



Policy Brief No. 6
2010

The Filipino child

Global study on child poverty and disparities: Philippines

Why should we be concerned with education disparities?

The short answer is that schooling disparities get translated into income and other social disparities. Inequities, in turn, are known to lead to (a) wasted productive potential and inefficient allocation of resources; and (b) impaired institutional development (World Bank 2006).

Even if there are controversies on what determine schooling outcomes, there is almost no question that people with more schooling, on average, have higher future income trajectories. It is acknowledged that occasionally, there occurs an aberration where a college dropout becomes the richest man in the world. But anybody who has processed earnings data will invariably find higher average incomes for those with more schooling compared to those with less schooling. This fact is the primary motivation on why many go through the trouble, both financially and socially, of getting more schooling. The clear implication is that schooling disparities, whether in quantity or in quality,¹ get translated into disparities in future income trajectories. This difference in productivity is the basis of the human capital theory.

In addition, schooling not only affects future market incomes but many other nonmarket outcomes as well. At the personal level, this includes better nutrition and health,² greater capacity

¹ Commonly glossed over because of lack of readily available indicators.

² Using Philippine data, Lavado et al. (n.d.), for instance, show that better education is correlated with good quality prenatal care. In addition, the health section of the Child Poverty Study also shows better education is associated with higher prevalence in Vitamin A supplementation, immunization, and better care for children with illness (ARI and diarrhea).

Schooling disparities: an early life lever for better (or worse) equity in the future

Even if there are controversies on what determine schooling outcomes, there is almost no question that people with more schooling, on average, have higher future income trajectories... The clear implication is that schooling disparities, whether in quantity or in quality, get translated into disparities in future income trajectories. This difference in productivity is the basis of the human capital theory.

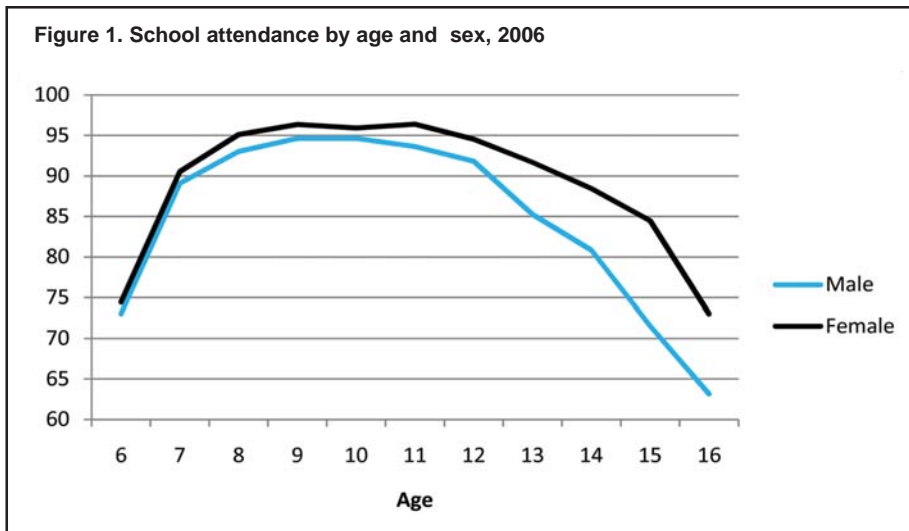
to enjoy leisure, increased efficiency in job search and other personal choices as well. At the community level, according to Haveman and Wolfe (1984), this includes more cohesive communities, stronger sense of nationhood, slower population growth, reduced risks from infectious diseases, and crime reduction. They have argued that cost-benefit calculations based only on market income will grossly underestimate the benefits of education. The community level benefits also highlight that over and above personal benefits are social benefits of schooling.

Furthermore, as will be shown below, poor socioeconomic circumstances also lead to poor schooling outcomes. Thus, we have an intergenerational feedback loop that, unless mitigated, can snowball into worsening social inequities.

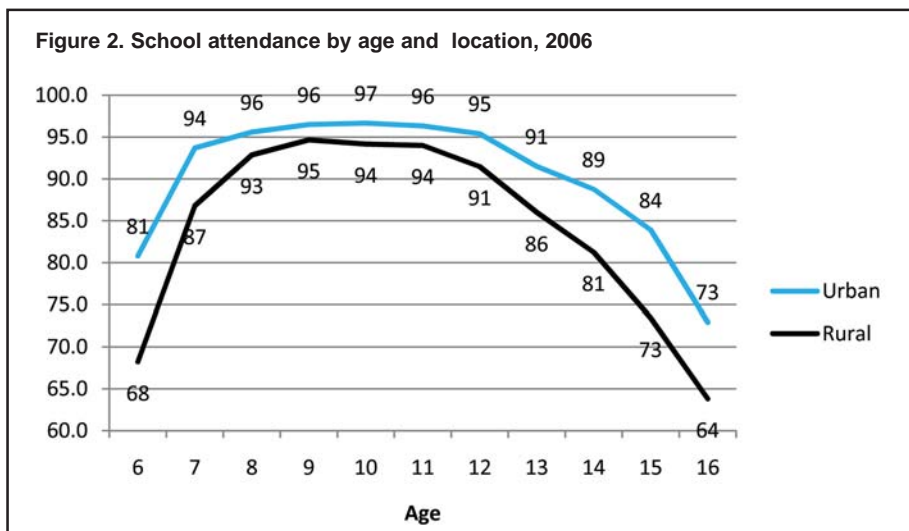
Clearly left on its own, the school system can be a purveyor of social inequities rather than an engine for promoting equity as most of us would desire it to be. In fact, despite progress toward higher attendance rates on average throughout the world, schooling disparities persist (King and Ozarem 2008). It should be acknowledged, however, that there will always be disparities in education outcomes because of differences in socioeconomic circumstances, preferences, and innate abilities. While there is not much that can be done with the latter two, something can be done to address disparities arising from socioeconomic circumstances.

How deep and wide are the education disparities?

Disparities by sex. Girls on average stay longer in school than boys. As Figure 1



Source of basic data: National Statistics Office. Family Income and Expenditure Survey, Labor Force Statistics 2006



Source of basic data: National Statistics Office. Family Income and Expenditure Survey, Labor Force Statistics 2006

shows, the disparity starts to show from age 8. As more and more boys leave school early, the disparity gets wider in the secondary school ages. By age 15, the difference in attendance rates between boys and girls is 12 percent (72% vs. 84%). David, Albert, and Carreon-Monterola (2009) provide more details on this.

Disparities by location (urban/rural). Another well-known disparity in school attendance is between urban and rural areas. Urban areas invariably have

higher attendance rates than rural areas. For instance, the difference is 13 percent (68% vs. 81%) between the two locations for children aged 6 years

Education outcomes are the result of individual, household, and community background characteristics as well as school and labor market characteristics. Thus, some of these disparities emanate from differences in personal and family preferences, discount rates, and perhaps innate abilities where there is nothing much that can be done.

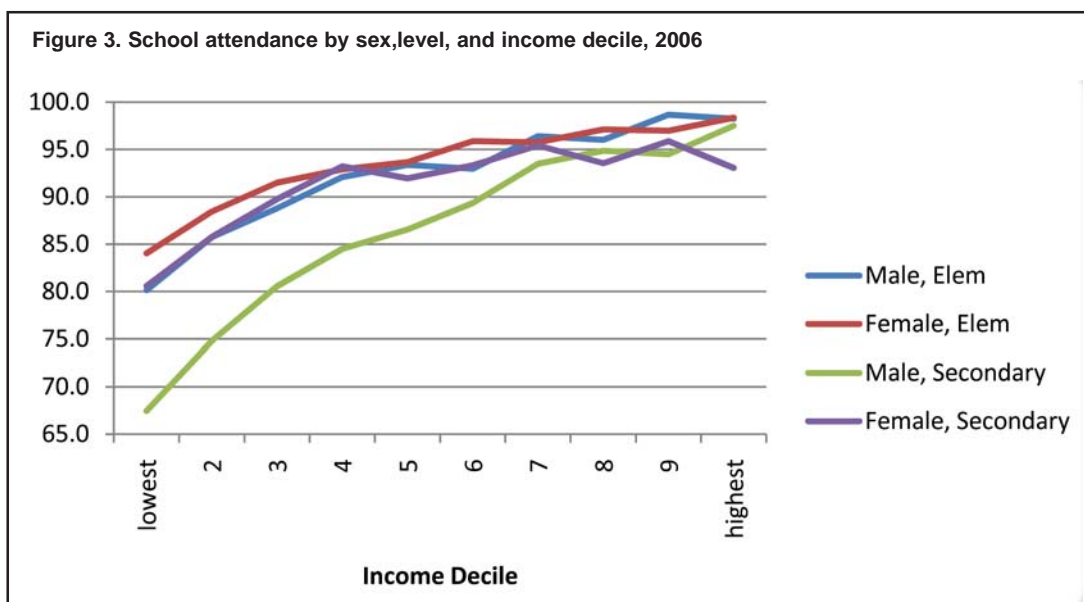
old and 11 percent (73% vs. 84%) for children aged 15 (Figure 2). The figure also shows that this disparity exists for all primary school-aged groups by location.

Disparities by socioeconomic (income) background. Socioeconomic status such as income is another source of disparity. Attendance rates are higher among richer households. The largest disparity across income groups (31%) is seen among boys of secondary school age (12–15 years old), with 67 percent attending school for the bottom 10 percent and 98 percent for the top 10 percent (Figure 3). For girls in the secondary school, the difference is less than half (12%) the difference for boys.

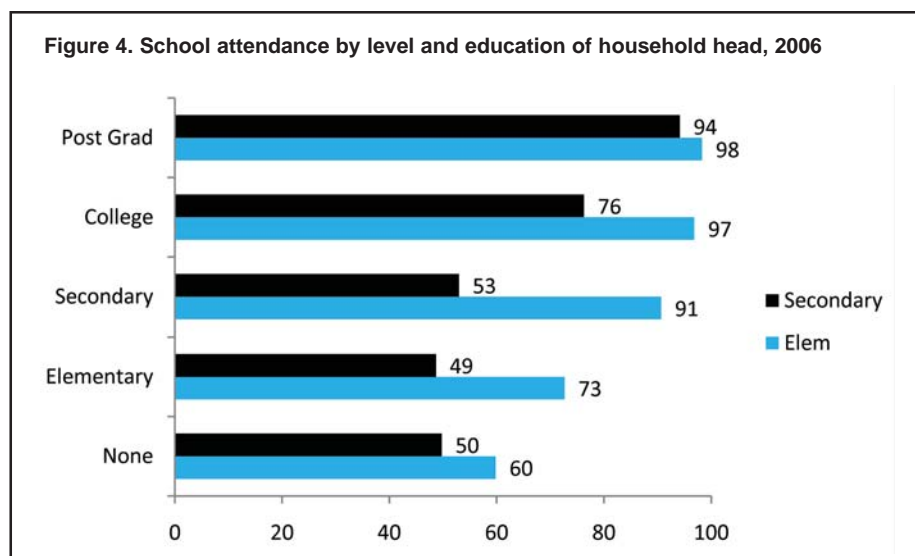
Intergenerational schooling disparities. Finally, intergenerational transmission of schooling disparities is also evident. Comparing school attendance rates of school-aged children by highest education attainment of their parents shows that those whose parents have postgraduate and college education have almost universal attendance rates (98% and 97%, respectively) for elementary school-aged children while those whose parents have no education only have an attendance rate of 60 percent (Figure 4). For secondary school-aged children, the pattern of school attendance by education status of their parents shows an even more pronounced disparity pattern.

What can we do about it?

Education outcomes are the result of individual, household, and community background characteristics as well as school and labor market characteristics (Figure 5). Thus, some of these disparities emanate from differences in personal and family preferences, discount rates, and perhaps innate abilities where there is nothing much



Source of basic data: National Statistics Office. Family Income and Expenditure Survey, Labor Force Statistics 2006



Source of basic data: National Statistics Office. Family Income and Expenditure Survey, Labor Force Statistics 2006

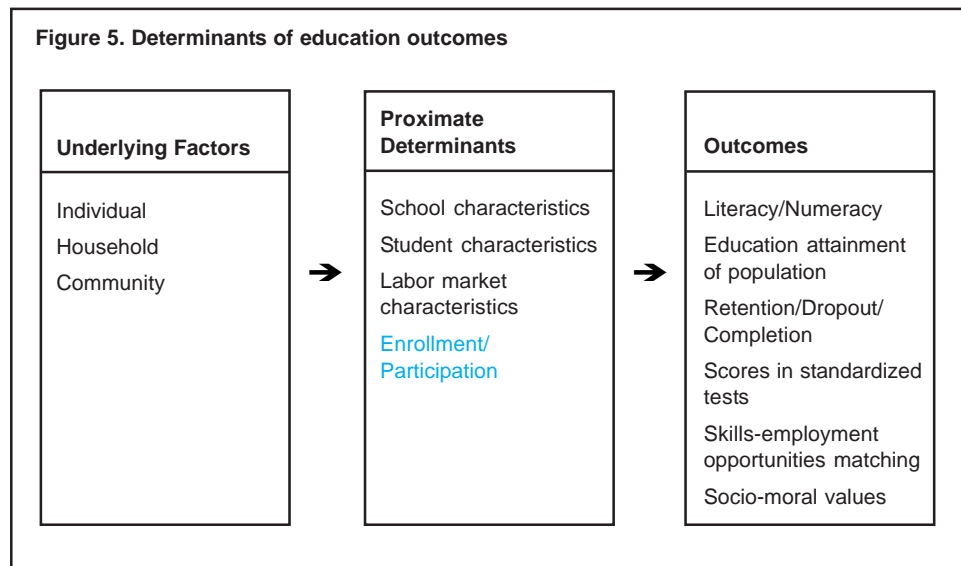
that can be done. Differences in socioeconomic background, however, can be addressed by sustained and inclusive economic growth.

Beyond sustained and inclusive economic growth, the school systems should be made flexible enough to enable and encourage them to do

It has been shown that the incidence of education expenditure is propoor in lower levels compared to higher levels. This is explained by the fact that most of the poor are already out of school after the elementary grades. Thus, any policy that draws expenditures away from basic education would be antipoor.

remedial measures for those who have poor educational and income backgrounds. At the national (DepEd) level, the across-the-board character of the system has to give way to a more nuanced policy on resource allocation, particularly to allow for a systematic addressing of disparities in outcomes. Similarly, at the Local School Board level, a better guidance is needed on how to allocate the Special Education Fund (SEF) resources to systematically support schools that are lagging in measurable performance, e.g., scores in standardized tests. At the teacher level, some form of premium may be given to qualified teachers who are willing to teach in these lagging schools. Rewards systems, in general, should recognize reduction in schooling disparities as an important objective. Finally, community support needs to be rallied behind the objective of making schools more equitable with particular attention to those with poor educational and income backgrounds.

On a final note, it has been shown that the incidence of education expenditure is propoor in lower levels compared to higher levels (Manasan and Villanueva 2005). This is explained by the fact that most of the poor are already out of school after the elementary grades.



Source: Orbeta (1994)

Thus, any policy that draws expenditures away from basic education would be antipoor. □

References

- David, C., J. Albert, and S. Carreon-Monterola. 2009. In pursuit of sex parity: are girls becoming more educated than boys? PIDS Policy Notes No. 2009-05. Makati City: Philippine Institute for Development Studies.
- King, E. and P. Ozarem. 2008. Schooling in developing countries: the role of supply, demand, and government policy. *Handbook of Development Economics*, Vol. 4.
- Haveman, R. and B. Wolfe. 1984. Schooling and economic well-being: the role of nonmarket effects. *Journal of Human Resources* XIX, No. 3:377-407.
- Lavado, R., L. Lagrada, V. Ulep, and L. Tan. Prevalence and correlates of good quality prenatal care in the Philippines. PIDS Discussion Paper (forthcoming).
- Manasan, R. and E. Villanueva-Ruiz. 2005. Gender-differentiated benefit incidence of the Department of Education: basic education for all? PIDS Policy Notes No. 2005-08. Makati City: Philippine Institute for Development Studies.
- Orbeta, A. 1994. A planning framework for social development. Integrated Population and Development Planning Project, National Economic and Development Authority.
- World Bank. 2006. *World Development Report 2006: Equity and development*.



NEDA sa Makati Building
106 Amorsolo Street, Legaspi Village
1229 Makati City
Tel. Nos.: (63-2) 8942584/8935705
Fax Nos.: (63-2) 8939589/8942584
Email: publications@pids.gov.ph
Website: <http://www.pids.gov.ph>

The *Filipino Child Policy Brief* is culled from studies under the joint UNICEF-PIDS project titled “Global study on child poverty and disparities: Philippines.” It highlights specific issues on child poverty in the Philippines and draws out their implications for policy.

The author is Aniceto C. Orbeta Jr., Senior Research Fellow at the Institute. The views expressed are those of the author and do not necessarily reflect those of UNICEF policy or programmes and PIDS.