

KEYNOTE ADDRESS

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INTRODUCTION

Foremost of all, Mr. Paul G. Dominguez sends his deepest regrets for not having been able to make it today. Working for more than 25 hours per day since 1992 has, I think, taken its toll on his health. He is fine but his doctors have advised him to complete the prescribed two-week rest before going back to work.

It is a great pleasure and honor for me to welcome you to Mindanao and to Davao City. I hope the amenities of this bustling city of Mindanao gave you enough rest and sleep last night as you are about to tackle a series of substantive issues relating to science and technology and their implications on the island's development.

On behalf of the Mindanaoans, I would like to extend our deepest gratitude to the management and members of the National Academy of Science and Technology for having chosen "Science and Technology for a More Dynamic Mindanao" as the theme for its 18th annual scientific meeting.

Mindanao today is undergoing profound changes in its role in the nation, and because the community is at a crossroads, the unfolding of events over the next few years will chart the strategic direction of Mindanao's development.

MINDANAO'S PAST: VICIOUS CYCLE OF UNDERDEVELOPMENT

Only a decade ago, Mindanao was the epitome of underdevelopment. Despite its huge resource advantages Mindanao's economy has been continually trapped in a vicious cycle of underdevelopment. Its periodic lackluster economic performance, exacerbated by high population growth, has resulted in low employment weak purchasing power of the populace, rising number of the poor, and a sluggish economic growth.

Moreover its development path typified a classic case of unsustainable development: destructive and over-exploitation of the island's natural resources monocrop agriculture nestled in vast agribusiness plantations industrial enclaves which led to little technology transfer to the community, and a volatile security situation where insurgency and secessionist groups thrived on the poverty and marginalization of large sectors of the community.

Three major reasons why Mindanao's economy has remained largely stagnant have been cited. These are: (1) its backwater role as a food and raw material supplier to Manila and other urban centers in the country; (2) the regional political divisions which only heightened the fragmented development of the island; and (3) the continuing socio-political discord.

A NATIONAL GOVERNMENT PUSH FOR MINDANAO'S DEVELOPMENT

In recent years, the government has taken a pro-active role in pursuing a high, sustainable, and broad-based growth for Mindanao. Specifically, it has undertaken several initiatives in four key areas: (1) accelerated infrastructure development; (2) the membership of Mindanao in the newly-created growth triangle, BIMP-EAGA; (3) policy reforms; and (4) peace and order.

Mindanao has been a recipient of unprecedented investments in basic infrastructure projects. Just last week the President inaugurated the General Santos International Airport. This airport can handle Boeing 747 aircraft and is sure to boost the tourism and agriculture/fishery sectors of the SOSKSARGEN Growth area which comprise South Cotabato, Sultan Kudarat, Sarangani and Gen. Santos City. Also vital arterial road projects under the Presidential Flagship Program are under construction and are expected to be substantially completed by 1998, thus laying the physical basis for economic growth.

Last week, this city played host to the international meeting of the Senior Officials' and Ministers' meeting of the BIMP-EAGA. This is a project that hopes to intensify economic cooperation between the sub-national economies of Brunei Darussalam, the eastern provinces of Indonesia, the east Malaysian states of Sarawak, Sabah and the Federal Territory of Labuan, and Mindanao and Palawan of the Philippines. The creation of the BIMP-EAGA has resulted in numerous opportunities for farmers, as well as small and medium scale enterprises which constitute the bulk of Mindanao's private sector. More significantly, the growth triangle has served as a catalyst in energizing the Mindanao economy from the economic free-fall of the '80s and its springboard to global competitiveness.

National policy reforms particularly in transportation and telecommunications have resulted in better services to the island, thus ensuring a more effective integration of the Mindanao's producers with the resurgent national economy.

The rice shortage of 1995 in Metro Manila also brought to the fore the strategic role that Mindanao can play in the context of national food security.

Considering that the island generates more than a third of the country's agricultural value added and is the source of 40 percent of the national food trade, Mindanao can become the country's food basket, if only its agricultural sector is given the proper infrastructure, financial, technological, and marketing support.

But what has captured the country's attention is the recent formation of the Southern Philippines Council for Peace and Development (SPCPD). Although it has elicited varying opinions, its formalization has become the opportunity for different sectors in Mindanao to ventilate their positions. It is hoped that from this exercise, a broad-based institutional arrangement and hopefully, a more meaningful, just, and lasting peace accord will ensure.

The convergence of these and many more events in Mindanao form the landscape of the island's present development path and has contributed to its changing development paradigm.

Today, Mindanao is faced with a unique window of opportunity to thrust itself into the 21st century. Both the internal and external conditions are right for the island to change its role from an economic backwater to a zone of peace and development.

MINDANAO 2000: BLUEPRINT FOR DEVELOPMENT

To take full advantage of this opportunity, the community has come out with a 15-year development framework plan called Mindanao 2000. The plan envisions Mindanao to be a vibrant and integrated island-wide economy, led by globally competitive agriculture and agri-industries that will be the basis for industrialization in the 21st century.

The island's transformation into a dynamic economy shall be achieved through a four pronged strategy of export-oriented agricultural development and agri-industrialization, environmental management, and social development. Parallel to these are the four goals of global competitiveness, internal and external integration, sustainability, and people-centered development.

In the pursuit of these goals, a spatial planning framework has been proposed. Specifically, Mindanao has been divided into seven area development zones (ADZs,) where each zone comprises a group of contiguous urban and rural centers which display strong economic and socio-cultural ties. The seven ADZs are: (1) SOSKSARGEN, (2) Davao Gulf, (3) CARAGA, (4) CIC Expanded, (5) Central Mindanao, (6) Panguil Bay-Mt. Malinang Area, and (7) Zamboanga-Sulu.

The ADZs are consolidated into three economic growth clusters. Based on their comparative advantages, the three clusters and their strategic role in Mindanao's development process are: (1) the North Coast which shall serve as the island's Agri-Industrial Corridor and gateway to the domestic market; (2) Southern Mindanao which shall be the Food Triangle and agri-industrial hub to EAGA; and (3) Western Mindanao, projected to become the island's marine center and trading hub for EAGA.

BULLISH ECONOMY

The community has responded favorably to the challenge and opportunities provided by this changing development paradigm, and continuously seeks channels to thrive in this dynamic and competitive environment ushering in the entry into the 21st century.

The Gross Regional Domestic Product of Mindanao has been positive and increasing since 1993. Exports have likewise manifested an upward trend averaging at 24 percent per annum for the years 1992 to 1995. Investments are steadily growing and both local and foreign investors are taking a second look at Mindanao as a viable destination for their investments. Lastly, average family incomes have been on the rise since 1991.

CHALLENGE AHEAD: BRIDGING PEACE AND DEVELOPMENT

Mindanao has still a long way to go if it is to grow in step with the rest of Asia – the fastest growing corner of the world today. The most pressing issue is the two polar perceptions on Mindanao's development. On one hand, the private sector is bullish about the positive growth centers such as CIC, Davao Gulf, SOSKSARGEN, and Zamboanga. On the other hand, the problems of poverty and instability have served as engine brakes to its sustained growth. The principal constraint to development has been the lack of peace.

TASK FOR FILIPINO SCIENTISTS AND PROFESSIONALS

It is within this perspective that I would like to suggest key points which you may want to address during your one-and-a-half-day workshop:

First, concerns your role and contribution to accelerating and sustaining agri-industrialization of the island economy in the context of (1) a freer global trading environment, (2) natural resource depletion, and (3) the large poverty situation. Specifically, much of your technical focus has been in influencing the supply or production side without regarding the importance of relating this with internal and external demand. On the supply aspect, the weak areas concern the inadequate provision of and access to appropriate technology by the numerous small-scale producers (lowland and upland farmers as well as fisherfolk). There is still this prevailing assumption within the science community that it is the sole responsibility of the government to provide this technology, R&D, and extension services. With the limited public sector funds, it becomes incumbent on the community to include in their research institutions measures that will enhance private sector participation in the development and extension of technology and technical knowledge.

Moreover, since the land endowments of the country are highly constrained, the generation of technology should be toward those which can be utilized efficiently in small-scale farms; are land-intensive; and are labor-using. Productive and market-related infrastructure should aim for those which enable the producers to become flexible in their crop choices.

In addition, it is high time that we cease looking at the agricultural and fishery sectors in the context of primary production alone but should view these in the larger agribusiness chain.

Lastly, in this age of internet systems, small-scale producers should have equal access to market information. As one famous economist aptly concluded, farmers are efficient but poor, partly because of limited infrastructure facilities and inputs, but also due to their limited access to vital information on production and demand.

Second, sustaining Mindanao's initial economic successes requires investment on its labor resource. In a recent examination of top public high school students for science scholarships in college, the Muslim communities garnered the lowest marks. Our own research also showed that these communities received the least health-related facilities and services. What affirmative measures can the government initiate that will effectively and efficiently address these concerns?

Related to this issue is the nature and mode of industrialization that is appropriate for Mindanao. Specifically, what steps should be undertaken so that the small and medium enterprises become globally competitive and at the same time major users of our abundant labor resources? With the limited labor absorption of the agricultural sector, what measures should immediately be undertaken in the context of human resource development that will increase the utilization of labor of the non-agricultural sectors and continually improve the skills of the labor sector?

And *third*, with the rampant conversion of agricultural land to non-agricultural uses, how can a balanced ecosystem be ensured in Mindanao without sacrificing its economic growth?

CONCLUSION

With these as food for thought, let me leave you to your discussions. I wish you a fruitful meeting. Thank you.

