

1. This report updates IBON Foundation's November 2011 submission for the UPR session on the Philippines held in 2012. The situation of the majority of Filipinos has not improved despite five years of rapid economic growth since then. The country's gross domestic product (GDP) grew at its fastest in 35 years over the 2011-2015 period.¹ This was among the fastest in Asia which prompted the World Economic Forum (WEF) and the World Bank to hail the country as "Asia's next economic miracle". Yet this growth has been extremely exclusionary. The wealth and profits of a few have increased while the largest part of the population still does not have decent livelihoods and poverty remains deep and widespread.

RIGHT TO SELF-DETERMINATION

2. Trade and investment liberalization policies since the 1980s have caused Filipino production to collapse. This is the main reason for the economy still not generating decent work, livelihoods, and means of subsistence for millions of Filipinos. The share of manufacturing in GDP has fallen from 27.6% of GDP in 1980 to 23.2% in 2015; 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 has also fallen over that same period from 23.5% to 9.5% which is the smallest in the country's history.
3. There are signs of severe inequity in the country reflecting the control of the economy by a few. In 2012, the poorest half (50%) of Filipino families accounted for just 23.5% of total income compared to the richest fifth (20%) which accounted for 46.7%; the income of the richest 10% of households is over 10 times that of the poorest 10% of households.³
4. The wealth of the 10 richest Filipinos grew 220% since 2010 to reach P2.2 trillion in 2015, the net income of the Top 1,000 corporations in the Philippines grew 41% since 2010 to P1.1 trillion in 2014, and the net income of the 265 Philippine Stock Exchange (PSE)-listed firms grew 33% since 2010 to P583 billion in 2015.⁴ In contrast, the real value of the average daily basic pay of wage and salary workers rose just 5.3% between 2010 and 2015 and of the NCR minimum wage by just 6.5% over the same period. As it is, in 2012, the US\$44.1 billion combined net worth of the 25 richest Filipinos and their families was equivalent to the combined annual income of the country's poorest 76.0 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.

RIGHT TO WORK

6. The number of Filipinos who are jobless or in poor quality work continues to rise every year and the country is facing the worst crisis of joblessness in its history. IBON estimates 11.5 million Filipinos either jobless or employed but still looking for additional work in 2015 – or 4.3 million unemployed and 7.2 million underemployed Filipinos, equivalent to some 28% of the labor force.⁶ The period 2001-2010

1 Philippine Statistical Authority (PSA) data.

2 IBON computations on data from the PSA. National income account data was rebased and recalculated in 2011.

3 IBON computations on data from the preliminary results of the Family Income and Expenditure Survey (FIES) 2012.

4 Net worth data from Forbes Asia, Top 1000 data from BusinessWorld, PSE-listed data from PSE.

5 Net worth data from Forbes Asia, family income data from FIES 2012.

6 The government's 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 since 2008 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 with corrected labor force participation rates (LFPR). The

was the worst decade of joblessness in the country's history with average annual unemployment of 11.2% and of underemployment 19.0 percent.⁷ This situation is likely to have gotten worse. Only an average of 692,000 new jobs were created annually between 2011 and 2015 which is lower than the annual average of 858,000 over the decade 2001-2010 when growth was slower and the economy smaller.⁸

7. IBON estimates that 24.4 million or around 63% of total employed are in poor quality work, consisting of: non-regular and agency-hired workers (6.6 million), private households (2.0 million), self-employed without paid employee (10.7 million), employer in own family-operated farm or business (1.2 million), or unpaid family work (3.9 million).⁹ The underemployment rate decreased from 22.6% in 2006 to 18.5% in 2015 but still remains higher than the 17.2% rate in 2001 – partly reflecting how many available jobs are still of low quality.
8. The lack of job opportunities is reflected in how 56% of the unemployed have high school or college degrees (34% with high school degrees and 22% with college degrees) or how 88% have at least partial high school- or college-level education.¹⁰
9. More Filipinos found work abroad than jobs were generated domestically in 2015 – some 4,994 Filipinos went abroad every day to look for work compared to 1,775 new jobs created domestically. This results from the government's labor export policy at the expense of generating jobs at home. The latest official count is of an estimated 10.4 million overseas Filipino workers (OFWs) in 192 countries worldwide – equivalent to one-fourth of the country's labor force.¹¹

RIGHT TO JUST AND FAVORABLE WORK CONDITIONS

10. There is a system of daily minimum wages set at the regional level but wage standards are commonly violated. Latest government data from 2013 indicate that almost half (45%) of wage and salary workers earn below the minimum wage, 25% are able to receive the minimum wage, and only 29% receive higher than the minimum wage.¹² 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.
11. 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 P481 (US\$10.35 at P46.46:\$1) as of June 2016 is just 44% of the P1,096 (US\$23.59) daily living wage for a family with six members.¹³
12. Many workers are in irregular and vulnerable work arrangements. The Philippine Statistics Authority (PSA) Integrated Survey on Labor and Employment (ISLE) 2013-2014 shows that three out of ten (29.9%) workers in establishments with 20 or more workers had non-regular status.¹⁴ Similarly, the latest 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

corrected LFPR figures were derived by applying the changes in official reported annual average LFPR since 2008 to the LFPR in 2007 that was still computed using the old unemployment definition.

⁷ IBON computations on data from National Statistics Office (NSO) Labor Force Survey (LFS). Equivalent data cannot be generated for 2011-2015 because Super typhoon Yolanda disrupted the NSO's sampling frame for Eastern Visayas and caused a significant data break in 2013 and 2014.

⁸ IBON computations on data from PSA.

⁹ IBON computations on data from LFS.

¹⁰ Data from LFS.

¹¹ Deployment data from Philippine Overseas Employment Administration (POEA) and overseas Filipino stock data from Commission on Filipinos Overseas (CFO).

¹² Department of Labor and Employment (DOLE) data.

¹³ 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.

¹⁴ "Non-regular" meaning probationary, casual, contractual/project-based, seasonal or apprentice/learners.

compressed work week and flexible work arrangements ostensibly to minimize the effects of the global financial crisis.¹⁵

13. 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.¹⁶ 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.¹⁷

RIGHT TO UNIONIZE

14. The right to unionize is guaranteed under law yet workers continue to experience severe labor repression when they try to uphold their rights. From July 2010 to June 2016, there were at least 780 monitored incidents of violations of workers' rights affecting at least 20,000 workers. Thirty-six cases were of illegal retrenchment, 58 dismissal due to labor dispute, 7 duet to labor flexibilization / forced labor / reduced workdays, long term contractualization; 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.¹⁸
15. 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 2014) and in collective bargaining agreements (from 459 filed covering 82,925 workers in 2005, to 540 filed covering 87,445 workers in 2010, and 204 filed covering 29,405 workers in the first half of 2013.¹⁹

RIGHT TO SOCIAL SECURITY

16. 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. While some 61.5% of the 41 million-employed population are in wage and salary work, the rest are in own-account (30.9%) or unpaid family work (7.6%).²⁰ There are no unemployment benefits.
17. There are 7.8 million Filipinos over 60 years old. Almost six out of ten (57%) elderly Filipinos, or some 4.5 million, do not receive any pension whether from the Social Security System (SSS) for private sector employees, Government Service Insurance System (GSIS) for government employees, or the monthly stipend under the Expanded Senior Citizens Act of 2010.²¹
18. Almost 97% of elderly Filipinos, or around 7.5 million, are either not covered or receive pensions below a reasonable poverty threshold.²² The 2.2 million SSS pensioners receive at least the minimum P1,200 per month with the average reportedly at some P3,200 per month; the 272,000 GSIS pensioners receive at least the minimum of P5,000 per month; and some 940,000 senior citizens receive a fixed monthly stipend of P500. Only the 3.5% of elderly receiving GSIS pensions are brought above the poverty threshold.

RIGHT OF FAMILIES TO PROTECTION/ASSISTANCE

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

16 NSO Census of Agriculture 2002.

17 Ibid.

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

19 IBON computations on DOLE data.

20 PSA, Labor Force Survey (LFS).

21 IBON computations on data from SSS and GSIS annual reports and from the Coalition of Services for the Elderly (COSE).

22 Ibid

19. Poverty also drives many children to leave school for work. In 2014, some 2.2 million children aged 5-17 were working either to augment family income or fend for themselves.²³ Over three out of ten of these children were employed as laborers and unskilled workers in psychologically and physically hazardous conditions. The latest official data from 2006 has an estimated 2.2 million children living in the streets. Children account for a large share of the country's poor in 2012 – at least three out of ten children 2012 (35.2%), while with women there is over one out of four (25.6%).²⁴
20. 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.²⁵

RIGHT TO ADEQUATE STANDARD OF LIVING

21. The seeming improvement in the country's official reported poverty is mainly due to consecutive changes in poverty methodologies and the lowering of the poverty threshold rather than real poverty reduction. Official government estimates use an extremely low poverty line which was just P61(US\$1.31) per person per day in the first semester of 2015 – implying that a person can, on average, meet all of his or her needs for food, clothing, housing, health, education and other basic needs on this meager amount.²⁶
22. Comparing official family income and expenditure data with internal IBON surveys, IBON estimates 66 million poor Filipinos or those struggling to survive on just Php125 (US\$2.80) or less per day as of 2012 (the latest year that detailed data is available).²⁷ These are the country's farmers, fisherfolk, workers, small-scale traders, vendors, domestic workers, and other informal sector workers. The government's official estimate of just 24 million poor in 2012 captures only those that should be considered as in extreme or subsistence poverty.
23. The poorest families have the least access to basic needs. The 2011 Annual Poverty Indicators Survey (APIS) found that in the poorest 30% of families, 28.9% do not have access to safe drinking water, 29.8% have no electricity and 19% do not have access to sanitary toilets.

RIGHT TO FOOD

24. The country's most vulnerable sectors, women and children, suffer increasing hunger. According to the Food and Nutrition Research Institute (FNRI), 69.3% of Filipino households in 2011 were insecure about the availability and adequacy of food for their families.²⁸ About 46% of the Filipino households are incapable of feeding their children with an adequate and nutritional diet. Moreover, 51% of the children who experienced hunger in the same year were hungry but did not eat for more than once, 50% skipped meals, and 45% did not eat for the whole day. Half of the surveyed adults have more than once skipped meals, 49% were hungry but did not eat, and 43% did not eat for the whole day.
25. Women and children are the worst affected by the lack of access to adequate and nutritious food supplies. The prevalence of malnourishment worsened between 2014 and 2015 – the incidence of stunted under-5 children increased from 30.3% to 33.4% and of malnourished under-5 children from 20.0% to 21.5 percent.²⁹

²³ Data from Bureau of Labor and Employment Statistics (BLES).

²⁴ FIES 2012.

²⁵ 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)

²⁶ Poverty threshold data from PSA. 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.

²⁷ IBON computations on data from the FIES 2012.

²⁸ Data from Food and Nutrition Research Institute (FNRI).

²⁹ Data from FNRI.

RIGHT TO HOUSING

26. According to the 2011 APIS, 37.2% do not occupy a housing unit with strong roofing materials and 53.6% with strong outer wall materials.³⁰
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. The 2010 Philippine Census of Population and Housing meanwhile had found 763,400 shanties comprising Metro Manila slums. Housing and community development was allotted just 1.2% of the national budget for 2015, which is one of the lowest public spending on housing in Asia.³¹

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 0.8% in 2015.³² The share of the government in health spending has been falling steeply from 40.6% in 2000 to 28.6% in 2005, 26.6% in 2010, and just 18.9% in 2013.³³
29. Social insurance has only slightly increased from 7% in 2000, 8.7% in 2005 and 8.9% in 2010 to 11.5% in 2013 causing private expenses to rise the most from 51.2% in 2000, 61.6% in 2005 and 62.8% in 2010 to 68.2% in 2013; private out-of-pocket expenses accounted for 82.6% of total private spending in 2013.³⁴
30. 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.³⁵
31. Some 31 children die before reaching the age of five in the 2009-2013– double the number of recorded deaths per 1,000 children in the 1998-2003 period.³⁶ Infant mortality is down to 23 deaths per 1,000 live births in 2009-2013 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 38% of births occurring at home in 2008. In rural areas 48% had home births compared to 27% in urban areas.
32. 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 36 per 1,000 live births, child mortality rate of 17 per 1,000 live births, and under-five mortality of 52 per 1,000 live births versus equivalent figures for the top 20% of 13 (infant), 4 (child) and 17 (under-five).³⁷
33. The incidence of fully immunized children between 1-2 years old decreased from 68.4% in 2014 to 61.9% in 2015.³⁸

RIGHT TO EDUCATION

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

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

32 IBON computations on data from DBM.

33 NSCB, Philippine National Health Accounts (PNHA) 2000, 2004, 2007 and 2013.

34 Ibid.

35 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.

36 NDHS 2013.

37 NDHS 2013.

38 Data from FNRI.

34. 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 74 will finish Grade 6; 48 will enroll in high school but only 35 will finish.³⁹

³⁹ Data from Department of Education (DepEd).