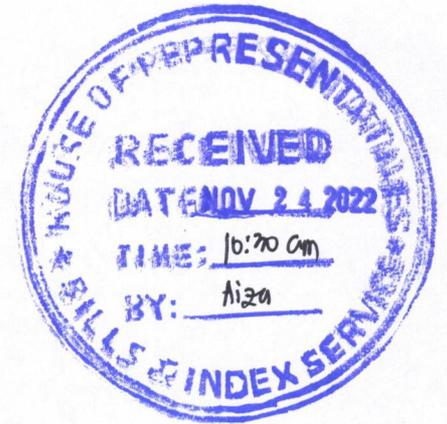


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session



HOUSE RESOLUTION No. 586

Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

RESOLUTION

URGING THE MARCOS ADMINISTRATION TO HEED THE DEMANDS OF THE FILIPINO PEOPLE FOR LIVING WAGE, AYUDA, AND LOWERING OF PRICES OF GOODS AND SERVICES, AND DIRECTING THE COMMITTEE ON ECONOMIC AFFAIRS, TO INVESTIGATE, IN AID OF LEGISLATION, ON THE WORSENING ECONOMIC SITUATION, INFLATION, UNEMPLOYMENT AND POVERTY IN THE PHILIPPINES

WHEREAS, since the start of the Duterte administration, the Philippines has been experiencing an economic slowdown. From 7.1% in 2016, the gross domestic product (GDP) growth rate went down to 6.9% and 6.1% in 2017 and 2019, respectively. With the onslaught of the COVID-19 pandemic, the economic downturn accelerated, plunging the Philippine economy further down to -9.5% in 2020, which is worse than the 7.3% contraction recorded during the Marcos dictatorship. In 2021, the Philippine Statistics Authority (PSA) recorded 5.7% GDP growth rate, however it was not enough to recover the economy to pre-pandemic levels;

WHEREAS, under the Marcos administration, the Filipino people are suffering from the worsening economic situation, as manifested by unabated rising cost of goods, services and fuel, meager wages and salaries, lack of jobs, falling purchasing power of peso, and weakening of Philippine peso to dollar. Wages and salaries of the workers and employees can no longer keep up with the cost of living. Heavily taxed and unregulated fuel prices further costs of goods and services;

WHEREAS, under the Medium-Term Fiscal Framework (MTFF), the Marcos administration projected that the GDP growth rate will reach 6.5-7.5% in 2022 and 6.5-8.0% in 2023 to 2028. Moreover, they targeted to maintain the inflation rate at 4.5-5.5% and foreign exchange rate at P51-53 per US dollar in 2022;

WHEREAS, according to the PSA, while the GDP stood at 8.2% in the first quarter, it slowed down in the succeeding quarters – 7.4% and 7.6% in the second and third quarter of 2022;

WHEREAS, the ordinary Filipinos do not feel the supposed economic improvement. Worsening inflation rate and the rising cost of goods and services remain among the top concerns of the Filipino people. According to the PSA, the headline inflation rate increased from 3.0% in January and February to 6.3% and 6.9% in August and September 2022, respectively. Recently, the PSA reported a staggering 7.7% inflation rate in October 2022, the highest recorded inflation since December 2008. The Philippines' average inflation rate from January to October 2022 is at 5.4%, which is very close to breaching the assumption of the Marcos administration that the inflation rate in 2022 will be just between 4.5 to 5.5%;

WHEREAS, the devastation of Typhoon Paeng is expected to further push the inflation rate, especially on food and non-alcoholic beverages. As a matter of fact, Bangko Sentral ng Pilipinas Governor Felipe Medalla said that inflation is yet to peak. According to their forecast, it will peak this November or December 2022.

WHEREAS, the main driver of the higher rate in October compared to inflation rate in August is the increase in food prices (6.3%). In fact, the inflation rate of prices of food soared from 1.6% and 1.2% in January and February, respectively, to 7.4% in September 2022 and to 9.4% in October 2022. Moreover, the September headline inflation rate in areas outside the National Capital Region (7.0%) is relatively higher than the inflation rate in NCR (6.5%);

WHEREAS, based on the year-on-year inflation rate, the following sub-groups of foods have the highest inflation rate in October 2022: sugar, confectionery and desserts (34.4%), corn (27.4%), and oils and fats (20.4%);

WHEREAS, high October 2022 inflation rate was also recorded for a) transportation (12.5%), b) alcoholic beverages and tobacco (10.4%), and c) housing, water, electricity, gas and other fuels (7.4%);

WHEREAS, compared to other currencies, the Philippine peso is the worst performer in Southeast Asia. According to IBON, the peso depreciated much more than the Malaysian ringgit, Thai baht and Korean won. From ₱50.974 per dollar on January 3, 2022, it plunged into ₱58.994 last October 11, 2022. As of Nov. 10, 2022, the Philippine peso remained at ₱58.077 per US dollar, far from the ₱50.033 recorded during the same period last year;

WHEREAS, there is no silver lining amid the worsening economic situation in the Philippines. Contrary to the rhetoric that the families of the overseas Filipino workers will benefit from the weakening of peso against dollar, they are actually suffering from the same economic situation;

WHEREAS, while the employment rate seemingly improved to 95% in September 2022, labor force participation rate and underemployment rate shows otherwise. According to the PSA, the number of employed Filipinos decreased by 287,000 from 47.87 million in August to 47.58 million in September 2022. Meanwhile, the labor force participants also decreased by 470,000 from 50.55 million in August to 50.08 million in September 2022. Underemployment rate also worsened from 14.2% (7.03 million) in August to 15.4% (7.33 million) in September;

WHEREAS, the IBON Foundation estimates that as of September 2022 as much as 20.2 million or 4 out of 10 employed Filipinos are in outright informal work made up of the self-employed, those employed in small family farms or businesses, domestic help, and unpaid family workers. This is a whopping 3.4 million increase from the 16.8 million in pre-pandemic January 2020, which indicates a persistent jobs crisis;¹

WHEREAS, the current ₱570/day minimum wage in NCR is just 50.31% of the family living wage amounting to ₱1,133/day as of October 2022;²

WHEREAS, according to the National Wages and Productivity Commission, the real value of minimum wage in NCR fell from ₱508.02 in June to ₱500.44 in September 2022. Moreover, minimum wages in other regions, except Region XII and BARMM, also fell by ₱2.38 to ₱8.72;

WHEREAS, PSA data shows that there is an increase in the number of Filipinos living below the low official poverty threshold. The poverty incidence rate among population

¹ "Employment falls, official unemployment stats hide millions of jobless Filipinos — IBON." IBON Foundation, 8 November 2022. <https://www.ibon.org/labor-force-sept-2022/>

² "The family living wage (as of October 2022)." IBON Foundation, 9 November 2022. <https://www.ibon.org/2210-flw/>

increased from 16.7% in 2018 to 18.1% in 2021. This translates to 2.32 million more “official” poor Filipinos;

WHEREAS, according to the Social Weather Survey, almost half or 49% of Filipino families rated themselves poor while 29% are “borderline.” The number of self-rated poor families also increased from 12.2 million in June to 12.6 million in October 2022. Meanwhile, 34% of the families rated them as food-poor, while 38% are food borderline;³

WHEREAS, in the last three quarters, the national median Self-Rated Poverty Threshold stayed at ₱15,000. The SRP Threshold represents the minimum monthly budget self-rated poor families say they need for home expenses in order not to consider themselves poor. According to the SWS, it has remained sluggish for several years despite considerable inflation, which indicates that **poor families have been lowering their living standards**, i.e., belt-tightening;

WHEREAS, the official poverty threshold of ₱12,030 used by the Marcos administration is significantly lower than the ₱15,000 self-rated poverty threshold despite the “lowering of living standards of the poor families”;

WHEREAS, while it is true that it is not only the Philippines that is experiencing a dire economic situation, it is not an excuse for the Marcos administration to do nothing but to blame the external factors to the problem. There are inherent problems in the Philippine economy that are needed to be addressed, such as misprioritization of the national budget, neglect of the agriculture and manufacturing industries, retaining the import-dependency and export-orientedness of the economy;

WHEREAS, Article VI, Section 28(1) of the 1987 Philippine Constitution mandates that there should be a progressive system of taxation. It is not progressive when the poor are heavily taxed while the rich and big companies and corporations are given tax holidays and incentives. Instead of imposing value-added tax, and excise tax on very sensitive commodities such as petroleum products, the government should impose wealth tax to the rich.

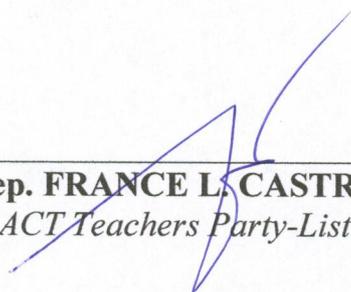
WHEREAS, the Philippine government should heed the demands of the Filipino people for immediate response to the economic crisis, such as giving *ayuda*, substantially increasing their wages and salaries to living wage, and implement measures to lower the prices of basic commodities and services.

³ <https://www.sws.org.ph/swsmain/artclisppage/?artcsyscode=ART-20221020090405>

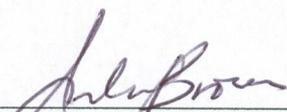
NOW THEREFORE, BE IT RESOLVED that the House of Representatives urge the Marcos administration to heed the demands of the Filipino people for living wage, *ayuda*, and implement measures to lower the prices of goods and services.

BE IT FURTHER RESOLVED that the House of Representatives, through the Committee on Economic Affairs, investigate, in aid of legislation, the worsening economic situation, inflation, unemployment and poverty in the Philippines.

Adopted,



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party

Rep. RAOUL DANNIEL A. MANUEL
KABATAAN Party-List