The Philippines Human Capital Review

Investing in the Early Years to Boost Human Potential

World Bank HCR Report Launch
June 24, 2024 | 10:00 AM
Ascott BGC, Taguig City

Arsenio M. Balisacan, PhD
NEDA Secretary
The country’s development strategies are anchored on the *AmBisyon Natin 2040*, the nation's long-term collective vision that embodies the aspirations of all Filipinos.

**THE FUTURE WE WANT**

**MATATAG**  
Firmly-Rooted  
- Family is together  
- Time with friends  
- Work-life balance  
- Strong sense of community (volunteer opportunities)

**MAGINHAWA**  
Comfortable  
- Free from hunger and poverty  
- Secure home ownership  
- Good transport  
- Travel and vacation

**PANATAG**  
Secure  
- Enough resources for day-to-day needs and unexpected expenses  
- Peace and security  
- Long and healthy life  
- Comfortable retirement
The Philippine Development Plan (PDP) 2023-2028 lays out the strategies, policies, and legislative priorities aimed at enabling socioeconomic transformation.

**STRATEGIES FOR PROTECTING & ENHANCING HUMAN CAPITAL**

- Develop and protect capabilities of individuals and families
  - Promote human and social development
  - Improve education and lifelong learning
  - Boost health
  - Establish livable communities
  - Reduce vulnerabilities and protect purchasing power
  - Ensure food security and proper nutrition
  - Strengthen social protection
  - Increase income-earning ability
  - Increase employability
  - Expand employment opportunities
  - Achieve shared labor market governance

- Transform production sectors to generate more quality jobs and competitive products
  - Modernize agriculture and agri-business
  - Revitalize industry
  - Reinvigorate services
  - Promote trade and investments
  - Advance R&D, technology, and innovation
  - Enhance inter-industry linkages
  - Promote competition and improve regulatory efficiency

- Practice good governance and improve bureaucratic efficiency
  - Ensure macroeconomic stability and expand inclusive and innovative finance

- Ensure peace and security, and enhance administration of justice
  - Expand and upgrade infrastructure
  - Accelerate climate action and strengthen disaster resilience
We want to steer away from undesirable futures marked by distress, disasters, slow progress, and growing inequality.

**THE FUTURE WE DO NOT WANT**

**MASAKUNA**
*Distress & Disasters*
Unprepared & constantly endangered by natural and human-induced hazards; Prone to risks to health, income, livelihood, food, jobs, and growth

**MABAGAL**
*Slow Change*
Slow to address key challenges and always trailing behind other countries, lacking in creativity, innovation, and critical thinking

**LANGIT-LUPA**
*Wider Inequalities*
Lagging and late to adopt to the rapidly-advancing worldwide technologies while remaining in deep poverty and widening inequality
OPPORTUNITY ARISES: A DEMOGRAPHIC SWEET SPOT
The age structure of the Philippine population is changing, with total fertility in constant decline since the 1990s.

FROM 4.1 CHILDREN PER WOMAN IN 1993 TO 1.9 CHILDREN IN 2022

Source: Various National Demographic and Health Survey (NDHS)
There are now more working-age Filipinos than the dependent population.

Proportion of working-age population (15-64 years old)

Source: PSA Age and Sex Distribution in the Philippine Population 2020 Census of Population and Housing
This demographic transition is a boon to the domestic economy and can boost the country’s growth prospects for several decades… if we make the right policy choices.

Source: UNFPA, forthcoming paper on Demographic Window of Opportunity in the Philippines
There is much work to be done: We must urgently make the necessary human capital investments to fully reap the demographic dividend and catch up with our neighbors.

<table>
<thead>
<tr>
<th></th>
<th>Immunization, DPT (% of children ages 12-23 months)</th>
<th>Immunization, HepB3 (% of one-year-old children)</th>
<th>Immunization, measles (% of children ages 12-23 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>94   95    99    99</td>
<td>99    96    99    99</td>
<td>98    94    96    99</td>
</tr>
<tr>
<td>Cambodia</td>
<td>82   90    92    92</td>
<td>91    92    92    92</td>
<td>79    90    84    84</td>
</tr>
<tr>
<td>Indonesia</td>
<td>72   81    84    67</td>
<td>65    83    84    67</td>
<td>77    78    87    72</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>49   74    83    75</td>
<td>49    74    83    75</td>
<td>41    64    81    73</td>
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<tr>
<td>Malaysia</td>
<td>96   96    99    95</td>
<td>96    96    99    94</td>
<td>96    95    93    96</td>
</tr>
<tr>
<td>Myanmar</td>
<td>73   90    89    37</td>
<td>62    92    89    37</td>
<td>84    88    84    44</td>
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<tr>
<td>Philippines</td>
<td><strong>89</strong> 88  <strong>74</strong>  57</td>
<td><strong>49</strong> 88  <strong>75</strong>  57</td>
<td><strong>92</strong> 87  <strong>80</strong>  57</td>
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<tr>
<td>Singapore</td>
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<td>96    96    96    96</td>
<td>96    95    95    95</td>
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<tr>
<td>Thailand</td>
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<td>96    98    99    97</td>
<td>96    98    99    96</td>
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<tr>
<td>Viet Nam</td>
<td>95   93    97    83</td>
<td>94    88    97    83</td>
<td>95    98    97    89</td>
</tr>
</tbody>
</table>

Source: World Development Indicators
Stunting and wasting remain significant challenges, compromising our children’s ability to become productive, competitive, and innovative citizens.


- **Stunting, Height <WHO Standards**
- **HHs Meeting RENI**
- **Wasting, Weight < WHO Standards**

**Source:** FNRI-DOST, National Nutrition Survey (NNS), Various NNS Reports (compiled by NEDA Staff)
Filipino students are among the countries that scored low in creative thinking, relative to the OECD average, with a mean score of 14, lower than its ASEAN neighbors.

NEW PISA RESULTS ON CREATIVE THINKING: “CAN STUDENTS THINK OUTSIDE THE BOX?”

<table>
<thead>
<tr>
<th>ASEAN Comparators</th>
<th>Mean Score</th>
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<tbody>
<tr>
<td>PHILIPPINES</td>
<td>14</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>19</td>
</tr>
<tr>
<td>THAILAND</td>
<td>21</td>
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<tr>
<td>MALAYSIA</td>
<td>25</td>
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<tr>
<td>OECD AVE.</td>
<td>33</td>
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</tbody>
</table>

Source: OECD, 2024
New initiatives have been introduced to boost health and nutrition while efforts to improve the quality of basic education are also underway:

The Philippine government has been implementing and improving the design of various programs to support human capital development at various life stages.
NEDA is also championing critical bills in Congress that will help us attain desired outcomes in the education sector.

- **Academic Recovery & Accessible Learning (ARAL) Program**
- **Enterprise-Based Education & Training (EBET) Framework Act**
- **Expanded Gov’t Assistance to Students & Teachers in Private Education (E-GASTPE) Act**

*LEDAC CLA – Legislative-Executive Development Advisory Council Common Legislative Agenda*
Investing in people is the cornerstone to achieving our goal of a firmly-rooted, comfortable, and secure life for all Filipinos.
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