

# Spotlight Report on the Philippines' Progress on the SDGs 2025

## The SDGs Ten Years After<sup>1</sup>

### Chapter 1. Introduction

The Sustainable Development Goals, adopted in 2015, is on its 10<sup>th</sup> year. Globally, progress has been inadequate. The Sustainable Development Report 2025<sup>2</sup> shows the Philippines with an overall score of 68.34, ranked 87<sup>th</sup> out of 167 countries that reported progress through the Voluntary National Reviews (VNRs). The score can be interpreted as percentage of SDG achievement.

In the 2025 VNR, the following SDGs are under review:

- SDG 3. Ensure healthy lives and promote well-being for all at all ages
- SDG 5. Achieve gender equality and empower all women and girls
- SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- SDG 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

In this Spotlight Report, civil society organisations (CSOs), monitoring the government's pace of progress report of the Philippine Statistical Authority, examine the realities beyond the numbers, provide qualitative insights and recommendations to achieving the goals. Past Spotlight Reports and People's Scorecards<sup>3</sup> have repeatedly pointed out areas of policy incoherence and gaps between policies and implementation, and yet, very little progress in the goals have been met. Structural, systemic issues persist and gains are undermined by elite capture and weak governance as seen in budgetary allocations that result to underinvestment in the social sectors. Reforms exist on paper but implementation is stalled by corruption, patronage and business as usual practices - resulting to widening inequality, systemic exclusion of the poor and marginalized, and deepening vulnerability to global and climate shocks.

In this report, we frame our analyses within the human rights-based approach, where we regard the state as duty-bearers in the fulfillment of these rights, and the people as rights holders who exact accountability from the government. Human rights and SDGs are inextricably linked. SDG Target 16.6 -Develop effective, accountable and transparent institutions at all levels - guides our CSO report.

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<sup>1</sup> Author: Rebecca L. Malay, Director for Advocacy and Development Cooperation, Philippine Rural Reconstruction Movement/Co-chair, Philippine SDG Stakeholders' Chamber

<sup>2</sup> Sachs, J.D., Lafortune, G.Fuller, G. Iablonovski, G. (2025). Financing Sustainable Development to 2030 and Mid-Century. Sustainable Development Rpeort 2025. Paris: SDSN, Dublin:Dublne University Press. DOI: <https://doi.org/1025546/111909>

<sup>3</sup> <https://socialwatchphilippines.weebly.com/publications.html>

Zooming on the focus SDGs, PSA data shows regression on SDG3 despite recovery from the impacts of COVID. An academic research shows a staggering 676% increase in the number of HIV incidence from 2010-2021, which indicates an emerging HIV crisis ([arXiv](#)).

Dr. Juan Antonio Perez, former Undersecretary of the Department of Health, gives us a comprehensive view of the health sector reforms since the devolution of the health services in 1992 through the adoption of the Universal Health Care Act in 2019. He discusses health financing as a central issue in health reform, resulting to increased out-of-pocket expenses for many Filipinos, making health services unaffordable despite the Sin Taxes and the Philhealth insurance. Government funding to PhilHealth was cut to zero in the national budget while patronage-based medical assistance programmes controlled by politicians was expanded, creating a two-tiered financing system for PhilHealth: regulated PhilHealth vs. discretionary and politically-driven MAIP.

For SDG 5, the goal for gender equality remains unmet despite many existing laws that protect women and children, and reports of government efforts to set up soft infrastructures for reporting cases of violence against women and children, plus recorded data on improved global ranking in the Gender Gap Index. The report writers from Save the Children team identify systemic drivers of inequality that include poverty, climate change impacts, digital exclusion, unpaid care work, misogyny, patriarchy and erosion of human rights, and ineffective governance. The absence of a law that will protect the LGBTQI+ groups from discrimination still needs to be passed, along with efforts to address disaggregated data systems that will provide empirical bases for effective local and national policies.

The chapter on SDG 8 manifests the long-standing critique of labor groups on the neo-liberal economic regime that has denied justice to ordinary workers. Despite the recent policy initiatives such as the passage of Republic Act No. 11962 or the Trabaho Para sa Bayan (TPB) Act in 2023, and the launching of the TPB Masterplan in May 2025, as milestones in achieving employment targets, chapter author Jillian Roque of the Public Services Labor Independent Confederation (PSLink) cites poverty wages, contractualization, and the violent repression of freedom of association.

In the PSA report on SDG 14, the goal seems to have been achieved, but the reality is that the government is monitoring only one target (14.5) that accounts for Marine Protected Areas, for which data is existing. In reality, this goal is far from being met, considering the lack of important policies that will protect the rights of small fisherfolk, who remain to be the poorest sector together with farmers. Recently, the Supreme Court case that allowed commercial fishing in municipal waters that previously were exclusive to artisanal fisherfolk, has become the central issue of the sector. In this chapter, Dr. Sharon Taylor of PRRM presents a comprehensive view of Life Below Water and recommends important sources of data that can adequately capture a more wholistic picture of the state of the marine and coastal environment. She also points out the importance of a robust legal framework for governing our territorial waters and defining the framework for the Blue Economy as the Philippines is predominantly a marine and archipelagic nation.

The last chapter, SDG 17, Social Watch Philippines' Prof. Herisadel Flores and Yna Marbibi take a macroeconomic view of the Philippine economy, and looks at factors that have hindered the achievement of the SDGs. GDP is fueled by consumption and manufacturing is very weak, wages are low and have stagnated for years. ODA financing has been directed toward infrastructure, but key linkages between agricultural production and marketing have not been integral as the rural sector still suffers from weak investments. Financing for development is effectively hindered by increasing debt, the national budgeting process is controlled by political elites.

Domestic resource mobilization for the SDGs still needs to be improved. Even with a mandated allocation from Sin Taxes to fund the SDGs, the Program Convergence Budget still needs to be utilised and optimised for government programmes and projects. Guidelines still need to be clear to tag SDGs in the executive budgets so that the plans become more responsive to meeting targets.

On the other hand, efforts of government at partnerships for the goals have improved with the establishment of the SDG Stakeholders' Chamber that includes members from the private business sector and civil society. Only in its initial stages, civil society organisations have actively engaged the government in challenging the policies that have been hindering the achievement of goals, and working with them to overcome barriers to policy-making and implementation. CSOs have effectively mirrored the government working groups set up for the SDGs in order to institutionalise interface mechanisms in the social, peace, security, and governance and environmental aspects of the goals and put up monitoring and evaluation and advocacy and communication to support the working groups. A digital platform called the SPACE web application was also developed to open doors for collaboration and partnerships amongst the members.

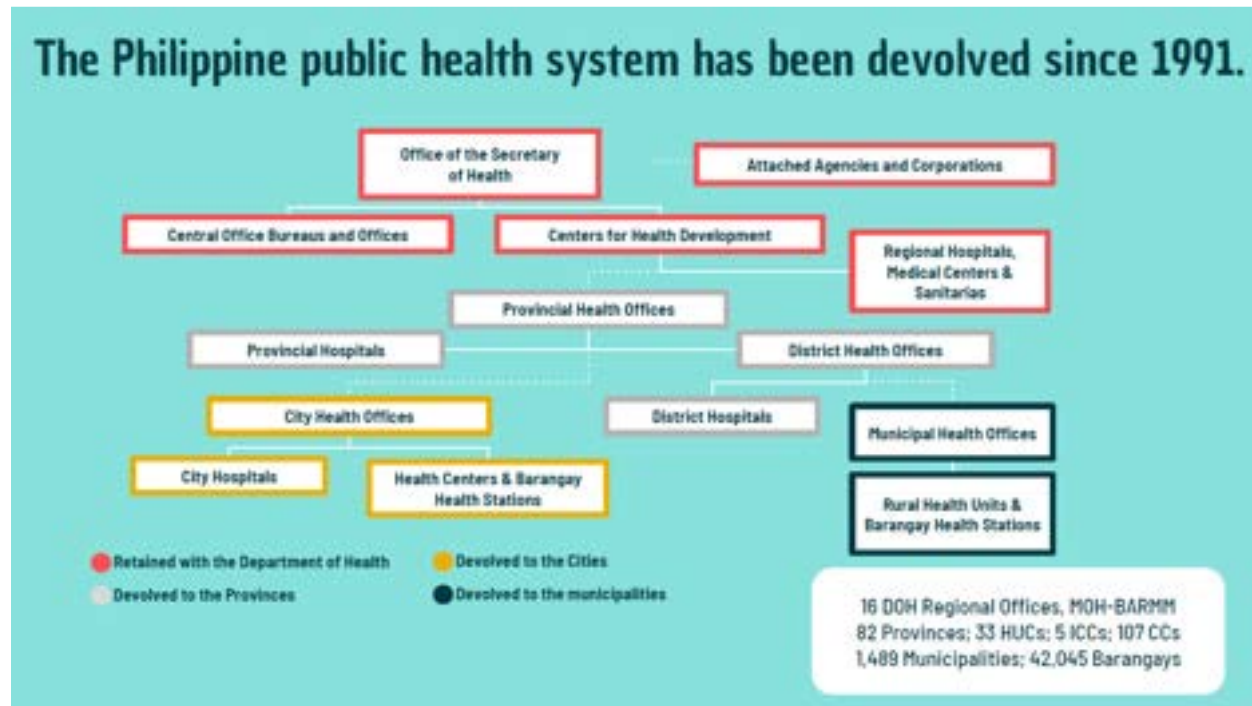
Overall, civil society remains vigilant. In the last five years of the SDGs, we shall be facing more challenges – peace and security, governance of a more digitalised, AI-driven world, the hovering threat of climate emergency, increasing inequalities, to name a few. Overcoming the systemic barriers to the achievement of the SDGs and Agenda 2030 need to be more transformative.

## Chapter 2. On SDG 3: Ensure healthy lives and promote well-being for all at all ages

### PHILIPPINES: Health reform running on empty

#### Background

The Philippines has seen rapid changes in its health system since 1992 when decentralized governance in health and other sectors were implemented as a consequence of Constitutional change. The new Constitution expanded the democratic space in the country after over two decades of dictatorship which culminated in the People Power Revolution of February, 1986 by ensuring stronger local governance to counter balance imperialist behavior of national government.



As the inequitable financing of the decentralized health system among LGUs became a prominent issue that led to calls to recentralize the Philippine health system, national government generated the first National Health Accounts of the Philippines in 1994, reported in 1998 (NSO, later PSA)<sup>4</sup>.

Doctor Alberto “Quasi” del Gallego Romualdez launched health sector reform in the country over a quarter century ago in 1999 after taking the helm when he took over the Department of Health in 1998. His vision was to cut the cost of health care so that government and health insurance would cover up to 70% of health costs (leaving 10% for private health costs). The Filipino would only pay 2 pesos for every 10 pesos spent on health care which would be widely

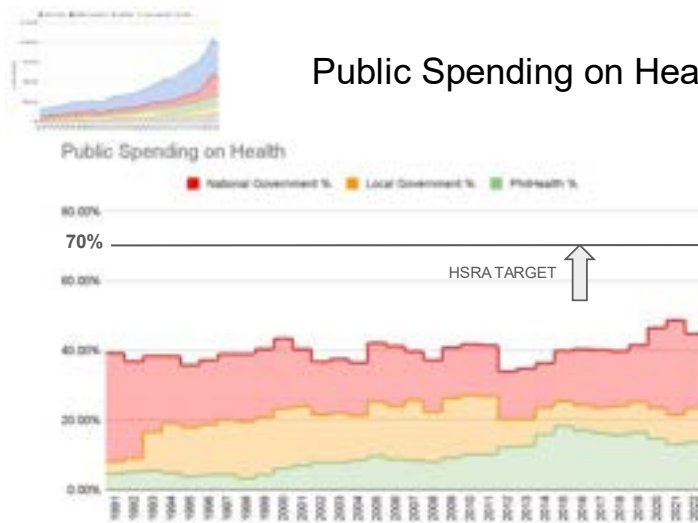
<sup>4</sup> (missing footnote)

available and of good quality (usually called out of pocket spending). as President Erap Estrada's health secretary (Businessworld, Yellow Pad column, J Perez, 2024).

He obtained Presidential action through EO 205 (Official Gazette) which directed National and Local government cooperation to set up local health systems, citing Sec 33 of the Local Government Code which allowed LGUs to undertake cooperative undertakings among themselves for common benefit.

Sec Quasi opened the doors to a dialogue between national and local governments for health, increasing local government spending on health to 19.3% of per capita health expenditure by 2000 from 15.9% in 1995 (NSO, now PSA). Nationally he increased DOH spending on health by two percentage points (19.2% in 1995 to 21.2% in 2000) and increased PhilHealth share in covering health costs by 2.6 percentage points (from 4.2% in 1995 to 6.8% in 2000).<sup>5</sup>

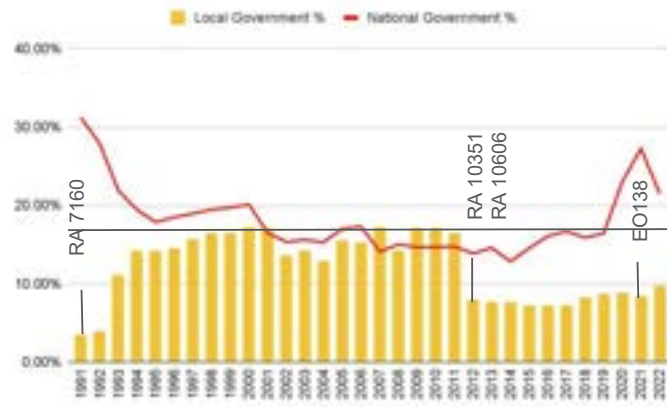
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The targets for the HSRA were for government spending to reach 40% of THE, and SHI to reach 30% of THE.

Local government spending, in particular, is slowly being squeezed out of the picture.

### Case Study: Local Government



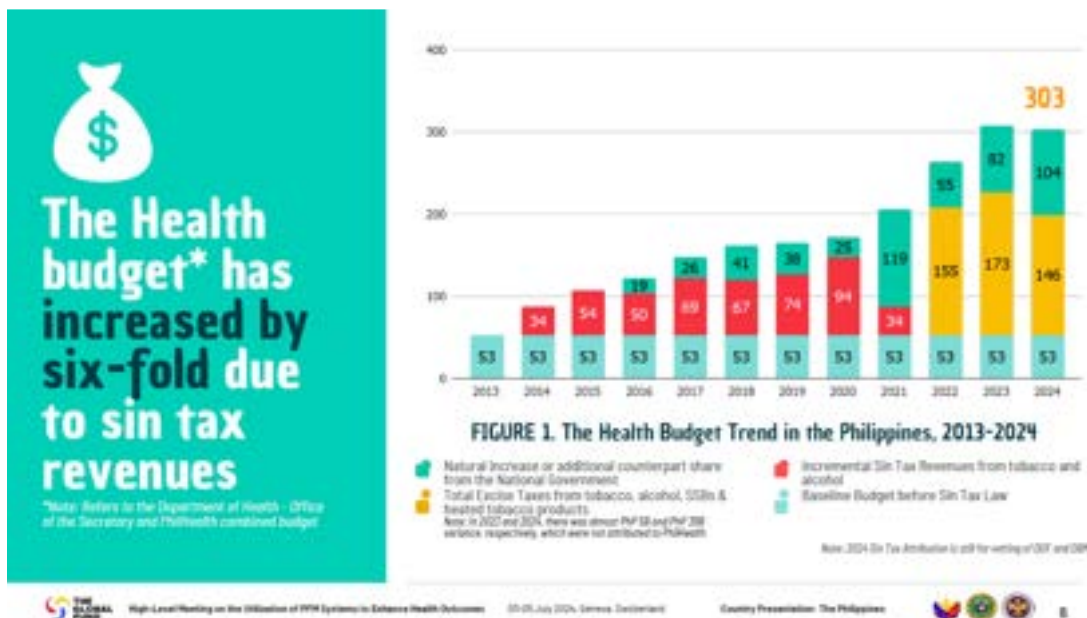
<sup>5</sup> Unilab Foundation study, presented 2024

<sup>6</sup> Unilab study, 2024

When DOH started paying for the premiums of the poor under the National Household Targeting System in 2011, LGU sponsorship of the poor disappeared and LGU spending for health was reduced to below 10% of Current Health Expenditure. DOH also launched the Health Facility Enhancement Program (HFEP) nationally soon after, further depressing health spending by LGUs. Alongside HFEP, DOH also launched deployment programs for nationally-funded health workers (doctors, nurses, midwives, pharmacists) partly to make sure the new health facilities were being staffed, but also to prop up LGU health workers who were now clearly overburdened with over 40 public health programs in cities and municipalities alone.

### The first nine years of SDG 3 in the Philippines (2015-2023)

It was clear before the final year of the Millennium Development Goals in 2015 that the country would not make significant progress in the health sector. The launch of Kalusugang Pangkalahatan in 2012 and the enactment of Sin Taxes would increase funding for both the Department of Health budget and premium payments for indirect members by increased taxation would also increase the corporate budget of the Philippine Health Insurance Corporation (PHIC). Expansion of benefits before 2015 would lead to almost full utilization of the premium payments of direct and indirect members of the National Health Insurance Program under PHIC. Indirect members using social health insurance benefits started to outrun the direct members who belonged to the private sector.



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The increase in the DOH budget and premium payments coming from sin taxes had an unintended consequence: decentralized health services from community health programs/primary health care, district hospitals and provincial hospitals saw a decline of

<sup>7</sup> DOH presentation to Global Fund, Geneva

support from local government resources. PHIC payments for secondary and tertiary care were being channeled by provincial and city governments with hospitals to non-health local programs, leading to chronic underfunding of health services and deterioration of health facilities.

The most significant consequence of the COVID pandemic from 2020-2022 was the inequity of a health system challenged by its inherent weakness when confronted by the increased mortality and morbidity in a population with high out of pocket costs in health. The human resources and structure of the primary care health system could not maintain the twin challenge of a pandemic and a population facing increasing poverty as the country's economy showed negative growth and high unemployment. The national government borrowings to overcome this downturn increased the percentage of GDP spent on health for the first time in 2021 and lowered OOP to 40% but spending in health declined in 2022 and OOP rose again to 44-45% (USAID, National Health Expenditure Survey, 2022). Local government health systems were sidelined during this period, leading to further deterioration of the decentralized health system.

The most recent release of the Philippine National Health Accounts (PSA, 2024) reflects the impact of Health Sector Reform on the poorest as well as the richest quintiles of the population:

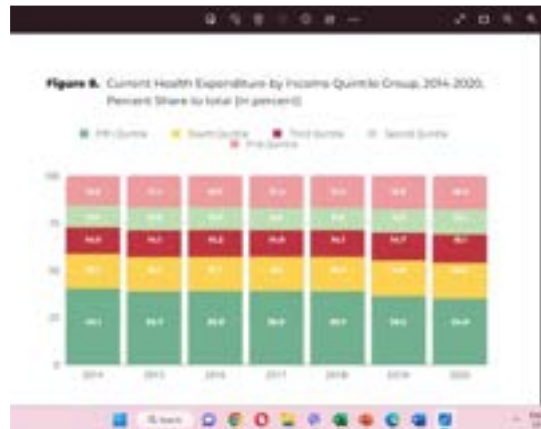
The Out-of-Pocket (OOP) share of the poorest quintile has increased by 2.1 percent (and larger than the second and third quintiles taken separately) while the richest quintile has seen a decline in its share of the OOP by 5.3% from 2014-2020. The two poorest quintiles now have a 31.1% share of OOP from 27.5% in 2014.

This increase in OOP has continued into 2021, with "a steady increase in household expenditure for health despite reduced consumption in food, alcohol, transport and the like." This signifies that increased health care costs may lead to sacrifices in other essential expenditures.

Overall, there has been a decline in OOP in the same period from 48.8% in 2019 to 41.5 % in 2021 due to the increased government spending for health which grew from 14.8% in 2019 to 26.7% in 2021 as national government expenditure grew from 120BPhP to 277BPhP.

Even with Health Reform in last two decades, poor now pay more and the rich pay less for health

- Share of poorest quintile in OOP **increased by 12%** in the last seven years
- Share of richest quintile has **decreased by 13%** in the same period
- OOP increases for 2<sup>nd</sup> and 3<sup>rd</sup> quintiles up by 11% and 7% , but their share of OOP is still lower than poorest quintile
- The second richest quintile has been most stable, with only a 3% increase; their share of OOP is only 5% higher than the poorest (it was higher by 13% in 2014)



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In another analysis, OOP expenditure was notably higher in private health facilities (42.6%) than in public facilities (18.1%) mainly due to higher PHIC payments to public facilities (67.6% public vs 43.3% private). Among the 11,017 households surveyed, 40% were spending P2,100 per capita on health, with more people going to outpatient private facilities than RHUs (USAID, NHES, 2022). This indicates preference even among the lower socioeconomic quintiles for private outpatient care than public OPDs; but more people went to public inpatient facilities where PHIC support was higher, but still required OOP even among the poorest quintiles.

By DOH’s own analysis key stakeholders were not able to reduce OOP spending:

“In 2020 the Total Health Expenditure (THE) was at 5.6 percent of GDP and government health spending as a percentage of total government expenditure was pegged at 7.6 percent. However such development failed to lower the out-of-pocket (OOP) expenditure of households, which was the major source of financing for health at 45% of Current Health Expenditure (CHE). The Philippine Health Insurance Corporation (PhilHealth) was able to mobilize its premium collection but its share of total CHE declined. The potential for LGUs to allocate more for health through fiscal autonomy was not fully realized.” (DOH 2023)

DOH assesses that it has failed in the following areas: increasing the share of PHIC in CHE, reducing OOP, failed to allocate resources among the most appropriate financing agents, new provider payment mechanisms and fiscal autonomy of national and local health facilities.

There are at least two areas that could improve health equity: increase in PHIC share of THE, and allocation of resources to peripheral health facilities, which means increasing local government spending for the devolved health system.

On PHIC membership, the 2021 National Health Expenditure Survey (NHES) reports that up to 50% of households report having no insurance (31% in NDHS 2017) and only 48% acknowledged

<sup>8</sup> Adapted from DOH, 2024

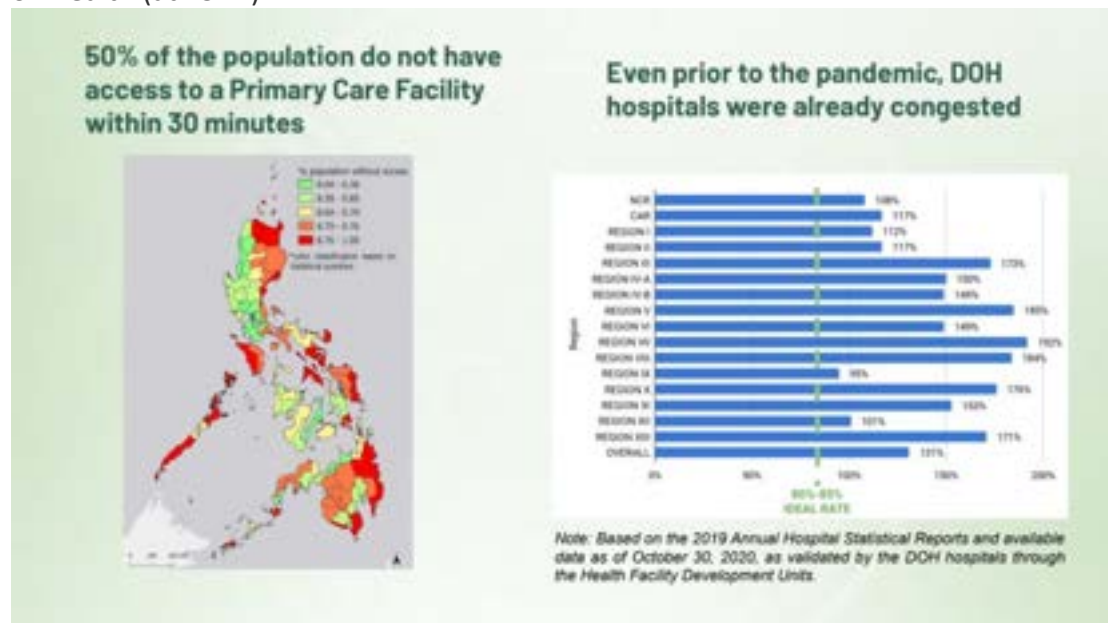
being PHIC members (65% in NDHS 2017), indicating decreasing awareness of health insurance over time, particularly among household heads.

In the NHES, among women 15-49 years old, family planning and pregnancy related consultations were predominant; 93.6 % of FP consultations were in public facilities while pregnancy-related consultations were in private facilities, indicating a greater private sector role.

It was seen in NHES that despite PHIC benefits and UHC implementation, 7 out of 10 cases of inpatient care resulted in the patients paying out of pocket, 42.6% in private facilities and 18.1% in public facilities. Thirty percent of 4Ps members reported paying out of pocket in both public and private facilities.

From NHES, the picture of inefficiency leading to lack of equitable care is apparent: “The current service delivery system in the country lacks a gatekeeping mechanism at the primary level of care (DOH, 2018a; Dayrit et al., 2018). The limited capacity of primary healthcare facilities, such as barangay health stations or health centers, to provide basic healthcare services due to poor maintenance, understaffing, and lack of equipment has led to them being bypassed. The result is an influx of patients to hospitals, which provide more expensive services (DOH, 2018a; Dayrit et al., 2018).”

Despite the presence of a local health system run by LGUs that the rural and urban poor could depend on, local governments have underinvested in local clinics and hospitals as the national government spent P277B on health in 2021, almost three times what local governments spent on health (at P97B).



When the health sector reform was at its height in 2003, LGUs were spending 20% of their IRA on health (P23.5B out of P113B); by 2021 this had declined to 13.9% by 2021 (P97B out of P695B), a thirty percent decline.

In NHES the geographic disaggregation by rural or urban settings show those in rural areas are more likely to go to BHSs, RHUs and public hospitals; they pay marginally more for professional services (78.6% vs 77.8%) and more for medicines (7.5% vs 1.9%).

In another indication on the state of population health in the country, excess mortality hit a post-war peak in 2021 and continues to figure significantly in 2022. In practical terms, excess mortality during pandemics indicates increasing premature mortality in the population.

Among excess deaths, COVID 19 has made inroads since 2020, peaked in 2021 and continues to be among the top causes of death in the country:

Year	COVID Deaths	Other excess mortalities
2020	30,188	
2021	105,723	159,770

Thus far, COVID has caused 149,794 deaths in three years, but it has not matched the excess deaths for other diseases alone in 2021. As a single disease entity, COVID has contributed the most to premature mortality in the country (POPCOM press release, 2022).

### **Increasing prospect of a Philippine Demographic Dividend**

The Philippine commitment to Reproductive Health was carried out by the DOH and POPCOM in the Aquino and Duterte administrations (2010-2022). By 2017 the country had achieved 2.1 replacement fertility and by 2019 then-POPCOM Chair and NEDA Secretary Ernesto Pernia would note that poverty levels were now at 16.2% among families (21.1% of the population), the lowest poverty level this century in part due to the strict implementation of the RPRH Law. COVID would accelerate the fertility decline further to 1.9 by 2022, but this was tied up with an increase in poverty levels. PSA projections now show that the country is growing by around 900,000 Filipinos a year or under 1% population growth rate or PGR (it was 2.34% PGR at the turn of the century). Poverty has now increased to 18% among families from 2019 when it was 2 percentage points lower.

A 2017 study projected a demographic dividend of PhP20 trillion as soon as the country achieves replacement fertility. This was also anchored on early and consistent fertility decline in the next 20 years at least. To achieve an outcome, Prof. Michael Del Mundo recognized the following as the key to fertility decline:

- Delayed marriage (leading to delayed fertility)
- Lower sexual activity
- Higher contraceptive use
- Lower desire for large families, mainly among women

## Universal Health Care in the Philippines at the Crossroads in 2024

The last two government administrations since 2016 have exhibited a lack of attention to health and population matters, seeing declines in social health insurance and local government spending:



FIGURE 2. Current Health Expenditure per Financing Agent



PHIC announced universal coverage at the end of 2023, even as 4 million Filipinos (out of 112 million) were still not registered and without premium cover.

For 2024, the national government and legislators agreed to cut the budget for indirect members (indigents) by 50 percent, effectively reducing the total membership in PhilHealth by a third. This was a clearly political move as the amount cut from social health insurance went to patronage programs in health controlled by politicians and legislators.

This situation is not a new development, as politicians have always curried favor with constituents through *ayuda* (aid) programs since COVID hit in 2020. But this time the scale of health patronage was clearly exceeding public health systems' regular funding through PhilHealth, which were gutted to fund the patronage program Medical Assistance for Indigent Patients (MAIP) of the DOH. PhilHealth's Social Health Insurance Program for indigents has suffered the most under this unwritten policy.

Unregulated MAIP funds provide an opportunity for politicians to gain goodwill to the detriment of the health system. MAIP fund support is entirely discretionary on the part of the approving authority (politicians and government executives). The goodwill generated by the generous persons in authority is highly valued and it can translate to political support by the beneficiary who now has a feeling of *utang na loob* for the political benefactor.

<sup>10</sup> DOH, presentation to Global Fund

MAIP started as an exclusive program for indigents who would have to show proof of indigency from the barangay captain where the beneficiary resided to be covered by the program. However, since mid-2023 DOH has loosened this requirement to allow financially incapable patients to avail of MAIP (now renamed Medical Assistance to Indigent and Financially Incapacitated Patients - MAIFIP).

This expansion of MAIP to non-indigents allows political patronage to reach an even broader segment of the population, most important during election seasons.

**Two systems of financing health care emerging**

Thus, while PhilHealth provides a similar package of assistance to all its registered members regardless of financial capacity, MAIFIP provides assistance to seventeen times fewer beneficiaries without regulatory constraint and dependent only on what the approving authority will allow.

The emergence of two systems of health financing in the country is more than worrisome, primarily because one system feeds off the other and may end up with the health sector being saddled by two competing programs which increase the inefficiency in the health sector.

In these post-pandemic years even DOH has noted that benchmark indicators of population health have worsened:



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The recent decline in the above indicators is evidence that our primary and secondary levels of health provision (mainly under local government control) have been severely tested by the pandemic and continue to underperform as Philhealth support for primary care has not materialized. Such weakness will put a heavy strain on higher levels of care run by provincial governments, regional and national health facilities of the national government and providers in the private sector.

<sup>11</sup> DOH presentation, August, 2024

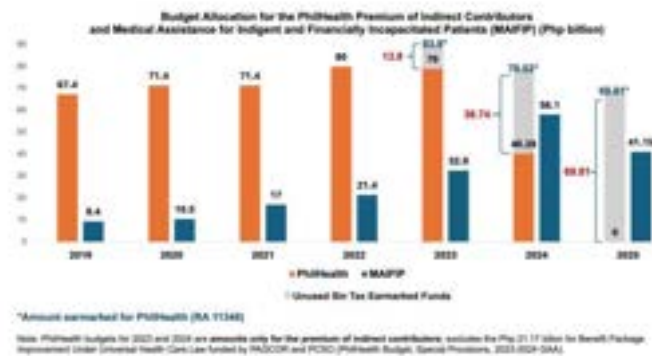
## Reversing hard-won gains in health reform

While the Duterte administration championed the Universal Health Care law of 2019, the COVID pandemic delayed its full implementation for three years (2020-2022).

The UHC Law provided the framework to expand health benefits, particularly comprehensive outpatient benefits (COPB) through a primary care provider network using decentralized health services as its foundation.

The COVID pandemic uncovered the weakness of the primary care provider network and weakened it even further. The withdrawal of increased resources for health began in 2023 as COVID ebbed.

**Given the expansion of benefits requiring sustainable financing, the premium reduction, together with the 0 budget in 2025 and the PhP 60 billion fund transfer, will potentially result in a crisis in PhilHealth in the coming years.**



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From the above, since 2023 Philhealth has been suffering a shortfall in the release of sin tax collections by government by reducing the allocation in the budget as well as not being given what was actually in the approved budget. The resource gap has been increasing every year: 33.9B in 2023, 52billion in 2024 and 69.81B in 2025. The resources intended for PhilHealth has clearly gone to the MAIP/MAIFIP program which is driven by patronage of elected national and local officials rather than determined based on need.

This year, the government has chosen to spend PhP41billion in patronage health funds and nothing for indigent indirect members of PhilHealth. Direct members will shoulder the entire benefit claims of indirect members in 2025 which is expected to be over PhP100billion.

The current administration's manipulation of the national budget in search of billions for political campaigns for reelection reached a peak in the 2024 budget when it removed PhP89.9 billion from Philhealth on top of a 50% reduction in its budget (which actually became 67% as shown in the table above). The Philhealth "excess resources" were actually spent on mostly

<sup>12</sup> UHC Collective presentation at presscon on June 5, 2025

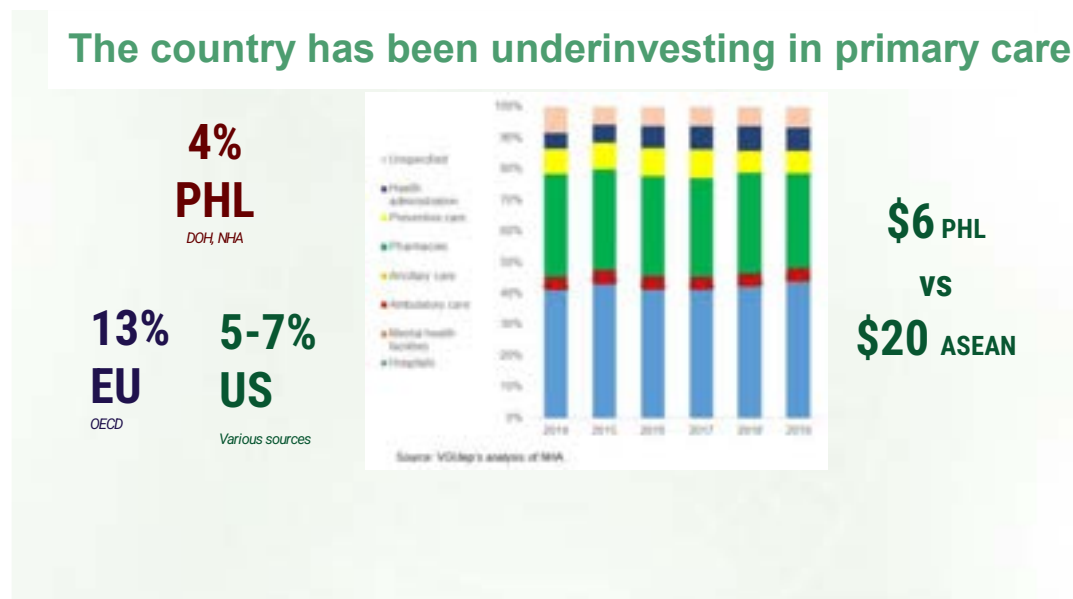
money making infrastructure projects not related to health. This caused a legal controversy that continues to play out today.

### Getting to 2030: Sustainability vs Backsliding

Universal Health Care in the Philippines, despite the promise of the 2019 law, has been emaciated by the current administration’s political preference for patronage health programs. Despite the rising need of indirect members for health care shown above, the current administration has chosen to fund the politically-tainted MAIFIP which does not prioritize the indigents.

Up to 2019 when the country was on the verge of implementing UHC, benefit claims of indigents had been increasing and sin taxes were being transferred to Philhealth to cover increasing claims. The decline of Philhealth benefit payments during COVID was seen as an opportunity to make the system more “efficient” rather than a temporary downturn. Philhealth became a “cash cow” vulnerable to political purposes.

The biggest casualty in government’s preference for patronage/ayuda in health will be the inability to truly implement a Comprehensive Outpatient Benefit Package that could jumpstart the failing primary care provider network of municipalities and cities.



The Philhealth Konsulta package for primary care would have invested PhP194b in municipal and city health systems and reduce congestion in higher level health facilities including the Department of Health’s overcrowded medical centers and specialty hospitals.

<sup>13</sup> DOH presentation, August, 2024

The Konsulta package is not a mere drop in the bucket as it would increase Current Health Expenditure from PhP1.44 trillion to PhP1.63 trillion, a 12% increase that could potentially reduce out of pocket spending in health to below 30% (currently at 45%).

The new administration in July, 2022 had the opportunity to finally implement the UHC law. It has instead proven inattentive to the health sector and emaciated UHC implementation by drawing down the UHC budget every year until it reached zero in 2025.

The government has also allowed the legislature to make amendments to a UHC law that it had made sure could not be implemented.

Defunding of UHC (2022-2025) has now led to de-institutionalization of the UHC system in favor of a two tier health system that elite politicians favor over a health system based on equitable health service delivery.

### **In Conclusion:**

Health Sector Reform (HSR) and its objective to achieve universal access to quality and affordable health care has stalled in the Philippines almost three decades after it began.

The HSR achieved its policy objective to enact Universal Health Care (UHC) in 2019, with DOH projecting an additional cost of P300b to achieve its objective.

UHC implementation has been starved of funding that has been provided by law in the last three years.

Patronage-riddled MAIFIP program has gained prominence and funding as PHIC falters.

Congress now seeks to amend UHC law which will lead to legislative micro management, fragment the local health system and minimize health technology rationalization that could lead to further health inflation.

### **A viable plan to recover**

Congress needs to pause UHC amendments and give the new PHIC management and board an opportunity to present a plan to significantly reduce OOP in the next half-decade.

Early infusion of PhP200b in the primary health care provider network by PHIC and supported by DOH and Leagues of LGUs through an improved and effective Konsulta package can reduce OOP by at least 10 percentage points from the current 44%.

Broad mobilization of local governments to address social determinants of health and population development.

At all levels of governance (specially local governance) mandate increased spending in Human Capital Development and social programs.

## Chapter 3. On SDG 5: Gender Equality

### Falling Behind on Gender Equality For The Most Vulnerable Filipino Women and Girls<sup>14</sup>

Gender equality (Sustainable Development Goal [SDG] 5) has been established as a cross-cutting concern that permeates all 17 SDGs, with progress on nearly every SDG hinging on its achievement (Equal Measures 2030).<sup>15</sup> The issues the SDGs aim to address (poverty, hunger, disasters, climate change, conflict, urbanization, environmental degradation, among others) disproportionately affect women, girls, and LGBTQI+ individuals. Gender inequality also hinders access to education and health services, economic opportunities, technology, participation, and decision-making. Girls and women with disabilities, those in indigenous and poor communities, and LGBTQI+ individuals also experience discrimination and constantly face the risk of gender-based violence (GBV) not only because of their gender but also due to their other identities, with gender inequality often intersecting with different forms of discrimination based on age, ethnicity, disability, economic status, education level, among others. Thus, achieving gender equality essentially addresses some of the most fundamental forms of inequality. This specifically involves dismantling the deeply embedded societal norms and systemic obstacles that hinder women and girls from reaching their full potential.

While the government's latest SDG pace of progress (Philippine Statistics Authority [PSA]) shows improvement in gender equality targets overall compared with 2023 status (that is, targets for reported abuse of women and girls are on track, some targets have improved from regression to needing acceleration), targets for reducing violence against women and girls, ending child marriage and increasing government elected seats held by women need acceleration; the number of women in managerial positions is regressing; while the rest of the targets, including discrimination against women and girls and universal access to sexual and reproductive health (SRH) could not be assessed due to lack of data. Government and NGO data, and women's and girls' views also indicate that efforts to address gender issues are not felt, and existing SDG tracking data do not reflect gender issues faced by excluded sectors, particularly young adolescent girls.

The following sections offer a qualitative assessment of select Gender Equality targets, validating the government's report on the pace of progress on SDG 5. This assessment also captures views from girls and boys gathered through direct consultations, as well as research and reports from civil society organizations (CSOs), including feminist organizations and organizations of women with disabilities.

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<sup>14</sup> This report is prepared by Save the Children, with the following contributing authors: Minerva Cabiles, Sara Gabriela Canivel, Melanie Llana, Vivien Martin, Christine Anne Pelagio, Edwin Valdez, and Jerly Villanada.

<sup>15</sup> Equal Measures 2030 (EM2030) found that advancing gender equality directly impacts 47% of the SDG targets, and significantly influences progress on 74% of all targets.

## Where are we in Gender Equality: Status and Challenges

The Philippines has established a comprehensive legal framework to advance gender equality, which includes the Magna Carta of Women (Republic Act [RA] 9710). This landmark legislation is instrumental in ensuring women's enjoyment of their rights without discrimination and mandating gender-responsive policies across all government agencies/bodies. The MCW is anchored on the Philippines' commitments under the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Beijing Declaration and Platform for Action, and other relevant international human rights treaties.

In recent years, the Philippine Congress has adopted critical legislation directly addressing both emerging and long-standing challenges faced by women and girls, while also strengthening existing protection, particularly for girls and women in marginalized sectors. These include RA 11313 (Safe Spaces Act, 2018); RA 11596 (law prohibiting child marriage, 2021); RA 11930 (Anti-Online Sexual Abuse or Exploitation of Children [OSAEC] and Anti-Child Sexual Abuse or Exploitation Materials [CSAEM] Act of 2022); RA 11648 (law raising the age for determining statutory rape, 2022); and RA 11861 (Expanded Solo Parents Act). Congress also enacted RA 11036 (Mental Health Act and RA 12080 (Basic Education Mental Health and Well-being Promotion Act), which respond to mental health issues faced by girls and LGBTQIA+<sup>16</sup>; children experiencing bullying; and women, girls, and LGBTQIA+ individuals who are victim-survivors of sexual and gender-based violence (SGBV).

Despite existing laws, significant gaps persist in the legal framework. Notably, the requirement for parental consent for adolescents under 18 continues to impede their access to SRH services. This disproportionately affects girls aged 10-14, the very demographic facing a heightened incidence of early pregnancy (Commission on Population and Development [CPD]-Region II).<sup>17</sup> A bill aiming to address this gap and accelerate the implementation of Comprehensive Sexuality Education (CSE), as mandated by the Responsible Parenthood and Reproductive Health (RPRH) Law, while initially gaining traction in Congress, faced resistance from an influential conservative religious group, derailing its enactment (Hernando-Malipot). Bills addressing discrimination based on SOGIESC (sexual orientation, gender identity and expression, and sexual characteristics (also known as the SOGIE Equality Bill, or the Anti-Discrimination Bill) have been pending in Congress for more than two decades.

Effectively implementing gender laws and policies, especially at the local level, remains a challenge. LGUs play a key role in delivering devolved social services and are mandated to establish prevention programs and local mechanisms (e.g. Violence Against Women and Children [VAWC] desks, Local Councils for the Protection of Children, women's crisis centers) to respond to gender-based violence (GBV), including sexual abuse among girls, with robust reporting, referral, and response systems. However, full implementation of these legal mandates faces significant hurdles, including insufficient budgets and inadequate monitoring

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<sup>16</sup> LGBTQIA+ stands for lesbian, gay, bisexual, transgender, queer, intersex, asexual and other gender identities.

<sup>17</sup> There was a 35% increase in pregnancies of girls aged 10 to 14 between 2021 and 2022. The reported cases in this age bracket rose from 2,320 in 2021 to 3,135 in 2022.

(Mendoza et al.), poor coordination and lack of training among service providers (Garcia 88), and a disproportionate focus on response over prevention (Garcia 89). These gaps disproportionately disadvantage marginalized women, girls, and LGBTQI+ individuals, increasing their vulnerability to GBV and discrimination.

### **End All Forms of Discrimination against All Women and Girls Everywhere**

The Philippines has made significant progress in promoting women's equality and non-discrimination through national and local efforts. The MCW, enacted in 2009, is a key piece of legislation that created a framework to eliminate discrimination and protect women's rights, especially those in marginalized communities. The MCW mandates government agencies, including LGUs, to implement gender and development (GAD) initiatives and allocate at least 5% of their total budgets to GAD programs. In 2023, the national GAD budget allocation reached 16.68%, far exceeding the minimum requirement (Department of Budget Management). This funding supports critical social protection programs like the Pantawid Pamilya Pilipino Program (4Ps), which now includes grants for pregnant and lactating mothers, and economic empowerment initiatives such as the Pondo sa Pagbabago at Pag-aseño (P3) program. It also addresses women's needs during climate crises through the People's Survival Fund (PSF) and supports peacebuilding and development in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) via the PAlapa at MASaganang PamayaNAn (PAMANA) Program.

Over fifteen years after the MCW, many LGUs have enacted their GAD Codes, local legislations that affirm national and international gender equality frameworks. The Bangsamoro Transition Authority is currently finalizing Bill No. 336, the Bangsamoro GAD Code, which will mandate gender-sensitive governance in the region, aligning with national laws addressing issues like child marriage (Bangsamoro Information Office). However, despite routine collection of GAD implementation reports by the Department of the Interior and Local Government and the Philippine Commission on Women (PCW) from all government levels, there is no publicly available consolidated national data or analysis on the number of LGUs with GAD Codes or their effectiveness in promoting non-discrimination among women, girls, and individuals with diverse sexual orientation, gender identity, expression, and sex characteristics (SOGIESC).

The MCW has indeed given the impetus for mainstreaming GAD in policy and programming at a national scale. However, an organization of women with disabilities notes that while the MCW includes persons with disabilities in its definition of "marginalized groups" whose rights are equally protected under the law, its provisions do not explicitly address the specific rights and concerns of women and girls with disabilities, rendering them invisible in the MCW (Nationwide Organization of Visually-Impaired Empowered Ladies [NOVEL] and Women Enabled International [WEI] 1-2).

The Philippines ranked 54<sup>th</sup> among 197 countries in the LGBT Equality Index (Equaldex), and the second most LGBT-friendly in the ASEAN region in terms of legal protection and public opinion indices. Despite a seemingly wider acceptance of the LGBTQI+ community, the Philippines continues to struggle in enacting laws for their protection and to promote their rights and welfare. To date, the SOGIE Equality Bill remains pending in Congress. While significant progress

has been made since its initial filing in 2000, the bill continues to face strong opposition driven by religious, social, and cultural factors, entrenched traditional gender norms, and widespread disinformation from anti-gender networks.

The only national policy that sufficiently integrates SOGIESC equality and children's rights is the Department of Education (DepEd)'s Gender Responsive Basic Education Policy of 2017, which is aligned with the GAD mandate. The policy promotes gender-responsiveness in the basic education sector. In 2022, a DepEd memorandum reiterated the full compliance requirement for all basic education schools nationwide to ensure that learners are protected from gender-related violence, abuse, discrimination, and bullying, and to promote gender equality and non-discrimination at all governance levels. Awareness of this policy is generally high among students and staff (Villegas et al.). However, the general impression among secondary school teachers indicates that not all educators adhere to the elimination of gender stereotypes and the integration of gender-sensitive learning materials and teaching approaches. This can be attributed to insufficient leadership support, monitoring, and provision of resources for teachers (Galanggam et al.).

Additionally, children who self-identify as LGBTQI reported that the learning environment is at times unwelcoming due to experiences of homophobic and transphobic remarks, restrictions on school uniforms and haircuts, and limited access to facilities such as gender-neutral toilets in schools (ENet Philippines). At the local level, 24 cities and municipalities, and seven provinces have adopted anti-discrimination ordinances, of which 15 have gender- and/or SOGIESC-focused ordinances, while the rest cover discrimination based on other status in addition to gender and SOGIESC (Save the Children Philippines).

### **Eliminate All Forms of Violence Against All Women and Girls**

Violence against women and girls (VAWG) is ingrained in gender-biased norms, gender inequality, and systemic gaps in protection and justice. VAWG in the country manifests in various forms such as intimate partner violence, sexual harassment, trafficking, bullying, and online sexual abuse and exploitation. The 2022 National Demographic and Health Survey (PSA and Innovations for Community Facilitation) reveals that an estimated 17.5% of Filipino girls and women aged 15-49 have experienced abuse (physical, sexual, and emotional) from their intimate partners. In 2023, the Philippine National Police recorded at least 13,122 VAW cases, which involved violations of the Safe Spaces Act, rape, acts of lasciviousness, sexual harassment, concubinage, and anti-photo and video voyeurism (Abad). Among the reported incidence of rape in 2020 and 2021, 74% and 71%, respectively, were committed against children. Significant gaps in reporting these abuses remain driven by fear of discrimination, retaliation, and a general lack of trust in institutions.

Online sexual abuse or exploitation (OSAEC) has surged in recent years, predominantly targeting young girls and women. The Philippines is now a global hotspot for OSAEC, especially live-streamed sexual abuse (Justice and Care), ranking second only to India in child online sexual exploitation cases (Save the Children Philippines). This crisis is fueled by high poverty, limited social protection, robust money remittance infrastructure, widespread and affordable internet,

high English proficiency, and the normalization of the sex trade (Justice and Care). In 2022, two out of ten Filipino internet-using children aged 12-17 were OSAEC victims (ECPAT, Interpol, and UNICEF), and nearly 500,000 Filipino children (one in 100) were trafficked for child sexual abuse or exploitation materials (CSAEM) (International Justice Mission).

Bullying is also a critical issue in the Philippines, with one in three students experiencing it in schools (OECD). Many children are bullied due to their age, SOGIE, or disability (Chu). Bullying is more prevalent in public schools, affecting students from lower socioeconomic backgrounds, and persists due to nonfunctional Child Protection Committees, discriminatory teacher behavior, and lower levels of competition and discipline (EDCOM2).

Regarding trafficking, the Philippines remains at Tier I (fully meets the minimum standards for the elimination of trafficking; U.S. Department of State). Although it met minimum standards, inconsistent screening of online scam suspects for trafficking led to victims being penalized or deported for acts they were forced to commit. Victim identification and convictions also declined slightly from previous years. Corruption and the involvement of government officials in trafficking crimes remain serious problems. Although research indicates that women and girls with disabilities face a heightened risk of GBV, many healthcare providers remain unaware of this increased vulnerability and often overlook their specific needs when accessing SRH services. This lack of awareness can affect how SRH professionals treat clients with disabilities and how effectively they identify and respond to signs of violence (NOVEL).

Consultations with children reveal increasing efforts to address VAWG, but implementation remains uneven and inadequate. Children noted that despite the presence of VAWC desks in every barangay, many are unaware of the services they offer. While awareness of issues affecting women, children, and persons with disabilities is growing, significant gaps remain, contributing to ongoing discrimination and abuse. In regions such as BARMM, protection efforts are rated average, with some schools actively promoting gender and child protection, while others fall behind. Greater community dialogue is needed to raise awareness and challenge harmful behaviors, especially in areas where information on VAWG is limited. This highlights the need for stronger and widespread awareness campaigns, inclusive education, and systemic support to protect all children from discrimination and violence. (Save the Children Philippines).

VAWG survivors face significant barriers to justice, including slow, costly legal processes, limited access to legal and psychosocial support, and gender-biased social norms (Valdez et al). Victims often struggle with evidence collection, encounter non-child-friendly justice environments (UNICEF-EAPRO, UNFPA-APRO, and UN Women-APRO), experience inadequate police response, and deal with service providers lacking gender sensitivity training. Women and Children Protection Desks (WCPDs) are frequently understaffed or non-operational, and funding for women and girls during investigations is scarce (Cabatay et al.). Rape crisis centers and abuse shelters are underfunded or absent (Women's Legal and Human Rights Bureau [WLB] and WEI).

Cultural impunity also discourages survivors from seeking justice (WLB). Children with disabilities face additional hurdles, such as the lack of reasonable accommodations like sign language interpreters in courts (WLB and WEI). The absence of comprehensive, disaggregated

data on marginalized children—including girls, children with disabilities, and indigenous children—renders them invisible, limiting their access to essential programs, services, and justice (WLB and WEI). Some communities prefer the tribal justice system (*husay*) for settling SGBV cases due to its faster, simpler, and more accessible resolutions compared to the State legal system. Survivors often find healing and validation when perpetrators admit guilt in *husay*. Privacy, avoidance of public shame, and lower financial costs also make *husay* more appealing, particularly in rural areas. Trust in tribal leaders and strong cultural values like kinship and compassion reinforce this preference, even when formal laws are known (Save the Children Philippines and WLB). Support services for survivors of abuse are unevenly distributed and frequently operating at over capacity, with government and NGO-run shelters often ill-equipped for children, housing a mix of abused children, children in conflict with the law, orphans, and trafficking victims (UNICEF-EAPRO, UNFPA-APRO, and UN Women-APRO). Referral guidelines for VAWG lack integration and fail to address intersectionality. Furthermore, Women and Children's Protection Units in hospitals often lack the facilities or kits for forensic rape examinations, and coordination among various service providers is often fragmented. Psycho-social support services, critical for survivors, are severely underfunded, with a shortage of trained mental health professionals (Garner) and inconsistent access to trauma-informed care, particularly in rural and remote areas. The stigma surrounding mental health further discourages some survivors from seeking necessary help (Philstar.com).

### **Child, Early and Forced Marriage**

In the Philippines, data shows a downtrend in child marriages. The prevalence of women aged 20-24 years who reported getting married or into a union before turning 18 years old decreased from 16.5% in 2017 to 9.4% in 2022, while the data for those who did the same before age 15 years also dropped from 2.2% in 2017 to 1.5% in 2022. However, the rate at which girls are marrying before age 18 has not declined as rapidly as hoped. Data shows that around 73,000 girls enter marriage or union before the age of 15 (Situation of Children Philippines), with PSA declaring the SDG indicator on ending CEFMU as “needing acceleration.” Gender plays a large role in Child, Early, Forced Marriages and Unions (CEFMU). Marriage rates for girls and young women are dramatically higher than those of boys and young men. In 2022, 31 girls and 4 boys under 15 years old were registered as married, a significant drop from 2021, with 63 girls and 3 boys, and 2020, with 49 girls and 2 boys. Almost all these registered marriages were done through Muslim or tribal ceremonies (UNFPA Philippines). With the clear gap between girls and boys under 15 who were registered as married, most marriages of girls were to male adults 0 to 4 years older. However, approximately 10% of girls married before the age of 18 have partners 10 or more years older (UNICEF Philippines).

Gender inequality and poverty are most often cited as drivers of child marriage (Plan International). The majority of women married before the age of 18 belonged to the poorest segment of the population. Stories from the BARMM point to gender and socio-economic inequality as key drivers of child marriage, with displacement and its accompanying insecurity increasing risks to girls (Plan International). Faced with economic hardships and limited access to education and opportunities, families may view child marriage or the possible dowry as a

strategy to secure their daughters' futures. Some communities also still view child marriage as a traditional practice.

Child marriage is recognized as a human rights violation in the Philippines' policies and frameworks. The Philippines passed RA 11596 (*An Act Prohibiting the Practice of Child Marriage and Imposing Penalties Thereof*) in December 2021, which imposes penalties on those who facilitate, solemnize, or cohabit with a child. The Implementing Rules and Regulations were also approved last 07 December 2022, which identified the Department of Social Welfare and Development as the lead agency in the implementation and creation of programs that address the continuing prevalence and provide appropriate services to victim-survivors of child marriages (PCW). Despite the passage of this landmark policy, data remains sparse, and a comprehensive program to address child marriages is yet to be implemented.

On a positive note, girls and youth continue to lead advocacies to halt child, early, forced marriages, and unions. A youth group in Maguindanao raises awareness among girls and their families about the negative consequences of child marriage and other forms of abuse (Save the Children Philippines). Save the Children's ENGAGE Project, funded by the European Union, empowered indigenous girls to claim their rights to protection from sexual and gender-based violence (Save the Children Philippines). Becoming more aware, girls pushed for stronger legal protections against child marriage in line with RA 11596.

### **Women's Participation and Leadership**

Challenges remain in ensuring women's full and equal representation in leadership roles in the country. In 2024, the Philippines placed 25th in the Global Gender Gap Index, significantly dropping from 6th place in 2006 (World Economic Forum). This is the country's lowest, having consistently been in the Top 10 from 2006 to 2018. This drop in ranking reflects the severe political and economic climate women navigate, with fewer women entering formal politics and higher wage inequality for similar work. As of 2024, women comprise only 3,170 of the 13,558 elected officials across all levels of national and local government in the Philippines, representing just 23.3 percent of the total (Rappler). Only five of the 24 seats in the Senate are occupied by women in the 20th Congress, and only 86 out of 307 members of the House of Representatives are women in the 19th Congress. In the Judiciary, while women make up 56% of trial court judges, representation diminishes at higher levels, with only 35% of women associate justices in the Sandiganbayan, and only two of the 15 justices in the Supreme Court in 2025 (Rappler). Notably, data on government personnel is encouraging, with women occupying 60.75% career positions and 43.58% non-career positions (Civil Service Commission). In indigenous communities, no female chieftains are reported. Without women in these positions, initiatives that address women and gender issues, including CEFMU, may not be prioritized. In 2020, Region 12 recorded the second lowest percentage of female Indigenous Peoples Mandatory Representatives (IPMRs), with only 6%, well below the national average of 22% (Save the Children Philippines). Deep-seated cultural norms continue to widen the wage disparity. Women still noted that primary caregiving responsibilities contribute to their choice not to work. Married women earn an average of PHP 30 less per day than single women, while married men enjoy a wage premium of PHP 45 more

per day (Philippine Institute for Development Studies [PIDS]). This disparity is attributed to employers perceiving married women as higher-risk investments due to potential caregiving responsibilities.

Despite policy and regulatory reforms to promote gender equity, women still struggle to break barriers in holding key government positions where important decision making occurs. In electoral politics, this may be attributed to fewer women candidates. In the 2025 national and local elections, only 12 women out of 66 aspirants ran in the Senate, 137 out of 615 in the House of Representatives, and 9 out of 108 in the BARMM Members of the Parliament (Commission on Elections). Historically, the country's electoral system and bureaucratic process are heavily male-centric. Political parties are led by men, regarded as the more favored candidates. Women's entry into politics is deterred by online harassment, GBV and smear campaigns (PIDS); lack of means and capabilities for political participation, and exposure to political processes and training opportunities; and limited to no access to campaign resources (Firmase and Prieto-Carolino).

Beyond participation in formal politics, it is important to note the achievements made in closing the gender gap in businesses. As of 2025, Filipino women hold 43 percent of senior management positions in mid-sized businesses, placing the Philippines third globally in terms of female representation in leadership roles, with only 3.4 percent of Philippine businesses reporting having no women in senior management. (P&A Grant Thornton). Furthermore, 85 percent of companies offer equal pay for the same roles, with the remaining 15 percent aiming to achieve this within the next five years. Women's role in homes and communities has significantly improved, with more than half (56 percent) of married women jointly making decisions with their husbands on how their earnings are used, and 85 percent of married women have a say in decisions concerning their own healthcare and household purchases (PSA and ICF). Children consulted shared that more female students are actively engaged in leadership roles in the Supreme Student Government (SSG), asserting their right to be involved in school governance. Understanding, accessing, and using digital platforms also proved to be a powerful tool for women and girls to promote empowering messages such as body inclusivity and self-acceptance. While growing digital awareness helps extend women's empowerment beyond local communities, the digital divide must be addressed to prevent the exacerbation of social and economic inequalities.

### **Sexual and Reproductive Health and Rights**

The Philippines has enacted policies and programs aimed at encouraging and increasing access for children and adolescents to SRH services, especially with the passage of the Responsible Parenthood and Reproductive Health Act of 2012 (RA 10354). Additionally, the Universal Health Care Act (RA 11223) emphasizes in its framework the equitable access to health care services for women of reproductive age, which includes family planning, maternal care, and adolescent health services. National agencies such as the DepEd and the Department of Health (DOH) have developed programs that contribute to improving SRH outcomes. The DepEd Order No. 31 series of 2018 outlines the CSE, which institutionalizes the inclusion of age- and developmentally appropriate sexuality education in the basic education curriculum. Likewise,

the DOH's Adolescent Health and Development Program aims to promote the health and well-being of adolescents through the implementation and strengthening of services and education.

Despite these, adolescent pregnancy remains prevalent particularly in low-income communities. Data in 2019-2023 (CPD) show a decrease in the number of adolescent mothers, from 180,916 in 2019 to 142,276 in 2023 (Abad). While these figures may suggest the effectiveness of certain programs and interventions, the CPD also notes a concerning gradual increase in pregnancies among girls aged 9-14. In 2019, 2,411 births were recorded in this age group; by 2023, this number had risen to 3,343. Moreover, of the 3,343 adolescent mothers recorded, only 21 were confirmed to have been fathered by boys of similar age, implying that many of these young girls may have experienced abuse (Pineda).

Alongside the alarming rates of adolescent pregnancy, especially among girls aged 9-14, is the rising number of HIV cases in the Philippines. The DOH reports that the average number of daily HIV cases increased from 21 in 2014 to 48 in 2024, a 129% rise. In 2025, between January and April, 6,703 new infections were recorded, 44% more than during the same period in 2024. In 2025, the average daily reported cases have climbed to 56. Many of the new cases involve individuals aged 15-25, with the youngest confirmed case being a 12-year-old child in Palawan. The data also shows that the population at risk is getting younger: in 2006, the most affected group was aged 35-49; by 2025, 30% of newly reported cases are among those aged 15-25. The DOH has declared that the Philippines now has the fastest-growing HIV epidemic in the Western Pacific Region (Flores).

Despite national and local recognition of the urgent SRH issues faced by children and adolescents, as evidenced by the passage of policies and the development of strategic plans, there remains a gap between this recognition and effective implementation at the community level. Evidence shows that programs and services at the municipal and barangay levels remain limited or are inconsistently implemented (Save the Children Philippines). In Navotas City, the community reported a lack of specialized, localized programs on adolescent pregnancy that consider the specific context of children. A similar situation exists in Malabon City, where there are no systematic responses or adolescent- and child-specific programs to address adolescent pregnancy. The absence of integrated referral mechanisms further limits access to holistic and comprehensive care, especially for adolescent mothers and fathers (Bata and Carlos). Moreover, available services, particularly at health centers, are often not accessed by girls and their families due to a lack of awareness about these services. In Caloocan City and the municipalities of Alabel and Maitum in Sarangani Province, discrimination persists against those seeking SRH services such as family planning and related commodities. Children report being stigmatized rather than supported, and this cultural barrier discourages them and their families from actively seeking help. The research highlights this stigma as a significant factor preventing effective engagement with health services (Bata and Carlos).

Adding to the challenges in the grassroots implementation of SRH policies and programs are religious groups raising concerns in the implementing guidelines of the CSE, claiming that CSE, endorsed by the World Health Organization (WHO), is not attuned to Filipino culture and values. However, experts assert that CSE, as an international standard in sexuality education, is age-

appropriate, culturally relevant, and scientifically accurate, promoting rights, gender equality, and empowerment by addressing the full emotional, social, cultural, and ethical dimensions of sexuality. This opposition effectively derailed the passage of the Prevention of Adolescent Pregnancy Bill pending in the Senate. Child rights advocates were quick to defend the bill and the CSE, which underwent several research and consultations with stakeholders, including faith-based organizations.

The adoption of progressive laws and programs that aim to advance children's equitable access to SRH information and services is a positive step towards gender equality. However, localization and implementation at the community level remain inadequate, resulting in poor outcomes and the prevalence of issues that affect the health and development of girls.

### **Drivers of Gender Inequality in the Philippines**

Evidence on gender-related issues presented earlier manifests the intersecting vulnerabilities of girls, particularly those with disabilities and from marginalized communities, which are compounded and driven by cultural, socio-economic, environmental, and governance factors.

Due to **poverty**, marginalized families often resort to marrying off their young daughters, resulting in child marriage. This practice increases the likelihood of early pregnancy, with teenage pregnancy rates significantly higher among the poorest wealth quintile (10.3%) compared to wealthier groups (1.8%; PSA). This situation often traps girls in cycles of limited education and opportunities. For women and girls with disabilities, poverty is even more severe, with a poverty rate four times higher than the general population. Despite progressive disability laws, women with disabilities earn less than their male counterparts (Institute of Developing Economies-Japan External Trade Organization).

**Disasters and climate change** disproportionately affect vulnerable women and girls, exacerbating GBV and further driving child marriage. Natural calamities often lead to displacement and shifts in government priorities, disrupting social support systems and increasing the risk of domestic and sexual violence. Girls with disabilities face heightened vulnerability to violence, physical mistreatment, and sexual exploitation in post-disaster scenarios (Van Dalen et al.). Economic losses from climate change impacts can drive families to resort to child marriage as a coping mechanism, while school disruptions eliminate a crucial protective factor against early unions and pregnancies.

The rapid spread of **digital technology** offers many opportunities but also introduces new challenges, especially for marginalized girls and women. A significant "digital divide" remains, with disparities in access to devices, reliable connectivity, and digital literacy disproportionately affecting those in rural and remote areas, including women. This limits their participation in the digital economy and access to information, perpetuating existing inequalities. Additionally, technology-facilitated GBV (e.g., online harassment, cyberstalking, non-consensual sharing of intimate images, sexual exploitation) is a growing threat that disproportionately targets young

women and girls (Foundation for Media Alternatives). This digital abuse can silence their voices and restrict their online presence and opportunities.

**Unpaid care work** is a major barrier to gender equality, with Filipino women spending 13 hours per day on unpaid care and domestic work, three times more than men. The burden is heaviest among low-income households, where 9 in 10 women report difficulties balancing paid work with unpaid care (Oxfam Philippines). Mothers of children with disabilities often take on full-time caregiving roles, sacrificing income and facing elevated stress levels. Despite this, care work is largely invisible in economic planning and local governance. **Urbanization** also exposes marginalized girls and women to new forms of vulnerability. In urban poor settings, women and girls can experience intensified "time poverty" due to increased unpaid care burdens and are exposed to unsafe environments, increasing their exposure to violence. Eviction and resettlement increase the vulnerability of women, girls, especially those with disabilities, and LGBTQI+ individuals to GBV, abuse, bullying, and discrimination (Commission on Human Rights).

**The prevailing climate of misogyny and erosion of human rights** (Human Rights Watch; PSA) further compounds gender-related issues by undermining the fundamental protections and entitlements of women and girls. When human rights are disregarded, women's bodily autonomy and dignity are compromised, making them highly vulnerable to violence and discrimination. Marginalized groups like indigenous women face increased vulnerability to exploitation and abuse given limited access to legal aid or proper due process. CEFMU, as a form of violence against children and a direct violation of human rights thrives in environments where basic entitlements and right to dignity are not upheld. **Deeply ingrained cultural barriers and pervasive patriarchal norms** are fundamental drivers that often underpin and legitimize gender inequality (UNDP). These societal biases normalize male dominance, directly contributing to GBV. These also fuel child marriage and early pregnancy by promoting early motherhood and marriage as a woman's primary purpose, especially when other life prospects are limited. This discourages women from seeking political office, viewing it as a male domain, while those who do are subjected to harassment, limiting their participation and representation.

The various challenges in **governance**--long-standing gaps in the legal framework, inadequate enforcement, poor coordination, lack of robust data, resources, capacity, and political will to fully implement mandated programs, especially at the local level--impede efforts to achieve gender equality. This directly contributes to GBV and discrimination, as ineffective justice systems and a culture of impunity embolden perpetrators, making victims less likely to report. Legal barriers will continue to undermine efforts to curb early pregnancy, eliminate GBV, and provide protection from discrimination for LGBTQI+ persons, girls, and women in marginalized situations. Despite the disproportionate impact of decisions on women and girls, especially those in marginalized situations, they lack representation and platforms for systematic consultations.

## **Recommendations to Accelerate Gender Equality**

Addressing the interconnected drivers of gender inequality requires targeted and intersectional interventions to safeguard and empower all girls, women, and LGBTQI+ individuals, especially those in marginalized situations. The following recommendations are crucial to dismantle existing barriers and foster gender equality.

**Enhance the legal framework to address policy gaps and make existing laws more gender-responsive and inclusive.** This includes adopting laws on Prevention of Adolescent Pregnancy, anti-discrimination (or SOGIE Equality Bill), the Magna Carta of Children, and an enabling law for Local Sectoral Representation (Philippine Commission on Women [PCW]). Existing laws (e.g. Magna Carta of Women, Anti-Bullying Act and other child protection laws, climate change and disaster risk reduction laws/policies) must be enhanced to ensure that children, women and girls with disabilities and LGBTQI+ persons are more visible in policy and their unique concerns are addressed through targeted interventions and special protection measures.

**Establish comprehensive and harmonized data systems within the government.**

Disaggregating data by age, gender identity, disability, ethnicity, socio-economic status, and location is critical in pinpointing the unique vulnerabilities and needs of women and girls, enabling evidence-based policymaking and tailored interventions instead of "one-size-fits-all" approaches. National agencies and LGUs must invest in digital systems to report and track VAWC and GBV cases. Harmonized data systems across agencies will also ensure consistency and robust analysis. All levels of government planning must integrate climate data and climate and disaster risk assessments that specifically analyze differential impacts on women and girls, acknowledging their diverse identities and overlapping vulnerabilities.

**Increase budgets for programs and services, especially at the local level.** Effective implementation of existing gender equality laws requires sustained budget for gender-responsive programs and essential local services, such as GBV shelters, legal aid, healthcare for women and girls with disabilities, and comprehensive sexuality education. Investment in capacity building for officials and frontline service providers is crucial, particularly in marginalized areas, to address the current lack of training and resources. Funds should also be directed towards prevention programs (e.g., awareness raising, gender orientation for all genders, sexuality education, livelihood support, and girls' education) to tackle the root causes of GBV, gender-based discrimination, and early pregnancy. Adopting the Council for the Welfare of Children's Budget Tagging System (Integrated National Financing Frameworks), which utilizes gender, disability, poverty, and ethnicity markers, will facilitate more inclusive and gender-responsive budgeting, ensuring funds reach the most marginalized children.

**Establish functional and sustainable reporting, referral, and response systems.** LGUs, schools, and educational institutions, including colleges and universities, must be supported to establish clear, accessible, gender-sensitive, and survivor-centered systems for reporting GBV, CEFMU, and discrimination. These systems must be multi-sectoral, integrating law enforcement, social welfare, legal aid, health services (including mental health), and social protection services, forging partnerships with civil society and private sector service providers within their localities. They must be accessible for women and girls with disabilities, offering features like sign

language interpreters, accessible forms, and disability-sensitive personnel. While digital platforms can enhance reporting, they must prioritize safety and accessibility, especially for marginalized users, and facilitate data collection to inform prevention efforts.

**Improve coordination and integration in service delivery.** Strong collaboration and information-sharing among government agencies, NGOs, community-based organizations, and the private sector involved in gender equality initiatives must be fostered. Services should be integrated, providing a holistic and person-centered approach. This also requires joint planning, resource mapping, and shared protocols for service delivery, especially in emergency or post-disaster contexts. Coordinated and integrated services ensure that individuals receive comprehensive support without falling through the cracks, maximizing the impact of available resources and improving outcomes, particularly for those with intersecting vulnerabilities.

**Intensify gender equality education through partnership with civil society, media, and the private sector.** Shifting deeply ingrained patriarchal norms demands sustained gender equality education across all societal levels, encompassing formal schooling from early childhood, informal community education, and public campaigns. Content should challenge harmful stereotypes, promote positive masculinities, foster critical thinking about gender roles, and educate on consent, respectful relationships, and human rights. Amid the abolition of the CSE, the DepEd's Reproductive Health Education must uphold principles of gender equality, inclusion, and non-discrimination. Campaigns must include popularization of existing relevant laws and policies, and combatting misogyny and disinformation in online content. These must be culturally sensitive and tailored to local contexts, working directly with communities, including religious leaders, traditional elders, men and boys, and local influencers, to challenge harmful gender norms and promote positive, equitable ones. These should use diverse media and platforms to raise awareness about the harms of GBV, CEFMU, and discrimination, and to celebrate gender equality champions.

**Adopt specific programs for very young adolescents (aged 10-14) girls including child mothers, girls in informal unions/cohabitation.** Girls in this age group have distinct and often overlooked needs. They are at a critical developmental stage and require tailored interventions for sexual and reproductive health, mental health, and life skills. Children in "informal" unions or cohabiting relationships face similar risks to child marriage but might not be legally recognized, making them invisible to some protection systems. Very young adolescent mothers face interrupted education, health complications, social stigma, and economic hardship. Programs must address their unique needs, including access to age-appropriate health services (including contraception and maternal care), psychosocial support, continued education pathways, preferential access to social protection services, and economic empowerment initiatives.

**Promote gender-transformative Early Childhood Care and Development (ECCD).** Unpaid care work--largely shouldered by women, especially mothers of young children and children with disabilities--limits their economic and civic participation. Investing Gender and Development (GAD) funds in quality ECCD services enables a "quadruple win": (1) promoting children's holistic development; (2) reducing women's unpaid care burdens; (3) creating jobs for the care workforce;

and (4) realizing the rights of women and children. Positioning ECCD as an essential care infrastructure within local gender plans advances gender equality and inclusive development.

**Strengthen the meaningful participation of girls, women, LGBTQI+ persons, including those with disability, in decision-making.** Safe spaces and mechanisms for the participation of girls, women, and LGBTQI+ individuals, including those with disabilities and in indigenous communities, must be established at all levels to ensure that their views are actively solicited, their lived experiences valued, and their recommendations incorporated into policies and programs at local and national levels. This includes providing reasonable accommodation for women and girls with disabilities to ensure their full and effective participation. Policies institutionalizing these mechanisms at all levels must be adopted for meaningful participation and feedback, to ensure more responsive programs and accountability for service delivery.

**Undertake electoral reforms to strengthen women's political participation.** Equitable representation can be insured by institutionalizing gender quotas, providing incentives for female candidates and applying proportional representation; allocating reserved seats and implementing "zebra" systems (where male and female candidates alternate positions in the party-list ranking); and instituting soft quota systems and a candidate gender quota of 40–60 within political party structures and election slates (PCW). Additional support mechanisms can be put in place, including setting up a women's campaign fund and developing a GAD agenda specifically for party-list organizations. Finally, implementing voter education programs can raise public awareness and support for gender equality in political participation.

## **Chapter 4. On SDG 8: Decent Work and Economic Growth**

### **Economic Growth Without Justice: Why Decent Work Remains Elusive in the Philippines Under Marcos Jr.<sup>18</sup>**

#### **Assessing the Philippines' Progress on SDG 8: Decent Work and Economic Growth**

President Ferdinand Marcos Jr. continues to project optimism regarding the Philippine economy's post-pandemic recovery. Despite the Philippine government's recent self-assessment that the country's status on SDG 8 has improved from "regressing" in 2022 to "needs acceleration" in 2025, the reality on the ground for Filipino workers tells a more troubling story. From stagnant wages and precarious work to the violent suppression of labor rights, decent work remains out of reach for the majority of the workforce.

Of the 11 SDG 8 indicators being monitored by the government, six still require acceleration, and the indicator on real GDP per capita growth remains in regression—signaling a fundamental failure to strengthen the economy and translate macroeconomic gains into equitable development.

In the Voluntary National Review report prepared by the Department of Economy, Planning and Development (DepDev), the Marcos Jr. administration has touted recent policy initiatives such as the passage of Republic Act No. 11962 or the Trabaho Para sa Bayan (TPB) Act in 2023, and the launching of the TPB Masterplan in May 2025, as milestones in achieving employment targets. The TBP aims to provide a strategic, long-term plan for employment recovery and generation. While the TPB Act provides an important framework, its implementation has yet to yield tangible improvements in the lives of Filipino workers.

To combat unemployment, the Department of Labor and Employment continues to provide assistance to jobseekers through its Public Employment Service Offices nationwide. DOLE has also been implementing the Government Internship Program to help the youth. The government also provides assistance through the DSWD Sustainable Livelihood Program's Micro-enterprise and Employment Facilitation Track and Ayuda sa Kapos ang Kita Program (AKAP). Other initiatives highlighted in the report include the TESDA's Online Program or 'TOP', the Department of Tourism's strengthened implementation of programs, and Bangko Sentral ng Pilipinas program to promote financial inclusion through the use of digital payments in local markets.

However, all these government initiatives fall short of addressing the systemic problems faced by Filipino workers: poverty wages, contractualization, and the violent repression of freedom of association.

#### **A Growing Economy That Leaves Workers Behind**

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<sup>18</sup> This chapter is prepared by Jillian Roque

Philippine GDP growth rebounded post-pandemic, with annual growth averaging 5.6% in 2023. Yet this has not been accompanied by decent job creation.

In April 2025, the Philippine Statistics Authority (PSA) reported a labor force participation rate of 64.9%, an employment rate of 95.9%, and an underemployment rate of 14.6%.<sup>19</sup> This means that while 48.67 million Filipinos are employed, over 7 million are seeking more or better work to meet their basic needs. Youth underemployment stood at 13.4%, indicating that 1 in 7 employed young Filipinos are stuck in unstable, unsatisfying, and rights-deficient jobs.

Informality remains high, with about 44% of workers engaged in insecure jobs. In the public sector, 939,771 workers are hired through job order and COS arrangements with no access to benefits or union rights.<sup>20</sup> Private sector employers continue to use agency hiring and short-term contracts to avoid regularizing workers.

Wages of workers cannot keep up with the rising cost of living. As of May 2025, the family living wage (FLW) in the National Capital Region was ₱1,221/day, according to IBON Foundation.<sup>21</sup> The minimum wage, however, remains at ₱645/day—just 52.8% of the FLW. In many provinces, workers earn as little as ₱400/day.

In the recently published 2025 Global Rights Index, the International Trade Union Confederation (ITUC) once again ranked the Philippines among the 10 worst countries for workers.<sup>22</sup> Despite the findings of the 2023 ILO High-Level Tripartite Mission, violations of the right to organize of workers persist.<sup>23</sup> From February 2023 to December 2024, Workers' Rights Watch recorded 83 labor rights violations including killings, abductions, and red-tagging.<sup>24</sup>

Female labor force participation was 52.5%, highlighting gendered barriers to economic participation. Women remain overrepresented in precarious employment and underrepresented in leadership. LGBTQ+ workers, PWDs, and indigenous peoples continue to face barriers to equitable, inclusive, and safe workspaces.

Corruption and patronage politics in the Philippines severely hinder the creation of decent work and inclusive economic growth. Public resources that should fund job-generating programs, quality public services, social protection, and industrial development are instead funneled into politically motivated projects and patronage networks. Early this year the UN Committee on Economic, Social and Cultural Rights has expressed concern that “corruption remains pervasive in all branches of the government and in the wider public sector” in its Concluding Observations on the Philippines’ implementation of the International Covenant on Economic, Social and

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<sup>19</sup> Philippine Statistics Authority. “Labor Force Survey, April 2025.” PSA, 2025, [www.psa.gov.ph](http://www.psa.gov.ph).

<sup>20</sup> Philippine Statistics Authority. “Informal Sector Survey.” PSA, 2024.

<sup>21</sup> IBON Foundation. “Family Living Wage Estimates for May 2025.” IBON.org, 25 May 2025, [www.ibon.org/flw-regl-2505/](http://www.ibon.org/flw-regl-2505/).

<sup>22</sup> International Trade Union Confederation. *Global Rights Index 2024*. [www.ituc-csi.org](http://www.ituc-csi.org).

<sup>23</sup> International Labour Organization. *Report of the High-Level Tripartite Mission to the Philippines*. Jan. 2023.

<sup>24</sup> Workers' Rights Watch. *2024 Report on the State of Freedom of Association in the Philippines*. 2024.

Cultural Rights (ICESCR).<sup>25</sup> Corruption and dynastic politics distort economic priorities and public spending, block pro-worker and progressive reforms, weaken labor rights enforcement and social protections, and normalize impunity in labor violations.

All these shows how the country's growing economy is leaving behind workers. Economic growth without labor rights is hollow. Workers remain trapped in cycles of poverty, exclusion, and repression. To realize SDG 8, the government must confront systemic barriers to workers' rights and empowerment and address key demands of the labor movement: create regular jobs, ensure living wages, and guarantee freedom of association for all workers.

### **The Decent Work Crisis: How Neoliberal Policies Fuel Precarity and Job Insecurity in the Philippines**

The Philippine government's persistent failure to generate regular and decent jobs has entrenched poverty, inequality, and insecurity among the country's working population. While it touts job creation figures and economic growth, the truth behind these numbers tells a story of precarity, underemployment, and systemic neglect of workers' rights. At the heart of this crisis is the government's adherence to neoliberal policies—specifically liberalization, deregulation, privatization, and labor market flexibilization—which have dismantled agriculture and industry, weakened public services and regulatory institutions, and normalized informal and precarious employment. While these policies were promoted as ways to stimulate investment and growth, they undermined workers' rights, job security, and access to decent work—key pillars of the ILO's Decent Work Agenda and the SDG 8 goals.

Since the 1980's, trade liberalization and the establishment of Special Economic Zones (SEZs) have been central strategies of the government to attract foreign investment, expand exports, and integrate the country into the global market. These zones offer fiscal and non-fiscal incentives such as tax holidays, duty-free importation, regulatory exemptions, and simplified business processes. SEZs have become hubs for export-oriented firms and foreign investors.

However, while they have generated jobs and increased foreign currency inflows, they have also come at the cost of labor rights. Employment conditions in SEZs are frequently substandard, with widespread reports of long working hours, forced overtime, contractualization, and union suppression. According to Ofreño, employers in many SEZs prevent union formation through threats of dismissal, contract non-renewal, and blacklisting.<sup>26</sup> Furthermore, labor inspections are restricted in these zones, weakening the enforcement of minimum wage, occupational safety, and other labor standards.

The competition to attract and retain foreign investors has led to a "race to the bottom" in labor standards. Regions compete by offering lower wages, relaxed labor laws, and reduced union

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<sup>25</sup> United Nations Committee on Economic, Social and Cultural Rights. *Concluding Observations on the Philippines*. 2022.

<sup>26</sup> Ofreño, Rene E. *Precarious Work in the Philippines: Policy Challenges and Alternatives*. ILO Regional Office for Asia and the Pacific, 2015.

rights, fostering structural erosion of decent work conditions. Marginalized workers—particularly women, youth, and rural migrants—bear the brunt of these policies.<sup>27</sup>

In both public and private sectors, employers have avoided providing job security, benefits, and union rights. The proliferation of contractual labor—referred to locally as “endo” (end-of-contract employment)—is most visible in sectors like retail, BPO, manufacturing, and services. Workers are hired for five months at a time, then dismissed and rehired to avoid regularization.<sup>28</sup> This practice robs workers of basic rights and undermines unionization. Short-term workers are easily dismissed if they try to organize. As a result, union density and collective bargaining coverage remain low. Workers have little leverage, and employers enjoy complete flexibility. In the gig economy, this dynamic is even more extreme. Companies like Grab and Foodpanda use terms like “partner” or “independent contractor” to avoid classifying riders as employees. These workers receive no social protections—no minimum wage, no sick leave, no insurance.<sup>29</sup> When they organize or protest, platforms retaliate with deactivation or algorithmic penalization. The gig economy thus represents a new form of worker invisibility.

The public sector mirrors these patterns. As of 2024, 939,771 job order and contract of service workers are employed across agencies.<sup>30</sup> They deliver frontline services in healthcare, education, sanitation, and administration—yet are denied job security, benefits, and the right to unionize. These workers are excluded from existing laws and regulations protecting regular public sector employees, making the government the largest employer of precarious workers in the country.

Precarious jobs share key traits: they are underpaid, undervalued, unregulated, and unprotected. Workers in these roles lack enforceable contracts, legal recourse, or access to social security. These jobs also disproportionately affect women, who are overrepresented in informal, low-wage sectors such as domestic work, home-based production, and vending.<sup>31</sup>

Women’s low labor force participation hinders gender equality in the world of work. As of April 2025, only 52.5% of working-age women were in the labor force.<sup>32</sup> Barriers include the burden of unpaid care work, violence and harassment in the workplace, and the devaluation of traditionally female-dominated jobs. The government has failed to invest in care infrastructure or adopt gender-responsive employment policies.

With domestic job opportunities so limited, many Filipinos are forced to migrate abroad to support their families. Every day, thousands of Overseas Filipino Workers (OFWs) depart, risking abuse, exploitation, and separation from their loved ones. The absence of decent jobs at home has made migration a default, not a choice.

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<sup>27</sup> Ofreneo, Rene E. *Globalization and Labor Flexibilization: Philippine Context*. University of the Philippines School of Labor and Industrial Relations, 2008.

<sup>28</sup> International Labour Organization. *Report of the High-Level Tripartite Mission to the Philippines*. Jan. 2023.

<sup>29</sup> Fairwork Philippines. *Platform Work in the Gig Economy: 2024 Ratings*. Fairwork Foundation, 2024.

<sup>30</sup> Civil Service Commission. *Inventory of Government Human Resources: Job Order and Contract of Service Data*. June 2024.

<sup>31</sup> Center for Women’s Resources. *Fact Sheet on Women and Work*. March 2025.

<sup>32</sup> Philippine Statistics Authority. *Labor Force Survey, April 2025*. PSA, 2025, [www.psa.gov.ph](http://www.psa.gov.ph).

The failure of the Philippine government to generate decent and regular jobs is not incidental— it is the result of decades of neoliberal policy that prioritizes deregulation and market flexibility over workers’ rights. Until the state reorients its priorities toward national industrialization, job security, and social justice, the vision of decent work will remain out of reach for millions.

### **Poverty Wages Amid Growth: The Continuing Wage Injustice in the Philippines**

Despite economic growth in recent years, Filipino workers continue to suffer from poverty wages and systemic wage injustice. While the country boasts improving GDP figures and declining unemployment, these macroeconomic indicators hide the grim reality that millions of workers still earn far below what is needed to live with dignity. The Marcos Jr. administration, despite its rhetoric of inclusive development, has done little to address the long-standing failures in wage policy, labor protection, and structural inequality.

### **Wages Lag Behind Inflation and the Cost of Living**

Over the past years, wages in the Philippines have failed to keep up with rising prices and the cost of living. From 2018 to 2025, minimum wages across all regions have only increased incrementally, often by ₱10 to ₱40 at a time—amounts insufficient to offset inflationary pressures.

In the National Capital Region (NCR), the minimum wage rose from ₱537 in 2018 to ₱645 in 2025—a ₱108 increase over seven years. However, this falls short of the cumulative inflation rate during the same period. While nominal wages grew slowly, with no increases at all in 2018–2020 and 2022, inflation remained elevated and real wages have declined from ₱472.45 in 2018 to ₱464.01 in 2025. The lost value (purchasing power erosion) has increased by more than ₱100, reaching nearly ₱181 this year.

*Table 1. Inflation, NCR Minimum Wage, Real Wage, and Lost Value from 2018 to 2025*

Year	Inflation Rate (%)	NCR Nominal Minimum Wage (₱)	Wage Growth (%)	Real Wage (₱, 2015 base)	Lost Value (₱)
2018	5.31	537	0	472.45	64.55
2019	2.39	537	0	461.64	75.36
2020	2.39	537	0	450.84	86.16
2021	3.93	570	6.15	463.83	106.17
2022	5.82	570	0	438.31	131.69
2023	5.98	610	7.02	455.9	154.1
2024	3.2	645	5.74	473	172
2025	1.8	645	0	464.01	180.99

*\*Data sources: Philippine Statistics Authority, National Wages and Productivity Commission (NWPC)*

As a result, **real wages have stagnated or declined**, eroding workers' purchasing power and deepening poverty.

## The Constitutional Right to a Living Wage Is Still Denied

The 1987 Philippine Constitution clearly guarantees the right of all workers to a living wage. However, this constitutional mandate has not been translated into law or policy. According to IBON Foundation’s May 2025 estimate, the family living wage for a family of five in NCR stands at ₱1,217 per day. In contrast, the prevailing minimum wage in NCR is just ₱645 per day—only 52.9% of the amount needed to live with dignity. The average nominal minimum wage across the 17 regions in the Philippines stands at only ₱474—falling short by ₱742 compared to the estimated average family living wage of ₱1,216 for a family of five.<sup>33</sup>

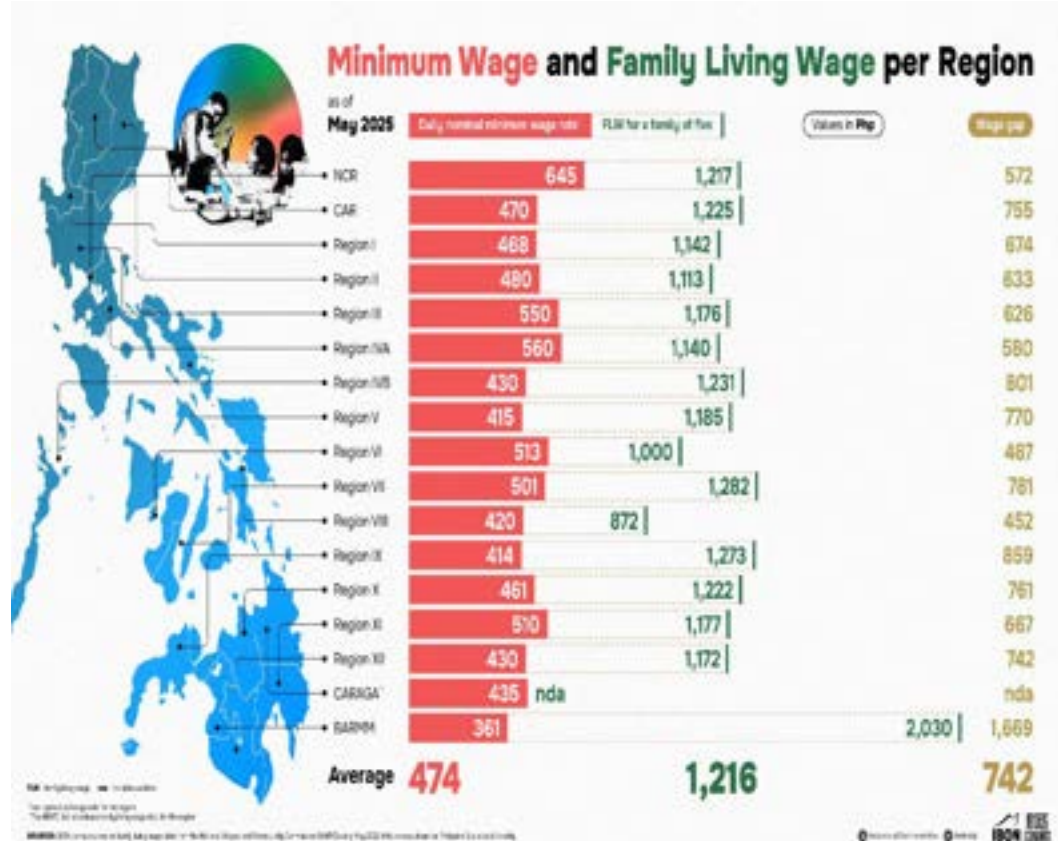


Figure 1. Minimum Wage and Family Living Wage per Region as of May 2025

This shortfall pushes workers to rely on multiple jobs, borrow money, or forgo basic needs such as nutritious food, healthcare, and education—trapping entire families in a cycle of poverty.

## Fragmented and Unjust Regional Wage Setting

The regional wage-setting mechanism, governed by the Regional Tripartite Wages and Productivity Boards (RTWPBs), has long failed to deliver justice for workers. Instead of ensuring that wages reflect the cost of living in each region, this system often prioritizes employers’ interests and economic competitiveness over labor rights. In many regions, wage increases are

<sup>33</sup> IBON Foundation. “Family Living Wage Estimates for May 2025.” *IBON.org*, 25 May 2025, [www.ibon.org/flw-regl-2505/](http://www.ibon.org/flw-regl-2505/).

delayed and limited to token amounts of ₱10 to ₱30, far below what is needed for workers to meet their basic needs.

The outcome is wage inequality and poverty wages, where workers in poorer regions earn significantly less than those in urban centers, despite performing the same jobs and facing similar living costs. A national minimum wage law has been proposed repeatedly by labor groups but remains ignored by legislators and the Executive.

### **Executive Order 64 and Wage Injustice in the Public Sector**

Wage injustice also persists in the public sector. In January 2024, the Marcos administration issued Executive Order No. 64, which outlines a four-year salary adjustment plan for government workers. While presented as a reform, the EO perpetuates wage inequality.

Workers at the bottom of the salary scale (SG 1 to 5)—including utility workers, clerks, and aides—will receive meager increases spread out over four years. Meanwhile, high-ranking officials (SG 29 to 33) will benefit from substantial raises, further widening the gap between top-level and rank-and-file employees.<sup>34</sup>

EO 64 also fails to address pay disparities between national and local government workers, especially in poorer LGUs that struggle with understaffing and limited funding. This leaves many local employees earning far below their national counterparts, violating the principle of pay equity.

### **Gender Wage Gap and Women’s Labor Inequality**

Gender-based wage disparities also persist in both public and private sectors. According to the Philippine Statistics Authority’s 2023 Gender Statistics, women earn 16–22% less than men, depending on the sector.<sup>35</sup> They are also concentrated in low-wage, informal, and unpaid roles—such as domestic work, caregiving, and market vending.

Women’s labor force participation remains low at 52.5% as of April 2025, primarily due to structural barriers like the burden of unpaid care work, inadequate care services, and gender-based discrimination and violence. The government has not implemented sufficient policies and programs to recognize, reduce, and redistribute unpaid care work nor promote women’s access to decent work.

### **Marcos Administration Killed the ₱200 Wage Hike Bill**

Perhaps the most glaring example of the Marcos administration’s indifference to wage justice is its killing of the ₱200 legislated wage hike bill.

Despite months of sustained lobbying by workers under the banner of the National Wage Coalition, the campaign for a legislated wage hike has been effectively killed—betrayed by both chambers of Congress, acting under the direction of President Ferdinand Marcos Jr.

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<sup>34</sup> Republic of the Philippines. *Executive Order No. 64, Series of 2024*.

<sup>35</sup> Philippine Statistics Authority. “Gender Statistics on Labor and Employment.” *PSA*, 2023.

For the first time in years, both the Senate and the House of Representatives passed their respective versions of a wage hike bill. This was a hard-won milestone, reflecting the urgent demand of Filipino workers for relief amid soaring inflation and stagnating wages. Yet even after workers signaled their willingness to compromise as the 19<sup>th</sup> Congress was about to adjourn—settling for a modest ₱100 daily wage increase—the bicameral conference committee failed to convene and ratify a final measure. The result: no wage hike, no justice.

Behind this inaction was the hand of Malacañang. Marcos' own economic managers, including the heads of the Department of Finance, Department of Economy, Planning and Development (DepDev), Department of Trade and Industry, Department of Budget and Management, and Bangko Sentral ng Pilipinas submitted a joint position paper opposing the proposed across-the-board wage hikes of ₱200 and ₱100 under the House and Senate bills.<sup>36</sup> Echoing the arguments of big business and employer groups, they claimed a legislated wage increase would damage the economy, shut down micro, small and medium enterprises (MSMEs), fuel inflation, and trigger mass layoffs. All these claims have already been disputed during the hearings by labor groups and progressive economists.<sup>37</sup> These scare tactics were used to justify continued inaction while millions of workers remain underpaid and overburdened.

President Marcos Jr. has consistently opposed national, legislated wage increases, instead favoring the current system of regional wage boards—bodies long criticized for being unfair and ineffective. Under his leadership, the same failed system is being preserved, while workers are denied the fair compensation they rightfully deserve.

The death of the wage hike bill is not an accident—it is the direct result of an administration that sides with capital over labor, and rhetoric over action. For the millions of workers struggling to put food on the table, this is a clear betrayal. President Marcos Jr. and his allies in Congress have turned their backs on the very people who drive the country's economy.

### **Time for Wage Justice**

The promise of decent work remains a myth for millions of Filipino workers. While the economy grows on paper, real wages continue to stagnate, inequality widens, and basic rights are ignored. The government's refusal to adopt structural reforms and its failure to deliver a living wage undermines not only economic justice but the very dignity of labor. Only through genuine wage justice can economic growth become meaningful and inclusive for all.

### **A Culture of Impunity: The Government's Failure to Uphold Freedom of Association in the Philippines**

Despite years of campaigning by trade unions to raise alarm over serious violations of the right to freedom of association and collective bargaining, the Philippine government has failed to address these abuses. In January 2023, the International Labour Organization (ILO) High-Level Tripartite Mission (ILO-HLTM) conducted an investigation into alleged extrajudicial killings (EJKs) of trade unionists and other violations of ILO Convention No. 87. While the ILO HLTM produced

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<sup>36</sup> Abad, Michelle. "Why the wage hike bill died." *Rappler*, June 2025, [www.rappler.com](http://www.rappler.com).

<sup>37</sup> Certeza, Sonny Africa. "The excuses they give: Kung ayaw ng wage hike, maraming dahilan." *IBON Foundation*, February 2024, [www.ibon.org](http://www.ibon.org).

a comprehensive report and recommendations, the government has yet to implement meaningful reforms. Instead, a deeply rooted culture of impunity continues to protect perpetrators and instill fear among workers who seek to assert their rights.<sup>38</sup>

The 2024 Workers' Rights Watch (WRW) Report documented 83 cases of human and trade union rights violations from February 2023 to December 2024. These include 4 killings involving 7 individuals, 3 abductions, 8 illegal arrests, 7 trumped-up charges, 41 cases of red-tagging, 18 unfair labor practices, and 2 other anti-union activities. In addition, the WRW compiled 86 earlier cases (from June 2016 to January 2023), including 30 killings of unionists, 23 illegal arrests, and multiple instances of harassment and red-tagging—totaling 169 documented cases.<sup>39</sup> None have been resolved, and no perpetrators have been held accountable.

Red-tagging remains the most devastating way of killing freedom of association. Trade unionists are baselessly labeled as members of “communist-terrorist groups.” This practice, often conducted without evidence or formal channels, allows military and police forces to intimidate unionists—frequently without uniforms or warrants. Such tagging spreads fear, causing workers to withdraw from or avoid joining unions, undermining legitimate organizing efforts, and enabling employers to rid workplaces of independent unions by inviting security forces to instill fear.<sup>40</sup>

The government's refusal to investigate and prosecute such abuses signals its complicity. Authorities routinely dismiss these acts as unrelated to labor issues, shielding violators and emboldening further attacks. State forces continue to label trade unionists and rights defenders as “enemies of the state” under the pretext of national security. The National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) deliberately targets labor activists, red-tagging them as rebel sympathizers.<sup>41</sup>

The Anti-Terrorism Act of 2020 (Republic Act 11479) has become a tool for suppressing union activities. Unionists are charged with terrorism-related offenses on vague accusations of involvement with “communist terrorist groups.” In at least three documented cases, terrorism financing charges have been filed against labor leaders, allegedly to support the Philippines' efforts to be removed from the FATF grey list—sacrificing workers' rights in the process.<sup>42</sup>

Beyond overt repression, existing laws hinder freedom of association. Union registration is complex, and Executive Order No. 180 restricts organizing in the public sector. Firefighters, jail personnel, and workers under job orders or contracts of service are excluded. Collective bargaining is limited to non-economic issues, further weakening public sector unions.<sup>43</sup>

These legal barriers, coupled with killings, arrests, and red-tagging, have contributed to low union density and minimal collective bargaining coverage. As of 2023, unionization stood at only 7.4% of the employed labor force, while only 2.4% were covered by collective bargaining agreements

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<sup>38</sup> International Labour Organization. *Report of the High-Level Tripartite Mission to the Philippines*. Jan. 2023.

<sup>39</sup> Workers' Rights Watch. *2024 Report on the State of Freedom of Association in the Philippines*. 2024.

<sup>40</sup> International Trade Union Confederation. *Global Rights Index 2024*. [www.ituc-csi.org](http://www.ituc-csi.org).

<sup>41</sup> Human Rights Watch. “Philippines: Red-Tagging Endangers Rights Activists.” *HRW.org*, 2023.

<sup>42</sup> Financial Action Task Force. *Jurisdictions under Increased Monitoring – Philippines*. FATF, 2024.

<sup>43</sup> Republic of the Philippines. *Executive Order No. 180, s. 1987*. Official Gazette.

(CBAs).<sup>44</sup> These are among the lowest rates in Southeast Asia and signal a shrinking democratic space for labor rights.

Women workers are particularly vulnerable. Illegal arrests, red-tagging, and trumped-up charges not only violate their rights but also disrupt their families and communities. Women trade unionists often serve as caregivers, and their arrest leads to loss of income, stigma, and instability. Targeting women weakens the labor movement by removing advocates for gender-responsive policies such as equal pay and protection from harassment.<sup>45</sup>

In sum, the government's failure to act on the ILO-HLTM's recommendations and dismantle the machinery of repression has enabled a climate of fear and silenced dissent. Until this culture of impunity is dismantled and laws reformed to protect—not restrict—workers' rights, the Filipino working class will remain marginalized, and democratic space will continue to shrink.

### **Conclusion and Recommendations**

The Philippines' progress in achieving Sustainable Development Goal 8—promoting inclusive and sustainable economic growth, employment, and decent work for all—remains severely inadequate. While official figures may reflect economic recovery, they fail to capture the persistent and systemic challenges faced by workers: poverty wages, wage injustice, precarious and informal jobs, attacks on union rights, and widening inequality. Behind the numbers are real lives plagued by uncertainty, exploitation, and exclusion.

A rights-based, worker-centered approach to SDG 8 implementation is urgently needed. Labor organizations across the country, through extensive consultations and democratic processes, have formulated two landmark policy documents: the 15-Point Labor Agenda and the Women Workers Agenda. These agendas represent the consolidated voices and aspirations of the working class and serve as a roadmap toward a just, sustainable, and inclusive future. They articulate labor's priorities for ensuring decent work, gender justice, protecting workers' rights, and fostering a green and equitable economy. The Philippine government must heed the recommendations outlined in these documents—not only to fulfill its international commitments under the 2030 Agenda but also to build a society rooted in dignity, equality, and justice.

To this end, the following recommendations are proposed:

#### **1. Adopt a Development Paradigm Based on Rights, Equity and Justice**

The government must veer away from neoliberal policies such as liberalization, deregulation, and privatization, which have destroyed agriculture and domestic industries, eroded labor protections, and driven workers into informal and precarious jobs. Instead, the government should prioritize national industrialization, food sovereignty, quality public services, and a rapid and equitable just transition to a green, sustainable economy. This will not only generate decent jobs locally but also address the structural drivers that force millions of Filipinos to migrate for work abroad.

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<sup>44</sup> Philippine Statistics Authority. "Current Labor Statistics." *PSA*, 2023.

<sup>45</sup> Center for Women's Resources. "Fact Sheet on Women and Work." March 2024.

## 2. Promote regular jobs, protect security of tenure, and help transition workers to the formal economy

The government must develop robust policies and legislation to promote regular jobs, protect job security, and help transition workers in the informal economy to the formal economy. This includes:

- Expediting the passage of the Security of Tenure bills for both private and public sector workers to end contractualization
- Enacting proposed bills such as the Magna Carta of Workers in the Informal Economy, Magna Carta for Barangay Health Workers, Freelance Workers Protection Act
- Strengthening protection for community-based health workers by enacting the Such measures must be supported by access to social protection, labor inspection mechanisms, and worker organizing rights.

## 3. Ensure living wages and wage justice for all workers

To fulfill the constitutional right of all Filipinos to living wage, promote fair pay, and address gender pay gap and other inequities, the government should:

- In the immediate, certify as urgent the passage of a legislated across the board wage hike to provide economic relief to workers
- Enact a Living Wage and Pay Equity Law transforming wage setting mechanisms, guaranteeing living wages and fair pay for workers, and addressing gender pay gaps and other inequities
- Enact a fair and gender responsive Salary Standardization Law for public workers
- Ensure living wage, fair pay and wage protection provisions for migrant workers in Bilateral/Multilateral Labor Migration Agreements

## 4. Protect Freedom of Association and Strengthen Labor Rights

The right to freedom of association and collective bargaining must be fully protected and guaranteed, in line with ILO Conventions 87, 98 and 151. This includes:

- Ending the killings, investigating and speedily resolving all serious violations on the right to freedom of association, particularly killings, harassment, red-tagging, illegal detention, and enforced disappearances. Government should release the detained trade unionists and dismiss all trumped-up charges. Effective measures should be undertaken to prevent freedom of association violations.
- Enacting the proposed bills strengthening freedom of association and collective bargaining and protecting unionists and labor rights activists such as the Anti-Union Interference Act, Public Service Labor Relations Act, and Human Rights Defenders Bill among others
- Ensuring that the anti-insurgency campaign does not undermine freedom of association and labor and human rights.
- Junking the Anti-Terrorism Act of 2020 and the NTF-ELCAC which have been weaponized against unionists and human rights defenders
- Full implementation of the ILO HLTM recommendations.

## 5. Ensure Rights-Based Labor Migration Governance and Fair Recruitment

The Philippine government must strengthen protections for Overseas Filipino Workers (OFWs), many of whom are subjected to unfair labor conditions abroad. This entails:

- Ensuring rights-based bilateral labor migration agreements with countries of destination
- Implementing fair and ethical recruitment policies in accordance with ILO standards including the non-charging of recruitment fees and related costs to migrant workers
- Expanding legal aid, labor assistance, and reintegration programs for returning OFWs

#### 6. Promote good governance and eliminate corruption

Structural change is impossible without dismantling the deeply entrenched systems of corruption, patronage, and dynastic control.

- The government must urgently enact political and governance reforms such as the Freedom of Information Bill, Anti-Political Dynasty Bill, and the Whistleblower Protection Act

Genuine implementation of SDG 8 requires more than job creation—it requires a fundamental restructuring of the economy to ensure decent, secure, and dignified work for all, including women, informal workers, LGBTQ+, PWDs, migrants, and other marginalized communities. The Philippine government must abandon policies that favor profit over people, and instead pursue transformative reforms that uphold workers' rights, empower the labor movement, and put social justice at the center of national development.

Failure to do so will only widen inequality, deepen economic insecurity, and betray the commitments enshrined in both the Constitution and the Sustainable Development Goals.

## Chapter 5. On SDG 14: Life Below Water

### Failing to Protect what Lies Beneath the Surface: Life Below Water is at Risk<sup>46</sup>

#### Introduction

Sustainable Development Goal 14 aims to conserve and sustainably use the oceans, seas, and marine resources for sustainable development. It emphasizes the importance of healthy oceans and seas for human existence and life on Earth, as they cover 71% of our planet and are vital for food, energy, and water – about 97% of the Earth’s water can be found on our oceans and seas. The word ocean comes from the Greek word *okeanos* meaning river. The early Greeks thought a river encircled the Earth. In fact, the four main oceans (Pacific, Atlantic, Indian, and Arctic) are interconnected with seas projecting from their margins.

Because we see a fairly flat surface on the ocean, it is difficult to visualize the ocean floor as it really is. Beneath the rolling waves is a world many times larger than the one we know. There are hills and mountains that rise higher than Mount Everest (8848m), and canyons that plunge to much greater depths than any on land. The greatest depth yet recorded is 10,984m in the Mariana Trench near the island of Guam in the Western Pacific.

Historically what lies beneath the surface of the oceans and seas have long been ignored due to the well-known proverb ‘out of sight, out of mind’ and has been at the mercy of the shibboleth of the ‘freedom of the seas’. Maritime nations professing to believe in the “inexhaustible resources of the oceans,” they bring species after species of fish and whales closer to extinction. (McVay, 1966).

The oceans of the world continue to this day to suffer from this tragedy of the commons (first described by Hardin over half a century ago (Hardin 1968)), not only by over-extraction of resources but also in a reverse way, the tragedy of the commons reappears in problems of pollution. Here it is not a question of taking something out of the commons, but of putting something in. The rational person finds that his/her share of the cost of the wastes he/she discharges into the commons is less than the cost of purifying his/her wastes before releasing them or recycling wastes so they do not even enter the marine environment. Since this is true for everyone, we are locked into a system of “fouling our nest,” so long as we behave only as independent, rational, free enterprisers.

#### A Biological Perspective

Many people see fisheries as an infinite resource; however, this is not the case. Each species of fish is part of a delicate biological system, and as such, requires careful management. Species interact in regards to predator-prey relationships, and in competition for resources. By reducing

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<sup>46</sup> By: Dr. Sharon Taylor, Philippine Rural Reconstruction Movement

the populations of certain species, significant negative effects can occur throughout the ecosystem. With proper resource management, commercial and recreational fisheries can be maintained at sustainable levels.

Traditionally, fishery management practices have been based solely on the catch levels of the target species. This approach fails to take into account the trophic relationships that occur within the ecosystem, natural fluctuations in fish populations, and the age structure of the populations. If juveniles become overexploited, the chances of a species recovering from overfishing are limited.

Current management methods that are being implemented in fisheries include marine protected areas (MPAs) with differing levels of restrictions per zone of the MPA, seasonal restrictions, catch limits, size limits, gear restrictions, area closures, and limits on the number of days boats can be at sea. These strategies are designed to reduce fishing pressure, which should allow depleted stocks to rebuild. Size limits and gear restrictions, such as limits on net mesh size, will allow smaller fish to live until they are able to reproduce.

Obviously, more research on the interactions of marine species is necessary before we can fully understand the consequences of fishing and determine the most effective management practices. In the meantime, restrictions that will protect fish stocks are essential so that biodiversity can be preserved and fishing can remain a viable industry in the future.

### Economic Overview

Many people and industries depend on fisheries as a means of livelihood and as a food source. When a fishery goes under, it affects a long chain of people. Currently no system of fisheries management has been able to sustain every aspect of the fisheries. There has already been substantial damage to many economies that depend on this natural resource.

Over capitalization has also proven to be a huge problem for fisheries. It has been said that if the number of boats decreases the catch would remain the same and profits would increase. The reason this seems so simple is because people cannot merely "ditch" their boats. Since there are too many boats in the water profitability is low, this in turn decreases the value of the boats. If these boats were sold it would mean a huge economic loss to the owner. Therefore they are forced to continue fishing to cover the cost of the boat. The fishers are trapped, it is not profitable for them to keep fishing, yet they do not have any way out.

### The Sociological Perspective on Sustainable Fisheries

In developing a strategy for the sustainable management of fisheries, the sociology of those involved in the fishery must be considered. Sustaining a society based on fishing is as crucial as sustaining the biological and economic systems of a fishery. Understanding the social dynamics of fishers in relation to each other, environmental groups and those involved in related industry is important in evaluating management policies and their success. Because fishers can be

significantly affected by management decisions, their roles in impacting those decisions must not be taken lightly.

### Political Perspective: The Increasing Necessity for Co-Management

The effects that politics have in sustainable fisheries can benefit both the fisherfolk and the fishery. In many ways, attaining sustainable fisheries can only be accomplished by co-management. Co-management in coastal fisheries is the equal responsibility in fishery planning and decision making by national, or local governments, respective line agencies, and the fisherfolk who use the waters and are affected by laws. Co-management allows for closeness because all groups are working towards a common goal, even though they may have different motives. Many times misunderstandings between ideals lead fisherfolk to believe that government officials do not care what happens to their livelihood or their fisheries. Co-management can strengthen the trust between parties and government officials know what is really occurring, thereby increasing the efficiency in policy making, which usually is the major problem.

In today's planning for sustainable fisheries, there needs to be a connection between who is making the decisions and who is working under these conditions.

If there is no connection, this could lead to the misallocations of government funds, goods in the fishery, or institution of strict quotas, by fisherfolk standards, under which the fisherfolk think they cannot make a decent living. This leads fisherfolk into acting in their own "right" for self-preservation through piracy, thus breaking the laws and increasing the distrust between government officials and fisherfolk. The destruction of the fishery is inevitable if co-management is not institutionalized throughout the Philippines and the world. The effects of co-management lead to sustainable fisheries through stronger ties between policy makers and the fisherfolk who try to keep their continuing lifestyle.

Perhaps, the Tragedy of the Commons most useful role has been in illustrating the importance of integrating social and political theory with biological data. The traditional theory regarding resource users as unbridled appropriators is being replaced by the recognition that users can communicate and cooperate when it is in their interest to do so and when the resources at their disposal and the sociopolitical context permits it. (Burger, 1998).

### **Why Attainment of SDG 14 is Vital for the Philippines**

The Philippines is an archipelagic nation that consists of 7,641 (NAMRIA, 2016) islands, of which around 2,000 are inhabited. It is the seventh largest island country in the world and the second in Asia. The coastlines of the Philippines extends to 36,289 km with the Philippines coastal and ocean resources amount to 2.2 million sq.km. Out of the 81 provinces, 66 (81.48%) are coastal, whilst 15 are landlocked. Among the cities, those along the coast, 88 (60.69%) far outnumber the landlocked ones (57). The majority of the municipalities, too, are coastal – a total of 812 (54.53%), while 677 are landlocked.

The Philippines forms an ocean region that has long been recognized as the world's center of marine biodiversity. With the Malay archipelago, Papua New Guinea and Australia, the country forms the 'Coral Triangle,' so-called because of the abundance of its coral reef life. The Philippines is at the heart of this center of marine biodiversity.

The region is endowed with ecologically diverse and economically important coastal resources such as:

- Estuarine areas,
- Mangroves (2,550 sq.km): 39 true mangrove species and 11 mangrove associates (Lillo et. al 2022)
- Beach forests,
- Seagrass beds (4890 sq.km): 18 seagrass species (BFAR, 2022), and
- Coral reefs (26,000 sq.km or approximately 10% of the total land area): at least 500 coral species (DOST-PCAARRD, 2020)

Within these ecosystems and habitats, fishery resources are spawned and nurtured, offering nursery habitats and breeding grounds for many marine species that are both ecologically and economically important. The coastal habitats in turn protect coastal communities (over half of the total population live in the coastal municipalities of the country) from storms, flooding and erosion.

The coastal habitats support the economy of the Philippines: Blue Economy:

- Fisheries
- Aquaculture
- Coastal & Marine Tourism
- Ports
- Marine Transportation & Shipping
- Offshore Resources

The shallow shelf area covers a total area of 134,525 sq.km and supports a fishing industry that provides employment to more than two million people (BFAR, 2023). Most of the coastal communities depend on the coastal resources for a source of livelihood. Municipal fishing provides approximately 24.7% of the country's total fish catch. Next to rice and rice products, fish and fishery/aquatic products are the most consumed food by Filipinos. Therefore the coastal resources are vital for both Food Security and Food Self Sufficiency:

- Food Security - all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life (FAO)
- Food Self Sufficiency - the extent to which a country (can also apply to individuals or regions) can satisfy its food needs from its own domestic production

### **Philippine Fishery Sectors**

On a broad level fisheries can be divided into capture (municipal and commercial sectors), constituting approximately 50.9% of the overall livelihood distribution for the fishery sectors and

culture (aquaculture) constituting approximately 11.9% of the overall livelihood distribution for the fishery sectors (BFAR, 2023). It also includes post-harvest handling, processing and marketing, and has linkages to industries in boat building, manufacture of fishery equipment and animal feed processing.

*Municipal* fishing is done in coastal and inland waters, with or without the use of boats of 3 gross tonnage or less. As of 2023, there were 407,215 registered municipal fishing vessels (BFAR, 2023). *Commercial* fishing, also known as deep-sea fishing, is done in the offshore water using vessels of more than 3 gross tons. As of 2023, there were 751 licensed Commercial Fishing Operators (BFAR, 2023).

*Aquaculture* has three sub sectors: 1) brackishwater culture for fishponds; 2) freshwater; and 3) mariculture for oysters, mussels and seaweeds.

Capture fishing, although officially divided into municipal and commercial sectors based on vessel size and distance from the shore, is also classified based on criteria such as scale of operations, level of technology, size of investments etc. Thus, capture fishing may be classified into industrial and traditional fishing.

#### The Municipal Fishers (Small-Scale)

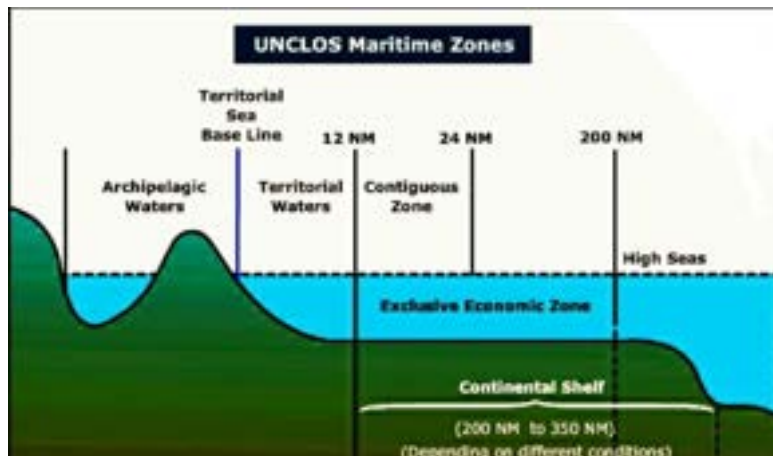
This group has also been called traditional, subsistence, artisanal, and nearshore fishers. The small fishers are engaged in individualized, manual and skilled fishing operations. The fishers mainly employ simple passive gears that have been traditionally used. These gears include the banca (mostly utilizing paddles/oars for locomotion), hook-and-line, spears, and gill net, and have not changed much in the last three decades. This group of fishers can further be disaggregated to owners and non-owners of gears, particularly the banca used in fishing. They fish inside the government designated municipal fishing ground (within 15 kilometers (R.A. 8850: Philippine Fisheries Code of 1998)) including inland waters. It is subsistence fishing because the volume of fish catch is usually just enough for the food requirements of the family.

Municipal fish production is declining, largely due to commercial overexploitation of the aquatic resources. Large-scale utilization, resulting in overfishing and depletion of fish stocks, has left meager resources in traditional waters. Aside from depletion as a natural consequence of overfishing, the municipal sector is constantly being threatened by the incursion of large and medium scale commercial fishers. Suffering now from low productivity and lack of resources, the majority of municipal fisherfolk either rent boats and gear or hire themselves off to large or medium scale fishers in exchange of either cash or share of the catch.

The Fisheries Code of 1998 was amended in 2014, to deter and eliminate illegal, unreported and unregulated fishing. Amendments deal with several aspects of the above mentioned Code, specifying new management and conservation measures to conserve and manage living marine resources, fisheries and aquaculture in the Philippines and the reconstitution or establishment of fisheries institutions both at the national and local level.

This was further strengthened by the 2016 UN Convention on the Law of the Sea (UNCLOS) ruling by the Permanent Court of Arbitration that affirmed the Philippines' sovereign rights within the 200 nautical mile Exclusive Economic Zone (EEZ) and that China had violated these rights by its activities, including land reclamation and deterrence of Filipino fisherfolk within the Philippines EEZ. Figure 1 below, shows the UNCLOS Maritime Zones.

Figure 1.  
Source: UNCLOS 1982



The main provision of UNCLOS are:

- The width of the territorial sea is set at 12 nautical miles and contiguous zone 24Nm.
- Innocent passage through the territorial sea and international strait transit passages are defined.
- Archipelagic waters and passage allowed through them are defined.
- The exclusive economic zone is limited to 200 Nm from the baseline.
- Continental shelf is defined and provided to extend jurisdiction over resources beyond 200 nautical miles is given.
- Judiciary procedures over the high seas are defined.
- Management of living resources behind the limits of EEZ is regulated.
- A clear difference between an island and a rock that cannot generate EEZ or continental shelf is given.
- Marine pollution control regulations and Marine scientific research regulations are established.
- A commission is established on the limits of the continental shelf.
- A procedure is set out for resolving disputes.

The Philippines Exclusive Economic Zone covers 82% of Philippine Territories and 2.2 million square kilometers of water.

Within the EEZ lies the Archipelagic Waters – the waters around, between and connecting the islands of the archipelago. Within the Archipelagic waters are the Municipal Waters that are covered by R.A. 8550 (1998) and R.A. 10654 (2014), as shown in Figure 2a and 2b.

Figure 2a: EEZ, Territorial Sea and

Figure 2b: Archipelagic Waters

## Archipelagic Waters

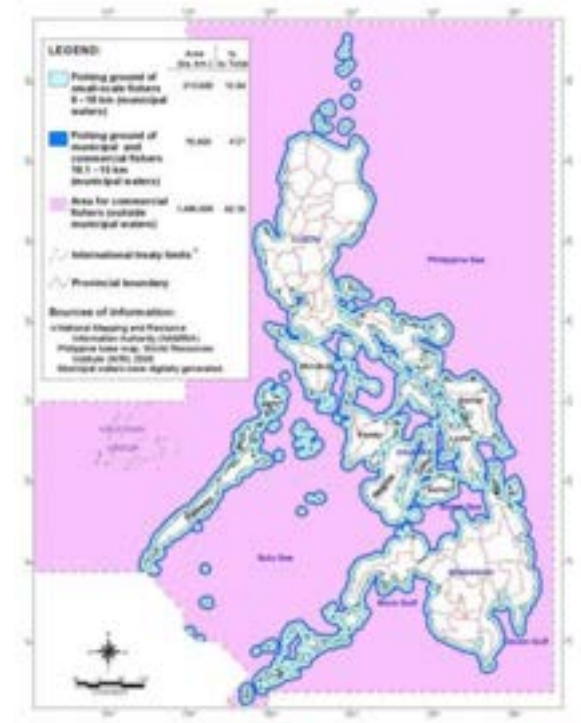


Figure 2b Source. NAMRIA & WRI 2020

However in 2024, the Supreme Court overturned the 15-kilometer (9.3-mile) municipal water designation, which traditionally reserved this area for small-scale fishers, effectively opening it up to commercial fishing.

The Supreme Court decision, citing a lack of scientific basis for the 15km demarcation, following the submission of a legal challenge by Mercidar Fishing Corp and late appeal by the Office of the Solicitor General, essentially allows commercial fishing vessels to operate within the previously protected municipal waters.

This ruling potentially leaves small-scale fishers with only 2% of their traditional fishing grounds, impacting their livelihoods and food security with increased commercial fishing further depleting fish stocks and damage marine ecosystems.

## Commercial Fishing

Commercial fishing has always been synonymous with huge investments on efficient and modern gear. The most commonly used fishing gear in commercial fishing are trawl, modified Danish trawl seine, bagnet, ringnet and purse seine. These are designed according to the species of the particular target.

Commercial fishing fleets need to rely on foreign sources for their equipment and therefore tend to reserve the sector to multinational and big local corporations, marginalizing the small-scale fishers even further.

Commercial operators are the ones providing the capital and technology and other necessary inputs for operation. Aside from this, there are operators who also accrue for themselves other responsibilities such as recording volumes of production and expenses, computing the shares of the crew and controlling income and shares disbursements. One role played by operators of commercial fishing that tends to lend them dominance and control over the fishworkers is their being a source of credit by the latter.

A substantial number of commercial fishing operators come from the ranks of big landowners and local entrepreneurs engaged in fishery-related enterprises. They are also owners of businesses that supply fuel, ice, nets and other supplies for the fishing industry.

Commercial fishworkers comprise the crew. Fishworkers, unlike their counterpart in land-based industries, are not regularly waged workers. Their income relies primarily on shares they get from commercial fishing production at a given time. They are hired on a contractual basis and do not have access to health, leave or social security benefits despite long hours of work under high risk conditions offshore. Once the work is done some return back to work as small-scale fishers, renting bancas and gear, or other part-time work. The plight of fishworkers on board vessels engaged in commercial fishing operations has been a long-time advocacy in relation to the ILO Convention 188 or the Working in Fishing Convention of 2007. As of 2021 the Philippines had still not ratified this convention, particularly due to small fishing companies not yet ready to comply with the requirements of the ILO Convention (Peji, B. A. 2007). Further issues regarding the working conditions of small-scale fishers and fishworkers came to light in 2018 when advocacy efforts sought out these sectors for consultations to produce Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines) (Umengan 2020).

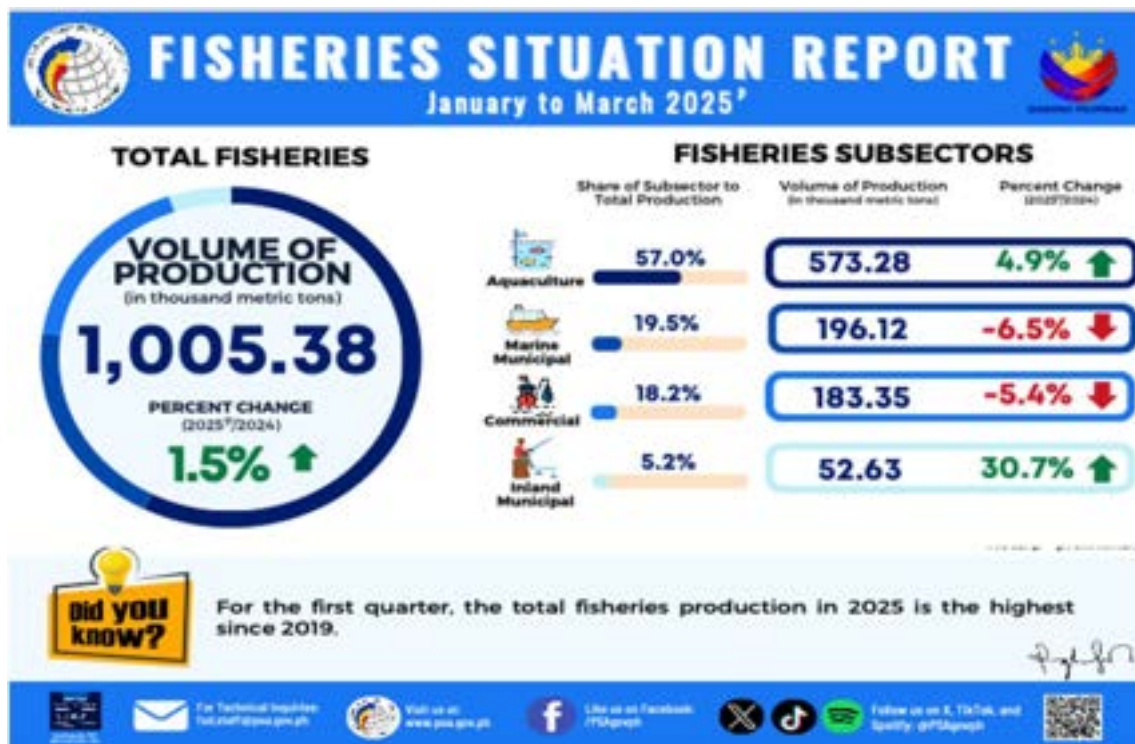
Work in the capture fisheries sector in the Philippines, remains under-regulated and viewed as traditional arrangements (most still earn their pay primarily from a share in the catch) rather than actual employment. Therefore measures are needed to promote and protect the rights of fisherfolk and fishworkers by providing for the minimum standards of their employment.

Poverty incidence among farmers and fisherfolk has been consistently higher than the general population.

In 2021, PSA reported that the poverty rate among fisherfolk increased with an incidence of 30.6% — the highest among the basic sectors.

## Status of Philippine Fisheries

Figure 3.

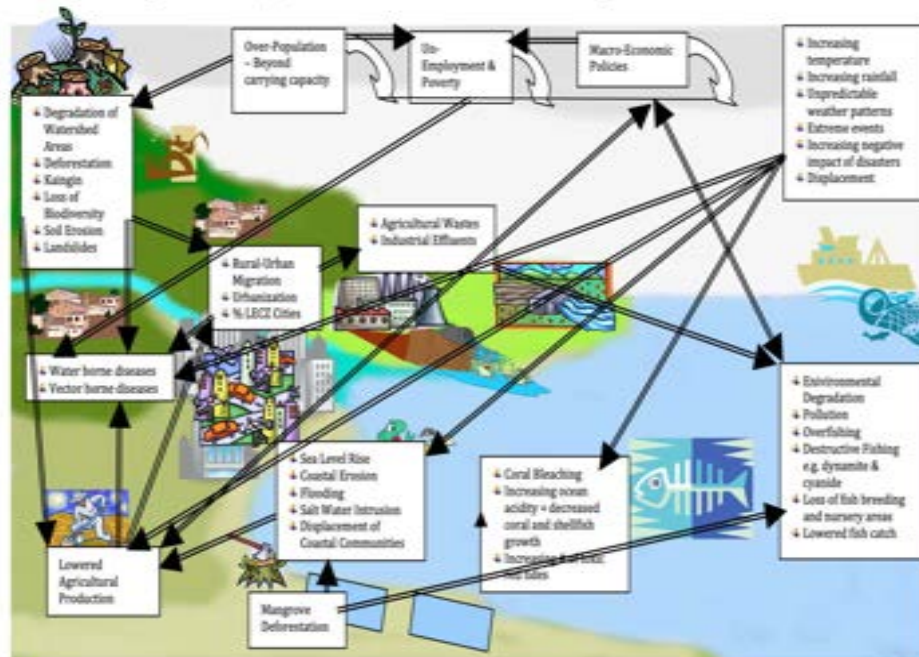


Source: DA-BFAR. 2025

Capture fisheries within the archipelagic waters, territorial seas and the EEZ have declined within the first quarter of 2025. This is true for both municipal, small-scale fishers and commercial fishers, with the highest decrease for municipal, small-scale fishers that now not only face the existing threats to their livelihood of the impacts of illegal fishing; pollution; quarrying, mining, dredging within coastal areas; reclamation of coastal areas, habitats and ecosystems; and incursion of Chinese vessels but also the Supreme Court ruling allowing commercial fishers to legally fish within municipal waters. The latter has not resulted in the increase in fish catch that was expected by commercial fishers as the overall negative impact on the marine environment together with stock and recruitment overfishing affects both municipal and commercial fishers. The enabling policy environment that R.A. 8550 and R.A. 10654 were supposed to provide for municipal fishers have fallen short due to lack of implementation and enforcement.

On top of this are the felt negative impacts of climate change (Figure 4).

Figure 4. Threats to the Marine Environment



Adapted from Taylor, S.E. 2000

Climate change is exacerbating the negative issues and threats to the marine environment felt by the Filipino fisherfolks and contributing the loss of livelihoods, food insecurity, increasing poverty incidence and increasing conflict over resources.

Climate change threats to marine biodiversity include the following:

- Increased sea surface temperatures
- Ocean acidification
- Impacts on marine ecosystems
  - more frequent episodes of toxic red tides
  - migration of fish to areas with more favorable conditions leading to diminished harvest (coastal fishing = 40 – 60% of total fish catch)
  - coral bleaching leading to loss of fish breeding and nursery grounds and hence fish stocks
  - Increasing acidity of the seas leads to a loss of calcification capacities – impacts on coral reef and shellfish growth
  - Rainfall – freshwater runoff from land – ice ice in seaweed – impact on seaweed industry – carageenan content lowers; sedimentation of seagrass, seaweed and corals
  - Sea level rise: top dying of mangroves

Rising sea levels are projected to impact 2 million people from 28 cities and municipalities per year by mid century with upto 420,000 permanently displaced (CCC & DENR. 2023)

- 7-9 cm/decade Sea Level Rise in some coastal cities (nearly double global average)
- Some areas already partially inundated

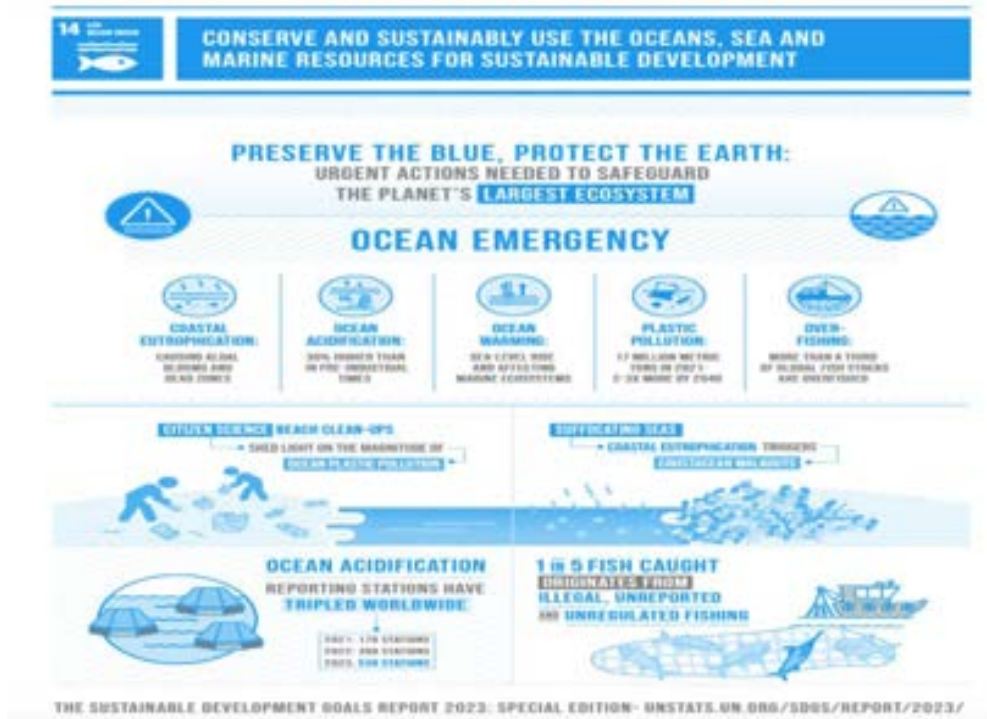


The United Nations General Assembly recognized the urgent need to protect and harness the potential of oceans and marine resources to drive sustainable development as encapsulated in the Sustainable Development Goals (SDG).

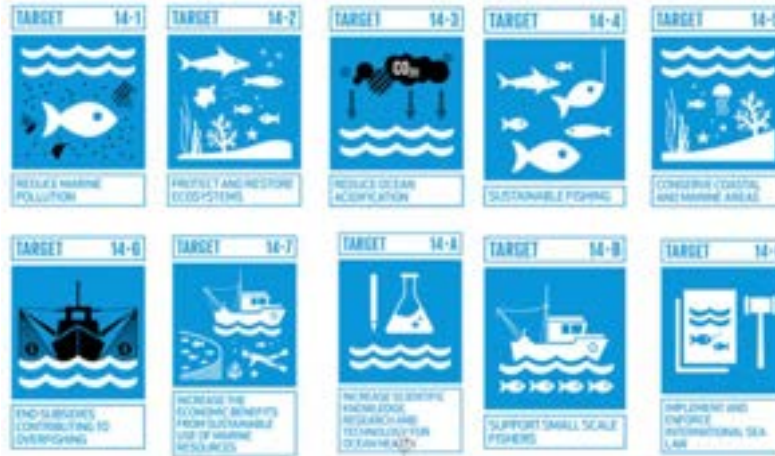
SDG 14 or Life Below Water aims to conserve and sustainably use the oceans, seas, and marine resources for sustainable development focusing on issues like marine pollution, overfishing, and ocean acidification (Figure 6).

SDG 14 is the only globally agreed roadmap for the conservation and sustainable management of marine resources. All SDGs however are linked as the UN Secretary General stated during the opening of the UN Ocean Conference in Lisbon (2022): “our failure to care for the ocean will have ripple effects across the entire Agenda 2030.”

Figure 6: Working Towards SDG 14: Life Below Water



SDG 14: Life Below Water contains ten (10) targets (Figure 7) four of which (14.2, 14.4, 14.5 and 14.6) have completion date in 2020, one of which (14.1) has completion date in 2025  
Figure 7. SDG 14: Life Below Water Targets



In the Philippines, only 1 out of the 10 targets are measured for SDG 14. This is the only SDG (out of 17) where only 1 target is measured. The 1 target that is measured for SDG 14 is target 14.5 that relates to coverage of marine protected areas in relation to marine areas: By 2020, conserve at least 10% of coastal and marine areas, consistent with national and international law based on the best available scientific information. It is classified as Tier I indicating reliability and availability of data collected. The rest are not officially measured due to the unavailability of data, and for which no supplementary nor proxy indicators are considered. This gives a false impression in the Pace of Progress graphics that the goal has been achieved.

In 2025, the PSA reported that there has been an improvement in the attainment of this target since the baseline was measured in 2016. The target for 2030 was set at 4.1 million hectares of which 3.14 was attained by 2024 (Figure 8).

Figure 8. Philippine Status on the Attainment of SDG 14: Life Below Water

Goals/Targets/Indicators	Baseline	Latest	Target <sup>1/</sup>	Data Source Agency
<b>Target 14.5</b> By 2030, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information				
<b>14.5.1.g1</b> Coverage of marine protected areas in relation to total marine areas				
14.5.1.g1.1 Coverage of protected areas in relation to marine areas, (in million hectares)	1.41 2018	3.04 2024	4.1 2030	BPS-DENR
14.5.1.g1.2 Coverage of protected areas in relation to marine areas, NPAs and Locally managed MPAs (in million hectares)	0.64 2016	1.42 2024	1.8 <sup>1</sup> 2030	BPS-DENR

**NOTES:**

<sup>1</sup> Revised data.

<sup>1/</sup> This is based on the updated 2030 nationally determined numerical targets for the SDGs identified through the conduct of consultation and validation workshops through the Sub-Committee on SDGs of the DBCC and its TWG spearheaded by the NEDA.

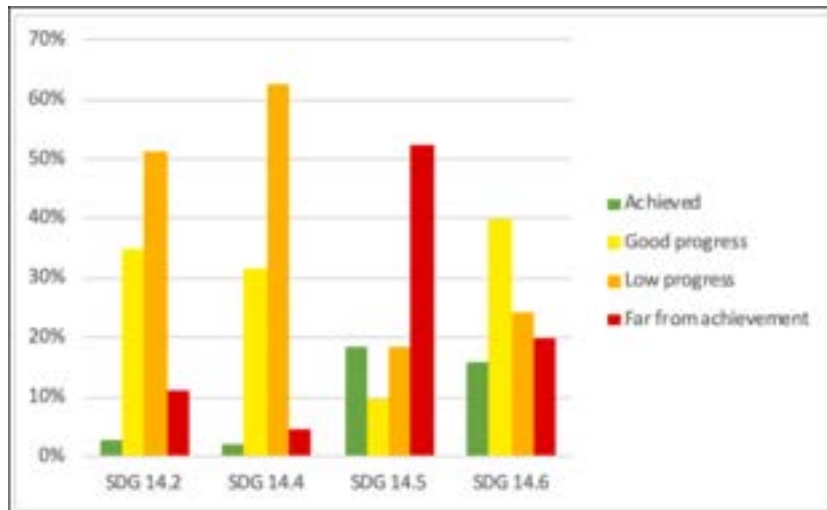
Source: PSA

If we consider the Philippines' coastal and ocean resources of 2.2 Msq.km or 220M hectares then 10% would equate to 22M hectares, in which case the set target to attain of 4.1M hectares by 2030 falls very short of the goals target. If we consider the Philippines' shallow shelf area of 134,525 sq.km or 13.45M hectares then 10% would equate to 1.35 M hectares, which had already been covered by the baseline data in 2016.

If we refer to the SDG Transformation Center Report for the Philippines (2025), for SDG 14: Life Below Water, it indicates that the score is moderately improving (which is in line with the PSA Assessment of the SDG Indicator), but highlights that the improvement is insufficient to attain the goal and that major challenges remain.

Internationally, SDG 14 Target 14.5 has seen the highest number of countries attaining this target, but also the highest number of countries far from achievement (Figure 9).

Figure 9. Global maps of achievement of the four SDG 14 targets (14.2, 14.4, 14.5 and 14.6) that expired in 2020



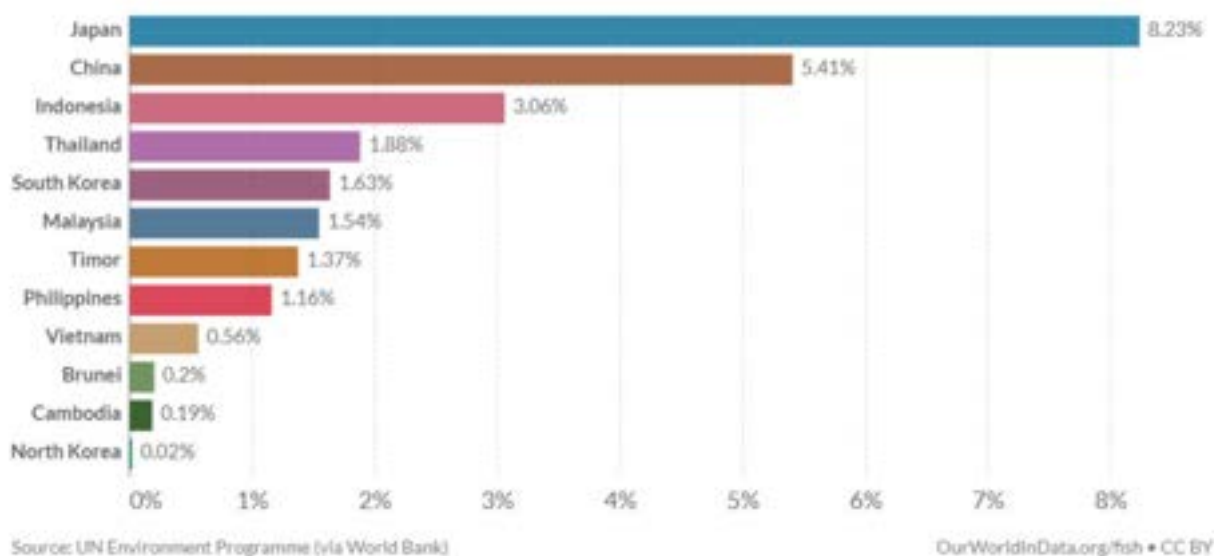
Source: Andriamahefazafy, M. et. al (2022).

<https://www.sciencedirect.com/science/article/pii/S0964569122002496#fn3>

The majority of countries that have achieved SDG 14 target 14.5 (28 countries, or 18.4%) are in Europe – countries that were able to gazette or classify/zone large marine areas with few coastal communities within the EEZ areas and build on the Convention on Biological Diversity Aichi target 11 set in 2011 which also aimed at achieving 10% of MPA coverage by 2020.

Closer to home only Japan is making significant progress towards the attainment of SDG 14 Target 14.5 (Figure 10).

Figure 10. Area of territorial waters considered protected



Source: Our World in Data. 2018

Not only in the Philippines, but worldwide, SDG 14 (Life Below Water), stands out as being uniquely off-track, and in urgent need of further attention. This is not surprising though considering that the scope of SDG14 covers 70% of the planet. Urgent action is needed to accelerate the progress towards the attainment of SDG 14 – the ‘lagging’ SDG.

Specifically for the Philippines it would be highly recommended to increase the number of indicators measured for SDG 14 and ensure that the achievements protect the rights of small scale fisherfolk; the constitutionality of delineating the 15km municipal waters; and the Rights under the Blue Economy.

Suggestions for which targets to include for monitoring include the following (refer to Table 1 for the detailed description of the targets and indicators):

#### 14.1: Reduce marine pollution.

Although the target is set for completion in 2025, there is a wealth of data available on pollution both marine and riverine. Seven out of the top ten rivers that contribute to marine plastic pollution are in the Philippines according to a 2021 study (Meijer et. al 2021). Plastic pollution especially can be measured through the WACS (Waste Analysis and Characterization Study), together with data collected from riverine and coastal cleanups.

#### 14.2 & 14.4: Protect and restore ecosystems and sustainable fishing respectively

Both have completion dates for 2020, but would go hand in hand with the Target 14.5 in terms of measurement. Data could be collected not only from the DENR-BMB but also DA-BFAR, which would then contribute to:

14.7: Increase the economic benefits from sustainable use of marine resources.

This would be especially important for the implementation and enforcement of the Blue Economy Act, together with target:

14.C. Implement and enforce international sea law

This would also take on board the UNCLOS ruling in 2016 and also the delineation of municipal waters within archipelagic waters, which would in part assist the achievement of target:

14.B Support small scale fishers

We have seen above that small scale fishers are the poorest of the poor and have the least protection of rights when it comes to safeguarding their livelihoods and the marine ecosystems. Support needs to go beyond the occasional ice plant or fish landing site to really address the issues facing small scale fishers in the Philippines.

14.A. Increase scientific knowledge, research and technology for ocean health

Academic institutions should be tapped for the data and research plans regarding this. Also if such support was provided to marine science institutes it would also contribute to the little monitored indicator:

14.3. Reduce ocean acidification

This is an under-monitored target worldwide and one of the impacts of climate change that is less frequently assessed. Until the science for monitoring such is enhanced through 14.A then it would be difficult to include this target because of lack of reliable data.

14.6: End subsidies contributing to overfishing.

This is the only target that would not be applicable in the Philippines as no level of subsidies for the fisheries industry exists in the Philippines.

Table 1: SDG 14 Targets and Tiers

	<b>Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</b>	
<b>C140101 Tier II</b>	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	14.1.1 (a) Index of coastal eutrophication; and (b) plastic debris density
<b>C140201 Tier II</b>	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	14.2.1 Number of countries using ecosystem-based approaches to managing marine areas
<b>C140301 Tier II</b>	14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels	14.3.1 Average marine acidity (pH) measured at agreed suite of representative sampling stations

<b>C140401 Tier I</b>	14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics	14.4.1 Proportion of fish stocks within biologically sustainable levels
<b>C140501 Tier I</b>	14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	14.5.1 Coverage of protected areas in relation to marine areas
<b>C140601 Tier I</b>	14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation <sup>[b]</sup>	14.6.1 Degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing
<b>C140701 Tier I</b>	14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	14.7.1 Sustainable fisheries as a proportion of GDP in small island developing States, least developed countries and all countries
<b>C140a01 Tier II</b>	14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries	14.a.1 Proportion of total research budget allocated to research in the field of marine technology
<b>C140b01 Tier I</b>	14.b Provide access for small-scale artisanal fishers to marine resources and markets	14.b.1 Degree of application of a legal/regulatory/policy/institutional framework which recognizes and protects access rights for small-scale fisheries
<b>C140c01 Tier II</b>	14.c Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of “The future we want”	14.c.1 Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nations Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources

Source: PSA

To conclude, whilst SDG 14: Life Below Water is falling behind resulting in a failure to protect what lies beneath the surface, there is still a lot that can and should be done to work towards this very important goal, but at the foremost is protecting and upholding the rights of the small-scale

fishers against intrusion by commercial fishing vessels in all municipal waters and good governance for the marine environment.<sup>47</sup>

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<sup>47</sup> To Note: This paper was produced with consultations with a national fisherfolk federation – PUMALU-MV during its 4th congress in 2025; roundtable discussions during the Blue Economy Conference in Manila in 2025, and plenary discussions during DRRNetPhils General Assembly in 2024, together with information gained during the online sessions of the UN Conference on Oceans held in Nice, France, 2025.

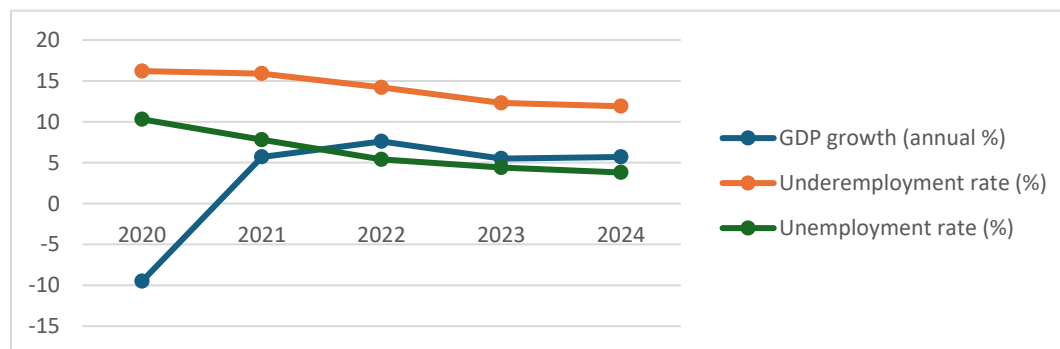
## Chapter 6: On SDG 17: Partnerships for the Goals

### Beyond Dole-outs: Translating Public Investments in SDGs to Long-term Development Outcomes<sup>48</sup>

#### The Endless Struggle for Inclusive Development

Currently one of the most dynamic in East Asia and the Pacific, the Philippine economy is characterized by rapid urbanization, strong consumer demand, and a vibrant labor market (Figure 1).<sup>49</sup> Despite this progress, the country is struggling to achieve the SDGs by 2030, with only SDG 12 having been achieved so far. In 2024, the Philippines achieved an SDG Index score of 67.5, representing a slight improvement from the previous year, which enabled it to rise six spots to 92<sup>nd</sup> out of 167 countries.<sup>50</sup> However, serious challenges related to inequality, poverty, and the marginalization of various sectors persist.<sup>51</sup> Enduring issues of widespread wealth inequality and entrenched oligarchic structures continue to foster social and economic insecurity in the country,<sup>52</sup> thereby denying the majority of the population higher standards of living and social mobility.

**Figure 1. GDP Growth (Annual), Underemployment, and Unemployment Rates (in %), 2020-2024**



<sup>48</sup> Draft prepared by Herisadel P. Flores and Marie Yna Beatrice D. Marbibi for Social Watch Philippines.

<sup>49</sup> World Bank. "The World Bank in the Philippines." *World Bank*, Apr. 2025, <https://www.worldbank.org/en/country/philippines/overview#3>

<sup>50</sup> Sachs, Jeffrey, et al. The SDGs and the UN Summit of the Future. Sustainable Development Report 2024. Paris: SDSN, Dublin: Dublin University Press, 2024.

<sup>51</sup> Bojang, Aisha, et al. "Issues and Problems Faced by the Philippines in Context of Development." *Researchgate*, 2024, [www.researchgate.net/publication/379023000](http://www.researchgate.net/publication/379023000).

<sup>52</sup> Tuaño, Philip Arnold, and Jerik Cruz. "Structural Inequality in the Philippines: Oligarchy, (Im)Mobility and Economic Transformation." *Journal of Southeast Asian Economies*, vol. 36, no. 3, 2019, pp. 304–28. *JSTOR*, <https://www.jstor.org/stable/26842378>.

Source of data: Philippine Statistics Authority. Note: Underemployment and unemployment data for 2020-2022 are final, while those for 2023-2024 are preliminary.

Meeting its 2030 commitments will remain an uphill climb for the Philippines if it doesn't address deep-seated economic and governance challenges. These systemic issues contribute to ongoing resource constraints that severely limit the country's ability to implement long-term solutions for achieving the SDGs. Over the past few decades, the nation has relied heavily on consumption-driven economic growth and demand-side human development investments, relying on foreign currency remittances from overseas Filipino workers (OFWs) and foreign aid. This strategy has revealed significant limitations in translating growth into equitable development. With only five years left to achieve the SDGs, critical investments in social development are still lacking. Institutional transformations are necessary to foster governance that prioritizes providing accessible and high-quality social services. The current state of governance in the country reflects a substantial lack of investments in education, healthcare, and other essential social services.

Limited resources and insufficient investment in human development reveal an overreliance on foreign aid and the vulnerabilities that may arise from this arrangement. Recent downturns in foreign funding jeopardize the continuity of vital social programs.<sup>53</sup> The UNCTAD reported that despite official development assistance (ODA) reaching record levels in 2022, its share directed to developing countries decreased by 2%, or USD 4 billion.<sup>54</sup> Additionally, member countries of the Development Assistance Committee (DAC) continue to miss the SDG 17.2 aid target of 0.70% of their gross national income (GNI), devoting only 0.37% to ODA.<sup>55</sup> Furthermore, ODA is increasingly provided in the form of concessional loans rather than grants, contributing to the growing debt burden of developing countries during times of financial uncertainty.<sup>56</sup> Amid fluctuations in development assistance, enhancing domestic resource mobilization to promote self-reliance in achieving the SDGs has become more urgent than ever. Domestic resource mobilization must be more strategic to address existing vulnerabilities in economic and social development. Prioritizing investments in education and skills development is crucial for building a resilient workforce capable of driving long-term economic growth and innovation.<sup>57</sup>

Government failures continue to impede the economy's transition to efficiency-driven growth. Despite significant public investments in infrastructure development, inadequate infrastructure

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<sup>53</sup> NGO Major Group. *High Level Political Forum 2025*. 2025.

<sup>54</sup> UNCTAD (United Nations Trade and Development). "Development aid hits record high but falls for developing countries." 11 Apr. 2024. <https://unctad.org/news/development-aid-hits-record-high-falls-developing-countries>

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Bojang, Aisha, et al. "Issues and Problems Faced by the Philippines in Context of Development." *Researchgate*, 2024, [www.researchgate.net/publication/379023000](http://www.researchgate.net/publication/379023000).

remains a major constraint on economic growth.<sup>58</sup> Investors consistently express concerns about bureaucratic red tape, the rule of law, inconsistent enforcement of regulations, and pervasive corruption.<sup>59</sup> Crony capitalism and rent-seeking continue to define the country's political economy.<sup>60</sup>

### **Transcending Resource Constraints**

Given the ongoing geopolitical tensions and financing gaps, the Philippine government must enhance the efficiency of domestic resource mobilization to sustain the country's economic resilience and accelerate the achievement of the SDGs. Effectively mobilizing domestic resources would enable the country to reduce its dependence on foreign aid. Tax reform has been at the forefront of initiatives aimed at achieving this objective. However, the comprehensive tax reform programs introduced over the past decade have yielded mixed results. Consequently, the government's expenditure program continues to face challenges related to tight fiscal space and inefficient allocation. Turning things around requires meaningful reforms in both revenue generation and expenditure management.

Republic Act No. 10963, also known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law, continues to have far-reaching effects. Introduced in 2017, the TRAIN Law aims to establish a tax system that is simpler, fairer, and more efficient while being adaptable to changing economic conditions. A phased increase in excise taxes addresses the declining real value of these taxes over time. To alleviate their regressive impacts, compensatory measures such as more progressive personal income tax rates have been implemented. Unconditional cash transfers for the poorest 10 million households and fuel subsidies for public transportation were also included in the law's provisions. The TRAIN Law has increased households' disposable income and possibly improved their ability to save. However, the law's welfare-enhancing effects have been undermined by the rising prices of goods and services.<sup>61</sup>

Following the TRAIN Law, Republic Act No. 11534, also known as the Comprehensive Recovery and Tax Incentives for Enterprises (CREATE) Act, was enacted in 2021. The policy reduced

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<sup>58</sup> Tiongson, Randell. "Navigating PH economic growth challenges." *Inquirer*, 2024, [business.inquirer.net/451050/navigating-ph-economic-growth-challenges](https://business.inquirer.net/451050/navigating-ph-economic-growth-challenges).

<sup>59</sup> International Trade Administration. "Philippines - Market Overview." *International Trade Administration | Trade.gov*, 2024, [www.trade.gov/country-commercial-guides/philippines-market-overview](https://www.trade.gov/country-commercial-guides/philippines-market-overview).

<sup>60</sup> Chikiamco, Calixto. "Capitalism and Philippine development." *Businessworld*, 21 Nov. 2021, <https://www.bworldonline.com/opinion/2021/11/21/412112/capitalism-and-philippine-development/>

<sup>61</sup> International Budget Partnership. "The Philippines: Critical collaboration and adaptability to influence tax reform." 2020, [internationalbudget.org/publications/the-philippines-critical-collaboration-and-adaptability-to-influence-tax-reform/](https://internationalbudget.org/publications/the-philippines-critical-collaboration-and-adaptability-to-influence-tax-reform/).

corporate income tax (CIT) rates and streamlined fiscal incentives to help businesses recover from the COVID-19 pandemic and enhance their competitiveness (Senate Economic Planning Office, 2024). Furthermore, Congress has recently approved three significant tax reform laws: legislation addressing VAT for digital transactions, establishing a carbon emission trading system, and simplifying compliance while reducing the costs of tax payments. These initiatives are backed by an executive order that directs national and local tax agencies to adopt secure digital methods for revenue collection and to develop a competency framework for local treasurers to bolster local tax capacity and transparency. The government continues to advance tax administration by embracing digital transformation and reinforcing international tax cooperation and information exchange.<sup>62</sup> The efficacy of these measures can be further improved by fostering public trust and ensuring that reforms align with the goal of inclusive economic empowerment.

The success of any tax reform program depends on increasing government revenues to enhance its ability to provide essential services that promote economic efficiency and social equity. However, over the past five years, there has been no dramatic increase in tax effort (Figure 2). Administrative leakages and tax exemptions stemming from populist policies lead to revenue losses and suboptimal tax collection. A 2018 World Bank study estimated that revenue losses from value-added tax (VAT) exemptions and fiscal incentives could reach up to PHP 539 billion. These exemptions, which fall outside the main tax code, complicate tax administration and reduce the tax base.<sup>63</sup> Moreover, fiscal incentives have shown limited effectiveness in attracting foreign direct investments (FDIs) and are often redundant, as many recipients likely would have invested regardless of these incentives.<sup>64</sup> The debate surrounding the rationalization of fiscal incentives has highlighted that these incentives often fail to generate significant jobs or investments and primarily benefit company executives; therefore, future discussions should prioritize aligning incentives with the broader goal of promoting grassroots development.<sup>65</sup>

Additionally, increased tax revenue does not necessarily lead to improved government services. Existing challenges in revenue mobilization remain. The government's failure to enhance efficiency and productivity, especially in the agricultural and industrial sectors, continues to hinder economic growth and weaken its ability to manage inflation. The poor state of

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<sup>62</sup> Asian Infrastructure Investment Bank. "Philippines: Domestic Resource Mobilization Program (Subprogram 1)." *AiIB - Asian Infrastructure Investment Bank*, 2023, [www.aiib.org/en/projects/details/2023/approved/Philippines-Domestic-Resource-Mobilization-Program-Subprogram-1.html](http://www.aiib.org/en/projects/details/2023/approved/Philippines-Domestic-Resource-Mobilization-Program-Subprogram-1.html).

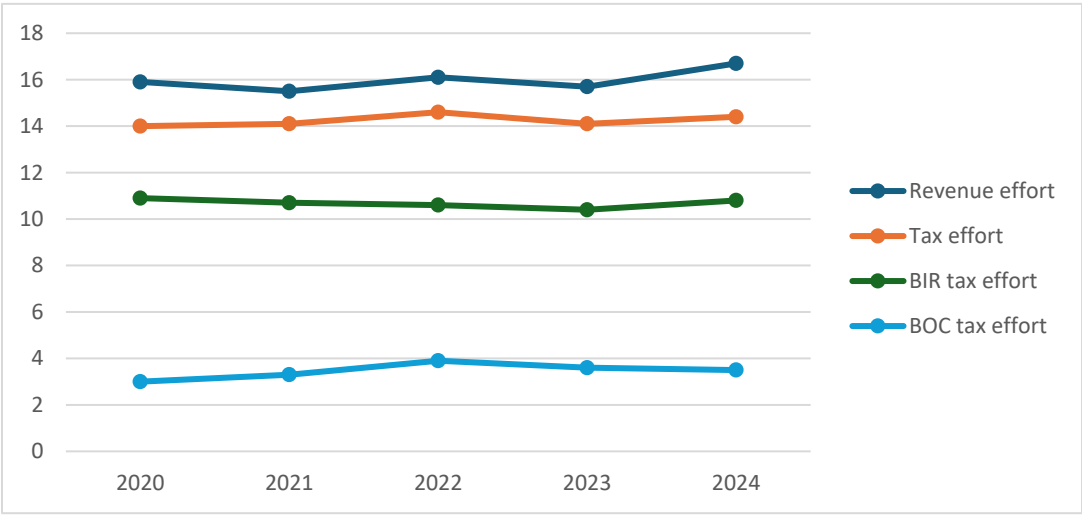
<sup>63</sup> Department of Finance. "Diokno: Gov't Studying VAT Exemptions to Enhance Collection Efficiency and Fairness." *Department of Finance*, 2023, [www.dof.gov.ph/diokno-govt-studying-vat-exemptions-to-enhance-collection-efficiency-and-fairness/](http://www.dof.gov.ph/diokno-govt-studying-vat-exemptions-to-enhance-collection-efficiency-and-fairness/).

<sup>64</sup> Manasan, Rosario, and Danileen Parel. "The Need (or Not) for Fiscal Incentives." *Philippine Institute for Development Studies*, 2014, [pidswebs.pids.gov.ph/CDN/OUTREACH/Manasan-Fiscal%20incentivesb.pdf](http://pidswebs.pids.gov.ph/CDN/OUTREACH/Manasan-Fiscal%20incentivesb.pdf).

<sup>65</sup> Fernandez, Lorena. "Rationalizing Fiscal Incentives in the Philippines: A Three-Decade Journey." *Council on Economic Policies*, 19 Aug. 2024, [www.cepweb.org/rationalizing-fiscal-incentives-in-the-philippines-a-three-decades-journey/](http://www.cepweb.org/rationalizing-fiscal-incentives-in-the-philippines-a-three-decades-journey/).

infrastructure and inefficient public transportation outside of a few growth enclaves obstruct sustainable grassroots development. Progressive tax policies must focus on the needs of the poor and address structural weaknesses, highlighting the need for legislators and stakeholders to maintain meaningful engagement that enables efficient and equitable budget allocation and ensures follow-through on whether the intended effects are being achieved.

**Figure 2. Revenue and tax efforts (as % of GDP), 2020-2024**



Source of data: Department of Finance.

It is essential to recognize that the campaign to achieve the SDGs is not conducted solely at the national level. Perhaps even more importantly, achieving the SDGs should be regarded as a grassroots initiative where societal transformations need to occur at a level closer to citizens and their communities—the local government units (LGUs). Thus, LGUs must be equally equipped to provide devolved services as outlined in Republic Act No. 7160, also known as the Local Government Code of 1991. The 2018 Mandanas-Garcia ruling clarifies that the Internal Revenue Allotment (IRA) for LGUs includes not only internal revenue taxes but also other national taxes, such as customs duties (Nisperos et al., 2024). As a result of this ruling, the national tax allotment (NTA) for LGUs has increased, providing them with greater resources and financial support.

One of the primary objectives of devolution was to empower communities to address their own needs with increased resources and autonomy. However, due to a lack of clear guidelines on fund allocation, inequitable distribution, and the inadequate absorptive capacity of LGUs, this goal has not been realized. Significant issues arise from the mismatch between the NTA and the costs associated with devolved functions, particularly in the health sector. Smaller provinces and rural municipalities, which receive a smaller NTA share, may lack the capacity to support certain

services, especially labor-intensive ones such as healthcare delivery.<sup>66</sup> The service delivery capabilities of LGUs vary significantly, creating challenges in developing and implementing local health initiatives, especially in smaller, resource-constrained towns.

## Refocusing Public Spending on the SDGs

Public investments in the SDGs can be obstructed by extractive political structures, where political dynasties prioritize vested interests and rent-seeking ventures over development outcomes. Despite advancements in governance in some areas, the extractive relationship between dynasties and development remains in several regions, making them more susceptible to predatory behavior.<sup>67</sup> Weak institutions and limited opportunities enable the proliferation of clientelism in these LGUs. Robinson (1999) argued that political elites view economic growth and development as a double-edged sword.<sup>68</sup> While progress may lead to increased prosperity, it can also alter the distribution of political power, creating conditions that are unfavorable to the elites currently in control of the system. Consequently, predatory structures deliberately obstruct institution-building and development as part of a broader strategy to sustain their dominance.<sup>69</sup> This reinforces the status quo by keeping families in poverty and dependent on the political elite. It allows dynasties to retain power, fostering misgovernance and distorting public spending priorities, which significantly constrains long-term development opportunities.

As a case in point, the recent defunding of the Philippine Health Insurance Corporation (PhilHealth) is unlikely to resolve the persistent challenges in health financing. Although the removal of government subsidies was attributed to the state insurance agency's operational shortcomings, which allegedly resulted in the accumulation of PHP 600 billion in reserves,<sup>70</sup> the lack of a more strategic and coordinated approach to health financing risks deepening existing inequities and further straining an already fragile public health system. While holding institutions accountable is essential, it is also important to note that the impact of devolution has caused the

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<sup>66</sup> Nisperos, Gene, et al. "Implications of the Mandanas-Garcia Ruling on Local Health Systems." *Acta Medica Philippina*, vol. 58, no. 13, 31 July 2024, doi.org/10.47895/amp.v58i13.8131.

<sup>67</sup> Mendoza, Ronald U., et al. "Political dynasties, business, and poverty in the Philippines." *Journal of Government and Economics*, vol. 7, 2022.

<sup>68</sup> Mendoza, Ronald U., et al. "Political dynasties, business, and poverty in the Philippines." *Journal of Government and Economics*, vol. 7, 2022.

<sup>69</sup> Ibid.

<sup>70</sup> Baron, Gabriela. "PhilHealth's Zero Subsidy Questioned Before High Court." *Daily Tribune*, 25 Feb. 2025, tribune.net.ph/2025/02/25/philhealths-zero-subsidy-questioned-before-high-court.

majority of LGUs to rely heavily on payments from PhilHealth to sustain the operations of their health facilities.<sup>71</sup>

Broader issues surrounding the political motivations behind spending decisions underscore the necessity for more transparent and participatory budgeting mechanisms. Although the Philippines ranked first in Asia for budget transparency and sixth globally for budget oversight in the 2023 Open Budget Survey,<sup>72</sup> these achievements obscure the fact that political elites continue to exert disproportionate control over budget allocations. The concentration of decision-making in secretive bodies, such as the bicameral conference committee, along with minimal public participation and a lack of accountability, highlights a significant gap between the facade of transparency and the reality of elite-driven governance. Well-publicized debates on the integrity of the budget tend to be more performative than substantive, focusing on budget provisions with minimal fiscal impact while leaving questionable allocations unaddressed. For instance, the proposed allocations for key social programs in the 2025 national budget were eliminated, including the PHP 96 billion subsidy for PhilHealth, PHP 74.4 billion for the Department of Social Welfare and Development's (DSWD) Pantawid Pamilyang Pilipino Program (4Ps), and PHP 10 billion designated for the Department of Education's (DepEd) computerization initiative.<sup>73</sup> In contrast, the DPWH budget increased by nearly PHP 289 billion. This raises troubling questions about the incentive mechanisms behind the budget prioritization of congressional insertions over human development programs with well-established implementation guidelines. While increasing development investments seem promising on paper, the worsening poverty, hunger, and overall health of the Filipino people highlight the real implications of misguided priorities.

Moreover, an overreliance on cash distribution programs diverts attention from the government's inadequate investments in accessible and quality essential services, such as education, healthcare, and socialized housing, among others. In 2025, the government allocated PHP 431 billion of its PHP 5.768 trillion budget to cash assistance and subsidies. While these programs are vital for poverty relief and disaster response, they raise concerns about fiscal sustainability, political exploitation, and long-term economic implications.<sup>74</sup> Eliminating dole-out programs would be unrealistic for a developing country, as there will always be various sectors in need. However, to ensure fiscal sustainability, it is essential that cash aid programs remain affordable

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<sup>71</sup> Nisperos, Gene, et al. "Implications of the Mandanas-Garcia Ruling on Local Health Systems." *Acta Medica Philippina*, vol. 58, no. 13, 31 July 2024, doi.org/10.47895/amp.v58i13.8131.

<sup>72</sup> IBON Foundation. "PH Govt Closed and Opaque to Protect Pork Barrel." *IBON Foundation*, 6 Feb. 2025, www.ibon.org/ph-govt-closed-and-opaque-to-protect-pork-barrel/.

<sup>73</sup> Aurelio, Julie M., et al. "Philippine Budget Critics: Veto Still Left 'pork' Intact." 2 Jan. 2025, asianews.network/philippine-budget-critics-veto-still-left-pork-intact/.

<sup>74</sup> Almendras, Ruben. "Are Subsidies/dole-outs Sustainable?" *Philstar.com*, 29 Aug. 2023, www.philstar.com/the-freeman/opinion/2023/08/29/2292267/are-subsidiesdole-outs-sustainable.

and not redundant.<sup>75</sup> Additionally, without clear safeguards and accountability mechanisms, such programs risk deepening fiscal vulnerabilities. Therefore, it is also crucial to focus on supply-side investments that promote sustainable and inclusive economic growth. For instance, the effectiveness of social programs, such as the 4Ps, is hindered by supply-side issues in education and healthcare, including poor service quality and accessibility, particularly for geographically disadvantaged beneficiaries. To maximize the benefits of social programs, it is essential to make supply-side investments that enhance service delivery, including investments in human capital and infrastructure (PIDS, 2024).

### **A More Conducive Macroeconomic Environment for the SDGs**

In 2024, the country's budget deficit surpassed the ceiling established by the Development Budget Coordination Committee (DBCC), while tax revenues fell short of their target (Figure 3).<sup>76</sup> Consequently, the national government's outstanding debt has reached PHP 16.68 trillion by the end of the first quarter of 2025.<sup>77</sup> An increase in both local and foreign borrowings is anticipated in the coming months.<sup>78</sup> The Bureau of the Treasury (BTr) has reassured the public that the total outstanding debt remains manageable, as the economy is growing faster than the debt, allowing the government to finance key priority programs without imposing new taxes. The national government's debt-to-GDP ratio of 60.7% remains slightly above the international threshold of 60%, but it is still considered manageable.<sup>79</sup> Additionally, the government has adopted a more prudent approach to debt management, with domestic borrowings accounting for 67.5% of its total obligations, while foreign borrowings made up 32.5%.<sup>80</sup> This strategy is expected to reduce vulnerability to external risks while taking advantage of the country's ample domestic liquidity. The recent strengthening of the peso against the US dollar also aids in managing foreign debt obligations.

### **Figure 3. Revenue effort and total expenditures (as % of GDP), 2020-2024**

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<sup>75</sup> Ibid.

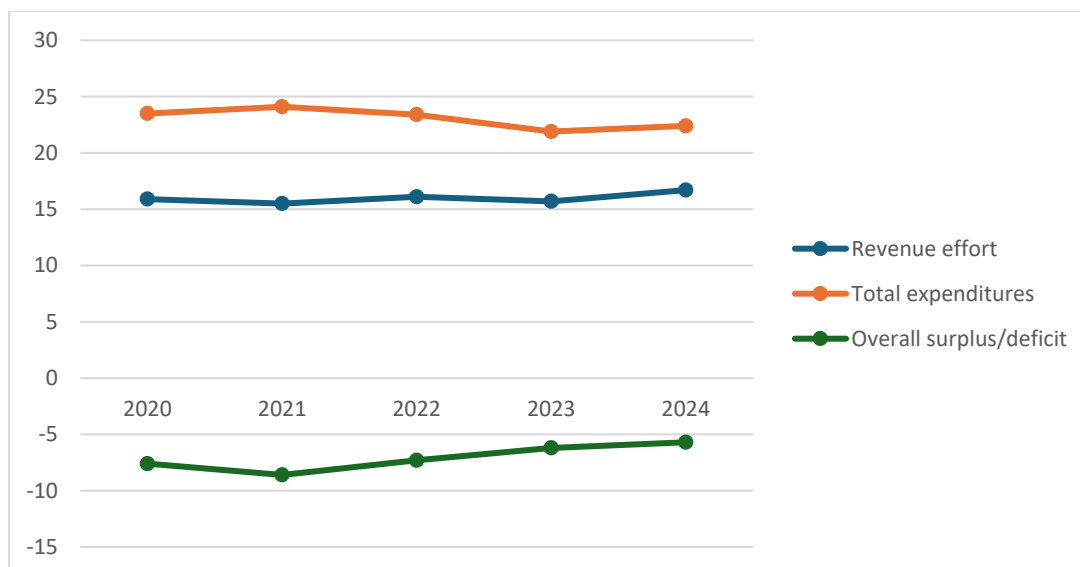
<sup>76</sup> Inosante, A.R.A. "Budget Gap Exceeds Full-year Ceiling." 28 Feb. 2025, [www.bworldonline.com/top-stories/2025/02/28/656225/budget-gap-exceeds-full-year-ceiling/](http://www.bworldonline.com/top-stories/2025/02/28/656225/budget-gap-exceeds-full-year-ceiling/).

<sup>77</sup> Gonzales, Anna. "BTr: PH Debt Remains Manageable at P16.68 Trillion." *Philippine News Agency*, 2025, [www.pna.gov.ph/articles/1249583](http://www.pna.gov.ph/articles/1249583).

<sup>78</sup> Celis, Angela. "Govt Jan Debt Payments Drop 32.97% – BTr." *PIDS - Philippine Institute for Development Studies*, 2025, [www.pids.gov.ph/details/news/in-the-news/govt-jan-debt-payments-drop-32-97-btr](http://www.pids.gov.ph/details/news/in-the-news/govt-jan-debt-payments-drop-32-97-btr).

<sup>79</sup> Gonzales, Anna. "BTr: PH Debt Remains Manageable at P16.68 Trillion." *Philippine News Agency*, 2025, [www.pna.gov.ph/articles/1249583](http://www.pna.gov.ph/articles/1249583).

<sup>80</sup> Celis, Angela. "Govt Jan Debt Payments Drop 32.97% – BTr." *PIDS - Philippine Institute for Development Studies*, 2025, [www.pids.gov.ph/details/news/in-the-news/govt-jan-debt-payments-drop-32-97-btr](http://www.pids.gov.ph/details/news/in-the-news/govt-jan-debt-payments-drop-32-97-btr).



Source of data: Department of Finance.

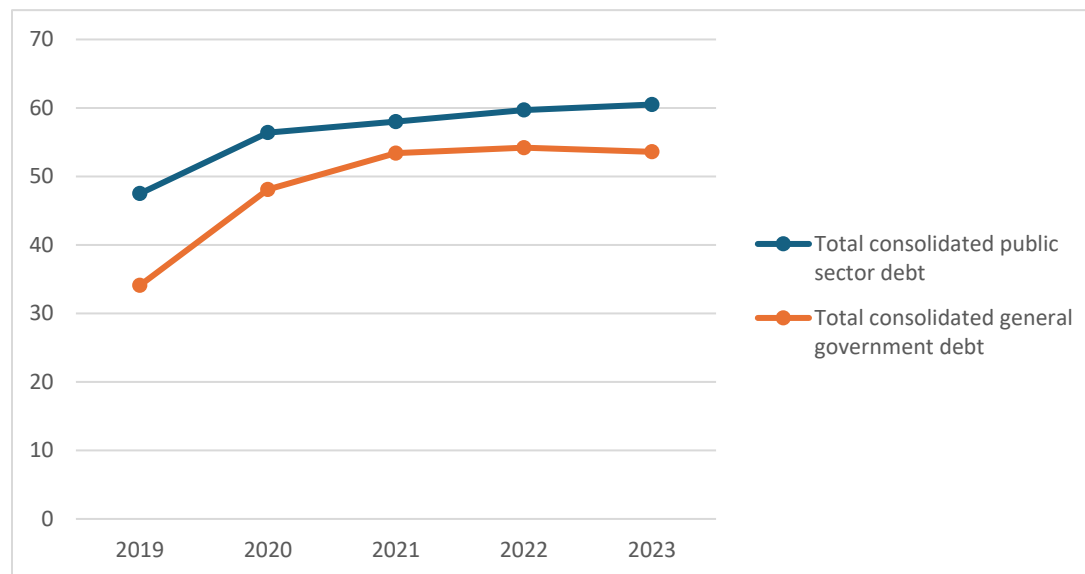
Although current debt levels are considered manageable, rising borrowing levels (Figure 4) continue to raise concerns if they are not directed toward productive investments that promote long-term debt sustainability. Furthermore, there are concerns that a fiscal crisis may develop if measures fail to reduce the budget deficit, forcing the government to rely on borrowing to finance its operations.<sup>81</sup> While the government's debt stock is seen as far from catastrophic, potential gaps or delays in effectively implementing productive investments could threaten the country's fiscal position. Over the long term, an increase in the debt stock could shift the government's focus to debt servicing, undermining its ability to fund essential programs. According to the Budget of Expenditures and Sources of Financing (BESF) for fiscal year 2025, debt service is expected to reach PHP 2.051 trillion this year.<sup>82</sup> Moreover, interest payments surged to PHP 104.435 billion in January 2025, up from PHP 74.221 billion a year earlier, indicating rising domestic and external borrowing costs.<sup>83</sup> If this trend continues, the government may eventually face fiscal constraints, and its capacity to sustain critical expenditures related to the SDGs may become significantly limited. Increasing interest obligations can compete with essential public spending priorities, highlighting the need for effective tax reforms and fiscal consolidation measures to sustainably reduce the budget deficit.

<sup>81</sup> Celis, Angela. "New Borrowings Boost Govt Outstanding Debt to P16.6t." *PIDS - Philippine Institute for Development Studies*, 2025, pids.gov.ph/details/news/in-the-news/new-borrowings-boost-govt-outstanding-debt-to-p16-6t#:~:text=6t&text=The.

<sup>82</sup> Celis, Angela. "P16.3T Govt Debt Stock Raises Red Flag, Reform Call." *PIDS - Philippine Institute for Development Studies*, 2025, pids.gov.ph/details/news/in-the-news/p16-3t-govt-debt-stock-raises-red-flag-reform-call.

<sup>83</sup> Ibid.

**Figure 4. Total consolidated public sector and general government debt (as % of GDP), 2019-2023**



Source of data: Department of Finance.

### **An Increasingly Volatile Global Economy**

According to the Bangko Sentral ng Pilipinas (BSP), the Philippines' balance of payments (BOP) has shifted from a USD 238-million surplus in the first quarter of 2024 to a USD 3-billion deficit in the same period of 2025, primarily due to a significant widening of the current account deficit.<sup>84</sup> The BSP earlier forecasted that the current account deficit would expand further to USD 19.8 billion in 2025, equivalent to 3.9% of the country's gross domestic product (GDP).<sup>85</sup> This creates depreciation pressures on the peso, which can contribute to inflation. Furthermore, this indicates a growing reliance on imports for domestic consumption that is outpacing export growth. These factors raise concerns about the possibility of the Philippines falling into a debt trap, as a widening current account deficit combined with rising debt levels could result in larger income deficits over time.

<sup>84</sup> Rosal, Derco. "Weaker Growth, Peso Seen Ahead As Imports Surge Doubles Q1 Current Account Deficit to \$4.2 Billion." *Manila Bulletin*, 14 June 2025, mb.com.ph/2025/06/14/weaker-growth-peso-seen-ahead-as-imports-surge-doubles-current-account-deficit-to-42-billion-in-q1.

<sup>85</sup> Rosal, Derco. "Weaker Growth, Peso Seen Ahead As Imports Surge Doubles Q1 Current Account Deficit to \$4.2 Billion." *Manila Bulletin*, 14 June 2025, mb.com.ph/2025/06/14/weaker-growth-peso-seen-ahead-as-imports-surge-doubles-current-account-deficit-to-42-billion-in-q1.

The recent imposition of tariffs by the United States of America (USA) on various countries and the retaliatory tariffs by these countries could lead to a global economic slowdown, presenting both challenges and opportunities to the Philippines. From one perspective, the punitive tariffs imposed by the USA on China could prompt Chinese manufacturers to redirect exports to markets like the Philippines, resulting in an influx of cheaper goods.<sup>86</sup> However, this also poses challenges for domestic producers of household and personal items, electronic gadgets, and similar products. The shift in trade policies in the USA can also potentially slow down the country's exports.<sup>87</sup> This highlights the importance of strategically navigating the economic landscape to sustain public and private investments in the SDGs.

### **An Industrial Policy for Long-term Growth**

For many years, the primary driver of growth in the Philippine economy has been domestic consumption.<sup>88</sup> According to multinational retail and commercial bank Banco Santander, "Philippine consumers enjoy visits to retail stores in which they are able to touch and feel the product, and value the services throughout the shopping experience."<sup>89</sup> With the onset of the COVID-19 pandemic, online shopping has also gained popularity as e-commerce has experienced spectacular growth in recent years.<sup>90</sup> The expansion of household consumption is largely attributed to improvements in income. Additionally, a decelerating inflation rate and lower interest rates have also influenced household consumption growth. The Philippine economy sustained stable growth in 2024, supported by a 4.8% increase in household consumption amid declining inflation and interest rates.<sup>91</sup>

However, despite decades of economic growth, the Philippines has failed to significantly raise wages or escape the middle-income trap due to weak industrialization and limited exports, unlike neighbors such as China and Vietnam that used strong state-led strategies to build competitive

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<sup>86</sup> Cabreza, Vincent. "Neda briefing: PH may feel US tariff war – via China imports." 2025, [globalnation.inquirer.net/274070/neda-briefing-ph-may-feel-us-tariff-war-via-china-imports](https://globalnation.inquirer.net/274070/neda-briefing-ph-may-feel-us-tariff-war-via-china-imports).

<sup>87</sup> Ibid.

<sup>88</sup> Debuque-Gonzales, Margarita, et al. "Macroeconomic Outlook of the Philippines in 2023–2024: Prospects and Perils." 2023, [pidswebs.pids.gov.ph/CDN/document/pidsdps2334.pdf](https://pidswebs.pids.gov.ph/CDN/document/pidsdps2334.pdf).

<sup>89</sup> Ferrolino, Mark Louis. "A Consumption-driven Economy." *BusinessWorld Online*, 21 June 2019, [www.bworldonline.com/features/2019/06/21/237866/a-consumption-driven-economy/](https://www.bworldonline.com/features/2019/06/21/237866/a-consumption-driven-economy/).

<sup>90</sup> Alwan, Saleh, et al. "Sustainable and Resilient E-commerce Under COVID-19 Pandemic: a Hybrid Grey Decision-making Approach." *PMC Home*, 2023, [pmc.ncbi.nlm.nih.gov/articles/PMC9899112/](https://pmc.ncbi.nlm.nih.gov/articles/PMC9899112/).

<sup>91</sup> Department of Finance. "PH Economy Maintained Steady Growth in 2024 Despite Challenges; Outlook for 2025 Remains Bullish Driven by Lower Inflation, Higher Consumption, and Investments." *Department of Finance*, 2025, [www.dof.gov.ph/ph-economy-maintained-steady-growth-in-2024-despite-challenges-outlook-for-2025-remains-bullish-driven-by-lower-inflation-higher-consumption-and-investments/](https://www.dof.gov.ph/ph-economy-maintained-steady-growth-in-2024-despite-challenges-outlook-for-2025-remains-bullish-driven-by-lower-inflation-higher-consumption-and-investments/).

manufacturing sectors.<sup>92</sup> While short-term growth has been fueled by rising domestic consumption, long-term development remains constrained by weak productive capacity. The economy continues to rely heavily on imports and experiences stagnant productivity, hindering its ability to transition to a more competitive and resilient growth model. Although increased domestic consumption has helped the economy, it does not necessarily translate into enhanced export competitiveness, which requires deliberate efforts to strengthen industrial pathways and develop a robust manufacturing base.

Given that the Philippines has already fallen behind, abandoning industrialization altogether would mean resigning the country to a development path lacking innovation, competitiveness, and long-term prosperity.<sup>93</sup> Institutional weaknesses remain a significant barrier. The Philippines continues to be governed by what Acemoglu and Robinson describe as extractive institutions, which allow a few elites to dominate the country's political economy, suppressing competition and hindering economic growth.<sup>94</sup> Extractive institutions deter investments in productive sectors, while entrenched vested interests, the difficulty of coordinating collective action, and the unequal capacity of social groups to advocate for reform continue to impede structural transformation.<sup>95</sup> Addressing these institutional and structural constraints is crucial to directing investments toward industrialization and productivity-driven growth. Without such transformation, the Philippine economy risks remaining trapped in a cycle of consumption without sustainable or inclusive progress.

### **Official Development Assistance for SDGs: Partnerships for Whom?**

Demonstrating its commitment to economic recovery and infrastructure development, the Philippines significantly increased its utilization of foreign aid in 2023, with a 27% rise in financial disbursements totaling USD 15.80 billion. This surge in ODA funding, encompassing 113 loans and 325 grants, is actively supporting the nation's socioeconomic agenda and the "Build-Better-More" program.<sup>96</sup> SDG 17 (Partnerships for the Goals) emphasizes the importance of revitalizing global partnerships to achieve the SDGs. One of its targets focuses on increasing financial support, particularly through commitments to ODA.

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<sup>92</sup> Felipe, Jesus, and Pedro Pascual. "Why We Missed the Industrialization Wagon: Can We Still Catch It?" 9 June 2024, [www.bworldonline.com/opinion/2024/06/10/600588/why-we-missed-the-industrialization-wagon-can-we-still-catch-it/](http://www.bworldonline.com/opinion/2024/06/10/600588/why-we-missed-the-industrialization-wagon-can-we-still-catch-it/).

<sup>93</sup> Ibid.

<sup>94</sup> Acemoglu, Daron and James A. Robinson. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. Crown Publishers, 2012.

<sup>95</sup> Felipe, Jesus, and Pedro Pascual. "Why We Missed the Industrialization Wagon: Can We Still Catch It?" 9 June 2024, [www.bworldonline.com/opinion/2024/06/10/600588/why-we-missed-the-industrialization-wagon-can-we-still-catch-it/](http://www.bworldonline.com/opinion/2024/06/10/600588/why-we-missed-the-industrialization-wagon-can-we-still-catch-it/).

<sup>96</sup> Presidential Communications Office. "PH achieves 27 percent increase in ODA loan disbursement, bolstering economic recovery and infra dev't—NEDA." *Presidential Communications Office*, 2024, [pco.gov.ph/other\\_releases/h-achieves-27-percent-increase-in-oda-loan-disbursement-bolstering-economic-recovery-and-infra-devt-neda/](http://pco.gov.ph/other_releases/h-achieves-27-percent-increase-in-oda-loan-disbursement-bolstering-economic-recovery-and-infra-devt-neda/).

However, a large share of ODA to the Philippines is directed toward infrastructure projects. Out of the 194 Infrastructure Flagship Projects (IFPs), 79 are funded by ODA, 45 through public-private partnerships (PPPs), 66 via the national budget, and two through hybrid PPPs, with only two projects lacking confirmed funding sources.<sup>97</sup> With infrastructure, debt servicing, and military modernization as key budget priorities, the government relies on external sources to fund its projects. ODA funding, which could otherwise support a broader range of SDGs, is heavily focused on SDG 9 (Industry, Innovation, and Infrastructure). This emphasis on large-scale infrastructure, heavily dependent on ODA, has faced criticism for potentially serving foreign investor interests more than broader SDG targets like poverty reduction and quality education.<sup>98</sup>

## **Conclusion and Recommendations**

As the day of reckoning rapidly approaches, the Philippines still has significant ground to cover. Beyond making superficial progress on the SDGs, the country must implement reforms aimed at structural transformations that address long standing issues preventing it from achieving inclusive development. At the heart of the Philippines' incapacity to launch a comprehensive effort to achieve the SDGs is the patronage politics perpetuated by extractive institutions. Clientelism is deeply rooted in the Philippine political economy, as evidenced by the persistence of political dynasties. Economic insecurity, impunity, and a lack of transparency allow clientelism to persist and thrive in the country. This significantly undermines democratic governance and perpetuates inequality and poverty in many regions. Therefore, safeguards must be established to prevent abuses of political and economic power held by entrenched political clans. More importantly, voter education and civic engagement must be strengthened to expose the harms of clientelism and patronage politics. Civil society organizations (CSOs) should continue educating voters about the importance of issue-based voting and encourage them to move away from relying on the short-term benefits offered by clientelist politicians. This effort should be accompanied by poverty reduction initiatives, especially in rural areas, to lessen communities' vulnerability to patronage. Promoting more efficient and responsive subnational investments in human development requires the reinvention and genuine empowerment of local health boards (LHBs) and local school boards (LSBs), along with updates to other provisions of the devolution law.

Amending the three-decade-old Local Government Code of 1991 is crucial to address the evolving challenges in local governance, fiscal autonomy, and grassroots service delivery. The uneven fiscal capacity among LGUs, overlapping functions between national and local governments, and

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<sup>97</sup> Famatigan, Mark. "The Expensive and Harmful 'Build Better More'." *IBON Foundation*, 24 June 2023, [www.ibon.org/the-expensive-and-harmful-build-better-more/](http://www.ibon.org/the-expensive-and-harmful-build-better-more/).

<sup>98</sup> Guzman, Rosario. "ODA for SDGs: Partnerships for Whom?" *IBON Foundation*, 5 Aug. 2021, [www.ibon.org/oda-for-sdgs-partnerships-for-whom/](http://www.ibon.org/oda-for-sdgs-partnerships-for-whom/).

inefficiencies in implementing devolved functions necessitate timely reforms in decentralization policy. Revisions should focus on the inequitable NTA distribution formula to prioritize municipalities in the fourth to sixth income classes and reduce regional disparities. The roles of national government agencies and LGUs should be clearly defined, particularly regarding health service delivery, agricultural development, and environmental management. Additionally, accountability mechanisms should be enhanced by mandating full transparency in LGU budgets, procurement, and project implementation.

On the economic front, policymakers should prioritize targeted, accessible, and sustainable measures that tackle the unique challenges faced by domestic industries in the Philippines, particularly micro, small, and medium enterprises (MSMEs). MSMEs encounter obstacles such as limited access to financing, low digital adoption, and bureaucratic hurdles when starting and running a business. Expanding low-interest government loan programs and creating grants for digital transformation and export readiness could boost MSMEs' productivity. Additionally, supporting export-oriented MSMEs through capacity building can enhance the international standing of local businesses. Relevant government agencies could provide mentorship and certification support to help facilitate compliance with international product standards. Furthermore, reducing documentary requirements and bureaucratic bottlenecks in processing business permit applications and renewals could improve the country's investment climate.

Addressing low agricultural productivity requires expanding access to finance and tackling climate vulnerability. The government could enhance agricultural loan programs, particularly for smallholder farmers. Crop insurance coverage should be increased to reduce vulnerabilities related to climate change. Prioritizing the development and distribution of climate-resilient seeds, along with training on high-value crops, is essential. Reducing farmers' reliance on exploitative contract growing agreements, loan sharks, and middlemen can be achieved by providing grants and building capacity in cooperatives to manage bulk input purchases, processing, and direct market access. Expanding irrigation coverage through small-scale projects and subsidizing post-harvest facility costs, such as dryers, warehouses, and cold storage for cooperatives, could significantly boost agricultural productivity while easing farmers' burdens.

Similarly, it is essential to address systemic gaps in infrastructure, human resources, and financing to ensure equitable access to quality healthcare and education services. Despite being critical sectors for human development, health and education face challenges such as underfunding, urban-rural disparities, and inefficient delivery mechanisms. Increasing public spending to 5% of GDP for both health and education, while prioritizing primary care, rural health facilities, and basic education, should help address issues related to underfunded facilities and staff shortages. Furthermore, funds should be allocated for the construction and upgrading of barangay health stations, rural health units, and regional hospitals. More doctors, nurses, and midwives must be

deployed in rural areas, where a significant supply gap exists, by offering competitive salaries, housing, and career incentives. In terms of education, classroom shortages and outdated learning materials must be addressed through more efficient budget allocation. The Special Education Fund (SEF) of LGUs should complement national spending aimed at improving the delivery of educational services. Finally, it is crucial to ensure that spending translates into results by linking fund utilization to measurable outcomes. Budget tagging initiatives, such as those piloted in the children, climate, education, health, gender, and nutrition sectors, should be continued and expanded to include a broader set of SDGs.

Fiscal sustainability is crucial to the country's ability to achieve the SDGs; therefore, managing the budget deficit and controlling public debt is essential. Tax policy reforms should be accompanied by improvements in tax administration. This can be achieved by modernizing the systems and processes of the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) through digitalization and the adoption of advanced technologies, such as blockchain and artificial intelligence. ODA, in the form of financial support and technical assistance, could be utilized to acquire these technologies. Tax loopholes for corporations and high-income earners need to be identified and closed. Public expenditures should be rationalized by periodically conducting zero-based budgeting. This approach will eliminate redundant programs and prioritize high-impact ones, such as education, health, and infrastructure. Transfers should be redirected from indiscriminate subsidies to more targeted financial assistance programs. Public-private partnerships (PPPs) should be seen as the preferred mode for infrastructure and other economic development projects, thereby freeing up more fiscal space for delivering social services. The government should maintain a debt-to-GDP ratio of 60% and reduce the deficit-to-GDP ratio to a more manageable 3% before the end of the current administration.

By leveraging its strategic location, enhancing competitiveness, and strengthening trade policies, including maintaining a competitive exchange rate, the Philippines can maximize the benefits of international trade against the backdrop of uncertainties in the global economic and geopolitical climate. The country needs to develop high-value export sectors, such as electronics, agribusiness, and information technology, by investing in research and development (R&D) and upskilling programs. Accelerating trade infrastructure projects and establishing low-cost, high-quality logistics services can be financed through PPPs. The country should also consider diversifying its export markets to lessen reliance on the USA and China. Strengthening trade diplomacy with European and Southeast Asian countries could counter protectionism and potentially expand trade opportunities with these nations further.

Effectively utilizing ODA is crucial for overcoming development challenges and fostering sustainable growth. To maximize the impact of ODA, the government must improve its absorption efficiency, ensure alignment with national priorities, and address governance issues. The

prioritization of ODA should take into account economic returns, social impact, and regional equity through a collaborative process that involves stakeholder consultations with LGUs, CSOs, and the private sector. Support for urban-centric infrastructure should shift towards financing education initiatives, healthcare facilities, and other essential human development investments. Expanding partnerships beyond traditional donors and promoting blended finance that integrates ODA with private capital can lessen dependency and geopolitical risks while alleviating debt burdens. Finally, ODA tripartite forums, consisting of the government, private sector, and CSOs, should be created to co-design and monitor projects. With genuine partnerships based on trust and shared values, the Philippines can position itself to achieve the SDGs sooner rather than later.