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Inequality and Political Dynasties in the Philippines

Albert Del Rosario Institute Policy Forum on

"Bridging the Gap: Reducing Inequality in the Philippines for Inclusive Growth"

R.U.Mendoza, PhD

What ails the Philippines? INEQUALITY



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- **Weak upward mobility** due to inequality in opportunities, and disaster-prone nature of the Philippines
- **Political concentration** of power among political dynasties
- **Economic concentration**, rent-seeking and weak competition
- **INEQUALITY IS SELF-REINFORCING. WE NEED TO BREAK FREE FROM THIS ANTI-DEMOCRATIC, ANTI-INCLUSIVE-GROWTH INEQUALITY TRAP.**

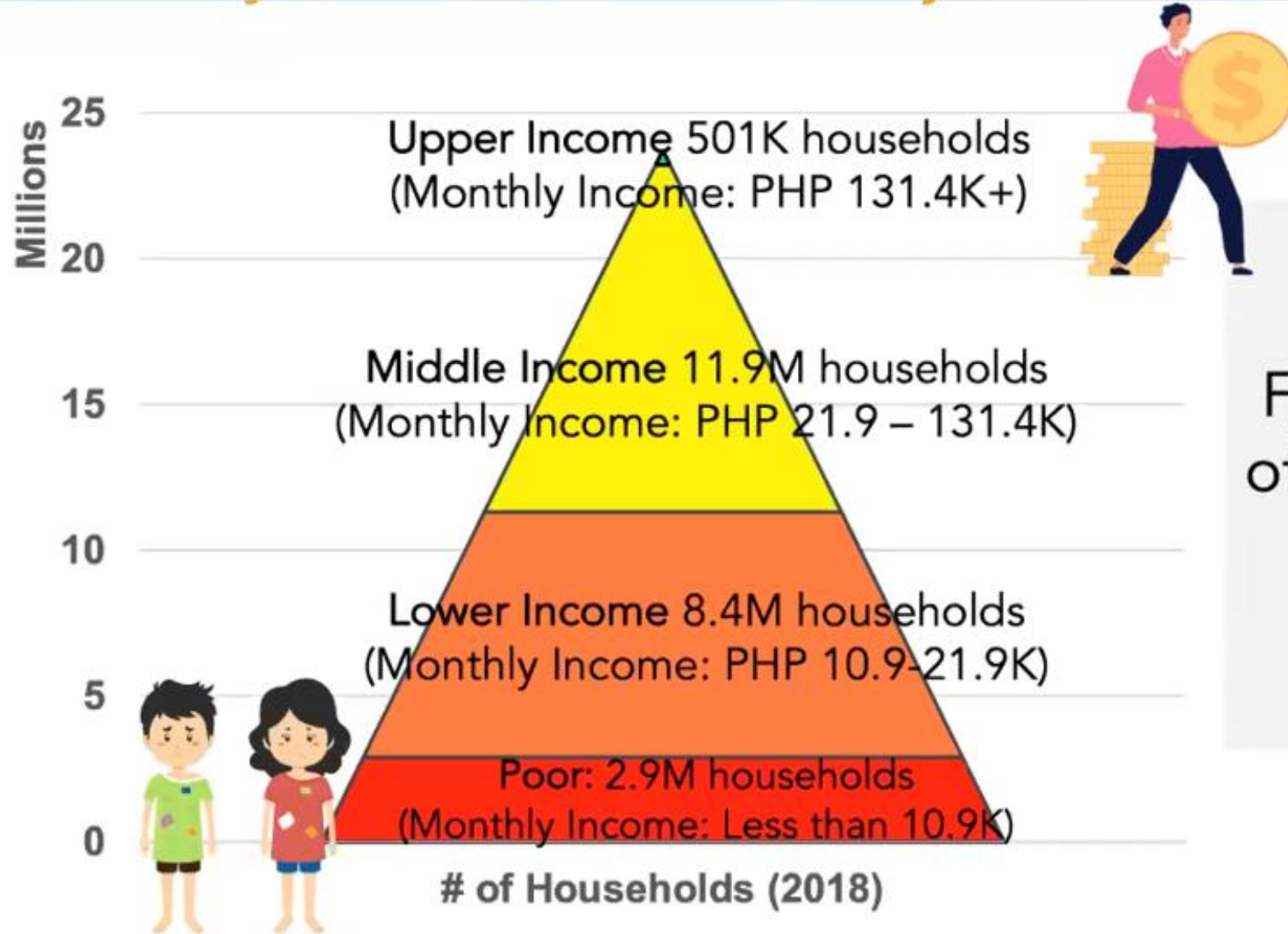
Inequality in opportunity: Weak upward mobility and vulnerability to shocks



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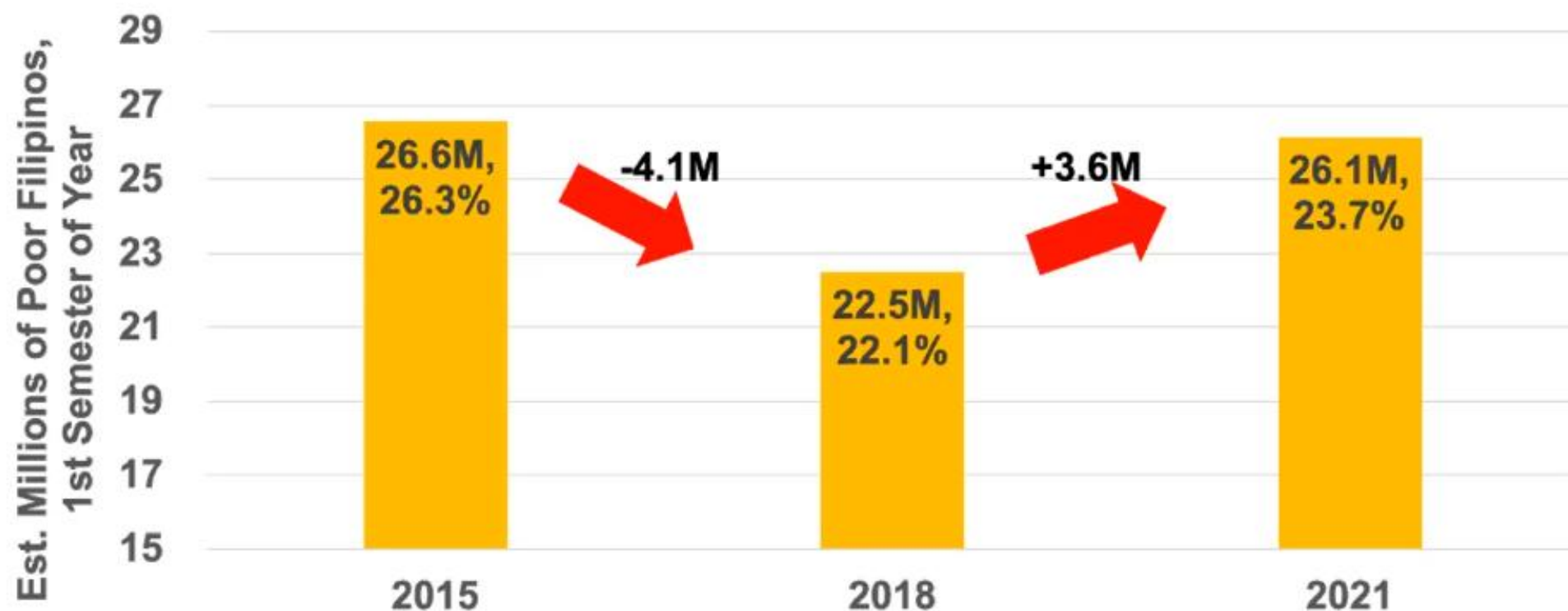
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As of 2018,
over **11.3M** of 23.7M
Filipino households (48%
of total) classified as lower
income class or poor
(under PhP21,914 per
month).

After the estimated number of poor Filipinos decreased by 4.1M in the first semester of 2018, it increased again in 2021 by 3.6M



Source: Figures are estimates only based on 2015 1st Semester Poverty Incidence Estimates (PSA) – released Mar 2016, and 2018 and 2021 1st Semester Poverty (PSA) – released Dec 2021



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Political Concentration

THIN DYNASTY... SUNOD-SUNOD

2007 ELECTED OFFICIAL



Juan



2010 ELECTED OFFICIAL



Pedro

FAT DYNASTY... SABAY-SABAY

2007 ELECTED OFFICIAL



Juan



2010 ELECTED OFFICIAL



Carlos



Juan



Pedro

Fat Dynasty % (2004 – 2019 Elections)

Position	2004	2007	2010	2013	2016	2019
GOVERNOR	56.96%	55.00% -1.96%	71.79% 16.79%	82.50% 10.71%	76.25% -6.25%	80.25% 4.00%
VICE GOVERNOR	53.85%	48.10% -5.75%	52.56% 4.46%	65.00% 12.44%	53.16% -11.84%	67.90% 14.74%
PROVINCIAL BOARD MEMBER	39.78%	37.73% -2.05%	42.90% 5.17%	41.95% -0.95%	45.77% 3.82%	45.20% -0.57%
MEMBER, HOR	48.11%	50.00% 1.89%	55.56% 5.56%	56.84% 1.28%	55.60% -1.24%	66.67% 11.07%
MAYOR	39.56%	41.15% 1.59%	47.84% 6.69%	48.87% 1.03%	50.81% 1.94%	53.38% 2.57%
VICE MAYOR	27.84%	29.10% 1.26%	34.06% 4.96%	36.17% 2.11%	38.99% 2.82%	38.91% -0.08%
COUNCILOR	20.85%	20.22% -0.63%	22.51% 2.29%	22.63% 0.12%	22.71% 0.08%	23.15% 0.44%

FAT DYNASTY -- POLITICIANS WITH 2 OR MORE FAMILY MEMBERS IN OFFICE

80% of Governors, 67% of Congressmen, and 53% of Mayors are fat dynasties.

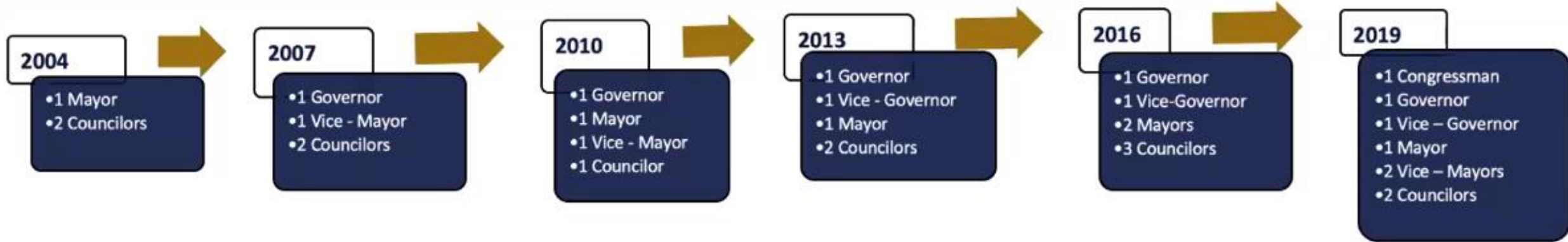
One example of a fat dynasty becoming fatter as poverty increases (2004-2019)



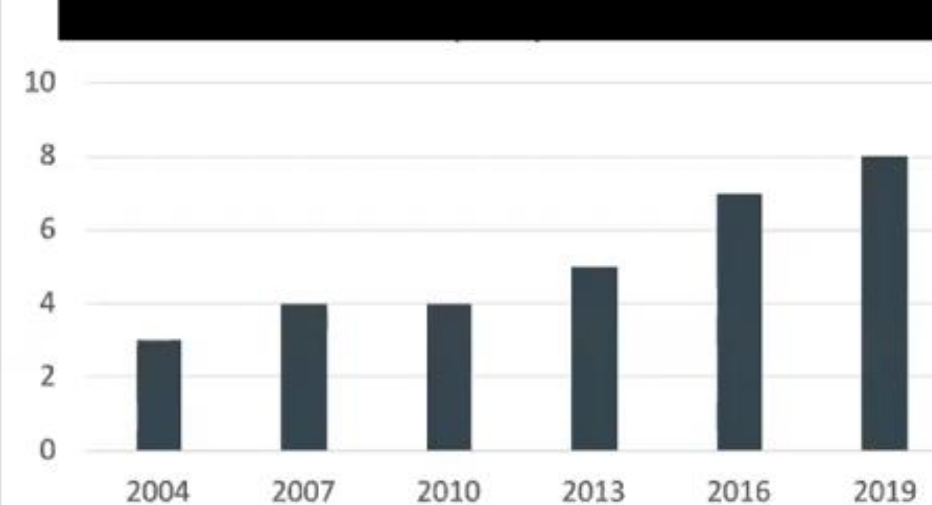
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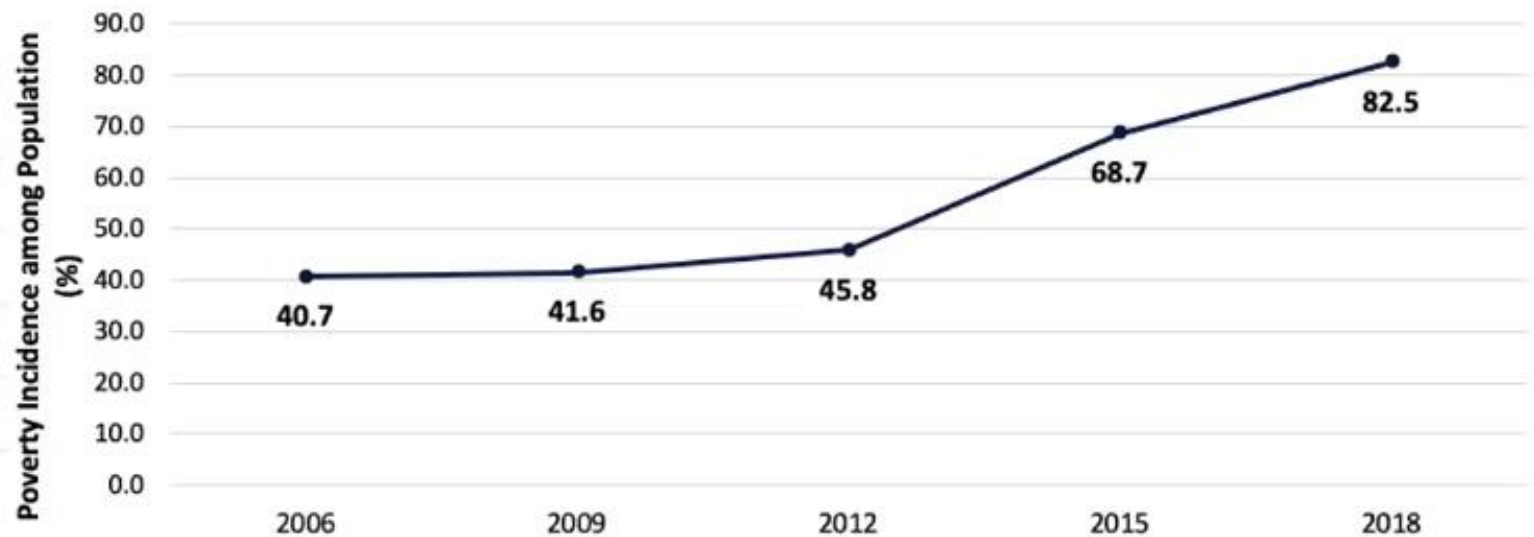
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NUMBER OF ELECTED CLAN MEMBERS



Poverty Incidence



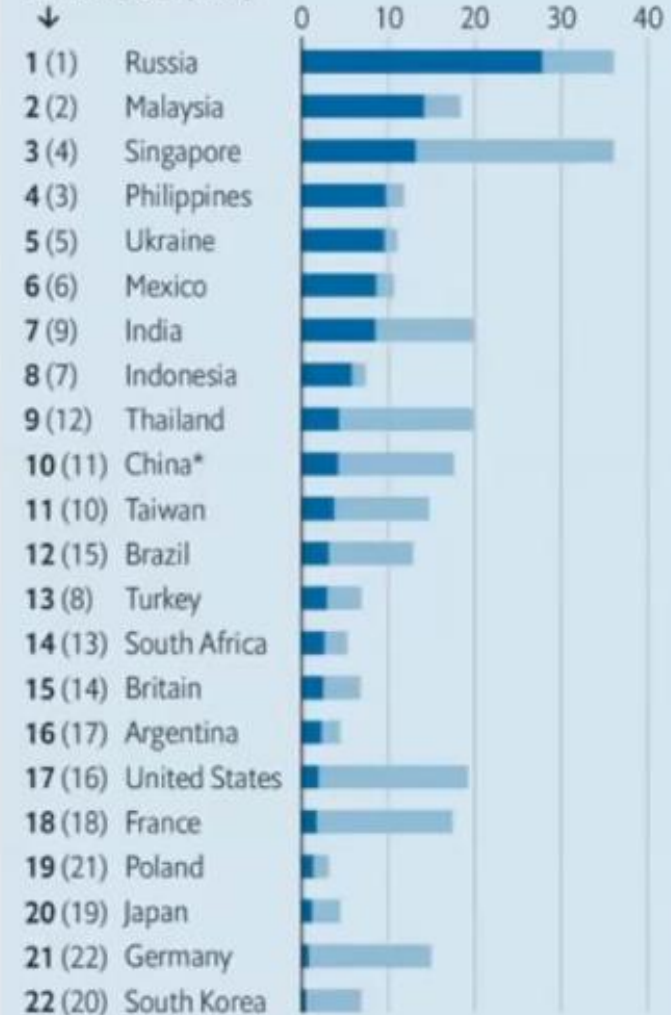
Philippines top 4 in The Economist crony- capitalism index 2021

The crony-capitalism index

Billionaire wealth as % of GDP, 2021

■ Crony sectors
 ■ Non-crony sectors

Rank in 2021 (2016)



Sources: Forbes; IMF; *The Economist* * Incl. Hong Kong & Macau

Breaking the Trap through Inclusion



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