



Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

The Impact of the Global Financial Crisis on Poverty in the Philippines

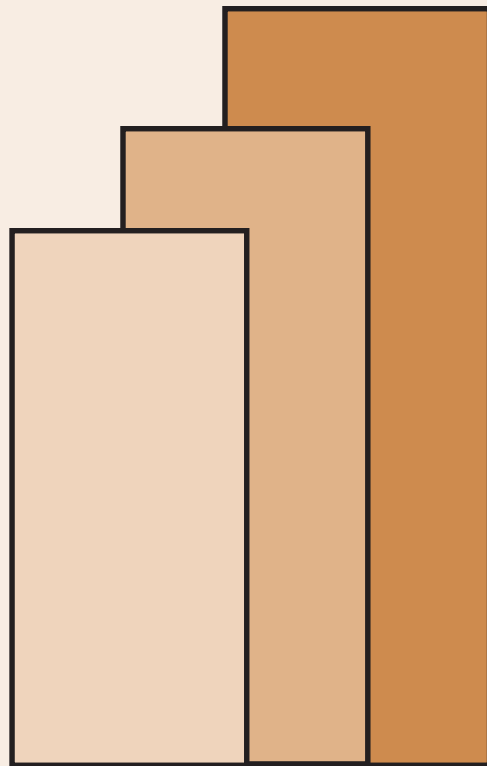
Celia Reyes, Alellie Sobreviñas, and Jeremy de Jesus

DISCUSSION PAPER SERIES NO. 2010-04

The *PIDS Discussion Paper Series* constitutes studies that are preliminary and subject to further revisions. They are being circulated in a limited number of copies only for purposes of soliciting comments and suggestions for further refinements. The studies under the *Series* are unedited and unreviewed.

The views and opinions expressed are those of the author(s) and do not necessarily reflect those of the Institute.

Not for quotation without permission from the author(s) and the Institute.



February 2010

For comments, suggestions or further inquiries please contact:

The Research Information Staff, Philippine Institute for Development Studies

5th Floor, NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City, Philippines

Tel Nos: (63-2) 8942584 and 8935705; Fax No: (63-2) 8939589; E-mail: publications@pids.gov.ph

Or visit our website at <http://www.pids.gov.ph>

THE IMPACT OF THE GLOBAL FINANCIAL CRISIS ON POVERTY IN THE PHILIPPINES

Celia Reyes, Alellie Sobreviñas and Jeremy de Jesus

ABSTRACT

The recent global financial and economic crisis which started in the United States and expanded to other developed countries has, to some extent, affected developing countries as well. Given the vulnerability of most developing countries, it is important to monitor the impact of this global crisis on poverty. This study, therefore, aims to assess the impact of the crisis on poverty in the Philippines. The result of this study would serve as inputs to policymakers in prioritizing mitigating measures that would address the impact of the crisis.

In this study, monitoring is done primarily through the conduct of CBMS surveys in selected sentinel sites. Household- and community-level data were collected to capture the different dimensions of poverty. In addition to the CBMS core indicators, specific indicators (including the outcome and impact indicators) were monitored to determine the impact of the global crisis. These indicators were identified based on the relevant key transmission channels for the Philippines including overseas employment and remittances, and local employment. The study also looked at the different coping mechanisms adopted by the households in response to the crisis. The study also attempted to identify who are able to access the programs which were being implemented in the community.

Ten (10) barangays all over the Philippines were selected to serve as poverty observatories or sentinel sites for monitoring the impact of the global crisis. Selection of these sites was also based on the relevant transmission channels for the Philippines. Results reveal that although the impact of the crisis is generally minimal, the crisis has affected some specific sectors in the economy. The degree of impact also varies among different groups of households. Hence, policies should be designed to mitigate the impact of the crisis on these affected sectors and groups of households.

Keywords: global financial and economic crisis, poverty impact, community-based monitoring system (CBMS), impact transmission channels, CBMS indicators, household-coping strategies, program targeting, leakages and exclusion

THE IMPACT OF THE GLOBAL FINANCIAL CRISIS ON POVERTY IN THE PHILIPPINES¹

Celia Reyes, Alellie Sobreviñas and Jeremy de Jesus²

1. INTRODUCTION

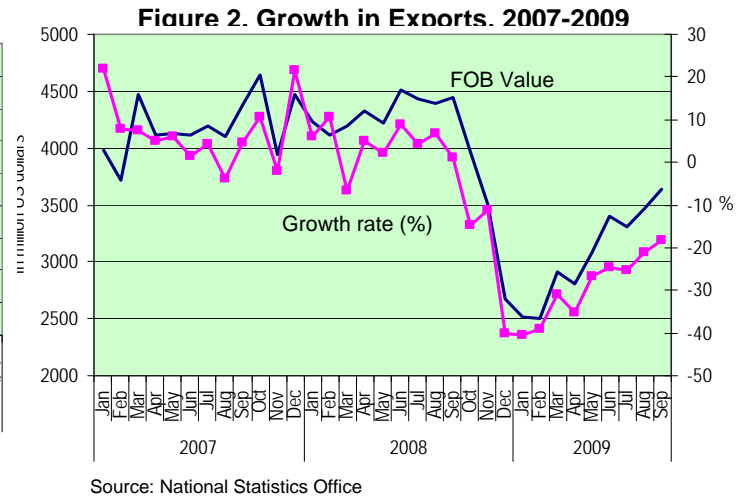
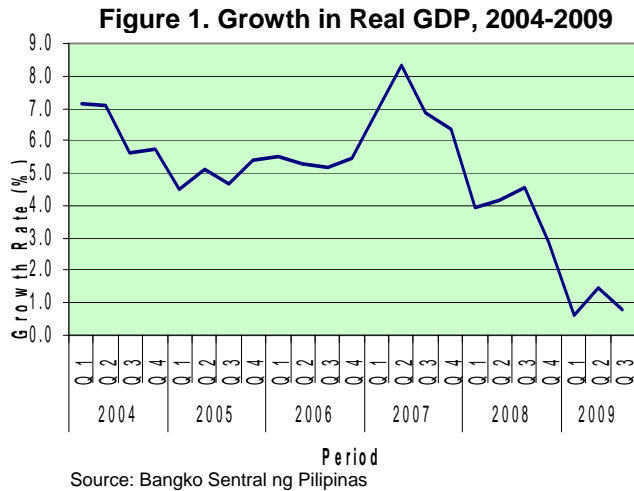
The recent global financial and economic crisis which started in 2007 in the United States and expanded to other developed countries has, to some extent, affected developing countries as well. In particular, developing countries could be affected by the financial crisis in two possible ways: 1) financial contagion and spillovers for stock and bond markets in emerging markets; and 2) economic downturn in developed countries. Economic downturn in developed countries may have significant impact on developing countries through the following channels: a) trade and trade prices; b) remittances, c) foreign direct investment and equity investment; d) commercial lending; e) aid; and f) other official flows. Although the economic impact of the global financial crisis would vary across different countries, it is expected that, in general, there would be further pressures on current accounts and balance of payment. The crisis could also result in weaker export revenues, lower investment and GDP growth rates and loss of employment. In terms of social impact, the lower growth would translate into higher poverty and even slower progress toward the Millennium Development Goals (MDGs) (Velde, 2008).

The Philippines was not able to escape the adverse consequences of the crisis. This can be clearly shown by Philippine data for the period 2004-2009. In terms of economic growth, the Philippines posted an annual rate of 3.8 percent in 2008 which is down from 2007's 31-year high of 7.1 percent (*Figure 1*). In 2009, the country posted a relatively lower GDP growth at 0.6 percent, 1.5 percent and 0.76 percent during the first three quarters of the year, respectively. Note that the first and the third quarter figures are still lower than the revised official government target of 0.8 to 1.8 percent for the year. Growth projections for the Philippines have been trimmed down due to potentially lower exports and foreign direct investments, among others. In fact, data on these key economic indicators showed that the global economic slowdown has also affected the Philippine economy.

In terms of *exports*, the country's earnings for September 2009 have declined by at least 18.3 percent (from US\$4.446 million in September 2008 to US\$3.634 million) year-on-year, which is primarily due to lower demand from advanced economies (*Figure 2*). Negative growth in total exports is observed since October 2008. Note that the United States and Europe account for about 17.8 percent and 20.0 percent, respectively of the Philippines' export income for the period January-September 2009. It is also important to highlight that electronics, which is the country's major export product accounting for about 57.6 percent of the total export revenues from January-September 2009, is the most affected. There is an increasing trend in the volume of exports starting March 2009 but year-on-year growth is still in negative territory.

¹ Revised version of the paper presented during the 6th CBMS National conference on December 8-10, 2009 at Manila Diamond Hotel, Manila.

² PIDS Senior Research Fellow and Director, Research Associate and Research Assistant, respectively, of the CBMS Philippines Team. The authors are grateful to Steffie Joi Calubayan for her excellent research assistance. The authors acknowledge the support provided by IDRC and CIDA thru the PEP-CBMS Network.



In terms of *employment*, at least 41,000 people in the Philippines have lost their jobs as of 24 March 2009 amid the global crisis. The total number includes job losses from the crisis since October 2008 and includes overseas-based contract workers from recession-hit economies (about 5,700 persons) and employees in domestic factories (35,300 persons) which are also suffering from the fall in global demand. Hence, the unemployment rate as of April 2009 stood at 7.5 percent (*Figure 3*). During this period, the manufacturing sector reported a negative year-on-year growth (i.e., about -1.5%) in the number of employed persons. However, based on the report on employment as of July 2009, unemployment rate stood at 2.9 million compared to 2.7 million in the same month in 2008. This translates to unemployment rate of 7.6 percent in July 2009, an increase of 0.2 percentage points compared to previous year's figure.

Furthermore, employment growth, measured in terms of labor turnover rates started to decline significantly during the second quarter of 2008 (*Figure 4*). However, it improved considerably to 2.2 percent in 2009 as compared to the 2008 figure of nearly zero growth rate (0.27%). It is also important to highlight that the manufacturing sector recorded a negative labor turnover rate during the first quarter of 2009 (*Figure 5*). This means that in the manufacturing sector, the separation rate (or terminations of employment or quits that occurred during the period) was higher than the accession rate (or the additions to employment)



Another negative impact of the global financial crisis is in terms of slower growth in *remittances* from overseas Filipino workers (*Figure 5*). According to the reports of BSP, remittances coursed through banks grew by 8.6 percent in September 2009 year-on-year notwithstanding the global financial crisis. Remittances during the period reached US\$1.447 billion. It is important to highlight, however, that the September growth is lower compared to the 16.9% growth a year ago. BSP expects that remittances will grow by about 4% this year to \$17.1 billion, “noting that the impact of the global economic crunch on the amount of money sent by Filipinos overseas was less severe than expected.” The BSP had earlier projected that remittances this year would only be the same as last year’s level of \$16.4 billion. BSP pointed to more favorable trends in recent months for the revision of forecast figures. Note that based on the data from the Philippine Overseas Employment Administration (POEA), a total of 1,236,013 workers were deployed in 2008 which is 14.7 percent higher compared to the 1,077,622 in 2007. The growth (year-on-year) in the number of deployed workers, however, declined during the third and fourth quarters of 2008 (*Figure 6*)

Figure 5. OFW remittances, 2007-2009

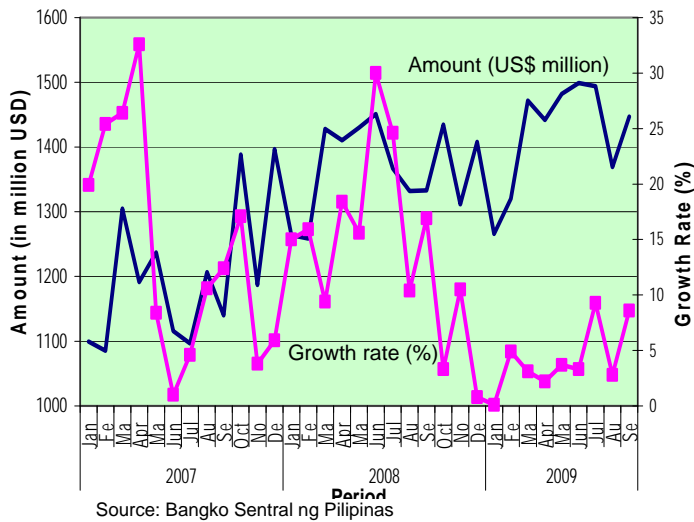


Figure 6. Deployment of OFWs, 2007-2009



Given the vulnerability of the Philippines, it is important to determine the potential impact of this global crisis on poverty. This study, therefore, aims to assess the impact of the crisis on poverty in the Philippines. In particular, the study aims to determine which sectors of the economy are affected by the crisis. The study also looks at the different coping mechanisms adopted by the households, as well as the programs implemented by the government, in response to the crisis. The result of this study would serve as inputs to policymakers in prioritizing mitigating measures that would address the impact of the crisis on poverty. In particular, the results of this study would help in identifying and designing the necessary social protection programs, as well as in refining program targeting, and in addressing the incidence as well as stimulus of the taxes and expenditures. The need for improved social protection programs had already become clear in the course of the food and energy price rises just preceding the financial crisis and global slowdown.

2. METHODOLOGY

Given the objectives of the study, the impact at the household and community level will be analyzed using the data on the different dimensions of poverty obtained from community-based monitoring systems being implemented in the Philippines. This study demonstrates how CBMS can be used as a tool for monitoring the impact of shocks (such as the global financial and economic crisis) on poverty.

2.1 Transmission Channels

Based on the review of the literature and further discussions, the relevant channels by which the impact of the global crisis could affect households were identified. In the case of the Philippines, these channels include overseas employment and remittances, and local employment. Under local employment, there were two categories as follows: 1) entrepreneurial activities; 2) wage earners and salaried workers. This study, therefore, focuses only on these channels. These key transmission channels helped in the identification of the poverty observatories or sentinel sites for monitoring the impact of the crisis, as well as the additional indicators that were monitored at the household- and community levels.

2.2 Data and Indicators

In addition to the existing CBMS core indicators (which are being considered as the impact indicators), specific outcome indicators were monitored to determine how households are affected by the global crisis. As mentioned earlier, the outcome indicators were identified based on the relevant transmission channels for the Philippines. Indicators of coping mechanisms were also monitored to determine how households were adopting in response to the crisis.

2.3 Project Coverage

In this paper, results are presented for 10 selected sites³ distributed all over the Philippines. The sites would serve as poverty observatories or sentinel sites for monitoring the impact of the crisis (*Table 1*). These include 4 sites in rural areas, 5 sites in urban areas outside NCR and 1 site in urban NCR. To consistent with the CBMS methodology, all households in the selected sites were included in the survey. These selected barangays under this study consist of about 3,499 households. As mentioned earlier, identification of these sites was based on the relevant transmission channels for the country. Note that for this round of data collection, the reference period used is 6 months (i.e., from November 2008 to April 2009).

2.4 Data Collection Instruments and Conduct of Necessary Training

Aside from the CBMS Core questionnaires (*Household Profile Questionnaire and Barangay Profile Questionnaire*), rider questionnaires were prepared and were administered to selected sentinel sites in order to collect the additional information required for monitoring the indicators. The two new rider questionnaires that were developed are as follows: 1) *HPQ Global Crisis Rider* (CBMS Form 5); and 2) *BPQ Global Crisis Rider* (CBMS Form 6). These rider questionnaires were designed particularly to collect information on the indicators of outcome and impact of the crisis, as well as the different coping mechanisms adopted by the households in response to the crisis.

³ The CBMS Network initiative covers 13 sentinel sites for the GFC Impact study. Data encoding for the remaining sites is still ongoing.

Table 1. Total no. of households and total population per barangay

Barangay	Municipality/City	Province	Households		Population	
			No.	%	No.	%
Urban NCR			856	24.5	2,941	19.4
192	Pasay City	NCR-4	856	24.5	2,941	19.4
Urban Outside NCR			1,738	49.7	7,729	51.0
Gumamela	Labo	Camarines Norte	432	12.3	2,060	13.6
Villa Angeles	Orion	Bataan	354	10.1	1,401	9.2
Poblacion III	Santo Tomas	Batangas	466	13.3	2,086	13.8
Magbangon	Cabucgayan	Biliran	259	7.4	1,230	8.1
Masikap	Puerto Princesa City	Palawan	227	6.5	952	6.3
Rural			905	25.9	4,491	29.6
Ando	Borongan	Eastern Samar	174	5.0	892	5.9
San Miguel	Llorente	Eastern Samar	269	7.7	1,372	9.0
Salvacion	Puerto Princesa City	Palawan	237	6.8	1,084	7.1
San Vicente	Santa Elena	Camarines Norte	225	6.4	1,143	7.5
Total			3,499	100.0	15,161	100.0

To help the enumerators, manuals were also prepared containing the guidelines on how to administer the questionnaires. The *CBMS Manual 5* presents the details on how to accomplish the *HPQ Global Crisis Rider Questionnaire* while the *CBMS Manual 6* provides the details on filling-up the *BPQ Global Crisis Rider Questionnaire*. The enumerators and supervisors were provided training by the CBMS-Philippines Team, particularly on the key concepts and on how to administer the questionnaires. The training also involved hands-on exercises on the conduct of the survey. Furthermore, the CBMS encoding system was also revised to incorporate the questions contained in the rider questionnaires. The assigned data encoders were also given a short training on the revised encoding system.

3. RESULTS AND DISCUSSION

3.1 Impact on Households Through Overseas Employment and Remittances

3.1.1 Returning OFWs Due to Retrenchment

As mentioned earlier, data on deployment from the POEA revealed positive year-on-year growth in the total number of deployed during the period 2007 to 2009. However, the CBMS data reveals that there were some OFWs who were retrenched during the period November 2008 to April 2009. In particular, about 450 of the 3,499 surveyed households have at least one previous member who was working abroad which translates to about 12.9 percent of all households interviewed. Although 44.7 percent of respondents with OFW reported that they had an OFW who returned during the period, only 25 households or about 12.4 percent of households with returning OFW were affected through OFW retrenchment. This translates to a total of 28 OFWs who pointed to retrenchment or lay-off as the reason for the homecoming.

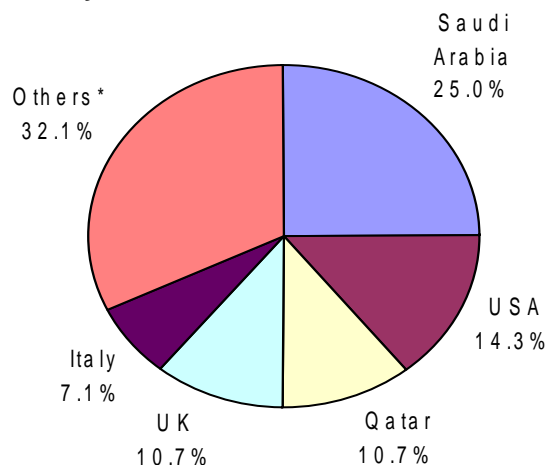
A large proportion of retrenched OFWs used to work in Saudi Arabia. Data for the ten (10) sentinel sites revealed that about 25.0 percent of OFWs who were retrenched came from Saudi Arabia, followed by the United States (14.3%). Data disaggregation also revealed that most of the retrenched OFWs are male (71.4%). (Table 2 and Figure 7)

Table 2. Distribution of retrenched OFWs, by country

Country	No. of Retrenched OFWs
Saudi Arabia	7
USA	4
Qatar	3
UK	3
Italy	2
Others*	9
Total	28
Male	20
Female	8

Source: CBMS Survey 2009

Figure 7. Distribution of retrenched OFWs, by country



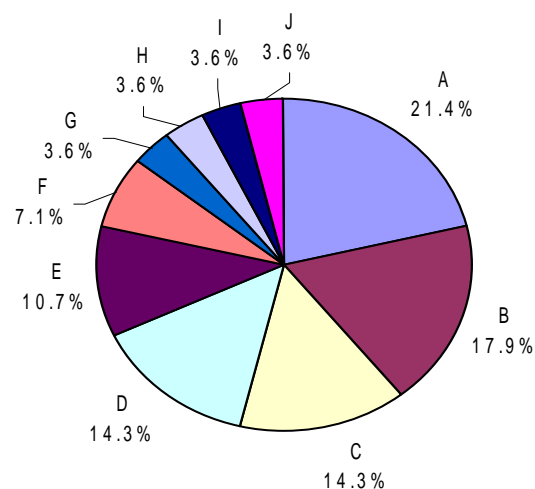
Most of the retrenched OFWs used to work in private households with employed persons. In fact, these workers represent about 21.4% of the retrenched OFWs (Table 3 and Figure 8). A relatively large proportion of retrenched OFWS came from health and social work (17.9%) and manufacturing sector (14.3%).

Table 3. Retrenched OFW, by sector

Industry	Total	
	No.	%
A. Private households with employed person	6	21.4
B. Health and social work	5	17.9
C. Manufacturing	4	14.3
D. Financial intermediation	4	14.3
E. Transport, storage and communication	3	10.7
F. Real estate, renting and business activity	2	7.1
G. Hotel and restaurants	1	3.6
H. Wholesale & retail trade, repair of motor vehicles, motorcycles, and personal household goods	1	3.6
I. Other community, social and personal service activities	1	3.6
J. Construction	1	3.6
Total	28	100
Male	20	71.4
Female	8	28.6

Source: CBMS Survey 2009

Figure 8. Retrenched OFW, by sector



3.1.2 Wage Reduction among OFWs

Rather than going back home to the Philippines, some OFWs agreed to wage cuts during the reference period. About 9.3 percent of the households with OFW reported that their OFW experienced wage reduction during the period November 2008-April 2009. This represents 42 OFWs who experienced a reduction in wage. Some of the major reasons mentioned by the OFWs for the decrease in wage are the following: 1) reduced working hours (33.3%); 2) the firm where the OFW works is cutting costs (26.2%); and 3) the firm where the OFW works is incurring losses (11.9%). *About 71.4 percent of the OFWs who experienced wage reduction are working in Asian countries.* A significant proportion of OFWs are, in fact, working in the Middle East. In particular, about 37.2 percent of the affected OFWs are working in Saudi Arabia, followed by USA (9.3%) and Hong Kong SAR (9.3%). Disaggregation by sex reveals that male workers dominate the group of OFWs who experienced a reduction in wage or salary. (Table 4)

Table 4. OFW who experienced wage reduction, by country

Country	Total		Male		Female	
	No.	%	No.	%	No.	%
Saudi Arabia	16	37.2	15	93.8	1	6.3
USA	4	9.3	4	100.0	0	0.0
Hong Kong SAR	4	9.3	1	25.0	3	75.0
Qatar	3	7.0	2	66.7	1	33.3
Singapore	2	4.7	2	100.0	0	0.0
DPRK	2	4.7	2	100.0	0	0.0
Others	9	20.9	4	44.4	5	55.6
Unspecified	3	7.0	3	100.0	0	0.0
Total	43	100	33	76.7	10	23.3

Source: CBMS Survey 2009

Most of the OFWs who experienced wage reduction are service workers and shop and market sales worker. About 30.2 percent of affected OFWs work in this type of job. This is followed by those who work in trades and related work (14.0%), technicians and associates (14.0%), and laborers and skilled workers (14.0%). The rest works in other types of occupation. Still, male workers dominate the group of affected workers. (Table 5)

3.1.3 Decline in the Amount and Frequency of Remittances Received

As mentioned earlier, data from the BSP indicate that remittances continue to increase, although the pace slackened. Based on the CBMS data, however, not all of the households with OFW actually received remittances during the 6-month period covered by the study. In fact, about 21.6 percent of them reported that they did not receive remittance. In addition, about 8.9 percent of the households with OFW experienced reduction in amount of remittances received during the period. An estimated 7.1 percent of all households experienced a decline in the frequency of receipt of remittances.

Table 5. OFW who experienced wage reduction, by occupation

Type of Job	Total		Male		Female	
	No.	%	No.	%	No.	%
All Occupations	43	100.0	33	76.7	10	23.3
Service workers and shop and market sales worker	13	30.2	9	69.2	4	30.8
Trades and related workers	6	14.0	5	83.3	1	16.7
Technicians and associate professionals	6	14.0	5	83.3	1	16.7
Laborers and skilled workers	6	14.0	4	66.7	2	33.3
Plant and machine operators and assemblers	5	11.6	4	80	1	20
Professionals	3	7.0	2	66.7	1	33.3
Officials of government and special interest organization, corporate executives, managers, managing proprietors and supervisors	2	4.7	2	100	0	0
Farmers, forestry workers and fisherfolk	1	2.3	1	100	0	0
Special occupations	1	2.3	1	100	0	0

Source: CBMS Survey 2009

The largest proportion of households which experienced decline in the amount and frequency of receipt of remittance is reported in urban NCR. About 18.3 percent of households with OFW in urban NCR experienced a decline in the amount of remittance they received during the period which is higher compared to the reported figures for households in rural and urban outside NCR amounting to 8.9 percent and 6.7 percent, respectively. (Table 6)

Table 6. Households affected by the crisis through remittances

Indicator	Rural		Urban NCR		Urban Outside NCR		Total	
	No.	%	No.	%	No.	%	No.	%
Households	905		856		1,738		3,499	
HH with OFW	79	8.7	71	8.3	300	17.3	450	12.9
HH who received remittances during the past 6 months	65	82.3	54	76.1	234	78.0	353	78.4
HH who experienced a decline in the amount of remittances received	7	8.9	13	18.3	20	6.7	40	8.9
HH who experienced a decline in the frequency of receipt of remittances	4	5.1	9	12.7	19	6.3	32	7.1

Source: CBMS Survey 2009

3.2 Impact on Households through Local Employment

The study also tried to determine how households were affected through local employment by looking at those who are involved in entrepreneurial activities and those who are wage earners and salaried workers. Based on the CBMS data, there are 5,701 members of the labor force, 88.5 percent of which are employed during the reference period. This translates to unemployment rate of 11.5 percent. About 62.5 percent of employed individuals are male while the rest are female (Table 7).

Table 7. Labor force statistics

Statistics	Total No.	Proportion	Male		Female	
			No.	%	No.	%
Population 15 years and over	10,394		5,123	49.3	5,271	50.7
Labor force	5,701	54.8	3,508	61.5	2,193	38.5
Employed	5,046	88.5	3,155	62.5	1,891	37.5
Unemployed	655	11.5	353	53.9	302	46.1

Source: CBMS Survey 2009

Entrepreneurial Activities

3.2.1 Opening of New Business and Closing of Existing Business

Only a few households engaged in a new business during the period (Table 8). Results showed that a meager 2.1 percent of the households surveyed actually engaged in new entrepreneurial activity during the 6-month period covered by the study. This translates to 75 new businesses set up in all the barangays covered by the study. A majority (i.e., about 57.3%) of these new businesses are related to wholesale and retail trade and repair of motor vehicles. However, most of the households which engaged in a new business are those living in urban areas. A few households also closed their existing business during the period. In fact, only 19 households (or 1.0%) reported that they closed their business during the period. These results confirm the minimal effect of the crisis in the selected sites in terms of households' engagement in a business or entrepreneurial activity.

Table 8. Outcome indicators : Entrepreneurial Activities, 2009.

Indicator	Magnitude	Proportion
HHs engaged in new entrepreneurial activity	75	2.1
HHs engaged in an entrepreneurial activity	1,817	51.9
HHs which closed a business	19	1.0
HHs with significant change in the monthly income from the business	158	8.7
Increase	33	20.9
Decrease	125	79.1
HHs with significant change in the no. of employed persons in the business	6	0.3
Increase	3	50
Decrease	3	50

Source: CBMS Survey 2009

3.2.2 Change in the Number of Employed Persons and Amount of Monthly Income from the Business

About 8.7 percent (or 158) of households engaged in entrepreneurial activity experienced a significant change in their monthly income from their business (Table 8). A majority of these households reported a decline in their monthly income from the business. In particular, 79.1 percent

of these households reported that they suffered a decrease in income while the remaining 20.9 percent experienced an increase in income from their business. The proportion of households which suffer a decline in the monthly income from a business is lower in rural areas (i.e., 69.2%) as compared to those households living in urban areas. Furthermore, a *meager 0.3 percent of households engaged in at least one entrepreneurial activity reported a significant change in the number of employed persons in their business*, 50.0 percent of which said that they decreased the number of their employees during the period covered by the study.

Wage Earners and Salaried Workers

3.2.3 Loss of Job

The global crisis could have potentially affected local employment given the reduction in exports, including exports of electronics. Unemployment rate, using the data from NSO, went up and employment in the manufacturing sector declined. Labor turnover rate for the first quarter of 2009 in the Philippines is posted at 0.27 percent indicating that the separation rate (*layoffs*) is just slightly lower than accession rate (*hirings*).

During the period November 2008 to April 2009, 92 households reported job loss of at least one of their members representing 2.2 percent of all households surveyed (Table 9). This translates to a total of 109 persons who lost their job during the period. Most of the affected individuals used to work as service workers and shop and market sales workers accounting for 23.9 percent of all affected members (*Table 10*). In addition, many of the affected individuals used to work in the *manufacturing industry* which account for about 20.2 percent of the total number of persons who lost their job (*Table 11*). Hence, this sector could potentially be affected by the crisis through the employment channel. Note that no individual from the agriculture sector has lost his/her job due to layoffs.

3.2.4 Reduction in Wage, Number of Working Hours and Employment Benefits

Some of the employed individuals also experienced a reduction in wage, number of working hours and employment benefits (*Table 12*). These employed persons would prefer working in the same job despite these reductions rather than moving to another job or being unemployed. Based on the responses given during the survey, about 1.6 percent (or 83 persons) suffered a decline in wage. In addition, 73 persons experienced a reduction in working hours while 8 persons suffered from a reduction in benefits. Although there are more employed men than women, the reported proportion of employed women affected through reduced wage (1.9%) and working hours (1.9%) is slightly higher as compared to men.

Table 9. Outcome indicators, Wage Earners and Salaried Workers

Indicator	No.	%
HH with member who lost job	92	2.6
Members who lost job	109	2.2
HH with member who experienced wage reduction	74	2.1
HH with member who experienced a reduction in number of working hours	65	1.9
HH with member who experienced reduction in employment benefits	8	0.2

Source: CBMS Survey 2009

Table 10. Members who lost job, by

Type of job	No.	%
Service workers and shop and market sales workers	26	23.9
Professionals	21	19.3
Laborers and skilled workers	19	17.4
Plant and machine operators and assemblers	15	13.8
Technicians and associate professionals	8	7.3
Others	20	18.3
Total	109	100.0

Source: CBMS Survey 2009

Table 11. Members who lost job, by industry

Industry	No.	%
Manufacturing	22	20.2
Private households with employed person	15	13.8
Education	12	11.0
Other community, social and personal service activities	9	8.3
Wholesale & retail trade, repair of motor vehicles	8	7.3
Hotels and restaurants	8	7.3
Transport, storage, and communication	7	6.4
Public administration and defense; compulsory social security	7	6.4
Financial intermediation	5	4.6
Health and social work	4	3.7
Construction	4	3.7
Electricity, gas and water supply	3	2.8
Mining and quarrying	2	1.8
Real estate, renting and business activities	2	1.8
Extra-territorial organizations and bodies	1	0.9
Total	109	100.0

Source: CBMS Survey 2009

Table 12. Members who experienced reduction in wage, working hours or employment benefits

	No. of Employed Persons	With Wage Reduction		With Reduced Working Hours		With Reduced Benefits	
		No.	%	No.	%	No.	%
Male	3,155	47	1.5	37	1.2	5	0.16
Female	1,891	36	1.9	36	1.9	3	0.16
Total	5,046	83	1.6	73	1.4	8	0.16

Source: CBMS Survey 2009

3.3 Impact on the Agriculture Sector

Looking at the group of households involved in agriculture, data shows that the sector was not affected very much. As mentioned earlier, based on the responses given during the conduct of the survey, no individual from the agriculture sector has lost his/her job due to the crisis. Furthermore, out of the 3,499 households included in the survey, only 775 (23.7%) were involved in the agriculture sector with Barangay Salvacion (Puerto Princesa City, Palawan) recording the highest proportion of households engaged in an agricultural activity at 87.8 percent (*Table 13*). Among all those households which reported a decline in income from existing business, 61 (48.8%) were

involved in the agricultural business while 64 (51.2%) were not engaged in an agricultural activity. Note that, in general, the average income of households working in the agriculture sector is significantly lower as compared to the non-agriculture households. Only 27 (of the 927 households involved in agriculture) or 2.9 percent reported a decline in their income from their agricultural business (*Table 14*). The decrease is mainly due to damages caused by natural calamities or inclement weather and not necessarily related to the global crisis.

Table 13. Households involved in the agriculture sector, by site

Site	No. of HHs	%
Salvacion	208	87.8
Ando	125	71.8
San Miguel	187	69.5
San Vicente	152	67.6
Magbangon	139	53.7
Gumamela	78	18.1
Villa Angeles	19	5.4
Masikap	10	4.4
Poblacion III	7	1.5
Brgy. 192	2	0.2
Total	927	26.5

Source: CBMS Survey 2009

Table 14. Distribution of households by type of involvement in the agriculture sector

Type of HHs	Agri HHs	Non-Agri HHs
No. of HHs	927	2,572
Average income (Php)	22,792.8	74,446.5
HHs with a decrease in income from agricultural business	27	n.a.

Note: Agri HHs refer to those which are involved in the agriculture sector while Non-Agri HHs refer to those which are NOT involved in the agricultural sector

Source: CBMS Survey 2009

It is also important to highlight that among all sites included in the study, Villa Angeles (Orion, Bataan) recorded the highest proportion of households affected by the global financial crisis (*Table 15*). In particular, about 22.3 percent of the households living in Villa Angeles were affected by the crisis which channels through overseas employment and remittance or through local employment. About a fifth of the affected workers in the barangay work or used to work in the manufacturing sector as accountant, autocad, comptroller, factory worker, laborer, and welder. The other major sectors affected by the crisis include the education sector (16.7%), comprising of teachers and clinical instructors who lost their their jobs, and private households with employed persons (16.7%). Bookkeeper, draftsman, house maid, laundrywoman, janitor, instrument technician, and electrician comprise the latter.

Note that most of the barangays with high proportion of households engaged in any agriculture activity were not affected by the crisis. For instance, in Ando (Borongan, Eastern Samar) where about 71.8 percent of the households are involved in an agriculture activity, only 1.1 percent were affected through the local employment channel and 2.3 percent through overseas employment and remittance channel.

Table 15. Households affected by the global financial crisis through overseas employment and remittance and local employment, by site

Barangay	Affected by GFC		Affected through Overseas Employment and Remittance		Affected through local employment		HHs Engaged in any Agriculture Activity	
	No.	%	No.	%	No.	%	No.	%
Urban NCR								
Barangay 192	65	7.6	22	2.6	46	5.4	2	0.2
Urban Outside NCR				0.0				
Gumamela, Labo, Camarines Norte	39	9.0	12	2.8	28	6.5	78	18.1
Villa Angeles, Orion, Bataan	79	22.3	33	9.3	50	14.1	19	5.4
Poblacion III, Sto. Tomas, Batangas	68	14.6	17	3.6	52	11.2	7	1.5
Magbangon, Cabucayan, Biliran	10	3.9	2	0.8	8	3.1	139	53.7
Masikap, Puerto Princesa City, Palawan	27	11.9	7	3.1	20	8.8	10	4.4
Rural								
Ando, Borongan, Eastern Samar	6	3.4	4	2.3	2	1.1	125	71.8
San Miguel, Llorente, Eastern Samar	11	4.1	10	3.7	1	0.4	187	69.5
Salvacion, Puerto Princesa City, Palawan	13	5.5	0	0.0	23	9.7	208	87.8
San Vicente, Sta. Elena, Camarines Norte	23	10.2	1	0.4	12	5.3	152	67.6

3.4 CBMS Core Indicators: Changes over Time

3.4.1 Panel Data for Barangay 192, Pasay City

A panel dataset was prepared for Barangay 192 (Pasay City, NCR) by defining the same household as one with at least one member present in both rounds (i.e., in 2005 and in 2009). Matching of households reveals that only 324 households (out of the 836 households during the 2005 survey) matched in both survey rounds. Results from the panel data created showed that the proportion of poor households in the area slightly increased from 8.3 percent in 2005 to 9.9 percent in 2009 (or a 1.6 percentage point increase) (*Table 16*). This is despite the fact that unemployment rate decreased slightly in 2009. In particular, unemployment rate decreased by 4.9 percentage points from 17.5 percent in 2005 to 12.6 percent in 2009. These results may imply that the decrease in the proportion of unemployed⁴ does not necessarily increase the per capita income of the households living in the area. While the total number of unemployed persons decreased by 44, the number of employed individuals declined by 57 (*Table 17*). The total members of the labor force also decreased by 101

⁴ The difference in the employment definition (based on NSO's official definition) used in the 2005 and 2009 surveys may have also contributed to the decrease in unemployment rate. The definitions used in the surveys differ terms of the adoption of the "availability criterion" and the imposition of a "cut-off period for the job search" of the discouraged workers in the 2009 survey.

from 634 persons in 2005 to 533 persons in 2009. One of the possible reasons for the decrease in the number of the labor force is splitting of households in 2005. Note that only one of the split households was included in the panel dataset

Table 16. CBMS core indicators for panel households in Barangay 192, Pasay City, 2005 and 2009

CBMS Core Indicators	2005	2009
Health and Nutrition		
Proportion of children aged 0-4 years old who died	0.0	0.0
Proportion of women who died due to pregnancy related causes	0.0	0.0
Proportion of children aged 0-5 years old who are malnourished	0.0	1.8
Shelter		
Proportion of households living in makeshift housing	0.3	3.1
Proportion of households that are squatters*	0.0	43.2
Water and Sanitation		
Proportion of households without access to safe water supply	3.7	0.6
Proportion of households without access to sanitary toilet facilities	0.0	0.0
Education		
Proportion of children aged 6-12 years old who are not attending elementary school	12.8	19.1
Proportion of children aged 13-16 years old who are not attending secondary school	23.3	23.8
Income		
Proportion of households with income below the poverty threshold	8.3	9.9
Proportion of households with income below the food (subsistence) threshold	2.2	2.8
Proportion of households that experienced food shortage	0.6	1.5
Employment		
Proportion of persons who are unemployed	17.5	12.6
Peace and Order		
Proportion of persons who were victims of crimes	0.0	0.4

*for validation

Source: CBMS Survey, 2005 and 2009

Based on job status, about 85.5 percent of all employed persons are working in a permanent job while the rest are either working in a non-permanent job (i.e., whose status is short-term, seasonal/casual work or work on different jobs) (*Table 16*). The number of members who have a permanent job remained almost unchanged while the number of persons who are considered working in a non-permanent job declined from a total of 76 in 2005 to 19 in 2009 translating to a decrease of 75.0 percent. These results may imply that the members who lost their job within the reference period are those who are working in a non-permanent job.

Job status	2005		2009	
	No.	%	No.	%
Employed Persons (15 yrs old and above)	523		466	
Permanent	448	85.5	449	95.9
Short-term, seasonal or casual	58	11.1	14	3.0
Worked on different jobs on day to day	18	3.4	5	1.1
Unemployed Persons (15 yrs old and above)	111	17.5	67	12.6
Total No. of Labor Force	634		533	
Total Population	1,674		1,374	

Another possible explanation for the increase in poverty incidence during the period is the potential decrease in the mean income of employed persons. Note that there was a significant increase in the number of laborer and unskilled workers by 112 (or 86.2%). In addition, the number of professionals, associate professionals, service workers, trades and related workers all dropped significantly for the period 2005-2009 (*Table 17*). Given the decline in the number of employed persons in 2009 (some of whom are professionals, service workers, or trades workers), there had also been a shift in the type of occupation for those members who are still working. It is also possible that the new entrants into the labor market work as laborers and unskilled workers.

Table 18. Distribution of employed workers by type of occupation, 2005 and 2009

Occupation	2005 Data		2009 Data	
	No.	%	No.	%
Officials of government and special-interest organization, corporate executives, managers, managing proprietors and supervisors	21	4.01	23	4.91
Professionals	34	6.49	18	3.85
Technician and Associate Professionals	58	11.07	17	3.63
Clerks	28	5.34	60	12.82
Service workers and shop and market sales workers	225	42.94	126	26.92
Farmers, forestry workers and fisherfolk	1	0.19	0	0.0
Trades and related workers	72	13.74	28	5.98
Plant and machine operators and assemblers	60	11.45	61	13.03
Laborers and unskilled workers	18	3.44	130	27.78
Special occupations	7	1.34	5	1.07
Total	524	100.0	468	100.0

3.4.2 CBMS Core Indicators for the Ten Selected Sites (All Households)

Annex A shows the CBMS core indicators reflecting the potential impact of the global crisis (and possibly, of other shocks) on poverty in the ten (10) selected GFC sites. *Results show that poverty incidences in most of the sites have increased in 2009 as compared to their previous CBMS round.* For instance, an increase in the proportion of income poor households was observed in Magbangon (Cabugcayan, Biliran) from 42.2 percent in 2005 to 56.8 percent in 2009, translating to 14.6

percentage point increase. There was also an increase in income poverty in 2009 in San Vicente (5.6 percentage points) and in Ando (2.6 percentage points) when compared to the baseline period.

In terms of employment, three of the sites (i.e., San Miguel, San Vicente and Ando) recorded an increase in unemployment rate, which may be partly due to the impact of the crisis on local employment. The difference in the employment definition used in the 2005 and 2009 surveys may have also contributed to the decline in the estimate of unemployment rate in these sites.

Results also show worsening of poverty situation in terms of other dimensions, including health and nutrition, shelter, water and sanitation, among others.

Although the change in the poverty indicators could not be attributed solely to the global crisis, the interactions of different shocks which the households faced in between periods have definitely contributed to the worsening condition, and hence, increasing poverty. Note, however, that these estimates do not necessarily include the same set of households, primarily because of attrition.

4. Coping Mechanisms Adopted by the Households

Households usually cope with shocks (e.g., the global crisis) by increasing receipts, reducing consumption or shifting to cheaper substitutes. During the period covered by the study, a majority of the households (i.e., 86.0%) reported that they modify their consumption of food (*Table 19*). In particular, most of the households tried to reduce consumption of relatively expensive food items. Another common strategy adopted by the households is by buying food in retail and smaller portions/packages. Next to food, clothing is another major expense affected when households try to cope with the shocks.

It should also be noted that some of the coping strategies adopted by households may have negative long-term consequences, especially on women and children. For instance, about 57.0 percent of the surveyed households reported that they modified their expenses related to health while a quarter of the surveyed households said that they modified some of their expenses related to education. In terms of health, households usually cope by shifting to generic drugs/cheaper medicines which is reported by 33.8 percent of the respondents. In addition, about 28.4 percent of all the respondents mentioned that they shifted to using medicinal plants or herbal medicines in case one of their household members got sick. The other most common coping strategy in terms of health expenses include shifting to government health centers/hospitals and resorting to self-medication. It is also worth noting that 172 (or 4.9%) of all the surveyed households reported that they did not buy medicines although they are necessary. In terms of education, about 1.4% of students who were studying were withdrawn from school during the period November 2008-April 2009 and in the coming school year (i.e., SY 2009-10). In addition, about 0.8% of students who were studying in a private school in the past school year moved to a public school during the period November 2008-April 2009 and in the coming school year. Although these strategies are not damaging in the short-run, they can be counter-productive in the medium- and long-run.

Another major coping strategy adopted by households is in terms of tapping various fund sources. In fact, about 40.0 percent of the households reported that they borrowed money from various fund sources while 13.0 percent used their existing savings. Another 6.6 percent of the households either pawned or sold their assets. Furthermore, another major strategy of households is to seek additional

source of income. About 6.3 percent of households said that at least one member of their household looked for work in addition to their existing job. However, not all of them were able to find and do the additional job. In fact, only 4.6 percent of the households reported that at least one of their members actually did additional work during the period. A few households also reported that at least one member of their household not previously working got a job in order to cope with the crisis. Some also tried to look for a work abroad. However, comparing the results, the impact of the global crisis is not as severe as was seen due to impact of food and fuel price shocks. Annex B presents some details of the different coping strategies adopted by the households by location. Note that some of the coping strategies adopted by the households may differ by location. For instance, in terms of health, a majority of households in the rural area and urban areas outside NCR adapted by using medicinal plants or herbal medicines while more households in urban NCR shifted to generic brands or cheaper drug brands. In terms of education, more households in the rural area and urban areas outside NCR reduced allowance for members who are studying while a large share of households in urban NCR used second-hand uniforms or shoes.

Given the recent global crisis, the government put in place programs to mitigate the impact of the shocks. These programs included CLEEP, 4Ps and NFA rice program, among others. The succeeding sections present a brief description of some of the relevant programs and provide some updates on the status of implementation.

5. Mitigating the Impact of the Global Crisis

General Description of Programs

Table 19. Coping strategies adopted by households

Coping strategy	No.	%	Coping strategy	No.	%
1) Modified the ff: Type of Expenses			2) Tapped various fund sources		
Food	3,008	86.0	Borrowed money	1,401	40.0
Clothing	2,871	82.1	Used savings	455	13.0
Electricity	2,668	76.3	Pawned assets	166	4.7
Fuel	2,290	65.4	Sold assets	68	1.9
Communication	2,138	61.1	3) Sought additional source of income		
Health	1,996	57.0	Looked for additional work	219	6.3
Water	1,785	51.0	Did additional work	167	4.8
Recreation	1,400	40.0	Employed members not previously working	65	1.9
Transportation	1,188	34.0	Looked for work abroad	53	1.5
Education	875	25.0			

Source: CBMS Survey 2009

5.1 Comprehensive Livelihood and Emergency Employment Programs (CLEEP)

This program aims to provide emergency employment and income-generating services for the poor, returning expatriates, workers in the export industry, and out-of school youth. It aims to protect these vulnerable sectors from threats and consequences of reduced or lost income as a consequence of the global economic crisis. President Arroyo has made it clear that CLEEP is to be implemented nationwide as long as the world is in recession. Government department heads have been instructed specifically to 1) hire for emergency employment; and 2) fund and supervise livelihood projects.

The total budget allocated for this program is Ph13.69 billion to ensure jobs and employment opportunities are available for poor and underprivileged Filipinos during the crisis. Based on a report on October 2009, the programs/activities/projects (PAPs) under CLEEP intend to employ 466,644 individuals nationwide. It is estimated that 333,088 Filipino workers have been given jobs (or 71.4% accomplished as of October 2009) under the CLEEP program since its implementation in January this year. So far, about PhP8.37 billion has already been obligated for the implementation of CLEEP from the total budget allocation committed by the agencies for the various programs/activities/projects.

5.2 Philhealth Sponsored Programs

This program aims to provide medical privileges to the marginalized sector of the Philippine society. This program is open to qualified indigents belonging to the lowest 25% of the Philippine population. Under this program, the government shoulders the monthly contribution of the qualified beneficiaries. The goal of this program is to achieve universal health insurance coverage by enrolling 4.7 million indigent families or 23.5 million poor beneficiaries. As of March 2009, there are about 3.4 million indigent families enrolled or about 17 million beneficiaries.

5.3 Pantawid Pamilyang Pilipino Program (4Ps)

This is one of the poverty alleviation programs of the government (through the Department of Social Welfare and Development –DSWD) that were launched to shield the people from the effects

of the world problem on high prices of oil and commodities. The local government units will comply with the conditions of the program to provide basic facilities and supplies for health, like vaccines and family planning services, and education. Under the program, a family beneficiary with maximum of three children will receive a monthly allowance of P1,400, a P500 monthly allowance for nutrition and health expenses, and P3,000 for one school year or P300 per month for educational expenses per child. The beneficiaries have to comply with certain conditions to continue receiving the cash grants. These conditions include parents ensuring that their children attend school at least 85 percent of the time and receive vaccinations and health care. This is formerly called the Ahon Pamilyang Pinoy Program.

As of June 2009, 4Ps is benefiting 695,746 poor households nationwide. The program targets to provide a total of 700,000 households starting June 2009. The expansion was approved by President Arroyo last December 2008 with corresponding additional budget of P5.0 billion. The areas included in the 2nd set of implementation were selected from the 100 poorest municipalities from the poorest provinces based on 2003 Small Area Estimates (SAE) of the National Statistical and Coordination Board (NSCB).

5.4 NFA Rice access program

This program offers NFA rice at subsidized prices which can be bought through NFA rolling stores, Tindahan Natin outlets and other government-run stores. In 2008, 14 million families have availed the subsidized NFA rice. During the year, NFA has distributed 13,108,343 bags to Tindahan Natin Outlets (TNOs) and 953,972 bags of rice to the Bigasan sa Parokya outlets (BPOs) with a total of 14,062,315 bags at P16.75 per kg or P837.50 per bag of 50 kg. The worldwide crisis of the rice supply in 2008 resulted in high acquisition cost of imported rice by NFA at P34.00 per kg or P1,700 per bag. Given this, the agency has incurred total losses of P12.1 billion exclusive of the cost of Iron Coated Rice Premix.

From January to November 16, 2009, NFA has already distributed a total of 32,217,942 bags of 50 kg rice with daily average sales of 146,445 bags nationwide. The average acquisition cost of NFA rice is P31.80 per kg or P1,590 per bag for 2009 rice importation. These stocks were sold to accredited retailers at a highly subsidized price.

5.5 Self-Employment Assistance-Kaunlaran (SEA-K)

This is a capability-building program in coordination with the Local Government Units (LGUs) which is designed to enhance the socio-economic skills of poor families to establish and self-manage a sustainable community-based micro-credit organization for entrepreneurial development. The target beneficiaries of this program are unemployed and under-employed families. As of press release last 27 August 2009, 1172 individuals were employed under the SEA-K program. The regions covered, so far, were the following: CAR, ARMM and Region XII.

General Findings

In response to the global crisis, several programs were identified and were implemented by the Philippine government. Some of these programs (such as NFA and 4Ps), however, were already existing even before the crisis. For instance, the conditional cash transfer program was stepped up in response to the crisis.

Based on preliminary findings, many of these programs suffer from weak targeting. For instance, the long-running NFA program, despite the issuance of family access cards to address mistargeting

still suffers from significant leakage and exclusion. Among all households belonging to the first income quintile, 68.9 percent were able to access the NFA rice program (Table 20). Note that even the households in highest income quintile were also able to access the NFA rice program reflecting poor targeting of the program.

It is also important to highlight that there are relatively high leakage and exclusion rates for all sites covered in the study. In fact, about 48.9 percent of all households who access the program are considered non-poor (leakage rate) (Table 21). In addition, 35.6 percent of all poor households were not able to access the program (exclusion rate). The highest leakage rate is reported for urban NCR while the largest exclusion rate is observed in urban areas outside NCR. This also reflects poor targeting of the program.

Table 20. Households who were able to access the NFA rice program (10 GFC sites)

Income Quintile	Magnitude	% of HHs in the Income Quintile who were able to access
1	482	68.9
2	375	53.6
3	258	36.9
4	165	23.6
5	87	12.4
Total	1,367	39.1

Source: CBMS Survey 2009

Table 21. NFA Rice Program: Leakage and Exclusion Rates (10 GFC sites)

SITE	LEAKAGE RATE	EXCLUSION RATE
ALL SITES	48.9	35.6
Rural	38.8	22.8
Urban NCR	87.8	44.6
Urban Area Outside NCR	41.6	47.9

Source: CBMS Survey 2009

It is important to mention that there are two key questions that need to be considered in implementing a targeted program. First, whether the poor are reached and second, are there any benefits that are leaking to non-poor or non-eligible persons or households. Hence, identification of poor households is critical. Poor households can be identified based on income or based on a Proxy Means Testing (PMT) Model. Based on income, leakage rate for NFA rice program is 48.9 percent for all sites while exclusion rate is 35.6 percent (Table 22). Note, however, that leakage rate is relatively higher when poor are identified based on PMT. Under the PhilHealth program, about 65.8 percent of the income poor were not able to access the Philhealth program. However, about 65.4 percent of the PMT poor households were able to access the program.

Table 22. Leakage and Exclusion Rates for NFA

	NFA		PhilHealth
	Leakage Rate	Exclusion Rate	Exclusion Rate
Based on Income			
All Sites	48.9	35.6	65.8
Rural	38.8	22.8	70.1
Urban NCR	87.8	44.6	73.7
Urban Outside NCR	41.6	47.9	60.3
Based on PMT			
All Sites	61.1	27.5	65.4
Rural	46.9	17.6	68.4
Urban NCR	91.8	44.7	71.8
Urban Outside NCR	64.6	40.9	59.6

6. CONCLUSION AND RECOMMENDATIONS

This study aims to monitor the economic and social impact of the global financial and economic crisis in the Philippines. Although the impact was not as large as initially expected, modest increase in poverty is found. Moreover, coupled with the impact of price shock in 2008 and the recent natural calamities, poverty incidence is expected to go up significantly in the future. This is more worrisome given the recent reversal in poverty incidence observed in 2006, when poverty incidence went up for the first time since 1985.

Results of this study showed that the potential impact of the crisis on poverty varies across different groups of households. In fact, certain groups of households or individuals were affected more as compared to the other groups. The crisis has affected the households in terms OFW remittances and local employment. For instance, households which are highly dependent on remittances as a source of income would be adversely affected through reduced remittance receipts. In addition, households with members who are working in the affected sectors (e.g., manufacturing) could be negatively affected through reduced income. This may, therefore, result in an increase in poverty incidence, albeit modestly. In response to the crisis, households adopted various coping strategies, some of which may be damaging and counter-productive in the medium- and long-run. For instance, one of the coping mechanisms adopted by the households is in terms of withdrawal of their children from school which may have negative long-term consequences. The health status of the affected households could also be adversely affected in the long-run if they do not seek medical attention.

Although the government has identified and implemented some programs that could mitigate the impact of the crisis, more efficient targeting is necessary. The recurring problem of targeting in social protection programs highlights the need for a good targeting mechanism in order to minimize leakages and exclusion. Household-level data, such as those being generated by the community-based monitoring system, are very useful in identifying eligible beneficiaries. Hence, evaluation of current programs is needed so that we could identify those which are ineffective and need not be implemented anymore, and improvements in others that should be kept.

ANNEX A. CBMS Core indicators for the ten (10) selected sites

CBMS Core Indicators	URBAN NCR Brgy. 192 (Pasay City)		Gumamela (Labo, Camarines Norte)		URBAN OUTSIDE NCR Villa Angeles (Orion, Bataan)		Pob. III (Sto.Tomas, Batangas)		Magbangon (Cabucgayan, Biliran)		Masikap (PPC, Palawan)		Ando (Borongan, Eastern Samar)		RURAL San Miguel (Llorente, Eastern Samar)		Salvacion (PPC, Palawan)		San Vicente (Sta. Elena, Camarines Norte)	
	2005	2009	2005	2009	2005	2009	2009	2005	2009	2009	2005	2009	2005	2009	2005	2009	2009	2006	2009	
<u>Health and Nutrition</u>																				
Proportion of children aged 0-4 years old who died	0	0	0.4	0.4	0	0.9	0.4	1.6	0	1.1	0	2.4	0.8	2.2	1.3	0.6	0.8			
Proportion of women who died due to pregnancy related causes	0	0	0	1.2	0	0	0.9	0	0	0	0	0	0	0	0	0	1.9			
Proportion of children aged 0-5 years old who are malnourished	0	2	4	0.4	1.7	0	0.3	0	0.7	8.1	3.1	0	1.6	0	4.5	12.8	4.1			
<u>Shelter</u>																				
Proportion of households living in makeshift housing	0.2	1.9	1	7.2	1.4	0.6	0.9	1	0.8	0.4	9.7	2.3	0	13.8	1.7	0.9	0			
Proportion of households that are squatters	0.1	30.1	5.5	0.2	0	0.3	0.7	1	0.8	0	5.7	0	2	3	0.8	0	0.4			
<u>Water and Sanitation</u>																				
Proportion of households without access to safe water supply	2.4	1.1	3.3	2.1	6	0.9	0.9	1.7	2.3	0.4	0.6	1.2	6	1.1	58.2	20.9	14.7			
Proportion of households without access to sanitary toilet facilities	0	0	8.3	11.3	0.4	4.5	0.2	18.9	3.9	0	0.6	6.4	21.5	20.5	13.9	13.6	19.1			
<u>Education</u>																				
Proportion of children aged 6-12 years old who are not attending elementary school	13.6	16.3	16.7	21.7	16.2	24.6	17.5	27.5	23.2	20.3	28.4	23.3	20.6	15.6	20	16	22.6			
Proportion of children aged 13-16 years old who are not attending secondary school	23.3	24.4	30.9	40.2	14.1	38.4	36.1	27.5	29.4	32.9	51.2	39.4	34.2	43.9	45.6	41.5	38.4			
<u>Income</u>																				
Proportion of households with income below the poverty threshold	7.1	6.7	45.6	44.4	18.7	12.2	20	42.2	56.8	13.7	49.7	52.3	78.9	75.1	29.5	68.2	73.8			
Proportion of households with income below the food (subsistence) threshold	1.8	1.8	27.5	27.3	9.5	3.7	9.2	23.9	47.5	4.4	35.4	36.9	69.3	69.9	16	55.0	56.9			
Proportion of households that experienced food shortage	0.7	1.2	0.8	0.2	0	0.3	3	24.3	0	0.4	1.1	10.4	5.6	6.7	16	0	0			
<u>Employment</u>																				
Proportion of persons who are unemployed	15.1	8.3	13.2	5.6	29.6	13.2	8.1	21.7	10.8	13.7	14.5	15	36.1	38.2	3	7.4	8.0			
<u>Peace and Order</u>																				
Proportion of persons who were victims of crimes	1	0.5	1.3	2	0.8	0.9	0.2	0	0	6.7	0	0	0	0.5	3	0	0.6			

Source: CBMS Survey 2005, 2006 and 2009

ANNEX B. Coping Strategies Adopted by Households in the 9 Selected Sites, by Location, 2009

Coping Strategies	Urban NCR		Urban Outside NCR		Rural		Total	
	No.	%	No.	%	No.	%	No.	%
Tapped various fund sources								
Used savings	51	6	267	15.4	137	15.1	455	13.0
Sold assets	24	2.8	26	1.5	18	2.0	68	1.9
Pawned assets	74	8.6	65	3.7	27	3.0	166	4.7
Borrowed money	443	51.8	571	32.9	387	42.8	1,401	40.0
Sought additional source of income								
Looked for additional work	21	2.5	112	6.4	86	9.5	219	6.3
Did additional work	9	1.1	93	5.4	65	7.2	167	4.8
Employed members not previously working	7	0.8	46	2.6	12	1.3	65	1.9
Looked for work abroad	11	1.3	42	2.4	0	0.0	53	1.5
Coping strategies in terms of health								
Did not buy medicine	32	3.7	77	4.4	63	7.0	172	4.9
Discontinued intake of prescribed medicine	24	2.8	52	3	18	2.0	94	2.7
Shifted to government health centers and hospitals	222	25.9	306	17.6	232	25.6	760	21.7
Shifted to alternative medicine	42	4.9	240	13.8	163	18.0	445	12.7
Resorted to self medication	255	29.8	359	20.7	96	10.6	710	20.3
Reduced prescribed drug intake	43	5	108	6.2	25	2.8	176	5.0
Lessened the availment of medical treatment for any illness	34	4	127	7.3	22	2.4	183	5.2
Did not seek medical treatment for any illness	35	4.1	75	4.3	43	4.8	153	4.4
Used medicinal plants/herbal medicines	249	29.1	421	24.2	325	35.9	995	28.4
Shifted to generic drugs/cheaper drug brands	482	56.3	486	28	216	23.9	1,184	33.8
Others	6	0.7	26	1.5	30	3.3	62	1.8
Coping strategies in terms of education								
Transferred children from private school to public school	8	1.9	21	2.1	3	0.3	32	0.9
Withdrawn children from school	5	1.2	21	2.1	35	3.9	61	1.7
Transferred children from daycare to homecare	0	0	5	0.5	2	0.2	7	0.2
Members who are studying skipped classes	5	1.2	6	0.6	13	1.4	24	0.7
Reduced allowance for members who are studying	104	24.9	123	12.3	201	22.2	428	12.2
Members who are studying used second-hand books	147	35.3	115	11.5	159	17.6	421	12.0
Members who are studying used second-hand uniform/shoes	212	50.8	120	12	246	27.2	578	16.5
Shifted from private vehicle/school bus to commuting	11	2.6	34	3.4	12	1.3	61	1.7
Others	8	1.9	12	1.2	13	1.4	33	0.9