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Indonesia Development Forum 2017

Fighting Inequality for Better Growth

Jakarta, 9-10 August 2017





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The Philippines' Inclusive Growth Challenge: Sharing Our Story with Indonesia





REPUBLIC OF THE PHILIPPINES

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

The Philippines' Inclusive Growth Challenge: Sharing Our Story with Indonesia

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Indonesia Development Forum
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Pursuing inclusive growth—a common challenge for Indonesia and the Philippines... though it seems Indonesia is doing it better recently

Indonesia

Country Indicators

GNI per capita, Atlas method (current US\$)

\$3,440 2015 **\$3,400** 2016

GDP growth (annual %)

4.9% 2015 **5%** 2016

Population, total (millions)

254.5 2014 **257.6** 2015

Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)

9.8% 2013 **8.3%** 2014

Annualized growth in per capita real survey mean consumption or income (%), circa 2008-2013

3.8% bottom 40% **3.4%** total

Philippines

Country Indicators

GNI per capita, Atlas method (current US\$)

\$3,520 2015 **\$3,580** 2016

GDP growth (annual %)

6.1% 2015 **6.9%** 2016

Population, total (millions)

99.1 2014 **100.7** 2015

Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)

12% 2009 **13.1%** 2012

Annualized growth in per capita real survey mean consumption or income (%), circa 2008-2013

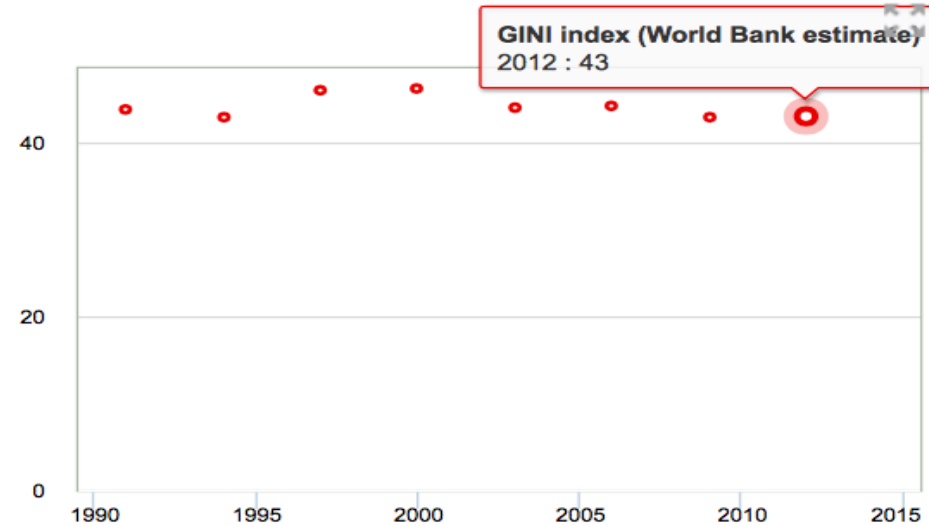
1.7% bottom 40% **1.2%** total

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Indonesia



Philippines



Source: Poverty & Equity Databank and PovcalNet

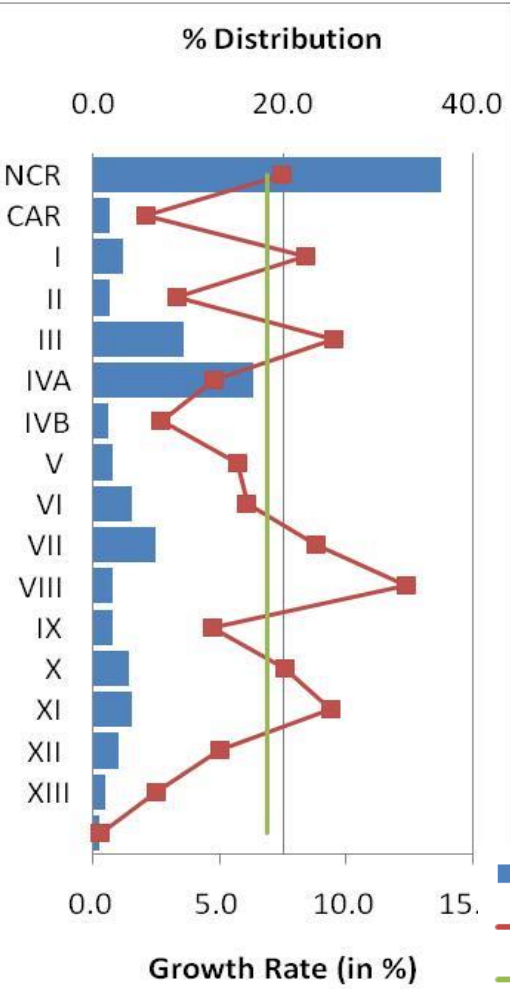


Fast GDP growth but slow reduction in poverty incidence

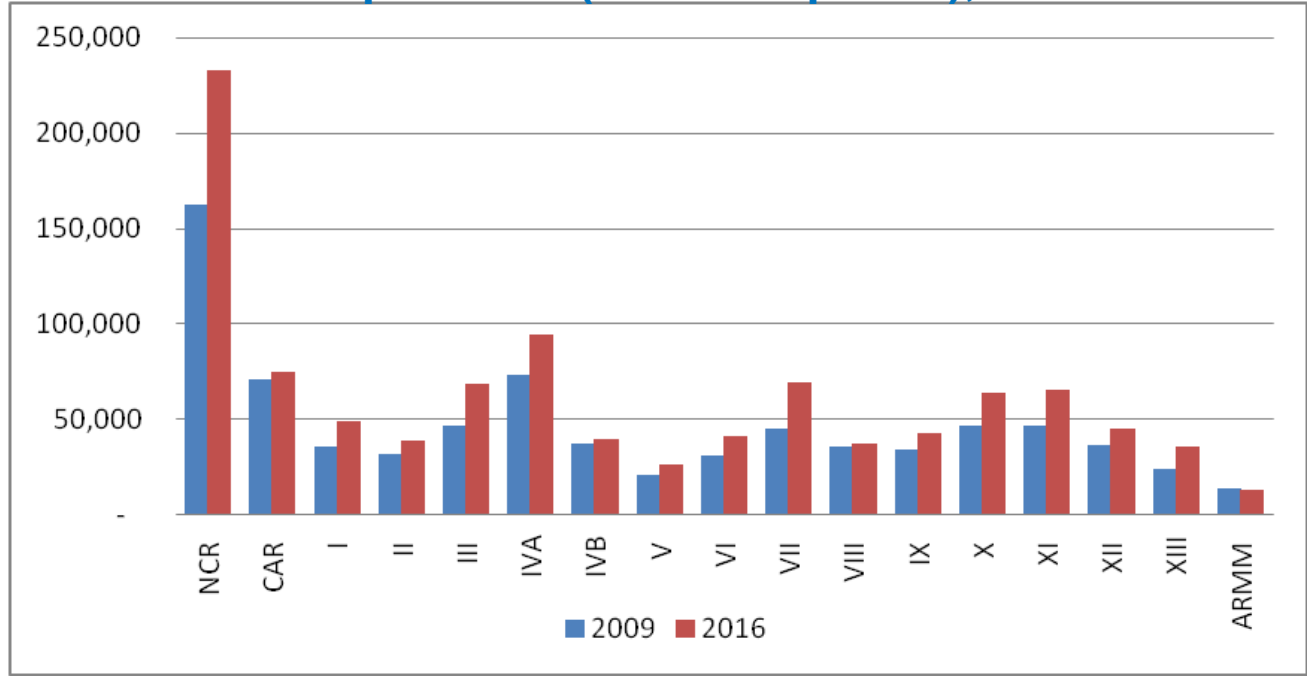
- High growth relatively recent phenomenon
- Growth has not been broadly shared across socioeconomic classes and regions
- Agriculture, Fishery and Forestry grew by only 1.4% annually in 2010-2015; -1.3% in 2016.
- Food price increases affected purchasing power of poor; poverty line increased by almost 30% during the period 2009-2015.
- High pop'n growth, resulting in 10M+ more Filipinos in 6 years.



Regional GDP (constant prices), 2016



Per Capita GDP (constant prices), 2009 and 2016



Inadequate and poor quality of infrastructure

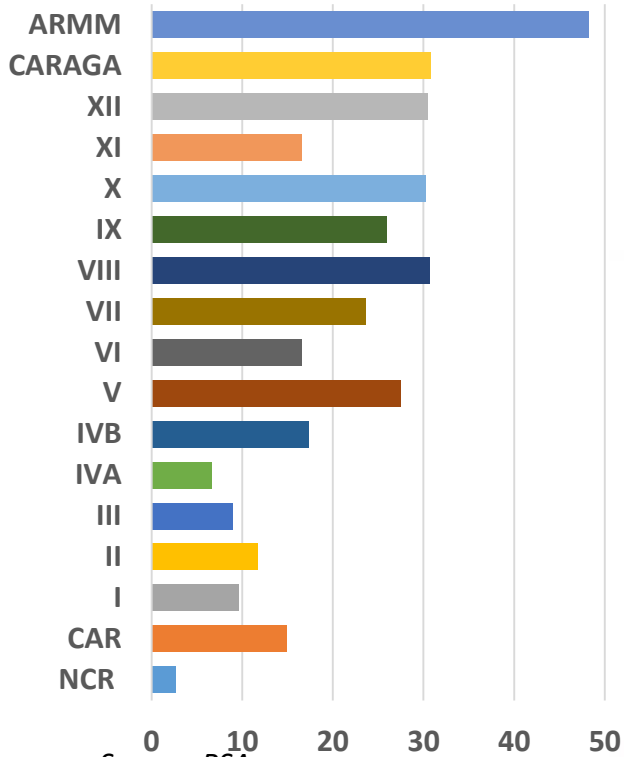


NA
DEV

<http://www.lakas.com.ph/>



Poverty Incidence Among Families, 2015



Source: PSA

Inadequate investments in human development



<http://cnnphilippines.com/>

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Disasters and the slide back to poverty

Disasters and climate risks erode the development gains of the country and make the recently non-poor slide back to poverty. Such risks may be attributed to several factors, including:

- the country's geophysical condition, and
- uncontrolled and unsustainable development, particularly in ecologically-sensitive and hazard-prone areas

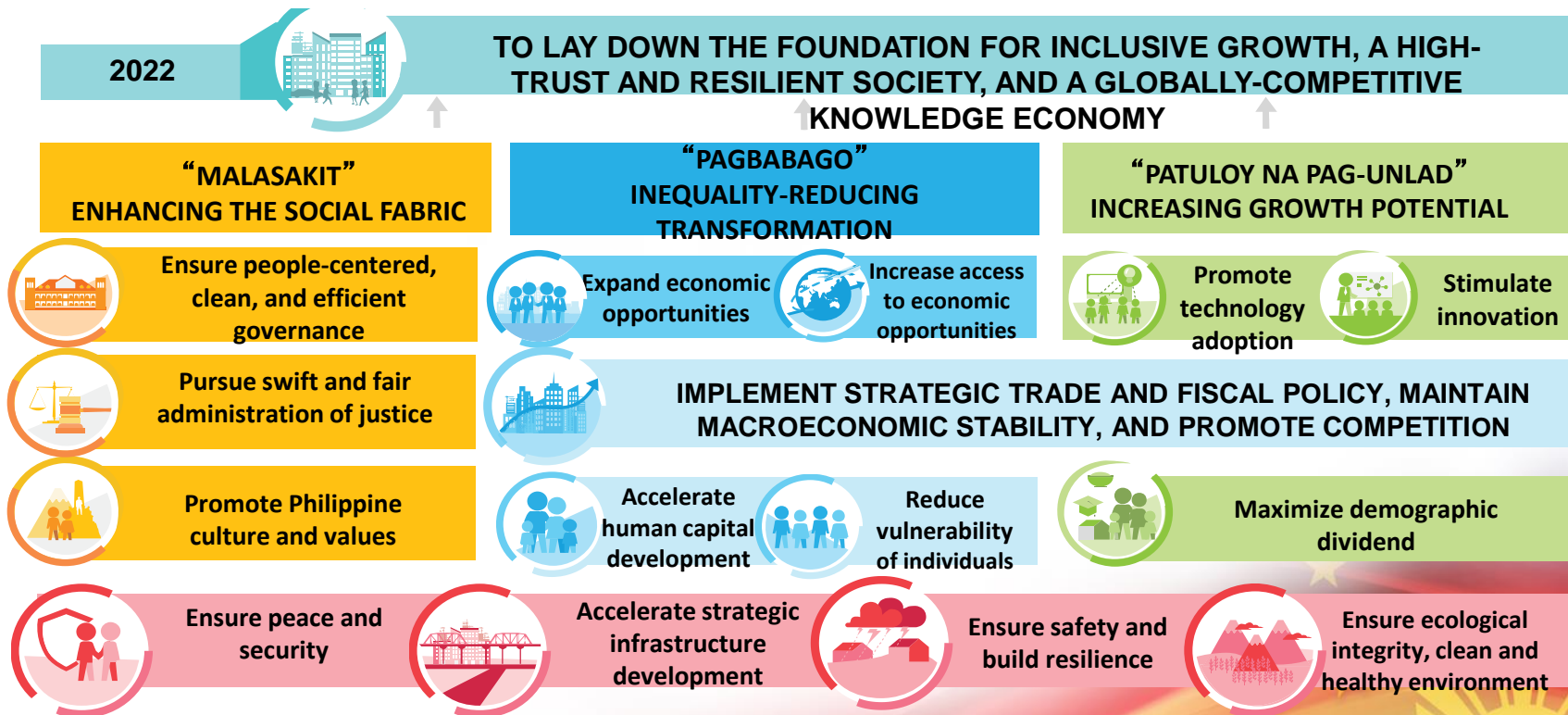




Issues and gaps in governance



The Philippine Development Plan 2017-2022



PDP 2017-2022 Targets

Indicator	Baseline	Target by 2022
<i>Inclusive growth</i>		
Per capita income (US\$ PPP, Atlas Method)	3,550 (2015)	5,000
Poverty incidence in rural areas (%)	30 (2015)	20
Poverty incidence overall (%)	21.6 (2015)	13-15
Subsistence incidence (%)	8.1 (2015)	5
Human development index	Medium level (2015)	High level

The National Spatial Strategy

1. Build on the efficiencies and maximize the benefits of scale and agglomeration economies

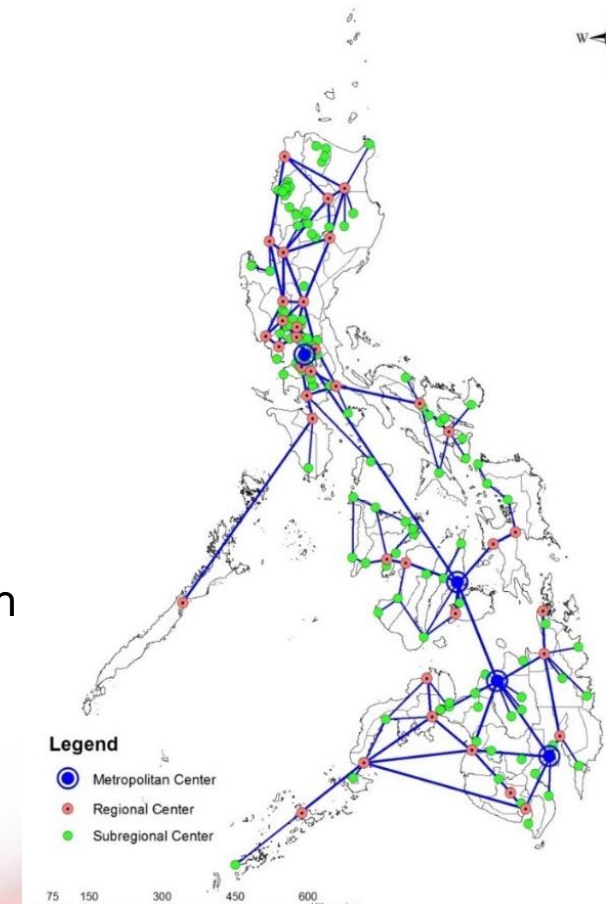
- ✓ Decongest Metro Manila
- ✓ Develop regional and sub-regional centers

2. Connect the settlements to form an efficient network

- ✓ Improve linkages among settlements and key production areas by connecting rural areas to growth centers

3. Make vulnerability reduction an integral part of development

- ✓ Reduce the risks of communities exposed to the threats of disasters



Massive investments in physical infrastructure



BUILD
BUILD
BUILD

- More Railways, Urban Mass Transport, Airports & Seaports
- More Bridges & Roads
- New & Better Cities

BCDA





Human development

- ✓ **Increase access and improve quality of basic education**
- ✓ **Address family planning and unwanted pregnancies**
- ✓ **Improve nutritional and health status through health financing programs**
- ✓ **Raise the quality of human resources**
 - Improve employability (e.g., skills development)
 - Improve productivity (e.g., access to technology, nurture workplace harmony)
 - Enhance labor mobility and income security (e.g., income support and emergency employment)
- ✓ **Values formation**





**Financial
inclusion and
inclusive
business**

- ✓ **Encourage entrepreneurship for more employment opportunities**
 - Financial literacy
- ✓ **Provide support to MSMEs**
 - Link to domestic and global value chain
 - Provide innovative financing mechanisms
 - Support mechanisms (DOST's SETUP)



**Improve
governance**

- ✓ **Citizen Participatory Audit**
- ✓ **Open data portal (data.gov.ph)**
- ✓ **Increase efforts to reduce corruption**
- ✓ **Seamless service delivery**



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Our key strategies

1. Improve access to basic infrastructure services
2. Ensure access to quality basic social services
3. Improve access to financing especially for the poor
4. Improve governance and rebuild the people's trust





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Salamat! (Thank you!)

