

Undelivered

Preliminary assessment of GMA's SONA accomplishments

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The aim of this preliminary assessment is to look at GMA's performance in areas where she claims of having ascendancy over her political rivals whom she has accused of pulling the economy down with their endless politicking and destabilization plots against her government.

I also find it proper at this time to do this kind of an assessment since for the past five years the question of illegitimacy dominated the discourse within the broad anti-Arroyo movement, the press and the general public. Moreover, GMA keeps on claiming that her political foes actually have no goods against her especially on the area of the economy and delivery of social services. What she failed to realize, however, is that the best way to score points against her is to catch her by her mouth.

This is the drawback of presenting rosy promises to an unreceptive public. Sourly lacking mass support, GMA has tried to impress the masses by giving specific targets in her State of the Nation Addresses.

“Bangkang papel”

Remember Jomar, Jason and Erwin? They were the three “Batang Payatas” who reportedly made the paper boats which they sent to Malacanang through the Pasig River. In her first State of the Nation Address in 2001, Mrs. Arroyo used the occasion to parade the three kids in Congress and pledged to address their concerns in education, food, housing, and jobs, among others. Thus, “*Trabaho, Tahanan, Edukasyon, Pagkain sa Bawat Mesa,*” became the theme of her first SONA.

In real terms, GMA has pledged to create at least one million jobs every year and has promised to stabilize the prices of basic goods. To achieve these, GMA laid down four major components, one of which is the long-term structural reform of the power industry to reduce the cost of power. According to her, lower cost of power would reduce business costs thereby encouraging more investments, and with more investments there will be more jobs for the millions of unemployed Filipinos. Other components of her strategy included a modernized agricultural sector founded on social equity; a social bias towards a balanced economic development plan; and raising the moral standard of government and society.

After surviving the Oakwood mutiny of young officers in the AFP in July 2003, GMA made her SONA a self-assessment of her 2001 targets, particularly on the area of prices of basic commodities. To quote:

“At ayon sa masugid na pagmonitor ni Mar Roxas, and ating Secretary of Trade, mula noong ako’y naging Pangulo, nanatiling P8.50 ang halaga ng pangmasang sardinas, P11 ang mantikang lapad, P23 ang mantikang long-neck, P28 ang putting asukal, P23 ang brown sugar, P28 ang kondensada, P115 ang baboy, P90 ang manok, at P160 ang baka. Matatag itong mga presyo mula nang ako’y maging Pangulo.”

“Nagbigay tayo ng koryente sa mahigit tatlunglibo at anim na raang barangay. While in Metro Manila, a consumer using a 100 kilowatt hours paid P526.48 last May. Today, he pays P423.20, a drop of over a 100 pesos or 20 percent..... That’s why, believe me when I say that from having the second highest most expensive power in Asia-Pacific, we now rank seventh.”

In her Inaugural Address of June 2004, GMA laid down a more ambitious target put together under her Ten Point Program. Aptly called “BEAT THE ODDS,” GMA’s 2005 SONA revolved around this theme. These included:

1. Creation of six to ten million jobs;
2. Education for all children of school-age;
3. Balanced budget;
4. Decentralized development;
5. Electricity and water for all barangays;
6. Decongestion of Metro Manila;
7. Development of Clark and Subic as international service and logistics center in the Southeast Asian region;
8. Full computerization of electoral process;
9. Just conclusion to government’s peace process;
10. A just closure of the divisive issues of Edsa 1, 2 and 3.

Most probably, Monday’s SONA of Mrs. Arroyo would still revolve around her Ten Point Program, one of which is the creation of these so-called “super regions” in line with items 4, 6 and 7. Unfortunately, items 9 and 10 might just be dropped off giving way to a new component of GMA’s development strategy – her “all out war” against communist insurgency and her political foes occupying center stage.

Numbers speak for themselves

Obviously, some of the items under the Ten Point Program and those that were laid down by GMA since 2001 are of strategic significance (decentralized development, development of Clark and Subic, decongestion of Metro Manila) wherein the impact is not readily measured in terms of numbers. Others, like items 9 and 10, are somehow irrelevant to this assessment.

Thus, the focus of this assessment is on the specific subjects contained in GMA’s SONAs, such as job creation, prices of basic commodities, education for all and the provision of water and electricity to all barangays. We only have to look closely at relevant statistics to be able to see the real score.

On job creation

Creating six to ten million jobs for the next five years is equivalent to creating at least one to two million jobs a year or an equivalent of 2,739 to 5,479 jobs a day. Is Gloria meeting these targets? In the SONA Updates of June 2004, Malacanang claimed that a total of 1.87 million jobs in agriculture, fishery and forestry sector (893,000 jobs) and agricultural services sector (978,000 jobs) were created from January 2001 to January 2004. Do these jobs still exist?

Aside from the basic facts, it might be helpful also to examine the kind of jobs generated behind those employment statistics. Table 1 reveals the true picture:

Table 1: Comparative Employment Status of Household Population 15 Years Old and Over Using the Old and New Definitions (in millions)

	2001 April	2006 April (New definition)	2006 April (Old definition)	Difference/ Change
Labor Force Participation	33.621	35.954	37.457	1.503
Employed (Total)	30.085 (Q4)	33.024		
Agriculture	11.253 (Q4)	11.420		
Industry	4.682 (Q4)	5.236		
Services	14.151(Q4)	16.369		
Unemployed	4.461	2.930	4.433	1.503
Unemployment rate	13.3%	8.2%	11.8%	3.6
Underemployed	5.092	8.401		
Underemployment rate	17.5%	25.4%		

Source: NSO Labor Force Surveys

In summary, these are what the statistics say:

1. Using the Old Definition, an additional 3.836 million workers entered the labor force from 33.621 million in April 2001 to 37.457 million in April 2006.
2. Using the New Definition, however, labor force participation fell from 37.457 million to 35.954 million or a difference of 1.503 million workers who were *delisted* from the Labor Force Survey. (They were those without jobs but have lost interest in looking for jobs for at least six months).
3. **Only a total of 2.939 million jobs were generated from April 2001 to April 2006 or an average of 587,800 a year.**
4. **Even the agricultural sector, which was identified as one that would generate more jobs, was only able to create an additional 167,000 new jobs from 11.253 million in 2001 to 11.420 million in April 2006.**
5. The number of unemployed persons fell from 4.461 million in April 2001 to 2.930 million in April 2006. But this was mainly because of the introduction of the new definition where more than a million (1.503 million) unemployed persons were removed from the list beginning April 2005. Using the old definition, the unemployment rate today is at 11.8% rather than 8.2%.
6. Underemployment rate rose dramatically from 17.5% in 2001 to 25.4 in 2006 which is reflective of the kind of jobs that were generated over the period of time.

Moreover, if we compare this achievement to that of the Ramos and Estrada administrations, we will see that Mrs. Arroyo is no better and is in fact far slower than her predecessors in terms of creating new and permanent jobs. Between 1995 and 1998, Ramos was able to create 2.1 million jobs or a yearly average of 700,000, while the short stint of Erap has averaged 530,000. Table 2 shows the comparison.

Table 2: Job generation of past administrations (in millions)

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Administration				Years covered	Jobs created
Ramos	1992	1995	1998		
Employed		25,724 (Apr)	27,835 (Apr)	3	2,111
Estrada	1998	2001			
Employed	27,835 (Apr)	29,160		2.5	1,325
Arroyo	2001	2003	2006		
Employed	29,160 (Apr)	30,418	33,024 (Apr)	5.5	2,939

Source: NSO Labor Force Surveys

In addition, several studies also showed that the phenomenal increase in underemployment rate is reflective of the kind of jobs that were created over a period of time. In the Philippines, underemployment is highest in agricultural and service sectors like in the areas of trade and transport (BLES LabStat April 2006) where jobs are less permanent. They are also the lowest paid among the employed while many fall under the category of unpaid family workers.

According to economist Maitet Diokno-Pascual in her “Unmasking the Myth of ‘Arroconomics’,” only 59% of working age population is employed. Jobs are less permanent, seasonal/part-time, low waged or unpaid or low-skilled.

Like the past administrations, the saving grace of Mrs. Arroyo today in keeping the unemployment rate to a manageable level is the heavy outflow of overseas Filipino workers (OFWs) to almost all destinations abroad. In 2005, OFW deployment almost reached a one million mark at 981,677. Without this, GMA would have faced a very serious unemployment problem and a dearth in dollar reserves.

Table 3: OFW Deployment

OFW	2001	2002	2003	2004	2005	2006 (June)
Workers Deployed	867,599	891,908	868,220	933,588	981,677	564,920
Land-Based	662,648	682,315	652,705	704,586	733,970	428,157
Sea-Based	204,951	209,593	215,515	229,002	247,707	136,763

Source: Bureau of Labor Employment Statistics; POEA

High Prices

The dream of stable prices for basic commodities mentioned in GMA’s 2003 SONA has turned into a reality nightmare to consumers. A quick comparison of current prices showed the rising cost of these basic needs. Contrary to what has been flaunted by GMA before, power rates almost doubled from P5/kwh in 2001 to P9/kwh in 2006, so that the 100 kilowatt hour that was worth P423 in 2003 is now around P900. On the other hand, the price of diesel went up from P18/liter to P37/liter. One of the major reasons for this sharp increase in the prices of goods is the imposition of the oppressive 12% VAT on power and oil products.

The problem is, therefore, not only about providing electricity and water to every barangay but also skyrocketing prices. The cost of water is much higher for 51 million Filipinos who are still

not connected to piped water supply. There are still 2 million households in Metro Manila who are not yet connected to either Maynilad or Manila water, while 633 municipalities outside NCR are considered “waterless”. The same is true for non-wired barangays wherein power and lighting needs are dependent on more expensive gas.

The impact of high prices to wages is likewise unbearable, so that when the movement of prices outpace wage adjustments, the net result is the depreciation of real wages. At present, the current minimum wage of P350 in NCR can only buy half of the prevailing daily cost of living which is currently at P749 for a family of six.

Table 4: Prices

Items	2001	July 2006
Power rates	P5/kwh	P9/kwh
Fuel (diesel)	P18/liter	P37/liter
Cooking Oil (long neck)	P23	P36.00-P40
Cooking Oil (lapad)	P11	P18.00-P20
Sardines	P8.50	P12-P14
White sugar	P28	P40.00
Brown sugar	P23	P34.00
Chicken	P90	P110-P120
Pork	P115	P140-P145
Beef	P160	P160-P180
Condensed milk	P28	
Min fare	P4	P7.50

Source: Bureau of Agricultural Statistics; Freedom from Debt Coalition

On Education

Malacanang claims that as of June 2004, the government has already constructed 964 school buildings in barangays that are too far from schools from July 2001 out of the target 1,608 school buildings; procured and delivered 93.2 million textbooks for all public schools for priority subjects, benefiting 16.8 million students and attaining a 1:1 textbook-pupil ratio in all grade levels. A 1:1 ratio was also achieved in the 1st and 2nd Year High School, with the 3rd and 4th year High School levels attaining this ratio within 2004. It has also allocated billions of funds for the hiring of additional teachers.

Perhaps, for Jomar, Jason and Erwin, who were offered full scholarships and livelihood projects for their parents after having their show with GMA in Congress in 2001, the figures speak of some good news. But still, many youth are simply not convinced.

Youth and students under the banners of Freedom from Debt Coalition and Laban ng Masa presented a different picture in their own version of “State of the Youth Address” or SOYA, last weekend.

According to FDC, the education sector's share in the fiscal pie last year went down by 27.9 percent. A large part of the education budget just went to financing personnel services while funding for books, buildings and teaching tools was a measly 4.1 percent.

This year, the government will be spending 2.4 percent of the gross domestic product (GDP) on education while comparable countries within the Medium Human Development bracket spend an average of 4.41 percent according to the recent United Nations Human Development Report, FDC said.

Proof of this is the dismal state of our educational system. As of now:

- ◆ 1 in 10 Filipinos has never gone to school (6.8 million)
- ◆ 1 in 6 Filipinos is not functionally literate (9.6 million)
- ◆ 4.1 million are illiterate
- ◆ 11.6 million youth are out-of-school
- ◆ More than half (51 percent) of Filipinos had at most elementary education
- ◆ Out of 1000 Grade 1 pupils, only 688 will finish their elementary education and only 7 will acquire the required competency skills
- ◆ Of 100 students that enroll in Grade 1, only 13 will finish college.
- ◆ The Philippines has one of the most crowded classrooms in Asia. Class size is, at least, 55 to 56 students per classroom.
- ◆ Classroom shortage is more than 44,000 despite Mrs. Arroyo's recent pronouncement that there is no classroom shortage.
- ◆ Textbook shortage is pegged at 25 million.
- ◆ Public school teacher shortage is close to 50,000.
- ◆ 8.5 percent of schoolchildren are malnourished. Public schools are lacking in a comprehensive school-based, institutionalized child nutrition program.

FDC data shows that debt servicing has been increasing in proportion as to the total annual budget. From 2002-2005, the average debt to expenditure ratio is 63.60 percent of our national budget.

During this short time, Mrs. Arroyo spent a total of Php2.83 trillion just to pay onerous and unjust debts. This is enough money to augment much needed social services and to help jumpstart the depressing state of our educational system.

“Bokia”

Perhaps there are areas where GMA can make her numbers look good. But for those which we have scrutinized closely, the accomplishment is dismal. However, for lack of better instruments to measure GMA's accomplishments in those areas mentioned above, may be, what can be adopted is a simple yardstick that can gauge the satisfaction level of many sectors regardless of their built-in biases to this administration.

For instance, what we hear from the youth, though, are the usual cynical and scathing remarks. When asked of their score cards, quickly they gave GMA a grade of BOKIA: Disconnected from the people.