Did the Estrada Administration Benefit the Poor?

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Introduction

POVERTY REDUCTION as development initiative was not unique to the Estrada administration. While centerpiece programs of past and incumbent administrations differ, poverty-reduction goals have always been a feature of development planning during the postwar period. But the Estrada administration may be considered the most vocal about its intention to reach out to the poor. As soon as Joseph Ejercito Estrada assumed the presidency in 1998, he declared that he would work for the eradication of poverty in the Philippines, beginning with the poorest of the poor.

The Estrada administration's slogan, *Erap para sa mahihirap*, was seen and heard ostentatiously everywhere in the country. It became a battle cry of government. The catchy phrase, along with the way former President Estrada spoke and ate with the poor, reinforced his pro-poor image. The poor, the *masa*, saw themselves in him. Erap gave them hope. It is thus no wonder he enjoyed strong support among the poor.

But did the deposed president live up to this pro-poor image and translate his pronouncements into action and more importantly, results? What exactly did his administration do to ease the lives of the poor who voted and supported him? Are there fewer poor people now than before he became president? These are some questions that need answers notwithstanding former President Estrada's aborted term. The intention is to examine the myths, facts, and policies of the Estrada presidency vis-à-vis poverty reduction and, in so doing, draw lessons for future anti-poverty programs.

The Poverty Alleviation Program of the Estrada Administration

THE ESTRADA ADMINISTRATION came to power with lavish pro-poor agenda. It recognized the imperative of *bringing broad-based rural development, led by agriculture, to win the war against poverty*. Its Medium-Term Philippine Development Plan (MTPDP) 1999-2004 identifies the main elements of development strategies required to spur growth and sustainable development in rural areas. The plan, for example, envisages an aggressive delivery of basic social development services, removal of policy and regulatory distortions inhibiting resource allocation efficiency and equitable outcomes, sustained development of rural infrastructure, improvement in governance, and macroeconomic stability.

In practice, the Estrada administration's front line initiative for poverty alleviation was the Lingap Para sa Mahihirap Program (hereafter referred to simply as Lingap) coordinated by the newly organized National Anti-Poverty Commission (NAPC). The program aimed to deliver a range of services and interventions through six national government agencies to 100 poorest families in each province and city. Assuming that there was no leakage of program benefits to the non-poor, the program would be able to benefit about 16,100 families, or a mere 0.4% of all poor families in 1997.

Lingap was built upon the institutions, particularly local networks, set up by previous administrations, such as the Social Reform Council of the Ramos administration. The local government units (LGUs) played a key role in the implementation. NAPC provided overall coordination and implementation monitoring. The Department of the Interior and Local Government (DILG) meanwhile assumed the role of facilitating linkages with the LGUs. It was also given the responsibility in identifying the 100 poorest families in each province and city. Regional directors, governors and mayors were assigned to identify 100 poorest families from four or five poorest *barangays* in their respective jurisdictions based on indicators such as minimum basic needs (MBN), human development index (HDI), location, occupation/nature of employment, and primary resource base. The senators and congressional representatives also played a key role, particularly in the disbursement of the Lingap funds.

The General Appropriations Act (GAA) for 1999 appropriated P2.5 billion to the program. NAPC reports show that as of December 2000, or after about two years of implementation, the six Lingap agencies disbursed a total of P2.48 billion and were able to accomplish the following: 1) establishment of deepwells in 390 *barangays* and 200 rural waterworks system; 2) establishment, repair, and improvement of day care and crisis centers, and provision of protective services including educational assistance to 6,968 families; 3) processing of health insurance for more than 16,000 families, upgrading of equipment of government hospitals and health centers, and implementation of several packages of Sustansya para sa Masa Matching Grant; 4) house improvement or land purchase of more than 14,000 families; 5) establishment of more than 4,000 Erap sari-sari stores nationwide, rice subsidy, and emergency relief assistance due to the Mayon volcano eruption and the conflict in Mindanao; and 6) revolving fund grants for the livelihood projects of cooperatives and the 100 poorest families.

How did the Estrada administration's approach and funding support to poverty reduction differ from that of the Ramos administration? First of all, the Ramos administration focused on raising the level of overall economic growth through improvement in economic efficiency and global competitiveness of local industries. At the same time, it put in place a social reform program aimed at lifting the socioeconomic conditions of lagging areas or regions. This program, dubbed the Social Reform Agenda (SRA), constituted a package of government interventions aimed at addressing poverty in the country's 20 poorest provinces and target groups. These priority provinces and groups were chosen based on gravity of poverty, existence of armed conflict, and isolation and special development needs. As shown elsewhere (see Balisacan et al., 2000), for any given amount of budget for poverty reduction, this approach is far superior to the Estrada's Lingap initiative. Moreover, the amount allotted for direct poverty reduction was much smaller under the Estrada administration (P2.5 billion for 1999 compared with an average of P3.0 billion a year). And of the Lingap fund of P2.5 billion, about 68% was under the direct control of national and local politicians—the area, project, or activity had to be identified by them. The Lingap budget was thus largely a pork barrel, which Joseph Estrada had promised precisely to do away.

Poverty Before and After Erap

IN 1997, or one year before the Estrada administration was installed, poverty incidence in the country stood at 32%. This means that there were about 4.6 million households (or 27.3 million people) below the official poverty line. The Estrada administration, as indicated in the MTPDP, intended to bring down poverty incidence to 25-28% by 2004, or a reduction of at least four percentage points. President Estrada himself, however, declared a more ambitious target, to reduce poverty incidence to 20% by the end of his term.

Despite its resounding rhetoric for the war against poverty, the Estrada administration failed to lower poverty incidence to its target. By the end of 2000, "best estimates"—based even on the highly unlikely situation that the changes in aggregate income from 1998 to 2000 was distributionally neutral—suggest that poverty incidence could have fallen by at most one percentage point between 1997 and 2000. To be sure, poverty incidence could have increased to 33.0% in 1998, when per capita income declined by 2.6% owing to a combination of the El Niño phenomenon and the Asian crisis. The drought that year caused agricultural output to contract by 6.7%. Then poverty incidence could have fallen to 31% following a recovery, albeit minimal, of economic growth in 1999 and 2000. But since population continued to increase at 2.1% a year, the number of poor people could have even increased from 27.2 million in 1997 to 28.3 million in 2000.

Official poverty estimates indicate that poverty declined by an average of one percentage point a year during 1985-1997. Another set of estimates—one in which consistency in poverty comparison over time is ensured—suggests a more substantial decline of 1.3 percentage points a year during this period (see Balisacan, 2000). By international standard, this rate of reduction is slower than that seen in East Asia and Pacific as a whole (1.6 percentage point a year), though comparable to that in China and Indonesia. Still this is remarkable considering that the growth of the Philippine economy during 1985-1997 (2.9% a year) was substantially lower than in virtually all developing East Asian and Pacific countries, especially China (7.8 % a year) and Indonesia (6.3% a year).

The difference in the rate of poverty reduction is even more stark if the comparison is between 1994-97 (Ramos years) and 1999-2000 (Estrada years). During these "Ramos years", when the country's output grew by about 5.0% a year, poverty incidence declined at an average rate of

2.4 percentage points per year (Balisacan, 2000). In contrast, the Estrada years saw poverty incidence declining at an average of only 0.75 percentage point a year and output growth hovering around 3.0% a year. Recall that the Ramos administration focused on accelerating the pace of economic growth by building on international competitiveness of domestic industries, reforming regulation of services and industry (mainly commercial banking, transportation, and telecommunication), and investing in basic infrastructure.

The Poor's Access to Basic Social Services

POVERTY HAS SO FAR BEEN SEEN only in terms of income. While income provides a fairly reasonable indication of the overall living standards of the population, it is usually also important to look at non-income indicators of well-being. Apart from directly influencing household incomes, governance—good or bad—may also influence the well-being of the poor through other channels. One of these is improvement in people's access to basic social services, particularly education, health, and nutrition as well as important amenities like electricity, water, and sanitation.

The country's performance based on these non-income measures could provide another meaningful gauge of whether or not the poor were made better off during Estrada's term. Results from the 1998 and 1999 *Annual Poverty Indicators Survey* of the National Statistics Office, the main source of nationally representative data for such indicators, have not been encouraging. (As of this writing, comparable data are not available for 2000.)

Access by poor pregnant and lactating women to nutrition and health services were worse in 1999 than in 1998. In fact, among families in the lowest 40% income group, the proportion of those with pregnant and/or lactating women members receiving iron supplements decreased in 1999. There was also a decline in the percentage of poor families whose pregnant or lactating married women were given at least two injections of *tetanus toxoid*. Moreover, during 1998 and 1999, more pregnant/lactating women in the higher income groups received iodine supplement than those women with lower incomes.

With respect to access to education, fewer families were able to send their children to school, elementary and secondary. Among families in the lowest 40% income bracket, there was a decline in the proportion of families with 6-12 years old members who sent their children to elementary schooling. In many cases, poor children have been forced out of school to work and help augment their family's income.

Access by the poor to electricity and sanitary toilets remained low although there were slight improvements. Of the lowest 40% income group, only about one-half had electricity and two-thirds had sanitary toilets.

One-third of Filipino families reported being worse off in 1999 than in the previous year. Majority, however, noted no change. The main reasons cited by those worse-off were increases in food prices and reduced income. To cope, many had to change their eating patterns, while others had to work longer hours.

By and large, while the economy rebounded in 1999 (expanding by 3.3% from a negative growth in 1998), this did not translate into improvements in people's welfare in terms of access to health, education and other social services. Worse, the year witnessed a deterioration of conditions for many of the poor.

Poverty and Agriculture

THREE OF EVERY FOUR POOR FILIPINOS live in rural areas. This indicates that poverty in the Philippines is still a largely rural phenomenon despite rapid urbanization in recent years. Moreover, majority of the poor households derive their main source of incomes from agriculture. This is not surprising since the large majority of the rural population rely on agriculture for employment and income.

Within the agricultural sector, among the poorest typically are: 1) farm workers in sugarcane, rice, corn, coconut and forestry; and 2) corn and "other crop" farmers, coconut farmers and fishermen. Rice producers normally have higher incomes and fewer members below the poverty threshold, but they contribute the bulk of overall poverty in the agricultural sector because of their huge numbers.

The traditional characterization of the poor is that the poorest of them are the landless and those depending mainly on wage incomes. This is not so. Poverty among the self-employed is at least as high as that among "wage" households. In agriculture, the poor self-employed heads of households include primarily lessees, tenants, and small owner-cultivators. They account for over one-half of the country's poor population [Balisacan, 1999].

Poor families in the agriculture sector are characterized by a high level of underemployment, partly because of the monsoon-dependent nature of agricultural production. They are also beset by inadequate access to or use of modern technology (mainly because of lack of credit) and weak access to social services, including health care and family planning. For the large number of poor owner-cultivator farmers, farm size is typically small and located in unfavorable areas (for example, outside of irrigated areas).

Any serious effort aimed at addressing the poverty problem in the Philippines must therefore grapple with the fundamental causes of underdevelopment in agriculture and rural areas. Considering that about two-thirds of the population are dependent on agriculture, the pursuit of broad-based growth, one anchored on agricultural and rural development, is central to a strategy towards poverty reduction.

How the Agriculture Sector Fared

COGNIZANT THAT A LARGE MAJORITY of the poor live in rural areas and are dependent on agriculture and agriculture-based industries for livelihood, the Estrada administration declared agricultural modernization as one of its priority agenda in its war against poverty. In the MTPDP, it affirmed that a large part of the poverty problem could be traced to the low agricultural productivity. To address poverty, therefore, it aimed to accelerate agricultural growth through a modernization program. It also aimed to promote rural development through expansion of non-farm income-generating opportunities for rural households. The Estrada administration targeted the agricultural sector to grow at an average of 2.6-3.4% a year.

The crafting and articulation of agricultural modernization as a weapon to fight poverty did not have to start from scratch. The Estrada administration ascended to power with a ready-made strategy for agricultural modernization, thanks to the Agriculture and Fisheries Modernization Act (Afma) passed by Congress in 1997 after two years of extensive public consultations and studies—through the Congressional Commission on Agriculture—on the constraints and problems plaguing agriculture.

While the Department of Agriculture (DA) was—and still is—tasked to implement Afma, it has been hampered by serious funding constraints, by the Estrada administration's own making. For example, in 2000, Congress appropriated P20.2 billion for the DA so that the latter could start implementing Afma, but Malacañang through the Department of Budget and Management released to the DA less than half of this amount (P8.0 billion). The department therefore has to contend with having much less than the resources required to install the foundations for agricultural modernization and enhance the quality of life of the rural population.

Nonetheless, the agricultural sector exhibited substantial growth during the Estrada administration. From a negative growth in 1998 traced largely to prolonged dry spell of the El Niño phenomenon, the sector rebounded by 6% the following year. This was led by rice production which posted an impressive growth of 38%. Sugar production posted about 24 percent, and corn production roughly 20%. Although the agriculture sector slowed down in 2000 to only 3.4%, this growth was still quite close to the target set in the MTPDP for that year (3.5- 4.1%). Overall, the average growth during the last two years was twice higher than the average for the 1980-97 period.

Considering the limited support for agriculture, its performance was truly impressive, thanks to favorable weather conditions. In 1999 and 2000, the country was visited by only about 15 to 16 typhoons each year, lower than the average number of typhoons that hit the country each year over the last two decades. Blessed by sufficient rainfall, the sector could have achieved even higher growth if support in terms of adequate irrigation, farm-to-market roads and other infrastructure, as well as stronger focus on research and development, were put in place. The presence of these support mechanisms, along with more equitable distribution of physical assets, increased public investments in physical and human capital, and sound macroeconomic and sectoral policies, could have led to a more substantial contribution by the agriculture sector in poverty reduction through its link to the growth of rural non-farm sector. In the absence of these interventions, the growth performance in 1999 and 2000 could not be sustained in the following years. Indeed, given its present state, the agriculture sector would simply get back to its long-term growth path—a mediocre growth of 1-2% a year.

To be sure, the DA, under the able leadership of then Secretary Edgardo Angara, implemented a number of measures in 1999 and 2000 to push agriculture to a higher growth path. These included an aggressive stance to R&D investment, application of modern science to agriculture (including biotechnology), investment in irrigation and farm-to-market roads, development of human capital in agriculture through trainings and scholarships, and bureaucracy restructuring to enhance efficiency, accountability, and transparency. However, these efforts could only go a little distance; they lacked strong and sustained support from the fiscal side. The bottom line was money to implement the Afma; the Estrada administration did not put its money where its mouth was.

How the Poverty Problem Could Have Been Faced

SUCCESS IN RURAL POVERTY ALLEVIATION requires the growth not only of agriculture but also of rural non-farm activities. In developing economies, where there is a high share of population in rural areas and where urban-rural links are nascent, the rural non-farm economy is very much linked to agriculture. In these economies, the main stimulus to rural industrialization-led poverty reduction is agricultural growth. Increases in agricultural productivity and farm incomes stimulate the growth of consumer demand for non-farm goods, thereby opening up employment opportunities for the poor, especially in rural areas.

Drawing from the Asian experience, broadly-based rural growth anchored on technological progress in agriculture holds the key to sustained poverty alleviation in the Philippines. This type of growth requires that the initial conditions of rural areas would have to be made more favorable than they were in recent years. Strong response of rural non-farm areas and, hence, of rural poverty to the stimulus provided by agricultural growth requires investment in rural infrastructure to lower transaction costs, removal of public-spending biases strongly favoring large farmers and agribusiness enterprises, improvement in access to land and technology, and macroeconomic and political stability.

An examination of the recent performance of provinces in poverty reduction reveals that indeed initial conditions—those relating to infrastructure, distribution of physical and human assets, and institutions—significantly account for the differences in poverty alleviation [Balisacan, 2000]. In provinces where the implementation of the agrarian reform program was relatively rapid during the last ten years, poverty reduction tended to be likewise relatively fast, suggesting that beneficiaries of the Comprehensive Agrarian Reform Program (CARP) achieved higher household incomes than comparable households not covered by the program.

Similarly, in provinces where land quality improved (through, say, irrigation development), poverty reduction was faster. Moreover, provinces with initially favorable access to markets and off-farm employment tend to have faster poverty reduction. The result confirms the common assertion that public investment in rural infrastructure, especially rural transport, generates dynamic economic linkages critical to sustained growth and development of the local economy. Meanwhile, maintaining a favorable overall investment climate for local growth also matters a lot in hastening the speed of poverty reduction.

The agriculture growth-rural industrialization link was recognized by the Estrada administration, but, again, practice lagged way behind rhetoric. Investment in social and physical capital in rural areas was nowhere as dramatic under the Estrada administration as that under its predecessor.

Targeting the Poor

WHILE SUSTAINED GROWTH is necessary, it is not sufficient to address the poverty problem. This is because socioeconomic conditions and circumstances of households vary considerably. There are some groups who are unable to participate during episodes of growth or, who may be hurt by public decisions to move the economy to a higher and sustainable growth path. These groups may include: 1) individuals who do not have the assets, particularly skills, necessary to take advantage of the opportunities offered by growth; 2) households located in geographic areas bypassed by growth; 3) households whose entitlements are shrunk by public actions chosen to bring the economy to a higher growth path; and 4) households falling into poverty traps owing to the reinforcing effects of adverse shocks and inaccessibility to credit. There is strong evidence, for example, that the Asian economic crisis hit hardest the poorest groups in society.

Evidently, policy and institutional response to the poverty problem requires more than growth-mediated (i.e., long-run) poverty alleviation initiatives. The response should as well involve direct intervention to avoid transient poverty and escape poverty traps. To be effective, however, special programs for the poor should employ a well-designed targeting approach such that program benefits accrue only to the poor. The Estrada administration's Lingap program, while it is targeted, is a poorly conceived program. What is even more surprising is that the program was launched without any regard to lessons learned from vast experience in targeted pro-poor interventions, both in the Philippines, particularly the SRA, and in many Asian countries.

Efficiency in the use of resources for poverty alleviation underlies the principle of targeting wherein benefits are channeled to the highest priority group that a program aims to serve. Targeting requires identification of the poor as distinct from the non-poor, as well as monitoring of program benefit flows to intended beneficiaries. Since it is costly to screen the poor from the non-poor—especially if this involves hundreds of thousands, if not millions, of households—a universal subsidy might be a preferable scheme to alleviate poverty. In a universal subsidy scheme, everybody in the population, regardless of income, receives a subsidy. Universal subsidy, however, is costly precisely because of the leakage of subsidies to the non-poor and excessive amounts required to alleviate if not eliminate income shortfalls of the not-so-poor.

A general food price subsidy, such as the one commonly employed by the National Food Authority (NFA), to effect poverty alleviation, is not a cost-effective scheme. NFA's rice price subsidy has a substantially high leakage of the benefits to the non-poor whose consumption account for a large share (over one half) of the total rice consumption. Clearly, if the objective is to reduce national poverty, then the general rice price subsidy is unlikely to work. [Balisacan, 2000]. To be sure, beginning early this year, the NFA has moved to refine its subsidy scheme by progressively limiting the rice subsidy only to poor areas of the country, including depressed or resettlement areas in major urban centers.

Recall that the Lingap Program of the Estrada administration applied *uniform* targeting, in the sense that it was aimed at 100 poorest households for each province and city in the country. Although this approach could have low leakage of benefits to the non-poor, it failed to reach a large percentage of the poor. Indeed, as noted earlier, the Lingap Program could cover not even 1% of the poor. Worse, the leakage to the non-poor was high.

One would also note that while the Lingap program targeted the poorest families, many of the interventions were provided at the community level rather than at the household level. While this approach contributed to higher outreach, it resulted in too much dispersion and high program cost.

Designing a Targeted Anti-Poverty Program

A TARGETED anti-poverty program must be incentive-compatible. This means that the unintended beneficiaries do not have much incentive to preempt program benefits while the intended beneficiaries do. This requires that either the cost of participation for the non-poor is high, or the channel used to transfer benefits is available and attractive mainly to the poor.

A prerequisite in designing an anti-poverty program is to identify who the poor are, where they are, and understand why they are poor. It should respond to specific needs of poor individuals and households. In some households, for instance, the intervention may lean more towards basic food needs involving, say, food stamps.

An anti-poverty program has to be clear whether its goal is to address chronic poverty (long-term) or transient (short-term) poverty. If the objective is to address transient poverty, the instrument must be directed toward the sources of vulnerability of certain households to shocks. On the other hand, if the objective is to reduce chronic poverty, then the program will have to address the distribution and quality of household entitlements—land, physical capital, human capital, financial capital, etc. A program that best applies to addressing one may not be suitable for the other, although there may be instances when a program addresses both (e.g., food-for-work program in drought-stricken rural areas).

Another consideration in designing an anti-poverty program is, of course, funding. It is unrealistic to assume that very generous fiscal resources are available for direct poverty intervention, especially during a period of macroeconomic adjustment. As noted, in reducing aggregate poverty to a certain level, a universal (untargeted) income transfer program has substantially higher fiscal costs than a targeted program employing easily observable information about potential beneficiaries. It is far less costly, for example, to reduce poverty if the anti-poverty program is intended for areas where the poor are geographically concentrated.

Monitoring and Evaluation of Pro-Poor Programs

FAILURES OF PAST pro-poor programs, including the Lingap, are in part attributable to the lack of an appropriate, credible, and responsive beneficiary impact monitoring system. Indeed, in virtually all rural development initiatives during the Estrada administration, there was no in-depth evaluation of the impact of such initiatives on welfare outcomes.

A beneficiary impact evaluation needs to be able to gauge welfare changes (or proxy indicators of such changes) attributable to the program. To be credible, it should be conducted by those persons not in any way involved in the implementation of the program.

As the results of a rapid appraisal of pro-poor programs in select rural areas suggest (see Balisacan et al., 2000), LGUs could play a critical role in the implementation of pro-poor programs. They provide the linchpin around which a number of other institutions—national government agencies, NGOs and POs—converge. It is therefore imperative that their energy and potential be harnessed in the implementation of any poverty alleviation program. Unfortunately, in the case of Lingap and many rural development programs, this has not been the case. Most LGUs have been bypassed altogether and made simply implementors of programs conceptualized at the national level. Consultations (mostly token) have been made with them only when the programs were about to be implemented. Consequently, ownership of the programs by the local governments has not been generated. This is unfortunate considering that local governments do have the proper institutional mechanisms and processes at the local level that could effectively house and customize pro-poor programs. Also, local level decisions on targeting is considered effective because typically communities have more information than central authorities.

The same rapid appraisal done at the local level also showed that the participation of intended beneficiaries has been lacking. Ideally, the participation should have involved, at the very least, consultation vis-à-vis identification of their needs and of intervention instruments.

Challenge for the Macapagal-Arroyo Administration

IN THE WAR against poverty, the Estrada administration had set high expectations which it failed to meet after more than two years in power. While it was able to reduce the proportion of the population deemed poor, the rate of reduction (less than one percentage point a year) was so slow that there are more poor people now than in 1997. On an annual basis, the rate of reduction was slower than that achieved in 1985-1997, especially in

1994-1997. Among the major Asian countries, the Estrada administration's track record in terms of poverty reduction was quite pathetic.

The major challenge for the Macapagal-Arroyo administration is to put in place good governance, restore favorable investment climate, and push the economy to a higher growth path. Contrary to common claims, the Philippines is not an exception to the usual story about growth and poverty reduction in East Asia. As in East Asia, poverty in the Philippines has been responsive to economic growth. The main reason for the relatively high poverty in the Philippines is primarily the short duration of growth and the slowness of this growth. What the relatively fast growth—sustained for over 20 years—in East Asia (especially China, Thailand, and, prior to the Asian crisis, Indonesia) means is that these countries were able reduce absolute poverty by more than half in a relatively short period of just two decades. This is a remarkable achievement unprecedented in recent history (and not eroded by the region's financial crisis).

Economic growth sustained over a long period is the key to the poverty problem in the Philippines. This growth, especially if it is broadly based, mediates the development of human capabilities for meeting basic needs. Indeed, where chronic poverty is pervasive owing mainly to the failure of the economy to generate productive employment opportunities, it is hard to imagine a more enduring solution to the poverty problem than one requiring policy and institutional reforms aimed at enhancing the economy's capacity to grow and generate these opportunities.

Priority should be given to sustaining growth in agriculture, thereby broadening the impact of growth on poverty. The effort should involve developing rural infrastructure, investing in agricultural R&D and human capital, applying modern science and information technology to agriculture, and maintaining a pricing policy regime favorable for agriculture and small- and medium-scale industrial development. As the East Asian experience demonstrates, investment in land quality and in access to land and infrastructure, together with sound "fundamentals" (i.e., fiscal and monetary restraints), are critical to the building of initial conditions for broad-based growth and development.

Growth is, of course, not enough. There are usually some groups in society whose full participation in the growth process is constrained (e.g., lack of skills required by the rapidly growing sectors). Some groups are likewise more vulnerable than others to policy and institutional reforms necessary to restore growth or to bring the economy to a higher, long-term growth path. For these groups, access to safety nets is critical to ensuring growth-with-equity outcomes. The design of these safety nets must be informed by lessons from past anti-poverty programs, including those of the Estrada administration. It is costly to the society, especially the poor, to repeat the mistakes—and follies—of the Estrada administration.

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