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Philippines, Poverty
August 30, 2025

Philippines: Closing the Economic Gap and its Impact on the Poverty Crisis

To anyone scrolling through a “Top Ten Places to Vacation” blog, the Philippine Islands in Southeast Asia might seem like the perfect haven: crystal seas, verdant hills, and naturally sculpted stone artistry. All that glitters is not gold, though, as the water is barren by drought, the lush landscapes harbor disease, and earthquakes shake that stone to rubble. Look past the wild utopia, and one can see the many issues that plague these islands and qualify them as a third-world country. Of the numerous issues in the Philippines, the high poverty rate can be attributed to many of its origins.

Located a mere 800 miles from the equator, the Philippines’s tropical environment, while beautiful, is also a breeding ground for disease and virus, presenting a harsh working and living environment. The Philippines’s close proximity to Japan and China also makes it a target during wartimes. The Philippines is pretty evenly split between urbanization and rural areas, with a majority of its population working in agriculture or adjacent to it. 42.5 percent of all land across the islands is cultivated. Some of the main crops grown there are rice, sugarcane, and mango which all require a large area to grow, despite having a low number of physical plants per acreage. Each farm is about .83 hectares, about a football (American, not European) field and a half. Despite how plentiful agriculture is in the Philippines, about 44.1 percent of the 111.91 million people in the Philippines (about 49.31 million) face food insecurity. Most people work in agriculture due to its plentiful job opportunities, but the pay is incredibly poor - only about 211,076 Filipino pesos per year, or \$4,068 American dollars. Food is typically acquired either through local production or imports, but the cost of food is so high that it is still difficult to purchase. The difficult climate, "tropical marine; northeast monsoon (November to April); southwest monsoon (May to October)," makes food production tenuous, with crops extremely easily damaged or destroyed (Philippines - The World Factbook). Though Filipino families are fairly small, typically about 4 people per family, their households are often plentiful. Filipinos are very family oriented, often sharing with neighbors or extended family, aunts and uncles and cousins - 2nd, 3rd, even 4th - are absorbed into the family and often even live in the same home. Plentiful food to feed these large households is necessary, but extremely expensive. To make matters worse, the Philippines has been in a state of drought for several years now; despite being often susceptible to monsoon rains, periods of drought for several months make the land even more dangerous for sudden extreme bouts of rain. With food being expensive, clean water growing scarce, and extremely poor pay, it is no wonder that the Philippines is wrought with poverty.

Poverty has been a longstanding issue in the Philippines, ever since the 1970s. It was not until the 1980s under President Aquino that poverty lines were properly established. In 1980, about 60% of the Philippine population was considered in poverty. That number has declined significantly in the last four decades to a modern-day rate of about 15 percent considered impoverished, though that number is not dropping nearly fast enough. There are several

important factors that have led to such a high concentration of poverty. When COVID-19 struck 5 years ago, the repercussions were felt around the country as many had to stop work due to quarantines. Agricultural production ground to a halt as workers could not safely leave their homes to till the fields or sow the seeds. A vast majority of Filipinos work in the agricultural industry or in positions adjacent to it, and with agricultural production halting, many were left without jobs. They often could not find better work because of a lack of secondary education. Though public elementary for pre-elementary, elementary, and high school are free in the Philippines, secondary education is not nearly as routine as it is here in the US. Money is still necessary for schooling in order to purchase books and uniforms, and many families can not afford to send their children to school. One could just forget tertiary education with tuition costing anywhere from 30,000 to 100,000 Philippine pesos (\$600-\$2000) per year, not including room, board, and food. Though there are many colleges, a majority are located in major cities like Manila, Cebu, or Quezon City, and those in rural areas, even if they could afford tuition, could not afford to move out of their town. Regardless of money, tight-knit family structures make tertiary education less common as people often sacrifice college in order to get a job and help support their families. Without education, higher-paying jobs are often inaccessible. When one can work a higher-paying job, though, a massive economic gap ensues. The Philippines has terrible economic inequality, with the top 1 percent of the country holding about 17 percent of the national wealth, while the bottom 50 percent holds about 14 percent of the national wealth. Another main issue that stems from poverty is the rampant rate of disease. Many can not afford proper healthcare when they get sick, and hospitals, especially in rural areas, are not often well-kept. Hospitals often have little to no air conditioning and thus have to leave open windows, letting in bugs and parasites. The buildings are often quite old, and can cause less obvious issues for those kept long-term term like asbestos or mold poisoning. For those who can afford to go to the hospital, the care provided is still quite lackluster. Disease spreads easily, especially those contagious or spread by bugs. The world has been facing a Dengue Fever epidemic for several decades now, and the Philippines was one of those hit the hardest, as its tropical, muggy climate is a perfect breeding ground for mosquitoes that spread the highly contagious disease. The rise in disease and the harsh climate have led to poor living conditions that pollute the little water left. Tap water in the Philippines is certainly not safe to drink, and only through extensive filtering is it safe to wash with. Clean water must be either bought from water stations that filter water and draw it up through wells, or it must be boiled in order to be cleansed of impurities and disease. This is made more difficult through the general lack of household electricity. Especially in more rural areas, it is only those of higher economic standing who can afford to have electricity in their homes, though it is often only meager enough to power a few box fans. Electricity access is still difficult, though, with many provinces issuing monthly or bi-weekly blackouts for the general power grid, only saving energy for the urban centers. Poverty, while rampant in the Philippines, is so harmful because of its underlying root in many of the other issues that plague the islands.

Though poverty has lessened over time in the Philippines, there is still much more that can be done. The Philippine government has tried many things in order to limit poverty, issuing programs that are forecasted to help around 4.9 million Filipinos. One way that poverty could be lessened is through infrastructure. The lack of solid and accessible infrastructure has made the Philippines dangerous, as they are often at risk of issues like mold, asbestos, and lead. The government has built almost 3,000 roads and clean water stations across the country, helping the

more destitute find good, clean, *cheap* basic necessities like water and travel for business. By increasing the ability to travel, the government hopes that those in more rural areas will be able to find more urbanized land and commodities when they are in need, such as better hospitals. An increase in higher education would also help in reversing poverty; if some sort of stipend or support were given to students and/or their families, students would be able to stay in school longer, perhaps advancing to secondary or tertiary schooling. Since most collegiate graduates in the Philippines tend to pursue IT and technological work or nursing because those give the most opportunity for people to *leave* the Philippines, by larger companies in smaller or less popular fields encouraging students through scholarships, students would be enticed to not only move forward with their education but also boost their country's economy and job market by staying national instead of immigrating. Even for those not trying to receive a formal education, certain companies or even smaller tradesmen could help teach or train people in order for them to expand upon their knowledge and pursue other smaller, necessary fields like blacksmithing, engineering, artistry, and more. This could subsequently help with the housing and infrastructure issues as briefly mentioned before. Many houses, despite a smaller capacity and family size, hold significantly larger families, whether that be for the ease of the families due to health or work constraints. By increasing infrastructure through more housing, families are able to space out a little more, loosening economic constraints on certain members. Increased infrastructure is also important to improve public buildings like sports facilities and hospitals. With upgraded facilities, families can invest in better health care, limiting toil and disease from spreading, at least as rampantly. Finally, by promoting worker rights for those who work for larger companies like *Dole*, those in rural areas can find an increase in wages while still working hard labor. These larger companies purposefully underpay their workers due to ease and lack of rebuttal out of necessity for jobs, by advocating for workers' rights and increased pay, the economy is further stimulated at the hands of its people, not the wealthy overseers.

For poverty to even begin to be alleviated in the Philippines, it must begin at the root of not only a nation, but a people: in their childhood; increasing educational opportunities and promoting further education beyond elementary would allow for more middle class jobs, closing the economic gap, promote higher wages in the labor force, and allow trade to continue. However, fixing a nationwide issue can not be done with only one change - for true change to happen, a plan must have multiple facets working together from the ground up to aid everyone of all ages. The ideals around secondary education and its unusualness, especially in rural areas, stem from the lack of money to send the children to school and the dependence of the child on working to support the family. Because of the young age of children in secondary and high school, a legal requirement for children to be educated up until a certain age or young-adulthood, like 16 years old, would force children to stay in school and continue to learn, thus reducing the intellectual gap that parallels the economic gap. Alternatively, a legal basis could be set on the number of working hours a child under 16 could perform, thus removing time constraints as a factor. For those attending tertiary education, scholarships based on academic performance and dwindling fields of study could be promoted. For instance, larger engineering firms in the country could help fund engineering education in college by either providing money or experience to those in that major in college or could help students get into college through scholarships based on integrity, commitment, and grades. To reduce the brain-drain of those with higher knowledge and education immigrating elsewhere once receiving their degree, these same scholarships that are awarded in advanced majors (Ex. computer science, nursing, etc.) could come with a clause

requiring the awardee to stay in the Philippines and utilize their knowledge there before immigrating. For example, if someone were awarded a scholarship in computer science in order to attend tertiary school, a clause could be added with a 1:2 rate of 4 years in financially-aided college for 8 years of working in computer science confined to working in or for the Philippines. Awardees would still have the opportunity to immigrate and find better opportunities after college, but this would be held off for several years in order for students to return their newfound knowledge to the country, aiding the people there in a greater capacity than just throwing money at the problem. For many this would only be possible with the additional aid of affordable transport. With the Philippines being a chain of islands instead of one solid land mass, it is quite difficult for people of one island to be educated on another, as the cost of flights and housing is quite expensive. By lowering room and board costs through the expansion of on-campus housing or the promotion of cost cuts based on proximity, people could afford to move from their rural town to attend college. Many students receive discounts on things like air fare and transportation here in the US when presenting proof of their active education, and encouraging bigger Philippine airlines like Cebu Pacific that only transport between islands to offer student discounts would allow students to make the journey to be educated. Finally, by promoting trade and agricultural & management schools domestically, people would be able to learn trades in order to qualify themselves as workers for higher pay. A maid who can only clean is sure to be paid less than a maid who can clean and do needlepoint and by promoting trade and artistry skills, wages can be increased in comparison, as it would take fewer workers to perform certain tasks. Agricultural & management colleges are common and by taking classes there, even without a full degree, modern agricultural practices could be implemented. While this would create fewer jobs on the market, it would also encourage a more middle-class of workers, thus lessening the wage gap and distributing wealth a little more evenly amongst the people.

By increasing educational standards and opportunities in the Philippines, an establishment of true middle-class emerges and allows for a decrease in the economic gap. The establishment of a middle class allows more people to be able to afford to buy food for their families. The skills these consumers gain that allows them to become middle class are reintroduced into the economy, and if there is a general increase in supply of goods and services, the overall demand and price will subsequently lower. The most beneficial result in terms of food insecurity is the advancement of Filipino farming techniques. By decreasing the brain-drain and having students give back to the country, technological developments can increase, like better farming or medical equipment. The International Rice Research Institute in Los Baños, Philippines has already begun working on increasing self-sustainability and brain drain limitations by hosting interns interested in agriculture from all around the world to aid in research, development, and teaching of advanced agricultural and farming practices (the Borlaug-Ruan Internship hosting 19 of such interns). With an increase in education from agricultural & management colleges and institutions, modern and advanced farming techniques, a subsequent increase in internal food production and lesser reliance on imports of foods will allow the Philippines to become more self-sustainable. Self-producing their own food would also allow for an increase in nutritious food, as most imported food (especially in Asian Pacific regions) is low in nutrients and vitamins. Self-sustainability would limit international spending on a federal level, which could repopulate the money to national causes instead.

Despite being fraught with poverty for decades on end, worsened significantly by the COVID-19 pandemic, the Philippines is rebuilding itself by lessening poverty just a little bit at a time. By increasing education opportunities and kinds of education through various methods of scholarships and opening up different kinds of education, a middle class of educated but not top workers would emerge, helping close the economic gap amongst society, and thus shrinking the percentage of the impoverished in the Philippines. By shrinking poverty in the Philippines, opportunities for infrastructure improvement emerge, disease rates can decline, and access to clean, safe, and ample food and water becomes available, transforming the Philippines into a safer, happier country.

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