

5 NATIONAL DIMENSIONS OF INDIGENOUS PEOPLES' POVERTY

An important issue to resolve is whether indigenous peoples in the Philippines are disproportionately poor. In other words, is the incidence of material poverty for indigenous communities more serious than for other sectors of the national population? It would also be useful to determine poverty trends over a period of time. A crucial issue, of relevance for the formulation of future poverty reduction measures, is whether there are arguments for targeting programs specifically at indigenous populations.

On this important point, owing to existing data limitations, the evidence can only be anecdotal. It is obvious that indigenous communities that have been relocated from their traditional communities and that have lost access to their land, natural resources, and other assets, are likely to bear the burden of material poverty as well as sociocultural deprivation. The same is true for communities who have lost their livelihood as a consequence of mining, logging, and similar extractive activities.

As regards the relationship between ethnicity and poverty however, there are no reliable data available at the national level. In the absence of this, the authors' method has been to extrapolate from national aggregated data from the National Statistics Office. The preliminary finding, using this method, is that poverty is not exclusive to the regions with populations that are predominantly indigenous peoples. In 1997, for instance, while the average incomes of the National Capital Region (NCR) and Central and Southern Luzon are indeed disproportionately high in comparison with all other regions, Caraga, the poorest of the indigenous peoples' regions, performed as badly as Eastern Visayas and Bicol regions. CAR and Regions X and XI performed better than all of the regions in the Visayas, using average income as the indicator. This is corroborated

by qualitative data from certain parts of Mindanao where indigenous peoples insist that they are not poor. Their main concerns are better presented as the growing risk of impoverishment, as their traditional lands and natural resources come under increasing threat.

On the whole, in the indigenous peoples' regions, the incidence of poor families and poor populations did not improve substantially between 1988 and 1997 despite the rise in average income, except for Region II. In some instances, the incidence has worsened and, ironically, in the indigenous peoples' regions that registered the more respectable growth rates in average income. This implies that the fruits of regional development have not "trickled down" to the poorest of the poor. Moreover, in the indigenous peoples' regions that registered a high incidence of poverty, the poverty gap ratio, especially in the rural areas, is also stubbornly high. These two measures show the extent of income inequality. The target annual poverty thresholds have to be raised in order to ensure that more families and persons are assured of annual per capita incomes that satisfy basic nutritional requirements. There do appear to be cases of significant growth rates for some indigenous communities, but the existence of marked inequalities within these same areas impedes fair access to the fruits of economic growth.

In the next section some welfare indices are examined to locate the situation of indigenous peoples' communities vis-à-vis the national situation in order to explore where policy intervention may be most effective. The sections thereafter flesh out the statistics that are used in the indices by presenting actual cases of the poor contending with low incomes, high prices, and scarce social services.

WELFARE INDICES

Indigenous peoples' regions, for the purposes of this report, were taken as those in which the indigenous population is at least 40% of the total regional population. Table 1 shows that there are five such regions in the country.

Income as a Measure of Well-being

Average incomes over time in the indigenous peoples' regions compared with the national average are

shown in Table 2, while the differences as percentages are shown in Table 3. As of 1997, Caraga had the second lowest regional average income, performing better only than Region 8 (Eastern Visayas). The regional average income was 42% lower than national average in 1997. The income statistics for Regions X and XI showed improvement, but could be explained mainly by the fact that the drag on their performance was removed with the creation of the Caraga region.

The other indigenous peoples' regions perform better than Caraga. However, the increasing gap between the national average and those of Regions II and XI is a source of concern.

Table 1. Location of Indigenous Peoples of the Philippines

Region	Indigenous Population ¹	Total Regional Population ²	Proportion of Indigenous in Regional Population (%)	Proportion of Regional Pop. in National Total (%)
CAR	1,252,962	1,254,838	99.9	1.8
Region II	1,014,955	2,536,035	40.0	3.7
Region X	1,470,296	2,463,272	59.7	3.6
Region XI	2,107,285	4,604,158	45.8	6.7
Caraga	874,456	1,942,667	45.0	2.8

Sources of basic data: Total population, NSO (1995); Estimated IP population, ONCC and OSCC (1989) cited in IBON Facts & Figures, Vol. 24, No. 7, 15 April 2001.

Table 2. Comparative Average Annual Family Income, Regional vs. National: 1988, 1991, 1994, and 1997

Region	Average Income (P)			
	1988	1991	1994	1997
National	40,408	65,186	83,161	123,168
CAR	33,838	58,985	74,669	112,361
Region II	32,939	50,850	68,851	86,822
Region X	35,801	45,179	57,831	99,486
Region XI	37,132	51,722	70,711	94,408
Caraga				71,726

Source of basic data: National Statistics Office.

Note: Approximate conversion rates. In 1988, US\$1 = P21; in 1991, US\$1 = P27; in 1994, US\$1 = P26; and in 1997, US\$1 = P26 (but fell to P39 at the end of the year).

Table 3. Percentage that Regional Income was Below National Average Income in Indigenous Peoples' Regions: 1988, 1991, 1994, and 1997

Region	1988	1991	1994	1997
CAR	16.2	9.5	10.2	8.8
Region II	18.5	22.0	17.2	29.5
Region X	11.4	30.7	30.4	19.2
Region XI	8.1	20.6	15.0	23.3
Caraga				41.8

Source of basic data: National Statistics Office.

Table 4. Growth Rate of Average Annual Income, Regional vs. National: 1988–1991, 1991–1994, and 1994–1997

Region	Annual Growth Rate (%)		
	1988–1991	1991–1994	1994–1997
National	20.4	9.2	16.0
CAR	24.8	8.9	16.8
Region II	18.1	11.8	8.7
Region X	8.7	9.3	24.0
Region XI	13.1	12.2	11.2

Source of basic data: National Statistics Office.

The growth rate in regional average incomes generally followed the national trend for the decade 1988–1997, with CAR closely following the national trend and Region II dropping far below it during the last 3-year period (Table 4).

The income statistics, especially for Region X, showed a marked improvement particularly during the last 3-year period, but this could be due mainly to the drag on their performance being removed with the creation of the Caraga Region from elements of Regions X and XI.

Despite the encouraging trends in national and regional incomes, welfare, however, is more clearly indicated by poverty indicators that reflect the actual distribution of income. These are shown in Table 5. At the national level, poverty incidence among families declined by close to 10% from 40.2% in 1988 to 31.8% in 1997, but declined much less in indigenous peoples'

regions. In the case of CAR and Region X, the incidence of poverty increased despite average family income growing faster than the national rate.

At the national level, poverty incidence among individuals (Table 6) declined by a higher margin—nearly 13%, from 49.5% in 1988 to 36.8% in 1997—than the decline in poverty incidence among families (8%). Again, the drop is much less in indigenous peoples' regions, and in the case of CAR, the incidence of poverty among individuals remains at the same level across the 10-year period. It is worse in Region X in 1997 than in 1988.

That the incidence of poverty remains unchanged, or worsens, while at the same time average real family income rises, indicates that the income increase—as reflected on a regional basis—does not, in fact, trickle down to the poor. Therefore, poverty incidence remains constant or even worsens.

Table 5. Annual Poverty Thresholds^a and Incidence of Poor Families,^b Regional vs. National: 1988, 1991, 1994, and 1997

Region	1988		1991		1994		1997	
	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)
National	4,777	40.2	7,302	39.9	8,885	35.5	11,319	31.8
CAR	5,116	41.9	8,332	48.8	10,853	51.0	12,836	42.5
Region II	4,573	40.4	7,035	43.3	8,316	35.5	9,880	32.1
Region X	4,523	46.1	6,433	53.0	7,938	49.2	10,440	47.0
Region XI	4,876	43.1	6,544	46.2	8,201	40.3	10,503	38.2

Source of basic data: Technical Working Group on Income and Poverty Statistics, National Statistics and Census Board.

^a Annual per capita income required to satisfy nutritional requirements (2,000 calories) and other basic needs.

^b Proportion of poor population families (individuals in families whose annual per capita income falls below the poverty threshold) to total population.

Table 6. Annual Poverty Thresholds^a and Incidence of Poor Populations,^b Regional vs. National: 1988, 1991, 1994, and 1997

Region	1988		1991		1994		1997	
	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)	Poverty Threshold, Per Capita (P)	Poor Families (%)
National	4,777	49.5	7,302	45.3	8,885	40.6	11,319	36.8
CAR	5,116	50.7	8,332	55.4	10,853	56.4	12,836	50.1
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Region X	4,523	50.2	6,433	57.4	7,938	54.1	10,440	52.7
Region XI	4,876	48.9	6,544	51.6	8,201	45.6	10,503	44.3

Source of basic data: Technical Working Group on Income and Poverty Statistics, National Statistics and Census Board.

^a Annual per capita income required to satisfy nutritional requirements (2,000 calories) and other basic needs.

^b Proportion of poor population families (individuals in families whose annual per capita income falls below the poverty threshold) to total population.

The National Statistics and Census Board's Technical Working Group looks at threshold income as the annual per capita income required to satisfy a person's daily nutritional requirements of 2,000 calories and other basic needs—in other words, the cost of a consumer's market basket. The same basket is bought on each occasion, such that if the threshold increases over time, the increase can only be explained by inflation.

For much of the last decade, the rate of growth of the income threshold in indigenous peoples' regions is faster than the national rate, and also faster than the NCR rate. This implies that the inflation rate in the indigenous peoples' regions is higher than even in the NCR for the greater part of the last decade (Table 7).

Curiously, since the most important contents of the basket are food items, the cost of the market basket has risen faster in the agricultural regions, where food is produced, than in the NCR. If one can generalize from the experience of CAR, the problem appears to be structural defects in the service sector: finance, trade, transport, storage, and communication. These defects affect the distribution of goods and services, which is reflected in higher prices.

Poverty incidence, using the threshold income, allows us to distinguish between the poor and the nonpoor, but while poverty incidence tells us how many are poor it does not reflect the depth of poverty. The

poverty gap index allows us to make a distinction between the poor and the poorest of the poor.

Over time, the depth of poverty has shown slight improvement at the national level but not in the rural areas; there is a much more marked relief in urban areas. However, except for Region II, the same cannot be said of indigenous peoples' regions, where poverty in 1997 was deeper in rural areas than it was 10 years before (Table 8).

Again, if the CAR experience can be generalized, the deepening of poverty in the rural areas can most likely be explained by the difference in returns from the extremes in agriculture: between small, rainfed subsistence farms and high-value, high-input cash crops. The problem of tenure is also likely a factor in the poverty gap in rural areas.

Two indicators are used here as proxy for welfare level: availability of basic education and health services in indigenous peoples' regions. Given the estimates of regional to total population, what is their relation to the distribution of basic education and health services?

At the regional level, there appears to be a match between population distribution and available services. But, like the indicator on depth of poverty, the location of the services reveals that they have an urban bias, which further widens the disparity and further deepens rural poverty (Table 9).

Table 7. Growth Rate of Annual Per Capita Poverty Threshold, Regional vs. National: 1988–1991, 1991–1994, and 1994–1997

Region	Annual Growth Rate (%)		
	1988–1991	1991–1994	1994–1997
National	17.6	7.2	9.1
NCR	13.7	7.0	9.1
CAR	21.0	10.0	6.1
Region II	17.9	6.1	6.3
Region X	14.1	7.8	10.5
Region XI	11.4	8.4	9.3

Source of basic data: Technical Working Group on Income and Poverty Statistics, National Statistics and Census Board.

Table 8. Poverty Gap Ratio, Regional vs. National and Rural vs. Urban: 1988, 1991, 1994, and 1997

Region	1988			1991			1994			1997		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Rural	Urban
National	12.8	9.0	15.1	3.0	10.0	16.0	11.2	7.2	15.2	10.0	5.0	15.2
CAR	13.3	14.2	13.0	21.1	8.4	26.7	19.1	8.3	24.1	15.8	4.3	21.0
Region II	13.1	17.2	12.4	13.8	15.7	13.2	10.5	9.9	10.7	8.6	8.5	8.6
Region X	16.3	13.4	17.2	19.5	17.2	21.5	17.5	14.9	19.8	16.5	11.4	20.1
Region XI	14.5	9.5	17.4	15.5	14.7	16.3	12.3	8.6	15.6	12.8	8.4	15.6

Source of basic data: Technical Working Group on Income and Poverty Statistics, National Statistics and Census Board.

Table 9. Distribution of Selected Social Services

Region	Regional in Total National Population ^a (%)	Distribution of Elementary Schools ^b 1999–2000 (%)	Distribution of Secondary Schools 1999–2000 (%)	Distribution of Hospitals ^c 1999 (%)
CAR	1.8	3.4	3.1	3.2
Region II	3.7	5.3	3.8	4.4
Region X	3.6	4.3	4.4	5.6
Region XI	6.7	6.0	5.7	9.4
Caraga	2.8	4.0	3.6	3.4

Sources of basic data: ^aTotal population, NSO (1995); Estimated IP population, ONCC and OSCC (1989) cited in IBON Facts & Figures, Vol. 24, No. 7, 15 April 2001; ^bDECS and CHED; and ^cDepartment of Health.

INDIGENOUS PERSPECTIVES ON POVERTY AND DEVELOPMENT

It is important to observe that Philippine indigenous notions of *poor* and *poverty* generally differ from western “modernist” concepts of these categories. Most indigenous peoples do not want to be labeled as poor mainly because of the negative and discriminatory connotations of this construct. Mainstream characterization of the poor includes images of sloth and ignorance, which are used by “development” agencies and corporations to justify exploitation of the land and resources of indigenous peoples.

For indigenous peoples, development is not a matter of accumulating material wealth. On the contrary, they have cultural mechanisms (called by

anthropologists “redistributive mechanisms”) to prevent a member of the community from accumulating too much wealth.

Of course, these indigenous notions of poverty and development have changed through time. With the advent of “modernization” brought about by missions and formal education; construction of roads; the entry of migrants; and the introduction of television, transistor radios, and newspapers (as well as other print media), new values have emerged. However, indigenous values persist or are modified to adapt to the changing conditions. Indigenous peoples’ views of poverty manifest the dynamics of continuity and change.

In the following two chapters, the characteristics of poverty as viewed by indigenous peoples in two regions, the Cordillera and Mindanao, and assessments of its extent in those regions are presented.