

**PCED** | Philippine Center for  
Economic Development  
Annual Report 2018





# PCED

The Philippine Center for Economic Development (PCED) was created on 15 March 1974 by Presidential Decree (PD) No. 453 with the sole function of giving financial and moral support to the programs of the School of Economics of the University of the Philippines.

## 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...*

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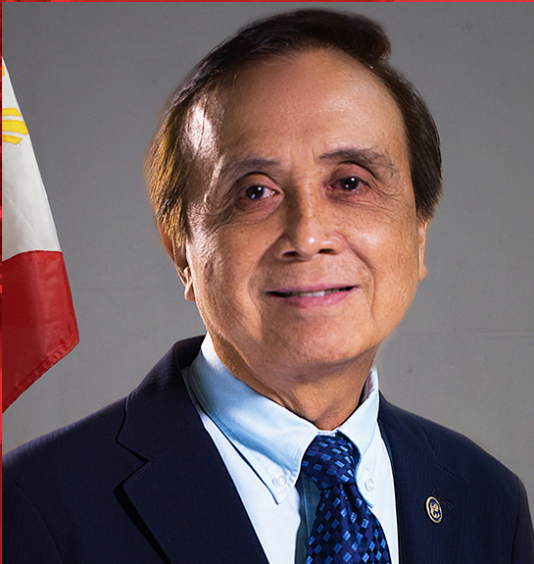
**2018 PCED Board of Trustees**

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**PCED Mandate and Outcomes**

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## Message from the Chair

Since 1974, the Philippine Center for Economic Development (PCED) has been providing appreciable support for the various programs, activities and projects of the UP School of Economics (UPSE). Accordingly, UPSE has been able to undertake research and publish research output, train economists, analysts, and statisticians, thereby enabling the School to spread knowledge and encourage public discourse on critical development issues and policies.

In 2018, PCED extended financial assistance to studies conducted by UPSE faculty and graduate students. These have served as valuable resource and references for legislation and development plans, programs and projects at the national and local levels.

PCED has been instrumental in training future leaders in government, academia, industry and society at-large by providing scholarships to promising young students. The Center's support has also made it possible for UPSE to build and maintain its facilities for delivering quality education and training to students.

Overall, PCED has been a steadfast partner in the country's persistent effort towards inclusive economic development.

I extend my heartfelt appreciation to everyone who has helped in accomplishing our mandate.

Mabuhay ang PCED!

A handwritten signature in black ink, appearing to read 'Ernesto M. Pernia'.

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



The Philippine Center for Economic Development (PCED) has remained committed to its vision of supporting the various projects and programs of the UP School of Economics (UPSE). The 2018 Annual Report is a clear manifestation of PCED's moral and financial support that has allowed UPSE to fulfill its mandate of providing quality economics education.

In 2018, the PCED was able to provide support for eight faculty research grants, 39 research seminars and a graduate research workshop. Six faculty researches indexed in the Institute for Scientific Information (ISI) or Web of Science were given research publication awards through the support from the PCED. The Center also provided graduate fellowships for students doing their MDE (2), masteral (13) and doctoral coursework (9). Thesis research fellowships were provided to masteral thesis (13) and PhD dissertation (16). One faculty member also benefited from the PCED's support to post-doctoral studies. Also, the PCED granted a visiting fellowship to one faculty for teaching, mentoring, and research in financial and monetary economics.

Additionally, the PCED has continued to support the UPSE Library in purchasing office supplies and equipment. It has also supported the maintenance and renovation of the UPSE's building facilities.

I would like to express my sincerest gratitude to all who have supported us in sustaining PCED support to UPSE programs and projects.



ORVILLE JOSE C. SOLON

Executive Director

Philippine Center for Economic Development



## Message from the Executive Director





# PCED-Supported Activities and Accomplishments in 2018



## Research



## Teaching



## Facilities

# PCED-Supported Activities and Accomplishments in 2018

## I. Research

Part of the PCED’s mission is to support the UPSE perform its academic function through research programs and activities. The PCED provides support to new studies through faculty research grants. Completed research studies are released as working papers, discussion papers or policy notes. The PCED also supports the conduct of graduate research workshops to provide venue for UPSE faculty members and graduate students to collaborate. Research publication awards are also provided to support and promote the publication of research outputs of the UPSE faculty. The UPSE faculty and graduate students present their research papers in seminars supported by PCED.

### A. Faculty Research

In 2018, the PCED supported eight faculty researches and released six working papers by providing research grants to UPSE faculty.

**Table 1. 2018 Faculty Research**

RESEARCH TITLE	CONTRACTOR/ RESEARCHER	CONTRACT DURATION	STATUS
Forming self-enforcing coalitions under potential sharing disagreements	Karl Robert Jandoc	19 April 2018 to 19 April 2019	Completed
Who pays for and benefits from the PhilHealth Indigent Program?	Orville Jose Solon	23 May 2018 to 23 May 2019	Ongoing
Lexicographic preferences, loss-aversion, and sustainable development	Emmanuel de Dios	23 May 2018 to 23 May 2019	Ongoing
Preference for redistribution in Southeast Asia	Joseph Capuno	5 June 2018 to 5 June 2019	Ongoing
The role of banks in monetary policy transmission— A closer look at the credit channel in the Philippines	Maria Margarita Debuque-Gonzalez	8 June 2018 to 8 June 2019	Ongoing
VIX: Risk aversion and/or uncertainty	Maria Socorro Bautista	16 July 2018 to 16 July 2019	Ongoing
Is there a pre-disposition to plastic disposal? The case of Kalibo, a tourist municipality in the province of Aklan	Agustin Arcenas	8 October 2018 to 8 October 2019	Ongoing
Welfare analysis of households in the presence of shocks	Marjorie Pajaron	29 October 2018 to 29 October 2019	Ongoing

## B. Working Papers

### ABSTRACT OF 2018 WORKING PAPERS

#### WP 2018-01

### A financial conditions index for the Philippines: What does it tell us?

By Maria Margarita Debuque-Gonzales

This paper constructs a monthly financial conditions index (FCI) for the Philippines using non-standard principal component analysis that works on unbalanced datasets following Hatzius et al. (2010). The index includes financial data based on known monetary transmission channels and considers special features of the country typical of emerging market economies – e.g. bank dependence and sensitivity to financial volatilities and external influences. The method captures key episodes in Philippine financial history and important developments such as trend improvement in financial stability and increased interconnectedness of domestic credit markets. The single-factor FCI does reasonably well at forecasting inflation, outperforming most financial indicators for forecast periods of up to a year. The non-dominant factor from a two-factor model is better at predicting Gross Domestic Product (GDP) growth,

but not always better than the bank loan-deposit rate at longer forecasting horizons. Bivariate vector autoregression (VAR) Granger causality tests indicate that monetary policy remains effective in influencing financial conditions as measured by the single-factor FCI. A broader structural VAR model is used to identify monetary shocks, which are seen to have the expected effect on financial conditions. The structural VAR analysis additionally reveals how the central bank systematically responds to shocks to financial conditions.

#### WP 2018-02

### Comprehensive introduction to Albert Kolb's *Die Philippinen*

By Emmanuel de Dios

Albert Kolb's economic geography of the Philippines (*Die Philippinen*) was published in German in 1942 and thereafter largely neglected. The current English translation makes this classic of economic geography available to scholars and a wider public. The following is an introduction to the author (Kolb) and some aspects of the work that may be interesting to current readers.

#### WP 2018-03

### The genesis and effects of asset booms

By Maria Socorro Bautista

This study uses bank and non-bank firm level data for the Philippines and examines the channels through which net cross-border bank flows and Volatility Index (VIX) can potentially give rise to credit and asset booms and have implications on financial stability in the case of the Philippines. Among its significant findings are the following: bank lending to the real estate and housing sector is consistently and significantly affected by net cross-border bank flows and by VIX; noncore bank liabilities is an important variable as it consistently affects the amount of total loans and loans to the commercial and industrial sector; net cross-border flows raise bank asset growth; banks' cost of loans, or the ratio of interest and fees charged by banks to their total loans, is affected by VIX but not by net cross-border bank claims; the cost of non-bank firms' cost of debt is affected by NBC and by VIX as well as domestic macro variables such as GDP growth and inflation; and monetary growth asset growth of non-bank firms is affected only by domestic macro variables and not

by net cross-border bank flows or VIX. The use of macroprudential measures and capital flow management measures is needed in order to prevent bank credit and asset booms from being created or exacerbated and which may threaten financial stability.

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#### WP 2018-04

### Interaction of adult risk factors and birth weight in determining risk of cardiovascular diseases: A longitudinal study in the Philippines

*By Marjorie Pajaron*

Cardiovascular diseases (CVDs), which are disorders of the heart and blood vessels, still remain the world's leading cause of death (World Health Organization [WHO], 2016). The transition from infectious disease to non-communicable diseases (NCDs), primarily CVDs, as the primary cause of mortality and morbidity worldwide combined with the economic burden associated with heart-related diseases prompted WHO and its regional offices to identify their risk factors (WHO, 2016). This paper examines these risk factors with a focus on fetal environment and its interaction with adult body mass index (BMI) using longitudinal data from Cebu Longitudinal Health and Nutrition Survey (CLHNS). Using Cox proportional hazards model to estimate hazard ratios adjusted

for age and risk factors in adulthood such as cigarette smoking, the results suggest that there is a positive association between birth weight and heart disease. In addition, when birth weight is interacted with BMI, raised blood pressure is found to be higher among those who were bigger infants at birth and grew to be lighter adults suggesting centile crossing. Probit models are also used for sensitivity analysis and the results are consistent with those of the hazards model. Other factors such as adult obesity and smoking habit are also positively associated with hypertension and CVD.

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#### WP 2018-05

### On decreasing marginal impatience, cash-in-advance constraints, superneutrality, and stability

*By Sarah Lynne Daway-Ducanes*

This paper analyzes the long-run dynamics with which decreasing marginal impatience (DMI) is consistent with a saddle-stable equilibrium and non-superneutrality in exogenous-and endogenous-growth models with cash in-advance (CIA) constraints on both consumption and investment (Stockman constraint) and only on consumption (Clower constraint). Under exogenous growth, saddle-path stability occurs over

a wide range of inflation values due to opposing first- and second-order effects, which ultimately raise the rate of time preference (RTP) – the rate at which “impatience” is increasing – when wealth increases. With endogenous growth, saddle-path stability ensues even in the absence of decreasing returns to capital when the intertemporal elasticity of substitution is high enough and the RTP exceeds the rate at which the real economy is growing along a balanced growth path. Moreover, DMI may be consistent with both a negative and positive long-run inflation-growth nexus. In particular, under endogenous growth with a CIA Stockman constraint, a Mundell-Tobin effect ensues in the equilibrium consistent with a lower inflation rate.

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#### WP 2018-06

### Gauging the impact of tax incentives in investments in the Philippines: Evidence from a large cross-section dataset

*By Renato Reside, Jr.*

This paper uses conventional methods to estimate the impact of an aspect of the proposed corporate tax reform in the Philippines on investment, tax revenues and other variables. A large cross-section dataset merging information from firm-level financial statements

and tax incentives from 2012-2013 is created for this purpose. The data suggest that the distribution of firm assets, revenues, and profitability are highly skewed towards large firms. This implies that larger firms are able to more easily tap markets for financing, and also better exploit efficiencies in scale and in scope. Tax incentives granted to large firms tend to amplify these advantages relative to smaller, less profitable firms. Estimates of the flexible accelerator model of investment using the merged dataset tends to validate the model and suggest that firm-level investment is very sensitive to changes in changes in gross income and to firm asset size – in an exponential manner, suggesting very binding credit

constraints on firm capital expenditures for small firms. Investment is also sensitive to income tax rates, but to a much, much smaller degree (a one percent reduction in the average income tax rate only generates a 0.076 percent increase in investment). These are very much consistent with the idea that factors other than taxes such as access to growing markets motivate investment. The dummy for firms that whose revenues place them above the value-added tax (VAT) threshold are also significant, reinforcing the notion that size matters for investment. Proxies for tax incentives are mostly insignificant, save for the income tax holiday (ITH) dummy, but even the ITH fails to generate persistent effects on investment.

The reduced tax rate on gross income earned (GIE) does not stimulate investment. Dummies for investment promotion agencies are likewise mostly insignificant or have perverse signs except for marginally, the dummy for firms that registered with the Philippine Export Zone Authority (PEZA) starting in 2013. Reforms to tax incentives could consider retaining the ITH (primarily for PEZA-related exporters), consider reducing the duration of or eliminating the ITH for non-PEZA related investors, eliminate perpetual reduced tax rates on gross income and significantly reduce the number of IPAs, if possible by merging them into a single authority.

**Table 2. 2018 Working Papers**

REFERENCE NO.	TITLE	AUTHOR
WP 2018-01	A financial conditions index for the Philippines: What does it tell us?	Maria Margarita Debuque-Gonzales
WP 2018-02	Comprehensive introduction to Albert Kolb's <i>Die Philippinen</i>	Emmanuel de Dios
WP 2018-03	The genesis and effects of asset booms	Maria Socorro Bautista
WP 2018-04	Interaction of adult risk factors and birth weight in determining risk of cardiovascular diseases: A longitudinal study in the Philippines	Marjorie Pajaron
WP 2018-05	On decreasing marginal impatience, cash-in-advance constraints, superneutrality, and stability	Sarah Lynne Daway-Ducanes
WP 2018-06	Gauging the impact of tax incentives in investments in the Philippines: Evidence from a large cross-section dataset	Renato Reside, Jr.

## C. Graduate Research Workshop (GRW)

The “Research Workshop for Advanced UPSE Graduate Students” was held last December 6-8, 2018 where eight graduate students participated.

**Table 3. 2018 GRW Research Titles**

	RESEARCH TITLE	AUTHOR/S
1	Human capital accumulation and income inequality in middle income Southeast Asia 1970-2010	Julian Thomas Alvarez
2	Determinants of business cycle synchronization within the ASEAN	Jeryl Abong, Aaron Dayle Cruz, and Jahm Mae Guinto
3	Improved drinking water source accessibility as a determinant of human waste disposal in rivers and seas by households in the Philippines	Martin Consing
4	Assessing the impact of city creation in post-war Philippines	Prince Christian Cruz
5	Overbooked: Surveying the extent of overeducation among unskilled jobs in the Philippines	Monica Melchor
6	Internet use among young adults in the Philippines: An inter-leisure demand analysis	Rene Pantí
7	A model of hospital production	Miharu Kimwell
8	Rank-based admissions and its impact: Evidence from the university predictive grade	Jan Carlo Punongbayan



## D. Research Publication Awards

In 2018, the PCED presented six publication awards to support and promote the publication of research outputs of UPSE faculty in a journal indexed by ISI/Web of Science or Scopus.

**Table 4. 2018 Research Publication Awards**

<b>PUBLICATION DATE</b>	<b>AWARDEE</b>	<b>COMPLETE CITATION</b>	<b>JOURNAL INDEXED IN</b>
April 2018	Sarah Lynne S. Daway-Ducanes	The Role of Domestic Financial and Economic Development on Financial Integration, Applied Economics Letters, Vol. 25, Pg 119-124	ISI
February 2018	Sarah Lynne S. Daway-Ducanes	On Decreasing Marginal Impatience, Stability and Monetary Policy in a Sidrauskian Economy, Metroeconomica, Vol. 69, Pg 86-108	ISI
March 2018	Margarita D. Gonzales	The Evolution and Impact of Infrastructure in Middle-Income Countries: Anything Special?, Emerging Markets Finance and Trade, Vol. 54, Pg 1239-1263	ISI
June 2018	Joseph C. Capuno	Cooking and Coughing: Estimating the effects of clean fuel for cooking on the respiratory health of children in the Philippines, Global Public Health, Vol. 13, Pg 20-34	ISI
January 2019	Maria Socorro Gochoco-Bautista	Manufacturing and Services Growth in Developing Economies: “Too Little” Finance?, Progress in Development Studies, Vol. 19 (1)	ISI
January 2019	Sarah Lynne S. Daway-Ducanes	Manufacturing and Services Growth in Developing Economies: “Too Little” Finance?, Progress in Development Studies, Vol. 19 (1)	ISI

## E. Dissemination

In 2018, the PCED supported 30 seminars which were held every Friday at the UPSE. Support was also given for the nine (9) Brown Bag seminars conducted by the School's graduate students.





**Table 5. 2018 Friday Seminar Series**

	DATE	TITLE	AUTHOR/S
1	January 19	Elite-driven industrialization: Evidence from Philippine sugar exports in the early 1900s	Dean Dulay, Duke University
2	January 26	Carbon tax and subsidies' faux remedies: Why they fail and what we can do about it?	Ricardo Barcelona, University of the Philippines
3	February 2	Employee representation in Japanese family and non-family SMEs	Tsukasa Matsuura, Chuo University
4	February 22	Applying CGE to the Philippine mining industry	Karlo Adriano, UP School of Economics
5	February 23	K-12 and free tuition at SUCs: Implications	Edita Tan, UP School of Economics
6	March 2	Exchange rate, Chinese exports, and competition in Asia: An empirical evidence using product-level data	Yizhe Xie, Waseda University
7	March 7	The economic foundation of sustainability	Madhavi Venkatesan, Bridgewater State University
8	March 16	Linking migration and development – which role for civil society?	Stefan Rother, University of Freiburg
9	March 23	Disaster and preference: evidence from Japan and the Philippines	Yasuyuki Sawada, Asian Development Bank
10	April 4	Natural disaster, migration and income: A panel data analysis	Marjorie Pajaron, UP School of Economics
11	April 6	A financial conditions index for the Philippines: What can it tell us?	Maria Margarita Debuque-Gonzales, UP School of Economics
12	April 13	Village social network structures, electoral competition and public goods provision	Julien LaBonne, University of Oxford
13	April 27	College graduates in non-college jobs: Measuring over-education in the Philippine labor market	Ma. Christina Epetia, UP School of Economics
14	May 4	What the new institutional economics owes to Marx?	Emmanuel de Dios, UP School of Economics
15	May 10	Introduction to Albert Kolb's <i>Die Philippinen</i>	Emmanuel de Dios, UP School of Economics
16	May 11	The genesis and effects of asset booms	Maria Socorro Bautista, UP School of Economics
17	August 10	Interaction of adult risk factors and birth weight in determining risk of cardiovascular diseases: A longitudinal study in the Philippines	Marjorie Pajaron, UP School of Economics

(2018 Friday Seminar Series, continued)

18	August 17	When running for office runs in the family: Political dynasties, policy changes and veto power	Dean Dulay & Lawrence Go, Duke University and University of Pennsylvania
19	September 7	How do mass transit investment affect land values? Evidence from MRT-3	Abdul Abiad, Asian Development Bank
20	September 21	Martial Law and the Philippines	Emmanuel de Dios, Maria Socorro Bautista, & Jan Carlo Punongbayan, UP School of Economics
21	September 28	Realistic indicators of economic well-being	Mahar Mangahas, Social Weather Station
22	October 5	Why mobility matters	Robert Siy, The Manila Times
23	October 19	The short-term impact of a productive asset transfer in families with child labor: Experimental evidence from the Philippines <i>An impact evaluation of DOLE's livelihood assistance to the parents of child laborers</i>	Eric Edmonds, Dartmouth College
24	November 9	The concept of diminishing marginal governance effect and economic growth	Lino Briguglio, University of Malta
25	November 16	Do small bank deposits run more than large ones? Three event studies of contagion and financial inclusion	Eli Remolona, Bank of International Settlements
26	November 22	On decreasing marginal impatience, cash-in-advance constraints, superneutrality, and stability	Sarah Lynne Daway-Ducanes, UP School of Economics
27	November 23	The impact of the trade conflict in developing Asia and the Philippines	Abdul Abiad, Asian Development Bank
28	November 29	Gauging the impact of tax incentives on investments in the Philippines: Evidence from a large cross-section dataset	Renato Reside, Jr., UP School of Economics
29	December 6	Making policies matter: Voter responses to campaign promises (with P. Keefer and F. Trebbi)	Julien LaBoone & Cesi Cruz, University of Oxford and University of British Columbia
30	December 7	Globalization: View looking up from the trenches of archaeology	Victor Paz, UP Archeological Studies Program

**Table 6. 2018 Graduate Brown Bag Seminar Series**

	<b>DATE</b>	<b>TITLE</b>	<b>AUTHOR/S</b>
1	January 30	Snake with spider legs: A model of production in global value chains	Adrian Mendoza, UP School of Economics
2	February 6	College graduates in non-college jobs: Measuring overeducation in the Philippine labor market	Ma. Christina Epetia, UP School of Economics
3	March 6	Research data poverty makes it hard to solve human poverty	Laurence Go, UP School of Economics
4	March 13	The economic impact of electric cooperatives on households and firms in the Philippines	Donna Faye Bajaro, UP School of Economics
5	April 5	Factors affecting the performance of electric cooperatives in the Philippines	Joshua Gapay, UP School of Economics
6	September 4	Internet use among young adults in the Philippines: An inter-leisure demand analysis	Rene Marlon Panti, UP School of Economics
7	September 11	Improved drinking water source accessibility as a determinant of human waste disposal in rivers and seas by households in the Philippines	Martin Consing, UP School of Economics
8	September 25	Assessing the impact of city creation on development in post-war Philippines (1946-1972)	Prince Christian Cruz, UP School of Economics
9	October 4	Deal or no Deal: Evidence of Uncertainty Theory in the Philippines	Paolo Kris Adriano, UP School of Economics

## II. Teaching

Another mandate of the PCED is to provide financial and moral support to the UPSE's teaching programs and initiatives through fellowship support to graduate students, faculty members doing post-doctoral studies, and visiting fellows.

### A. Fellowship Support

The PCED was able to provide support for the dissertation, thesis, and other coursework of 53 fellows.



**Table 7. 2018 Fellowship Support to UPSE Graduate Students**

FELLOWSHIPS	NUMBER OF FELLOWS
MDE	2
PhD Dissertation	16
MA Thesis	13
PhD coursework	9
MA coursework	13
<b>TOTAL</b>	<b>53</b>

## B. Post-doctoral Studies Fellowship Support

The PCED supported Dr. Marjorie C. Pajaron for her Post-Doctoral Research entitled “**Natural disaster, migration, and income: A panel data analysis.**”

**Abstract:** The main goal of this paper is to examine whether natural disasters and the damages they cause contribute to the international migration of Filipino workers.

International migration has an important economic effect – the Philippines was ranked third in total remittances received (US\$15.3 billion), after India and China in 2015 (World Bank, 2016; BSP, 2016). The Philippines, being located in the Pacific Ring of Fire and along a typhoon belt, is frequented by natural disasters, which can cause damage to assets and properties, and can potentially displace the populace. Extreme weather events have an adverse impact on household welfare and households can

choose to adopt different risk-coping mechanisms such as migration.

We construct a longitudinal dataset from LFS (2005-2015) at the provincial level and derive different provincial characteristics from 7 other sources while the 4 measures of weather shocks – (a) frequency of typhoon cyclone (by category); (b) public storm warning signal (PSWS); (c) casualties; and (d) total amount of damage – are provided by Philippine Atmospheric Geophysical and Astronomical Service Administration (PAGASA) and National Disaster Risk Reduction and Management Council (NDRRMC). The results are robust across different

econometric specifications (OLS, RE, FE, 2SLS, IVFE, IVRE) with caveats. First, although weather shocks adversely affect household income, the type and intensity of tropical cyclone (TC) matter. Second, using TC and casualties, weather shocks are good instruments for household income, which is negatively correlated with international migration. Third, using a reduced-form, almost all measures of weather shocks induce international migration except PSWS whose impact depends on the intensity of the typhoon. Our future research includes examining whether heterogeneity in the impact of natural disaster exists across provinces (and to what degree) conditional on different provincial characteristics.

## C. Visiting Fellowship Support

The PCED granted Dr. Eli M. Remolona support as Visiting Fellow at the UPSE for mentoring, teaching, and research in financial and monetary economics.



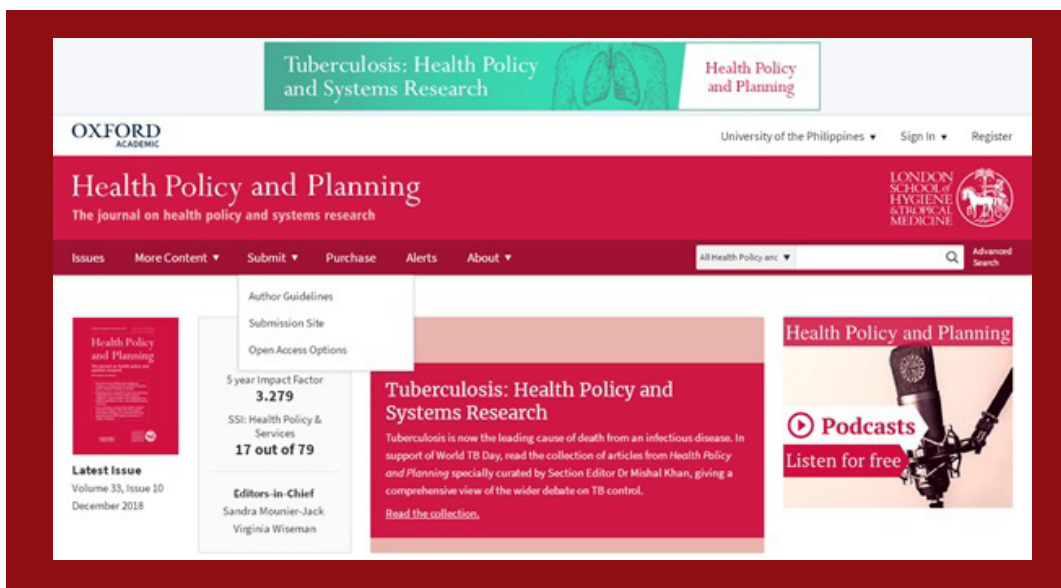
### III. Facilities

The PCED provides support to maintain and upgrade its facilities to help the UPSE to perform its academic functions and in providing quality economics education.

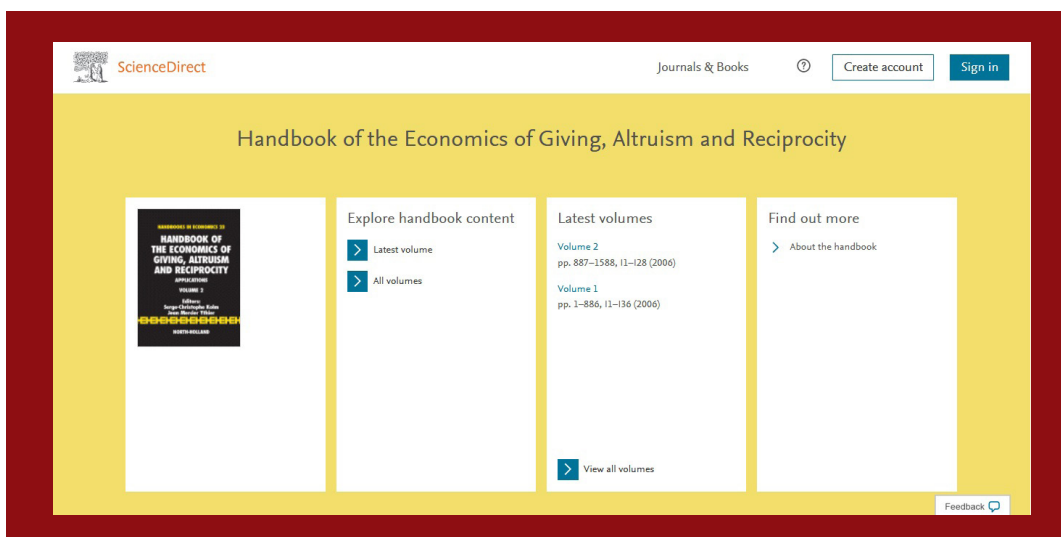
#### A. UPSE Library

The Philippine Center for Economic Development has supported the UPSE Library with the purchase of office supplies and equipment, service, and repairs or maintenance of equipment and facilities. These include the water proofing of the Library building and the periodic maintenance of air-conditioning units. The PCED also funded the following: (1) subscription to Health Economics and Health Policy and Planning; (2) perpetual rights for 2000-2013 Titles and subscription rights for 2014-2018 of Elsevier Handbooks in Economics; and (3) re-designing of the UPSE Library Website and Development of Electronic Theses and Dissertation and Institutional Repository of Faculty Publications including encoding of metadata, scanning of full text of publications of UPSE Faculty Members, and 2-year subscription to cloud storage.

*Health Economics and Health Policy and Planning*



*Elsevier Handbooks in Economics*



## B. Building Renovation

The PCED has supported several building renovation efforts to improve the facilities of the PCED Main and Library buildings:

**Table 8. Renovation Activities**

ACTIVITIES	STATUS	REMARKS
1. Room upgrades of PCED Main Building	25% completed	3 <sup>rd</sup> floor only; Carpentry works ongoing; Reason for delay: Changes in TOR
2. Waterproofing of PCED Main & Library buildings	90% complete; 10% concrete topping	Lacking in manpower
3. Supply and installation of new stainless roof gutter for the replacement of dilapidated existing galvanized roof gutter at the PCED Main and Library building	No work has been started	Replacement of gutter will take place after waterproofing has been completed
4. Electrical assessment	100% complete	Meger testing failed – all wires for replacement
5. Electrical re-wiring	33% complete	3 <sup>rd</sup> Floor only
6. College Secretary's office renovation	No works has been started yet	



# PCED Board Meeting

The PCED Board of Trustees agreed upon several key resolutions during the PCED Board Meeting held last March 22, 2018.

**Table 9. Key Decisions from the PCED Board Meeting**

RESOLUTION	REFERENCE
Approval of the proposed 2019 budget of the Philippine Center for Economic Development	PCED Board Resolution No. 1 s. 2018
Approval of the proposed application and approval process for PCED research grants to University of the Philippines School of Economics (UPSE) faculty	PCED Board Resolution No. 2 s. 2018
Approval of the proposed guidelines for PCED research publication awards	PCED Board Resolution No. 4 s. 2018
Approval of the proposed application and approval process for PCED graduate fellowships at the University of the Philippines School of Economics (UPSE)	PCED Board Resolution No. 5 s. 2018
Approval of the proposed support to the conduct of PCED graduate research workshops	PCED Board Resolution No. 7 s. 2018
Approval of the titles of the research proposals of PCED officers	PCED Board Resolution No. 8 s. 2018





# Resources

## I. Personnel

**Table 10. PCED Staff as of December 31, 2018**

<b>POSITION TITLE</b>	<b>NAME OF INCUMBENT</b>
<b>Office of the Executive Director</b>	
Executive Director	Orville Jose C. Solon
Administrative Assistant III	Rowena V. Alvarez
<b>Research Division</b>	
Division Chief III	Sarah Lynne S. Daway-Ducanes
Administrative Assistant II	Gil S. Mallari
<b>Special Projects Division</b>	
Division Chief III	Aleli D. Kraft
<b>Finance and Administration Division</b>	
Division Chief III	Maria Socorro G. Bautista
Accountant III	Nilo V. Zantua
Administrative Officer III	Gerlie P. Paloma
Administrative Assistant II	Judy Vi V. Avila
Administrative Aide IV	Robert T. Barcelo
Administrative Aide IV	Larry M. Sagcal
Administrative Aide III	Alberto M. Calaguas

## II. Fiscal Resources and General Allocation

### Table 11. PCED Income Statement

PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT			
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE			
(ALL FUNDS)			
AS AT DECEMBER 31, 2018			
	NOTE*	2018	2017
<b>Revenue</b>			
Service and Business Income		6,194,312	8,492,579
<b>TOTAL REVENUE</b>		<b>6,194,352</b>	<b>8,492,579</b>
<b>CURRENT OPERATING EXPENSES</b>			
<i>Personnel Services</i>		(3,274,324)	(3,651,574)
Maintenance and Other Operating Expenses		(27,602,329)	(19,874,852)
Financial Expenses		(9,041)	
Non-Cash Expenses		(4,057,754)	(4,381,255)
<b>TOTAL CURRENT OPERATING EXPENSES</b>		<b>(34,943,448)</b>	<b>(27,907,681)</b>
SURPLUS/(DEFICIT) FROM CURRENT OPERATIONS		(28,749,096)	(19,415,102)
Other Non-Operating Income			
Surplus/(Deficit) before Tax		-	-
Income Tax Expenses/ (Benefit)		-	-
Surplus/ (Deficit) after Tax		-	-
Net Assistance/ Subsidy/ (Financial Assistance/ Subsidy/Contribution)		35,925,000	44,745,000
Net Surplus/ (Deficit) for the Period		7,175,904	25,329,898

**Table 12. PCED Balance Sheet**

PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT CONDENSED STATEMENT OF FINANCIAL POSITION ALL FUNDS AS OF DECEMBER 31, 2018		
ASSETS	2018	2017
<b>Current Assets</b>		
Cash and Cash Equivalents	55,859,861	52,173,327
Receivables	27,837,732	20,294,836
Inventories	469,510	438,169
<b>Total Current Assets</b>	<b>84,167,103</b>	<b>72,906,332</b>
<b>Non-Current Assets</b>		
Financial Assets	112,505,934	112,505,934
Other Investments	28,500	28,500
Property, Plant and Equipment	11,771,614	15,802,593
Intangible Assets	46,649	73,423
Other Non-Current Assets	221,747.28	-
<b>Total Non-Current Assets</b>	<b>124,574,444</b>	<b>128,410,450</b>
<b>TOTAL ASSETS</b>	<b>208,741,547</b>	<b>201,316,782</b>
LIABILITIES	2018	2017
Current Liabilities		
Financial Liabilities	2,329,827	3,509,357
Inter-Agency Payables	1,419,384	43,141
Other Payables	11,805	11,805
<b>Total Current Liabilities</b>	<b>3,761,017</b>	<b>3,564,303</b>
Non-Current Liabilities		
<b>Total Non-Current Liabilities</b>	-	-
<b>TOTAL LIABILITIES</b>	<b>3,761,017</b>	<b>3,564,303</b>
<b>Net Assets (Total Assets Less Total Liabilities)</b>	<b>204,980,530</b>	<b>197,752,479</b>
NET ASSETS/EQUITY	2018	2017
Government Equity	204,980,530	197,752,479
Stockholders' Equity		
Cumulative Changes in Fair Value		
<b>Total Net Assets/Equity</b>	<b>204,980,530</b>	<b>197,752,479</b>

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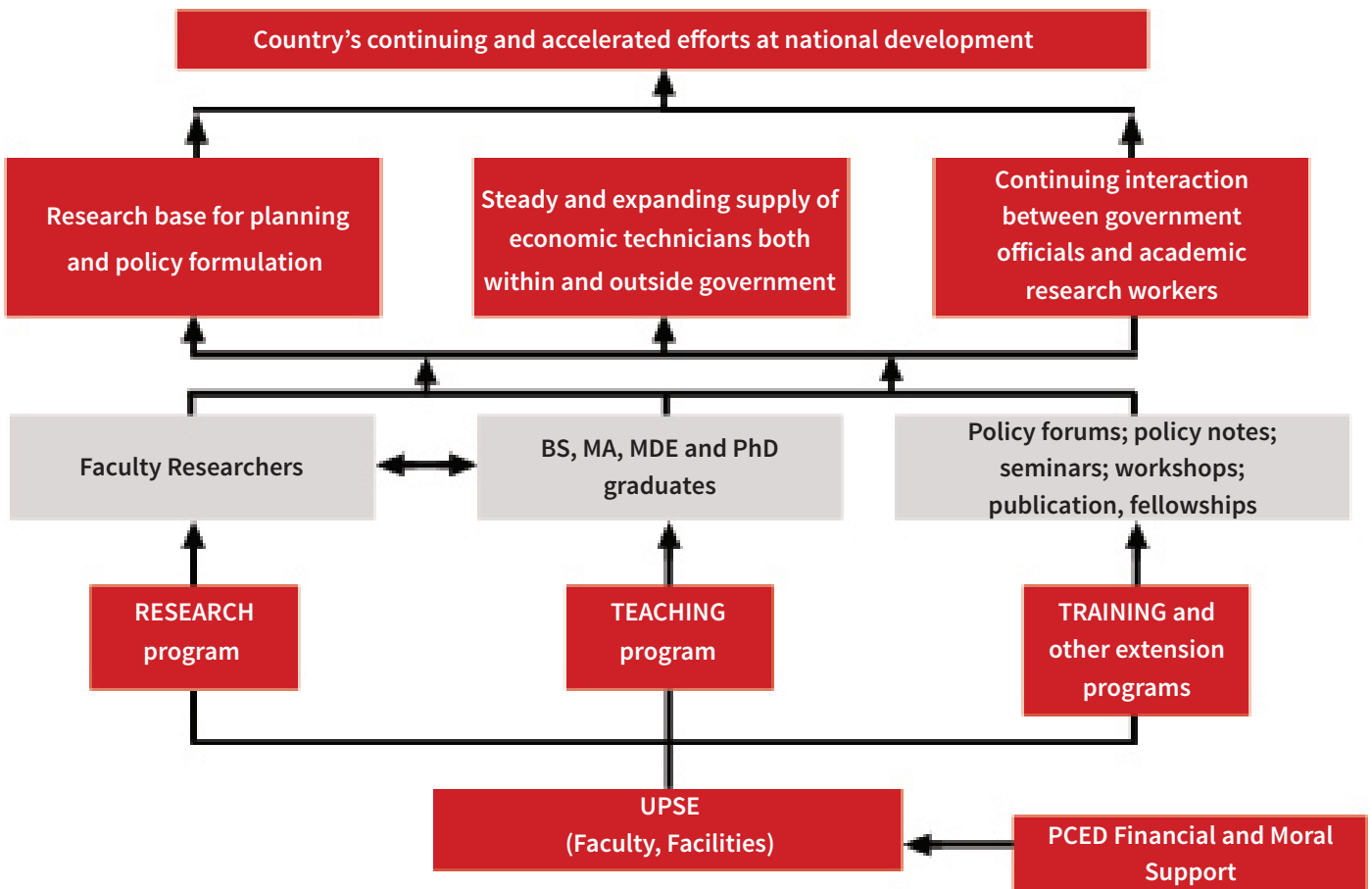
# PCED Mission and Vision

*Continued from inside front cover...*

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

1. 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. PCED Mandate and Outcomes based on PD 453





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