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Philippine National Rural Development Programs and the ordinary Filipino's Life Satisfaction

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Abstract

This research is about determining the major rural development concept and programs implemented by the national government and how they impact the ordinary Filipino's life satisfaction. The study found that (1) The national rural development program is anchored on providing access to financing for agricultural production; (4) A significant part of the national rural development program is for calamity assistance (5) There is a slow pace of agrarian reform; (6) There is weak job creation in the rural areas thus period 2001-2009 has seen the most Filipinos forced abroad to find work in the country's history wherein 1.42 million were deployed last year which was equivalent to almost 3,900 Filipinos leaving every day; and (7) There is the whole issue of livelihood sustenance, technical knowhow, technology, competition, cost of production, unpredictable calamities and most of all, ready markets for the produce in the rural areas. After twenty (20) years, the ordinary Filipino does not base his life satisfaction on whether or not the national government can develop the rural areas.

INTRODUCTION

A rural area is an open swath of land that has few homes or other buildings, and not very many people. A rural area's population density is very low.

Rural development can be understood as the unfolding of capitalism in rural areas, and as that package of policy and project interventions that aim to foster socio-economic change and human improvement in rural areas. Some writing on 'rural development' thus addresses general issues of agrarian change, peasant economy, and rural politics. Other writing, more applied in focus, addresses project impacts on rural people and environments, asking how these impacts might be improved and enhanced. Between these two bodies of work is that which focuses on interventions, but with a critical eye, inquiring into the ways in which projects themselves foster capitalist development, facilitate state and social control of rural populations, and constitute processes of rural modernization. Analytical frameworks have been drawn variously from Marxist political economy, neoclassical and institutional economics, institutional analysis, actor-oriented and structuration theory, poststructuralism and pragmatism.

In many developing countries, food security and rural development are ongoing challenges. Most poor people in the world live in rural regions. In the case of the Philippines, the country's 70 provinces are classified into urban and urban by the Philippine Statistical Authority (PSA). PSA's latest report is as of the year 2010. The details are as follows:

When we speak of rural development, we usually mean that farmers and associations are involved in decisions and organizational deficits are addressed. This is the only way to give poor people in rural areas access to land, water, loans and training. In cooperation with academic institutions and the private sector, we develop strategies for increasing production and income under changing conditions in agriculture and fishing, in ways which do not burden the environment or reduce biodiversity. At the same time, it is important to develop rural infrastructure and create access to markets.

This paper aims to review what has been done in rural development by the national leadership in the last 20 years and compare it with life satisfaction feeling of the ordinary Filipino. Specifically, it determines the following:

1. Summarize the approach and implementation of each administration since 2001 to present
2. Compare it with the life satisfaction of the ordinary Filipino after 20 years
3. See the connection between the rural development efforts of the national government to the life satisfaction of the ordinary Filipino.

Table B Size of Urban Population and Level of Urbanization of Provinces With Level of Urbanization Above the National Level: 2007 and 2010

| Province | Urban Population | Level of Urbanization |
|--|-------------------|-----------------------|
| 2007 | | |
| PHILIPPINES | 37,579,591 | 42.4 |
| Rizal | 2,087,569 | 90.8 |
| Bulacan | 1,897,836 | 67.2 |
| Laguna | 1,643,994 | 66.5 |
| Cavite | 1,621,348 | 56.8 |
| Davao Del Norte | 478,415 | 56.5 |
| Negros Occidental (Excluding Bacolod City) | 1,286,271 | 54.3 |
| Pampanga (Excluding Angeles City) | 1,004,796 | 52.6 |
| South Cotabato (Excluding General Santos City) | 369,201 | 48.1 |
| 2010 | | |
| PHILIPPINES | 41,855,571 | 45.3 |
| Rizal | 2,304,345 | 92.7 |
| Laguna | 1,918,377 | 71.9 |
| Bulacan | 2,073,875 | 70.9 |
| Davao Del Norte | 604,191 | 63.9 |
| Cavite | 1,951,727 | 63.1 |
| Negros Occidental (Excluding Bacolod City) | 1,398,177 | 58.4 |
| Pampanga (Excluding Angeles City) | 1,138,076 | 56.5 |
| South Cotabato (Excluding General Santos City) | 408,651 | 49.4 |
| Bataan | 330,703 | 48.1 |

Materials and Methods

This study is qualitative in nature. It gathered and analyzed non-numerical (descriptive) data in order to gain an understanding of individuals' social reality, including understanding their attitudes, beliefs, and motivation. This type of research typically involves in-depth interviews, focus groups, or observations in order to collect data that is rich in detail and context. Qualitative research is often used to explore complex phenomena or to gain insight into people's experiences and perspectives on a particular topic.

For this study, the accomplishment reports of every administration on rural development efforts since 2001 were read and analyzed for differences in both intent and results. After this, a picture of how the government's rural development agenda affects the "feeling" or sense of life satisfaction of the ordinary Filipino citizen was reviewed.

Qualitative method was used because it is particularly useful when researchers want to understand the meaning that people attach to their experiences or when they want to uncover the underlying reasons for people's behavior. In this case, we are trying to get

Results and Discussion

Arroyo Administration (2004 - 2009)

President Gloria Macapagal-Arroyo promised a million jobs in agriculture and fisheries and P20 billion yearly for the AFMA (Agriculture and Fisheries Modernization Act). Her administration, she said, intends to distribute under the Comprehensive Agrarian Reform Program 100,000 hectares of private agricultural lands and 100,000 hectares of public agricultural lands. During her 2nd SONA, the President introduced the 'Strong Republic.' (A Strong Republic for the weak, the poor, those without employment, the hungry). The Strong Republic was able to distribute 250,000 hectares of land under CARP; sold rice at P14/kilo in 1,000 rolling stores; allocated P24 billion for agriculture and created emergency employment for 30,000 out-of-school youth. In 2003, President Arroyo was boasting that she focused on her priorities (jobs, food on every table,

housing, education and peace) and this has resulted in stable prices of sardines at P8.50; cooking oil, P11; white sugar, P28/kilo; pork, P115/kilo and chicken, P90/kilo.

More than 500,000 hectares of land were distributed under the agrarian reform program and 360,000 hectares of ancestral lands strengthened. Nautical highways had substantially reduced the cost of transporting goods from Mindanao to Manila. After declaring victory in a very controversial election in 2004, the Chief Executive proclaimed “ang aking adyenda para sa maralita ay hanapbuhay, reporma sa lupa, tubig, gamot at kuryente.” (My anti-poverty agenda include employment, agrarian reform, water, medicines and electricity.) For the 4th time, she called on Congress to enact a bill on farmland collateral. In 2005, after the “Hello Garci” scandal and her “I’m Sorry” speech, President Arroyo delivered her shortest SONA. She called for charter change so that a federal form of government may be established to replace the current political system that “has become a hindrance to our national progress.”

The concept of the Six Super Regions was introduced in the 2006 SONA. The North Luzon Quadrangle and Mindanao were to be transformed into agribusiness hubs that would supply “plentiful and affordable” food. She likewise declared her administration’s plan to make the country’s labor cost globally competitive. The President said P200 million a month would be allotted for small irrigation projects and P200 million/month for farm-to-market roads. “We must reform agrarian reform so it can transform beneficiaries into agri-businessmen and agri-businesswomen,” she declared in 2007. Mariculture parks or “palaisdaan sa dagat” would also be prioritized.

- The Bureau of Agricultural Statistics (BAS) conducted a Survey of Hunger Incidence in the Philippines (SHIP) in August 2006. The survey covered more than 13,000 households in 80 provinces. It showed that 18.6% were suffering from hunger. Surveys conducted by the Social Weather Station (SWS), a private social research institution, reveal that since June 2004, the hunger incidence under the Arroyo administration has been in double digits. The highest was in December 2008 when it reached 23.7% or about 4.3 million households.
- Limited access to productive resources and employment Providing people with access to productive resources (such as land, municipal waters, livestock, seeds) and employment are the most effective ways to ensure that persons can feed themselves and their families with dignity. In General Comment #12 (The Right to Adequate Food, 1999), the UN Committee on ESC Rights explained that one of the obligations of a State is the obligation to fulfill, which “means that the State must pro-actively engage in *people’s access to and utilization of resources and means of livelihood.*” FAO urged States to “respect and protect the rights of individuals to resources such as land, water, forests, fisheries and livestock without any discrimination ... *Where necessary and appropriate, States should carry out land reforms and other policy reforms consistent with their human rights obligations.*”
- According to the accomplishment report of the Department of Agrarian Reform as of June 2008, only 279,651 hectares (7%) of private agricultural lands were distributed through the CA scheme; compare this to lands under VOS, 589,363 hectares (15%) and VLT, 668,643 hectares (17%). Private lands distributed under the VLT scheme should be reviewed as it has been often used by landowners to evade CARP. Under the VLT, landowners usually choose as beneficiaries their relatives or dummies who pretend that the land has been sold to them by the landowner. In reality, the landlord retains ownership of the land. The big challenge today is the distribution of the remaining 1,173,786 hectares of private agricultural lands, mostly sugar lands and coconut lands owned by big landowners and influential government officials. The following is a breakdown of the private lands that must be targeted for distribution: 761,524 hectares of private lands owned by 75,297 owners in the 5-24 hectares category; 127,963 hectares owned by 3,841 owners in the 24-50 hectares category and 284,219 hectares owned by 2,403 owners in the above-50 hectares category.

Aquino Administration

Here are the highlights of the PNoy Administration’s accomplishments in its strategy to make credit more accessible to small farmers and fisherfolk, as of February 2015:

- ***Fresh Funding for Small Farmers and Fisherfolk Credit.*** Under the PNoy Administration, P1.0 billion was appropriated by the government in 2013 to the ACPC for the implementation of a flexible credit facility called the Agricultural Fisheries Financing Program (AFFP). In 2015, the ACPC was additionally appropriated an amount of P2.0 billion for the expansion of the same program. Presently, the AFFP is being implemented nationwide by the DA, through the ACPC, for the benefit of small farmers and fisherfolk who are registered in the Registry System of Basic Sectors in Agriculture (RSBSA). The AFFP now constitutes part of the AMCFP. Through the P3 billion funding provided for

the AFFP, government loan funds for farmers and fisherfolk has increased by almost 400% in just 5 years of this Administration (Table 1).

**Table1. Status of Funding for Small Farmers and Fisherfolk Credit
(As of 2010 and 2015)**

| 2010 | 2013 | 2015 |
|--------|---------|--------|
| P 700M | P 1.8 B | P3.8 B |

- **Easier Access to Formal Financing Assistance for Small Farmers and Fisherfolk.** Aside from the appropriation of fresh funding for agri-fishery credit, the PNoy Administration is also making formal loans for production and alternative livelihood more accessible to small farm and fishing households. Over the period 2011-2014, the PNoy Administration was able to steadily increase DA-ACPC loan releases to small farmers and fisherfolk (or farmers tilling 5 hectares or less; and fisherfolk using boats of 3 metric tons capacity or less) through the AFFP and other AMCFP programs, such as the Cooperative Banks Agricultural Lending Program (CBAP); the Agricultural Microfinance Program (AMP); and the Sikat-Saka Program for rice farmers. Credit has been made more accessible to small farmers and fisherfolk under these programs by introducing innovations and more flexibility in lending guidelines including, among others: direct lending by the Landbank of the Philippines to individual borrowers; the opening of ATM accounts for small farmers and fisherfolk; the relaxation of the People's Credit and Finance Corporation's (PCFC) accreditation criteria for partner microfinance organizations; and bringing down interest rates to as low as 15% p.a. for end-borrowers.

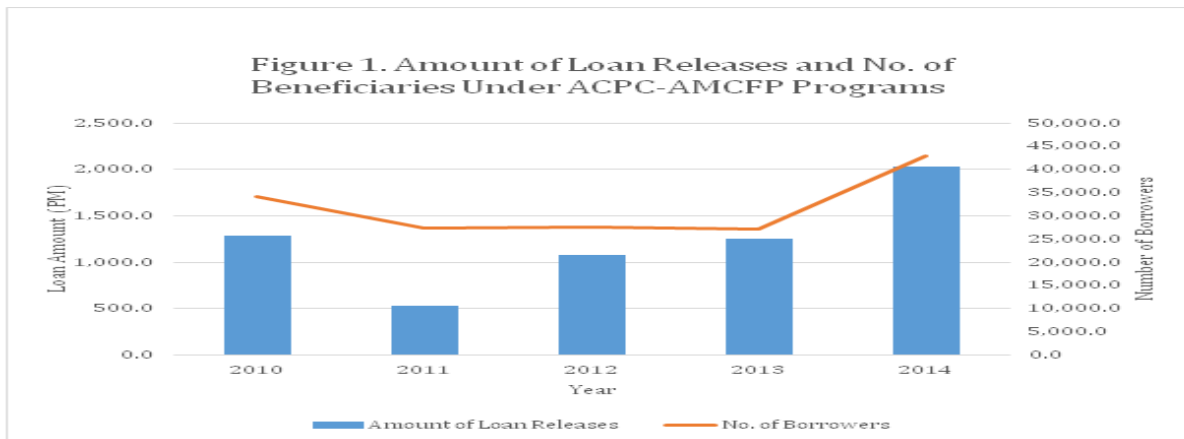
**Table 2. Amount of Agri-fishery Loans Released and Percent Increase/Decrease per Year
(2010-2014)**

| 2010 | 2011 | | 2012 | | 2013 |
|-------------|-------------|--------------|-------------|--------------|-------------|
| Amount (PM) | Amount (PM) | % Inc./ Dec. | Amount (PM) | % Inc./ Dec. | Amount (PM) |
| 1,286.3 | 531.3 | -59% | 1,075.6 | 102% | 1,255.1 |

- **Increased Access to Formal Financing for Small Farmers and Fisherfolk.** By 2014, the P2.0 billion amount of DA-ACPC loans released for the year to small farmers and fisherfolk was already 58% more than the total amount that was released in 2010. Over the period 2010-2014, the amount of loans released grew by an average of 30.5% annually (Table 2). Correspondingly, the 43,031 farmer and fisherfolk borrowers for the year 2014 constituted an increase of 26% compared to 2010. Over the period 2010-2014, the number of borrowers increased by an average of 9% annually (Table 3). Over a period of 5 years (from 2010 to February 2015), cumulative loan releases of government under the AMCFP had amounted to P6.3 billion, reaching 162,190 small farmer and fisherfolk borrowers.

**Table 3. Number of Small Farmers and Fisherfolk Borrowers and Percent Increase/Decrease per Year
(2010-2014)**

| 2010 | 2011 | | 2012 | | 2013 |
|------------------|------------------|--------------|------------------|--------------|----------------------------------|
| No. of Borrowers | No. of Borrowers | % Inc./ Dec. | No. of Borrowers | % Inc./ Dec. | No. of Borrowers % Inc./ Dec. |
| 34,209 | 27,449 | -20% | 27,635 | 0.7% | 27,249 -1.4% |



- Introduction of a Calamity Assistance Financing Program for Small Farmers and Fisherfolk Borrowers.** For farmers and fisherfolk borrowers affected by natural calamities, the government, again through DA-ACPC, also introduced a Calamity Assistance Program in 2013, which allows lenders to give affected farmer and fisherfolk borrowers a moratorium on their loan payments, aside from giving them additional financing assistance for the rehabilitation of their farm and/or other affected livelihood. Over the period 2013-2014, total loan releases under the DA-ACPC Calamity Assistance Program has reached P123.81 million, providing loan relief and assistance to 4,745 farmer and fisherfolk borrowers in areas affected by typhoons and other natural calamities (Table 4).

Table 4. Amount of Loans Released and Number of Borrowers under the DA-ACPC Calamity Assistance Program for Small Farmers and Fisherfolk (2010-Dec. 2014)

| 2013 | | 2014 | |
|-----------|------------------|-----------|------------------|
| Amt. (PM) | No. of Borrowers | Amt. (PM) | No. of Borrowers |
| 28.0 | 613 | 95.8 | 4,132 |

The Duterte Administration

Upon assumption to power in 2016, the administration of President Rodrigo R. Duterte concluded that high economic growth in the Philippines “did not sufficiently disperse economic opportunity nor reduce poverty. It kept income levels tight for the small middle class and pushed the rural poor to even greater misery. This pattern of high growth fueled by widening income disparity is unsustainable. It has produced great disillusionment among the people. It has made our national economy seem harsh to those who work hard and earn so little,” he said.

In 2014, the Duterte leadership launched the Philippine Rural Development Project. It is a US\$508.25 million financial package from the World Bank that aims to improve the productivity of small farmers and fisherfolk as well as their access to markets. This project is being implemented by the Department of Agriculture (DA). Over 70 percent of total financing will be utilized for funding infrastructure projects of local government units. This will include farm-to-market roads, bridges, tire tracks, communal irrigation, potable water systems, post-harvest facilities, production facilities, fish landings, fish sanctuaries, storage facilities, trading posts, green houses, solar driers, and slope stabilization works.

The PRDP which aims to i) increase rural incomes, and enhance farm and fishery productivity in 16 regions and 80 provinces and ii) make the agriculture and fishery sector more market-oriented and climate-resilient. Specifically, the project seeks to achieve the following: i) at least 5 percent increase annually in real household incomes of farmer beneficiaries; ii) 30 percent increase in incomes of beneficiaries involved with enterprise development; iii) 7 percent increase in value of annual marketed output; and iv) 20 percent increase in the number of farmers and fishers with improved access to the services of the DA. To achieve its objectives, the PRDP implements four (4) inter-related components, namely: i) Local and National Planning (I-PLAN); ii) Infrastructure Development (I-BUILD); iii) Enterprise Development (I-REAP) ; and iv) Project Support (I-SUPPORT). This project will directly contribute to SDG 2.3 and 2.4 on increasing agricultural productivity and incomes of small-scale food produces and ensuring sustainable food production systems, respectively.

The Duterte Administration strengthened the Implementation of the Pantawid Pamilyang Pilipino Program (4Ps) Since its launch in 2008 and institutionalization in 2019 through RA no. 11310 or the 4Ps Act, the 4Ps has been at the forefront of the government's programs to address poverty. The program aims to break intergenerational poverty through the provision of cash grants to poor households, with the condition that children stay healthy and in school, among others. From PhP62.67 billion in 2016, we have consistently increased the program's budget, reaching PhP106.80 billion in 2021. This included funds to cover the provision of monthly 48 Pugay Tagumpay 2021: Graduating 4Ps beneficiaries share how the program helped transform their lives, DSWD.

Investments in rural infrastructure will benefit producers, traders, and the rural population through better transport infrastructure, reduced travel time, and improved access to markets. The project will encourage farmers and fisherfolk to increase and diversify production and to engage in value-adding activities, thus yielding increased incomes. Small business and livelihood activities will also benefit small-scale and poor producers through the provision of technical assistance, training, market linkages, and financial assistance.

The 6-year PRDP expected to achieve the following within six years or by the end of the year 2021:

- At least five (5) percent increase per year in real household annual incomes of beneficiaries, mostly farmers and fisherfolk;
- 30 percent increase in income for targeted beneficiaries of small business and livelihood projects;
- Seven (7) percent increase in value of products sold to the market; and
- 20 percent increase in number of farmers and fisherfolk with improved access to services provided by the DA.

The package includes a US\$7 million grant from the Global Environment Facility (GEF) for strengthening conservation and protection of selected coastal and marine protected areas. Priority areas for conservation include Tayabas Bay in Quezon; Green Island Bay in Palawan; Ticao Pass in Sorsogon and Masbate; Guimaras; Danajon Bank in Bohol; and Guian Coast in Eastern Samar.

The GEF is a collaboration of 183 countries working together with international institutions, civil society organizations, and the private sector to address global environmental issues.

The Marcos Jr. Administration

The current national leadership pursues the Philippine Rural Development Project (PRDP) which - unannounced but understandable - was extended by the World Bank for an undisclosed length of time.

The geo-tagging tool, developed by the DA and currently being used to monitor agri-fishery infrastructure projects, will provide online updates on the progress of PRDP-funded projects.

Life Satisfaction of the Ordinary Filipino

After 20 years of rural development programs, about 4 in 10 or 40% of Filipino adults said their quality of life has become worse compared to a year ago, a Social Weather Stations (SWS) survey found.

24% of Filipinos said their lives got better while 36% said their lives remained unchanged. The survey was conducted from December 12 to 16, 2021, with respondents being asked: "Comparing your quality of life these days to how it was 12 months ago, would you say that your quality of life is better now than before, same as before, or worse now than before?" SWS categorized those whose lives got better as "gainers" while those who were worse than before are "losers." Filipinos whose quality of life remained the same are called "unchanged."

The polling firm found that the net gainers score – gainers minus losers – was at -16, which it classifies as mediocre. This score is 28 points higher than September 2021's -44, but significantly lower than December 2019's +18. The improvement in the net gainers score, according to SWS, can be attributed to an increase in all areas. The net gainers score in Metro Manila was up by 40 points, to -11 in December 2021 from September 2021's -51, or a change from catastrophic to mediocre, based on SWS' classification. Mindanao rose by 32 points from -47 to -15 while Balance Luzon was up by 30 points from -41 to -11, both easing from extremely low to mediocre. The net gainers score in the Visayas, meanwhile, was up by 15 points from -46 to -31.

At this present year, 2022, SWS survey reveals that about seven in every 10 Filipinos are satisfied with the performance of President Marcos in the last quarter of 2022, according to a survey conducted by Social

Weather Stations (SWS). The Dec. 10 to 14 survey on the performance of the President showed public satisfaction increasing from 71 percent in October to 75 percent. Dissatisfaction hardly moved from eight percent to seven percent, while those who were undecided dropped from 21 percent to 18 percent.

Conclusions

Based on the discussion above, we conclude that:

1. The government's 20-year rural development program is anchored on agrarian reform.
2. There is a slow pace of agrarian reform: the Department of Agrarian Reform (DAR) of the Arroyo administration only distributed an average of 119,301 hectares annually (2001-08) which is smaller than under Estrada (121,274 ha.), Ramos (296,395 ha.) and Aquino (169,063 ha.).
3. The national rural development programs are anchored on providing access to financing for agricultural production. However, land distribution and financing for agricultural production are disconnected to the realities of rural development. The reality is that the lack of capacity to amp up production in both fisheries and farming are not solely due to lack of financial capacity on the part of rural folk. There is the whole issue of livelihood sustenance, technical knowhow, technology, competition, cost of production, unpredictable calamities and most of all, ready markets for the produce in the rural areas.
4. Rural development has been limited to dole-outs to the residents of the rural areas, and this policy was even more strengthened by the 5,000 pesos/month Pantawid Program of the Aquino presidency that continues today.
5. A significant part of the national rural development program is for calamity assistance. This is an open and tacit acknowledgment.
6. A sector that has been neglected by the government is the small fisherfolks. Their right to have access to the 15-kilometer municipal water as provided in Republic Act 8550 has not been adequately protected by the government. Commercial fishing vessels continue to enter municipal waters, depriving municipal fisherfolks of fish catch. A small fisherfolk from Navotas said they cannot compete with commercial boats that fish in the municipal waters of Navotas who use nets (popularly called 'hulbot-hulbot' or 'zipper') that enable them to catch fish in large quantities.
7. The erosion of domestic production caused an over-reliance on external sources of growth – especially overseas work but also such as low value-added export manufacturing and business process outsourcing (BPO). These activities are essentially disconnected from the domestic economy though and do not contribute to any broad-based economic dynamism. BPOs for instance have been hyped in growing rapidly from 5,600 employees and US\$56 million in revenues in 2001 to 442,164 employees and US\$7.2 billion in revenues in 2009. Yet the sector can only ever account for a tiny share of the economy and in 2009 was just 1.3% of total employment and only some 2% of GDP.
8. There is weak job creation in the rural areas. The deterioration of domestic manufacturing and agriculture go far in explaining the weak job creation. This also highlights how the period 2001-2009 has seen the most Filipinos forced abroad to find work in the country's history. Deployments during the Arroyo administration averaged 1.04 million annually compared to 469,709 (Aquino), 713,505 (Ramos) and 839,324 (Estrada); 1.42 million were deployed last year which was equivalent to almost 3,900 Filipinos leaving every day. The economy's over-reliance on remittances reached record levels during the Arroyo watch and, in 2005, breached the psychological threshold of being equivalent to 10% of GDP.
9. While all these simultaneously happen and seem to obscure the rural development agenda, job generation remains weak and the exodus of citizens overseas for employment continues. This reflects the interactive nature of the relationship between rural development as capitalist development and rural development as intervention.

The latest development on job generation is that Senator Christopher Lawrence "Bong" Go has co-sponsored Senate Bill 2035 or the "Trabaho para sa Bayan Act" that mandates the creation of an employment generation

master plan for Filipinos. "This measure will stimulate national and local economic growth and development through aligning investment and other incentives provided by law for decent job generation, including reintegration of Overseas Filipino Workers," said Go in a speech.

Data Availability

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