

Agrarian Reform and Rural Reconstruction in the Philippines¹

Isagani R. Serrano²

Abstract

Agrarian reform is at the heart of rural reconstruction and both are essential to achieving sustainable development. It includes not only land redistribution but also empowerment of peasants and rural women as key actors in building the rural economy. Land is not only an asset to be owned and accessed but also as a natural resource with multiple uses for both economic development and protection of ecosystems. Land ownership has hitherto been a centerpiece question in Philippine development, indeed, in nation building. Land monopoly on one side and landlessness on the other have defined to a large extent the history and political economy of the country. Poverty in the Philippines is basically a rural phenomenon and rooted to landlessness and monopoly control of capital, technology, and markets essential to building the local economy. The economic elite whose wealth is connected to land ownership is also the political elite. A succession of nine presidents had presided over the Philippines' post-World War II development. Collectively, these regimes have failed to eradicate poverty and reduce inequality. Land reform policies and legislations, by design, contain many loopholes favoring landlords. State action to redress the social injustice was motivated mainly by fear of rural unrest and the desire to prevent peasant movements from developing into a full blown revolution. Rural reconstruction, as envisioned and practiced by the Philippine Rural Reconstruction (PRRM), is mainly about building sustainable communities from the ruins of war and conflicts, against the stubborn persistence of poverty, inequality, bad governance, and environmental degradation, compounded by changing climate. Rural reconstruction in the Philippines has had to grapple with a host of other major challenges attendant to building a sustainable rural economy as the bedrock of a sustainable national development. A sustainable rural economy is built on the basis of resilient communities and resilient ecosystems.

RR's contextual challenge: vulnerability and adaptive capacity

The Philippines is a fragile archipelago located a bit above the equator and along the world's typhoon highway. This country of 30 million hectares of land and 200 million hectares of territorial waters is home to close to a 100M people. Increasing by more than 2 percent annually, the country's population was only 64M in 1990, the baseline reference of the MDG and other UN conventions (on climate, biodiversity, and desertification/land degradation) that came out of the 1992 Earth Summit in Rio. The country is about half urban and fast urbanizing, with about 60 per cent³ of its population living along vulnerable coastlines.

¹ Paper presented at the 2nd South-South Forum on Sustainability (SSFS 2) at Southwest University in Chongqing on 8-11 December 2012.

² President, Philippine Rural Reconstruction Movement (PRRM).

³ Vulnerability, Risk Reduction, and Adaptation to Climate Change: Philippines, World Bank 2011.

The Philippines is a middle income country rich in land and marine resources. Despite continuous growth, its economy, valued at about 9.4 trillion pesos 224.75 bn US dollars at current prices (World Bank 2011), is unable to provide full employment, much less decent jobs for majority of those already formally employed. The informal economy somehow carries much of the weight for growing the economy.

The Philippines ranks third among countries most-at-risk, as reported by the World Risk Index.⁴ The Index stresses not only the magnitude of frequency of a natural event but also the social, economic and ecological factors characterizing a country, looking at exposure to natural hazards, susceptibility, coping capacities, and adaptive capacities. Whether natural hazards will turn into disasters depends not only on the intensity of an event but is also crucially determined by a society's level of development.

Carrying capacity is big issue in a mountainous archipelago with a population that has grown from 62 million in 1990 to about 95 million in 2010 and projected to hit over 100 million by 2015. Although the population growth rate has decreased from a high of 2.36 percent a year in 2000 to 2.04 percent in the 2007 census, it is still considered to be one of the highest in Asia. Securing the food, homes, the education and health care of such great number is certainly a big challenge.

High population growth is a particular vulnerability. One study on carrying capacity recommended that for each person a total of 0.004 sq. km or 0.4 hectares would be needed to satisfy the optimum Filipino food requirement.⁵ We had long ago breached that limit.

The population issue also mirrors the social divide. Those with more money and more secure futures tend to have fewer children. The poor have bigger families and rely on numbers as productive assets and as their old-fashioned social security fallback for old-age.

There's nothing we can do about our geographic vulnerability, unless climate change alters the cyclone path that naturally places the Philippines in harm's way every monsoon season. But there's a range of measures we can adopt to adapt to changes in climate and weather.

By ending poverty we shall be able to raise our adaptive capacity to confront dreaded climate and weather scenarios. Poverty eradication means securing our food systems, land and water resources, our human infrastructure from climate and disaster risks with the full participation of the poor themselves.

⁴ WorldRiskReport 2012, second of a series produced by Alliance Development Works in cooperation with the United Nations University and The Nature Conservancy.

⁵ Mendoza, T.C. 2008. Why food prices increase and what can be done. Philippine Journal of Crop Science 32(2):87-101.

Addressing the vulnerability of our already degraded environment is as important as growing the economy. Development and environment as zero sum choice or trade-off is a false dilemma. We know that human needs can never be met from an impoverished environment and impoverished human beings would not care enough about protecting the environment.

Restoring our forest cover, now down to 27 percent, back to the ideal 40 percent for an archipelagic system like ours is critical. Mining and other extractive industries will just have to be put on hold or under strictest control, if it cannot be skipped altogether. The scope provided by our coastal and marine zones, if restored from its present degraded state, could help our nation through worst case scenarios that impact heavily on food security and human settlements.

The agrarian reform challenge

Agrarian reform in the Philippines is mainly about social justice and only secondarily a development concern. On both purposes the review is mixed. Some judge it a failure, others a qualified success. Clearly, the age-old inequitable structure remains deeply entrenched as ever. The big landlords, old and new, have the big say in determining the political economy of the country. And if measured against an ideal that no Filipino family should be landless, then agrarian reform should be a big failure.

The scope of land reform is a moving target. It's hard to pin down exactly how much has been transferred. Ten years after President Cory Aquino's Comprehensive Agrarian Reform Law (CARL) only 4.3 million hectares or 53 per cent of the revised target of 8.2 million hectares or about 41 per cent of the original target of 10.3 million hectares had been transferred to the agrarian reform beneficiaries. This is a cumulative figure that includes numbers from previous land reforms, especially Marcos' PD 27 which covered mainly rice and corn lands. The current Aquino regime has vowed to complete the land transfer process involving the remaining deficit of between 900,000 and 1.2 million hectares of mostly private and prime agricultural lands planted to coconut, sugar, and other cash crops.

Land transfers involved mostly public lands or lands which government controls and can more easily distribute. The remaining lands to be distributed are mostly private agricultural lands (PALs) and are probably the most expensive and most productive because they are located in the alluvial plains and closer to urban/market centers and growth corridors, and benefited by modern infrastructures, among other plusses that factor into land pricing. Delay in their distribution has been due mainly to strong landlord resistance and political influence resulting in moratorium and deliberate postponement strategy of past regimes. In these areas it would be difficult to find landowners who will part with their lands at a bargain and tenant-farmers who can afford a costly buy-out. The

mode of acquisition, voluntary offer to sell (VOS) or compulsory acquisition, matters little. Whichever, the landlord will have to be compensated at fair market value anyway.

The cost of land reform is huge. Estimates of acquisition and distribution run up to billions. The law says that landlords must be compensated at fair market value but the cost to the farmers should also be affordable. Tenant-farmers cannot be a landowner until they have paid to the last peso. Meanwhile their land entitlement is mortgaged to the government through the Land Bank of the Philippines.

Public lands are in reality not freely distributed to farmers. These usually come in the form of levied use rights arrangement, e.g., Certificate of Stewardship Contract (CSC). And these are subject to property rights limitations as market instrument although these use rights usually transfer from hand to hand and in effect informally traded regardless.

It is very important to find out how many of the beneficiaries of past land transfers are actually owners now and not merely deemed as such. And it is also just as important to evaluate the impact of the billions of pesos allocated for program beneficiaries development. The taxpayers' money spent for this purpose is a social subsidy to enable the farmer-beneficiaries to increase productivity and income so that they can finance their land amortizations as well as contribute to economic growth.

By providing for landlord compensation at fair market value CARL has imposed on all of society an enormous financial burden to correct a historical and social injustice. Whenever we demand from government to budget for this we are also imposing a financing responsibility on ourselves. If we ask government to implement the compulsory acquisition provision of the law it implies we are willing to compensate the landowners with taxpayers' money.

It may be argued that we cannot put a price tag on agrarian justice. The dignity that comes with ownership and deciding the use and mode of running of one's own farm cannot be valued in material terms. So, would it have been better if all previous budgets of the Department of Agrarian Reform (DAR) were put in one basket--land acquisition and distribution (LAD)--instead of sinking most of it in program beneficiaries development (PBD) which never led to any significant landlord buy-out anyway.

But why can't we just leave the present landownership structure be if the cost of landlord compensation will only negatively feed back on all of us in the end? Why don't we just concentrate on creating all kinds of disincentives for ownership of land beyond a certain justifiable limit, say, through heavy progressive taxation? Let us make them who want to own land to their heart's desire pay the price for their greed.

In more practical terms, the cost of land is more or less equivalent to its rental. This can be compensated by an equivalent subsidy. This then can be added to the aggregate financing support for farmer-tenants in order to improve their capacity to buy out their landlords. Meanwhile, they can wait out the voluntary yielding of landlords as disincentives (heavy taxation, withdrawal of direct and hidden subsidies, etc.) prove too much to bear in a state-assisted battle of attrition for agrarian justice.

Taxation can compensate for default on compulsory acquisition or what landlords describe as 'confiscatory' character of President Cory Aquino's Comprehensive Agrarian Reform Program (CARP). We know little about how much had been forgone for being remiss on this one. Rentals on retained land should be treated as regular taxable incomes. Landholdings above the retention limit must be taxed progressively. Heavy penalties should be imposed on lands left idle when they could be made productive instead.

Taxation of land is highly contentious and should be handled judiciously. It cuts in several ways and sends multiple signals. It can drive investments farther away from agriculture than they already are. If carefully applied and targeted taxation, as suggested here can be a positive leverage for correcting the skewed land distribution. The idea is to punish land monopoly and reward agricultural investment and productivity.

We need to know who and where the landowners are. We need to know who owns every square meter of land in the country. Landlord listing and land registration are outstanding concerns. Focusing efforts on this challenge will bring many benefits. In the first place, taxation will not work if government itself does not know who and what to tax. The names of landowners should be posted in local community centers and strategic public places. Transparency and access to such a data base will facilitate community participation in land reform.

The challenge of rural poverty and inequality

A Philippines free of poverty is yet to be. More than 3 of 10 still live below the poverty line and inequality is so high. The steady decline in poverty since 1991 hit bottom in 2003 and begin to rise again through to the latest poverty count in 2009.⁶ The actual number of poor Filipinos are much larger now than in either 1991 or 2000 when Philippine population was much smaller. Series of perception surveys by Social Weather Station (SWS) usually find more Filipinos, hovering around 50 percent, who see themselves as poor.

For much too long the country is viewed as badly governed. Nine presidents, two of them women--a rarity even in modern politics---who have presided over post-World War II Philippine development had all sworn to eradicate poverty and

⁶ The upward trend from 2003 is common in both the old and new instruments used by the NSCB.

reduce inequality. More than half a century gone by and the country is still stuck in high poverty and high inequality situation now complicated even more by environmental degradation, natural vulnerabilities and continuing bad governance.

The country's economic geography illustrates highly uneven development and unequal distribution of created wealth. Primate cities suck up most of the resources. Small savings deposited in faraway rural banks end up eventually in the vaults and ledgers of big banks in Metro Manila and then lent to big borrowers who prefer to invest in already highly-developed areas.

The situation in Mindanao is illustrative of the country's development situation. The seemingly endless conflict and peace and order problem have been a drag to development but their roots go much deeper and may even be traced to the kind of development that happened there. Mindanao is such a rich area, hardly visited by typhoons, that it could achieve prosperity left to itself. How could it even fail to make progress on something as basic as the MDGs? The poverty and inequality that continues to dog Mindanao, especially the Moro and tribal Filipinos, are rooted in historical injustices and discrimination dating back to our colonial past and perpetrated by a succession of post-colonial regimes. They are imbedded in unjust economic, political, and socio-cultural structures urgently needing change. Waging war is a losing proposition, as government learned long ago.

The National Capital Region (NCR) accounted for about 30% of the country's total output in 1988, expanding to 35.7% in 2000 and 35.8% by 2010. The corresponding population shares were 13%, 13%, and 12.8% (Pernia 2012).⁷ The NCR and its adjacent regions of Central Luzon and Calabarzon form a megametropolis which accounts for about 37-40 percent of the Philippines' population and two-thirds of its GDP. These regions have been getting richer while poor regions like Mindanao, Bicol, Eastern Visayas continue to be left behind.

The continuing bias of development in favor of the primate metropolis runs counter to the needed focus on building the provincial and local economies. This bias continues to be reflected in the pattern of public expenditure. For example, budget increases in economic services, which usually tops all other sectors, skew heavily towards already developed areas. In contrast, China sees to it that huge, adequate resources, perhaps authority, too, are deliberately transferred from the rich regions to the poorer ones. This sort of 'Robin Hood' act is very much needed in the Philippines. Globally acclaimed architect/planner Felino A. Palafox, Jr.⁸, offers his 'agropolis' ---bringing the farm to the city and the city to the farm---as an alternative that can correct the stubborn, if not tragic, Manila-bias of Philippine development.

⁷ Ernesto E. Pernia, Regional development BusinessWorld

⁸ BizNews Asia cover story "Adaptive Architecture" September 10, 2012.

The structure of growing and wealth creation that we see in the Philippines contradicts the mantra of broad-based, inclusive growth. Attempts to create growth centers away from Manila in Marcos time and then during the GMA regime are laudable. But they will not work unless government is able to break the current elite and urban-centered structure of power and resources.

The Local Government Code of 1991 was a milestone legislation for local autonomy and local development. It set the benchmark for the devolution of authority and resources. The local government units (LGUs) had acquired more power in taxation, planning, budgeting and spending, in deciding land use within their territorial jurisdiction. About 40 per cent of total internal revenue now goes to local governments as internal revenue allocation (IRA). Devolution of functions and people covered education, health, agriculture, environment and natural resources, social welfare and development.

After twenty years, however, local governments have become highly dependent on IRA and have been unable to raise enough revenues from local sources (Diokno 2012:18).⁹ Elite power remains entrenched. Political clans dominate local politics and economic life. Farmers benefited by land reform have yet to transform from peasant to independent farmers forming a big part of the local middle class.

Agriculture, natural resource management, rural roads and rural water supply and sanitation are at the center of poverty eradication. Rural areas can be made an attractive place to venture, risk, and make money for anyone with money to invest. But this would mean also creating incentives for public and private investors who naturally prefer the already developed areas.

Cities in the Philippines, as elsewhere, are icons of prosperity and inequality. They represent a disproportionate share and claim on food, education, health, shelter, communication, energy, opportunities for civic participation and cultural interactions, freedom of movement, amenities that make us happy and enjoy life. Rural means just the opposite, though romanticized by environmentalists as “refuge” from polluted brown jungles even as they themselves realize the transboundary nature of most ecological problems. Cities can and should finance any further urban improvement.

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 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

⁹ Fiscal decentralization after 20 years: What have we learned? Where do we go from here? The Philippine Review of Economics Vol. XLIX No. 1 June 2012.

not only possess the capital and leverage to price up or price down the value of real production. More, he or she is benefiting from the value gained out of easy access to opportunities, mobility, much of which are subsidized by taxpayers' money in one form or another.

The 'cheapness' of agriculture and rural labor is neither friendly to the producer or to the environment. To have, say a karaoke set, a poor farmer needs several harvest cycles in a one-hectare farm, assuming no crop failure and good price. Likewise, a poor municipal fisher would have to catch hundreds of kilos of fish from an already seriously depleted fishing ground. Improvement in transportation and communication will certainly boost rural productivity but may result in net outflow from the countryside to the city.

The rich and urban consumers, the non-agricultural sectors, enjoy cheap prices that discount both rural labor and the land, water, forest resources. Some ways should be found and articulated in the strategy to deal with these negative externalities.

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 farm-to-market 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?

It is a wrongheaded strategy to accelerate growth in the country sides only to facilitate concentration of cheap rural products in the global marketplace. Such strategy paves the way to the exploitation of rural areas by global corporate monopolists in food, seeds, feeds, machineries, biotechnology.

Current policies and practices tend to hook rural areas into the globalization process. Instead of fostering self reliance and self sufficiency, accelerating growth in the country sides could make local communities more dependent on the global trading system. This means extending, instead of shortening, the so-called "food miles". Food security, or human security for that matter, must never be held hostage to the vagaries of negative globalization.

Who cares about farming? Not so many among those who come from the farm. Indeed we have lost generations of young people to migration to the city or abroad. Very few pursue farming and agriculture as a profession despite attractive incentives provided by some universities. Revival of interest in farming is motivated more by concern for the environment than farming or agriculture as such. People need to see that they can make a decent living out of farming for it to be worth pursuing.

PRRM and Rural Reconstruction

PRRM did not go to the countryside to disperse buffalos though that's not necessarily a bad thing. PRRM did disperse buffalos and other farm animals but it went to the countryside for nobler reason---the liberation of the peasant from poverty and oppression. It sought to do this through mass education and mass movement.

By 2012 PRRM will have spanned a period running in parallel to the postwar development history of the Philippines. It was founded in 1952 during the administration of President Magsaysay, called "Man of the Masses." PRRM peaked in the 1960s, declined in the late 1970s through to the 1980s, and rebounded after the 1986 EDSA revolution.

PRRM's founders were a motley group of prominent educators, journalists, politicians, industrialists and bankers led by Dean Conrado Benitez of the University of the Philippines (also co-founder of the first women's university in Asia). The *guru* was Dr. Yen, born to a Chinese family of scholars, educated at Yale and one of ten awardees of the Copernicus Citation for outstanding "modern revolutionaries". PRRM is part of a global south family of RRM's in Asia, Africa and Latin America.

Development work, as we know it now, is not much different from Dr. Yen's Ting Hsien experiment in China in 1919. This experiment brought us the four-fold approach to rural reconstruction (education, livelihood, health and self-government) addressed to the interlocking problems of illiteracy/ignorance, poverty, disease and civic inertia commonly plaguing feudal China and much of the developing world.

So much has changed in the past six decades, but many things remained the same. One of the villages where PRRM started, Nangka, Marikina, a short biking distance away from old Manila, is hardly recognizable now from how it was before. Probably two-thirds of Filipinos would soon be city inhabitants. The future is urban, so it's said. Most of humanity will soon be urbanites. Will this mean the end of rural reconstruction? Why would PRRM choose to stick it out in the rural?

Rural won't disappear with urbanization. It's probably our saving grace from the downsides of modernization. Cities cannot sustain without the rural. As we recognize what's positive in cities---like density of interaction and services, optimal use of space, technology---we likewise see the positive in rural---*bayanihan* (voluntary cooperation) and community spirit, culture of conservation, caring for nature.

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 lives here. 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 space for agriculture, protection and conservation areas, and human settlements in the countryside. But cities, as in the Philippines, are also an icon of stark inequality. It represents wealth concentration by class, gender, ability, ethnicity and culture, by region.

Rural reconstruction is not about developing rural into urban. The term “rural reconstruction” meant at least two things. One was with reference to postwar recovery. Dr. Yen used it first to describe the movement he started in China after his turning-point experience in Europe during the first world war. The term was used in the post-WW II US-Sino Joint Commission of Rural Reconstruction (JCRR)---a major China project similar to the Marshall Plan for Europe, with Dr. Yen as one of the co-authors---intended to prevent the communist takeover of China. The World Bank was born of reconstruction, too.

The other meaning suggests a worldview. Dr. Yen’s scenario of transformation begins from a baseline of inequality moving towards equality. The world to be changed is divided between the rich one-fourth (city, developed or ‘the haves’) and the poor three-fourths (rural, backward or ‘the have-nots’). The change is brought about through a mass education movement and manifests as change in values and behavior. It’s not class struggle or violent revolution in the Marxist sense. Dr. Yen saw the strategic role of the rural reconstruction movement in closing the equity gap and in enabling people and nations to catch up with modernization. To use another Yen metaphor, from peasant to farmer, transforming peasant to a bourgeois. There was no indication in the past PRRM literature of questioning the linear path of development that plunged the country from one crisis to another and the classes and regimes responsible for them.

For the PRRM founders democracy was assumed as the desirable order. The task of PRRM is to bring democracy to rural villages, to the grassroots. The Barrio Charter of 1956, the precursor of the Local Government Code of 1991, was credited to the work of PRRM in building grassroots democracy.

The problems confronted by PRRM in the 1950s are still very much with us today, suggesting that development as usual is not working, or at least not working for the poor. We believe rural reconstruction offers a way out.

Strong rural movements are necessary to address the outstanding issues that continue to hold down rural societies to this day. We need a new generation of

farmers and fishers to lead the rural reconstruction movement. We need strong local movements among rural communities.

Over the years we have built people's organizations, making things happen with or without government help. In the 1950s, PRRM workers guided by the Credo of Rural Reconstruction plunged into the barrios to build local associations of men, women and youth. We have been building local movements on the strength of people's organizations who are capable of engaging government on any matters that promote the common good. Hundreds of primary organizations have now federated themselves to leverage people's voices in rural reconstruction and national development. We now have five federations in five sectors---SAKAHAN for farmers promoting sustainable agriculture; PUMALU for small fishers in different fishing areas promoting sustainable fisheries; DALUYONG for rural women; NIUGAN for coconut farmers; and PRRYA for rural youth. We have organized among the indigenous peoples (IPs) to enable their struggle against discrimination and for self-determination. The local chapters of PRRM, composed mostly of professionals and respected local citizens in our areas of operation, are helping build local alliances to promote people's causes and good governance.

We build rural finance institutions to improve credit access for the poor and to help finance local development. For this we have promoted savings and credit that later graduated into a formal rural banking institution---the Banco Lagawe. Alongside, we expanded our microfinance operations to cover different provinces across the country. We build social enterprises run by the people's organizations themselves with our technical assistance. Our RR Trade links our producer communities to the larger markets.

We build 'community gardens' and try to influence public policy at the same time. The first is showing a different way of doing development hoping that it would induce change in government practice. The second is to help reform the policy environment to enable progress toward a more equitable and sustainable development.

We count what counts to us. Albert Einstein said, "Not everything that counts can be counted, not everything that can be counted counts." We want development progress to be measured in terms of the demands of the poorest, excluded, left-behind, the most disadvantaged and oppressed among us. We are curious about prosperity without growth¹⁰ but don't yet know if it's possible or indeed worth aiming for. We are also interested in the Gross National Happiness, an index developed and used by the Bhuttan government since the 1970s.¹¹ The GNH is a development approach that seeks to achieve a harmonious balance between

¹⁰ Slogan on a placard in Copenhagen rally during the 2009 climate conference. UK' Sustainable Development Commission economics commissioner Tim Jackson is one of those promoting prosperity without growth.

¹¹ Presentation by Sonam Chokey at the UNDP Jakarta Governance Forum 21-22 March 2011.

material well-being and the spiritual and cultural needs of society. It is based on the belief that since happiness is the ultimate desire of every citizen, it must be the purpose of development to create the enabling conditions for happiness to be realized by everyone.

The GNH is composed of four pillars, nine domains and 33 indicators. The four pillars are: (1) sustainable and equitable socio-economic development; (2) preservation and promotion of culture; (3) conservation of the environment; and (4) good governance. The nine domains are: (1) psychological well-being; (2) health; (3) time use; (4) education; (5) cultural diversity and resilience; (6) good governance; (7) community vitality; (8) ecological diversity; and (9) living standards. Domains 1, 3, 5, and 7 are new additions to the conventional measures. For indicators, time use, for example, has three---work, rest, leisure---measured in hours. All this easily resonates with what PRRM values most.

Individuals and societies whose happiness depends so much on fossils and money might find prosperity without growth and Gross National Happiness an assault on their right to be happy at any cost, at the expense of other people and the environment.

We know indicators vary widely, depending on where people stand and what they value most. Growth in GNP will continue to fascinate the economists, politicians and their big business and banking allies. To them, the two headlines of 2010 ---record 7.3 per cent GDP and remittances of overseas Filipinos reaching over US\$18 billion---are highly valued news indicating that the country is sustaining well. But GNP matters little, if at all, to those living miserable lives---three of ten Filipinos who are poor, hungry, malnourished, jobless, uneducated, and homeless. Remittances matter a lot to others, regardless of the social costs of overseas employment.

For PRRM growth as such is not a problem. But we ask: what kind of growth? for whom? at what cost? paid by whom? paid now or later? What is in question is the kind of growth that reduces poverty on one end and reproduces it on the other and increases inequality in the process. It is that kind of growth that leaves a huge carbon and ecological footprint and exacts a heavy toll on the environment. We are against the kind of growth that leaves many behind and unhappy.

Indicators of sustainable development will remain contested. But it does not take much to know that something is very wrong when children are growing up malnourished, ill, and uneducated, when jobs are hard to find, when forests, pastures, fields, and mines are being plundered for basic survival or to pay back debts.

People use one or other set of indicators depending on what's important to them. Consider, for example, Donella Meadows'¹² choice: percent of food supply grown organically; percent of streams you can drink from safely; average age of trees in the forest; population trends of migrating songbirds; shortened food miles (distance between where food is grown and consumed); average distance traveled by a person each year; how many elections when you vote for a politician you really trust and like; average distance between living places of members of extended family; average number of minutes spent everyday in prayer, meditation, or quiet time; how many "clowns" or people with sense of humor in a village or community; number of people who say they have "enough".

To some of us infant mortality rate (IMR) is the most sensitive single indicator of a society's wellbeing. It tells us about the quality of nutrition and health care. You can correlate it with the quality of water resources, homes, education, especially the education of women. It says a lot about how we take care of the most vulnerable among us, our children, and therefore our future.

Having a part of the crafting of the Philippine Agenda 21 after the 1992 Rio Earth Summit, PRRM subscribes to the indicators or indicator parameters suggested in that document which, sadly, has been largely ignored by government itself. The PA21 covers the four pillars of economy, society, ecology, and governance. Together with the Millennium Development Goals (MDG) targets and indicators, we think we got more than enough to be able to tell where national development is at and where it's headed. We help in the running of the Community-based Monitoring System (CBMS) and other useful instruments, like the Local Government Poverty Monitoring System (LGPMS) being adopted by the Department of Interior and Local Government (DILG). The results generated by CBMS and LGPMS are very valuable baseline reference for local planning and budgeting. PRRM has also been assisting the Climate Change Commission (CCC) in the crafting, implementation, monitoring and evaluation of the National Climate Change Action Plan (NCCAP). PRRM and its family of people's organizations, along with its alliances, are engaged in any issues at all levels to promote governance for sustainable development.

PRRM minds how development indicators play out in rural reconstruction and local development. We have to be able to tell if what's happening locally is progressing toward the strategic goal of building sustainable communities. We track the people empowerment process---growth and development of people's organizations and their capacity to engage in any question concerning rural reconstruction. We track progress in reducing poverty and inequality. We do regular assessments of local government performance---its revenue generation, planning, budgeting, accountability, results and outcomes, and adherence to

¹² Donella H. Meadows co-authored *Limits to Growth* (1970) sponsored by the Club of Rome and led the so-called Balaton Group that has been trying to come up with sustainability indicators to match or replace the powerful GDP/GNP.

participatory processes. We value most the outcomes in terms of real improvement in people's lives and the environment.

We build the future we want, and build it on the basis of what counts to us. That future is not something out there we stumble into. As the Australian Commission for the Future said, "The future is not some place we are going to, but one we are creating; the paths to it are not found but made; and the making of those pathways changes both the maker and the destination?"¹³

Slow down (Meadows 1991) has been a wise counsel even prior to the 1992 Rio Earth Summit. Slowing down implies a revolutionary shift, a paradigm shift (Henderson 1989),¹⁴ in the other direction. We strongly believe in the need to shorten the food mile, health mile, education mile, leisure mile, whatever it is that alienates people from their means of life and ability to live a life of dignity. There is an urgent need to reduce and limit the ecological/carbon footprints of over-consumers and over-emitters, including the middle classes, even as efforts are being focused on improving the lives of the poorest, the most oppressed, the excluded and left-behinds.

We have been finding the ways to dramatically change unsustainable consumption and production patterns. Current patterns---in food, homes, education, health care, leisure, freedom of movement---are highly unequal. More, they exact a heavy toll on nature and the human environment, tend to breach ecological limits, threaten systemic breakdowns, and destabilize the climate system.

We want to build a financial system that serves the real economy, not the other way around. The money game, driven by greed and speculation, cannot continue making claims on real people and honest labor, and destroying local communities and their environments in the process. We cannot allow this game to continue causing so much suffering and devastation.

We want a future where equality and fairness reign supreme, freedoms are enlarged, human rights honoured in words and in deeds, where people are happy and live in harmony their environment, where citizens enjoy their right to be governed rightly.

Put another way, and in more tangible targets. What if no Filipino family is landless? What if government deliberately breaks the accumulation and concentration of created wealth in the National Capital Region? What if more and more resources and services are deliberately transferred to rural areas? What if education and health care, energy and infrastructure are accessible to all and are of such high quality in rural areas that people have no reason to go to the big city

¹³ Motto of the Australian Commission for the Future quoted by Ali Khan in Huckle and Sterling 1996 in Serrano, IR 2002 Learning Sustainability.

¹⁴ Henderson H 1991 Paradigms in Progress Life Beyond Economics, Knowledge Systems, IN 46231 USA.

except to see a place other than where they were born? What if taxes and budgets were truly a means to social leveling and democratizing development? What if personal services (PS), the biggest share in budget, were really a value-for-money public service?

To realize these would mean a lot of mass education for sustainable development, strong mass movements that can induce radical changes in government policy and practice, a level of political and mass culture that will make it impossible for crooks to win in a fair election. All these should bring about improvement in people's lives.

The Philippines has gone from democracy to dictatorship and back. People's participation has been a key factor in that story. Such participation has taken different forms, at times violent and anti-government, but mostly peaceful, addressing a range of issues including regime changes. Yet, sadly, it seems that after all those changes things remain the same. We are still long ways to go in changing existing power relations that impede agrarian reform and rural reconstruction, let alone sustainable national development.

REFERENCES

UNMC Breaking Point Project/Social Watch Philippines 2012 Serrano IR Breaking Through To Sustainability.

Vulnerability, Risk Reduction, and Adaptation to Climate Change: Philippines, World Bank 2011.

WorldRiskReport 2012, second of a series produced by Alliance Development Works in cooperation with the United Nations University and The Nature Conservancy.

Mendoza, T.C. 2008. Why food prices increase and what can be done. Philippine Journal of Crop Science 32(2):87-101.

National Statistical Coordination Board (NSCB).

Ernesto E. Pernia, Regional development BusinessWorld

BizNews Asia cover story "Adaptive Architecture" September 10, 2012.

Fiscal decentralization after 20 years: What have we learned? Where do we go from here? The Philippine Review of Economics Vol. XLIX No. 1 June 2012.

Slogan on a placard in Copenhagen rally during the 2009 climate conference. UK' Sustainable Development Commission economics commissioner Tim Jackson is one of those promoting prosperity without growth.

Presentation by Sonam Chokey at the UNDP Jakarta Governance Forum 21-22 March 2011.

Donella H. Meadows

Motto of the Australian Commission for the Future quoted by Ali Khan in Huckle and Sterling 1996 in Serrano, IR 2002 Learning Sustainability.

Henderson H 1991 Paradigms in Progress Life Beyond Economics, Knowledge Systems, IN 46231 USA.

VI. REFERENCES

1. Published Books and Articles

ADB (2012) 'Confronting Rising Inequality in Asia.', Asian Development Outlook.

ADB (April 2009). The Economics of Climate Change in Southeast Asia: A Regional Review.

Annual Poverty Indicators Survey (2009).

Asia-Pacific Human Development Report (2012), 'One Planet to Share Sustaining Human Progress in a Changing Climate'.

Balisacan, Arsenio M., Piza, Sharon Faye, Mapa, Dennis, Abad Santos, Carlos, and Donna Mae Odra., ADB (2010) 'Social Impact of the Global Financial Crisis in the Philippines by ADB', Global Crisis, Remittances, and Poverty in Asia.

Broad, Robin & John Cavanagh (2009). Development Redefined: How the Market Met Its March, Paradigm Publishers, CO USA.

Broad, Robin & John Cavanagh (2011). Yes, there is an alternative. YES Magazine, USA.

Department of Budget and Management. 2012 People's Budget.

Department of Budget and Management. Proposed Budget In Brief 2013.

Diokno, Benjamin E., (2012) 'Fiscal Decentralization after 20 years: What have we learned? Where do we go from here?', The Philippine Review of Economics.

ESCAP, ADB, UNDP. 'Accelerating Equitable Achievement of the MDGs: Closing Gaps in Health and Nutrition Outcomes', Asia-Pacific Regional MDG Report 2011/12 in collaboration with UNFPA, UNICEF, UNDP, UNESCO, UNICEF, UNIFEM, WHO, ILO, FAO.

Family Income and Expenditure Survey (FIES) 2009.

Gross National Happiness Index (Bhutan) UNDP Jakarta Governance Forum (2012). Powerpoint presentation of Sonam Chokey at the UNDP Governance Forum 21-22 March 2011, Jakarta.

Henderson, Hazel (1991). Paradigms in Progress: Life Beyond Economics, Knowledge Systems, Inc., Indianapolis, IN 46231 USA. Second printing 1992.

International Assessment of Agricultural Knowledge, Technology, and Science for Development 2008 South Africa.

Jackson, Tim. 'Prosperity without growth'.

Kabeer, Naila., 'Can the MDGs provide a pathway to social justice? The challenge of intersecting inequalities', IDS and MDG-F 2010.

Korten, David C., (1995) 'When Corporations Rule the World', Kumarian Press.

Manasan, R.G. (2007) 'Financing the Millennium Development Goals: The Philippines', Makati City: UNDP-Philippines.

MDG-F's A Citizens' Agenda for MDG Achievement Inclusive and Sector-responsive Development as Viewed by the Poor and Vulnerable in the Philippines Focus Country Initiative – Philippines 2011

MDG Report 2011 Progress Chart.

Meadows, Donella H. (1991) 'The Global Citizen', Island Press, Washington, DC.

Mendoza, T.C. (2008) 'Why food prices increase and what can be done', Philippine Journal of Crop Science, p. 87-101.

National Statistical Coordination Board (NSCB), (2012) 'MDGWatch Statistics at a glance of the Philippines' Progress based on the MDG indicators as of June 2012.

National Economic Development Authority-Multisectoral Committee on International Human Development Commitments (NEDA MC-IHDC) Minutes of Meetings & Docs.

NEDA Director Erlinda M. Capones' response, dated 25 September 2012, to the first draft (17 September 2012) of Breaking Through To Sustainability.

NEDA Director General/Socio-Economic Planning Secretary Arsenio Balisacan paper on Multidimensional Poverty, October 2011.

Pascual-Diokno, Maitet (2012). The breadth and depth of inequality in the Philippines. UN-CSAC inequality Research Project.

Philippine Agenda 21 (1996).

Philippine Disaster Risk Reduction and Management Act of 2010
Philippine Climate Change Act of 2009 Republic Act 9729

Philippines: Fostering More Inclusive Growth., ADB, WB 2011.

Philippine Development Plan 2011-2016.

Philippines Progress Report on the Millennium Development Goals 2010.

Philippine Center for Investigative Journalism (PCIJ), (2010) 'Other NSAs' reports on MDG2010, eg FDC and CODE-NGO MDG Assessment Report 2010.

Philippine Institute of Development Studies (PIDS), 2009 Annual Poverty Indicators Survey (APIS) Discussion Paper on APIS 2009.

PLCPD/UNMC (2012). VOICES Project.

PRRM (October 2012). The Cost of Climate Change in the Philippines, A review of the Alternative Budget 2013 prepared by Social Watch Philippines-Alternative Budget Initiative (SWP-ABI).

Serrano I.R. (2011) 'What sustainable development?' abridged version "Clearing the path to sustainability" in Social Watch Global Report 2011.

Social Watch Philippines Serrano IR ed. (2010). Winning the Numbers, Losing the War: The Other MDG Report 2010. Social Watch, UNDP.

Social Watch Philippines and the Alternative Budget Initiative (2012). Alternative Budget 2013: Paggugol na Matuwid: Patas sa Taumbayan

South Centre (2012). SouthViews articles by Martin Khor.

Stiglitz, Joseph E. (2012) 'The 1 Percent's Problem', Vanity Fair, 12 June.

SWS surveys, SWS President Mahar Mangahas' articles

Tomas Africa presentation (or paper) on inequality at SWS forum.

UNDP-UN DESA Project MDG Policy Note 2011-05-20.

UN-DESA Inter-Agency and Expert Group on the MDG Indicators, MDG Report 2011.

UN Research Institute for Social Development (2012). Gendered Impacts of Globalization: Employment and Social Protection. Policy Brief: 13.

UN System Task Team on the Post 2015 UN Development Agenda. 'Realizing the Future We Want for All: Key Recommendations from the Report of the UN Task Team on the Post-2015 UN Development Agenda', June 2012.

UN System Task Team on the Post 2015 UN Development Agenda. 'Post-2015 UNTT Report Executive Summary: Realizing the Future We Want for All', June 2012.

UN System Task Team on the Post 2015 UN Development Agenda (2012). The Future We Want; Resilient People, Resilient Planet.

WorldRiskReport 2012. Alliance Development Works with the United Nations University, and The Nature Conservancy; Bundnis Entwicklung Hilft (Alliance Development Works) Berlin.

World Bank (2011). Vulnerability, Risk Reduction, and Adaptation to Climate Change: Philippines.

2. Newspaper Articles

Alave, Kristine A. (2012) 'Maternal mortality rate rose in 2011 says DOH', Philippine Daily Inquirer.

Cabuag, V. G. (2012) '[Local, foreign debt hit P5.156T in July](#)', 12 September. Available at <http://BusinessWorld.com.ph>

[Collas-Monsod, Solita \(2012\) Philippine Daily Inquirer](#), 20 July.

De Guzman, Sara Soliven (2012) 'A questionable CCT budget of P44.3 billion for 2012', The Philippine STAR, 10 September.

[Diokno, Benjamin E. \(2012\)](#) 'Core Grim reminders', [BusinessWorld](#), 08 May.

Esplanada, Jerry E. (2012) 'PH has among the worst roads, global report shows', Philippine Daily Inquirer, 10 September.

[Habito, Cielito F. \(2012\)](#) [Philippine Daily Inquirer](#), 7 May.

[Habito, Cielito F. \(2012\)](#) [Philippine Daily Inquirer](#), 23 July.

[Habito, Cielito F. \(2012\)](#) Philippine Daily Inquirer, 25 June. Available at <http://opinion.inquirer.net/31439/economic-growth-for-all>.

[Habito, Cielito F. \(2012\)](#) 'Sustaining the state of the economy', Philippine Daily Inquirer, 23 July.

[Habito, Cielito F. \(2012\)](#) 'A colossal contradiction in his PDI opinion column No Free Lunch', Philippine Daily Inquirer, 10 September.

PDI Editorial October 2012 CCT's continuing success.

Pernia, Ernesto M., 'Regional development and urbanization", BusinessWorld.

Punongbayan, Michael (20 Feb 2012). PhI ranks high in green index, The Philippine Star Internet Documents.

Ramos, Fidel V. (2012) 'Celebrating 60 years of PRRM', BizNews Asia, July.

The adaptive architecture of Felino Palafox Jr., (2012) BizNews Asia, Vol. 10 No. 17, 20-27 August, 2012.

Tiglao, Rigoberto (2012) '11M bosses now without work, not enough work', Philippine Daily Inquirer, 26 July.

3. Internet Documents

http://www.nscb.gov.ph/stats/mdg/mdg_watch.asp

<http://www.nscb.gov.ph/stats/statdev/default.asp>.

<http://mggphilippines.com/>

[Php11m-bosses-now-without-work-not-enough-work](#). Available at <http://www.trigger.ph/index>.

www.southcentre.org