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**Contemporary condition in the Philippines:**

The Philippines' economy has been one of the most dynamic in the East Asia Pacific region. Between 2010 and 2019, average annual growth increased to 6.4 percent, up from 4.5 percent on average between 2000 and 2009. With increasing urbanization, a growing middle class, and a large and young population, the Philippines' economic dynamism is based on strong consumer demand, which is supported by a thriving labor market and robust remittances. Business activity is brisk, with notable performance in the services sector, which includes BPO, real estate, tourism, finance, and insurance.

The Philippine economy has also made strides toward inclusive growth, as evidenced by a drop in poverty rates and the Gini coefficient. Poverty fell from 23.3 percent in 2015 to 16.6 percent in 2018, while the Gini coefficient fell from 44.9 percent in 2015 to 42.7 percent in 2018.

The COVID-19 pandemic and community quarantine measures, on the other hand, have had a significant impact on economic growth and poverty reduction in the country. Growth contracted significantly in 2020, owing to sharp declines in consumption and investment, which were exacerbated by a slowdown in tourism and remittances. Similarly, the previous trend in real wages, which was expected to have a positive impact on household incomes—particularly those in lower income groups—has been severely hampered by the COVID-19, with negative consequences for poverty reduction in the Philippines.

Nonetheless, the economy has begun to recover, with a 5.6 percent year-on-year increase in 2021, aided by public investment and a recovery in the external environment. With ongoing recovery and reform efforts, the country is resuming its path from a lower middle-income country with a gross national income per capita of US$3,430 in 2020 to an upper middle-income country (per capita income range of US$4,096–US$12,695) in the short term.

**Dependency theory in the Philippines:**

Dependency theory holds that resources move from a "periphery" of poor and underdeveloped countries to a "core" of prosperous countries, benefiting the latter at the expense of the former. Poor states are impoverished and rich nations are benefited by the way poor states are integrated into the "global system," according to dependency theory.

Why is the philippines so poor?

In looking at the world's economy, the responses are usually framed by two paradigms: the modernization theory, which is the ideological backdrop to "progress," and the dependency theory, which is mostly from the Latin American perspective.

Sociologists like Talcott Parsons, who predicted that the forces unleashed in highly developed economies—industrialization and urbanization—would eventually envelop the entire world, coined the term "modernization" in the 1950s.

In this narrative, countries like Sub-Saharan Africa are impoverished because they lack specific "deficits" such as capital, technology, skilled labor or natural resources. Countries like the Philippines, on the other hand, have none of these "deficits" but are nevertheless impoverished.

Our old mestizo elite and newly emerging Chinese-Filipino taipans invest in China, Australia, and other places, and there is a lot of old or plundered money stashed in Swiss banks or sleeping in Panama or other financial capital elsewhere.

However, the dependency theory does not adequately account for the Philippines' poor performance during the last half-century. It does not assist us in identifying the country-specific variables that may explain the Philippines' growth lag in comparison to its East and Southeast Asian counterparts.

These newly industrialized countries overcame colonialism and a history of authoritarianism, whereas the Philippines continues to suffer from the detrimental effects of these factors.

**World Systems Theory in the Philippines:**

Cuba and the Philippines share a common historical basis but have recently diverged dramatically in terms of political economic development and interactions with the capitalist international order. During the first part of the twentieth century, both countries were controlled by American economic and political interests. The Cuban revolution brought about changes that led to the end of US rule in Cuba in 1959.

The Philippines, on the other hand, remains heavily reliant on the US. The approach employed in this article compares and contrasts these countries, examining the health and health-care outcomes of their various routes. The ability of Cuba and the Philippines to support primary health care (PHC) by creating socioeconomic fairness, genuine citizen participation, and a regionalized health system is investigated. It is apparent that Cuba's socialist-oriented development during the last 25 years has mitigated the negative effects of the prior market economy by improving social and health services.

The people's high-level health status reflects the success of Cuba's political economy and completely regionalized health system, both of which are supportive of the PHC strategy. After 85 years of worldwide and national capitalist development, the Philippines still has poverty, enormous social and economic imbalances, a high prevalence of infectious disease, and inaccessible, inadequate, and uncoordinated health services. The Philippines' poor health is a direct result of its undeveloped system.

**Conclusion:**

Economic growth has gone through booms and busts, with recent periods of modest growth having little influence on the poor. Poverty reduction attempts are hampered by large disparities in income across income categories, regions, and sectors, as well as unmanaged population growth.

Poverty's Causes

The following are the main causes of poverty in the country:

For the previous 40 years, economic growth has been low to moderate;

Poverty alleviation has a poor growth elasticity;

a lack of job creation and the quality of the jobs created;

failing to develop agriculture to its greatest potential;

at times of crisis, excessive inflation;

high population growth rates;

high and persistent income and asset disparity, which dampens the positive effects of economic expansion; and

economic crisis, conflicts, natural catastrophes, and "environmental poverty" are all examples of recurring shocks and dangers.

Important Findings

The following are some of the report's significant findings:

In recent years, economic progress has not translated into poverty alleviation.

Poverty levels vary widely across the country.

Poverty is still primarily a rural issue, however urban poverty is on the rise.

Poverty is closely tied to educational achievement.

Families with six or more members are common among the impoverished.

Many Filipino families are still subject to shocks and dangers.

The poverty response is still constrained by governance and institutional restrictions.

Local government competence to undertake poverty reduction programs is lacking;

Various poverty programs have poor targeting;

There are significant resource shortages for poverty reduction and MDG achievement by 2015;

Poverty reduction requires multifaceted approaches; and

There is a need for more research into chronic poverty.

The report examines the causes of poverty in depth and offers recommendations for reducing poverty and achieving more inclusive growth. Improving the government's poverty reduction plan and including key sectors for a collective and coordinated response to the problem is necessary in the immediate and short term. The administration should undertake fundamental economic reforms for sustained and inclusive growth in the medium and long term.

Resources and Links:

<https://www.worldbank.org/en/country/philippines/overview#1>

<https://opinion.inquirer.net/102271/the-paradox-of-our-poverty>

<https://en.wikipedia.org/wiki/Dependency_theory>

https://journals.sagepub.com/doi/10.2190/R7HK-HKCQ-2PAD-HQN2

Cuba and the Philippines: Contrasting Cases in World-System Analysis

Suzanne de Brun, Ray H. Elling

https://www.adb.org/publications/poverty-philippines-causes-constraints-and-opportunities