



**Submission by IBON Foundation, a Philippine NGO,
to the United Nations Human Rights Council (UNHRC)
for the Universal Periodic Review (UPR) of the Philippines
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1. This report updates IBON Foundation's November 2007 submission for the UPR session on the Philippines held in 2008. The domestic situation has not improved in the succeeding five years and prospects have if anything become worse upon the protracted global crisis since 2008. Growth in the economy has been relatively high – rising from 1.8% growth in gross domestic product (GDP) in 2001 to 7.3% in 2010¹ – but continues to be extremely exclusionary and unable to produce decent livelihoods for the largest part of the population. Growth has in any case also already started to slow in 2011.

RIGHT TO SELF-DETERMINATION

2. Filipino producers have been unable to grow and prosper under globalization policies that eschew trade protection and investment support. The share of manufacturing in GDP has consequently fallen from 27.6% of GDP in 1980 to 23.0% in 2010; this is virtually unchanged from the late 1950s and much smaller than the nearly 30% share in the early 1970s.² The share of agriculture in turn has fallen over that same period from 23.5% to 16.8% which is the smallest in the country's history. The shrinking of these productive sectors deprives millions of Filipinos the opportunity for decent work, livelihoods and their means of subsistence.
3. There are signs of severe inequity in the country reflecting the control of the economy by a few. In 2009, the poorest half (50%) of Filipino families accounted for just 19.8% of total income compared to the richest fifth (20%) which accounted for 51.9%; the income of the richest 10% of households is 18 times that of the poorest 10% of households.³ Between 1985 and 2009 the share in national income of the poorest half (50%) of families even fell by 0.5 percentage points.⁴
4. The net income of the Top 1,000 corporations in the Philippines meanwhile rose from P116 billion in 2001 to P756 billion in 2009 in contrast to the average daily basic pay of wage and salary workers which only rose from P222 (US\$5.05) in 2001 to P291 (US\$6.60) in 2009. As it is, in 2009, the US\$21.4 billion (P1.03 trillion) combined net worth of the country's 25 richest individuals was equivalent to the combined annual income of the country's poorest 11.1 million families composed of over 55 million Filipinos.⁵
5. The government's mining sector development plan targets 9.5 million hectares of the Philippine land area "with high mineral potential", equivalent to nearly one-third (32%) of the country's total land area. The government's 48 priority mining projects seek to exploit an estimated US\$840 billion-US\$1 trillion worth of mainly copper, gold, nickel, iron, chromite and aluminum resources. The majority of these are in identified ancestral lands of indigenous peoples in Northern Luzon, Central Luzon, Southern Tagalog, Northern Mindanao and Southern Mindanao regions.
6. Liberalization has eroded government revenues and the capacity of the state to meet the people's social and economic needs with revenues down from 15.3% of GDP in 2001 to 14.2% in 2010.⁶ Debt service (interest payments) still accounts for the single largest share of the national government budget at 21.7% in 2011. This crowds out spending on social services which have risen slightly in recent years but are still significantly lower than fifteen (15) years ago: just 2.3% of the budget goes to health in 2011 (compared to 2.9% in 1997) and just 16.5% goes to education (compared to 19.3% in 1997).⁷ In 2011, total interest and principal payments on public debt (P750.5 billion) were more than double combined education, health and housing spending (P315.6 billion).⁸ Yet backlogs in education, for instance, in 2011 are considerable: 104,000 teachers, 152,569 classrooms and 13.2 million desks.⁹

1 National Statistical Coordination Board (NSCB) data.

2 IBON computations on data from the NSCB. This is national income account data prior to rebasing and recalculating in 2011.

3 IBON computations on data from the preliminary results of the Family Income and Expenditure Survey (FIES) 2009.

4 Ibid.

5 Net worth data from Forbes Asia, family income data from FIES 2009.

6 IBON computations on data from Department of Budget and Management (DBM).

7 Ibid.

8 Ibid.

9 Data from Philippine Development Plan (PDP) 2011-2016.

7. As in many other Third World countries, these policies have been aggressively pushed by corporate interests and big power governments. It is conspicuous that eight out of nine key industries identified by the Philippine Development Plan (PDP) 2011-2016 correspond to the industries specifically identified in a 2009 lobbying document prepared by the Joint Foreign Chambers of Commerce in the Philippines.

RIGHT TO WORK

8. The number of jobless Filipinos continues to rise every year and 2001-2010 is the worst decade of recorded unemployment in the country's history. IBON estimates 11.2 million Filipinos either jobless or employed but still looking for additional work in 2010 – or 4.4 million unemployed and 6.8 million underemployed Filipinos, equivalent to some 28% of the labor force.¹⁰ The period 2001-2010 is the worst decade of joblessness in the country's history with average annual unemployment of 11.2% and of underemployment 19.0 percent.¹¹
9. There were 16.5 million Filipinos in poor quality work in 2010 consisting of 4.2 million unpaid family workers and 12.3 million own account workers.¹² The underemployment rate decreased from 22.6% in 2006 to 18.8% in 2010 but still remains higher than the 17.2% rate in 2001 – reflecting how many available jobs are still of low quality.
10. The lack of job opportunities is reflected in how 55% of the unemployed have high school or college degrees (34% with high school degrees and 21% with college degrees) or how 88% have at least partial high school- or college-level education.¹³
11. The government actively promotes a labor-export policy instead of generating jobs at home. In 2010 some 4,030 Filipinos went abroad every day to look for work and there are an estimated 8.6 million overseas Filipino workers (OFWs) in 192 countries worldwide – equivalent to one-fourth of the country's labor force.¹⁴

RIGHT TO JUST AND FAVORABLE WORK CONDITIONS

12. There is a system of daily minimum wages set at the regional level but wage standards are commonly violated; by the 2nd quarter of 2011, 22.8% of firms inspected were found to be violating wage laws.¹⁵ Firms also frequently skirt the law by hiring workers for only five months then terminating them before they legally become regular workers, denying them job security and mandated benefits.
13. Minimum wages are insufficient to maintain a minimum level of decent living. For example, the current mandated daily minimum wage in the National Capital Region (NCR) of P426 (US\$9.70 at P44:\$1) as of September 2011 is just 43% of the P1,000 (US\$22.70) daily living wage for an average family size of six.¹⁶ This amount has not kept up with inflation and is 5.3% lower in value than in February 2002 (the peak real wage achieved in the last decade).¹⁷

10 The governments official unemployment figures since 2005 are much lower due to a change in the definition of unemployment in April 2005 (making officially reported figures since 2005 incomparable with figures before 2005). Data for 2008 and 2009 according to the old labor force survey definitions were unavailable even upon request to the National Statistics Office (NSO) so IBON generated estimates for the labor force and correspondingly unemployment by assuming a labor force participation rate (LFPR) of 66.1% in 2008, 66.5% in 2009 and 66.6% in 2010. These assumed LFPR figures were derived by applying the changes in official reported annual average LFPR in 2008, 2009 and 2010 to the LFPR in 2007 that was still computed using the old unemployment definition – i.e., 0.4 percentage point reduction in 2008, 0.4 increase in 2009, 0.1 increase in 2010.

11 IBON computations on data from National Statistics Office (NSO) Labor Force Survey (LFS).

12 IBON computations on data from LFS.

13 Data from LFS.

14 Deployment data from Philippine Overseas Employment Administration (POEA) and overseas Filipino stock data from Commission on Filipinos Overseas (CFO).

15 Department of Labor and Employment (DOLE) data.

16 Minimum wage data from DOLE, deflated using inflation data from Bangko Sentral ng Pilipinas (BSP), and family living wage from IBON estimates on National Wages and Productivity Council (NWPC) data.

17 IBON computations on minimum wage data from DOLE and deflated using inflation data from BSP.

14. Many workers are in irregular and vulnerable work arrangements. The Bureau of Labor and Employment Statistics (BLES) Integrated Survey (BITS) 2007/2008 found that that one in four (24.2%) workers in non-agricultural establishments with 20 or more workers had non-regular status.¹⁸ Similarly, the April 2008 Informal Sector Survey (ISS) of the National Statistics Office (NSO) estimated that less than four out of ten (37.3%) wage and salary workers were covered by written contracts. This is the difficult situation for workers amid which the labor department even issued an order urging employers to adopt a compressed work week and flexible work arrangements ostensibly to minimize the effects of the global financial crisis.¹⁹
15. The rural poor suffer backward agricultural systems and feudal relations. About 52% of all farms in the country covering 51% of total farm area remain under tenancy, lease, and other forms of tenurial arrangement.²⁰ Despite decades of successive agrarian reform programs, less than a third of landowners still own more than 80% of agricultural land. Some 2.4 million farms out of a total of 4.8 million still rely on hand tools, plows and carabaos (water buffalos); only 30% of the total farm area is irrigated.²¹

RIGHT TO UNIONIZE

16. The right to unionize is guaranteed under law yet workers continue to experience severe labor repression when they try to uphold their rights. In 2010 there were more than 100 monitored incidents of violations of workers' rights affecting 23,102 workers; 32 of these were cases of illegal retrenchment, forced leaves and reduced workdays affecting 10,700 individuals; the remaining cases were violations of the right to freedom of association (i.e., union busting and union discrimination) and violations of collective bargaining agreements.²² From 2001-June 2010, there have been 1,859 cases of trade union human rights violations with 178,605 victims.²³
17. There is an accumulation of firm level evidence of increasing contractualization and agency-hiring which hinder the right to unionize. The direct and indirect attacks on unions have caused further declines in union membership (from 11.7% of wage and salary workers in 2005 to 8.7% in the first quarter of 2011) and in collective bargaining agreements (from 459 filed covering 82,925 workers in 2005 to 131 filed covering 21,105 workers in the first quarter of 2011).²⁴

RIGHT TO SOCIAL SECURITY

18. Social security and state health insurance is available mainly to salaried employees although self-employed individuals can voluntarily enroll. However millions of the country's poorest and most vulnerable are effectively beyond public social insurance or safety nets. A large share of Filipino workers are in the informal economy or, if they are in formal sector, hired as casual or contractual labor. Only a little over half of total employment of 36.0 million in 2011 is in wage and salary work (54.4%) with the rest in own-account (34.1%) or unpaid family work (11.5%).²⁵ There are no unemployment benefits.

RIGHT OF FAMILIES TO PROTECTION/ASSISTANCE

19. The most serious new threat to the family in recent decades stems from the overseas worker phenomenon. Estimates for the number of children aged 0 to 14 years left behind by OFW parents and various have ranged from two (2) million to as much as 5.5 million.²⁶

18 "Non-regular" meaning probationary, casual, contractual/project-based, seasonal or apprentice/learners.

19 Department of Labor and Employment (DOLE) Advisory #2, 2009.

20 NSO Census of Agriculture 2002.

21 Ibid.

22 Data from Center for Trade Union and Human Rights (CTUHR).

23 Ibid.

24 IBON computations on DOLE data.

25 National Statistics Office (NSO), Labor Force Survey (LFS).

26 The high figure is cited in the Guide on Ratification of the International Convention on the Protection of the Rights of all Migrant Workers and their Families by the International Steering Committee for the Ratification of the Migrants Rights Convention (and is an estimate based on the 2000 Census on Population and Housing)

20. Poverty also drives many children to leave school for work. In April 2011, some 2.4 million children aged 5-17 were working either to augment family income or fend for themselves.²⁷ Over three-fourths of these children were employed as laborers and unskilled workers in psychologically and physically hazardous conditions. There were an estimated 2.2 million children living in the streets in 2006. Children accounted for the largest number of poor population among the basic sectors at 14.4 million in 2006 (936,050 more than in 2003) followed by women at 12.8 million (1.2 million more than in 2003).²⁸

RIGHT TO ADEQUATE STANDARD OF LIVING

21. The seeming improvement in the country's official reported poverty is mainly due to three consecutive changes in poverty methodologies and the lowering of the poverty threshold rather than real poverty reduction. The latest official poverty threshold is down to P46 (US\$1.05) for which a Filipino is expected to meet all of his or her food and non-food needs.²⁹ Abstracting from breaks in data sets due to changes in methodologies in 1992, 2003 and 2011, poverty incidence is little changed from the mid-1990s and plausibly still at around the 40.6% level of 1994. If so, this would imply that the number of poor has increased by over 7.5 million, by a rough approximation, from 27.4 million in 1994 to perhaps around 35 million in 2009.³⁰
22. As it is, some 65 million or 70% of Filipinos lived off P104 (US\$2.40) or much less per day in 2009; the poorest half of the population in particular had very low per capita incomes of P22 (10th decile), P35 (9th decile), P45 (8th decile), P55 (7th decile) or P67 (6th decile) per day.³¹
23. The poorest families have the least access to basic needs. The 2008 Annual Poverty Indicators Survey (APIS) found that in the poorest 30% of families, 28.7% do not have access to safe drinking water, 36.2% have no electricity and 24% do not have access to sanitary toilets.

RIGHT TO FOOD

24. The country's most vulnerable sectors, women and children, suffer increasing hunger. A 2008 survey found that 72.7% Filipino households were insecure about the availability and adequacy of food for their families.³² About 53% of the Filipino households are incapable of feeding their children with an adequate and nutritional diet. Moreover, 60.3% of the children who experienced hunger in 2008 either skipped meals or were hungry but did not eat or did not eat the whole day. For nursing mothers who experienced hunger, about 60% indicated that they skipped eating, were hungry but did not eat, or did not eat the whole day more than once.
25. Women and children are the worst affected by the lack of access to adequate and nutritious food supplies. The prevalence of malnourishment is worsening. The share of underweight children 0-5 years old increased from 24.6% in 2005 to 26.2% in 2008, and of underheight children from 26.3% to 27.9 percent.³³ There is a 66% prevalence of anemia among children six months to one year old. Some 27% of pregnant women and 12% of lactating women are underweight; anemia prevalence is at 44 percent.

RIGHT TO HOUSING

27 Data from Bureau of Labor and Employment Statistics (BLES).

28 FIES 2006.

29 Poverty threshold data from NSCB. Basic needs supposedly covered include food, education, clothing and footwear, medical care, transportation and communication, fuel, light and water, housing, housing maintenance, furnishings, household operations, personal care and effects, and rental.

30 IBON computations on data from the FIES 2009.

31 IBON computations on data from the FIES 2009. Latest official estimates of poverty estimate 23.1 million poor Filipinos in 2009 aside from lowering the previous estimate for 2006 to 22.2 million (from the original count of 27.6 million).

32 Data from Food and Nutrition Research Institute (FNRI).

33 Data from FNRI.

26. According to the 2008 APIS, 42% of the poorest 30% of families don't own a strong housing unit and 35% do not own their house and lot.³⁴
27. The number of families in urban poor communities increased by more than 60% in urban centers nationwide between 2000 and 2009. The National Housing Authority (NHA) reported in July 2011 that there are half a million informal settler families in Metro Manila. Housing and community development was allotted just 0.4% of the national budget for 2012, which is one of the lowest public spending on housing in Asia.³⁵

RIGHT TO HEALTH

28. Despite the poor state of Filipinos' health, there is decreasing government spending on health. National government spending on health in the post-devolution period has fallen from a peak of 0.58% of GDP in 1997 to 0.43% in 2011; real spending per capita per day on health was P0.63 (US\$0.01) in 2011.³⁶ The share of the government in health spending has been falling steeply from 40.6% in 2000 to 30.7% in 2004 to just 26.3% in 2007.³⁷ Social insurance has hardly increased from 7.0% in 2000 to 8.5% in 2007 causing private expenses to rise the most from 51.2% in 2000 to 64.8% in 2007; private out-of-pocket expenses accounted for 83.7% of total private spending.³⁸
29. Health care is a great burden on the poor. The average cost of treatment in a public health facility is equivalent to 3.8 days worth of the daily minimum wage and of confinement 60 days; in a private health facility, treatment is equivalent to 10.3 days the minimum wage and confinement 87 days.³⁹
30. Some 34 children die before reaching the age of five – more than double the number of recorded deaths per 1,000 children in the 1998-2003 period.⁴⁰ Infant mortality is down to 25 deaths per 1,000 live births from 29 in 2003 but is still high compared to the country's Asian neighbors. The lack of public health facilities and skilled personnel in the country is reflected on the number of women delivering at home with 56% of births occurring at home in 2008. In rural areas 70% had home births compared to 40% in urban areas.
31. Mortality rates for the poorest are many times that of those at the highest income levels. The poorest 20% of the population had an infant mortality rate of 40 per 1,000 live births, child mortality rate of 19 per 1,000 live births, and under-five mortality of 59 per 1,000 live births versus equivalent figures for the top 20% of 15 (infant), 2 (child) and 17 (under-five).⁴¹

RIGHT TO EDUCATION

32. The Philippines provides tuition-free education in the primary and secondary levels; tuition rates are deregulated for private schools.. Yet poverty denies millions of Filipino children the right to a decent education with high non-tuition expenses. The 2010 APIS reported the incidence of out-of-school youth (OSY) at a high 15.5% equivalent to 6.0 million Filipinos; this is higher than the 14.7% incidence eight years ago. The OSY rate is highest for the poorest 10% of households at 17.8 percent. Out of every 100 children that enter Grade 1, only 66 will finish Grade 6; 58 will enroll in high school but only 43 will finish; 33 will enter college but only 21 will graduate and get their degree.⁴²

34 Data from 2008 Annual Poverty Indicators Survey (APIS).

35 IBON computations on data from Department of Budget and Management (DBM).

36 IBON computations on data from DBM.

37 NSCB, Philippine National Health Accounts (PNHA) 2000, 2004 and 2007.

38 Ibid.

39 IBON computations on data on the cost of treatment from the National Demographic and Health Survey (NDHS) 2008 and on the minimum wage from DOLE.

40 NDHS 2008.

41 NDHS 2008.

42 Data from Department of Education (DepEd).

33. The Constitution mandates that education receive the highest budgetary priority from government but automatic debt appropriations makes debt service the biggest item in the national budget. The total allocation for 112 state universities and colleges (SUCs) in the 2012 national budget was however cut by P147 million, with the top 51 SUCs receiving a combined cut of P574 million. There is also a projected shortage of 91,000 teachers, 107,000 classrooms, 10.7 million desks in 2012. National government spending on education has fallen from a peak of 4.0% of GDP in 1998 to 2.7% in 2011.