
YELLOW PAPER II
BEYOND EDSA: THE POST-ERAP REFORM AGENDA

IS THERE HOPE FOR MINDANAO'S DEVELOPMENT? *
(Achieving Sustainable Peace and Development for Mindanao)

Shaky, again

The resumption of the armed conflict in Mindanao and the overall slowdown of the economy occurred at the worst possible time for the Mindanao residents. The island-economy is still reeling from the economic and social havoc wrought by the Asian financial turmoil and the El Niño phenomenon. In the economic front, investments are still below pre-crisis levels (Table 1); domestic trade for most regions is on a declining trend (Table 2); construction is down (Table 3); and tourism, while picking up, has barely reached the 50 percent occupancy rate for hotels (Table 4).

The more serious adverse effect of the Asian financial crisis and the El Nino was the impact on human lives. The drought affected at least 500 thousand families, mostly upland dwellers from Maguindanao, Cotabato Province, Sultan Kudarat, Davao del Sur, Sarangani, and South Cotabato. In a survey conducted in 1998 assessing the effects of the financial crisis and the drought revealed that the poor bore the brunt in the form of job losses, income insecurity, health insecurity (as governments reduced public service spending), change in eating patterns, increase in work hours especially for women, and reduced schooling for children. Noticeable as well was the increase in social stress and violence within the homes and communities.

Most disconcerting was the UNDP finding that while economic output may recover to pre-crisis levels in a year's time, improvement in human welfare takes a longer gestation period, to wit:

An analysis of more than 300 economic crisis in more than 80 countries since 1973 shows that output growth recovered to pre-crisis levels in one year on average. But real wage growth took about 4 years to recover; and employment growth 5 years. Income distribution worsened on average for 3 years, improving over pre-crisis levels by the fifth year. (UNDP 1999, Human Development Report: 40).

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Thus, it goes without saying that the present civil strife affecting the island would only exacerbate Mindanao's already precarious economic status characterized by low growth and abject poverty. It is bad enough that the economy barely recovered from the combined effects of the Asian crisis and the drought. The current conflict compounds the island's problem of being a viable investment destination, practically erasing it from the "radar system" of investors. This setback alone will make the prospects for growth much bleaker, as it turns Mindanao's clock back to the late 70s and early 80's when foreign and local investors shied away from the island.

Rough justice

More than the foregone investment opportunities are the staggering human costs of the war.

- The conflict has displaced some 800,000 people; injured several thousands; and claimed the lives of at least 300 civilians and military men from both camps. Abnormality has become the norm in the lives of the populace residing in 306 barangays of 11 provinces in Mindanao due to the armed conflict.
- With social tensions becoming more intense, the social fabric of Mindanao society is once again being put to a test. Because of the complex interplay of various factors and interventions of numerous actors (mainly Manila-based), the line between conflict (arising from a mix-up of political, mercenary, and private interests) on one hand and culture (between Christians and Muslims) on the other, has been blurred. This puts the cultural diversity of the island at great risk due to exacerbation of the division among its dwellers.
- The education of around 200,000 children of school age was disrupted due to the use of their classrooms as evacuation centers. In Basilan, Christian teachers have been re-assigned to other relatively more peaceful areas.

There are also strong indications that a protracted war will have deleterious effects on the Mindanao economy.

- Adversely affected is the tourism and service-related sector. Cancellation of bookings, conventions, and meetings in Region 11 alone resulted immediately to a 5,000-visitor loss or an estimated foregone receipts of P56 million.
- While the grains output in the conflict-ridden areas has not been significantly affected as majority of the farmers have already harvested their produce and were just starting the land preparation phase, it was the upland producers who bore the brunt of the war as fighting was confined mainly in these areas. Incidentally, these were the same farmers who were affected by the long drought spell. In Basilan and Jolo, business has not resumed normal operations because of the continuous military action. Damaged were the rubber and fruit farms of agrarian reform beneficiaries; also, more than a thousand heads of livestock were destroyed. SMEs in these islands, which number about 3,085 enterprises, have likewise been affected.
- The delay in the second semester's planting is a major concern as it is the time when grains volume is much larger¹. Thus, a 50% decrease in the palay production of Central Mindanao and ARMM for this semester would translate to some 320 thousand metric tons of palay or about 200 thousand metric tons of rice. A drop in production for Central Mindanao, which is a consistent surplus grains producer of the island, will be disastrous for the adjacent regions who are dependent on the surpluses produced in the former.
- ARMM and Region 12 also contribute about 30% of the country's corn production and 24% of the corn area. A 50% reduction in corn production in these areas would mean a deficit of some 440 thousand metric tons.
- A hybrid seed producer in Southern Mindanao calculated that some 50 thousand has. of corn were not planted by their client farmers during the second semester. This would easily translate to a foregone loss of 200 thousand metric tons. Because of the close inter-relation of the livestock and poultry industries to the corn sector, their output will also be adversely affected. If the war disrupts the production of the other regions in Mindanao, the country's agriculture performance will suffer as the island-economy supplies three-fifths of yellow corn and four-fifths of white corn.

¹ The proportion of the first and second semester production to the annual palay production averages at 40% and 60%, respectively.

- A major concern in the affected and outlying agriculture areas is that traders are no longer willing to provide production credit. This would affect not just the grains farmers, but also the small-scale fruit, vegetable and other commercial crops producers.
- One of the government's responses to the impending grains shortage will be to import. Already, there is an announcement of an impending importation of 500,000 MT of rice this year due to a possible production shortfall in Mindanao of around 150-200,000 MT of rice. The latter will cost the country some US\$40 million. As for corn, a 440 thousand metric ton of corn shortage arising from the conflict² would mean an importation value of US\$48.4 million at landed cost. The aggregate expense of the war in terms of foregone grain production would therefore amount to almost US\$88 million or P4.3 billion. This is more than a half of the DPWH's 2000 budget for Mindanao's infrastructure needs.
- More significantly, Mindanao's share of the total food trade stands at 43%. In 1997, some 2.1 million tons of food and live animals originated from Mindanao with a value of P34.5 million. Of this value, more than three-fifths were receipts from Luzon, one-fourth from Visayas, and one-tenth from Mindanao.
- Although Mindanao contributes only one-fifth of the country's Gross Domestic Product, a zero growth of the island-economy would mean a 0.672-0.756 percent cut from the country's projected growth rate for 2000 of 4.8-5.4%. This still discounts the effect of the conflict on business confidence at the national level; and the adverse effect on investments of the bombing spates in Metro-Manila. If the share of the NCR to the country's GDP growth rate were included, the impact of zero growth in these areas would mean a reduction of 1.7-2.0 percent in the estimated growth rates. Lower economic expansion will offset the sound macroeconomic fundamentals of the Estrada administration and will certainly relegate the country to the bottom rung of the economic recovery performance among its Southeast Asian peers.

The injustice of the human costs and economic losses arising from this civil strife stems from the fact that the war is actually an affront to the most disadvantaged members of Philippine society and the least progressive regions of the country. Mindanao is home to close to half of the country's poor with majority of the poorest among the poor residing in the conflict-ridden areas. In Central Mindanao, most of the poor depend on agriculture, with the poorest of them eking a living in upland farming. For the fishermen of Jolo and Basilan, coastal fishing is a primary source of living. With the

² This assumes a 50% decline in Mindanao's corn production for the second semester.

on-going conflict, many of these municipal fishermen have not been able to work for fear that they may either be caught in the cross fire or may be mistaken as enemies by government troops.

For the poor residents of these regions, affirmative action from the government in the form of appropriate infrastructure expenditure would go a long way in addressing the root cause of the discontentment in the area. Consider the following realities:

- Mindanao has the lowest irrigation development. From 1992-1998, the share of irrigated to potential irrigable areas stood at 31%, 13 percentage points lower than the national average. Region 12 (Central Mindanao) which ranked as the third highest grains producer in the country, recorded the lowest pavement ratio of 9.4%, or two-fifths lower than the national average. Ironically, if Central Mindanao were provided with regular supply of water and good means of transport, it can easily become the grains granary of the country.
- Teledensity is lopsided in favor of progressive regions. In ARMM, the average teledensity is 1 for every 250 persons while in Region 12, it is one phone for every 143 persons.
- Among the country's island groups, Mindanao has the lowest literacy and functional literacy rates as well as the highest drop out rates in the elementary and secondary levels.
- Life expectancy in Mindanao is 57 years, lower than Visayas and Luzon of 68 and 69 years, respectively.
- Infant and maternal mortality is highest in Mindanao with Region 12 and ARMM topping the list.
- Access of households to potable water and sanitary toilets is lowest in ARMM (at 56% and 37%, respectively, in 1998).

Ironically, public funds directed to the impoverished regions are financing military expenditures. In addition, the limited public resources earmarked to development projects for these regions are even being diverted to other "peaceful" areas to partly alleviate the expected loss in grain production. For instance, as a stopgap measure to the impending drop in palay production, infrastructure funds that were supposedly allotted to the rice-producing areas of Southern and Central Mindanao by the Department of Agriculture will be used instead to finance some 12,000 has. in Bukidnon and Isabela.

Not only is Mindanao being shortchanged in terms of public funds. Foreign donors too, have expectedly, temporarily halted the implementation of several development projects in the region. Of the 44 official development assistance projects in Mindanao, 20 of them with a total cost of P10 billion have either been suspended, reduced in scope, or have been dropped. Ironically, most of these funds would have financed the physical (e.g., irrigation, ports development, and bridges) and social (women and children health care programs) infrastructure of the conflict-ridden areas.

To make matters worse, the call of Mindanaoans for a resolution of the conflict through peaceful negotiation is not being heeded by the central government. Indeed, much of the decision-making is crafted by Metro-Manilans. This is reflective of the regional imbalance of wealth and power in the country.

In sum, Mindanao is in a tight spot again with its future jeopardized by a number of events which were not its doing. Foremost is that it continues to house the most number of poor constituents and remains to be the least progressive among the island-economies of the country. Still reeling from the debilitating effects of the financial turmoil and the long drought spell, the current conflict has been added to its list of concerns. The government has so much leverage to turn the tide in favor of the Mindanao constituents. However, instead of reducing poverty, which is the driving force behind social conflict, government has opted to take the armed confrontation route by focusing its attention toward reducing the armed capabilities of the renegades and rebels.

This is unfortunate considering that the incumbent political administration has already started investing on Mindanao's physical and social infrastructure. In the past months, the government has earmarked substantial amounts for the construction and improvement of roads, bridges, ports, school buildings and rural infrastructure. As part of government's plan of transforming the island-economy into the food basket of the country, the proposed GAA 2001 is likewise all set to committing more funds to Mindanao's countryside. While it is true that the gestation phase for infrastructure takes some years before any positive gains become visible, incremental benefits will nevertheless start trickling in during Estrada's term. This was clearly shown in the Philippine experience between 1994 and 1997 when the income growth, albeit small, resulted in the decline in the poverty incidence. As observed by Balisacan (1999), "income growth in (those) years was a poor growth."

Time for soul-searching

The unstable peace and order condition will only serve to exacerbate the underdevelopment of the island-economy. It derails the implementation of infrastructure, policy and institutional reforms essential to the development process and it has resulted in the reallocation of the government's scarce resources to military expenditures.

Aggravating the situation is the fact that globalization is moving at breakneck speed and most of the countries in the world are preparing themselves for fierce competition. While global integration opens many opportunities, the gains are unevenly distributed as these accrue to economies that are equipped with the technology and capabilities that make their tradable goods and services more attractive to the world's consumers. In other words, not everyone can become full-fledged citizens and beneficiaries of the global village.

The Mindanao crisis will most certainly serve as an engine break to the island's bid of becoming internationally competitive and will render it as a second-class citizen in the global village.

Thus, it is important at this juncture that policymakers and civil society alike identify the real issues that have made the island-economy vulnerable to peace and order problems. The nature and mode of development that will enable the island-economy to catch up in the competition race will largely hinge on a more comprehensive understanding and appreciation of the root causes of Mindanao's underdevelopment. Addressing these causes at the soonest time possible and assessing their corresponding costs to society if these were postponed to a later date should then be weighed against the option of continuing the military approach to resolving the rise of Moro insurgency.

The thesis of this paper is that the emergence of and threats from insurgent elements are in large measure, symptoms of a more fundamental malaise in Mindanao's economic and social arena.

- *Boom-bust cycle*

Although the recent years recorded positive growth rates for Mindanao, the time series trend showed that the growth path was characterized by a boom-bust cycle, meaning that the expansionary years were not and could not be sustained for longer periods of time (Figure 1). The economic progress of the island was generally mediocre, as it hardly made a dent on the consistently low share of Mindanao on the country's domestic product (Figure 2) and the economic structure showed insignificant shifts from being a resource-dependent economy to an industrial-based economy.

Exogenous shocks (like natural calamities) were always followed by deep troughs. This implies that the island's growth sources, i.e., the resource sectors, were too weak and ill equipped to confront these economic disruptions.

The resource sectors comprising of agriculture, fishery and forestry provided the bulk of Mindanao's gross domestic product. It employed more than half of the island's labor force and is a major player in the country's resource-based sector, providing more than a third of the country's Gross Value Added for agriculture, fishery and forestry and around 43% of the country's domestic food trade.

The performance of the agriculture sector, the most dominant of the three sub-sectors, displayed an erratic growth trend. A key factor for its lackluster performance was the low productivity levels of the island's average farms to the average farms in other grain producing economies. For instance in 1996, the peso per hectare of crop production in Taiwanese farms was P220 thousand while that in the country was as low as P26 thousand, or 12 percent of the earnings received in the former farms (UAP 2000).

Many studies have already pinpointed to the urgent need for rural infrastructure development in Mindanao. Access to water in rice and corn lands will immediately increase the production cycle from one to at least two cropping seasons. Farm-to-market roads will reduce the marketing costs by as much as 15-20%. Research and development and extension expenditures will improve productivity. (For instance, it was noted that if the conflict had not erupted, the spread of the black bug disease would have posed an equally devastating effect on the rice farms of Mindanao.)

In terms of the natural terrestrial and aquatic ecosystems, Mindanao's ecosystem, while it has the largest proportion of rich biodiverse ecosystems (Table 5), is rapidly being degraded by the deleterious effects of habitat destruction or loss (mainly conversion), overexploitation (partly because of the high population growth), biological pollution (due to the introduced alien species), chemical pollution, environmental change, and weak institutional capacity and legal mechanisms. The major environmental concerns afflicting the different ecosystems are detailed in Table 6. The key challenge at this stage is how to conserve and manage the already miniscule but high-quality biodiverse ecosystems in Mindanao. At the same time, innovative market-based mechanisms and focused government intervention that ensure broad participation of the stakeholders and accountability among the public officials have to be implemented to rehabilitate the low and medium-leveled biodiverse ecosystems. An integral component of the environmental approach should be hinged on poverty alleviation measures that are targeted to the upland dwellers and indigenous groups.

- *High poverty and inequality*

Mindanao presently faces wide-scale deprivation and inequality. Although the poverty incidence in Mindanao has declined between 1994 and 1997, the number of poor families has increased in absolute values, or from 1.3 million to 1.4 million (Table 7). These figures are underestimated considering that the data do not reflect the effect of the financial crisis and the long drought. Conservative estimates would peg the poverty incidence back to its 1994 levels while the absolute number of poor families will jump by at least 10%.

Central Mindanao and ARMM contributed a third of Mindanao's poor in 1997. These regions also ranked among the country's highest in terms of the depth of poverty index (which measures the distance of the poor's consumption expenditures and income from the average poverty thresholds) (Table 8). In fact, the average living standard of the residents in these regions ranges from a low of P7,755 (1997 prices) in Sulu to a high of P22,346 (1997 prices) in Lanao del Norte; these are just 18% and 53%, respectively, of the average living standard of a typical Metro-Manila resident (Table 9).

The poor in Mindanao reside mostly in the rural areas; are engaged in farming (in general, upland farmers are poorer than lowland farmers) or municipal fishing; and have a large family size. The less progressive regions in Mindanao also have the poorest access to health and education facilities and services; have the lowest infrastructure build-up; and are considered as the most vulnerable places in terms of political security because they are centers of the insurgent groups' activities.

The decline in the poverty incidence experienced in 1997 was outmatched by the increase in the Gini coefficient, a measure of inequality (Table 10). In that year, the income share of families whose income rung belongs to the bottom 20% was only 5.7%. In contrast, families whose income rung belong to the top 10% was as much as 36%.

- *Children in ARMM are the most disadvantaged*

A sluggish economy is taking a toll on Mindanao's future generation, the island's human capital for the 21st century. For school year 1997-1998, participation rate³ for public and private schools at the secondary level decreased to 49% from the previous year's already low level of 59% (Table 11). The drop was most distinct in ARMM where the decline was about two thirds. In the case of the

³ Participation rate refers to the number of enrollees over the population of the age bracket eligible for the grade or year level.

elementary grade levels, Regions 9 and 12, areas with high poverty indices, recorded downward participation trends.

Cohort survival⁴ rates for both the elementary and secondary school levels in Mindanao also showed dismal performance with the ARMM region obtaining the lowest ratings and substantial decreases over the years (Table 12).

It looks like the Filipino high school students in general and those in Mindanao in particular are ill-equipped in the fields of science and technology, the areas essential for global competition. For the Mindanao-based students who took the science and technology scholarship exams in 1999, only 4% of them passed the exam (Table 13). In ARMM, only 1% of the total number of examinees in the region passed.

Part of the reason for the low score rating may be the dearth in the number of qualified teachers in the island. In 1998, only one-fifth of the Mindanaoans who took the licensure exam for teachers proved successful (Table 14).

Another problem that must be addressed especially under the scenario of greater devolution is the tendency towards widening regional disparities in education outcomes. Presently, 58% of the local spending on education occurs in cities where only a fourth of the population lives. As local governments that are less endowed will have little funds to spend for education, the consequence could result to poorer regions remaining poor while the more progressive regions becoming better off due to the differential investment on education.

Exacerbating this problem are the geographic inequities in the distribution of public resources for education such as the Special Education Fund. ARMM and Eastern Visayas, where average household incomes are already low, received the lowest per capita of the said fund. Most of the measly budget is in turn, allocated mainly to personnel services with meager amounts left for school operations. Of particular concern is the small and declining share of textbook purchases to the total school operations budget.

More than the low and unequal budget allocation is the issue of the growing quality gap in education between Christian pupils on one hand and the minority groups such as the Muslim pupils on the other. It has been observed that the education system especially at the elementary levels is “too rigid, unresponsive, and hierarchical to adapt itself to different local circumstances” (UNDP

⁴ Cohort survival refers to the number of students who survive grades 1 to 6 or first to fourth year high school.

2000:24). This conventional approach to education has failed demonstrably in the indigenous cultural communities to the detriment of the school children in these areas (Box 1).

- *Many unresolved agenda in the 1996 Peace Agreement*

Despite its inherent weaknesses, the Peace Agreement that was signed between the MNLF and the Philippine government in 1996 could have served as the model for the peace negotiations with other disgruntled groups. Its full-scale implementation particularly on the development projects that would have improved the standard of living of the major stakeholders would have showcased the benefits of a peaceful resolution of conflict and would have paved for the attainment of sustainable development in Mindanao.

Unfortunately, the accomplishment record falls short of the expectations raised by the Accord. For one, financial resources were not commensurate with the activities that were specified in the Agreement. Two, the parties involved failed to ensure the speedy implementation and delivery of the developmental commitments to the major stakeholders namely, the Muslims, Christians and the Lumads. Although the standard of living of the MNLF combatants who were integrated into the armed forces improved, the great majority numbering about 69 thousand MNLF men and women hardly benefited economically during this transition phase (MSU-GSC Research Journal 1999: 28-35). Moreover, the Christian and indigenous communities within the Accord-covered regions were the least prioritized in the provision and delivery of development projects.

The third problem was the limited financial and administrative capability of the SPCPD (Southern Philippines Council for Peace and Development) leadership in allocating effectively and efficiently the scarce resources given to them.

Because of the minimal impact on the material and social status of the Muslim communities, the option of joining alternative organizations such as the MILF and the Abu Sayyaf, became an attractive route for many of the disgruntled Muslims.

Toward a framework for a peaceful and progressive Mindanao

The catching up strategy that is appropriate for Mindanao will require a process that will enable it to address the high poverty and wide economic and social disparities in the regions while leapfrogging many of the painful and arduous phases of the take-off or transition stage to economic and political development. Such a strategy will mean a paradigm shift from the conventional approach to a more appropriate development framework that is attuned to Mindanao's development.

The alternative framework has three (3) main components. The first is the emphasis on human development where the core and purpose of development are the people. Expansion of income and wealth while important, forms just one of the means to attaining human security. And unequal access to social infrastructure is viewed as a reversal of progress and a threat to human security. In broad terms, human development is defined as:

“ ... (Going) far beyond narrowly defined economic development to cover the full flourishing of all human choice. It emphasized the need to put people – their needs, their aspirations and their capabilities- at the center of the development effort. And the need to assert the unacceptability of any biases or discrimination, whether by class, gender, race, nationality, religion, community or generation... Human development is the process of enlarging people's choices... what people do and do in their lives. At all levels of development a few capabilities are essential for human development... These capabilities are to lead to long and healthy lives, to be knowledgeable and to have access to resources needed for a decent standard of living... Yet human development is more than just achieving these capabilities; it is also the process of pursuing them in a way that is equitable, participatory, productive and sustainable. (UNDP 1999: 16).

The second is cultural integrity where diversity becomes a) an integral vehicle toward enlarging people's choices; b) an expression of freedom; and c) an assured way of building self-respect and enhancing the social fabric. It also means the provision of space for spiritual practice, enabling the people and communities to enrich the heritage of their faith and traditions in pursuit of greater harmony.

The last component is effective governance (or “enabling empowerment”) that is not limited to the public sector. Rather, it should extend to and encompass the different local cultures, gender, civil society, and the private business sector. Governance entails the development of institutions, rules and mechanisms that broaden the participation of various sectors and gender and ensures transparency and accountability.

The succeeding sub-sections outline the immediate actions that can be pursued in laying down the foundation for the development process. The steps suggested below are measures that can be initiated by various parties at the soonest time possible.

- **Peaceful solution to the Mindanao conflict**

A pre-condition for setting the development process into motion is the quick resolution of the armed conflict and the resumption of the negotiations between the warring parties. While negotiations take time and effort to produce results, the societal costs are nevertheless much smaller when compared to the human and material costs that the country has incurred and is continually shouldering up to the present.

A protracted war in the scale that occurred during the Marcos martial law years resulted in 120 thousand casualties, with more than a million people becoming homeless and about 200 thousand Muslims seeking refuge in Sabah. Military men who were killed in the conflict numbered 11 thousand (MSU-GSC Research Journal 1999: 16). The height of the irony is that all those who suffered were Filipinos.

Presumably, the resumption of the negotiations has become almost untenable at this stage because of the breakout of violence and terrorist acts that have spread in other parts of the country. Moreover, diverse public sentiments about the volatile environment are beginning to polarize the population, thus deflecting attention from the more fundamental problems.

What are urgently needed are innovative compromise solutions that will at least enable the government and the MILF to “save face.” Civil society in general and the NGOs in particular, are strongly encouraged to craft and suggest measures that will bring these parties back to the negotiating table. One such option is the declaration of Camp Abubakkar and the other MILF-dominated camps as peace zones that will be manned and monitored by a selected group of Mindanao women. The women group will engage the concerned parties to a series of dialogues on the nature, components, and implementation aspects of a peace zone. The formation of a Mindanao “Peace Corps” has also been broached to encourage inter-cultural exchange of expertise and resources in assisting displaced families to re-build their lives and communities.

Another creative measure that was put forward by the Mindanao Council of Women Leaders is the formation of a Women’s Peace Panel that will hold parallel talks during the GRP-MILF

negotiations. The expected output is a comprehensive human development package for Mindanao that could serve as input to the formal talks.

The third is for former President C. Aquino to offer her services in the peacekeeping process if only to break the present impasse.

In places like to Sulu and Basilan, impartial bodies like civil society groups can be tapped to work in these areas, mobilizing relief and rehabilitation operations together with the academe, the Ulama and other peace advocates. Since majority of the farm lands are owned by agrarian reform beneficiaries, the Department of Agrarian Reform could also take active leadership in coordinating these efforts.

- **Marshal Plan for the Reconstruction Phase**

The government will need to demonstrate its political commitment to attaining peace and development in Mindanao by initiating actions that will bring positive results. It is important that the government does not only focus its efforts on the military solution but should now place greater importance on implementing a comprehensive development package for Mindanao (similar to a “Marshal Plan” concept), starting from rehabilitation to reconstruction work. The package can be premised on the following suggested development measures:

1. Commission for Mindanao’s Reconstruction and Rehabilitation

To set this recommended agenda for action, the government will need to establish a Commission for Mindanao’s Rehabilitation and Reconstruction. In contrast to the current Mindanao Coordination Council (MCC), the Commission should be composed of members coming primarily from Mindanao-based, with representations from the various sectors, gender, and cultures in the island. The Commission should have direct access to the President; should have the executive powers to mobilize resources from the various government agencies; should be directly accountable to the Mindanao constituents; and should implement the action plan within the second semester of 2001.

2. Strategic components of the Comprehensive Development Package

The key components of the Comprehensive Development Package should be as follows:

a.) Agriculture Push Programs. Some short-term interventions could include the following:

- There should be no diversion of funds earmarked to the conflict-ridden areas. Rather, these funds should be augmented with stand-by funds available at the NFA, with ODA sources (possibly an arrangement with the funding donors to re-allocate a portion of their present project funds (e.g., the Mindanao Rural Development Program, ADB's programs for the ARCs; etc.); and some amount from the Competitiveness Enhancement Funds.
- The government could explore the utilization of at least 20% of the Coconut Levy funds for Mindanao's Reconstruction and Rehabilitation program considering that the island-economy contributes more than half of the country's coconut production and area. The President can negotiate with the Cojuangco/COCOFED group (who have a large stake in Mindanao) as well as the multi-sectoral group to come up with an affirmative action activity particularly for the displaced coconut farmers in Mindanao.
- Priority clients for the second semester of 2001 should be the displaced farmers and fisherfolk in the affected areas. A package of focused interventions should be provided in consultation with the stakeholders.
- Immediately required are measures that will increase their productivity. This will include small-scale irrigation facilities (especially for corn farmers), farm-to-market roads, credit, extension activities in the promotion of staggered planting, and an antidote to the black bug menace (deploy the local research institutions).
- Make the local governments and the regional offices of the Department of Agriculture accountable to and responsible for the improvement of the well-being of the displaced farmers/fisherfolk households. Establish an effective institution (use the agriculture and fisheries councils) to monitor the performance of these government offices through a performance rating system that will be disseminated to the public on a periodic basis.
- Formulate action plans for the impending El Niño this year.
- By this year, there will be a need to finalize the local land use plans so that these are consistent with the strategic agriculture and fisheries development zones.
- Formulate action plans for the conservation and sustainable management of the high quality biodiverse ecosystems.

b.) Trade for peace and development

- Revive the BIMP-EAGA economic cooperation as it promotes greater interaction among Muslims in Mindanao and Muslims in the neighboring island economies of Indonesia and Malaysia. The former's exposure to the latter will be a learning experience in terms of what the Muslims are capable of achieving in the field of business and economy. In this area, the participation of Muslim and indigenous people entrepreneurs in BIMP-EAGA tours as well as international trade fairs and promotions can become part of the affirmative action activity of the government.
- The exemption from payment of the exit tax levied to Mindanao travelers going to EAGA destinations should be continued. This will reduce the costs of doing business in the sub-region and will foster trade, tourism, and investment.
- Sea and air port facilities linking the less progressive regions of Mindanao to EAGA should be improved; and security arrangements between Mindanao and the neighboring islands of Malaysia and Indonesia should be tightened to discourage acts of piracy/banditry.
- Assess the economic package specified in the 1996 Peace Agreement with the end-view of ensuring their effective and efficient implementation and their immediate impact on the disadvantaged sectors residing in the Special Zone of Peace and Development (SZOPAD) areas. A high impact and short-term measure is the establishment of local and foreign-owned banks in Mindanao engaged in Islamic banking practice to serve the credit needs of Muslims.
- Promote the formation of private or business sector chambers and associations especially in the less progressive regions that encourage strategic alliances between large corporations and small and medium-scale enterprises; and the exchange of best business practices and technological ideas among national and international associations.
- Explore mechanisms that will encourage local government units to mobilize efficiently and effectively the 20% of their Internal Revenue Allotment earmarked for development to peace-building projects. One concept that the local governments can explore is the creation of technology network systems linking the various academic and research institutions with private multi-sector groups through computers in the exchange of technology, best farm/business practices, and market information.

- Civil society should be encouraged to be pro-actively involved in the formation of effective monitoring systems that will make local, regional, and national governments accountable for the use of scarce public resources.

c.) Social development programs

- Education of the children affected by the conflict should continue. This can be done outside of the classrooms as these facilities are being used by the evacuees. Basic health and sanitation projects should be undertaken to prevent further outbreak of communicable diseases within the evacuation camps. If it is feasible, livelihood programs should be provided to the displaced household heads so as to supplement the relief programs. Social protection programs for the old and invalid should likewise be integrated into the action plan.
- The provision of scholarships to schoolchildren who became hostages will be a humane gesture on the part of the national government.
- The priority task, however, is the improvement of the functional literacy and enrolment rates of children in ARMM and Region 12. In this regard, a revisit of the Comprehensive Mindanao Education Program (CMEP) should be undertaken by the DECs in coordination with representatives from Mindanao academic institutions, local government units, and civil society groups. Immediate actions should be enforced with commensurate financial and administrative support. One approach worth pursuing is the complementation of the folk-Islamic education with that of state education. Specifically, what may be worth pursuing in consultation with the concerned local communities is the development of distinct modules of instruction for the large traditional communities different from that of tribal communities. The formal curriculum could be a mix of national “core” curriculum and regional/local curriculum to accommodate regional differences and cultures.
- A decrease in infant and maternal mortality as well as the provision and delivery of basic support services (like potable water) should be the target for policy reform.
- In both the areas of education and health, the empowerment of local communities in having a say on the use and allocation of national and local funds for these purposes should be developed. One approach is to assess the merits of reviving civil society-dominated provincial boards of education. The idea of community involvement is to ensure that the

local and national governments will be held accountable for declines in social indices such as functional literacy and mortality rates.

d.) Mending the social fabric

- Once the negotiations talks are on the way, the government and civil society groups of Mindanao should design a communication strategy and action plan that will correct the misinformation and disinformation about Mindanao and its peoples both at the national and international arena. Forums, inter-cultural exchange programs, youth peace camps, and other innovative communication modes should be put into harness while at the same time, ensuring that these advocacy instruments are cultural, spiritual, and gender sensitive. The media (print, radio, television, and movie producers and other players) especially those based in Metro-Manila should be involved in bringing about a more reasonable Mindanao consciousness. Similarly, the Philippine embassies and consuls around the world as well as the foreign embassies/consuls in the country should be brought into the loop of the communication plan.
- In the short- and medium-term, respect for cultural and spiritual diversity will require an attitudinal transformation that should start with the children and the youth. In this regard, education will play a critical role in serving as catalyst for this change. This will involve an overhaul of our primary, secondary, and tertiary education system that will be sensitive and responsive to cultures, religions, regional differences, and gender while at the same time, keeping in pace with the technological and knowledge advancements essential in preparing the future Filipino workforce to global competition. For example, Philippine history books should be revised to highlight the vital contributions of the Muslims and other Indigenous Peoples (IPs) in our struggle for freedom against foreign invaders. In this context, their unique culture and religion will be seen not as a deviation from the culture and religion of the majority of the populace but a product of their success in their struggle against foreign domination and colonialism. Similarly, the use of internet should be popularized especially in the far-flung rural areas where more than three-fifths of the school children reside.

e.) Political reforms

- Two eminent civilian Mindanaoans (preferably with at least one woman representative and/or from the Muslim community)) should be appointed to the Cabinet Cluster E to be able to input the perspectives of Mindanaoans on peace and security issues affecting their

place. These individuals can also provide the views of the civilian on the conflict and the measures that the government need to undertake to address the conflict. The individuals that will be chosen for this position must possess outstanding qualifications and must be acceptable to the Mindanaoans in order to ensure that their views are properly ventilated in the Cluster E forum.

- Once the peace situation improves, implement the provision of the 1996 Peace Accord pertaining to the holding of a plebiscite on the new ARMM. Assuming that the idea of an expanded ARMM is defeated in the plebiscite, a mechanism should be established to grant autonomy to Muslim communities on a provincial basis based on ethnic grounds. A study group should be formed to carefully look at this proposal, paying particular attention on whether this is feasible or not.
- In the medium term however, a federal form of government may be a feasible political structure to substantially empower regions located far away from the urban centers and to enable Mindanaoans to actively participate in resolving issues that affect their island. It is ironic that in the present conflict, Mindanaoans hardly participate in the decision-making process as to what measures to undertake in solving the problem confronting their island.
- Women representation of at least 30% in any political aggrupation should be encouraged. Lasting solutions to development are more holistic when viewed from women's eyes.
- Civil society-run monitoring and evaluation systems at the local and regional levels should be promoted so that local and regional governments will be more transparent and accountable in their transactions and become more effective agents to development. A case-in-point are the Infrastructure Monitoring Advisory Groups (IMAG) in Mindanao that monitor periodically the implementation of large-scale infrastructure projects. In this regard, funding and technical support from the ODA should be tapped to encourage the experimentation of innovative monitoring systems at the grassroots levels.
- The formulation of national and local development plans pays lip service to local constituent participation so that often, infrastructure projects do not reflect the development needs at the local levels. National budget and investment plans are still mostly crafted by the central offices and regional offices do not effectively solicit the requirements of local communities. In turn, local development planning done by the local government units are not properly

inputted in the national plans. There is a need to streamline the planning and implementation of the government to ensure efficient use of resources.

Conclusion

We pose the question, “Is there hope for Mindanao development?”, as the title of this article. It is obvious by now that the answer to this question is positive. But this depends on whether the correct vision and leadership are factored in analyzing and solving the island’s problems. Mindanao has enough resources, both human and natural, to respond to the challenge of development. In the recent past, it has demonstrated to the country as well as to the world that it is capable of boldly and creatively meeting the many demands of the development process. Thus, there is no reason why Mindanao cannot attain its full development potential provided that an inspiring leadership with the correct vision guides its people. Without this element, it is therefore incumbent among the Mindanaoans themselves to look after the future of their island.

TABLES & FIGURES

TABLE 1. PRIVATE INVESTMENTS IN MINDANAO, 1998-1999 (P MILLION)

AREA	Investments				Growth Rate (%)
	1999	%	1998	%	
Region 9	5,198.8	9.3	20,482.7	24.3	-74.6
Region 10	13,515.0	24.2	7,891.9	9.4	71.2
Region 11	27,201.1	48.8	44,845.4	53.3	-39.3
Region 12	2,452.3	4.4	6,529.4	7.8	-62.4
CARAGA	7,064.8	12.7	4,254.4	5.1	66.1
ARMM	353.2	0.6	200.0	0.2	76.6
Mindanao	55,785.2	100.1	84,203.8	100.0	-33.7

Source of Basic Data: National Statistics Office (NSO)

TABLE 2. DOMESTIC TRADE FOR MINDANAO, 1998-1999
(QUANTITY IN '000 TONS; VALUE IN P MILLION)

Mindanao	Coastwise trade						Air trade					
	Quantity			Value			Quantity			Value		
	1998	1999	G.R. (%)	1998	1999	G.R. (%)	1998	1999	G.R. (%)	1998	1999	G.R. (%)
Region 9	n.d.	n.d.		n.d.	n.d.		n.d.	n.d.		n.d.	n.d.	
Region 10	1,879	2,033	8.2	21,058	21,335	1.31	2,417	592	-75.5	171,016	22,453	-86.9
Region 11	2,468	1,653	-33.0	33,032	22,646	-31.4	11,060	4,076	36.7	2,923,582	497,135	-83.0
Region 12	2,141	1,511	-29.4	14,771	11,010	-25.5	-	-	-	-	-	
CARAGA	1,145	1,199	4.7	13,587	13,912	2.4	449	196	-56.3	23,072	10,803	-53.2
ARMM	220	79	-64.1	3,646	1,250	-65.7	143	412	-248.8	10,577	1,724	-83.7

n.d.- no data

Source: National Statistics Office (NSO)

TABLE 3. PRIVATE BUILDING CONSTRUCTION INDICATORS FOR MINDANAO, 1ST-3RD QUARTER OF 1998 AND 1999 (TOTAL IN NUMBER OF BUILDINGS; FLOOR AREA IN '000 SQUARE METERS; VALUE IN P MILLION)

Mindanao	Total Construction						Non-Residential Construction					
	Total		Floor Area		Value		Total		Floor Area		Value	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Region 9	1,453	2,257	140.1	195.5	565.9	708.5	180	278	48.0	80.2	252.0	302.9
Region 10	4,434	3,988	406.0	311.5	1,773	1,369	421	346	149.5	118	785.9	505.0
Region 11	5,496	4,838	472.8	406.6	1,936	1,621	459	491	174.0	159	759.8	602.3
Region 12	1,252	1,237	149.7	111.4	612.4	434.3	154	77	66.4	21.0	327.8	116.8
CARAGA	-	795		63.1		226.3		67		15.4		52.1
ARMM	20	193	1.9	28.4	9.8	123.2	8	42	1.5	17.5	5.3	72.9
Mindanao	12,655	13,308	1,170	1,116	4,898	4,482	1,222	1,301	439.5	411	2,131	1,652
% of Phils.	15.3	21.3	13.7	13.0	7.1	9.2	15.3	19.5	8.2	11.6	5.8	7.6

Source: National Statistics Office (NSO)

TABLE 4. TOURISM IN REGION 11, 1998-1999.

Indicators	1998	1999	Growth Rate (%)
No. of tourist arrivals	439,796	586,051	33.2
Foreigners	41,464	67,926	63.8
Filipinos	398,332	518,125	30.1
Total receipts (PB)	4.8	6.5	35.4
Purpose of visit			
Commercial		261,051	44.5
Pleasure		92,400	15.8
Convention/conference		119,200	20.3
Visit friends/relatives		67,700	11.5
Others		45,700	7.8
Hotel occupancy rate (%)	47.6	49.8	4.7

Source: Department of Tourism (DOT) Region 11, 1999

TABLE 5. BIODIVERSITY QUALITY OF BIOGEOGRAPHIC ZONES.

Area	Low Quality	Percentage	Medium Quality	Percentage	High Quality	Percentage	Total
Philippines	22,267,503	100.00 75.12	4,419,347	100.00 14.91	2,955,101	100.00 9.97	29,641,951 100.00
Luzon	9,716,127	43.63 79.86	1,380,647	31.24 11.35	1,069,748	36.20 8.79	12,166,522 100.00
Visayas	21,734,717	97.61 96.33	509,062	11.52 2.26	319,608	10.82 1.42	22,563,387 100.00
Mindanao	7,109,890	31.93 69.90	1,989,018	45.01 19.55	1,072,945	36.31 10.55	10,171,853 100.00
Mindanao	4,486,166	20.15 63.76	1,613,906	36.52 22.94	935,872	31.67 13.30	7,035,944 100.00
Liguasan	965,230	4.33 87.01	122,587	2.77 11.05	21,576	0.73 1.94	1,109,393 100.00
Sulu	335,437	1.51 93.57	11,926	0.27 3.33	11,121	0.38 3.10	358,484 100.00
Zamboanga	1,323,057	5.94 79.32	240,599	5.44 14.42	104,376	3.53 6.26	1,668,032 100.00

Source: Department of Environment and Natural Resources (DENR), 1997 "Philippine Biodiversity an Assessment & Action Plan"

**TABLE 6. MAJOR CONCERNS IN BIODIVERSITY CONSERVATION AND BIORESOURCES
UTILIZATION**

Major Concerns	Biodiversity Sectors				
A. Problems & Threats	Forest Ecosystem	Wetland Ecosystem	Marine Ecosystem	Agriculture Ecosystem	Protected Area
1. Habitat Destruction	Forest fires		Coral Mining		Encroachment
	Logging		Destructive Fishing Methods		
	Conversion	Conversion		Conversion	
	Natural Calamities	Natural Calamities		Natural Calamities	Natural Calamities
	Pests & Diseases	Pests & Diseases	Pests & Diseases		Pests & Diseases
2. Overexploitation	Commercial timber and non-timber species	Wildlife trade; reptiles; waterfowl, mangrove trees	Commercially Important species; tuna, giant clams		
	Increased demand due to population growth	Increased demand due to population growth	Increased demand due to population growth	Increased demand due to population growth	
	Open access	Open access	Open access	Open access	
3. Biological pollution (species level)	Introduction of alien species	Introduction of alien species	Introduction of alien species such as red-tide causing planktons due to reckless de-ballasting of ships	Inappropriate breeding	
4. Chemical pollution	Chemical defoliants	Mine tailings	Mine tailings	Inappropriate farming system	
		Domestic discharges	Domestic discharges		
		Hazardous wastes Agricultural fertilizers pesticides	Hazardous wastes Agricultural fertilizers pesticides		
		Oil spills	Oil spills		
		Siltation due to erosion	Siltation due to erosion		

Table 6. Continuation

5. Weak institutional & legal capacities	Inappropriate policies	Inappropriate policies	Inappropriate policies	Inappropriate policies	Inappropriate policies
	Lack of technical expertise	Lack of technical expertise	Lack of technical expertise		Lack of technical expertise
	Shortage of funds	Shortage of funds	Shortage of funds		Shortage of funds
	Weak IEC	Weak IEC	Weak IEC		Weak IEC
Major Concerns	Biodiversity Sectors				
B. Issues	Forest Ecosystem	Wetland Ecosystem	Marine Ecosystem	Agriculture Ecosystem	Protected Area
1. Biotechnology	Dev't of undesirable mutants	Dev't of undesirable mutants	Dev't of undesirable mutants	Dev't of undesirable mutants	
	Genetic erosion	Genetic erosion	Genetic erosion	Genetic erosion	
	Biological warfare	Biological warfare	Biological warfare	Biological warfare	
	Pest resistance & introgression		Pest resistance & introgression	Pest resistance & introgression	
2. Ecotourism	Ecological stress	Ecological stress	Ecological stress		Ecological stress
	Cultural stress	Cultural stress	Cultural stress		Cultural stress
	Commercialization	Commercialization	Commercialization		Commercialization
3. Domestication	Genetic erosion	Genetic erosion	Genetic erosion	Genetic erosion	
4. Bioprospecting	Species extinction	Species extinction	Species extinction	Species extinction	
	IPR	IPR	IPR	IPR	
	Genetic Erosion	Genetic Erosion	Genetic Erosion	Genetic Erosion	
	Overexploitation				
C. Gaps					
1. Knowledge	Baseline*	Baseline	Baseline	Baseline	Baseline
2. Management	Various aspects	Management schemes	Various aspects	Various aspects	Operational gaps
3. Policy***	Various aspects	Policy framework	Various aspects	Biotechnology	
	Biosafety	Biosafety	Biosafety	Biosafety	

*Baseline reference point in the assessment of status of biodiversity of bioresources

**Management: means of intervention vis-à-vis the conservation of biodiversity or bioresources

***Policy definite course of action adopted and pursued by government vis-à-vis biodiversity conservation and bioresources utilization

Source: Department of Environment and Natural Resources (DENR), 1997 "Philippine Biodiversity an Assessment & Action Plan"

TABLE 7. MAGNITUDE OF POOR FAMILIES AND POVERTY INCIDENCE, 1994 & 1997.

AREA	Magnitude of Poor Families		Poverty Incidence	
	1994	1997	1994	1997
Philippines	4,531,170	4,511,151	35.5	31.8
Luzon	2,108,341	1,924,741	36.1	30.0
Visayas	1,062,542	1,167,352	37.9	38.4
Mindanao	1,360,287	1,421,060	49.8	46.5
Region 9	227,259	223,219	44.7	40.1
Region 10	361,057	386,420	49.2	47.0
Region 11	357,615	382,668	40.3	38.2
Region 12	216,275	224,558	54.7	50.0
ARMM	198,081	204,195	60.0	57.3

Source: National Statistics Office (NSO)

TABLE 8. POVERTY INDEX, BY REGION (1997)

Region	Incidence ^{1]}					Depth ^{2]}				
	Absolute	Rank	Official	Rank	Reranking ^{3]}	Absolute	Rank	Official	Rank	Reranking*
	CBN					CBN				
Metro Manila	3.5	1	8.7	1	0	0.6	1	1.7	1	0
Ilocos	20.8	4	44.3	6	2	4.0	3	15.0	6	3
Cagayan	30.1	9	37.9	4	-5	7.5	8	10.8	4	-4
Central Luzon	13.2	2	19.4	2	0	2.5	2	4.8	2	0
Southern Luzon	19.6	3	30.2	3	0	4.5	5	9.2	3	-2
Bicol	45.6	12	57.8	14	2	12.6	13	20.4	13	0
Western Visayas	21.8	5	47.8	9	4	4.7	6	16.1	9	3
Central Visayas	35.2	11	39.1	5	-6	10.3	12	13.2	5	-7
Eastern Visayas	50.6	14	45.4	8	-6	16.0	15	15.8	7	-8
Western Mindanao	35.2	11	48.7	10	-1	8.2	10	16.6	10	0
Northern Mindanao	29.9	8	54.7	12	4	7.6	9	20.8	14	5
Southern Mindanao	27.8	7	44.6	7	0	7.1	7	16.0	8	1
Central Mindanao	33.1	10	55.9	13	3	9.2	11	22.5	15	4
CAR	22.1	6	49.7	11	5	4.4	4	19.1	11	7
ARMM	50.5	13	63.1	15	2	15.1	14	19.6	12	-2
Luzon	22.13	5.20	33.05	5	-0.17	5.28	5.33	10.32	4.83	-0.5
Visayas	35.90	10.00	44.10	7.3	2.67	10.33	11.00	15.03	7.00	-4.0
Mindanao	33.1	9.20	52.80	11.3	-2.17	8.60	9.17	19.10	13.67	2.5

1] The absolute cost-of-basic-needs (CBN) approach, differs from the official (NSCB data) one in three respects:

- (i) it makes use of current consumption expenditure rather than current income as broad indicator of household/ individual welfare;
- (ii) it imposes consistency in the construction of absolute poverty lines; and
- (iii) it does not depend on a food consumption survey -- for food menu construction -- independent of the household expenditure survey used for identifying household welfare levels.

2] The head-count index, conventionally interpreted as a measure of the "incidence" of poverty, is what appears in official reports on poverty in the Philippines, as well as in most international poverty comparisons. This measure,

however, is silent about the depth and severity of poverty. The poverty-gap index, defined by the mean distance below the poverty line as a proportion of that line (where non-poor are counted as having zero poverty gap), gives a measure of the "depth" of poverty.

3] Official rank less absolute CBN rank, where rank is from 1 (least poor region) to 15 (poorest region).Source: Balisacan, A. (1999) "Poverty Profile in the Philippines: An Update and Reexamination of Evidence in the Wake of Asian Crisis".

TABLE 9. PROVINCIAL LIVING STANDARD AND POVERTY INDICATORS (1997)

Province	Average living standard* (Pesos, 1997)	Poverty	
		Incidence	Depth
Metro Manila	42,367	3.5	0.6
Central Mindanao			
Lanao del Norte	22,346	32.9	9.4
North Cotabato	17,130	42.7	13.4
Sultan Kudarat	19,302	21.6	3.2
ARMM			
Lanao del Sur	12,520	40.8	10.4
Maguindanao	17,043	24.0	4.0
Sulu	7,755	87.5	33.1
Tawi-Tawi	13,121	52.1	13.4

*Mean per capita household expenditure adjusted for provincial cost-of-living differences

Note: Cities are incorporated in provinces in which they are located

Source: Balisacan, A. (1999) "Poverty Profile in the Philippines: An Update and Reexamination of Evidence in the Wake of the Asian Crisis".

TABLE 10. GINI COEFFICIENT, 1994 AND 1997.

AREA	1994	1997
Philippines	0.451	0.487
Mindanao	0.391	0.440
Region 9	0.386	0.468
Region 10	0.416	0.494
Region 11	0.411	0.450
Region 12	0.428	0.449
ARMM	0.312	0.341
CARAGA	-	0.439

Source: National Statistics Office (NSO)

**TABLE 11. PARTICIPATION RATE FOR MINDANAO,
PUBLIC AND PRIVATE, ELEMENTARY AND SECONDARY EVELS, 1997-1999.**

AREA	Participation Rates					
	Elementary			Secondary		
	1997-98	1998-99	Growth Rate (%)	1996-97	1997-98	Growth Rate (%)
Mindanao	88.12	89.49	1.55	58.55	49.28	-15.83
Region 9	90.78	88.46	-2.56	32.96	51.76	57.04
Region 10	92.29	97.12	5.23	75.41	46.20	-38.73
Region 11	83.56	88.59	6.02	50.91	56.26	10.51
Region 12	98.93	79.25	-19.89	73.85	59.37	-19.61
CARAGA	90.25	94.48	4.69	77.96	52.47	-32.70
ARMM	84.24	91.32	8.40	68.83	22.66	-67.08

Source of basic data: Mindanao Economic Development Council (MEDCo)

**TABLE 12. COHORT SURVIVAL RATE FOR MINDANAO,
PUBLIC AND PRIVATE SCHOOLS, ELEMENTARYAND SECONDARY LEVELS, 1996-1998.**

AREA	Cohort Survival Rate					
	Elementary			Secondary		
	1996-97	1997-98	Growth Rate (%)	1996-97	1997-98	Growth Rate (%)
Mindanao	56.76	55.54	-2.15	70.82	65.97	-6.85
Region 9	51.88	53.14	2.43	86.57	65.37	-24.49
Region 10	52.33	66.94	7.40	62.19	64.92	4.39
Region 11	63.45	65.03	2.49	64.98	67.72	4.22
Region 12	59.63	54.80	-8.10	69.13	70.77	2.37
CARAGA	66.23	59.86	-9.62	68.93	62.21	-9.75
ARMM	37.04	31.28	-15.55	73.13	59.32	-18.88

Source of basic data: Mindanao Economic Development Council (MEDCo)

**TABLE 13. SCIENCE AND TECHNOLOGY SCHOLARSHIP EXAMS
PASSING PERCENTAGE, 1998-1999.**

AREA	Science and Technology Scholarship Exams		
	1998	1999	Growth Rate (%)
Mindanao	10.29	4.00	-61.13
Region 9	10.20	3.32	-67.45
Region 10	10.29	3.24	-68.51
Region 11	11.67	6.14	-47.39
Region 12	21.78	3.86	-82.28
CARAGA	12.90	4.00	-68.99
ARMM	3.69	1.09	-70.46

Source of basic data: Mindanao Economic Development Council (MEDCo)

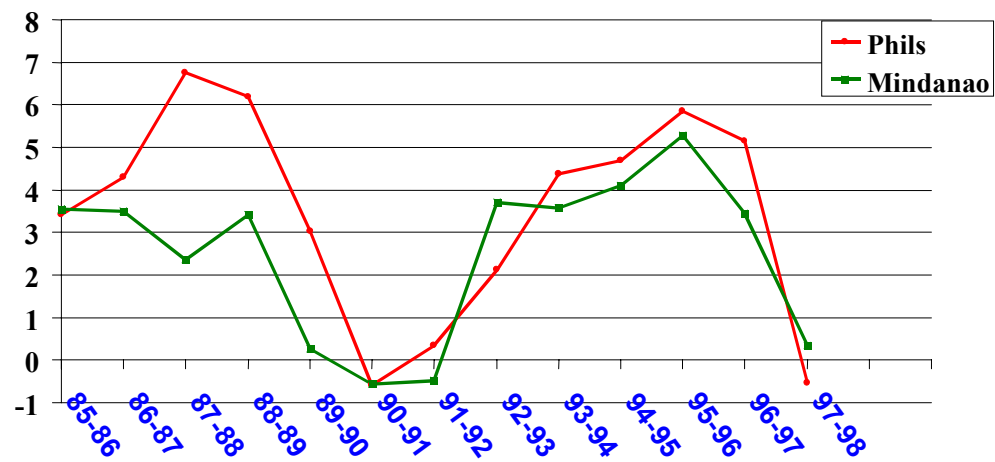
**TABLE 14. PERCENTAGE OF SUCCESSFUL EXAMINEES IN
LICENSURE EXAMS FOR TEACHERS, MINDANAO,
1997-1998.**

AREA	Licensure Examination for Teachers		
	1997	1998	Growth Rate (%)
Mindanao	18.47	20.22	9.47
Region 9	13.23	17.39	31.44
Region 10	17.14	21.53	25.61
Region 11	24.41	29.87	22.24
Region 12	17.38	18.21	4.78
CARAGA	n.d.	19.95	n.d.
ARMM	n.d.	5.24	n.d.

n.d. = no data

Source of basic data: Mindanao Economic Development Council (MEDCo)

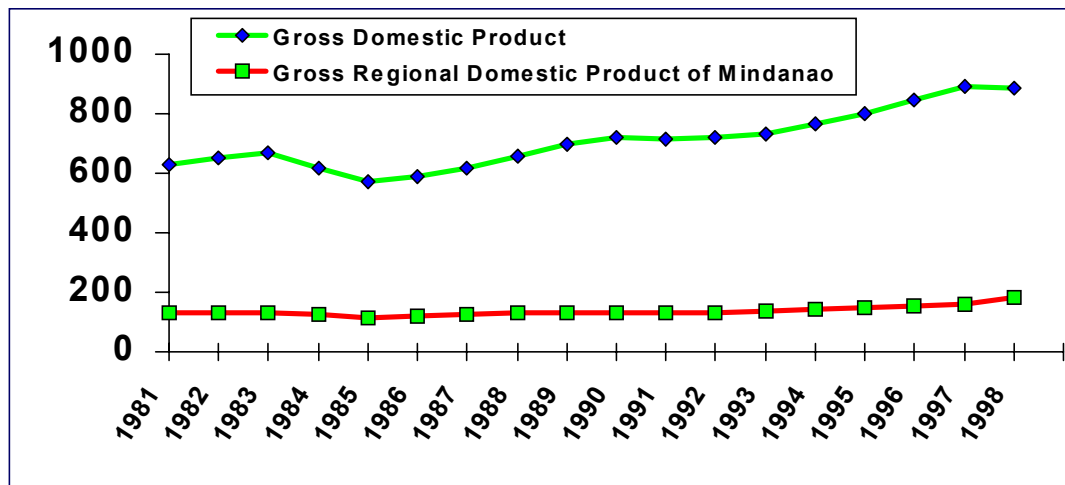
Figure 1. GDP Growth Trends of Mindanao
1985-1998



Source: National Statistics Coordination Board (NSCB)

Figure 2. Low and Stable GDP Share of Mindanao

In Billion Pesos



Source: National Statistical Coordination Board (NSCB)

BOX 1

Education in Muslim Mindanao

Even today, Muslim education in the Philippines outside the state system is of a folk and religious nature. It begins from a religious base, instruction in the tenets of Islam, and the history of Islam, leading to the genealogical beginnings of local history (e.g., through either the Abu Bakr line of Sulu or the Kabungsuwan line of Maguindanao). Filipino Muslims commit to memory the mythico-religious beginnings of their local history, internalizing and reflecting upon centuries of Muslim armed struggle against colonial rule. The historical consciousness that springs from both oral historical and written traditions is continuously sustained by the formal system of Islamic education through the *madaris* (plural of *madrasah*) and the non-formal system of learning such as the *paṅgadji*.

The impact of Islamic education in the Muslim mind is maintained and enhanced by *gurus*, *ustadz*, and other local teachers who perform the task of teaching as a matter of spiritual and moral-religious obligations prescribed by Islam with or without compensation. Religious teachers derive material or financial support from Muslim charities or from their own small undertakings and business mostly from subsistence agriculture and fishing. There are no regular budgetary allocations such as those in Philippine educational institutions. Teaching is a solemn duty for those who know. The basic curricular content of Islamic education is derived from the sacred sources of the Islamic faith: the *Qur'an*, the *Hadith*, and the *sunna*. Such basic content has been concretely expressed in the Five Pillars of Islam: the *shahada*, prayer, fasting, alms-giving, and *haj* (pilgrimage).

Historically, the approach of state policy to the education of the non-Christian sector was anchored on the basic premises and aims of colonialism, which was conversion - for good or ill - to the worldview, way of life, and concept of state of the occupying force. This was true for both the Spanish regime and the American occupation, with the possible exception of a brief period of enlightened policy under Najeeb M. Saleeby until 1913.

The cultural-economic aims of colonialism were adopted by the leadership of the Filipino republic. It was the predominant belief that what the Muslim communities needed most were more opportunities in political participation and enjoyment of economic benefits. Appreciation and respect for Islamic culture was rhetorical at best. Instead education sought to expose Muslims to the influences of Christian values and ideals through predetermined curricula at all levels of learning. This has largely remained the state of Philippine education for the Muslim sector today (the integration of the *madrasah* system notwithstanding). The religious and folk character of Islamic education is bound to come into conflict with a formal state education system that was rationalist, assimilationist, and (at least nominally) secular. The content of the curriculum that has negligible input from Islamic sources provides no cultural incentive to Muslims to seek state education as the key to social progress. Rejection is more often the result.

The continuing failure of such policies is easily apparent. The provinces of Muslim Mindanao are today among the provinces with the lowest enrollment rates and literacy rates in the nation (see Box 1 Table 1 below). These results override even unusual results in the NEAT and NSAT showing respectable scores for individual schools and divisions in some Muslim Mindanao provinces. (*)

It is important to realize that the matter is not as simple as throwing more money at the problem and still seeking to deliver the same product. What the formal education system needs is to work *with* rather than *against* folk-Islamic education.

BOX 1 TABLE 1:

Ten Provinces with Lowest Functional Literacy and Combined Elementary and High School Enrollment (1997, 1994, in percent)

	Functional Literacy (1994)		Combined enrollment rate (1997)
Agusan del Sur	71.8	Agusan del Sur	73.3
Apayao	70.4	South Cotabato	72.0
Kalinga	70.4	Davao Oriental	70.4
Davao del Sur	68.8	Lanao del Norte	69.6
Maguindanao	68.7	Basilan	69.4
Lanao del Sur	59.3	Tawi-tawi	67.5
Sulu	57.7	Bukidnon	67.3
Tawi-Tawi	52.7	Saranganni	63.8
Ifugao	51.1	Maguindanao	51.7
Basilan	48.1	Sulu	43.5
Memorandum: Philippines	83.8	Philippines	83.0

N.B. Lanao del Sur's basic enrollment rate is higher, 78.8.

Source: National Statistical Coordination Board

How can state education approach the issue of folk-Islamic education? It must begin by recognizing the distinct culture and identity of the region rather than trying to homogenize it, just as folk-Christian traditions that have developed are also studied and appreciated in, say, mainstream education. The Indo-Malay pre-Islamic and pre-colonial Christian heritage is the common cultural denominator of the national community. The curricular content of basic education must have this thrust in social science and humanities components. The aim must be allow common appreciation of the roots of the Filipino heritage as the source of national pride, identity, and advocacy. This social science thrust can be augmented by the science and technology component of the curriculum for modern development, but it cannot be replaced.

The next important problem is the educational mechanisms and systems the state may use to realize the folk-Islamic thrust without negating the desired modern direction.

Muslim society possesses traditional systems or institutions that have become the channel of folk-Islamic learning for 90 percent of the population. Two systems of Islamic education in particular are zealously employed by learned parents and trained gurus:

- The *pangadiji* which is learning to read the Qur'an correctly, properly, and reverently by a child at home and usually heard audible by passersby. (The time is dependent on the learner who usually tries to finish the entire Qur'an for its special spiritual value) and
- The *madrassah* system which is the method for group learning of Islamic tenets and practices according to prescribed materials usually well-prepared by recognized *sunni* specialists from abroad.

Besides these Islamic systems, there are regular annual festivities based on the Heijira calendar and the numerous rituals where indigenous local pre-Islamic traditions are popularly observed with color, meaning, and seriousness. They are integrated into the Islamic system through the use of

Qur'anic passages or surahs especially Surah I "Al Fatihah" which is the heart of the Qur'an . Thus, the entire Muslim community is involved as a unit in the formal and non-formal learning process without any state certification.

Such local systems can and should be studied and harnessed by state education if it is to become relevant to Muslim aspirations, especially the search for identity. Before taking any concrete steps, however, the State must take a clear, definite and sincere stand of *making Islamic education a basis for education in Muslim Mindanao with only a small measure of the secular curriculum incorporated.*

Once Islamic education is officially adopted, Muslims must in turn accept the State education package without reservation, otherwise the prospect of failure is predictable. The psychological and political approach to education is as vital to success as curricular innovation. Achieving this goal is contingent on the following:

- The realistic attainment of Muslim autonomy through the revival of indigenous institutions as mechanisms for political, social, economic, and cultural decision-making;
- The abandonment by Christian missions and institutions of their soteriological (salvation) goals in Mindanao to remove Muslim suspicion that state education still pursues the colonial aim of Christianization in Muslim Mindanao; and
- The establishment of a system of state subsidies for regular faculty development of Islamic schools with counterpart aid from world Islamic sources, government or private.

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(*) It should be remembered that the NEAT and NSAT are not universal but given to pre-selected schools. Hence they may not be representative. Apart from real improvements in achievement in selected schools, other factors to consider must be remedial intervention in the schools pre-chosen to take the achievement tests, including reviewing for the examinations, and the more unpalatable prospect of tainted examinations.

Source: Human Development Network (HDN) and the United Nations Development Programme (UNDP) 2000: Philippine Human Development Report, Manila.

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