

# Highlights of the Medium-Term Development Plan 1993-1998

**National Economic and  
Development Authority**



## **Vision of Development**

### **Overall Development Goal**

- o Improved quality of life for every Filipino through international competitiveness and people empowerment.

### **Macroeconomic Targets by 1998**

- o Per capita income of at least \$1,000.
- o GNP growth rate of at least 10%.
- o Reduction of poverty incidence to 30%.

### **People Empowerment Means:**

- o That the state will provide a policy environment to facilitate the pursuit of the people's aspirations and to guarantee democratic dialogue.

- That development will proceed from economic initiatives of any individual community, household, firm, cooperative, non-government or private organization, or local government unit under a well-functioning market system. This also implies a reliance on markets, entrepreneurship, innovation, and increased efforts by the people.
- That when economic opportunities are not equalized, the state, acting in the people's behalf, will initiate necessary intervention measures to increase income and redistribute wealth.

### Strategies To Achieve People Empowerment

- *Development of Human Resources*, which means increased investments in human capital through education, training, improved basic services in health and nutrition, increased access to productive resources, and diffusion of technology. Human development, especially when focused on the poor, is empowerment in an economic sense.
- *International competitiveness*, which means that the country will be able to produce world-class products and services in both the domestic and international markets. This will mean sustained development by expanding markets and opportunities, thus ensuring the creation of new jobs, labor skills, managerial techniques, and other innovations.
- *Sustainable development*, which implies that future generations must not suffer the consequences of the present generation's actions affecting the environment in pursuit of development.

People empowerment in this context requires that the government must play its role as custodian and guardian of the environment for future generations. It also means the empowerment of households, communities, firms, and NGOs to be stewards of the country's resources and the environment.

## Macroeconomic and Sectoral Policies and Strategies



### Macroeconomy and Development Financing

#### Goals and Objectives

- Sustained and broad-based growth of output and employment.

- o Price stability.
- o Sound balance of payments position.

### *Policies and Strategies*

#### ● *Poverty Alleviation and Employment Generation*

- o Implement manpower training programs that provide employable skills.
- o Provide adequate social safety nets.
- o Promote agricultural processing and adequate dispersal of industries.
- o Vigorously implement the Comprehensive Agrarian Reform Program (CARP) and the Urban Land Reform Program (ULRP).
- o Pursue more equity-oriented fiscal policies.
- o Expand labor policies to include workers in the informal sector.
- o Formulate a national employment plan.
- o Implement an effective program for the speedy rehabilitation of victims of natural calamities.

#### ● *Credit and Monetary Management*

- o Allow markets to determine interest rates.
- o Adopt institutional reforms in the Central Bank.
- o Promote greater competition and efficiency in the financial system.
- o Develop the country's capital and financial markets.

#### ● *Fiscal Sector*

- o Improve revenue collection.
- o Strive for a prudent level of government expenditures through a more effective system of allocation and efficient utilization of public resources.
- o Adjust fees and charges in accordance with the principle of full cost recovery.
- o Continue implementing the one-fund concept for efficient management of public funds.
- o Enhance private sector participation in priority investment activities.
- o Rationalize the government corporate sector.

- o Transform local government units into dynamic and self-reliant agents.
- o Maximize the sourcing of external funds at lowest cost and of longer maturities to finance the budget deficit.

● *External Sector*

- o Vigorously pursue export expansion.
- o Continue implementing a flexible exchange rate policy while maintaining competitiveness.
- o Reduce the debt service burden over time consistent with a sound debt management strategy.



### Agro-Industrial Development

#### *Goals and Objectives*

- o Industrial restructuring for worldwide competitiveness and expansion of production of goods and services for domestic and export markets.
- o Strong, productive, and ecologically sound links between agriculture and industry.
- o Adopt a location-specific and ecosystem-based development approach through:
  - 1.) The development of regional growth centers of the following regional industrial centers (RICs):

a.) Metro Cebu	k.) Batangas City
b.) Cagayan de Oro City	l.) Iloilo City
c.) Cavite City	m.) Zamboanga City
d.) Mariveles, Bataan	n.) Legaspi City
e.) Subic, Zambales	o.) Tacloban City
f.) Baguio City	p.) Cauayan, Isabela
g.) Iligan City	q.) Sta. Ana, Cagayan
h.) Davao City	r.) General Santos City
i.) Parang, Maguindanao	s.) Cotabato City
j.) San Fernando, La Union	
  - 2.) The development of the following growth networks:
    - a.) Cavite-Laguna-Batangas-Rizal-Quezon (CALABARZON)
    - b.) Cagayan de Oro-Iligan

- c.) Northwestern Luzon growth quadrangle (Laoag-San Fernando-Dagupan-Baguio)
  - d.) South Cotabato-Davao-Zamboanga
  - e.) West Central Luzon (Bulacan-Bataan-Zambales)
  - f.) Cebu-Iloilo-Tacloban
  - g.) Tuguegarao-Iligan-Cauayan
- 3.) The development of the following new areas for tourism:
- a.) Samal Island
  - b.) Panglao Island
  - c.) Northern Palawan
  - d.) Batangas-Taal-Tagaytay-Ternate
  - e.) Northwestern Luzon (Baguio, La Union, Ilocos Sur and Norte, and Pangasinan)
- 4.) The implementation of special programs in the following provinces: Benguet, Mt. Province, Abra, Ifugao, Kalinga-Apayao, Batanes, Romblon, Aurora, Masbate, Antique, Biliran, Eastern Samar, Guimaras, Southern Leyte, Basilan, Agusan del Sur, Surigao del Sur, Sulu, and Tawi-Tawi.
- 5.) The promotion of the following commodities which have competitive potential or are considered strategic, or critical, for agro-industrial development:
- a.) With strong competitive potential:
    - 1.) Animal feed ingredients
    - 2.) Cutflower
    - 3.) Cotton
    - 4.) Fiber
    - 5.) Fisheries
    - 6.) Sugar
    - 7.) Coconut
    - 8.) Cattle and Dairy Products
    - 9.) Swine and Poultry
    - 10.) Fruits
    - 11.) Vegetables, Legumes, and Nuts
    - 12.) Essential Oils
    - 13.) Fashion Accessories
    - 14.) Metal Engineering
    - 15.) Shipbuilding and Repair
    - 16.) Processed Fruits and Vegetables
    - 17.) Marine Products
    - 18.) Gifts, Toys, and Houseware
    - 19.) Furniture
    - 20.) Textile Filament
    - 21.) Garments
    - 22.) Electronics
  - b.) Commodities and industries critical to agro-industrial development:

- 1.) Rice and Corn
- 2.) Electricity and Gas
- 3.) Chemicals and Chemical Products
- 4.) Basic Metals
- 5.) Petrochemicals

There is a need to utilize development diplomacy to obtain access to external resources, new markets, and expand existing ones to promote tourism and technology transfer.



### **Human Resource Development**

#### *Goals and Objectives*

- Meet the basic minimum needs of the population.
- Provide focused basic services to the more disadvantaged sectors.
- Harness the country's human resources toward international competitiveness.

#### *Policies and Strategies*

- Focus social services on the poor through:
  - Opening of new schools in rural areas still without an elementary school.
  - Development of programs for low-income urban and rural communities and disadvantaged groups.
  - Utilization of idle government lands as resettlement sites for squatter families occupying danger zones and priority infrastructure projects.
  - Piloting of social welfare and development programs and projects for the ultra-poor.
- Develop and maintain social safety nets by:
  - Maintaining budgetary allocation for basic services such as those earmarked for supplementary feeding, relief, and rehabilitation, etc.
  - Implementing income-security and welfare protective measures (e.g. targeted emergency employment).

- Direct public resources and efforts at basic services, disadvantaged regions, and specific groups by:
  - Giving priority to preventive and promotive health services, use of traditional medicines, and community-based nutrition services, among others.
  - Expanding thrusts of education through the Education for All (EFA) program.
  - Supporting community-based housing and long-term mortgage shelter financing.
- Expand schemes to promote the physical and social well-being of the homeless.
- Strengthen the family as the basic social institution and the fundamental source of positive values.
- Strengthen the moral fiber of the nation to promote a desirable social order.
- Focus education and manpower development on meeting the changing demand for basic, middle-level, and high-level knowledge and skills.
- Promote balance among population, resources, and environment to ensure sustainable development.
- Provide an environment that will allow NGOs, POs, and cooperatives to fulfill their vital role in the development and implementation of programs and projects.
- Provide the necessary infrastructure to facilitate and improve the delivery of basic services.



### Infrastructure Development

#### *Goals and Objectives*

- Provide the infrastructure for the primary needs of the population like water, power, roads, etc.
- Provide support infrastructure for the productive sectors that serve as catalysts of development in desired areas.

### *Policies and Strategies*

- Encourage increased and broad-based private sector investments in the provision, operation, and maintenance of infrastructure facilities.
- Amend, if necessary, the implementing rules and regulations of the BOT laws to make them more effective in bringing about development.
- Strictly implement maintenance and rehabilitation programs.
- Strengthen infrastructure support to socially depressed regions and to areas with the highest growth potentials.
- Where appropriate, pursue deregulation and promote competition in the provision and operation of public utilities.
- Adjust fees and charges to approximate real costs incurred in the provision of infrastructure.
- Enhance integration of environmental and socio-cultural concerns in the planning and implementation of infrastructure.



### **Development Administration**

#### *Goals and Objectives*

- Invigorate the public services toward greater productivity and more responsive service delivery and influence the public to adopt socially desirable values.
- Encourage a more active and responsive private sector and citizenry.
- Improve collaborative processes and mechanisms for consensus-building and effective decision-making in government.
- Establish a peaceful, stable, and just environment conducive to national growth and development.

#### *Policies and Strategies*

- Reduce the size of government by:



- Streamlining structures and operations.
- Rationalizing government corporations.
- Facilitate consensus building in decision-making by:
  - Forging a closer working relationship between the Executive and Legislature.
  - Strengthening coordination among central government agencies, LGUs, and the private sector.
- Strengthen government capability to implement policies and programs by:
  - Implementing capacity-building programs for LGUs and the national government.
  - Pursuing greater decentralization of government operations.
  - Effectively utilizing development communication for wider public understanding.
  - Utilizing volunteer services in development and rehabilitation.
- Implement agency management improvement reforms by:
  - Setting performance standards and monitoring performance.
  - Implementing a meaningful incentives and rewards system.
  - Professionalizing the civil service.
  - Setting high ethical standards and accountability in government.
- Improve peace and order, law enforcement, and justice administration by:
  - Pursuing a more vigorous program of national unification and reconciliation.
  - Improving the institutional and professional capabilities of crime prevention agencies.
  - Professionalizing police and military personnel.
  - Continuing reforms to speed up the dispensation of justice.
  - Strengthening the organizational efficiency of the agencies involved in justice administration.