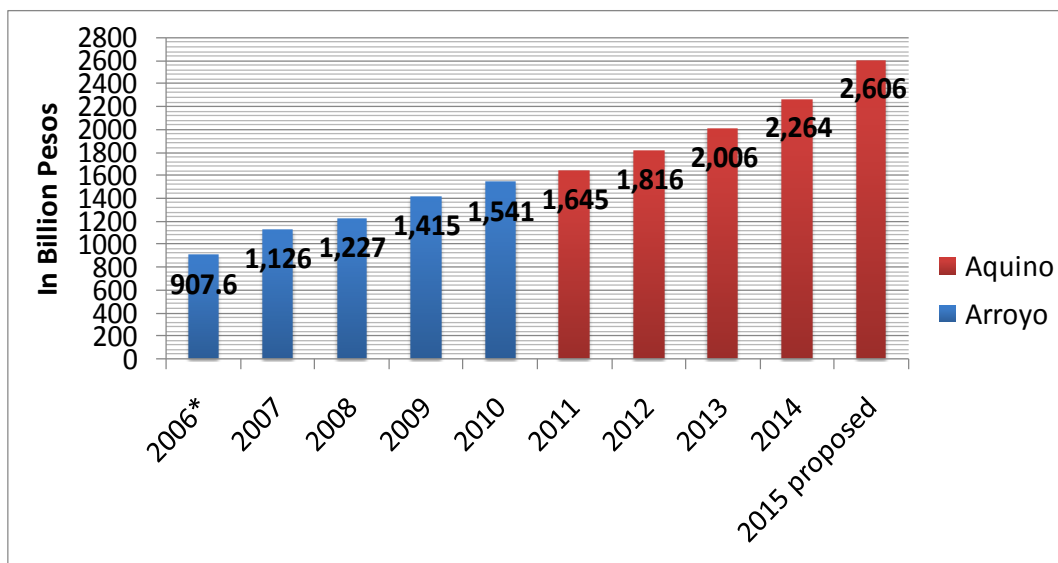
The National Budget has been increasing steadily, breaching the 1 trillion level in PGMA's time and the 2 trillion mark in PNoy's time. How could you not eradicate extreme poverty with a budget of that magnitude? Eradicating extreme poverty? Why not? Yes you can with P2.606 trillion budget, if only it were dedicated to where it truly matters for the poor, as in the following:

[a] closing the deficit on three light infrastructures that have direct and immediate effect on dirt poverty---rural roads, electricity, water & sanitation; and

[b] the two universals---12 yrs of basic education & universal health care.

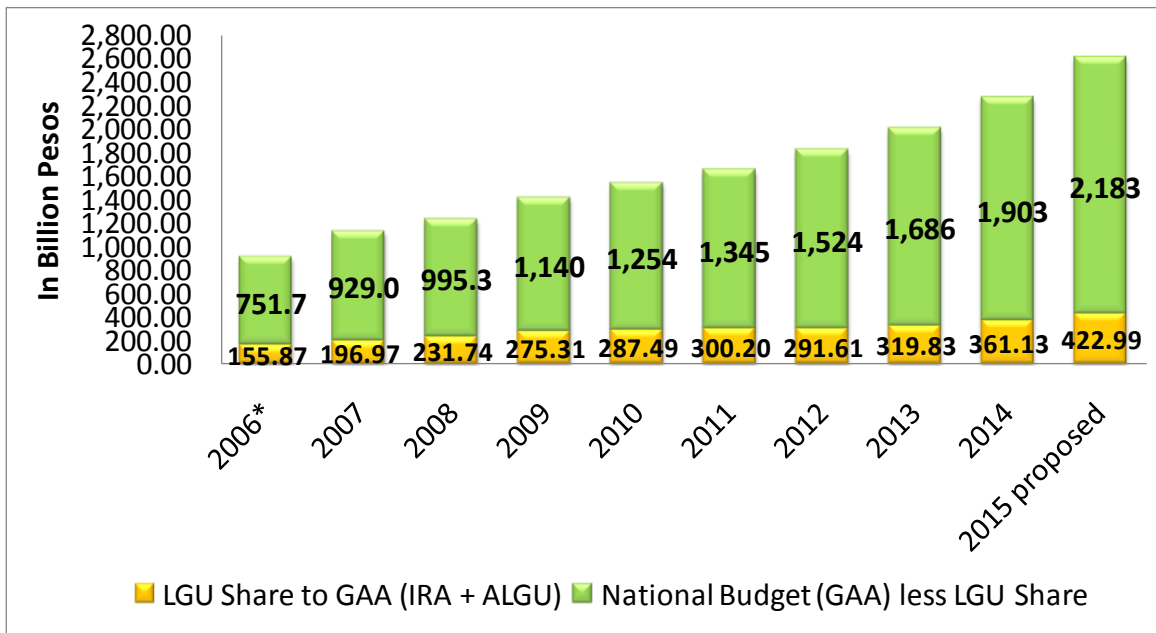
Livelihoods and jobs may be addressed by more public investments in green, broad-based agro-industrialization. These investments should enable the foundation of resilient local economies at the provincial and regional levels.

But what's really happening in the world of budget and public finance?



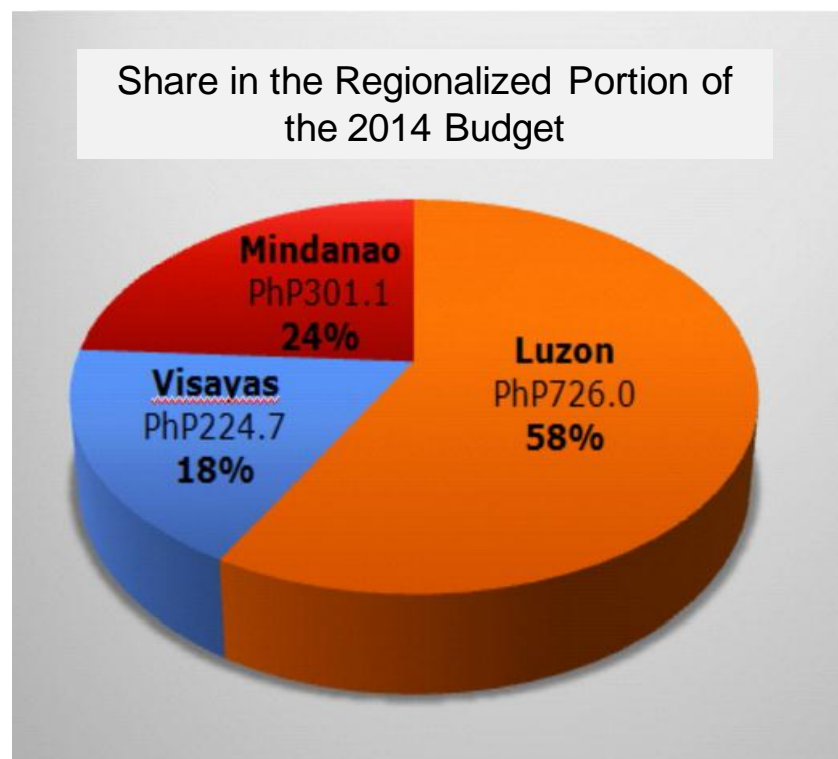
Social Watch Philippines-Alternative Budget Initiative

Inequality in budget sharing tells a lot. Rich regions get the bigger part, poor regions get

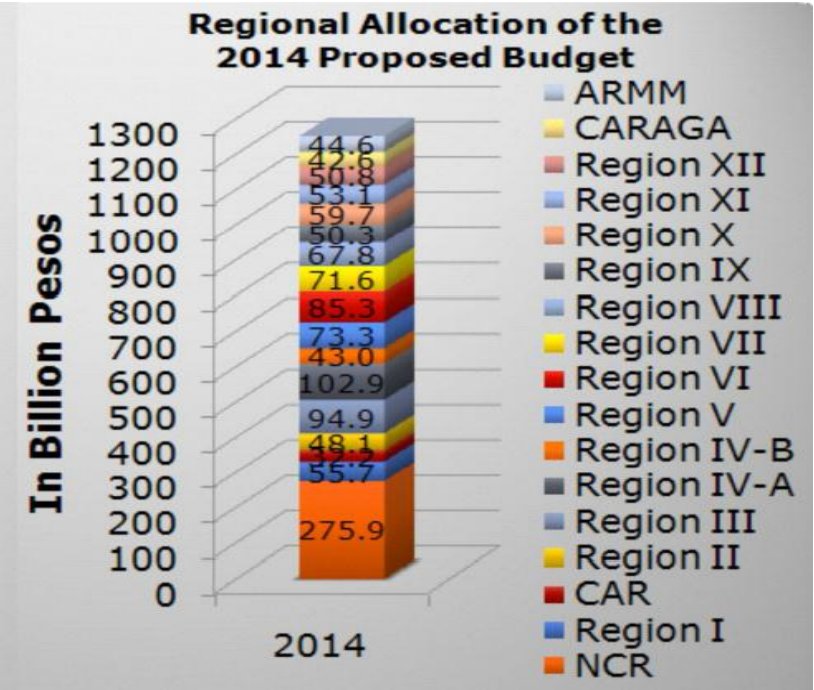


much less. Generally, the share of local government units (LGUs), especially the poorer ones, is barely enough to finance personal services. Most LGUs are not capable of financing the essential light infrastructures, unless they are willing to resort to borrowing and passing on the burden of repayment to the next generation.

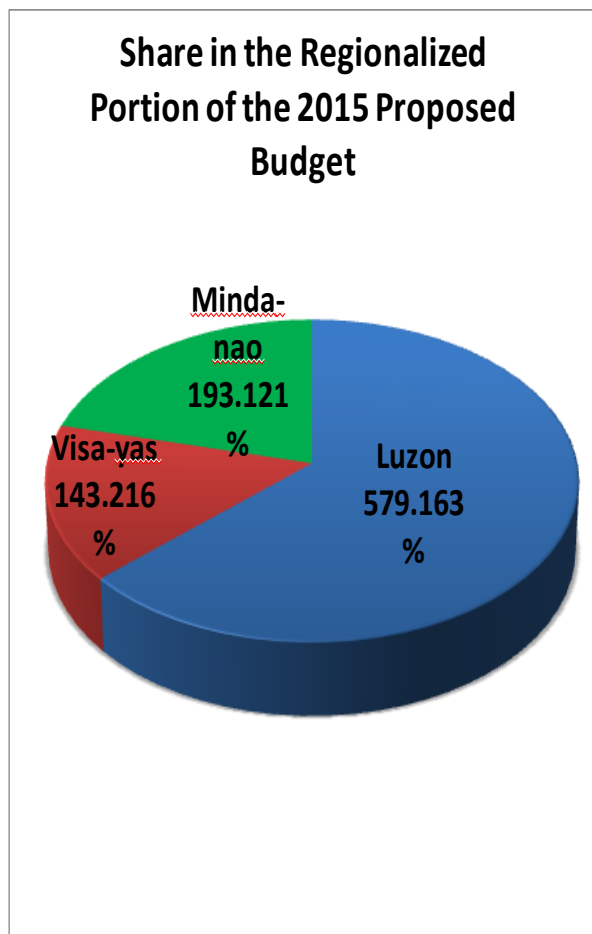
\*Re-enacted Budget from 2005 GAA; Internal Revenue Allotment (IRA) was then classified under Allocation to LGUs (ALGU). Note: From 2007 GAA onwards, IRA is categorized under Automatic Appropriations.



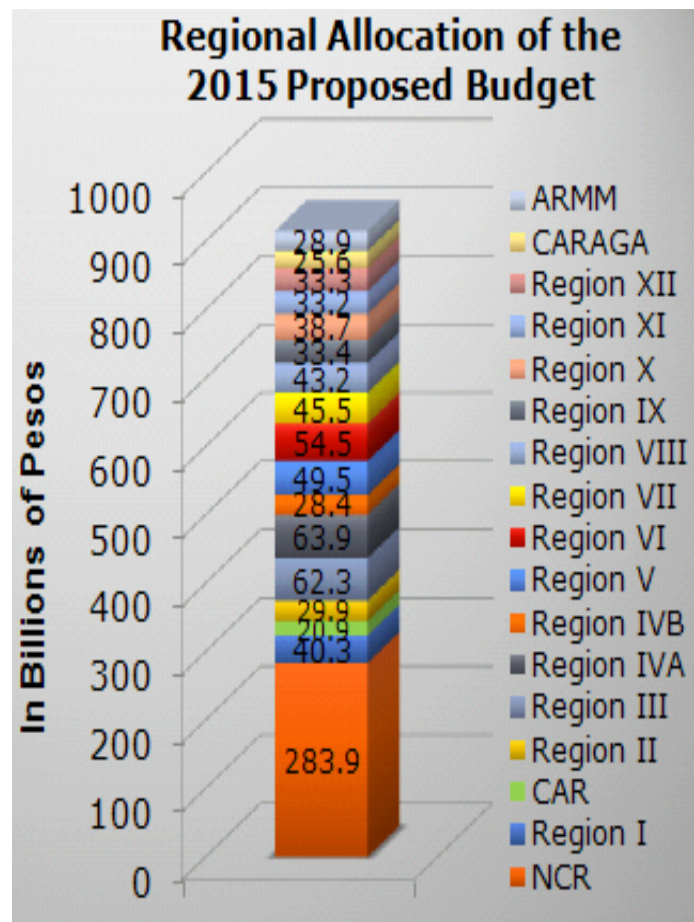
Source: Budget of Expenditure and Sources of Financing: DBM: 2012-2014



Source: Budget of Expenditure and Sources of Financing: DBM: 2012-2014



Financing: DBM



Source: FY 2015 Budget of Expenditure and Sources of

Of course, there's more to it than just money or budget. Reduced to the most basic, it's about sustainable development. What's happening is not sustainable development, not for the rural, not for the whole country.

RD as usual mirrors what's wrong with national development. PH development is enriching the city and beggaring the countryside. The fortunate regions of NCR, R3, R4a continue to concentrate so much of the wealth & income of the nation. The 10% richest Filipinos owns 80% of the country's total income and wealth.

Philippine development is development of the city. City is 'prosperity,' the icon of progress. Rural is poverty, rural is cheap. RD is extracting the rural for the city, or for the city rich & middle classes.

How do we break this cycle?

We need to give up on RD as usual and shift to sustainable rural development (SRD) which looks at development in an integrated way, balancing the economic, social, political, and ecological dimensions.

Budget must be used as an equalizer. Fairness need not be defined as equal share in the budget pie on a per person basis or as a proportionate return to your tax contribution. Poverty eradication and reduction of inequality is a national responsibility and affect the security of all, rich and poor. So, your divisor for the 2.606 trillion budget is not 100 million people just to get the equivalent of our per capita share of public service. Besides, the rich and urbanites who could very well take care of themselves have long been enjoying a disproportionate share of public resources and services

The central government must learn to trust the front liners---the LGUs, people's organizations, local communities. But especially the LGUs as they continue to be the main institution of public service delivery.

Bias against the rural and the real producers must end.

A closer look at the production pipeline should reveal to us that those who grow our food usually suffer a double whammy. They get screwed on both ends of the pipe, so to speak. At the head, there's the high costs of land, water, seeds, farm machineries, interests on credit, etc. At the tail end, there's the pricing down at the farm gate, the high costs of storage or bringing the produce to the market.

On both ends, we see the trader. The trader, usually an outsider or local rich, does not only possess the capital and leverage to price up or price down the value of real production. More, this sector continues to capture the value of easy access to opportunities and service facilities that in the first place are subsidized by taxpayers' money in one form or another.

The 'cheapness' of rural is neither friendly to the producer or to the environment. It breeds further intensification of production per unit of land with no assurance of increased income. Likewise, poor municipal fishers are forced to over fish already depleted fishing zones. Meanwhile, rich and urban consumers, the non-agricultural sectors, enjoy relatively cheap prices that discount both rural labor and the land, water, forest resources.

Why is it so easy to sink in money to further widen an already wide hi-way? Why is it so hard to spend for barrio roads, communal irrigation systems, post-harvest facilities, potable water, a rural clinic, a barrio school? Why must a highland dweller be made to pay for the amenities and convenience of the big city inhabitants? Why is it so easy to let big corporations in food, seeds, feeds, machineries, and biotechnology dominate the economic activity throughout the countryside?



The strategy of accelerating growth in the countryside could worsen rural poverty. Hooking rural areas to the globalization process undermines self reliance and self sufficiency and makes local communities more dependent on the global trading system. This also means extending, instead of shortening, the “food miles”, thereby increasing the carbon footprint agriculture.

At the heart of SRD is land justice and land reform. This is an outstanding deficit of PNoy’s RD program. So-called cumulative accomplishments in land transfer stand to serious question as to whether they truly indicate redistributive justice and land ownership for the intended beneficiaries.

Landlessness and rural displacement, not to mention homelessness and migration, are on the rise. We might wake up one day seeing that big corporations have already acquired the lands right and left of the Maharlika Highway.

Twenty six years had gone by and we’ve not succeeded in buying out the landlords, which is what government land reform basically means anyway. Neither have we delivered justice to every peasant tiller.

Where agrarian reform stands now says enough about how much PNoy and the powers that be value agrarian justice as a goal of national policy. Majority of the 249,369 hectares distributed from July 2010 to June 2012 are either public lands or ‘low hanging fruits’. A big portion of the total agricultural lands are still in the hands of landlords and private corporations. Based on Department of Agrarian Reform (DAR) data, 94 percent or 900,188 hectares of the remaining balance for Land Acquisition and Distribution (LAD) are privately owned agricultural lands (PALS). And private lands are the most difficult to distribute, if you got nothing else to offer which landlords cannot refuse.

The situation in the Yolanda zone is critical. As yet, we’re still way off the mark just to build back to the pre-disaster situation which was bad enough with respect to poverty, inequality and environmental degradation. Building back is hard enough, building back better is obviously much, much harder.

It would be a future of disasters for us. Nobody knows for sure what the future holds and how we would be able to adapt to the worst-case scenario benchmarked so far by the monster Yolanda tragedy.

Preparing for that future here and now is a must consideration in government and citizen action. Agriculture, or the whole RD undertaking for that matter, is on the line of fire, as it were.

So much to do and undo for PNoy, and not much time left to do it.

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