

Book Reviews

State of Fragmentation: The Philippines

in Transition. Walden Bello, Kenneth Cardenas, Jenina Joy Chavez, Jerome Patrick Cruz, Mary Ann Manahan, Clarissa Militante, and Joseph Purugganan. Focus on the Global South and Friedrich Ebert Stiftung, 2014, 299 pp. ISBN 9789719488484.

State of Fragmentation: The Philippines in Transition by the Focus on the Global South (FGS) is a well-researched, incisive critique of neoliberalism and its various forms in the Philippines. This is no small feat considering this ideology's hegemonic grip on the country's intellectual and policy climate. The book offers a rich trove of insights for those who want to critically engage in and look for alternative readings of sociopolitical problems in the Philippines. The selection of its themes and the wealth of data marshalled to argue certain points provide a formidable intellectual challenge to the dominant narrative of Philippine underdevelopment.

For example, Chapter 4, "A Labor Exporting State: The Globalization of the Philippine Migration Model," makes for emotional reading, putting a human face on labor trafficking with highly descriptive data, both official and anecdotal. The book narrates how Filipina domestic workers are subjected to the everyday threat and reality of sexual abuse such as rape, "particularly in the Middle East, where millions of OFWs are deployed and numerous domestic workers have reported giving in to the wishes of the master in order to keep their jobs" (141)[OFWs stand for Overseas Filipino Workers]. Another strength of the chapter is its analysis of how labor trafficking, with a strong overlay of sexual abuse, is an important, even necessary, pillar of contemporary globalization.

This iconoclastic book dares to challenge the popular myth that corruption is a decisive determinant of underdevelopment. While there is broad consensus on the negative effects of corruption, *State of Fragmentation* rightly points out that many countries have successfully built broad-based prosperity despite conditions of endemic corruption. This underscores empirical findings that the link between corruption and growth (or lack thereof)

is actually weak. Furthermore, the authors note how this anticorruption discourse plays into the dynamics of elite politics, and is fostered by institutions like the World Bank whose policy focuses on individual transgressions, not on systemic inequalities. It is silent on the issue of redistribution.

Despite these strengths, *State of Fragmentation* raises some troubling points. The chapter entitled “Population Pressure, Poverty and Development” opens that “...the Philippines in the 70s suffered from high rates of poverty” (223). I suggest that the authors cite the reference for the poverty figures for the 1970s. This is because the Philippine government started monitoring poverty only in 1987, using the Family Income and Expenditure Survey (FIES) and applying it to the 1985 data. Since then, the government has relied on the FIES (conducted triennially) to report on poverty incidence,¹ which in 2012 stood at 25.2 percent and at 26.3 percent in 2009. These figures from the National Statistics Coordination Board (NSCB) indicate that the variation is statistically insignificant, and that poverty incidence essentially remained the same for both periods. But to better appreciate the significance of this, we have to go back to the period of 2003–2006, where poverty incidence rose from 24.9 percent to 26.6 percent. This suggests that in 2012, poverty levels have not only remained almost unchanged but also remained high. Poverty statistics are always politically contested, especially because it is one of the most important benchmarks of government performance. Today, there is a debate on poverty rates: did the government tweak or change its methodology? It cannot be denied that the FIES has been “refined” several times, by my reckoning, about 4 or 5 times, first in 1991, and the last in 2011. Today, government says that its parameters have been updated. With each “tweak” or “update”, however, poverty incidence goes down every time. In 2014, with the switch from FIES to APIS (Annual Poverty Indicators Survey) in officially reporting poverty incidence, the effect has been the same. That is, poverty incidence again decreased, at least statistically.

But given these changes, are the poverty data from 1985 still comparable? And how do we compare FIES and APIS? Furthermore, there is also a need to democratize poverty discourse, which is elitist, monopolized by statisticians, economists, and the like, who reduce poverty to only what can be counted. Even the multidimensional approach to poverty, while recognizing the diverse dimensions to poverty, does not take into account the notion of inequality or

redistribution (unlike the social exclusion approach). More importantly, the main subjects of official poverty discourse, the poor, are not active participants, but, more often than not, are simply the objects of study.

Chapter 7, “Population Pressure, Poverty and Development” connects poverty and population growth, examining how “Vietnam, Indonesia and Thailand managed to rein in the growth of their populations through effective state-sponsored family planning programs”(231) in contrast to the Philippines. While I do not discount the correlations between poverty and population growth, I find that the chapter’s framing of the connection is reminiscent of the population control discourse of the 1970s, which feminists and gender-justice advocates have roundly criticized on a number of grounds. First, that discourse implicitly blames women’s fertility as a cause of poverty because it increases pressure on the country’s carrying capacity and social conflict. Second, such a discourse transforms women’s fertility into an arena of state control and undermines the principle of reproductive self-determination. In contrast, experiences of many developed countries show that increased prosperity have led to more informed decisions on careers and well-being, one of whose natural consequences is the declining size of the family. As such, it is more useful to focus on creating these conditions and upholding the principle of bodily integrity.

In the Conclusion, the need for an “alternative paradigm” is raised, which is later qualified and called an “alternative economic paradigm” (276). There are three points to mention here. First, I agree with all of the components identified. Second, given the centrality of decent work, livelihoods and employment in effectively combating poverty and creating greater prosperity for all, I would like to suggest that this aspect be linked not only to fiscal and monetary policy but also with other important components such as agriculture, where the majority of the poor still work, and industry, which is a potential source of employment. Third, I wonder if Focus on the Global South can include in its future work an alternative paradigm which contains a framework for social policy. After all, if the dominant development strategy is essentially neoliberal, what is its expression and how is this played out not only in the economic but also in the social sphere? An analysis of the social policy agenda flowing from an essentially neoliberal paradigm should serve as the backdrop to an

assessment of social programs, which include the conditional cash transfer (CCT) program in the Philippines. This brings me to my next point.

State of Fragmentation correctly recognized that CCT was making little headway in reducing poverty in the country (8), but it also asserts that “[t]he expansion of the CCT program has had the effect of reducing the level of hunger”(12). This statement is based on hunger figures for the last two quarters of 2012—21% in the third quarter, and 16.3% in the fourth. A look at hunger levels in the following year (2013) shows that hunger levels once again rose, peaking at 23% and seesawing throughout the year. The point is that it is difficult to assert reduced hunger levels based only on two quarters. Furthermore, methodologically speaking, even if it were true that hunger had significantly gone down, we must be able to discount other factors before attributing this decisively to CCT. It is instructive to learn from the impact assessment of CCT,² which was conducted in cooperation with the Department of Social Welfare and Development (DSWD) and funded by the World Bank and AusAid. Examining CCT data from 2008 to 2011, this impact assessment revealed that even if cash grants were reaching target beneficiaries, a number of trends also emerged. First, in reality, the beneficiaries were receiving considerably less than the maximum benefit amount. Second, there was no increase in overall levels of consumption between beneficiaries and nonbeneficiaries. Third, in 2011, the beneficiaries seemed to have higher estimated per capita incomes and lower poverty rates than nonbeneficiaries, but these differences were insignificant.

State of Fragmentation also claims that “the CCT program may play an important role in breaking the intergenerational cycle of poverty” (276). I can theoretically agree with this assertion as long as we are clear about the requisites. For example, in Brazil, their CCT version, *Bolsa Família*, did manage to significantly reduce poverty and inequality but only in combination with other measures. These include (1) periodic mandated increases in the minimum wage, which favorably affected workers both in the formal and informal sectors; (2) bank loans for those who never had bank accounts, with repayments automatically deducted from monthly wages or pensions (Anderson 2011); and (3) high and rapid economic growth during the Lula period, which facilitated productive

investments in various areas of the economy. Because of the interventionist role of the Brazilian state in an open economy, it has been referred to in the literature as a liberal neodevelopmental state. Furthermore, the *Bolsa Família* was born in the imagination of members of the Workers Party (WP), rooted in social movements and initially implemented in a few places in the country. It was later consolidated (along with different antipoverty initiatives), scaled up, and expanded by another WP member, President Luiz Inacio Lula da Silva. In other words, it was a program indigenous to Brazil and came from the popular imagination and pressures from below.

Because of its success in Brazil, the World Bank has appropriated and promoted the conditional cash transfer program in many developing countries, including the Philippines. This tool, born from the sociopolitical movements in Brazil, but now in the hands of neoliberal technocrats, has been mechanically foisted and implemented in other national contexts as a technocratic exercise, albeit using the popular language of “participation” and “empowerment.” This hits the crux of the matter when analyzing CCT: what development strategy the CCT is embedded in, and what role it plays in that strategy. Here, context is everything. *State of Fragmentation* helps us see with new eyes the failure of the old development paradigm in the Philippines. If it prompts us not only to talk about but also to embark on a new path of development, it would have met its objective. And I certainly believe the book has done that and more.

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Notes

- ¹ In 2014, the government also used the Annual Poverty Indicators Survey (APIS) as a basis for reporting poverty incidence. According to them, this is because the FIES is conducted triennially and therefore does not provide up-to-date poverty statistics unlike the APIS which is conducted every year. This, however, raises comparability questions in poverty statistics.
- ² Nazmul Chaudhury, Jed Friedman, and Junko Onishi, *Philippines Conditional Cash Transfer Program Impact Evaluation 2012*, (World Bank 2013). http://pantawid.dswd.gov.ph/images/philippines_conditional_cash_transfer_program_impact_evaluation_2012.pdf.

Reference

Anderson, Perry. 2011. “Lula’s Brazil.” *London Review of Books* 33:7 (31 March), 3–12.