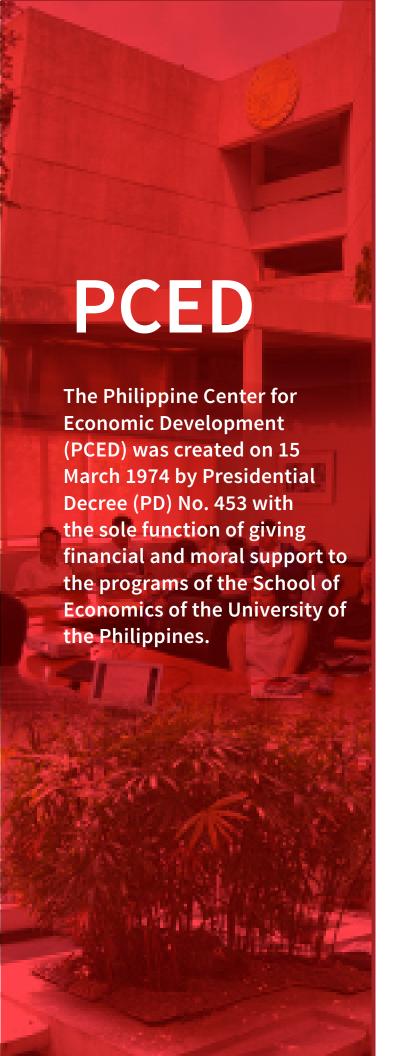




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# **Mission**

Through the support of the Center, a University of the Philippines School of Economics (UPSE) that is able to perform its academic functions at a larger scale, ultimately contributing to the country's continuing and accelerating efforts at national development.

# **Vision**

To give financial and moral support to the research, teaching, training and other programs of the School of Economics of the University of the Philippines.

Continued on inside back cover...

## **PCED Mission and Vision**

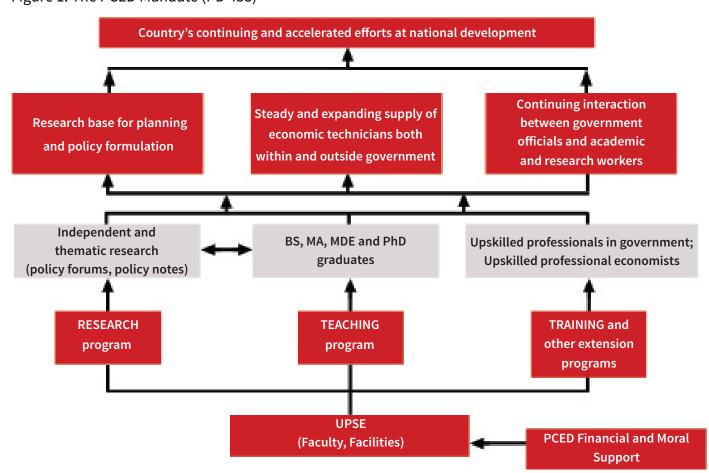
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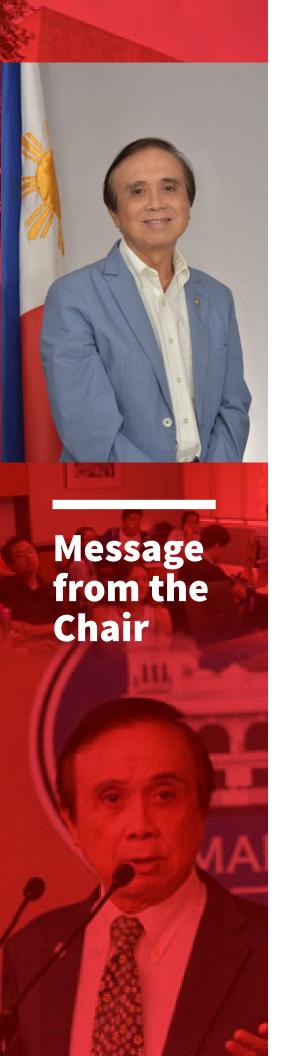
The support of the Center extends to programs related to all of the following functions of the School which are to:

- Conduct and engage in economic research oriented towards national policy and the needs of national development, particularly in the areas of:
  - a. monetary and fiscal policy;
  - b. tariff and trade policy;
  - c. industrial and agricultural policy;
  - d. regional economic development;
  - e. long-, medium-, and short-term economic planning;
  - f. human resources and employment;
  - g. economic aspects of education, health, and social development in general; and
  - h. statistical programs and policy.
- 2. Undertake training programs

- designed to provide the government and the nation as a whole with planners, analysts and economic statisticians; or in general, with technicians skilled and knowledgeable in the problems of economic development;
- 3. Serve as the medium for bringing together experts and specialists in other disciplines to conduct studies and investigations, and engage in the interchange of ideas so as to bring their knowledge and experience to bear on common problems, with a view to evolving fresh ideas and approaches that could be effectively applied to economic development; and
- 4. Engage in the publication of the results of research.

Figure 1. The PCED Mandate (PD 453)





Since 1974, the Philippine Center for Economic Development has been making a contribution toward our common goal of national development by providing financial and moral support for research, teaching, and training at the University of the Philippines School of Economics (UPSE). This role has become more relevant than ever as we advance on the road to reach our long-term vision, Ambisyon Natin 2040—with UPSE's valuable assistance to achieving the targets set in the Philippine Development Plan (PDP) 2017-2022, the first medium-term plan geared towards that goal.

The 2017 Annual Report reiterates the role of economics and development in today's global economy. It is therefore crucial that we continue supporting UPSE and its endeavours—encouraging forums and discussions on topics that promote sustainable growth and inclusive development. This is a platform where members of the academe, the government sector, civil society, and various industries can participate in and access topics that are both locally and globally significant.

I look forward to another fruitful year of PCED in coming up with more pertinent and timely information and research on public policy, sustainable development, and economics so that Filipinos are empowered to make sound and well-informed decisions. There is much more to be accomplished, yet with our combined efforts, I am confident that we will achieve our vision of a matatag, maginhawa, at panatag na buhay para sa lahat.

Mabuhay ang PCED!

Han Emasta M. D

Hon. Ernesto M. Pernia
Secretary of Socioeconomic Planning
Chairman of the Board, PCED

The Philippine Center for Economic Development (PCED) continues to support the scaling up of the University of the Philippines School of Economics (UPSE) teaching, research and extension services. In 2017, the PCED provided Php 53 million budget in support of these activities.

The PCED supported eight faculty research grants, outputs of which were disseminated as discussion or working papers. The PCED also continued to support the publication of two volumes of the Philippine Review of Economics (PRE). The conduct of over 30 research seminars were granted support.

The PCED provided graduate fellowships for students doing masteral (12) and doctoral (5) course work. Thesis research fellowships were also provided to masteral thesis (10) and PhD dissertation (13). The year 2017 also marked the beginning of the 5-year PCED-DBM Careership Program, where qualified college graduates were hired by the Department of Budget and Management (DBM) and deployed to attend the Master in Development Economics (MDE) program of the UPSE. Up to 30 students will be supported under the program.

The PCED continues to support the maintenance and upgrading of the building facilities that house the UPSE. In 2017, financial support was provided for the electrical assessment and re-wiring of the PCED buildings.

On the whole, the PCED, through its budget support and building facilities, have helped the UPSE produce graduates in Bachelor of Science in Business Economics (70), Bachelor of Science in Economics (90), Master of Arts in Economics (9), and Master in Development Economics (13).

Our current and future success in meeting our goals is largely dependent on the support of its Board of Trustees, PCED officers and staff, and our partners. I would like to express my sincerest appreciation to everyone who has played a part, big or small, to our accomplishments. Thank you.

ORVILLE JOSE C. SOLON
Executive Director

Philippine Center for Economic Development



# PCED-Supported Activities and Accomplishments in 2017

PCED-Supported Activities and Accomplishments in 2017

The UPSE Faculty regularly produce research studies as part of their academic function. In 2017, the PCED supported eight new studies by providing research grants. The grantees were given one year to complete their research projects. Table 1 provides the contract details for each study.

Table 1. 2017 Research Contracts			
AUTHOR/S	TITLE	CONTRACT DURATION	STATUS
M.C. Pajaron	Interaction of adult risk factors and birth weight in determining risk of cardiovascular diseases: A longitudinal study in the Philippines	16 January 2017 16 January 2018	On-going
E.S. De Dios	Comprehensive introduction to Albert Kolb's <i>Die Philippines</i>	24 January 2017 24 January 2018 Extended: 30 March 2018	On-going
M.S.G. Bautista	The genesis and effects of asset booms	06 April 2017 06 April 2018	On-going
C. D. Magno	Local welfare effects of large-scale mining: Evidence from the Philippines' unit of analysis: LGU, municipality, town	13 October 2017 13 October 2018	On-going
T.M.C. Monsod	Are political dynasties to blame? A survey of the evidence on the role of dynasties thus far 24 Octob		On-going
S.L. Daway-Ducanes		26 October 2017 26 October 2018	On-going
R. Reside Jr.	Do tax incentives motivate firm investment? Quasi-experimental approaches	17 November 2017 17 November 2018	On-going
L. Escresa-Guillermo Corruption and legal enforcement		28 November 2017 28 November 2018	On-going

#### **A. DISCUSSION PAPERS 2017**

#### **DP 2017-01**

# Competition, regulation and institutional quality

Abstract: Regulation and competition policy are two alternative modalities by which the state intervenes in the market. In order for either to deliver welfare gains, there must first be a pre-existing market failure. We first present different varieties of market failures and identify those for which regulation is best addressed (cooperation failures such as The Fishing Game and the Public Goods Game, scale economies-based failures such as a Natural Monopoly and Meta-Market Failures) and those where competition policy works better (market power-based failures such as an artificial monopoly or cartel). We also discuss those market failures which cannot be remedied by an imperfect state. We show graphically the welfare outcomes of various industrial organizations (monopoly, duopoly, Walrasian limit) under the symmetric Cournot competition. We also deal with the welfare implications of imperfect substitutability. We then discuss some welfare implications of the Bertrand

competition, its effect on innovation and on the formation of 'trusts'. We present reasons why competition policy is better than regulation in jurisdictions where institutions are weak. The reasons are: information intensity and asymmetry being greater with regulation, the greater ease of capture of the organs of regulation and, finally, the presence of private players who serve as allies of the competition agency and help monitor abuse of market power. Raul V. Fabella

Keywords: competition policy; regulation; weak institutions; market failures; Cournot competition; Bertrand competition

*JEL Classification:* K21, L51, L41, L44

#### DP 2017-02

# Memoir: The founding of PIDS

Abstract: The Philippine Institute for Development Studies (PIDS), founded in 1977, has gained international recognition for useful research on development issues relevant to the nation's economic needs. In this memoir prepared for the 40th anniversary celebration of the institute's birth, the author recounts the unique

circumstances, philosophy and other factors that led to the founding of the research institute. *Gerardo P. Sicat* 

*Keywords:* Philippine economy; economic development; research institutions

*JEL Classification:* A11, 021, 029, 053

#### **DP 2017-03**

#### Factors associated with the delay in seeking inpatient and outpatient care services in the Philippines

Abstract: Despite the country's policies and programs towards universal health care, health is not improving as well as expected, which suggests that households still face significant barriers to their choice of and access to health care, and their timing of use of health services. Using a nationally representative sample of households, we investigate the factors that affect the timing of outpatient care and inpatient care utilization. We define two indicators of delay in seeking care, namely: one for outpatient care, as the number of days from onset of symptom until visit of a clinic or provider, and another for inpatient care, as the

number of days from doctor's advice until hospital confinement. Given our dependent variables are measured in terms days until visit, we estimate proportional hazard models (Cox, Weibull and Gompertz) to identify the significant factors associated with delay in seeking health care services. The factors associated with delay are classified in terms of health needs, financial access, physical access, opportunity costs, other household factors and location. Our findings suggest health needs and opportunity costs are the main factors associated with the delay in seeking outpatient and inpatient care services among Filipinos in need of medical attention. Perhaps more importantly from a policy perspective, we also find that physical and financial access variables do not significantly affect timing of care. We draw some implications from the results on increasing access to health care, through improvements in awareness of social health insurance and in the actual quality of health facilities. We also identify directions for future research. Joseph J. Capuno, Aleli D. Kraft, Louisa Camille Poco, Stella Luz A. Quimbo, Carlos Antonio R. Tan, Jr.

Keywords: Outpatient care; inpatient care; delay in seeking health care; health care utilization; social health insurance; Philippines

JEL Classification: I12, D12, I19

#### **DP 2017-04**

Impure altruism and other donor attraction factors: A study based on a database of nongovernment organizations (NGOs) in the Philippines

*Abstract:* This study uses panel data on a sample of nongovernment organizations (NGOs) to estimate the factors that motivate donors to contribute to them. The results of empirical estimation suggest that a mix of conventional and tax factors influence donors. The results are consistent with the hypothesis that donors are not totally altruistic and are motivated by private benefits from donating. There is strong evidence that the private benefits come more from tax concessions from the act of donating. Hence, tax planning and arbitrage motives, more than "warm glow" factors, influence donor contributions. Renato E. Reside, Jr.

Keywords: Nonprofit corporations; donations; altruism

JEL Codes: C80 D64 H26

#### **DP 2017-05**

Awards and Rewards: Evidence from an evaluation of the Metrobank's search for outstanding teachers

Abstract: We investigate the impact of the "Metrobank Award for Outstanding Teachers" using a unique dataset from a survey of teachers who competed from 1988 to 2010. Our study is one of the firsts to use income as the primary indicator of success. When the sample is limited to those who were actively teaching in 2014, we find that the Award had a higher impact on awardees who were relatively younger. The intuitive explanation is that "younger" awardees have more years in their career to capitalize on the Award. Majah-Leah V. Ravago, Dennis S. Mapa

Keywords: Impact evaluation; RDD; awards; teacher's professional trajectory

JEL Classification: A20, C40, I210, I200

#### **DP 2017-06**

# Measuring trade costs and gains from trade facilitation in the Philippines

Abstract: This paper provides estimates of trade costs of the Philippines with her key trading partners, and develops a framework for assessing their welfare cost. With tariff restrictions reduced significantly following several rounds of multilateral and regional trade negotiations, non-tariff barriers (NTBs) have emerged as key in slowing down trade flows. Given the proliferation of NTMs in the world today, chances are some of those are disguised NTBs. More importantly, however, the inefficiencies associated with implementing legitimate NTMs such as the SPS on agricultural imports become unnecessary barriers to trade. This is the fat in trade costs that needs to be eliminated through trade facilitation, while policy reforms would have to deal with redundant NTMs, whose claim to resources adds to the cost imposed by inefficient implementation of legitimate NTMs. This paper came up with a CGE model analytical structure for assessing the gains of lowering trade costs. Ramon L. Clarete

*Keywords:* Trade costs; Economic development; Trade policy

JEL Classification: F15, O24

#### **DP 2017-07**

#### Violent conflicts in ARMM: Probing the factors related to local political, identity, and shadow-economy hostilities

Abstract: The Philippines has a long history of internecine warfare or conflicts, especially in Mindanao where the secessionist conflicts alone since the 1970s have resulted in enormous human and economic costs. That violent social discords remain varied and widespread in Mindanao. It underscores the need for a better understanding of their causes to guide policy. Applying regression analysis on a panel dataset for 2011-2014, we examine the factors behind the municipal-and-city-level incidence of violent conflicts related to political, identity and shadow-economy issues in the Autonomous Region of Muslim Mindanao (ARMM). Indicating that geography matters, we find evidence that conflicts spill over between neighboring localities, although the type of conflicts in one locality may not be same as that in its neighbors. Having many neighbors makes a locality more susceptible to political or identity conflicts, while those lying along the coast are more prone to shadow-economy conflicts. Indicating the importance of the quality of local governance, there are fewer cases of identity conflicts in localities where the mayor was re-elected, but more cases of shadoweconomy and identity conflicts where the mayor and the vice-mayor or the district representative to Congress are

relatives or belong to the same political clan. Also, we find the level of local government fiscal resources to be associated not just with lower incidence of identity conflicts, but also with higher incidence of disputes related to the underground economy. Moreover, the incidence of identity or shadow-economy conflicts is higher in cities and in highly-urbanized provincial capitals than in municipalities. Finally, we find that political conflicts are indeed more frequent in 2013 (election year), and that both identity and shadow-economy conflicts have become prevalent in 2014 than in 2011. These results identify some critical areas for interventions to reduce the occurrence or spread of violent discords in ARMM. Joseph J. Capuno

Keywords: Political conflicts; identity conflicts; shadow-economy; local governments; negative binomial model; Mindanao

JEL Codes: 017, 018, R10, H77

#### **DP 2017-08**

# Quality of growth and poverty incidence in low-income countries: The role of manufacturing

Abstract: There has been a growing conversation about the revival of Manufacturing to push back growing inequality and reduce poverty. We discuss the pathways by which a higher share of the Manufacturing sector in GDP may bring about lower poverty incidence while a higher share of Services may have the

opposite effect. We first compare the poverty reduction experiences of the Philippines whose growth has been largely Services-led in the last two decades with that of China and Vietnam, whose growth have, for the most part, been Manufacturing-led. We then present evidence, based on cross-country panel data for low-income countries, that the Manufacturing share in GDP exhibits a significant negative association with poverty incidence while the higher Services share exhibits a significant positive association with poverty incidence. Low-income countries seeking more inclusive growth may do better if they privilege their Manufacturing sector over the Services sector. Sarah Lynne S. Daway, Geoffrey M. Ducanes, Raul V. Fabella

Keywords: quality of growth; low-income countries; poverty incidence; industrial structure; manufacturing; services

JEL Classification: 014, I3, O5

#### **B. WORKING PAPERS 2017**

#### WP 2017-01

#### Motivations to remit: Evidence from the Philippines

Abstract: Using previously unexamined merged household and migrant data set from the Philippines, this paper provides new evidence on motivations to remit. Unlike the previous literature, the remittance behavior of different types of migrants is analyzed. Estimation results show that male migrants remit less when there are more migrants in the household, which

is consistent with the altruistic motive. However, female migrants remit more when there are more children in the origin households, which is consistent with the exchange and altruistic motive to remit. A sole male migrant remits more than a male migrant with other migrants in the same household when there are more children in the origin household. *Majorie C. Pajaron* 

Keywords: Remittances, altruistic motive, exchange motive, Filipino migrants

JEL Classification Codes: D13, J15, J16

#### WP 2017-02

# On the allocative and welfare effects of quasihyperbolic discounting

Abstract: Empirical evidence suggests that economic agents exhibit time inconsistency in discounting their intertemporal tradeoffs. Accordingly, we incorporate quasi-hyperbolic discounting into the stochastic infinite-horizon social planner's problem with labor-leisure choice. Within the class of first-order, Markov perfect equilibria, we obtain the time-consistent allocations and welfare, and then proceed to make comparisons with those derived under the standard geometric discounting. From the perspective of the current generation, we find that quasi-hyperbolic welfare exceeds the standard exponential-discounting welfare when the planner exhibits excessive impatience, while the opposite ensues with excessive patience. Moreover, we show that under quasi-geometric discounting, increasing the degree in excessive patience reduces the welfare of both the current and future generations. The quantitative results indicate that quasi-hyperbolic and exponential discounting yield very different outcomes, which might have significant implications on the welfare analyses of policy reforms. Sarah Lynne S. Daway

Keywords: Quasi-Hyperbolic Discounting; Markov Perfect Equilibrium; Time Inconsistency

*JEL Classification:* D91, E21, E69, H55

#### WP 2017-03

Inequalities in maternal and child health care intervention coverage and outcomes: Updates based on the Family Health Survey 2011

Abstract: Philippine health outcomes have fallen short in two critical areas. First, poor families have yet to gain access to and utilize critical health care services. Secondly, the Philippines is lagging behind in its MDG goals of reducing maternal and infant mortality. In response, the DOH had initiated the Kalusugang Pangkalahatan (KP) under the Aquino administration to improve, streamline and scale-up reform interventions. These reform initiatives have been followed by the Philippine Health Agenda for 2016-2022. If successful, the implementation of these reforms are expected to reduce the financial and informational barriers to seeking health care among the poor and marginalized. To serve as

baseline performance measures of the reform initiatives, this study estimates the coverage, outcomes and inequalities thereof, of selected child and maternal health interventions, in particular, family planning, antenatal and delivery care, and immunization and care-seeking for children. Data from the 2011 Family Health Survey, which coincides with the start of the KP implementation, is used. Concentration indices are estimated to gauge the extent of inequalities in coverage and outcomes. In turn, inequalities in child health outcomes are decomposed to assess the relative contributions of its correlates on the measured inequality. Across the continuum of care, intervention coverage is still uneven. Intervention coverage variations are observed between urban and rural areas and across regions. Inequalities in intervention coverage that favor the rich are observed, and are more pronounced among the rich and poor in rural areas relative to the rich and poor in urban areas. Higher inequalities are found when we look into the elements or a more detailed breakdown of the interventions. These inequalities may be translating to differences in the quality of the care received by the poor, both in urban and rural areas. Child mortality is still concentrated among the poor. The decomposition of inequalities in child mortality show that while various child and maternal care interventions increase the likelihood of child survival, their concentration among the rich contributes to the inequality in outcomes. Therefore, making access more equitable for these interventions, through expanded PhilHealth coverage of indigents

for example, should be able to reduce the concentration of negative outcomes on the poor. *Aleli D. Kraft* 

Keywords: Maternal Health, Child Health, Inequalities, Concentration Index

JEL Codes: 112, 118

#### WP 2017-04

#### Do Filipino households bear a double burden of disease? Evidence and Economic Implications

Abstract: We find, using 2013 data from the National Demographic and Health Survey, that Filipino households are prone to a double burden of disease (DBD). A one percentage point increase in infection among household members predicts a 4.0 to 6.3 percentage point increase of non-communicable disease (NCD) at the household level. PhilHealth coverage is also found to predict lower NCD incidence levels by about 5.7 percentage points for households with infectious diseases burden. Moreover, the analysis suggests that policymakers can consider social health insurance to promote bundled treatment for infection and NCDs and in a way that reduces the risks of impoverishment arising from catastrophic OOP. Stella Luz A. Quimbo and Xylee Javier

Keywords: double burden of disease, financial burden, PhilHealth, social health insurance

JEL codes: 113, 115, 118

#### WP 2017-05

Contested jurisdiction, concomitant reforms and creeping centralization: Recent rhetoric and reality about the Pantawid Pamilyang Pilipino Program

Abstract: We clarify several issues concerning the Philippines' conditional cash transfer program or the Pantawid Pamilyang Pilipino Program (4Ps) that was started in 2007. First, while the 4Ps is a major reason for the seeming creeping centralization, the national government's huge budget allocation on this social welfare program has not deprived local government expenditures on health, education, social welfare and other social services have risen since 2008. Second. while the Department of Social Welfare and Development has devolved functions, it did not transfer them all to local governments. Neither did other national government agencies devolve all their social welfare programs. Ostensibly, the strongest objection against 4Ps is less about it being nationally-administered, and more about its huge budget and scale of coverage, and the lack of LGU participation in it, a situation aggravated further by other concomitant reforms. We discuss the normative and political economy reasons why 4Ps should remain a national program, and offer some recommendations to resolve the apparent, but needless, conflict over functional jurisdiction between the national government and local governments. Joseph J. Capuno

Keywords: Fiscal decentralization, contested jurisdiction, conditional cash transfer program, poverty alleviation, Philippines

JEL Codes: H53, H72, I38, O53

Keywords: prescription drugs, physician prescribing behavior, generic drugs, branded drugs, me-too drugs, health expenditure

JEL Classification: 112, 118

Keywords: Corruption; Measures of corruption; Causes of corruption; Judicial statistic; Culture; Individualism

*J.E.L. Codes:* H11, H50, D73, C18, C43, F53, F55

#### **WP 2017-06**

Examining the demand for prescription drugs:
Physician prescribing behavior for lipid-lowering and cardio-selective blocking drugs

Abstract: This study examines the factors that influence physicians' choices of medication for their patients. Using the 2013 IMS Health Physician Medical Data Index (PMDI), we estimate a discrete choice model of demand to analyze the relationship between physician prescribing behavior and patient, physician and drug characteristics. Drugs in two major therapeutic classes lipid-lowering drugs and beta-adrenergic blocking drugs were classified as generic, breakthrough, and me-too drugs, and analyzed separately. The findings suggest physicians to be price-sensitive. Physicians are more likely to prescribe cheaper drugs. Physicians with more years of experience also tend to prescribe breakthrough and me-too drugs relative to generics. Physicians that practice in public settings are less likely to prescribe branded drugs. Patient characteristics were found to influence prescription patterns but were more class-specific. Cielo D. Magno

#### WP 2017-07

# Cross-border bribery and institutional heterogeneity

Abstract: This study looks at the pairwise country characteristics of parties engaged in crossborder bribery and examines to what extent they hinder or facilitate corrupt transactions using a novel dataset of reported cases. Most cross-country studies that explored the determinants of corruption relied on indexes that are based on subjective perceptions or victimization surveys which critics claim may be weakly correlated with the actual level of corruption in a given country. The study aims to address such measurement issues by using actual reported cases of cross-border bribery. The structure of the dataset also allows the exploration of relational aspects of corruption. Our results show that economic development, freedom of the press, political rights, the presence of established democratic institutions, and the salience of women's role in society are associated with lower levels of corruption. The degree of institutional similarity between the two parties and other relational aspects also influence cross-border bribery. For instance, similarity in cultural traits, such as when parties belong to the same religion discourages corruption. Laarni Escresa and Lucio Picci

#### WP 2017-08

# An experimental study of self-enforcing coalitions

Abstract: We study a model where agents endowed with power compete for a divisible resource by forming coalitions with other agents. The coalition with the greatest power wins the resource and divides it among its members via proportional sharing. We conduct an economic experiment using this model to investigate possible behavioral factors that may explain deviations from theoretical predictions. The main findings show that agents display rational behavior when forming coalitions, especially when they know that a large proportion of their opponents play myopic strategies in the beginning. Over time, however, agents learn to behave more strategically and even more rationally, and thus, enables agents to display more of the behavior predicted by the coalition formation model with farsighted agents. Karl Robert L. Jandoc and Ruben Juarez

Keywords: Coalition Formation, Power Accumulation, Self-enforcement, Experiment.

JEL Classification: C70, C91, D71

Table 2. 2017 UPSE Discussion	Papers

NUMBER	TITLE	AUTHOR/S
2017-01	Competition, regulation and institutional quality	Raul V. Fabella
2017-02	Memoir: The founding of PIDS	Gerardo P. Sicat
2017-03	Factors associated with the delay in seeking inpatient and outpatient care services in the Philippines	Joseph J. Capuno Aleli D. Kraft Louisa Camille Poco Stella Luz A. Quimbo Carlos Antonio R. Tan, Jr.
2017-04	Impure altruism and other donor attraction factors: A study based on a database of non-government organizations (NGOs) in the Philippines	Renato E. Reside, Jr.
2017-05	Awards and Rewards: Evidence from an evaluation of the Metrobank's search for outstanding teachers	Majah-Leah V. Ravago, Dennis S. Mapa
2017-06	Measuring trade costs and gains from trade facilitation in the Philippines	Ramon L. Clarete
2017-07	Violent conflicts in ARMM: Probing the factors related to local political, identity, and shadow-economy hostilities	Joseph J. Capuno
2017-08	Quality of growth and poverty incidence in low-income countries: The role of manufacturing	Sarah Lynne S. Daway, Geoffrey M. Ducanes, Raul V. Fabella

#### Table 3. 2017 UPSE Working Papers

Tuble 3. 2017 of 32 Working Lupers		
NUMBER	TITLE	AUTHOR/S
2017-01	Motivations to remit: Evidence from the Philippines	Majorie C. Pajaron
2017-02	On the allocative and welfare effects of quasi-hyperbolic discounting	Sarah Lynne S. Daway
2017-03	Inequalities in maternal and child health care intervention coverage and outcomes: Updates based on the Family Health Survey 2011	Aleli D. Kraft
2017-04	Do Filipino households bear a double burden of disease? Evidence and Economic Implications	Stella Luz A. Quimbo Xylee Javier
2017-05	Contested jurisdiction, concomitant reforms and creeping centralization: Recent rhetoric and reality about the Pantawid Pamilyang Pilipino Program	Joseph J. Capuno
2017-06	Examining the demand for prescription drugs: Physician prescribing behavior for lipid-lowering and cardio-selective blocking drugs	Cielo D. Magno
2017-07	Cross-border bribery and institutional heterogeneity	Laarni Escresa Lucio Picci
2017-08	An experimental study of self-enforcing coalitions	Karl Robert L. Jandoc Ruben Juarez

In 2017, the PCED supported a total of 57 graduate students by providing fellowships.

Table 4. PCED Summary of	Fellowshin Support for	or 2017
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FELLOWSHIPS	NUMBER OF FELLOWS
MDE (In partnership with the Department of Budget and Management)	15
PhD teaching fellows	14
MA teaching fellows	11
MA coursework	12
PhD coursework	5
TOTAL	57



# **Seminar Series**













Tah	105 2	017 Sem	inarc
пап	165 /	UT / Sem	mars.

DATE	TITLE	AUTHOR/S
16 January 2017	Cattle ranchers and massacres in Colombia (1982- 2007): Social underpinnings of patterns of violence against civilians during civil war	Francisco Gutiérrez-Sanin, Universidad Nacional de Colombia
26 January 2017	On measuring social tension	Nanak Kakwani, IPEA Brasilia
2 February 2017	The yield curve at 8:30 am	Eli M. Remolona, Bank for International Settlement
3 March 2017	Factors associated with the delay in seeking inpatient and outpatient care services in the Philippines	Louisa Camille R. Poco, UP School of Economics
10 March 2017	The impact of intergenerational transfers on wealth inequality in Japan and the United States	Yoko Niimi and Charles Yuji Horioka, Asian Growth Institute
10 March 2017	Does providing informal elderly care hasten retirement? Evidence from Japan	Yoko Niimi, Asian Growth Institute
17 March 2017	When communities participate in primary health care: A randomized controlled trial of a community health worker program in the Philippines	Roman Hoffman, University of Vienna
24 March 2017	Learning monopolies with delayed feedback	Akio Matsumoto, Chuo University Keiki Nakayama, Chukyo University
26 April 2017	The Supply-side of international corruption: A new measure and a critique	Lucio Picci, University of Bologna
5 May 2017	The Business Cycle Theory with an application to the Philippines	Calla J. Wiemer, UP School of Economics
12 May 2017	Myrdal's thinking on institutions and institutional change: a current perspective	Emmanuel S. de Dios, UP School of Economics
16 May 2017	Gender differencce in antibiotic prescriptions on primary health providers in China: Results from a randomized, controlled field experiment using the Mystery Shopper Audit	Jian Wang, Shandong University, China
7 June 2017	A new look at Philippine export performance: A firm-level approach	Annette O. Balaoing-Peklmans, Erasmus University Rotterdam
22 June 2017	Which good to sell first in a sequential auction?	Hikmet Gunay, Hitotsubashi University
6 July 2017	Taken by storm: Hurricanes, migrant networks, and U.S. Immigration	Dean Yang, University of Michigan, NBER and BREAD
11 August 2017	Impure altruism and other donor attraction factors: A study based on a database of non-government organizations (NGOs) in the Philippines	Renato E. Reside Jr., UP School of Economics

(Table 5. 2017 Seminar, continued)

16 August 2017	Hyperbolic discounting and a technology-induced informal credit Institution: The case of debit card pawning in the Philippines	Nobuhiko Fuwa, University of Tokyo
18 August 2017	Determining the inflationary effects of El Niño and La Niña in the Philippines	Agustin L. Arcenas, UP School of Economics
25 August 2017	On the allocative and welfare effects of quasi-hyperbolic discounting	Sarah Lynne S. Daway-Ducanes, UP School of Economics
31 August 2017	The impact of risky health behavior of adolescents on later life economic chances	Majorie C. Pajaron, UP School of Economics
8 September 2017	Examining the demand for prescription drugs: Physician prescribing behavior for lipid-lowering and cardio-selective blocking drugs	Cielo D. Magno, UP School of Economics
15 September 2017	2016 NTPS findings	Mary Ann D. Lansang, MMedSc
22 September 2017	A generalization of the quantity equivalence result in procurement auction	Romeo Matthew T. Balanquit, UP School of Economics
26 September 2017	Water policy reform's effect on child health	Karl Robert L. Jandoc, UP School of Economics
27 September 2017	Remittances, Dutch Disease and manufacturing growth in developing economies	Sarah Lynne S. Daway-Ducanes, UP School of Economics
28 September 2017	Cross-border and institutional heterogeneity	Laarni Escresa-Guillermo, UP School of Economics
6 October 2017	Heterogeneous effects of high school peers on educational outcomes	Alfredo R. Paloyo, University of Wollongong
13 October 2017	An experimental study of strategies in forming self-enforcing coalitions	Karl Robert L. Jandoc, UP School of Economics
20 October 2017	Formal models of the political resource curse	Desiree A. Desierto, University of Wisconsin Madison & WSD Handa Center for Human Rights & International Justice, Standford University
27 October 2017	The gender difference in the burden of having children: Evidence from life satisfaction data	Tsukasa Matsuura, Chuo University
23 November 2017	Financial inclusion and the great derisking: How much longer will the gateway fruit hang so low?	Eli M. Remolona, Bank for International Settlement
24 November 2017	Philippines economic update: Preserving consistency and policy commitment	Birgit Hansl, World Bank
1 December 2017	An empirical assessment of trade creation and trade diversion effects of the ASEAN-China free trade agreement	Paul Neilmer M. Feliciano, UP School of Economics



### Library

The Philippine Center for Economic Development has supported the Library with the purchase of office supplies and equipment, service, repairs, or maintenance of the equipment and facilities. These include new roll-up blinds for all windows on the second and third floors, nine toilet bidets in the Library's comfort rooms, emergency lamps, service and repairs of air conditioners, CCTV inspection and cleaning, circuit breakers, water proofing, duplication of keys, and refill of fire extinguishers. The PCED also funded the subscription to New York Times for the period 2017-2018.

Table 6. Key Decisions from the PCED Board Meetings		
RESOLUTION	REFERENCE	
Approval of the proposed revised 2017 Corporate Operating Budget of the Philippine Center for Economic Development	PCED Board Resolution No. 1 s. 2017	
Confirming the approval of and approving the changes to the draft Implementing Rules and Regulations of Presidential Decree No. 456	PCED Board Resolution No. 4 s. 2017	
Approval of the Revised Scheme to Support Faculty Research	PCED Board Resolution No. 8 s. 2017	
Approval of the PCED Guidelines on Post-Doctoral Studies and Faculty Training Grants	PCED Board Resolution No. 9 s. 2017	
Approval of the proposed PCED Budget Support to Faculty Recruitment	PCED Board Resolution No. 10 s. 2017	









Table 7. PCED Staff as of December 2017		
POSITION TITLE	NAME OF INCUMBENT	
Executive Director	Orville Jose C. Solon	
Adm. Asst. III	Rowena V. Alvarez	
Research	Division	
Division Chief III	Joseph J. Capuno	
Adm. Asst. II	Gil S. Mallari	
Special Projects Division		
Division Chief III	Aleli D. Kraft	
Adm. Asst. II	Juliet R. Gordulan-Caparas (Up to November 2017)	
Finance and Admir	nistration Division	
Division Chief III	Maria Socorro Gochoco-Bautista	
Accountant III	Nilo V. Zantua	
Adm. Officer III	Ma. Teresa B. Tueres	
Adm. Asst. III	Gerlie P. Paloma	
Adm. Asst. II	Judy Vi V. Avila	
Adm. Aide IV	Robert T. Barcelo	
Adm. Aide IV	Larry M. Sagcal	
Adm. Aide III	Alberto M. Calaguas	

## Fiscal Resources and General Allocation

#### Table 8. PCED Income Statement

December 31, 2017 and 2016 (In Philippine Peso)

# PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT FOR THE YEAR ENDED DECEMBER 31, 2017

TOR THE TEAR ENDED DECEMBER 31, 2017		
	2017	2016
Revenue		
Service and Business Income	8,492,579	9,268,293
TOTAL INCOME	8,492,579	9,268,293
CURRENT OPERATING EXPENSES		
Personnel Services	(3,651,574)	(3,278,277)
Maintenance and Other Operating Expenses	(19,874,852)	(9,256,995)
Non-Cash Expenses	(4,381,255)	4,160,211)
TOTAL CURRENT OPERATING EXPENSES	(27,907,681)	(16,695,483)
SURPLUS/(DEFICIT) FROM CURRENT OPERATIONS	(19,415,102)	(7,427,190)
Other Non-Operating Income		
Surplus/(Deficit) before Tax	-	-
Income Tax Expenses/ (Benefit)	-	-
Surplus/ (Deficit) after Tax	-	-
Net Assistance/ Subsidy/ (Financial Assitance/ Subsidy/Contribution)	44,745,000	28,169,000
Net Surplus/ (Deficit) for the Period	25,329,898	20,741,810

#### Table 9. PCED Balance Sheet

#### December 31, 2017 and 2016 (In Philippine Pesos)

# PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT AS OF DECEMBER 31, 2017

ASSETS	2017	2016
Current Assets		
Cash and Cash Equivalents	52,173,327	22,132,612
Receivables	20,294,836	21,443,746
Inventories	438,169	367,352
Total Current Assets	72,906,332	43,943,711
Non-Current Assets		
Financial Assets	112,505,934	112,160,530
Other Investments	28,500	28,500
Property, Plant and Equipment	15,802,593	21,505,564
Intangible Assets	73,423	
Other Non-Current Assets		171,586
Total Non-Current Assets	128,410,450	133,866,180
TOTAL ASSETS	201,316,782	177,809,890
LIABILITIES	2017	2016
Current Liabilities		
Financial Liabilities	3,509,357	2,781,859
Inter-Agency Payables	43,141	156,261
Other Payables	11,805	-
Total Current Liabilities	3,564,303	2,938,120
Non-Current Liabilities		
Total Non-Current Liabilities	_	-
TOTAL LIABILITIES	3,564,303	2,938,120.02
Net Assets (Total Assets Less Total Liabilities)	197,752,479	174,871,770
NET ASSETS/EQUITY	2017	2016
Government Equity	197,752,479	174,871,770
Stockholders' Equity		
Cumulative Changes in Fair Value		
Total Net Assets/Equity	197,752,479	174,871,770

# **Directory of Key Officials**

#### 2017 and Current

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National Economic and Development Authority

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U.P. School of Economics





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