

Message



*Empowered lives.
Resilient nations.*

SINCE 1990 when the first global Human Development Report (HDR) came out, many have embraced the HD concept, but the discourse persists as the quest for HD continues. UNDP's advocacy for human development (HD) has led to the subsequent production of regional and national HDRs, thus enabling the discussions on human development to take root in country- and region-specific contexts.

Following the discipline of its global and regional counterparts, national HDRs provide the same rigor of analysis, which we now find in the Philippine Human Development Report (PHDR). As in previous editions, this 7th Philippine Human Development Report (2012-2013 PHDR) offers yet another development perspective, "Geography," critical to the attainment of human development for the people of Philippine archipelago. The road to human development is filled with multidimensional barriers and challenges. To understand the path to human development, since 1994 the PHDRs have tackled diverse themes such as gender, education, employment, peace and security, and institutions. The past PHDRs have earned their reputation as important references to development leaders and practitioners of the country with their in-depth analysis and concrete suggestions.

The 7th edition of the PHDR takes on the spatial dimension of human development. "Geography is a deep determinant of human development," states the 2012/2013 PHDR. Throughout the report, it argues that human development takes place in physical space that is to a large extent fixed. But socioeconomic and human factors can influence each other and may lead to different human development outcomes.

The PHDR looks into the spatial patterns in the development of the Philippines and how these affect human development. For a country of 7,107 islands with diverse topographic and climatic attributes and greatly challenged by physical connectivity, the Report brings to our attention the development variations brought about by this geographic influence. The PHDR provides a perspective on the geographic conditions affecting local outcomes; the opportunity costs of not fully taking the element of distinctiveness into account in the pursuit of human development; and the institutional responses needed to address the challenges and opportunities of geographical realities within and beyond administrative boundaries.

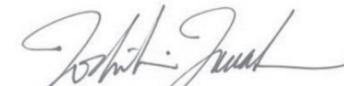
It provides expert analyses on the functionality of human spaces and the interplay of social and economic processes affecting the community and the development of its people. The Report also provides a reflection on regional development and integration in empowering or disempowering local people in attaining full human development.

As a useful reference in development planning, this Report is especially dedicated to the local governments and their leaders to assist them in reviewing policies and interventions to maximize their efficiency in accordance to geographical uniqueness. For one, understanding geography and its impacts on human development pathways, could unveil solutions to the issue of rising inequality and disparity of urban and rural areas.

UNDP is the key advocate of human development upholding that “people are the real wealth of a nation.” HD champions the creation of an enabling environment for people to enjoy long, healthy, and creative lives. Far greater than the accumulation of assets and financial wealth, human development should be the core means and the ultimate goal of development efforts.

On this note, the Human Development Network (HDN) deserves another feather in its cap for capturing the perspective of geography and human development in such an innovative and convincing manner. Indeed, the Philippines, which has started to demonstrate high economic growth, but is constantly challenged by its geographical diversity and deep-rooted inequality, will greatly benefit from the recommendations of this 7th edition of the PHDR.

Thank you and Mabuhay!



TOSHIHIRO TANAKA

UNDP Country Director

Message



THE 7th Philippine Human Development Report with the theme “Geography and Human Development” comes at a time when the government is updating the Philippine Development Plan (PDP), 2011-2016 with an eye toward paying greater attention to the spatial and sectoral dimensions of growth in the pursuit of more inclusive outcomes.

The updating also has an eye toward an examination of institutional arrangements between administrative layers of government in order to better align local and national development plans. This is critical if short- and medium-term gains are to take root and carry the country forward into the longer term.

It is auspicious therefore that the Report, in articulating the role of geography in influencing the quality and pace of human development, has made the following key points:

- Geography explains a significant portion of the variations in life expectancy, education, per capita income, and poverty incidence across the Philippines. It is a profound determinant of human development, intrinsically linked to the latter through human health, agricultural prospects, access between locations, and specific political institutions.

- Past policy and institutional arrangements have failed to adequately address the implications of local geography and have resulted in significant costs to human development.

- Human development costs arise from a national organizational structure that arranges sectors or agencies as vertical silos and, within each agency, by programs. Such arrangement is incompatible with the integrated, ecosystem-based governance that local geography demands.

- Large inefficiencies and foregone benefits result from the well-intended but misguided notion that the uniform dispersion of production across space will lead to growth that

is more evenly spread out and therefore more equitable.

■ Nonetheless, a geographical convergence of living standards can take place and must remain a prime objective. In short, spatially uneven, unbalanced growth is compatible with inclusive human development.

■ The challenge of geography requires the delivery of basic and social services that is integrated and locally anchored—most crucially at the provincial level.

We appreciate the lessons documented in the 7th PHDR, are challenged by them, and look forward to how they will inform development policies and programs and resource allocation priorities of both the national and local governments moving forward.



ARSENIO M. BALISACAN

Secretary of Socioeconomic Planning

Foreword

THE *Philippine Human Development Report 2012/2013* discusses the crucial role of place and space in human development. The crux of the issue is suggested in the epigraph from Rizal: some are fortunate enough to be helped and made happy by their place of stay—indeed, they may even have the luxury of choosing it. Others, on the other hand, are simply condemned by their circumstances to endure it.

Part I of the Report demonstrates how the Philippines' diverse, fragmented, and hazard-prone geography poses huge challenges to human development. Distance, land form, climate, and natural hazards are significant obstacles to people's access to health, to education, and their ability to obtain a sustainable and productive living. Besides natural factors, economic growth itself is a process that by its nature creates geographic unevenness and inequality, even while existing social and political barriers can frustrate people's efforts to better their own lot.

The human development view of geographical differences is straightforward: differences in location should *not* translate into differences in human opportunities. This implies, first and foremost, that the fundamental means needed to build human capabilities must be made available irrespective of location. Access to basic education and to primary health, in particular, should be "spatially blind". Second, recognizing that economic growth and wealth-creation are not uniformly spread but inevitably create basins of attraction, e.g., cities and mass markets, affording access to incomes and livelihood opportunities must entail "spatially connective" or market-integrating infrastructure that facilitates the bidirectional movement of goods and people.

In the limit, human development presupposes people's freedom to leave areas of low opportunity in pursuit of better prospects. What matters is that such decisions are taken not out of desperation or under duress but as free choices from among a set of humane alternatives. Even as the Report recognizes the geographic unevenness entailed by growth—and therefore the inevitability of leading and lagging areas—it points to the possibility of reconciling this with equal human opportunities: "Uneven, unbalanced growth is not incompatible with inclusive human development."

Measured against these, the spatial dimensions of current public policy are unfortunately wanting and unresponsive. The bias for centralization in many government programs leads to a one-size-fits-all approach that fails to account for local conditions affecting the population. Disease-specific national health campaigns pass over neglected tropical diseases that are rampant in some localities. Agricultural programs focus on specific crops rather than on farmers whose activities are varied and actually span several crops. Reforms and regulation of transport and access are undertaken piece-meal, according to the specific mode of transport, rather than being informed by the larger picture of travel across various modes of transport.

What prevails in all these is an emphasis on objects and categories—some particular disease, special crop, or favored transport mode—rather than on actual people and the places they inhabit. This unresponsive framework is reinforced by a “silo”-complex in many national agencies themselves, which splits responsibilities among non-overlapping (and therefore non-cooperating) bureaucracies organized along the same technocratic lines of categories rather than people. Finally, the combined failure of national vision and denial of local responsibility leads to the dissipation of resources that is the “divide-by-N” syndrome—the dissipation of public resources in duplicative infrastructure and programs in disregard of scale, synergy, and the conscious integration of larger markets.

The Report instead advocates giving provinces the greatest leeway to define their own priorities and providing the resources to achieve them. Not all of today’s provinces represent optimal divisions from the viewpoint of geography and ecosystems (especially since sheer political considerations have influenced recent province-creation, particularly in Mindanao). But provinces are currently still the most practicable level of political authority that can give full weight to the specificity and diversity of local conditions, even as it is capable of adopting a viewpoint comprehensive enough to adopt programs that exploit potential economies of scale and scope. It is provinces and provincial leadership that can potentially respond to the differing needs of leading and lagging areas, e.g., between urban areas and peripheries—as well as provide the connections needed to foster healthy symbiotic relations between them.

Current laws and planning and budgeting practices, however, paradoxically constrain provincial governments from performing this integrative function. Rather than expand the role of planning among provinces, current laws instead reduce their jurisdictions by ripping out the most developed urban areas; tax bases and tax powers are circumscribed; provincial spending responsibilities are overextended yet sorely underfunded; in the meantime parochial political pressure is accommodated for even greater subdivision of jurisdictions. The Report argues that serious geographical obstacles to human development can never be adequately addressed without giving full rein to province-level planning and fiscal responsibility—with the democratic accountability that entails. To this end, future legislation is clearly needed to change the current city-centric emphasis of devolution and redefine the powers of local governments accordingly. The Report is being issued at what the Human Development Network believes is an opportune moment, when there is increasing interest in revisiting the Local Government Code (1991) after more than two decades of implementation. Even without legislation, however, a good deal can already be accomplished by expanding the role of provinces and province-level concerns in the design of programs and the choice of projects by national-level planning, fiscal, and line agencies.

Part II of the Report analyzes the record of provincial progress in human development over the longer period 1997-2009.

While a slow but steady improvement is evident in indicators of human development for the country as a whole, this masks the highly variable performance among provinces throughout the period. Global economic crises, such as those

which engulfed the country in 1997-2008 and 2008-2009 are crucial factors explaining the larger trend, although the record also illustrates how improvements in non-income measures of human development can occur notwithstanding conjunctural variations in income. More important, however, is the sometimes volatile fluctuations in the human development indicators in some provinces. Especially worrisome are the prospects for provinces that have some of the lowest HDIs to begin with, but which in addition are locked in the vicious circle of falling incomes and falling health and education outcomes (Agusan del Sur, Lanao del Sur, Maguindanao, Sulu, Tawi-Tawi, and Zamboanga Sibugay).

The long view also reveals rises and falls in the achievements of even erstwhile high-achievers in human development. The reasons for this can be varied, but a possible reason illustrates a point made in the theme chapter: mobility and migration can change the composition of a locality's population in many ways. Without foresight and adequate preparation, in-migration into a highly developed area can ultimately create problems in health, education, and even incomes e.g., through congestion, pollution, and the emergence of slums. On the other hand, outmigration of the skilled, educated, and youthful will certainly erode the record of the areas they leave behind.

What is clear is that the depth, variety, and implications of such local experiences can be adequately understood and addressed only by the political authorities and communities directly concerned. Indeed the collation and computation of a subnational series of the Human Development Index (HDI) and other indicators underscores the continuing advocacy of the Human Development Network (HDN) to link achievements in human development with geographical political responsibility. This returns to the theme chapter's message, therefore: under current arrangements, there is no effective political authority or responsibility for monitoring and understanding the record of human development at a comprehensive geographic scale, namely at the level of a province with all its cities and farms, all its leading and lagging areas, its entire population engaged in all types of economic activities, and its entire health and education delivery system.

This Report, therefore, is addressed to political leaders at all levels but especially to the people to whom the former are responsible and must be held to account. By issuing this volume, the Human Development Network hopes both leaders and people will recognize the challenge geography poses to human development—so that they will change the institutions that stand in the way of an effective response.



EMMANUEL S. DE DIOS

President
Human Development Network

Acknowledgments

THIS Report represents two and a half years' worth of work, a fact reflecting the nature of the topic, the most complex and multifaceted addressed by the Human Development Network (HDN) so far.

The process included two inception workshops in January and March 2011; a series of public forums to review an original set of background papers in August 2011; and further workshops in October 2011 and March 2012, before a different approach was adopted in July 2012.

At the same time, the National Statistical Coordination Board (NSCB) and HDN studied the updated global methodology for the Human Development Index (HDI) and discussed its applicability to the Philippines. An interim methodology for this volume was agreed upon and presented to the NSCB Executive Board in February 2012. Computations were subjected to a rigorous process of replication before the 2009 HDIs for provinces were disseminated in a joint NSCB-HDN Forum on 10 December 2012. The statistical annex included in this volume presents back-computations of the HDI to 1997 using the updated methodology for comparability.

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