

## How do Philippine provinces fare in terms of human development?

*M*uch has been written about the country's high economic growth for the past number of years but how does this translate to human development? Is this reflected in improvements, if any, in people's lives? Beyond looking at the gross domestic product (GDP), how is the well-being of Filipinos measured, especially those living outside of the nation's capital or major cities?

The 2008/2009 *Philippine Human Development Report* (PHDR), which carries the fifth update of the provincial human development indices (HDI) in the country, looks more closely into this concern in its Chapter 3 as it presents the interprovince measures of the subcomponents of human development. It also identifies the provinces that have performed better or worse across time in each of the components of the HDI.

This *Policy Note* is a condensed version of this Chapter and emphasizes the areas which

influenced some of the movements in the provinces' HDI during the period of review. It is hoped that whatever subnational disparities in the measured subcomponents of human development are presented—something not revealed by national averages—may be used as basis for policy review and formulation.

### Period coverage

The update on the provincial HDIs as contained in the 2008/2009 PHDR covers the period 2004 to 2006. In the span of this period, a presidential and local election took place; various challenges to the legitimacy of the current political administration were

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raised; and ten destructive typhoons struck the country in 2006, affecting 2.4 million families. The gross domestic product (GDP) during this period of 2004 to 2006 also grew by 4.3 percent, higher than the country average over the previous two decades, but it has to be stressed that despite the growth in the GDP, it is *outcomes* that matter from a human development perspective rather than *incomes*.

### Human development index (HDI)

The HDI is a summary measure of human development that seeks to gauge the average achievement in a country in three basic

dimensions of human development: **a long and healthy life, knowledge, and a decent standard of living** (UNDP 2007). It is motivated by the principle that income alone cannot faithfully reflect the basic dimensions of human development. Income is a *means* toward human development, not an *end*. To quantify these three basic dimensions, the United Nations Development Programme (UNDP) uses life expectancy at birth, adult literacy and combined primary, secondary, and tertiary enrolment rates, and adjusted per capita GDP in purchasing power parity (PPP) (in US dollars) in its *Human Development Report* (HDR).

*Officials of the provinces that won the Top Ranked HDI award as well as the Most Improved HDI award pose with their awards, together with UN, New Zealand, and Philippine HDN officials, during the national launch of the 2008/2009 PHDR and awarding of HDI plaques. From l-r: Dr. Arsenio Balisacan, HDN president; H.E. Andrew Matheson, New Zealand Ambassador to the Philippines; Hon. Erineo Maliksi, Governor of Cavite; Hon. Casimiro Ynares III, Governor of Rizal; Hon. Nestor Fongwan, Governor of Benguet; Mr. Renaud Meyer, UNDP Country Director; Hon. Orlando Fua Sr., Congressman of Siquijor; Hon. Rogelio Espina, Governor of Biliran; and Prof. Solita Monsod, founding president of Philippine HDN.*



In the latest edition of the HDR for 2007/2008, the Philippines ranked 90th among 177 countries, lower by six places since the previous computation when it ranked 84th. Although its ranking dropped, the country remains in the category of countries with “medium human development” since its functional literacy rates and gross enrolment rates continue to be above that of the medium group average by 18.7 percent and 24.2 percent, respectively. This is an advantage that allows the country to rank much better in terms of HDI than in terms of per capita GDP by 11 notches.

For domestic policy purposes, however, what becomes more useful is not just this ranking among countries but, as mentioned earlier, the subnational disparities in the measured subcomponents of human development. The succeeding sections thus provide a picture of this subnational situation.

### Longevity

A long and healthy life is quantified by achievements in life expectancy at birth. Life expectancy figures for 2006 are derived using newly computed life tables based on 2000 Census data and previous life tables for 1995 (Cabigon and Flieger 1999). Table 1 shows the provinces with the highest and lowest life expectancy projections for 2006 while Figure 1 shows provinces with the largest and smallest gains in life expectancy between 1980 and 2006.

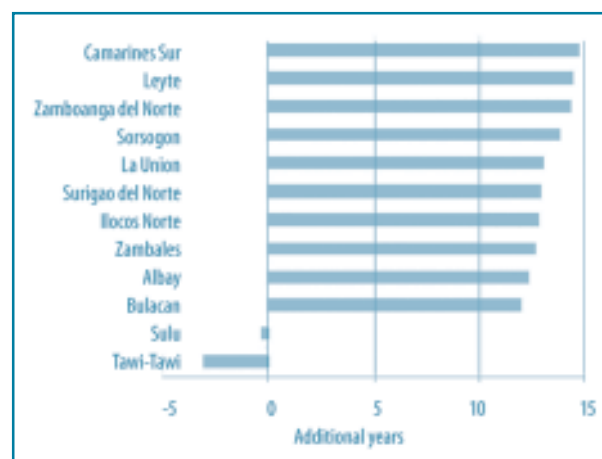
On the average, those born in 2006 in La Union are expected to live 74.6 years, the

**Table 1. Life expectancy (2006)\***

Top Ten	Years	Bottom Ten	Years
La Union	74.6	Agusan del Norte	63.6
Bulacan	73.4	Mt. Province	62.8
Ilocos Norte	73.0	Apayao	62.8
Camarines Sur	73.0	Palawan	62.7
Benguet	72.9	Kalinga	61.9
Cebu	72.6	Ifugao	61.2
Batangas	72.6	Lanao del Sur	58.7
Pampanga	72.4	Maguindanao	57.6
Cagayan	72.0	Sulu	55.5
Albay	71.9	Tawi-Tawi	53.4

\*Linear projection based on 1995 and 2000 actual estimates. Source: Statistical Annex 1 (PHDR 2008/2009).

**Figure 1. Largest and smallest gainers: life expectancy (1980–2006)\***



\* For 1980, actual estimates from Flieger and Cabigon (1994). For 2006, linear projection from 1995 and 2000 actual estimates.

longest among Filipinos, followed closely by those from Bulacan, Ilocos Norte, Camarines Sur, and Benguet. On the other hand, those born in four provinces in the Autonomous Region of Muslim Mindanao (ARMM), four provinces in the Cordillera Administrative Region (CAR), Palawan, and Agusan del Norte are expected to live the shortest. Those in the

*Dr. Winfred Villamil, member of the board of the Philippine Human Development Network (HDN), presents the provincial HDIs for the period 2004–2006 during the national launch of the 2008/2009 PHDR.*



**Table 2. High school graduate ratio (2006)**

Top Ten	Percent	Bottom Ten	Percent
Benguet	76.6	Basilan	38.9
Rizal	73.9	Western Samar	37.4
Cavite	73.7	Tawi-Tawi	37.4
Laguna	72.5	Northern Samar	34.9
Bataan	72.0	Zamboanga del Norte	34.0
Pangasinan	69.8	Negros Oriental	33.6
La Union	66.5	Masbate	32.3
Batanes	65.5	Davao Oriental	29.9
Pampanga	65.3	Sarangani	28.4
Abra	64.7	Sulu	23.1

Note: Metro Manila 81.1

Source: Statistical Annex 1 (PHDR 2008/2009).

ARMM provinces of Tawi-Tawi, Sulu, Maguindanao, and Lanao del Sur are worst off, with those in Tawi-Tawi expected to live 21 years less than those in La Union. The high

disparity in life expectancy observed across provinces is likely explained by disparities in access to quality health care.

If one looks at changes in life expectancy over long periods, one finds that over the last 26 years from 1980 to 2006, life expectancy improved for all provinces except two—Tawi-Tawi and Sulu—where life expectancy alarmingly dropped from 56.4 years to 53.4 years (or by 10.6 percent) and 55.8 to 55.5 years (or by 0.9 percent), respectively.

Camarines Sur, Leyte, and Zamboanga del Norte, meanwhile, saw the biggest improvements, with more than 14 years added to life expectancy. They were followed by Sorsogon, La Union, Surigao del Norte, Ilocos Norte, Zambales, Albay, and Bulacan. On the national level, Filipinos born in 2006 live about eight years longer, on the average, compared to those born in 1980, an improvement in the life expectancy of roughly three years every decade.

### Knowledge

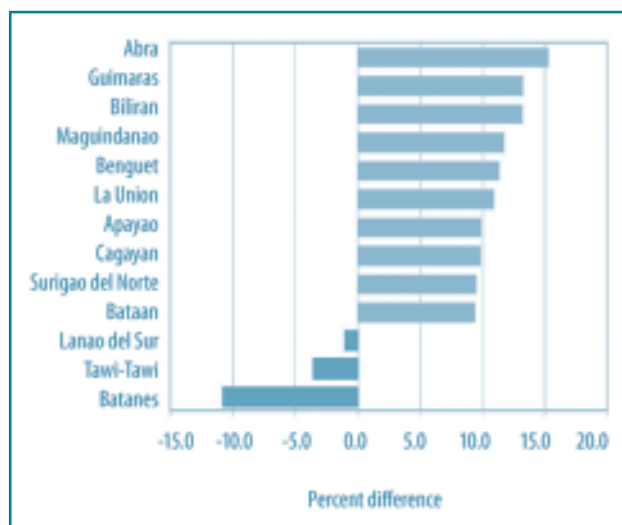
In terms of knowledge, subnational achievements are measured as a weighted average of the high school graduate ratio and the basic education enrolment rate. For the country as a whole, the proportion of high school graduates among adults in 2006 was 55 percent, an improvement of three percentage points and about nine percentage points from its 2003 and 1997 levels, respectively. Metro Manila is highest in the rankings, with about four in every five adults

finishing high school. Benguet follows closely with about seven in every nine adults completing secondary education (Table 2). As expected, provinces close to the metropolis such as Rizal, Cavite, and Laguna have relatively high ratios as do provinces along the northern Luzon corridor of Bataan, Pampanga, Pangasinan, and La Union. Abra registered the greatest improvement, with an increase of 15 percentage points from its value in 2003, followed by Guimaras and Biliran with a 13 percentage point increase each (Figure 2). Other provinces with gains of at least nine percentage points include Maguindanao, Benguet, Apayao, and Surigao del Norte. Batanes, on the other hand, which had the highest ratio in 2003, registered a decrease of almost 11 percentage points in 2006. Two other provinces, Tawi-Tawi and Lanao del Sur, also slid by 3.5 and 1 percentage point, respectively.

Basic education enrolment rates hardly improved on the whole, remaining at 91 percent between 2002 and 2004. This is in contrast to the trend exhibited by the high school graduate ratio. The alarming development for basic education is the actual drop in enrolment rates in three quarters of all the provinces.

As to the provinces that fared well in terms of basic education enrolment rates, the province of Batanes topped the list, as it did in 2002, with all primary school-aged children enrolled. Mt. Province, Camiguin, and Benguet followed closely. The top ten list also

**Figure 2. Largest gainers and losers: high school graduate ratio (2003 vs. 2006)**



Source: Statistical Annexes 1 and 2 (PHDR 2008/2009).

**Table 3. Basic enrolment rate (2004)**

Top Ten	Percent	Bottom Ten	Percent
Batanes	100.0	Lanao del Sur	85.0
Mt. Province	94.6	Bukidnon	84.6
Camiguin	94.3	Kalinga	83.2
Benguet	93.8	Davao Oriental	81.9
Misamis Occidental	93.4	Tawi-Tawi	81.8
Surigao del Sur	93.4	Negros Oriental	81.0
Antique	92.8	North Cotabato	79.6
Ilocos Sur	92.8	Zamboanga del Norte	79.4
Rizal	92.5	Sarangani	78.7
Aurora	92.5	Maguindanao	75.2

Note: Metro Manila 92%

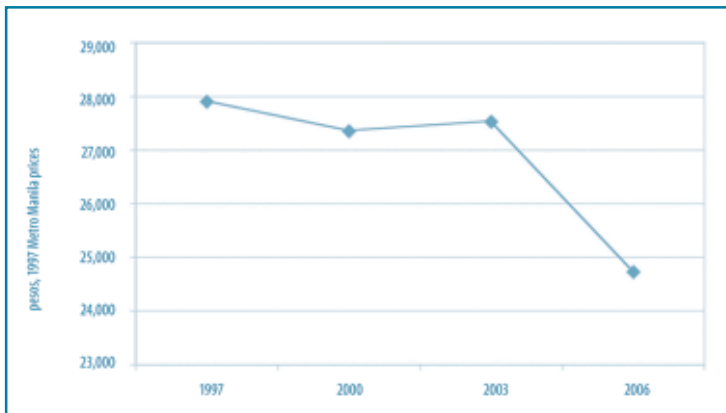
Source: Statistical Annex 1 (PHDR 2008/2009).

included newcomers Aurora, Rizal, Ilocos Sur, Antique, and Misamis Occidental (Table 3).

Displaced from the top ten list were Zambales, Misamis Oriental, Kalinga, Ifugao, Aklan, Ilocos Norte, and Southern Leyte.

Meanwhile, the bottom list still had a majority of provinces coming from Mindanao

**Figure 3. Mean per capita income (1997–2006)**



Source: Statistical Annexes 1 to 4 (PHDR 2008/2009).

such as Lanao del Sur, Bukidnon, Davao Oriental, North Cotabato, Tawi-Tawi, and Zamboanga del Norte. The latter four in fact experienced large drops of 10 percentage points or more, thereby leaving them still at the bottom list (Table 3). But there are other Mindanao provinces like Basilan and Sulu which managed to move out of the bottom list. In fact, Sulu, together with Western Samar from the Visayas, was among the largest gainers in basic enrolment, registering at least three percentage points more than its 2002 level.

### Standard of living

A decent standard of living, as measured in the HDI, is substituted by an income measure, which serves as a surrogate for all the dimensions of human development not reflected in a long and healthy life and in knowledge (UNDP 2007). Ideally, a decent standard of living per province would be measured by provincial per capita GDP. However, per capita GDP data are

disaggregated only up to the regional level. Thus, estimates for provincial per capita income are based on the *Family Income and Expenditures Survey (FIES)*, a nationwide survey undertaken by the National Statistics Office every three years since 1985. The FIES is the most comprehensive source of information on household income used in computing human development indicators.<sup>1</sup>

On the average, real per capita incomes have been declining (Figure 3). The national estimate for 2006 is P24,727, or about 10 percent lower than the estimate in 2003. Curiously, the national income accounts reported a steady positive growth in per capita GDP over the same period, indicating a disconnect between the behavior of the macroeconomy (its expansion) and per capita income levels. The decrease in mean per capita income is reflected in per capita income declines in 50 provinces between 2003 and 2006. Table 4 shows the top gainers and losers (these relative rankings must be viewed with caution).<sup>2</sup> Tawi-Tawi had the sharpest decline with an almost 42 percent decrease in real per capita income. Other provinces that experienced dramatic declines are Lanao del Sur (33 percent), Apayao (24 percent), and Abra (24 percent). The top

<sup>1</sup> An indispensable source of data, the FIES' reliability, however, has come into question beginning 2003 when unusually large income variances within provinces were observed and the nonresponse rate increased fivefold. See Box 3.1 in Chapter 3 of the Philippine Human Development Report 2008/2009.

<sup>2</sup> Ibid.



gainer is the island province of Siquijor whose average per capita income increased by 43.6 percent from the 2003 levels, followed closely by Biliran with an increase of 27.5 percent.

The provinces of Guimaras, Lanao del Norte, and Iloilo experienced an increase of between 10 and 16 percent in annual per capita incomes. Table 5 shows the top and bottom provinces in terms of real per capita income levels for 2006 (in NCR 1997 pesos). With the exception of Ilocos Norte, the list of top ranked provinces consists of the same provinces as in 2003.

### HDI levels

The HDI is calculated as a simple average of indices for each of the three dimensions discussed above. The PHDR computes two sets of HDIs. The first, **HDI-1**, is used to compare performance across provinces and employs the modified measures for knowledge and standard of living discussed above. The second, **HDI-2**, is used to compare provinces with other countries and thus follows the global HDI methodology for comparability.

The top and bottom ten provinces based on HDI for 2006 are displayed in Table 6.

Basically, the picture remained almost the same as that in 2003. The top HDI provinces are all in Luzon, with nine among them being the same that topped the list in 2003. The only exception is La Union which is new, dislodging Bulacan. The bottom four provinces in 2006, meanwhile, are also the same ones in 2003. Three provinces that were

**Table 4. Top gainers and losers: real per capita income (2003 vs. 2006)\***

Top Gainers	Percentage Change	Top Losers	Percentage Change
Siquijor	43.6	Tawi-Tawi	-41.7
Biliran	27.5	Lanao del Sur	-32.7
Guimaras	15.8	Apayao	-23.9
Lanao del Norte	10.8	Abra	-23.5
Iloilo	10.2	Sorsogon	-21.8
Palawan	9.0	Eastern Samar	-20.0
Southern Leyte	7.7	Camiguin	-18.5
Batanes	6.8	Camarines Sur	-17.1
Surigao del Sur	6.6	Oriental Mindoro	-17.1
Zamboanga del Norte	6.2	Antique	-16.9

\*Using nonuniform trimming for 2006.

Note: Metro Manila -6.9%

Source: Statistical Annexes 1 and 2 (PHDR 2008/2009).

**Table 5. Real per capita income (2006, in NCR 1997 pesos)\***

Top Ten	Real per Capita Income	Bottom Ten	Real per Capita Income
Benguet	36,355	Sarangani	15,801
Nueva Vizcaya	36,120	Maguindanao	15,681
Batanes	33,578	Romblon	15,186
Bataan	31,640	Zamboanga del Norte	15,156
Laguna	30,838	Sorsogon	14,858
Pampanga	30,647	Lanao del Sur	14,281
Cavite	30,539	Masbate	13,624
Rizal	30,525	Basilan	12,206
Ilocos Norte	29,953	Sulu	7,594
Quirino	29,564	Tawi-Tawi	6,664

\*Using nonuniform trimming.

Note: Metro Manila P37,309

Source: Statistical Annex 1 (PHDR 2008/2009).

not there in 2003, however, moved into this year's bottom list: Lanao del Sur, completing the list of ARMM provinces, Eastern Samar, and Romblon. As in 2003, seven out of the ten bottom provinces in terms of HDI are from Mindanao.

**Table 6. Human development index-1 (2006)**

Top Ten	Index	Per Capita Income Rank minus HDI Rank	Bottom Ten	Index	Per Capita Income Rank minus HDI Rank
Benguet*	0.787	0	Romblon	0.487	2
Rizal*	0.725	6	Zamboanga del Norte	0.487	2
Cavite*	0.718	4	Eastern Samar	0.484	-3
Bataan*	0.716	0	Sarangani	0.475	-3
Laguna	0.708	0	Masbate	0.457	2
Pampanga	0.706	0	Lanao del Sur	0.445	0
Ilocos Norte	0.700	2	Basilan	0.434	1
Batanes	0.699	-5	Maguindanao*	0.430	-6
Nueva Vizcaya	0.699	-7	Tawi-Tawi*	0.332	1
La Union	0.692	4	Sulu*	0.326	-1

\*Rankings robust to all trimming rules applied to 2006 FIES data shown in Statistical Annex 11 (PHDR 2008/2009). The other provinces are robust to other rules' top and bottom lists but without their rankings.

Note: Metro Manila .795

Source: Statistical Annex 1 (PHDR 2008/2009).

### International comparisons

If provinces were countries, how would they fare against other countries? At the top of the list, Metro Manila is between Lebanon and Peru, higher than Thailand, but lower than Turkey. Benguet's HDI-2 is roughly equivalent to that of Armenia, while Cebu's is equal to that of the Palestinian territories. Davao del Sur, Abra, and Bohol lie between Nicaragua and Uzbekistan. At the bottom, Tawi-Tawi is sandwiched between Nigeria and Senegal,

Maguindanao with Ghana, and Sulu with Mauritania and Pakistan.

### Conclusion

So what can one draw as conclusion on the basis of the preceding discussions? Even with the increased per capita GDP, it was noted that the Philippines' average is lower than the average for East Asia and the Pacific. Life expectancy of Filipinos is also below the average for the region. Clearly then, policymakers need to

make the connection between gains the country has been registering in terms of its income and the outcomes that should be measured in terms of changes for the better of the Filipino people's lives. 📄

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