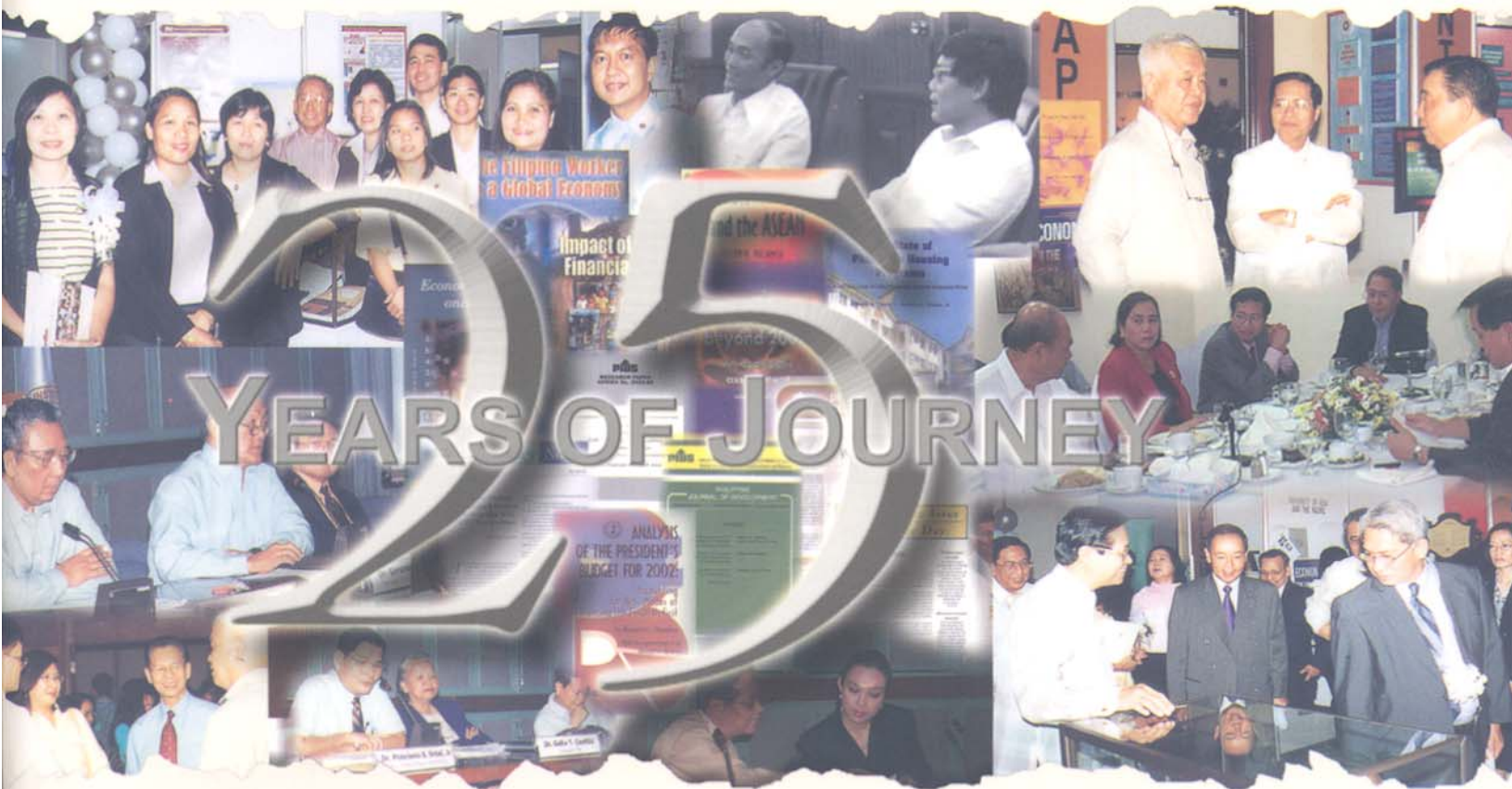




Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas



YEARS OF JOURNEY

*Quest for Research-Based
Policymaking*

ANNUAL REPORT 2002



Philippine Institute for Development Studies

Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

2002

Annual Report

*25 years of journey:
quest for research-based policymaking*

Table of contents

The Institute	ii
The President's message	iii
Proclamation No. 247 declaring the month of September of every year as Development Policy Research Month	v
Looking back	vi
Research and research-related activities	1
Research dissemination and utilization	9
Management information	17
Investment and financial operations	19
PIDS Provident Fund	20
PIDS Employees Association	22
Annexes	
A Completed studies/projects	23
B Ongoing studies and projects	25
C Project proposals developed	27
D Public affairs	28
E Media exposure	34
F Publications	36
G Audit certificate	39
H Balance sheet	40
I Income statement	41
J Statement of cash flows	42
K Notes to PIDS financial statements	43
L PIDS Provident Fund, Inc. comparative statement of financial condition (2002 and 2001)	46
M PIDS Provident Fund, Inc. comparative statement of operations (2002 and 2001)	47
N Notes to PIDS Provident Fund's financial statements	48
O PIDSEA statement of financial condition	50
P PIDSEA statement of operations	50
Q Board of Trustees	51
R Local Advisory Board	51
S Management Committee	52
T Senior research staff	52
U Research associates	53
V Affiliated researchers and organizations	53

The Philippine Institute for Development Studies (PIDS) is a nonstock, nonprofit government research institution engaged in long-term, policy-oriented research. It was established on September 26, 1977 by virtue of Presidential Decree No. 1201.

PIDS is envisioned to be a development policy think tank for planners, policy- and decisionmakers in government. In serving this role, PIDS has tapped and encouraged the existing reservoir of research resources in the Philippine academic community to become productive in research lines considered by PIDS to be of high priority, without drawing them away from the academic and research institutions they are based in. It has likewise built its inhouse research staff.

Through the Institute's activities, it is hoped that policy-oriented research on social and economic development can be expanded to assist the government in planning and policymaking.

Silver, according to the dictionary, is a white metallic object that is sonorous, very malleable, capable of a high degree of polish, and has the highest thermal and electric conductivity of any substance. The Philippine Institute for Development Studies, which will be on its silver age this year, would do well to take on the qualities of this lustrous element and serve as the challenge that it would have to hurdle in the years to come.



But before charting the path of the future, it is essential to look back and reflect on what has been accomplished in the last 25 years. Under the stewardship of its past Board members, the Institute has evolved from obscurity to prominence in the field of policy research and governance in the country. It has become a primary source of technical inputs guiding the formulation of national policies, legislation, and macrolevel decisionmaking. Through the years, the Institute has not operated in isolation. It thrives on working with its network of researchers, both from the academe and other research institutions, local or foreign, as well as with other government entities. It is inspired by the unwavering support it has continually received from legislators, officials of policymaking agencies and the private sector. It is with this recognition that the Institute dedicates the celebration of its silver anniversary to all the individuals, research organizations, academic institutions, donor agencies, and other government agencies that it has collaborated with through the years.

This year, our dedication to providing relevant policy research did not go unnoticed. In time for the celebration of the Institute's silver anniversary, President Gloria Macapagal-Arroyo issued Proclamation No. 247 which declares the month of September as Development Policy Research Month. This is to recognize the importance of policy research in the policy formulation, planning and decisionmaking processes affecting socioeconomic development issues.

The President stressed through the proclamation that the observance of Development Policy Research Month every September will provide the means for "promoting, enhancing, instilling and drawing nationwide awareness and appreciation of the importance and necessity of policy research as a tool for national socioeconomic development." This will also ensure the support of the public for all activities aimed at "advancing the quality and standard of policy research in the country."

Moreover, as the government's policy development think-tank, the Institute has been designated to oversee and coordinate all programmed activities related to the celebration and literally called on everyone—departments, agencies and instrumentalities of the national government, local government units, government-owned or controlled corporations, the private sector and the public at large—to support the lined-up activities and programs.

This recognition is a reward in itself for the 25 years of unwavering and unbiased search for quality policy research and speaks of the government and the public's trust in our mission. Indeed, it gives us great pleasure and pride to learn of the extensive utilization of our studies and publications. As Representative Edelmiro A. Amante of the second district of Agusan del Norte said in his letter to PIDS, "*With your materials, I feel as if I have an office full of brilliant consultants assisting me in a wide range of issues.*"

But lest we sound like trumpeters of our own outputs, let me emphasize that in our continuing work and in looking into the future, the Institute will try to always be responsive to the demands of its publics by being flexible in adopting nascent researchable issues of prime importance to them. At the same time, the Institute will continue to ensure that its reach in terms of advocacy and dissemination becomes wider nationally and deeper into the consciousness of its prime audience, the country's policymakers.

Finally, the Institute will and should be open to suggestions from its own audience and others on how it can further improve its contributions to national development. This may entail an inner examination of its own mandate, structure and work, and see how and where it can help in seeing to it that the recommendations of the policy research get translated into good policies that would in turn be implemented into programs and projects that will benefit the majority of the Filipino people. This will be one of the Institute's major hurdles to work on in the next 25 years.



Mario B. Lamberte, Ph.D.
President

**MALACAÑANG
Manila**

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 247

**DECLARING THE MONTH OF SEPTEMBER OF EVERY YEAR AS
DEVELOPMENT POLICY RESEARCH MONTH**



WHEREAS, policy research is a critical component of policy formulation, planning and decisionmaking in socioeconomic development activities;

WHEREAS, policy research should be accorded its rightful place and given the official recognition it rightly deserves for its vital contribution to national development and nation-building;

WHEREAS, the observance of Policy Research Month will provide the means for promoting, enhancing, instilling and drawing nationwide awareness and appreciation of the importance and necessity of policy research as a tool for national socioeconomic development and for insuring the support of the public at large for all activities aimed at advancing the quality and standard of policy research in the country;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare the month of September of every year as Development Policy Research Month.

The Philippine Institute for Development Studies is hereby designated to coordinate all programmed activities lined up to mark and celebrate the Policy Research Month.

All departments, agencies and instrumentalities of the national government, local government units, government-owned or controlled corporations, the private sector, and the public at large are hereby enjoined to actively support the activities and programs for the Development Policy Research Month.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

Done in the City of Manila, this 2nd day of September, in the year of Our Lord, two thousand and two.

By the President:


ALBERTO G. ROMULO
Executive Secretary



Twenty-five years ago

The Institute is the brainchild of former Secretary of Socioeconomic Planning and NEDA Director-General Dr. Gerardo P. Sicat. In the mid-1970s, Sicat was inspired to develop a government think-tank that could undertake strategic long-term research on issues and concerns to help in a more rational and comprehensive formulation of plans and policies for sustained social and economic development. Through his influence, then President Ferdinand Marcos signed Presidential Decree No. 1201, mandating the creation of the Philippine Institute for Development Studies (PIDS) on September 26, 1977. Since its creation, the PIDS has been chaired and/or advised by, apart from Dr. Sicat, socioeconomic luminaries like Cesar Virata, Vicente Valdepeñas, Solita Monsod, Jesus Estanislao, Cayetano Paderanga, Cielito Habito, Felipe Medalla and Dante Canlas.

To ensure the independence and objectivity of its research, the Institute has its own Board of Trustees that guides and directs the Institute's research agenda. Only the first set of board members was appointed by the President; the succeeding members were chosen by the board members themselves from a wide list of respected authorities in the academe and research community, government and private sector. The Board is also responsible for recommending the succeeding PIDS president if the post becomes vacant.

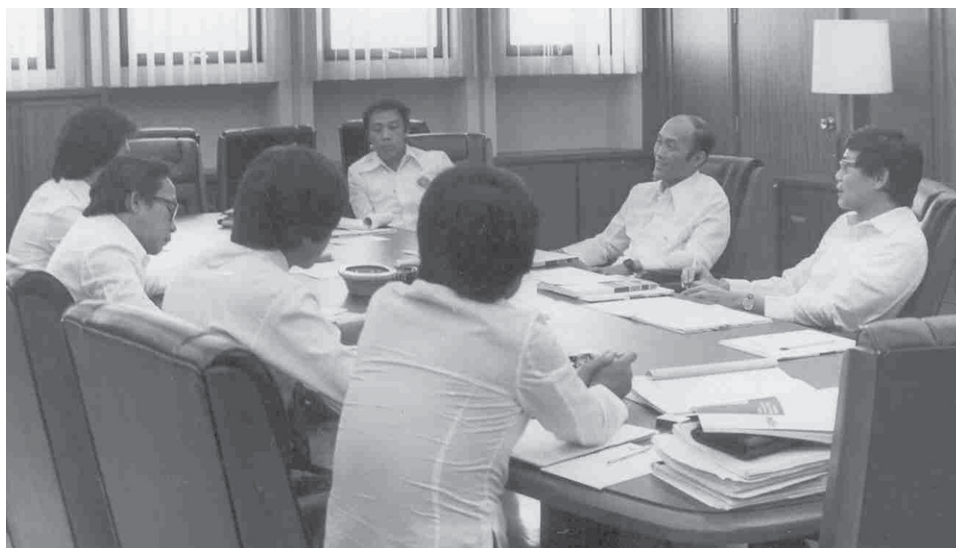
In addition, the Institute has a Research Advisory Committee composed of distinguished local and foreign social scientists—the list has included noted economists like Lawrence Klein, Amartya Sen, Rudiger Dornbusch and Jeffrey Sachs—that reviews, critiques and advises on the directions and outputs of the PIDS research staff.

Contributing to national policies

For more than two decades now, the Institute has pursued development research under several broad themes that have defined its research agenda. Among these themes are: employment, human resource development and technology; resource mobilization; agricultural and industrial development and trade policy; poverty and wealth distribution; regional development; natural resource management; energy and infrastructure development; and macroeconomic policy.

In the course of its existence, the Institute's research have contributed in the deliberation of significant issues and national policies.

The founding members of PIDS. A number of distinguished men and women have run the Institute through the years. Leading the group in the 1970s was Dr. Gerardo Sicat (second from right), then NEDA director-general, as chairman of the Board of Trustees. The rest included, among others, Dr. Jaime Laya, Dr. Filologo Pante and Dr. Manuel Alba.



For instance, the Institute's study on the *Industrial Promotion Policies in the Philippines* in 1979 was used as a key reference in the recommended measures for the industrial restructuring in the country. The study was completed at a time when the first structural adjustment loan from the World Bank was being negotiated and was considered to be a critical input to that undertaking.

The Institute was also involved in the preparation of the so-called "Yellow" and "Green" reports during the Aquino administration which aimed at identifying agenda for development reforms. The recommendations in these reports were used as inputs in the preparation of the *Medium-Term Philippine Development Plan, 1987-1992* and the policy framework for agriculture, respectively.

The Institute was likewise actively involved in the preparation of a report for the country's accession to the World Trade Organization (WTO) and the country's commitment to the Asia-Pacific Economic Cooperation (APEC). For the latter, many of the Institute's senior research staff participated in the drafting of the Manila Action Plan for APEC in time for the 1996 APEC Leaders' Summit in Subic, Olongapo.

In 1998, the Institute, through the Philippine APEC Study Center Network (PASCN), led the conduct of industry studies aimed at determining the likely impact of the Early Voluntary Sectoral Liberalization (EVSL) scheme on 15 identified sectors. These studies were undertaken in response to the call of the WTO/AFTA Advisory Commission for assistance in defining the government's position and strategy in the country's participation in the EVSL initiative.

In terms of fiscal policies, the Institute provided assistance to the Bureau of Internal Revenue (BIR) in formulating policies and strategies aimed at attaining maximum efficiency and increased tax collection. The Institute's findings from its research on *Rural Finance*, meanwhile, were used in the review of various banking policies like restrictive entry, branching regulations and rural lending schemes. The Institute also provided inputs to Congress in its deliberation of legislative bills with regard to financial intervention in the rural sector. Likewise, it was active in providing crucial information on financial sector reforms, particularly in the passage of the Central Bank Act, the General Banking Act and the Securities Regulations Act.

In the area of agriculture, the Institute was able to provide valuable inputs to the government's restructuring efforts through its study on *Economic Policies and Philippine Agriculture* that reviewed the impact of macroeconomic policies on the agriculture sector.

The PIDS also looked into the overall dynamics of rural development and the methods of developing the rural sector to maximize its potential contribution to the economy. The Institute's recommendations under the project *Dynamics of Rural Development* targeted the government's strategy in formulating adjustment mechanisms and policies that would reduce the possible disruptive effects of the Comprehensive Agrarian Reform Program (CARP) in the rural community.

Under natural resources and environment policies, the Institute initiated a number of studies that looked into the demand and supply of water in Metro Manila and other urban areas. A major recommendation of the studies is to consider the formulation of a water pricing policy that will correctly price water to include not only its distribution costs but also its sourcing.

On the social sector, the Institute implemented a major project entitled *Baseline Studies on Health Care Financing* aimed at formulating a core policy reform package for the country's health care financing system. Different researchers are also currently utilizing several PIDS studies on poverty analysis, especially the GIS-based data, as a convenient mode of interpreting poverty situation in the country. The Institute's various models in population, meanwhile, are being used by other government agencies in their respective planning and monitoring systems.

PIDS core programs

The Institute continues to pursue analysis of policy issues and, through its research advocacy and dissemination program, has helped enlighten the public on development concerns through more informed discussions. In continuing to pursue its mandate, the Institute maintains three basic component programs, namely, research, outreach and research dissemination.

The Institute's research program is concerned with the identification and prioritization of research studies needed in planning and policy formulation. Under its outreach program, in the meantime, PIDS senior staff provide technical expertise and advice to policymakers and other individuals and organizations to help shed light in the deliberation and discussion of key policy issues and important socioeconomic topics. Its research dissemination program, on the other hand, promotes the utilization of its studies as inputs to mainstream planning and decisionmaking.

Looking forward

As a new century enters, the Institute reassesses and reprioritizes its research directions in order to ensure its continuing usefulness to the overall development community. Its latest five-year research agenda identifies its future studies and investigations on, among others, the following concerns: macroeconomic management and globalization, competitiveness and competition policies, governance, social sector reform, infrastructure development, agricultural modernization, and environment and natural resources management.

In gearing up for the future trends in research in the Philippines, the Institute has likewise initiated several IT-based undertakings that could set the tone for a more efficient and relevant socioeconomic research in the country. These undertakings, which aim to cut short the usually tedious process of research and data collection, are the Electronic Resource Base for Legislation (ERBL), the SocioEconomic Research Portal for the Philippines (SERP-P), the Online Public Access Catalog (OPAC) system at the PIDS library, the Social Science and Policy Research Network for Agriculture (SSPRNA), the PIDS Information Database System (IDS) and the PIDS Geographic Information Systems (GIS)-based Socioeconomic Profile. These IT-based research initiatives of PIDS may be accessed through the PIDS website at <http://www.pids.gov.ph>.

The year 2002 is an eventful one for the Institute. With 25 years of history in generating significant research studies, the Institute has proven that it has indeed found itself a place in the research community in both the national and international settings. Its role has in fact been given due recognition with the recent proclamation by the President of the Republic of the Philippines declaring the month of September this year and every September thereafter as “Development Policy Research Month” and designating the Institute to be the overall coordinator of activities that are to be held annually in observance of the month.

For the Institute, the recognition is both an honor and a challenge. As such, for this year alone, while in the middle of preparing for a two-month celebration of its silver anniversary, the Institute initiated a total of 110 research studies and related activities. Of this number, 53 have been completed and the remaining 57 are expected for completion in the second quarter of next year. The Philippine APEC Study Center Network (PASCN) contributed 13 to this number of completed studies and 19 to the ongoing ones. The Network also has a pipeline project awaiting approval from management while the Institute has 31 proposals.

Refer to Annexes A and B for the list of completed and ongoing studies, respectively.

Completed research studies

The Institute produced studies based on its research agenda for 2000-2004 focusing on eight thematic areas, namely: modernizing Philippine agriculture; competitiveness and competition policies; social sector reform; macroeconomic management in a globalized setting; environment and natural resource management; policy analysis, planning tools and monitoring system; governance; and infrastructure development.

Modernizing Philippine agriculture

The first phase of the project **Comprehensive Assessment of the Philippine Agricultural Extension System** produced two studies: the *Bicol Component* and the *Extension Study - Southern Tagalog Component*, both of which are survey activities. The project aims to describe and analyze the structure, conduct, and performance of the Philippine agricultural extension system in order to provide the bases for the design of policy and institutional reforms needed to strengthen research and development, and the extension system. The second phase, on the other hand, produced the study *The Extension Service of the State Universities and Colleges in the Philippines: Reexamining Philosophies, Visions, Strategies and Hard Realities*.

The project **Targeting Technology Intervention for Food Security in the Philippines: A GIS Application for Agricultural Research Prioritization** (through multi-agency and multidisciplinary collaborative work) aims to collate, integrate and analyze the different important data sets related to agriculture in order for efficient decisions on research prioritization both at the regional and national levels to be made. Three studies were completed, namely, *Characterization of the Agriculture Structure Based on the 1997 Barangay Screening Survey*; the two-part study on *Agro-Ecological Characterization of the Philippines for Research Prioritization of Major Agricultural Crops and Performance of the National Irrigation System*; and *Characterization of the Rice and Corn Farming Practices*. The first paper is an analytical comparison of the results of the Barangay Screening Survey (BSS), the Philippine Poverty Statistics (PPS), Household Screening Survey (HSS), and the 1991 Agriculture Census. The second one aims to demarcate homogeneous crop production environments, which can be used as a framework for the economic analysis for agricultural research prioritization by the national government. The last one has a threefold objective: a) to characterize rice farming practices based on the Philippine Farm Household Surveys of 1992-1993 and 1997 and the Bureau of Agricultural Statistics (BAS) Rice and Corn Survey of 1999; b) to characterize

corn farming practices based on the same BAS Rice and Corn Survey of 1999 and the Bureau of Agricultural Research-Southeast Asian Ministries of Education Organization (BAR-SEAMEO) Regional Center for Graduate Study and Research in Agriculture (SEARCA) corn study; and lastly, c) to characterize the performance of the National Irrigation Administration's (NIA) irrigation systems.

Under the **Assessment of Fisheries Resource Management Approaches in the Philippines** project, which aims to assess the effectiveness and impact of the Community-Based Coastal Resources Management (CBCRM) as a management approach in the coastal areas, the study titled *Analytical Framework and Method-ology for CBCRM Analysis* was completed.

The last project to be completed under this theme is the **Agricultural Policy Discussion Series** project.

Competitiveness and competition policy

A study titled *The Philippine National Innovation System* that describes the structure and characteristics of the Philippine national innovation system, and compares it with the American, Japanese, and German national systems of innovation was completed under the project **Global Competitiveness Through Improved Productivity**. The project aims to report on the state of productivity in the innovation system, agriculture, and human resource sectors.

The concern about competition policy has evolved from a mere perspective of how it could distort international trade to a deeper need to understand its implications on the domestic economy more fully as well as to a new perspective and better approach to reforming economic policies. With this in mind, the paper *Understanding Competition Policy: A Suggested Framework* reviews the fundamentals of and suggests a competition policy framework that could be applicable to any market economy at any stage of development.

The study *A Catalogue and Organized Data Bank for Trade and Policy Industry Analyses* was completed under the project **Studies on the Impact of Trade Reforms and Globalization**. The major objective of the project is to catalogue and organize data in order to 1) facilitate the monitoring of reforms; 2) document changes for easy use in policy analysis; 3) serve as data bank for access by other researchers and policymakers; and 4) organize historical data for easier reference.

The fundamental policy issue for the government is not one of more or less trade liberalization, but of how best to extract from the country's participation in the global trading system the elements that will promote economic development, especially now that the global trading environment is becoming more complex than what it was two decades ago. The paper titled *The Philippines in the Global Trading Environment: Looking Back and the Road Ahead* addresses this issue, including the opportunities and challenges that lie ahead for the country under the emerging more complex global trading environment.

Social sector reform

Under the project **Impact of Globalization on Employment**, a study of the same title presents one of the few empirical estimates of the impact of globalization, as represented by trade flows, on employment level and structure using Philippine data. Using both aggregate and sub-industry level manufacturing data, the paper shows that increases in the propensity to export shifts the demand for labor upward. It also shows that the impact of the propensity to import on labor demand is unclear, yielding a range of responses—from significantly positive to insignificant coefficients.

Meanwhile, the project titled **Policy Evaluation Research of the Philippine Population Management Program (PPMP) Phase 1** involves the conduct of a comprehensive inventory of policies, programs and research on population issues, especially those that directly or indirectly relate to the PPMP. The inventory is not meant to be merely a compilation of data but something that would lead to an analytical synthesis and review of policies, programs and research on population. Three studies were completed under this project, the results



of which were presented in a technical workshop towards the end of the project for validation purposes as well as for eliciting feedback/comments on the formulation of an evaluation strategy.

One of the studies is titled *A Review of Research on Population-Related Issues: 1980-2002*, which is a review of background studies related to population issues with the purpose of formulating a research program.

Another study titled *Population Policy in the Philippines, 1969-2002* is a review of population policy statements from various official documents from 1969 to 2002. It shows that there has been a lack of stable consensus on the policy on fertility and population growth in the country through various political administrations. At the same time, it notes that the family planning program has been characterized by shifting objectives of fertility reduction, upholding of reproductive rights, and promotion of maternal health.

The last study in the population project is titled *Review of the Population Program: 1986-2002* and reviews the developments in the population programs during this period. It summarizes the main components of the program as well as highlights the developments in its management and financing. The activities of donors, other government agencies and nongovernment organizations in these areas are likewise described. Finally, the review identifies the main challenges of the program and provides ideas on the future directions on program thrusts, management and financing.

Apart from population-related studies under this theme of social reform, a special paper titled *The Structure and Inflation of Tuition Fees in Philippine Colleges and Universities* was also completed. The study evaluates the structure of tuition fees in Philippine tertiary education institutions and takes into consideration the market imperfections prevailing in the market for education such as those pertaining to information and capital. Such imperfections either limit or distort choices related to education.

Also under this theme is the study *Housing and Urban Development*, one of the perspective papers prepared in connection with PIDS' silver anniversary celebration. The study examines government interventions in the housing sector and identifies major areas of institutional reforms for an effective and responsive housing supply. In the past 25 years, government has pursued decentralization strategies for the housing sector. From a highly centralized system of housing delivery, it has adopted privatization strategies, which were later supported by a devolution of housing programs to local governments. However, while accomplishments from the housing program most often exceeded targets, the impact on housing improvement, specifically for the low-income sector, has been insignificant. This has been primarily the result of institutional problems at the organizational, program and LGU levels. Thus, the paper suggests that by focusing on institutional reforms, resource and technical capability concerns would be less of a problem. The paper then discusses the issues/concerns that are likely to arise in pursuing these institutional reforms.

Another perspective paper is titled *Human Resource Development and Labor Market*, which reviews developments in the education and labor markets in the past 25 years. The foci of the review are the external efficiency and equity aspects—the two fundamental public policy issues in this area. A review of the trends in higher education and the labor market between 1975 to 2000 is presented. External efficiency and equity issues in higher education are discussed. The recommendations of recent comprehensive reviews of the education sector are then analyzed and future research issues in the sector are likewise identified.

As part of wide-ranging efforts aimed at the progressive elimination of child labor, the International Labour Organization's (ILO) International Programme on the Elimination of Child Labour is implementing a program of policy research and advocacy aimed at strengthening the integration of child labor issues into national development strategies and programs in selected countries, including the Philippines. This program is being implemented within the context of a new initiative to form a Development Policy Network for the Elimination of Child Labour that would bring together leading development research institutes at the national, regional and international levels and contribute towards the elimination of child labor throughout the world. Under this PIDS-ILO/IPEC joint project on **Child Labor and Development in the Philippines**, the integral component study titled *Annotated Bibliography of Child Labor Studies in the Philippines* was conducted, involving the writing and compilation of an annotated bibliography of child labor studies in the Philippines covering the period 1996-2002.

Macroeconomic management in a globalized setting

Under the third theme in the PIDS research agenda, the project **Microfinance: A Market Approach**, produced two studies.

The first one is a sampling framework for the survey and an attempt to determine how microfinance can be an effective tool for poverty alleviation in developing nations. An important objective of the study is to determine the extent to which microfinance has made a difference in the operations and performance of community-oriented financial institutions (COFIs) in the Philippines such as cooperative rural banks, rural banks and credit unions, and on their clients, including households, business institutions and their employees. For a comparative analysis, the survey also covered other households and business institutions that have not availed of the microfinance services of COFIs.

The second output is a paper titled *Efficiency and Expense Preference in the Philippines' Cooperative Rural Banks*. This paper attempts to test whether efficient cooperative rural banks (CRBs) have a better control of their agency costs. Two different concepts of efficiency were used, namely, cost efficiency and alternative profit efficiency. Using the Stochastic Frontier Approach and Distribution Free Approach, two different propositions were tested. The first proposition is that an adequate corporate governance scheme should improve the efficiency of CRBs. The results from this failed to find very conclusive evidence that corporate governance theories apply to the Philippines' CRBs. The second proposition is that agency costs should reduce efficiency of CRBs. This time, a much clearer relationship on such issue was found because as expected, the most efficient CRBs are characterized by a better control of agency costs.

A third paper under this theme is titled *Governance in Southeast Asia: Issues and Options*. The paper examines governance mechanisms and institutions in the context of internal rules and restraints (constraints on executive and legislative power, independence of the judiciary, civil service and budgeting rules, and regulatory mechanisms), competition (private participation in infrastructure, yardstick competition, and privatization of certain market driven activities) and "voice" and partnership (decentralization to empower local governments, civil society participation).

Another perspective paper prepared for the Institute's silver anniversary and which falls under this fourth research theme is titled *Central Banking in the Philippines: Then, Now and the Future*. The paper attempts to put some policy issues on central banking in the country in certain perspectives so that policy debates on these

issues can proceed with greater focus. More specifically, the study examines central banking in the Philippines from three perspectives—the past, the present and the future.

There are also two special papers under this theme. The first one is titled *Political Economy of Philippine Economic Reforms* which reviews Philippine economic policies over the course of independence using the perspective of the factors of production and other economic policy areas. The evolution of these policies is classified into stages, showing a cycle of fairly liberal, open economic policies at the beginning, growth of economic restrictions based on restrictive policies to promote inward industrialization, and economic liberalization. Various aspects of the political economy of economic reforms are reviewed, taking into account the diagnosis and analysis of economic reform, leadership, political institutions, and specific strategies such as the use of external economic assistance and international economic negotiations. The latter includes the conclusion of treaties and agreements to cement reforms.

The second special paper is titled *Exchange Rate Policy in Philippine Development* which examines the conduct of the exchange rate policy in the Philippines since the early 1980s, paying particular attention to the influence of exchange rate adjustments on relative production incentives.

Finally, the last study under this research theme is titled *Estimating Industry Benchmarks for the Value Added Tax*. Various indicators (e.g., VAT-to-GNP ratio and VAT evasion rate) suggest that problems in the VAT administration have not only persisted during the 1990s but also appear to have worsened. This study makes use of the 1994 Input-Output table to estimate industry benchmarks for the ratio of VAT-able inputs to total output as well as the effective VAT rate. In the process, it also attempts to decompose the source of the leakage in VAT collections in 1999-2001.

Natural resources and the environment

Under the fifth theme, the perspective paper titled *The Quest for a Better Environment: Past Experiences and Future Challenges* reviews the natural resource and environmental problems across ecosystems, per ecosystem and per critical resource. It then presents a history of natural resources and environmental laws and policies, with PA 21 highlighted, and discusses some of the important gaps and issues. In conclusion, the paper argues that while the implementation of PA 21 may be behind schedule, a determined effort to address the most pressing issues will hasten the attainment of a more sustainable form of development for the country.

In 2001, the Institute embarked on a research and research advocacy project with the Sustainable Agriculture and Natural Resource Management Collaborative Research Support Program for Southeast Asia (SANREM-CRSP/SEA), through its Philippine coordinating agency, the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD), on the conduct of studies related to water resources management or governance issues. Collaborating with the University of the Philippines-Los Baños-based Institute for Strategic Planning and Policy Studies (ISPPS), the Institute commissioned the conduct of studies on watershed-based management approaches to water resources management, competing uses of water, and governance model for water resources management. By the end of 2002, four papers on these subject matters were completed.

One titled *Watershed-based Water Management Strategy: The Missing Link to Sustainable Water Services* focuses on the benefits and wisdom of adopting a watershed-based approach in managing water resources. This paper was complemented by another paper titled *Implementation of the Watershed Approach in Natural Resources Management in the Philippines: An Assessment* which presents a number of examples of watershed-based approaches to managing water in the Philippines and assesses their effectiveness as well as the problems encountered and are being encountered, if any.

The third paper titled *Competing Uses of Water* deals with the various purposes for which water is used, citing as case studies the four multipurpose water resource systems in Angat, Laguna Lake, Batangas and Cebu. It looks into the trade-offs in the allocation of water for various uses. Hopefully, the findings of the study may serve as basis in coming up with an appropriate water allocation model for the Philippines and a correspondingly appropriate water pricing policy for the country.

Rounding up the set of papers completed in this project is the study titled *A Model for Water Resource Governance for the Philippines* which looks into the problematique in the performance of water resources. It proposes a model for water governance in the Philippines and presents the key variables needed for such model to work.

Policy analysis, planning tools and monitoring systems

Under this theme, the perspective paper titled *A Perspective on Macroeconomic and Economy-Wide Quantitative Models of the Philippines: 1990-2002* surveys the development of macroeconometric and CGE models in the Philippines during the period 1990-2002, primarily in terms of their structure and applications. Many of the recent developments in macroeconometric modeling have been incorporated in Philippine models. However, Philippine CGE models have hardly progressed beyond the standard neoclassical framework. Over time, there has been a convergence in these two types of quantitative models: CGE models have increasingly used econometric estimates obtained from time-series data while macroeconometric models have been applied to monitor social outcomes like poverty and income distribution.

Another study is a special paper titled *What Have We Learned from Growth Models?* which determines what has been learned from economic growth models; identifies if growth models have benefited Philippine development planning; and, examines how market intervention, as called for by development planning, interacts with reliance on market forces.

The third study under this theme titled *Monitoring Economic Vulnerability and Performance Applications to the Philippines* is a response to the recent spate of banking and currency crises which had underscored the need to develop early warning systems. These are based on economic indicators of vulnerability, which can be identified from models and theories of crises. First generation models focus on the inconsistency of macroeconomic policies and the exchange rate peg. Second generation models revolve around the possibility of self-fulfilling crises and multiple equilibria. Meanwhile, the 1997 East Asian financial crisis spawned research on third generation models, which integrate balance sheets of banks and corporations in the framework of second generation models. The next step then is to combine all the variables in a meaningful way that will allow the prediction of economic crises. There are two popular approaches in doing so: the probability model using limited dependent variables estimation and the signals approach of Kaminsky and Reinhart. Both methodologies have their own advantages and disadvantages but their usefulness is constrained by the availability and timeliness of high-frequency data.

In the meantime, there are three continuing activities under this theme. First is the *Economic Monitoring System (Database Information System)* that involves an updating of various economic databases in the website and converting Excel files to SQL. For 2002, additional indicators such as malnutrition prevalence international and Philippine building constructions by regions and by quarter were included.

Second is the *Geographic Information System (GIS) for the Philippine Socioeconomic Profile* which involves updating of maps in the website and the shifting from J-shape to HTML. The activity aims to continually provide a spatial picture of how various regions and provinces in the country are faring in terms of certain socioeconomic indicators. Similar to the previous activity, the indicator for malnutrition prevalence international (MPI) was also added in the database.



The GIS-based Philippine Socio-economic Profile was presented during the 2nd Research Fair. Seen in this photo is Shine Cagas (seated) of the Research Department introducing the system's features to students.

And third is the *Poverty Profile of the Philippines* which involves annual updates on poverty profile that were incorporated in the perspective paper titled *A Review of Poverty and Social Development for the Past 25 Years*.

Others

A special paper titled *Theoretical, Policy and Implementation Issues Relevant to the Proposed Financial Sector Tax Reform (FSTR) Program* is a concept/program paper that aims to identify the issues that need to be addressed in pursuing and effecting the FSTR program proposed by the Department of Finance (DoF). The paper reviews the context of financial taxation in the Philippines, identifies and explores all the critical issues that came out of the proposed FSTR. It then develops a concept/program paper intended to identify all the relevant issues for a more focused research.

Philippine APEC Study Center Network (PASCN)

For its part, the PASCN contributed a total of nine completed studies under the theme **competitiveness and competition policy**. These include the following studies: *Continuing Professional Education: Training and Developing Filipino Professionals Amidst Globalization*; *Toward a Policy Framework for Expanding Open and Long Distance Learning as a Means of Increasing Labor Flexibility and Reinforcing the Education-for-All Programme in the Philippines*; *The Social Impact of E-Commerce on Philippine Workers*; *Toward a National Tax Policy for the Philippines on E-commerce*; *The State of Competition and Market Structure of the Philippine Shipping Industry*; *Sustainable Tourism Development-Benchmarking Philippine Tourism with Thailand*; and *The Impact of Globalization on Employment*.

Under the theme **modernizing Philippine agriculture**, two PASCN studies were completed, namely *Achieving Food Security: The Role of and Constraints Faced by LGUs* and *Assessment of the Physical Resource Capability in Philippine Agriculture*.

There were also four completed theses for the year, namely: *Household Dynamics in the Face of Rural Industrialization: Case Studies of Households in the Southern Luzon Community*; *Competencies of Human Resource Managers at the Philippine Economic Zone Authority (PEZA) in Rosario, Cavite*; *An Investigation of the Trends and Determinants of Philippine Trade in Services*; and *Institutionalization of Small and Medium Enterprises (SMEs) in Batangas Province*.

Ongoing studies

A total of 57 studies are still ongoing as of the end of the year. Thirty-eight of these studies under seven themes, except **governance**, are still ongoing by the end of 2002 while 19 ongoing studies are being coordinated under the PASCN. These 19 are categorized into 11 under the theme **competitiveness and competition policy** and two under **modernizing Philippine agriculture**. The remaining six are theses under the **Thesis/Dissertation Assistance Program (TDAP)**, namely: *Determinants of Global Competitiveness of the Philippine Coconut Oil Industry*; *The Multiplier Effects of Industrial Estates Through Employee Consumption*; *Gender Role Differentiation among Women and Men Farmers in the Sustainable Agriculture Program in Upper Pugaan, Iligan City, Southern Philippines*; *Model of Effectiveness for NCR Private Secondary Schools*; *Measuring and Evaluating the Manufacturing Strategy Effectiveness of the Philippine Electronics Industry Using the Hayes-Wheelwright Framework*; and *Assessing the Agrarian Reform Community (ARC) Development Strategy to Implement the Comprehensive Agrarian Reform Program (CARP): Its Implication on Governance and Rural Development*.

Pipeline studies

For pipeline studies, the Institute has lined up 31 proposals while the PASCN has proposed the development of a project on **Globalization, Governance and APEC** as shown in Annex C.

The Institute's management and staff were in a very enthusiastic mood in 2002 in anticipation of the Institute's 25th anniversary celebration in September. Various activities were lined up for two months to make the celebration more meaningful and expansive. Not only economists and academicians were invited to the symposia and other activities but also the studentry and almost everyone connected with the Institute through the years—previous staff members, partner institutions, past researchers, donors, writers, editors and printers.

Since its establishment in 1977, the Institute has tried its best to consistently respond to the demand for independent, systematic, comprehensive and rigorous analysis of issues in order to guide and support policymaking and planning in the government. And through all these efforts, these friends supported the Institute in reaching its goal.

Thus, through the years, the Institute has produced studies that look into current and emerging concerns and their implications on national policies and various sectors. To date, more than 900 publications have been produced in various formats based on more than 600 studies conducted by both inhouse and Institute-commissioned researchers. No less than the present Philippine President Gloria Macapagal-Arroyo was at one time involved in a research project coordinated by the PIDS. In terms of utilization, a good number of the Institute's studies are known to have been used in the formulation of policies and decisions by legislators and executive officials and have helped in the country's development efforts.

The 2002 celebration and performance

Public affairs

For its silver anniversary, numerous activities were held to highlight the importance of policy research in governance and to acknowledge the assistance of individuals and institutions in the evolution of PIDS. The activities were thought to be fitting to celebrate 25 years of support to national development efforts through rigorous research and in observance of the *Development Policy Research Month* for the month of September in recognition of the contributions of policy research to policymaking in the country.

One of the activities was the *Perspective Paper Symposium Series* where the PIDS research fellows presented a perspective of the development and evolution of issues and concerns over the past 25 years in their respective fields of specialization such as infrastructure and privatization, banking and finance, science and technology, human resources development and labor markets, competition policy, poverty analysis and housing development, among others. A total of 12 perspective papers were presented during the series.

In collaboration with the Philippine Economics Society (PES), meanwhile, distinguished Philippine economists who have been part of the Institute's growth over the years presented four special papers focusing on selected economic issues. Topics discussed were on the political economy of economic reforms, lessons from growth models, developmental issues of exchange rate policy, and tuition structure and education. The presentors are all respected authorities in their fields who have been deeply connected with the Institute either from the start as past members of the PIDS Board of Trustees or have been part of the Institute's wide network of researchers.

They are: a) Dr. Edita Tan from the University of the Philippines School of Economics (UPSE) who spoke on the structure of tuition fees in the Philippine tertiary sector; b) Dr. Gonzalo Jurado, a former visiting senior research fellow at the Institute and now the vice-president for administration at the newly opened Kalayaan College in Marikina City who spoke on lessons from growth models; c) past acting PIDS President Dr. Romeo Bautista who presented a thesis on the development of foreign exchange rate policy in the



(Top) During the 25th celebration of the PIDS in September 2002, five gentlemen who had served in the Board of Trustees of the Institute in various years were present to give their time and comments: (from left) Dr. Vicente Valdepeñas Jr., Dr. Placido Mapa, Dr. Cesar Virata, Dr. Jaime Laya and Dr. Romeo Bautista. (Right) Senator Juan Flavier gives the opening remarks during the Legislative Forum on Health at the Senate while looking on are Health Undersecretary Dr. Margarita Galon and PIDS President Dr. Mario Lamberte. The Senate forum is one of the two most-awaited discussion venues of the Institute, the other one being the forum at the House of Representatives.



Philippines; and d) PIDS founding father Dr. Gerardo Sicat, who has now returned to the UPSE, presented a political economy perspective of Philippine economic reforms through the years.

The Institute also hosted the 28th Pacific Trade and Development (PAFTAD) conference in Makati in collaboration with the PAFTAD International Steering Committee based at the Australian National University in Canberra, Australia. The theme was on *Competition Policy in the New Millennium*, with representatives coming from 16 countries in the Asia Pacific region for said conference.

During the month, too, two policy fora on the agricultural extension system and sustainable tourism development in the Philippines were organized with the Bureau of Agricultural Research (BAR) and PASCN, respectively, wherein key officials from the agriculture and tourism departments, respectively, were invited as keynote speakers. Both fora served as venues for the discussion of issues and problems faced by the agriculture and tourism sectors.

The focal activity during the celebration was the Research Fair held at the Asian Institute of Management (AIM) Conference Center in Makati City. The Institute displayed its research outputs, various projects and initiatives in the last 25 years alongside those of 14 other research and academic institutions in the country, namely: National Economic and Development Authority (NEDA), National Statistics Office (NSO), National Statistical Coordination Board (NSCB), National Tax Research Center (NTRC), Institute for Labor Studies (ILS), Development Academy of the Philippines (DAP), Ateneo de Manila University (AdMU), De La Salle University (DLSU), University of Asia and the Pacific (UA&P), UP Los Baños (UPLB) Institute for Strategic Planning and Policy Studies (ISPPS), UP Center for Integrative and Development Studies, UP National College of Public Administration and Governance (NCPAG), UP School of Economics (SE), and Social Weather Stations (SWS). Also on display were various PIDS memorabilia for the silver anniversary that include President Gloria Arroyo's papers on the tourism and social services sector completed in 1983 as part of a PIDS-coordinated project. The activity was well attended with guests including prominent names such as Dr. Cesar Virata, Dr. Jaime Laya, Dr. Vicente Valdepeñas, Mr. Roberto de Ocampo and NEDA Director-General Dante Canlas.

In addition to the special anniversary activities for the months of August and September, the Institute likewise maintained its regular channels of discussions that have become venues for the dissemination of its various research studies. These activities were spread throughout the year.

A total of 20 network- and project-related fora were conducted the whole year based on the research studies of the Philippine APEC Study Center Network (PASCN) and three joint projects, namely; the PIDS-Bureau of Agricultural Research (BAR), the PIDS-Population Commission (POPCOM), and the Sustainable Agriculture and Natural Resource Management Collaborative Research Support Program for Southeast Asia (SANREM-CRSP/SEA)-UP Los Baños-PIDS. Twelve of these fora were regional presentations of two projects, namely, education/globalization and financial liberalization, sponsored by the PASCN and held in the cities of Cebu, Davao, Cagayan de Oro and Baguio. Relatedly, five pre-regional conference consultations on these out-of-town dissemination fora were also held.

Meanwhile, a total of eight *Pulong Saliksikan* sessions were conducted during the year by PIDS senior research fellows and a partner collaborator from the De La Salle University.

Two of the most-awaited discussion venues of the Institute are its series of discussion fora with the two Houses of Congress. For this year, the Institute, in tandem with the Department of Health (DOH), presented the department's health sector legislative reform agenda during a policy forum and legislative forum, respectively, at the House of Representatives and at the Senate. At the House of Representatives, the partner units were the Office of the House Speaker and the Congressional Planning and Budget Office (CPBO) while at the Senate, the Institute and the DOH worked side by side with the Office of Senator Juan Flavio Velasco, the Committee Affairs Bureau and the Policy Studies Group.

As to the inhouse fora, there were 12 general assembly activities wherein various PIDS-related matters and concerns were discussed.

For a full listing of the public affairs activities, refer to Annex D.

Media exposure. As monitored by the Institute, its research and other activities enjoyed a total of 99 media exposures from January to December 2002. Ninety-five of these media exposures were covered by the print media while four were relayed by the broadcast media. The print media exposures may be further segregated into the following categories: 21 inhouse press releases, 20 media interviews, 52 correspondent-researched and 6 announcements (Annex E).

Publications

The Institute produced a total of 40 publications in 2002 to further supplement its already wide collection of printed research materials. The additional releases included five issues of the *Development Research News* (DRN), three issues of the *Philippine Journal of Development* (PJD), six books, four issues of the *Research Paper Series* (RPS), 19 issues of the *Policy Notes*, one issue of the *Economic Issue of the Day* (EID), the 2001 annual report and a souvenir program for the 25th anniversary celebration. A total of 35 issues of the preliminary Discussion Papers (DP) were also released, nine of which are from the PASCN.

Of the six book titles, one is the second volume in the Annual Budget Analysis Series titled *The President's Budget for 2002: Accounting for New Modes of Financing the Fiscal Deficit*. This second volume of the budget book series underscores the tight financial position faced by the national government especially as the level of the country's fiscal deficit continues to rise. The main paper examines and assesses the effectiveness of the new schemes recently put together by the national government to finance the budget deficit while the accompanying special papers examine the absorptive capacity of the Department of Health and the Department of Public Works and Highways to implement locally-funded and foreign-assisted programs and projects.

The other book is the *Impact of the East Asian Financial Crisis Revisited*, a joint undertaking with the World Bank Institute (WBI), that tackles the economic and social impacts of the 1997 financial crisis on six East Asian countries that experienced many of the crisis' worst effects: Malaysia, Thailand, South Korea, Indonesia, China and the Philippines. It presents the analyses of the crisis' impacts carried out by researchers and analysts of the six countries and evaluates the government programs and policies implemented to mitigate the negative impacts on the various sectors. In addition, this volume discusses the lessons that can be learned from the crisis and provides important policy recommendations that could help government officials and policymakers alike to better handle crises in the future.



The first volume of the book *Managing Urbanization under a Decentralized Governance Framework* also came out in 2002. It documents the urbanization process in selected Philippine cities in the context of a decentralized environment for governance resulting from the passage of the Local Government Code of 1991. It shows the impacts of decentralization on the way governance takes place at the local level, and how urbanization, which has impinged heavily on the fiscal conditions of the various localities, is being managed. At the same time, this volume provides snapshots of the innovative ways by which city local government units (CLGUs)—given the greater autonomy accorded to them by the Code and amid fiscal constraints—have successfully addressed social, economic and environmental issues and problems, and other “diseconomies” associated with urbanization that could negate its positive effects. These winning case illustrations of best practices in service delivery demonstrate how upgrading of LGU planning and fiscal management capacity, greater emphasis on participatory process, more effective coordination with other government agencies including other LGUs, ability to catalyze private sector and nongovernment organizations, use of appropriate low-cost technologies, contracting with the private sector, and elimination of corruption can contribute to improving the efficiency of public service provision.

There were two titles which were copublished with the PASCN. The first one is *Toward a National Competition Policy for the Philippines*, a compilation of studies conducted under the project with the same name. The book hopes to provide a mold by which to shape an effective competition policy for the country. The studies examine the current state of competition and the reforms that have been undertaken so far in six selected industries where competition policy appears to be most crucial—manufacturing, cement, oil, telecommunications, air transport, and banking and insurance. This volume also discusses the major government policies and their interface with competition policy, and likewise reviews the existing antitrust laws and how effective and adequate these have been (or have not been).

The second title is the first volume of the new Thesis and Dissertation Assistance Program (TDAP) Paper Series titled *Selected Studies on APEC Issues*, a compilation of four studies funded by the PASCN under its TDAP. The studies in this volume focus on Filipino entrepreneurial styles in manufacturing firms, the United States (US)-China bilateral relations and the Philippine-Brunei Darussalam economic relations. The wealth of information

culled from these studies contribute to the PASCN's goal of achieving a better understanding of APEC issues and assist in the policymaking efforts of the government for the common good of the people.

The last book which came out in 2002 is titled *Financing for Development: Philippine Delegation's Reference Paper*, which was copublished with the United Nations Development Programme (UNDP). The book is a product of multisectoral consultations—the United Nations (UN) through the UNDP, the PIDS, the Philippine government, the civil society and the private sector—that were held in preparation for the Financing for Development (FfD) Conference in March 2002. Edited by PIDS President Dr. Mario Lamberte, the book clearly sets out the strategy for mobilizing the necessary resources to address the problem of poverty and see where and how it can help facilitate the attainment of the objectives and targets in the *Medium-Term Philippine Development Plan (MTPDP) 2001-2004*.

With regard to the *Research Paper Series*, four titles came out in 2002. These included *The Dynamics of Housing Demand in the Philippines: Income and Lifecycle Effects*, *Mercury Pollution from Small-scale Mining*, *The Philippine Payment System*, and the *Benefits (and Losses) from Rent Control in the Philippines: An Empirical Study of Metro Manila*. Three issues of the *Philippine Journal for Development (PJD)* were also printed this year, one of which—the second semestral issue for 2002—provides an evaluation and history of the journal.

Five issues of the bimonthly newsletter *Development Research News (DRN)* were released during the year. The titles of the feature stories included: *Is There Still a Need to Legislate? A Water Policy Agenda for the Philippines*; *Rent Control in Metro Manila: Houses for Rent*; *Statistics Work: Of Grains, Fish and Numbers*; *Where to Now, Philippines?*; and *New Forms of Financing the Fiscal Deficit*.

Finally, the *2001 PIDS Annual Report*—a summary of the Institute's activities and accomplishments for the year 2001—was released in time for the PIDS anniversary celebration. The theme of the annual report is *Strengthening the Infrastructure for Research and Networking*.

A complete list of the publications released in 2002 is given in Annex F.

There were also other publications and information materials that came out in 2002 in connection with the Institute's silver anniversary. These are:

- Souvenir program for the Institute's silver anniversary which was distributed to participants and guests. The souvenir included a history of the Institute's past 25 years and accomplishments, its present initiatives in pursuit of relevant policy research and complete details of the two-month line-up of activities.
- Posters and flyers to inform the public of the silver anniversary activities and newly published book titles as well as brochures to promote the present SocioEconomic Research Portal for the Philippines (SERP-P) and the Economic Resource Base for Legislators (ERBL) projects. The *PIDS Catalogue of Publications* was likewise updated.
- Master copies of the five-volume CD-ROM containing all the PIDS studies from 1977 to 2002. The beta (trial) versions of the CD-ROM were first displayed during the 2002 Research Fair. The five-set CD-ROM contains studies in portable document format (PDF) and is searchable by title of study, author, year of publication, subject/topic, and keywords, among others. The completed CDs will be made available towards the end of 2003.

DRN readership survey. Conducted in the middle of the year was a readership survey of *DRN* recipients in an effort to evaluate the usefulness of the newsletter as a source of information for planning and

decision- and policymaking. A total of 371 questionnaires were returned, representing 30 percent of the total number of questionnaires mailed. The survey reveals two aspects that the *DRN* has to sustain. *First* is the substance or content, which 93 percent of the respondents consider informative and relevant. This is apparent in the respondents' eagerness to read a copy and their expressed desire to receive it on time. *Second* is the design, an equally important element that enhances the newsletter's overall impact on readers.

The survey results also disclose areas that still need improvement. First is the language used, which is still considered to be on the technical side by almost 41 percent of the respondents. While the present set of readers come mostly from the government, local planning administrations and academe, making the contents easily comprehensible to them, one should consider that being able to get the message across to a large base of readers, especially to Juan dela Cruz, is a task that should be addressed if the dissemination thrust of the Institute is to be further expanded. Second is the timeliness of the production. Features in the *DRN*, no matter how informative, will become less relevant if the issues are not released on time. Third, and related to the second, is the distribution system. There is a need for a continuous updating of the mailing list and proper documentation of received materials.

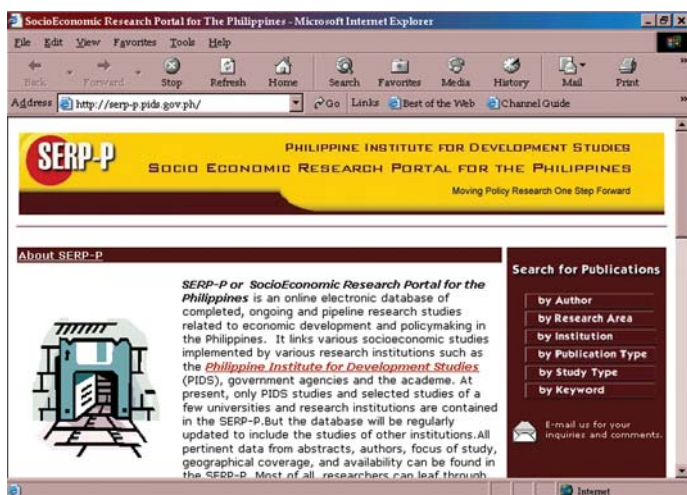
On the whole, the feedback from the 2002 *DRN* readership survey is both enlightening and encouraging. Results reveal certain points that can be further improved as well as insights on the appreciation of subscribers on the *DRN* features. The responses more than reflect the fact that the Institute has accomplished much in its dissemination program.

Distribution, promotion and circulation. At the end of 2002, complimentary recipients of the *DRN*, the Institute's bimonthly publication and its most widely circulated print material, totaled 1,241 including foreign libraries and information centers with exchange agreement. The *Policy Notes*, on the other hand, had almost 700 recipients while the *PJD* and the *RPS* have nearly 500 recipients each. In 2002, the printed copies of most publications (*DRN*, books, *PJD* and *Annual Report*) were increased in anticipation of the Institute's silver anniversary. The recipients included, among others, officials and representatives from the executive department, the Senate and House of Representatives, the judiciary, business and banking sectors, the academe and research community, media, local government units, and nongovernment organizations.

In addition to the sale of publications to walk-in customers and subscribers, the Institute also responds to e-mail queries sent through the publications@pidsnet.pids.gov.ph account as well as telephone queries. The Institute also utilizes regional meetings, international symposia such as the PAFTAD conference on competition policy and local or national conferences such as the PASCN annual symposium and the TDAP conference to promote its publications.

Consignment. The Institute continued its consignment arrangements with the National Economic and Development Authority (NEDA) Bookstore, Solidaridad Book Store, National Bookstore (NBS) and Powerbooks. As of the end of 2002, NBS/Powerbooks consignees totaled 24 branches. This arrangement helped in the increase of publication sales in 2002 and made the materials more accessible to buyers because of the number of outlets selling PIDS books.





E-blast. This improved way of announcing new releases/publications was continued during the period. All recipients, both local and foreign, with e-mail accounts were regularly sent publication updates through this electronic method.

Online posting of publications. To give the Institute's clients immediate access to its publications, especially new titles, and to ensure that these materials are made available to a broader audience and not just to those included in the mailing list, the Institute continued posting electronic copies of issues of the *DRN*, *PN*, *EID*, and *DPs* on its website. The materials are posted either

during the blueprint stage or immediately after the issue is released.

SocioEconomic Research Portal for the Philippines (SERP-P)

This two-year old electronic initiative serves as an online repository of completed, ongoing and pipeline research on Philippine socioeconomic issues conducted by different research institutions in the Philippines. In addition to the contributions of PIDS and PASCN, the portal also contains, among others, the contributions of the Asian Development Bank, Ateneo Center for Social Policy and Public Affairs, De La Salle University (DLSU)-Social Development Research Center, DLSU-University Research Coordination Office, Institute of Strategic Planning and Policy Studies of the University of the Philippines (UP)-Los Baños, National Tax Research Center, PIDS-Population Commission project on the Population Management Program, Trade and Investment Policy Analysis and Advocacy Support Project of the Philippine Exporters' Confederation, UP-Center for Integrated Development Studies, UP-National Center for Transportation Studies, UP-National College of Public Administration and Governance, UP-School of Economics, UP-School of Urban and Regional Planning, UST-Social Research Center, the World Bank Philippine office, and Xavier University-Research Institute for Mindanao Culture.

As of December 2002, 19 participating institutions contributed a total of 2,153 publications complete with keywords to the SERP-P database. A total of 2,077 have abstracts. There are 2,042 posted research studies from 1,326 authors included in the SERP-P. Available keywords total 786 and research areas are categorized into 13 distinct subjects. The keywords and categorization into specific research areas are two features of the SERP-P system which have facilitated the users' search for studies.

Library

In service to both inhouse staff and outside researchers, the Institute keeps a list of contents/index of both local and foreign journals that are available within the Library, local and foreign statistical collections, and a list of exchange of publications with 25 local institutions and 36 foreign institutions.

The Library also subscribes to weekly magazines (*Economist*, *Far Eastern Economic Review*, *Newsweek* and *Time*), daily national newspapers (*BusinessWorld*, *Daily Inquirer*, *Daily Tribune*, *Manila Bulletin*, *Manila Standard*, *Manila Times*, *Malaya*, *Philippine Star* and *Today*), and special publications such as the *Philippine Business Profiles: 7000 Top Corporations*, *Next 5000 Top Corporations*, *Fookien Times*, *Philippine Yearbook 2002*, and the *Journal of the Philippine Center for Investigative Journalism*, among others.

A total of 18 books were acquired and 12 complimentary publications from various organizations were received in 2002. Four CD-ROMs, namely, *Econlit* (May 1969-May 2002 updates and July 2002 and August 2002), *World Development Indicators 2002*, *Lex Libris Laws Bulletin* (Updates), and the *IMF International Financial Statistics* (October to December 2002 issues) were also acquired while six more were received as complimentary copies.

With regard to the number of library users serviced in 2002, outside researchers (656) outnumber PIDS staff (209). These researchers make use of the library collections of both local and foreign materials, which have already reached a total of 10,139 book and journal titles.

Finally, in connection with the Library's Online Public Access Catalogue (OPAC) System, a total of 6,380 entries have already been inputted by the library staff. The editing of these entries is an ongoing and continuing activity as well.

Philippine APEC Study Center Network (PASCN)

Now on its sixth year, the Philippine APEC Study Center Network (PASCN) continues to contribute to the promotion of regional cooperation by assisting the Philippine government in its attempt to intensify its perspective on various issues relating to the agenda of the Asia Pacific Economic Cooperation (APEC).

Public Affairs. The Network sent three representatives to present their respective papers in the Annual APEC Study Center Consortium Conference in Merida, Mexico held last May. This was followed by the attendance of the PASCN Director in the APIAN Conference in China in August. In addition, PASCN representatives attended separate Technical Board on APEC Matters (TBAM) meetings at the Department of Foreign Affairs (DFA) in August and September.

A joint technical workshop on *Education and Globalization* and *Toward a Rational Competition Policy* were conducted at the De La Salle University wherein Dr. Gerardo Largoza presented his paper on *Toward a Policy Framework for Expanding Open and Long Distance Learning as a Means of Increasing Labor Flexibility and Reinforcing the Education-for-All Programme in the Philippines* and Dr. Myrna Austria discussed her paper on *The State of Competition and Market Structure of the Philippine Shipping Industry*.

This was followed by two separate workshops for the **Sustainable Tourism and Development** project wherein the following papers were presented: *Benchmarking Philippine Tourism with Thailand* by Ms. Cherry Lyn Rodolfo (UAP); *Toward the Development of Sustainable Tourism Indicators: An Examination of Sustainable Tourism Programs and Practices of ASEAN National Tourism Organizations (NTOs) Geared Toward Environmental Protection* by Dr. Reil Cruz (UP Asian Institute of Tourism); *Development of a Classification Framework on Ecotourism Initiatives in the Philippines* by Mr. Ramon Benedicto Alampay (UP-AIT); *The Impact of Tourism on Indigenous Communities: A Case Study on Tourism's Effects on the Cordillera* by Ms. Juline Dulnuan (UP-AIT); and *Maintaining a Competitive Advantage in Tourism Organizations: Emerging Patterns of Employment and Challenges for HRD* by Ms. Susan Solis (UP-AIT).

Publications. The PASCN held its first book launching in January at the University of Asia and the Pacific, Pasig City. The titles that were launched included *China's Economic Growth and the ASEAN* edited by Dr. Ellen Palanca, *Coalition Building and APEC* edited by Dr. Wilfrido Villacorta, *The Filipino Worker in a Global Economy* edited by Mr. Leonardo Lanzona Jr., and *An Inquiry into the Competitiveness of Emerging Philippine Cities*, a volume of the *Research Paper Series*, by Mr. Raymund Magdaluyo and others.

Technical Assistance. In keeping with its goal, the Network contributed inputs to President Gloria Macapagal-Arroyo's briefing documents and the APEC Senior Official's Report presented during the APEC Conference at Los Cabos, Mexico.

The Institute's Management Information System (MIS) staff carried the daunting tasks of making the celebration of the Institute's silver anniversary as technologically smooth as possible by taking on the identification, development and upgrading of support systems that would facilitate the conduct of various anniversary-related activities.

In anticipation of the series of these activities, the MIS focused on the upgrading of the Institute's existing internet and network system. To further improve the internet and network services for the staff and the Institute's external clients, the MIS shifted from a 64 kilobytes/second (kbps) leased-line connection to a committed rate of 64 kbps digital subscriber line (DSL) connection that may be increased to 2 megabytes/second (mbps), thereby providing a faster and more efficient internet connection.

The network hubs with a 10 mbps-transfer rate were upgraded to intelligent hubs with 10x100x1000 mbps transfer rate. Two new servers with the latest specifications available in the market for servicing the PIDS network system were acquired while two more new servers replaced the old Web server and the Intranet server.

Through these hardware, network and internet connection upgrades, the Institute's staff and its network clients as well as other external clients can be assured of more efficient service especially in the dissemination of PIDS research studies and, at the same time, in the data gathering activities of PIDS researchers.

Alongside the upgrading of hardware, internet and network connection, the MIS also provided technical support in the development of various anniversary-related activities such as the development of an anniversary sub-website and the PIDS five-volume CD-ROM of studies and publications.

The development of the anniversary sub-website featured activity information on the series of symposia, lectures and seminars, and, most importantly, the inclusion of an online registration system. The online registration system provided interested participants with reservations and accommodations to their preferred activity in the scheduled series of seminars.



During the last quarter of 2002, the MIS set up new settings in the PIDS intranet and internet servicing. At the same time, the MIS assisted in the acquisition of new information technology (IT) equipment in providing better servicing for the following:

- upgrading of operating systems of all Linux servers into latest versions;
- procurement of new notebooks/laptops and new sets of personal computers (PCs) to replace existing old PCs and to provide to new PIDS personnel;

- setting-up of additional dial-up internet connections from 10 connections to 16 dial-up internet connections; and
- procurement of additional computer accessories and peripherals such as scanners, printers, and UPS, among others.

Through all these various tasks, the MIS continued to undertake its regular functions in the maintenance and improvement of the PIDS network and internet systems; maintenance of IT equipment, software procurement and installation; updating of certain sections of the PIDS webpage; and provision of general IT support services to PIDS staff.

at the beginning of 2003, the principal of the Institute's Endowment Fund amounted to P202.841 million. An additional amount of P15 million released by the national government increased the Fund by 7.39 percent to P217.841, the same amount which was invested in treasury bonds and treasury bills.

The Institute's investible funds totaled P244.319 million at the beginning of the year, which went up to P269.773 million by end of December 2002. The increase in the investible funds can be attributed to the subsequent release to PIDS of P30 million by the national government (P15 million subsidy for the Endowment Fund and P15 million for operations).

At the end of the year, the net income after tax generated by the Institute from its investment operations amounted to P27.055 million, representing a 10.03 percent internal rate of return (IRR).

Withdrawals amounting to P17.618 million from the Institute's investible funds during the year were utilized to sustain the operational requirements of the Institute. The Institute's major expenses for the year were on research and research-related activities such as the seminars and fora held in celebration of the Institute's 25th anniversary celebration.

By the end of the year, the Institute's total assets amounted to P366.442 million, representing an increase of P9.921 million from the beginning balance of P356.522 million posted at the start of the year.

Refer to Annexes G to K for the detailed financial statements.

Conclusion

Generally, the Institute's financial performance for CY 2002 can be considered satisfactory in view of its positive net income as well as the high rate of return it realized from its investment operations. Management also succeeded in synchronizing the Institute's disbursements with its income stream and was able to maximize the use of the subsidy from the national government.





he PIDS Provident Fund, Inc. is a nonstock corporation registered with the Securities and Exchange Commission (SEC) under SEC Registration No. A199919546 dated January 25, 2000. Its membership is exclusive to and automatic for regular officials and employees of PIDS who are holding plantilla positions.

It was organized to establish and maintain a fund, the sources of which shall be derived from contributions of the members and counterpart contribution from PIDS. All earnings and/or interest from its financial/investment operations are distributed to the members as benefits in case of retirement, resignation, separation, or other cases as may be allowed and determined by its Board of Trustees, in addition to other forms of benefits due to the employee-member.

As of December 31, 2002, the Fund has a total membership of 81 member-employees.

2002 activities/accomplishments

During the year, the Department of Budget and Management (DBM) has set the annual employer contribution to the Fund at P/1.193 million effective CY 2002 to be divided equally based on the total number of plantilla employees on board during a given month.

On its second annual meeting held on July 24, 2002, the following amendments in the Articles of Incorporation and By-Laws were passed:

- *Amendment of the Tenth Paragraph of the Articles of Incorporation:*

“TENTH: The funds of the corporation shall be derived from the monthly contributions of the members, a sum ranging from one percent - five percent of the monthly basic salary, the percentage of which shall be the option of the member, subject to the Implementing Rules to be issued by the Board of Trustees of the Fund, from the counterpart contributions of the Philippine Institute for Development Studies ranging from five percent to 10 percent of the employees’ current monthly basic salary which shall be allocated to each member, from donations, and from the earnings that may be generated or derived from and credited to such contributions.”

- *Amendment of Item “b” of Section 3, Article VII of the By-Laws*

b) Member’s Contribution

Membership within the Fund shall constitute authority for the PIDS to deduct monthly on a designated payroll date, as the member’s contribution to the Fund, a sum which shall not exceed five percent of the employee’s current basic salary, the percentage of which shall be at the option of each member.”

- *Amendment of Item a.2 of Section 3, Article VII of the By-Laws*

2) The employer yearly contribution to the Fund as authorized by the Department of Budget and Management (DBM)...”

- *Amendment of Section 1, Article IV of the Constitution and By-Laws:*

“Section 1. Composition - The Fund shall be administered by the Board of Trustees which shall be composed of the President of the PIDS, the Vice-President of the PIDS and the Director for Operations and Finance of the PIDS, and four (4) other elective members coming from the first, second, and third level positions, and a representative from a duly-accredited employee union, or an employee representative chosen through a general assembly or any other mode of selection to be conducted for the purpose in the absence of an accredited union. The Board shall elect among themselves the officers of the Fund. The officers shall be a President, the Corporate Secretary, and the Treasurer.”

These amendments were filed with the Securities and Exchange Commission (SEC) immediately.

Financial performance

For CY 2002, the Fund realized a net income of P0.662 million from its investment operations, which is about 38.49 percent higher than last year's P0.478 million earnings. This development can be attributed to the a) tax exemption of earnings from investment placements amounting to P1.000 million and above, and b) lock-in strategy adopted by management on its investments.

Consequently, the total asset of the Fund stood at P8.175 million, representing a growth percentage of about 36.87 percent over last year's P5.973 million. This includes cash in bank, accrued/other receivable, and investment in treasury bills/treasury bonds.

Finally, total net worth amounted to P7.401 million with an increase of P1.782 million or a 31.71 percent growth over last year's figure of P5.619 million. Of the P7.401 million, P4.475 million (60.46 %) represents fund contributions, P2.000 million (27.02 %) represents the seed money from PIDS, and the remaining P0.926 million (12.51 %) represents the Fund's earnings.

Payment of benefits

As of CY 2002, the Fund has paid benefits to a total of 13 resigned/retired employees. This is broken down into seven employees (6 resignations and 1 retirement) in CY 2001 and six resignations in CY 2002. All these member-employees received their share of the Fund's annual income for CY 2001 and CY 2002 up to the date of their resignation/retirement from PIDS. The computation of the amount they received was based on the provisions of the By-Laws of the Provident Fund and was approved by the Fund's Board of Trustees.

Future thrusts

Fund management will continue to focus its effort on investing in short-term government securities and at the same time monitor developments in the financial market. This will provide enough opportunity for the Fund to take advantage of any favorable changes in the investment climate and at the same time ensure the viability of its placements.

Refer to Annexes L to N for the detailed financial statements.



In its sophomore year, the Civil Service Commission (CSC) conferred upon the PIDS Employees Association (PIDSEA) the authority to be the sole and exclusive negotiating agent of the rank-and-file employees of the Institute. Under CSC Resolution Number 020582 dated 18 April 2002, PIDSEA was issued Certificate of Accreditation Number 301.

Consequently, PIDSEA commenced discussions with the Management on the approval of the proposed collective negotiation agreement (CNA) drafted by the Association's Executive Committee (ExeCom). Initial discussions started with the presentation of the draft CNA by current PIDSEA Chairman Marissa Esquivel and the ExeCom to the PIDS Management Committee. The first meeting provided the ExeCom directions on what items in the CNA to advocate for approval.

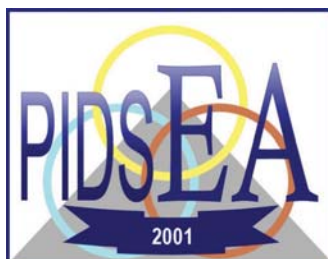
Also during the year, PIDSEA fielded a total of 15 members and officers to various existing and ad hoc PIDS committees. This move was the PIDS Management's response and commitment to PIDSEA's call for transparency and collaboration between management and the staff.

Meanwhile, a number of PIDSEA members and officers were recommended to participate in various seminars and workshops sponsored by advocates of public sector unionism. As of December 2002, three officers and one member attended three such activities along with management representatives. These activities included attendance in the Public Sector Workers' Forum on Collective Negotiation Agreement (CNA) Benefits, Issues and Challenges Toward Productivity sponsored by the Philippine Government Employees Association (PGEA) in August 2002.

To cap its activities for the year and in support of the Institute's celebration of its silver anniversary, PIDSEA organized a logo design contest among its members. The members, with the assistance of an invited artist, voted for the logo design which best defines PIDSEA and its mission. Out of seven entries, the design of Lucita Melendez and Eden Villanueva was awarded the honor and a corresponding cash prize.

Refer to Annexes O and P for the detailed financial statements.

Two of PIDSEA's activities during the year included (right) a cooking demonstration to employees for livelihood purposes and (bottom) the logo design contest which was won by Eden Villanueva and Lucy Melendez of the Research Department.



Philippine Institute for
Development Studies
Employees Association

Annex A

Completed studies/projects

Modernizing Philippine agriculture

- A Comprehensive Assessment of the Philippine Agricultural Extension System - Cristina David and Arlene Inocencio
 1. Bicol Component - Arnulfo Mascariñas
 2. Extension Study (Southern Tagalog Component) - Nora Carambas
- A Comprehensive Assessment of the Philippine Agricultural Extension System (Phase 2)
 3. The Extension Service of State Universities and Colleges in the Philippines: Reexamining Philosophies, Visions, Strategies and Hard Realities - Napoleon Juanillo
- Assessment of Fisheries Resource Management Approaches in the Philippines
 4. Analytical Framework and Methodology for CBCRM Analysis - Gideon Carnaje
- Targeting Technology Intervention for Food Security in the Philippines: A GIS Application for Agricultural Research Prioritization
 5. Agro-Ecological Characterization of the Philippines for Research Prioritization of Major Agricultural Crops (Study 1) and Performance of the National Irrigation System (Study 2) - Tolentino Moya
 6. Characterization of the Rice and Corn Farming Practices - Rahimaisa Abdula
 7. Characterization of the Agricultural Structure Based on the 1997 Barangay Screening Survey - Minda Mangabat
 8. Agricultural Policy Discussion Series - Cristina David and Danilo Israel

Competitiveness and competition policy

- Global Competitiveness Through Improved Productivity
 9. The Philippine National Innovation System - Epictetus Patalinghug
 10. Understanding Competition Policy: A Suggested Framework Studies on the Impact of Trade Reforms and Globalization - Erlinda Medalla
 11. Catalogue, Organized Data Bank for Trade and Policy Industry Analyses (Continuing activity) - Erlinda Medalla
 12. The Philippines in the Global Trading Environment: Looking Back and the Road Ahead (Perspective Paper) - Myrna Austria
- Social Sector Reform
 13. Impact of Globalization on Employment - Aniceto Orbeta Jr.
 14. The Structure and Inflation of Tuition Fees in Philippine Colleges and Universities (Special Paper) - Edita Tan
 15. Housing and Urban Development (Perspective Paper) - Marife Ballesteros
 16. Human Resource Development and Labor Market (Perspective Paper) - Aniceto Orbeta Jr.
 17. Review of Poverty and Social Development for the Past 25 Years (Perspective Paper) - Celia Reyes
- Policy Evaluation Research of the Philippine Population Management Program (PPMP)
 18. A Review of Research on Population-Related Issues: 1980-2002 - Aniceto Orbeta Jr.
 19. Population Policy in the Philippines: 1996-2002 Management Program - Alejandro Herrin
 20. Review of the Population Program: 1986-2002 - Aniceto Orbeta Jr.
- Child Labor and Development in the Philippines
 21. Annotated Bibliography of Child Labor Studies in the Philippines - Godelia Ricalde

Macroeconomic management in a globalized setting

- Microfinance: A Market Approach
 22. Survey and Write-up - Mario Lamberte and Jocelyn Badiola
 23. Efficiency and Expense Preference in the Philippines' Cooperative Rural Banks - Mario Lamberte and Martin Desrocher
 24. Governance in Southeast Asia - Mario Lamberte and Eduardo Gonzales
 25. Central Banking in the Philippines: Then, Now and the Future (Perspective Paper) - Mario Lamberte
 26. Political Economy of Philippine Economic Reforms (Special Paper) - Gerardo Sicat
 27. Exchange Rate Policy in Philippine Development (Special Paper) - Romeo Bautista
 28. Estimating Industry Benchmarks for the Value Added Tax - Rosario Manasan

Natural resources and the environment

29. The Quest for a Better Environment: Past Experiences and Future Challenges (Perspective Paper) - Danilo Israel
- Water Resources Management
 30. Watershed-based Water Management Strategy: The Missing Link to Sustainable Water Services - Herminia Francisco
 31. Implementation of the Watershed Approach in Natural Resources Management in the Philippines: An Assessment - Romeo Acosta
 32. Competing Uses of Water - Guillermo Tabios and Cristina David
 33. A Model for Water Resource Governance for the Philippines - Ben Malayang III

Policy analysis, planning tools and monitoring systems

34. A Perspective on Macroeconomic and Economy-Wide Quantitative Models of the Philippines: 1990-2002 (Perspective Paper) - Josef Yap
35. What Have We Learned from Growth Models (Special Paper) - Gonzalo Jurado
36. Monitoring Economic Vulnerability and Performance: Applications to the Philippines - Josef Yap
37. Economic Monitoring System (Database Information System) (Continuing activity) - Celia Reyes
38. Geographical Information Systems (GIS) for the Philippine Socioeconomic Profile (Continuing activity) - Celia Reyes
39. Poverty Profile of the Philippines - Celia Reyes

Others

40. Theoretical, Policy and Implementation Issues Relevant to the Proposed Financial Sector Tax Reform (FSTR) Program - Noe Ravalo

PASCN

- Education and Globalization
 41. Continuing Professional Education: Training and Developing Filipino Professionals Amidst Globalization - Zenon Udani
 42. Towards a Policy Framework for Expanding Open and Long Distance Learning as a Means of Increasing Labor Flexibility and Reinforcing the Education-for-All Program in the Philippines - Gerardo Largoza
- Food Security, Agricultural Efficiency and APEC
 43. Achieving Food Security: The Role of and Constraints Faced by LGUs - Liborio Cabanilla
 44. Assessment of the Physical Resource Capability in Philippine Agriculture - Luis Rey Velasco and Liborio Cabanilla
- E-Commerce: Prospects, Opportunities, Challenges
 45. The Social Impact of E-Commerce on Philippine Workers - Roberto de Vera
 46. Towards a National Tax Policy for the Philippines on E-commerce - Peter Lee U
- Towards a Rational Competition Policy
 47. The State of Competition and Market Structure of the Philippine Shipping Industry - Myrna Austria

- Sustainable Tourism Development
 48. Benchmarking Philippine Tourism with Thailand - Cherry Lyn Rodolfo
- Others
 49. The Impact of Globalization on Employment - Aniceto Orbeta Jr.

PASCN theses

50. Household Dynamics in the Face of Rural Industrialization: Case Studies of Households in the Southern Luzon Community - Aurora Vistro
51. Competencies of Human Resource Managers at the Philippine Economic Zone Authority (PEZA) in Rosario, Cavite - Evelia Pardo
52. An Investigation of the Trends and Determinants of Philippine Trade in Services - Jeremy Barns
53. Institutionalization of Small and Medium Enterprises (SMEs) in Batangas Province - Rufo Mendoza

Annex B ***Ongoing studies and projects***

Policy analysis, planning tools and monitoring systems

1. Quarterly Model - Josef Yap

Social sector reform

2. Housing Microfinance: Comparative Analysis - Marife Ballesteros
- Child Labor and Development in the Philippines
 3. Analysis of Child Labor in the Philippines - Leonardo Lanzona
 4. Child Labor in the Philippines: Overview, Review and Policy Recommendations - Fernando Aldaba
- Policy Evaluation Research on the Philippine Population Management Program (Phase 2)
 5. Policy Evaluation Research on the Philippine Population Management Program (Phase 2) (Formal Evaluation and Policy Studies Report) - Alejandro Herrin
 6. Main Report - Aniceto Orbeta
- Estimation and Institutionalization of the PPMP Expenditures
 7. Estimation and Institutionalization of the PPMP Accounts - Alejandro Herrin
 8. Data Compilation, Expenditure Estimation, Manual Preparation, and Testing for the POPCOM-PIDS PPMP Accounts Project - Rachel Racelis

Competitiveness and competition policy

9. Assessment of the National Competition Policies (Perspective Paper) - Erlinda Medalla
10. S&T in the Philippines for the Last 25 Years (Perspective Paper) - Caesar Cororaton
- Global Competitiveness Through Productivity
 11. Wages, Skills Acquisition and Productivity - Caesar Cororaton
 12. The Relationship Between Productivity and Market Shares of Major Agricultural Exports - Epictetus Patalinghug
- Studies on the Impact of Trade Reforms and Globalization
 13. Development Methodology: Assess Structural Adjustment Substitute Activity “Fiscal Incentives” - Erlinda Medalla
 14. E-Commerce: Nature and Measurement Issues for the Philippines - Aniceto Orbeta Jr.

Macroeconomic management in a globalized setting

- Microfinance: A Market Approach
 15. Microfinance: A Market Approach - Mario Lamberte

16. Assessment of the President's Budget for 2003 - Rosario Manasan
17. Assessment of the Conduct of Fiscal Policies for the Last 25 Years (Perspective Paper) - Rosario Manasan
18. State of Competition in the Insurance Industry (Selected Asian Countries) - Melanie Milo
19. Assessment of Banking Policy for the Last 25 Years (Perspective Paper) - Melanie Milo

Modernizing Philippine agriculture

- A Comprehensive Assessment of the Philippine Agricultural Extension System (Phase 1)
 20. Structure, Conduct, and Performance of DA Extension Units - Tito Contado
- Strengthening Social Science and Policy Researches for Philippine Agriculture and Fisheries
 - Cristina David and Danilo Israel
 21. Community Organizations and the Efficiency of Participatory Rural Development: A Survey
 - Roehlano Briones
 22. Contractual Arrangements in Agriculture (Mindanao) - Larry Digal
 23. Contractual Arrangements in Agriculture (Northern and Central Luzon) - Alma dela Cruz
 24. Contractual Arrangements in Agriculture (Philippines) - Leonardo Lanzona
 25. Contractual Arrangements in Agriculture (Visayas and Southern Tagalog) - Gideon Carnaje
 26. Agriculture Price Transmission - Faith Cacnio
 27. Conduct of Training Program on Survey Sampling for Social Science Research - Arturo Pacificador
 28. Establishing Safety and Occupational Health Standards in the Cutflower Industries - Jinky Leilani Lu
 29. Development of a Customized Programs and Generation of Data Tables Using the BBS
 - Bureau of Agricultural Statistics
 30. Operationalizing the Social Science and Policy Research, Development and Extension (RDE) Network
 - Cristina David and Danilo Israel
 31. Philippine Agriculture: Victim of Weak Governance (Perspective Paper) - Cristina David
 32. Management and Implementation of the Social Science and Policy Research Network for Agriculture
 - Agnes Rola

Natural resources and the environment

- Assessment of Fisheries Resource Management Approaches in the Philippines
 33. Assistance in the Conduct of the Project Assessment of Fisheries Resource Management Approaches in the Philippines - Elvira Adan
 34. Assessment of Fisheries Resource Management - Jovelyn Du-Quiton

Infrastructure development

- Infrastructure Development
 35. Infrastructure Policies and Privatization Experience in the Philippines in the Past 25 Years (Perspective Paper) - Gilberto Llanto
 36. Study on Rural and Regional Infrastructure Expenditures - Ruben Mercado

Others

37. The Role of PIDS and Its Contribution to Research and Policymaking in the Philippines - Florian Alburo
38. Advisory Services for Proposal Development and Resource Mobilization Strategy in Support of Human Development Advocacy - Mario Lamberte

PASCN

- Education and Globalization
 39. Integrative Report on Education and Globalization - Tereso Tullao Jr.
- Islamic Impact of Globalization
 40. Economic Globalization on Trade and Investment in Muslim Areas in the Philippines - Habib Macaayong
 41. Islamic Economy: Its relevance to the Globalization of Economy in Muslim Areas in the Philippines
 - Ali Panda

42. Effect of Global Economic Liberalization on Manufacturing Industries in Muslim Areas in the Philippines - Eugenio Manulat
- Towards a Philippine Competition Policy
43. An Analysis of the State of Competition and Market Structure of the Distribution Sector - Ma. Theresa Caparas
- Sustainable Tourism Development
44. The Impact of Tourism on Indigenous Communities: A Case Study on Tourism's Effects on the Cordillera - Julie Dulnuan
45. Towards the Development of Sustainable Tourism Indicators: An Examination of Sustainable Tourism Programs and Practices of ASEAN National Tourism Organizations (NTOs) Geared Towards Environmental Protection - Reil Cruz
46. Maintaining a Competitive Advantage in Tourism Organizations: Emerging Patterns of Employment and Challenges for HRD - Susan Solis
47. Development of a Classification Framework on Ecotourism Initiatives in the Philippines - Carlos Libosada and Ramon Alampay
48. Contested Space: Tourism, Power and Social Relations in Mactan and Panglao Islands - Jose Eleazar Bersales
- Food Security, Agricultural Efficiency and APEC
49. Food Security, Agricultural Efficiency and Regional Integration - Amelia Bello
50. An Evaluation of Agricultural Cooperatives as a Mechanism for Promoting Efficiency of Agriculture in the Philippines - Eulogio Castillo
- Others
51. China's Accession to WTO - Ellen Palanca
- PASCN Theses
52. Determinants of Global Competitiveness of the Philippine Coconut Oil Industry - Catherine Aragon
53. The Multiplier Effects of Industrial Estates Through Employee Consumption - Carl Vincent Nadela
54. Gender Role Differentiation Among Women and Men Farmers in the Sustainable Agriculture Program in Upper Pugaan, Iligan City, Southern Philippines - Grace Majorenos
55. Model of Effectiveness for NCR Private Secondary Schools - Tara P. Donozo
56. Measuring and Evaluating the Manufacturing Strategy Effectiveness of the Philippine Electronics Industry Using the Hayes-Wheelwright Framework - Anthony SF Chiu
57. Assessing the Agrarian Reform Community (ARC) Development Strategy to Implement the Comprehensive Agrarian Reform Program (CARP): Its Implication on Governance and Rural Development - Emmanuel Alfiler

Annex C

Project proposals developed

1. Trade and Regional Integration- Myrna Austria
2. Exchange Rate Policy in Philippine Development - Romeo Bautista
3. Housing Microfinance: Comparative Analysis - Marife Ballesteros
4. Housing Policies and Urban Development for the Past 25 Years - Marife Ballesteros
5. Science and Technology Policy in the Philippines for the Last 25 Years - Caesar Cororaton
6. Impact of Trade Reforms on Poverty and Inequality - Caesar Cororaton
7. Agricultural and Rural Development for the Last 25 Years - Cristina David
8. Assessment of Fisheries Resource Management Approaches in the Philippines - Danilo Israel

9. Perspective Paper: Review of Environment and Natural Resource Policies in the Philippines - Danilo Israel
10. Infrastructure Policies and Privatization Experience in the Philippines in the Past 25 Years - Gilberto Llanto
11. Central Banking and Conduct of Monetary Policy in the Philippines: Perspective Paper - Mario Lamberte
12. Development of Debt Securities Market: Government and Corporate Bond Market - Mario Lamberte
13. Assessment of the President's Budget for 2003 - Rosario Manasan
14. Assessment of the Conduct of Fiscal Policies for the Past 25 Years - Rosario Manasan
15. Assessment of National Competition Policies - Erlinda Medalla
16. Fiscal Incentives - Erlinda Medalla
17. State of Competition in the Insurance Industry (Selected Asian Countries) - Melanie Milo
18. Assessment of Banking Policy for the Last 25 Years - Melanie Milo
19. Human Resource Development and Labor Markets - Aniceto Orbeta Jr.
20. Review of Poverty and Social Development for the Past 25 Years - Celia Reyes
21. Political Economy of Philippine Economic Reforms - Gerardo Sicat
22. Structure and Inflation of Tuition Fees in Philippine Colleges and Universities - Edita Tan
23. What Have We Learned from Growth Models? - Gonzalo Jurado
24. Review of Quantitative Planning Models in the Philippines for the Last 25 Years - Josef Yap
25. Indicators Project in Collaboration with Thailand Development Research Institute - Josef Yap
26. The Relationship Between Productivity and Market Shares of Major Agricultural Exports
27. Policy Evaluation Research of the Philippine Population Management Program - Aniceto Orbeta Jr.
28. Child Labor and Development in the Philippines - Aniceto Orbeta Jr.
29. Liberalizing Capital Movements in the ASEAN Region - Josef Yap
30. Theoretical, Policy and Implementation Issues Relevant to the Proposed Financial Sector Tax Reform Program - Johnny Noe Ravalo
31. Study on Rural and Regional Infrastructure Expenditures - Ruben Mercado

PASCN

- Globalization, Governance and APEC - University of Asia and the Pacific, National College of Public Administration and Governance, University of the Philippines-Visayas, De La Salle University-Manila

Annex D *Public affairs*

Network/project related fora

1. 12th Agricultural Policy Forum: Database of the Philippine Agricultural Economy
18 January 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Romeo Recide, Consuelo Gomez, Lorna Gabito, Julio Garlit, Cynthia Vallesteros
Ratelieta Millendez, Maura Lizarondo
Co-sponsor: Bureau of Agricultural Research (BAR)
2. PASCN 6th Annual Symposium: Education and Globalization
28 January 2002, APEC Communications Building, University of Asia and the Pacific, Pasig City
Presenters: Allan Bernardo, Zenon Udani, Veronica Ramirez, Tereso Tullao Jr.
Co-sponsors: Philippine APEC Study Center Network (PASCN) and University of Asia and the Pacific (UA&P)
3. PASCN 2nd Thesis and Dissertation Assistance Program (TDAP) Conference
29 January 2002, APEC Communications Building, University of Asia and the Pacific, Pasig City
Presenters: Joel Oana and Danilo Josue
Co-sponsors: PASCN and UA&P

4. 13th Agricultural Policy Forum: Welfare Issues in Rural Philippines
27 February 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Arsenio Balisacan, Maura Lizarondo, Noel Devanadera, Joanna Estudillo, Wilma Molano
Co-sponsor: BAR
5. Roundtable Discussion on Impacts, Risks and Opportunities of Financial Liberalization and Integration: A Macro-Micro Analysis
19 March 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Ponciano Intal Jr., Tereso Tullao Jr., Victor Pontines
Co-sponsor: PASCN
6. Policy Evaluation Research on the Philippine Population Management Program
03 April 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Alejandro Herrin, Aniceto Orbeta Jr.
Co-sponsor: Commission on Population (POPCOM)
7. Regional Conference on Education and Globalization
03 April 2002, Cebu Midtown Hotel, Cebu City
Presenters: Allan Bernardo, Zenon Udani, Veronica Ramirez, Tereso Tullao Jr.
Co-sponsors: PASCN and University of San Carlos
8. Regional Conference on Impacts, Risks and Opportunities of Financial Liberalization
04 April 2002, Cebu Midtown Hotel, Cebu City
Presenters: Rene Hapitan, Tereso Tullao Jr., Victor Pontines, George Manzano
Co-sponsors: PASCN and University of San Carlos
9. Regional Conference on Impacts, Risks and Opportunities of Financial Liberalization
18 April 2002, Royal Mandaya Hotel, Davao City
Presenters: Ponciano Intal Jr., George Manzano, Angelo Unite, Rene Hapitan, Leila Calderon
Co-sponsors: PASCN and NEDA Region XI
10. 14th Agricultural Policy Forum on Socioeconomic and Policy Issues: The Agriculture Sector
06 May 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Danilo Israel, Castor de Jesus, Nerissa Salayo, Ruben Sevilleja, Susan Siar Melchor Tayamen
Co-sponsor: BAR
11. Regional Conference on Education and Globalization
16 May 2002, Dynasty Court Hotel, Cagayan de Oro City
Presenters: Allan Bernardo, Veronica Ramirez, Tereso Tullao Jr.
Co-sponsors: PASCN and Xavier University
12. Regional Conference on Education and Globalization
20 June 2002, City Travel Hotel, Baguio City
Presenters: Tereso Tullao Jr., Zenon Udani
Co-sponsors: PASCN and NEDA-CAR
13. Regional Conference on Impacts, Risks and Opportunities of Financial Liberalization
21 June 2002, City Travel Hotel, Baguio City
Presenters: Tereso Tullao Jr., Angelo Unite, Emilio Neri Jr.
Co-sponsors: PASCN and NEDA-CAR
14. 15th Agricultural Policy Forum on Gender Issues in the Agricultural and Fisheries Sectors
22 July 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Corazon Lamug, Ida Siason, Thelma Paris, Zenaida Toquero
Co-sponsor: BAR
15. Policy Forum on Water Resources Management
12 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Ruben Reinoso, Agnes Rola, Herminia Francisco, Romeo Acosta, Guillermo Tabios III Ben Malayang III, Antonio Contreras
Co-sponsors: SANREM-CRSP, PCARRD, UPLB

16. PAFTAD 28 (International) Conference on Competition Policy in the New Millennium
16-18 September 2002, AIM Conference Center, Makati City, Philippines
Presenters: Erlinda Medalla, Hugh Patrick, Rod Shogren, Mercedes Araoz, Frederic Jenny
Maria Fe Villamehor-Mendoza, Christopher Findlay, Ralph Huenemann, Deunden Nikomborirak
Melanie Milo
Co-sponsors: PAFTAD Secretariat, Philexport, TAPS, USAID, The Asia Foundation
17. PIDS - BAR Forum on the Philippine Agricultural Extension System
19 September 2002, AIM Conference Center, Makati City
Presenters: Rosa Fe Hondrade, Tito Contado, Efren Saz
Co-sponsor: BAR
18. PIDS - PASCN Forum on Sustainable Tourism Development
20 September 2002, AIM Conference Center, Makati City
Presenter: Ramon Benedicto Alampay
Co-sponsor: PASCN
19. PASCN 7th Annual Symposium: E-Commerce - Prospects, Opportunities and Challenges
09 December 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Fernando Aldaba, Peter Lee U, Roberto de Vera
Co-sponsor: PASCN
20. PASCN 3rd Thesis and Dissertation Assistance Program (TDAP) Conference
10 December 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenters: Rufo Mendoza, Jeremy Barns
Co-sponsor: PASCN

Pulong Saliksikan

1. The Philippine Economy in 2002
28 February 2002, Room 207, NEDA-Makati Building, Makati City
Presenter: Josef Yap
2. Benefits (and Losses) from Rent Control in the Philippines: An Empirical Study of Metro Manila
12 March 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Marife Ballesteros
3. Assessing the Situation of Women Working in CALABARZON
21 March 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Divina Edralin
4. Total Factor Productivity in the Philippines
30 April 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Caesar Cororaton
5. Fiscal Incentives Revisited
11 June 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Erlinda Medalla
6. Estimating Industry Benchmarks for the Value Added Tax (VAT)
02 July 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Rosario Manasan
7. Analysis of the President's Budget for 2003: Deficit in Revenues Leading to a Deficit in Services
04 December 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Rosario Manasan
8. Philippine Domestic Shipping Transport Industry: State of Competition and Market Structure
17 December 2002, Room 208, NEDA-Makati Building, Makati City
Presenter: Myrna Austria

Institutional symposia/lectures

1. A Perspective on Macroeconomic and Economy-Wide Quantitative Models of the Philippines: 1990 - 2002
15 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Josef Yap
2. Infrastructure Development: Experience in the Past Twenty-Five Years and Options for the Next Twenty-Five Years
20 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Gilberto Llanto
3. Central Banking in the Philippines: Then, Now and the Future
22 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Mario Lamberte
4. Financial Services Integration and Consolidated Supervision: Some Issues to Consider
22 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Melanie Milo
5. Political Economy of Philippine Economic Reforms
(*Distinguished Speakers Lecture Series*)
27 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Gerardo Sicat
6. What Have We Learned from Growth Models?
(*Distinguished Speakers Lecture Series*)
27 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Gonzalo Jurado
7. Exchange Rate Policy in Philippine Development
(*Distinguished Speakers Lecture Series*)
29 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Romeo Bautista
8. The Structure and Inflation of Tuition Fees in Philippine Colleges and Universities
(*Distinguished Speakers Lecture Series*)
29 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Edita Tan
9. The Quest for a Better Environment: Past Experiences and Future Challenges
03 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Danilo Israel
10. Philippine Agriculture: A Victim of Weak Governance
03 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Ponciano Intal Jr.
11. Research and Development and Technology in the Philippines
05 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Caesar Cororaton
12. Education and the Labor Markets: A Review of Developments and Policy Issues
05 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Aniceto Orbeta Jr.
13. Philippine Competition Policy in Perspective
10 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Erlinda Medalla
14. The Philippines in the Global Trading Environment: Looking Back and the Road Ahead
10 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Myrna Austria

15. The Poverty Fight: Have We Made an Impact?
12 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Celia Reyes
16. Rethinking Institutional Reforms in the Housing Sector
12 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Presenter: Marife Ballesteros

Regional consultation meetings

1. PASCN Seminars on Education and Globalization and Financial Liberalization
05 March 2002, University of San Carlos, Cebu City
Attendees: PIDS Staff, PASCN Staff, University of San Carlos' Research Staff
2. Seminar on Community-Based Coastal Resources Management in the Philippines
05 March 2002, NEDA Region 7 Office, Cebu City
Attendees: PIDS Staff, NEDA Region 7 Staff
3. PASCN Seminar on Financial Liberalization and PIDS Seminar on Community-Based Coastal Resources Management in the Philippines
14 March 2002, NEDA Region XI Office, Davao City
Attendees: PIDS Staff, PASCN Staff, NEDA Region 11 Staff
4. PASCN Seminar on Education and Globalization
12 April 2002, Xavier University, Cagayan de Oro City
Attendees: PIDS Staff, PASCN Staff, Xavier University Staff
5. PASCN Seminars on Education and Globalization and Financial Liberalization
07 May 2002, NEDA-CAR Office, Baguio City
Attendees: PIDS Staff, PASCN Staff, NEDA-CAR Staff

Policy roundtable discussions

1. Regional Discussion-Forum on Review of Methods for Assessing Community-Based Coastal Resources Management (CBCRM) in the Philippines
05 April 2002, Cebu Midtown Hotel, Cebu City
Presenter: Danilo Israel
Co-sponsor: NEDA Region VII Office
2. Regional Discussion-Forum on Review of Methods for Assessing Community-Based Coastal Resources Management (CBCRM) in the Philippines
19 April 2002, Royal Mandaya Hotel, Davao City
Presenter: Danilo Israel
Co-sponsor: NEDA Region XI Office

Legislators forum series

1. Policy Forum on Health Sector Reform Agenda
22 May 2002, Sulo Hotel, Quezon City
Presenters: Mario Villaverde, William Torres, Agnette Peralta, Nicolas Lutero III, Jesus Abella
Co-sponsors: Office of the Speaker, Knowledge Management Systems Department, CPBO
Department of Health

Senate staff economic forum series

1. Legislative Forum on Health Sector Reform Agenda
09 August 2002, Sen. Padilla Room, Philippine Senate, Pasay City
Presenters: Milagros Fernandez, William Torres, Nicolas Lutero III, Agnette Peralta, Edgardo Sibitsana
Co-sponsors: Office of Senator Juan Flavies, Senate Policy Studies Group, Department of Health

Public gatherings

1. Research Fair 2002
18-20 September 2002, AIM Conference Center, Makati City
Participating Institutions: Philippine Institute for Development Studies - Philippine APEC Study Center Network, National Economic and Development Authority, National Statistics Office
National Statistical Coordination Board, National Tax Research Center
Institute for Labor Studies, Development Academy of the Philippines
Ateneo de Manila University, De La Salle University, University of Asia and the Pacific
Institute for Strategic Planning and Policy Studies-UPLB, Center for Integrative and Development Studies-UP, National College of Public Administration and Governance-UP, School of Economics-UP, Social Weather Stations
2. PIDS Thanksgiving Reception
20 September 2002, AIM Conference Center, Makati City
Special Guests: Edgardo Espiritu, Dante Canlas, Felipe Medalla

General assembly meetings

1. Moral Recovery Program
08 January 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Speaker: Filotea Ledesma
Hosts: Room 305 occupants
2. PIDS Matters
05 February 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 306 occupants
3. PIDS Matters
05 March 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 307 occupants
4. PIDS Matters
02 April 2002, Room 207, NEDA-Makati Building, Makati City
Hosts: Room 308 occupants
5. PIDS Matters
14 May 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 309 occupants
6. PIDS 25th Anniversary Activities
03 June 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 310 occupants
7. Company Health Care, PIDS Week Activities
01 July 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 311 occupants
8. PIDS Week Activities
05 August 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 312 occupants
9. PIDS Week Activities
02 September 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 204 occupants
10. PIDS Matters
07 October 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 403 occupants
11. GSIS Retirement Benefits
18 November 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 404 occupants
12. PIDS Christmas Activities and Planning Workshop
02 December 2002, C.P. Romulo Hall, NEDA-Makati Building, Makati City
Hosts: Room 405 occupants

Annex E

Media exposure

- Filipino-first policy (*BusinessWorld*, p. 29, Jan. 7, 2002)
- Moratorium on creation of state universities urged (*BusinessWorld*, Jan. 7, 2002)
- BSP advised to tread lightly in effecting new rate cuts (*BusinessWorld*, Jan. 11, 2002)
- PIDS outlines measures to prevent abuses in PERA perks (*BusinessWorld*, p. 6, Jan. 28, 2002)
- Beating odds in economic performance (*Manila Times*, p. 1A, Jan. 20, 2002)
- Bureaucracy needs to be cleansed of corruption and inefficiency (*Manila Times*, p. 1A Jan. 21, 2002)
- GDP figures a ‘pleasant’ surprise (*BusinessWorld*, Feb. 1, 2002)
- 2002 inflation seen at 4%-4.5% vs. government goal of 5%-6% (*BusinessWorld*, p. 6, Feb. 15, 2002)
- Monopoly by NFA (*Manila Times*, Opinion page, Feb. 21, 2002)
- Rich benefited more from government’s housing program vs. poor—PIDS (*BusinessWorld*, p. 6, Feb. 25, 2002)
- PERA bill will not result in big revenue loss for government, says PIDS (*BusinessWorld*, p. 13, Feb. 28, 2002)
- Government to forgo 11.9B if PERA funds are taxed only 5%—DOF (*BusinessWorld*, Mar. 4, 2002)
- Government needs P28.5B to meet UN goal of poverty reduction (*BusinessWorld*, p. 10, Mar. 7, 2002)
- Kahirapan lumalala (*Inquirer Libre*, p. 4, Mar. 8, 2002)
- Hold the Department of Housing (*Manila Times*, Editorial, Mar. 8, 2002)
- More resources needed to reduce poverty (*Philippine Star*, p. 30, Mar. 13, 2002)
- Currency problem can come from both banks, corporations, says PIDS (*BusinessWorld*, Business page, Mar. 19, 2002)
- O Cartel! (*BusinessWorld*, Yellow pad, p. 6, Mar. 2002)
- How globally competitive are RP workers? (*BusinessWorld*, Apr. 1, 2002)
- PIDS proposes approach to improve SME lending (*BusinessWorld*, p. 2, Apr. 3, 2002)
- 3-point strategy proposed to speed up liberalization (*Cebu Daily News*, p.24, Apr. 4, 2002)
- Topic: mission and vision of PIDS (*Oras na Pilipinas*, DZAS, Apr. 10, 2002)
- Impact of Agrarian reform on poverty reduction (*Philippine Star*, p. 11, Apr. 11, 2002)
- Agri-Credit Achievement Medallion (*BusinessWorld*, p. 16, Apr. 16, 2002)
- Government urged to focus on structural problems (*Phil. Daily Inquirer*, p. B6, Apr. 23, 2002)
- Competition policy: why does it matter? (*BusinessWorld*, p. 3, Apr. 23, 2002)
- Briefs (*BusinessWorld*, Apr. 24, 2002)
- NEDA wants P20,000 limit on PERA tax exemption (*BusinessWorld*, Apr. 29, 2002)
- Briefs (*BusinessWorld*, Apr. 29, 2002)
- PIDS cites need to junk taxes on government debt paper (*BusinessWorld*, p. 15, May 3, 2002)
- A step backward (*Manila Times*, Editorial, May 3, 2002)
- International higher education: only for the rich? (*BusinessWorld*, p. 22, May 7, 2002)
- Tax incentives, policy reforms needed to develop debt market, economist says (*BusinessWorld*, p. B2, May 15, 2002)
- Better export market good for RP labor (*BusinessWorld*, May 15, 2002)
- Tax-free GS seen prone to loopholes (*BusinessWorld*, May 6, 2002)
- Institutions move to sustain upland development in Southeast Asia (*SANREM CRSP/SEA update*, p. 1, May-Aug. 2001)
- Study notes large hidden cost of perks (*BusinessWorld*, p. 15, June 12, 2002)
- Study proposes two-tier investor incentive scheme (*BusinessWorld*, p. 22, June 13, 2002)
- Study proposes scheme to rationalize incentive program (*Philippine Star*, B1, June 16, 2002)
- Retirement bill seen narrowing revenues (*BusinessWorld*, June 19, 2002)
- Law of nature: command and control approach (*Philippine Star*, p. 9, June 23, 2002)
- Large taxpayers to explain VAT payment offset (*BusinessWorld*, July 3, 2002)
- China’s economic growth: implications to the ASEAN (*Philippine Star*, p. 9, July 16, 2002)
- Toward a strong republic (*Manila Times*, Editorial, July 17, 2002)

- Trim bureaucracy, simplify tax plug gap—economists (*Tribune*, p. 9, July 20, 2002)
- Electronics industry warns of capital flight (*BusinessWorld*, July 23, 2002)
- Soul-searching BIR renews bid for reforms (*Manila Times*, July 25, 2002)
- RP maritime and nursing education: benchmarking with APEC best practices (*Philippine Star*, p. 11, Aug. 5, 2002)
- PIDS-PES hold conference series (*Tambuli* Vol. 7, Issue No. 1, Aug. 13, 2002)
- Who's to blame for revenue shortfalls? (*Manila Times*, Business section, Aug. 15, 2002)
- PIDS symposia (*Tambuli* Vol. 7, Issue No. 2, Aug. 20, 2002)
- 25 years of journey (*Inquirer*, p. 2, Aug. 22, 2002)
- Ex-NEDA chief says deficit fears exaggerated (*Manila Times*, Business Section, Aug. 22, 2002)
- JICA reaches out to empower developing nations of the world (*BusinessWorld*, p. 26, Aug. 22, 2002)
- Dire consequences of runaway population growth (*Manila Times*, Policy Peek Column, Aug. 22, 2002)
- Budget crunch stifling infrastructure development (*Manila Standard*, p. 6, Aug. 24, 2002)
- PIDS forum on infrastructure (*Tambuli* Vol. 7, Issue No. 3, Aug. 27, 2002)
- PIDS paper symposium series: R&D/education and labor markets (*Tambuli* Vol. 7, Issue No. 4, Sept. 3, 2002)
- Expert cites need to help SMEs in research finance (*BusinessWorld*, p. 20, Sept. 3, 2002)
- Stick to tariff commitments, government urged (*Manila Times*, B1, Sept. 6, 2002)
- Yellow Pad - The Philippines as a model (*Businessworld*, Sept. 10, 2002)
- PIDS paper on environment (*Tambuli* Vol. 7, Issue No. 5, Sept. 10, 2002)
- Poor R&D retards RP productivity (*Manila Times*, B1, Sept. 10, 2002)
- Habits change, for travel and tourism after 9/11 (*Manila Times*, Business Section, Sept. 11, 2002)
- RP trade reforms (*BusinessWorld*, Sept. 11, 2002)
- PIDS celebrates silver year (*Philippine Star*, p. B11, Sept. 12, 2002)
- September is policy research month (*BusinessWorld*, p. 22, Sept. 13-14, 2002)
- Paranoia and competitive edge (*Manila Bulletin*, p. B-8, Sept. 16, 2002)
- Research Fair 2002 (*Philippine Star*, p. 3, Sept. 16, 2002)
- Trade reforms actually pay off, heighten industries' competitiveness—paper (*Manila Times*, Sept. 17, 2002)
- Government urged to go slow on new anti-trust law (*Manila Times*, Sept. 18, 2002)
- Rotten deal (*Inquirer*, Sept. 19, 2002)
- RP in need of a single financial regulator, economist says (*Inquirer*, B18, Sept. 23, 2002)
- Report cites need for better monitoring of financial sector (*Philippine Star*, B8, Sept. 23, 2002)
- Consolidated financial sector supervision urged (*BusinessWorld*, p.6, Sept. 23, 2002)
- RP export position strong, but China threat looms (*Manila Times*, Business Section, Sept. 24, 2002)
- Foes of tariff cut a mixed bag of potential export winners - study (*Manila Times*, Business Section, Sept. 25, 2002)
- Study proposes reserve requirement for electronic money (*BusinessWorld*, Oct. 9, 2002)
- What the Asean Free Trade Areas with China and Japan will require (*Manila Times*, Nov. 8, 2002)
- RP still a leader in nursing, maritime education (*Philippine Star*, C8, Nov. 11, 2002)
- RP still leader in nursing, maritime education in region (*Manila Times*, B4, Nov. 11, 2002)
- Wake up to a new world (letter to the editor) (*BusinessWorld*, Nov. 14, 2002)
- Government told to go slow on borrowing to ease deficit (*Manila Times*, Nov. 16, 2002)
- Economic policy inadequate? (*BusinessWorld*, p.2, Nov. 28, 2002)
- Bush's global abortion policy (*BusinessWorld*, UPSHOT, Nov. 28, 2002)
- Deepening gloom (*Manila Times*, Editorial, Nov. 28, 2002)
- Tensions in labor relations (*Manila Times*, Opinion page, Dec. 2, 2002)
- Bad time to implement tax reforms (*Manila Times*, front page, Dec. 3, 2002)
- Food exporters speak out vs tariff 'distortions' (*Manila Times*, Business page, Dec. 3, 2002)

- More tax incentives mean more losses for RP (*Manila Times*, front page, Dec. 4, 2002)
- Interview of Rosario Manasan on the government's tax effort
 - (*Balitang-balita*, 5:00 p.m., Dec. 4, 2002)
 - (*ABC Headliners*, 10:00 p.m., Dec. 4, 2002)
 - (*ABC Headliners*, 10:00 p.m., Dec. 5, 2002)
- Rationalization of fiscal perks one way to narrow deficit (*Manila Times*, front page, Dec. 5, 2002)
- House of Representatives okays P799-billion national budget for 2003 (*BusinessWorld*, front page, Dec. 5, 2002)
- Microfinance institutions needed in anti-poverty drive (*BusinessWorld*, Dec. 6, 2002)
- Only 5 firms dominate local cargo shipping industry - study (*Manila Times*, Business page, Dec. 11, 2002)
- Q&A with NEDA's new director-general, Romulo Neri (*BusinessWorld*, Dec. 17, 2002)
- Land, market reforms to boost housing sector (*BusinessWorld*, p.1, Dec. 27, 2002)

Annex F *Publications*

Development Research News

1. Volume 19, No. 6 (November-December 2001)
New Forms of Financing the Fiscal Deficit
2. Volume 20, No. 1 (January-February 2002)
Where to Now, Philippines?
3. Volume 20, No. 2 (March-April 2002)
Statistics Work: Of Grains, Fish and Numbers
4. Volume 20, No. 3 (May-June 2002)
Rent Control in Metro Manila: Houses for Rent
5. Volume 20, No. 4 (July-August 2002)
Is There Still a Need to Legislate? A Water Policy Agenda for the Philippines

Philippine Journal of Development

1. Volume 28, No. 1, 2001
2. Volume 28, No. 2, 2001
3. Volume 29, No. 2, 2002

Books

1. Impact of the East Asian Financial Crisis Revisited (copublished with The World Bank Institute)
2. The President's Budget for 2002: Accounting for New Modes of Financing the Fiscal Deficit
3. Managing Urbanization Under a Decentralized Governance Framework, Vol. 1
4. Toward a National Competition Policy for the Philippines (copublished with PASCN)
5. Selected Studies on APEC Issues (TDAP Paper Series No. 1) (copublished with PASCN)
6. Financing for Development: Philippine Delegations's Reference Paper (copublished with UNDP)

Research Paper Series

1. RPS 2002-01 The Dynamics of Housing Demand in the Philippines: Income and Lifecycle Effects
2. RPS 2002-02 Mercury Pollution from Small-scale Mining
3. RPS 2002-05 The Philippine Payment System
4. RPS 2002-09 Benefit (and Losses) from Rent Control in the Philippines: An Empirical Study of Metro Manila

Policy Notes

1. PN 2002-01 Impact of Agrarian Reform on Poverty Reduction
2. PN 2002-02 A Macroeconomic Evaluation of the Proposed PERA Act
3. PN 2002-03 Setting Quality Standards for Environmental Management Policy: How Effective Is It?
4. PN 2002-04 China's Economic Growth: Implications to the ASEAN
5. PN 2002-05 Philippine Maritime and Nursing Education: Benchmarking with APEC Best Practices
6. PN 2002-06 Has Foreign Entry Made Domestic Banks More Efficient?
7. PN 2002-07 Can the Philippines' Human Resource Base Meet the Challenge of a Liberalized Financial Sector?
8. PN 2002-08 Rice Policy Reforms in the Philippines: A Political Economy Perspective
9. PN 2002-09 Why Watershed-based Water Management Makes Sense
10. PN 2002-10 Using Community-Generated Data for Water Management Policy
11. PN 2002-11 A Second Look at Institutional Reforms in the Housing Sector
12. PN 2002-12 Does Domestic Regulation Promote Globally Competitive Filipino Professionals and Educational Services?
13. PN 2002-13 Increasing Opportunities for Technology Adoption and Women's Participation
14. PN 2002-14 Explaining the Decline in Tax Effort
15. PN 2002-15 The Philippine Fisheries R&D Institutions: A Look at Their Publications Record
16. PN 2002-16 Efficiency and Expense Preference of Microfinance Institutions: The Case of Cooperative Rural Banks
17. PN 2002-17 Industry Benchmarking for Improved VAT Administration
18. PN 2002-18 Fiscal Incentives Revisited
19. PN 2002-19 Financial Services Integration and Consolidated Supervision: Some Issues to Consider for the Philippines

Economic Issue of the Day

1. A Law of Nature: The Command and Control Approach (April 2002, Vol. III, No. 1)

Annual Report

1. 2001 Annual Report: Strengthening the Infrastructure for Research and Networking

Anniversary Souvenir

1. 25 Years of Journey: Quest for Research-Based Policymaking

Discussion Paper Series

1. DP 2002-01 Total Factor Productivity in the Philippines
2. DP 2002-02 Impact of Agrarian Reform on Poverty
3. DP 2002-03 Regional Development in the Philippines: A Review of Experience, State of the Art and Agenda for Research and Action
4. DP 2002-04 Globalization and Employment: The Impact of Trade on Employment Level and Structure in the Philippines
5. DP 2002-05 ASEAN's Fledgling Debt Securities Markets: More Tasks Ahead
6. DP 2002-06 Development of Tax Forecasting Models: Corporate and Individual Income Taxes
7. DP 2002-07 Governance in Southeast Asia: Issues and Options
8. DP 2002-08 Population Policy in the Philippines, 1969-2002
9. DP 2002-09 A Perspective on Macroeconomic and Economy-Wide Quantitative Models of the Philippines: 1990-2002
10. DP 2002-10 Central Banking in the Philippines: Then, Now and the Future
11. DP 2002-11 Estimating Industry Benchmarks for the Value Added Tax
12. DP 2002-12 Efficiency and Expense Preference in the Philippines' Cooperative Rural Banks
13. DP 2002-13 Monitoring Economic Vulnerability and Performance: Applications to the Philippines

14. DP 2002-14 The Quest for a Better Environment: Past Experiences and Future Challenges
15. DP 2002-15 The Philippines in the Global Trading Environment: Looking Back and the Road Ahead
16. DP 2002-16 Rethinking Institutional Reforms in the Philippine Housing Sector
17. DP 2002-17 A Review of Research on Population-Related Issues: 1980-2002
18. DP 2002-18 Review of the Population Program: 1986-2002
19. DP 2002-19 Education, Labor Market and Development: A Review of the Trends and Issues in the Philippines for the Past 25 Years
20. DP 2002-20 The Poverty Fight: Have We Made an Impact?
21. DP 2002-21 Population and Poverty: A Review of the Links, Evidence and Implications for the Philippines
22. DP 2002-22 Financial Services Integration and Consolidated Supervision: Some Issues to Consider for the Philippines
23. DP 2002-23 Research and Development and Technology in the Philippines
24. DP 2002-24 Analysis of the President's Budget for 2003
25. DP 2002-25 Philippine Competition Policy in Perspective
26. DP 2002-26 Infrastructure Development: Experience in the Past 25 Years and Options for the Next 25 Years

PASCN Discussion Paper Series

1. PASCN DP 2002-01 Managing Risks and Opportunities of Financial Liberalization and Integration: A Macro-Micro Analysis (Integrative Report)
2. PASCN DP 2002-02 Continuing Professional Education: Training and Developing Filipino Professionals Amidst Globalization
3. PASCN DP 2002-03 The Role of the General Agreement on Trade in Services (GATS) - Financial Services Agreement (FSA) in the Financial Liberalization Efforts of APEC Economies
4. PASCN DP 2002-04 Philippine Domestic and Shipping Industry: State of Competition and Market Structure
5. PASCN DP 2002-05 Investment Liberalization and Facilitation in the Asia Pacific: Can APEC Make a Difference?
6. PASCN DP 2002-06 Torn Between Two Lovers: ASEAN and Its Evolving Economic Relations with China and Japan
7. PASCN DP 2002-07 Achieving Food Security: The Role of and Constraints Faced by LGUs
8. PASCN DP 2002-08 Towards a National Tax Policy for Ecommerce
9. PASCN DP 2002-09 The Employment Impact of Business-to-Consumer E-Commerce on the Philippine Workers

CORPORATE GOVERNMENT SECTOR
Office of the Director
Cluster VI - Social, Cultural and Scientific

AUDIT CERTIFICATE

The Board of Trustees

Philippine Institute for Development Studies
NEDA sa Makati Building
Amorsolo Street, Makati City

We have audited the accompanying balance sheet of the Philippine Institute for Development Studies (PIDS) as of December 31, 2002 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the PIDS' Management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with laws, COA and INTOSAI standards and applicable generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement(s). The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also included assessing the accounting principles used and significant estimates made by the Auditee as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Philippine Institute for Development Studies as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in accordance with applicable laws, rules and regulations and in conformity with applicable generally accepted accounting principles.

COMMISSION ON AUDIT

Fe R. Muñoz (SGD)
Director

February 06, 2003

Annex H
Balance sheet
 December 31, 2002

Assets

Current assets

Cash (Notes 2h & 3)		P29,014,284	
Receivables			
Accounts receivable (Note 4)	P7,763,487		
Interest receivable (Note 5)	<u>8,271,491</u>	16,034,978	
Marketable securities (Note 6)		90,838,643	
Inventories (Note 2a)		1,425,982	
Prepaid expenses		362,730	
Other current assets		<u>20,600</u>	P137,697,217

Long-term investments (Notes 2d & 7) 215,146,416

Property, plant and equipment (Notes 2e & 8) 13,599,252

Total assets **P366,442,885**

Liabilities and equity

Liabilities

Current liabilities			
Accounts payable - miscellaneous		P 8,965,961	
Guaranty deposits payable		550,417	
Withholding taxes payable		80,573	
Performance/bidders bond payable		34,393	
Trust liabilities (Note 9)		14,602,120	P 24,233,464
Other liabilities			
Deferred credits			<u>4,343</u>
Total liabilities			24,237,807

Equity (Note 10)

Government equity		224,948,385	
Retained operating surplus		<u>117,256,693</u>	
Total equity			<u>342,205,078</u>

Total liabilities and equity **P366,442,885**

See accompanying Notes to financial statements.

Annex I
Income statement
For the year ended December 31, 2002

Income		
Subsidy income from National Government (Note 11)		P15,000,000
Interest income from investment and time deposits		30,209,728
Sale of publications (Note 12)	P 420,887	
Cost of publications	(212,824)	208,063
Miscellaneous/Other income		<u>3,280,581</u>
Total Income		<u>48,698,372</u>
Less expenses		
Personal services		
Salaries and wages	15,429,197	
Social insurance premium and provident fund	3,287,541	
Bonus incentive	2,298,463	
RATA	1,136,575	
Pensions and retirement benefits	563,753	
PERA	484,711	
Overtime pay	368,022	
Honorarium	19,600	
Other benefits	<u>3,776,405</u>	27,364,267
Depreciation expense		2,447,394
Consultancy services		1,916,243
Training and seminar expenses		1,775,649
Electricity		1,742,669
Telephone/Internet		1,333,249
Auditing services		1,230,626
Office supplies expense		809,150
Printing and binding		724,814
Postage and deliveries		580,413
Traveling expenses (Note 13)		513,722
Security and janitorial services		490,123
Motor vehicle maintenance		365,066
Building maintenance		298,989
Gasoline, oil and lubricants		247,471
Subscription		239,377
Legal services		238,000
Insurance expense		195,252
Water		157,473
Advertising		118,800
Representation expense		113,688
IT hardware and software maintenance		86,394
Fidelity bond premium		83,400
Extraordinary and miscellaneous expense		64,874
Office equipment maintenance		50,658
Rent		47,550
Loss on sale of assets		11,346
Taxes, duties and licenses		3,096
Furniture maintenance		1,692
Other repairs and maintenance		1,115
Accountable form expenses		1,000
Other expenses (Note 14)		2,167,839
Bank charges		<u>3,398</u>
Total expenses		<u>45,424,797</u>
Net income	P	3,273,575

See accompanying Notes to financial statements.

Annex J
Statement of cash flows
For the year ended December 31, 2002

Cash flow from operating activities:

Cash inflows:

Receipts of subsidy for operations	P 15,000,000	
Collection of income/revenues	3,088,808	
Collection of receivables	6,495,233	
Collection of interest income - PIDS proper	32,792,210	
Collection of interest income - PIDS projects' account	200,475	
Receipt of refunds of cash advances	365,361	
Overpayments of expenses	207,227	
Receipts of project fund	11,021,759	
Receipts of guaranty deposits	<u>34,267</u>	P69,205,340

Cash outflows:

Cash payment of operating expenses	38,511,228	
Cash payment of project expenses	14,788,311	
Cash payment of payables incurred in operations	3,750,917	
Cash purchase of inventories	1,353,451	
Granting of cash advances/petty cash fund	1,868,522	
Advances to employees/projects	5,145,262	
Remittance of withholding taxes	608,992	
Remittance of GSIS/PAG-IBIG/PHILHEALTH payable	654,869	
Return of funds to funding entities (i.e., PAFTAD)	1,092,151	
Refund of performance/bidders/bail bonds payable	<u>518,718</u>	68,292,421

Cash provided by operating activities

912,919

Cash flow from investing activities

Cash inflows:

Receipt of proceeds from sale of property and equipment	27,000	
Subsidy for endowment fund	15,000,000	
Proceeds from maturing Treasury bills - PASCN	4,614,531	
Proceeds from maturing Tbills/short-term investments	<u>115,465,004</u>	135,106,535

Cash outflows:

Purchase of property, plant and equipment	2,639,652	
Roll-over of PASCN investments	695,772	
Reinvestment in Treasury bills	118,852,713	
Reinvestment in Treasury bonds	<u>20,197,789</u>	142,385,926

Cash provided by investing activities

(7,279,391)

Total cash provided by operating and investing activities

(6,366,472)

Add: Cash balance, beginning January 1, 2002

35,380,756

Cash balance, ending December 31, 2002

P29,014,284

Annex K

Notes to PIDS financial statements

General

1. Basis of reporting

The Philippine Institute for Development Studies is a nonstock, nonprofit government research institution created under PD 1201 on September 1977. The Institute's nature of operation/principal program/activities include among others:

- Provide analyses of socioeconomic problems and issues to support the formulation of plans and policies for sustained social and economic development in the Philippines;
- Establish a continuing channel of communication between policymakers and planners, on one hand, and researchers, on the other hand; and
- Establish a repository for economic research information and other related activities.

The Institute's financial statements have been prepared in accordance with the generally accepted state accounting principles and standards.

2. Significant accounting policies

- a. *Change in accounting policy.* Inventories are valued at cost using moving average method from the previous first in - first out method. This included cost of unused supplies and materials, books, journals and working paper for various research projects for resale.
- b. *Change in accounting treatment.* Accounts were reclassified to conform with the New Chart of Accounts prescribed under the New Government Accounting System.
- c. *Correction of fundamental errors.* Fundamental errors of prior years are corrected by using the Prior Year's Adjustment account. Errors affecting current year's operation are charged to the current year's account. Investments are recorded at cost, interest income pertaining thereto are recognized on accrual basis.
- d. Property, plant and equipment are carried at cost less accumulated depreciation. The straight-line method of depreciation is used based on their estimated useful life ranging from 3-10 years. Property, plant and equipment acquired from the project fund are recorded as Fixed Assets-Held in Trust.
- e. Liabilities are recognized at the time they are incurred.
- f. Income and expenses are recorded using the accrual method of accounting.
- g. Transactions in foreign currencies are recorded in Philippine peso based on the BSP rate of exchange at the date of transactions, and at the end of the year are revalued using the rate of exchange at balance sheet date.

Balance sheet

3. Cash and cash equivalents

This account represents the cash on hand of the disbursing officer, cash in bank and time deposits at year end. Dollar accounts were placed on time deposits with terms of 30 to 364 days (see attached schedule).

4. Accounts receivables

This account is broken down as follows:

Accounts receivable	P 47,450
Due from officers/employees	117,136
Due from NGAs	3,954,073
Due from GOCCs	23,001
Other receivables - miscellaneous	<u>3,621,827</u>
	P7,763,487

Accounts receivables-miscellaneous: represents the total cost of the contractual obligation of two scholarship grantees, namely, Ms. Glorivic Salveron and Ms. Doris Remolador. The amount consists mainly of P2,994,431.63 granted and disbursed directly by the AusAID for the account of Ms. Salveron plus the total salaries and allowances paid by the Institute totaling P484,190 throughout the duration of her scholarship grant.

5. Interest receivables

This account consists of accrued interest on investments in Treasury bills and bonds in the Bureau of Treasury and dollar time deposits with the Land Bank of the Philippines.

6. Marketable securities

This account consists of the following:

Treasury bills - investible funds	P57,117,156
Treasury bills - funds for operations	29,092,253
Treasury bills - PASCN funds	<u>4,629,234</u>
	P90,838,643

7. Long-term investments

This account consists of the following:

Investment in stocks	P 35,000
Investment in bonds - investible funds	212,620,765
Investment in bonds - funds for operations	<u>2,490,651</u>
	P215,146,416

8. Property, plant and equipment

This consists of fixed asset acquired by the Institute and those held-in-trust which are utilized in the execution of various research projects. The account is broken down as follows:

Leasehold improvements	P 1,706,884
Fire fighting equipment	2,037
IT equipment	12,157,687
Telegraph, cable, telephone and radio	22,561
Motor vehicle and accessories	3,975,085
Office equipment	1,490,632
Furniture and fixtures	1,585,939
Books	387,992
PPE - held in trust	3,787,962
Furniture, fixtures, equipment and books-in transit	3,643,714
	28,760,493
Less accumulated depreciation	<u>15,161,241</u>
Net book value	P13,599,252

9. Trust liabilities - miscellaneous

Details of the trust liabilities-miscellaneous are as follows:

BAR - Targetting Technology.. A GIS	P 79,706
BAR - A Comprehensive Assessment	5,899
BAR - Economic Methodology Project	219,868
BAR - AFRMAP	766,715
BAR - RDE Network	18,845
BAR - SSSPR PAF	7,341,045

DAP - MNAAP II	27,845
DOH	29,687
ILO Project	11,525
Laval University	642,145
PASCN Proper	3,692,094
PIDS/PASCN Competition Policy Project	448,274
POPCOM - PPMP Project	592,020
POPCOM - Estimation of Expenditure	54,584
UNDP/NEDA - Financing for Development	29,750
SANREM	642,103
PIDS Provident Fund	<u>15</u>
	P14,602,120

10. Equity

Details of the equity is presented below:

Government equity		
Endowment fund	P217,840,725	
Investment surplus-held in trust	3,787,962	
Donated capital-capital assets	1,952,678	
Donated capital-printing and publications	1,367,020	P224,948,385
Retained operating surplus		
Balance beginning	115,480,532	
Income for the period	3,273,575	
Fundamental errors	1,497,414)	<u>117,256,693</u>
		P342,205,078

The endowment fund of P217,840,725 represents the total funds released by the Bureau of Treasury thru the Department of Budget and Management for PIDS Endowment Fund which was established under Presidential Decree No. 1201, charter creating the Institute, purposely to be invested, the earnings of which shall be used in the research operations of the Institute.

Income statement

11. Subsidy income from the National Government

This represents the subsidy received from the national government for operating expenses in support to the research operation of the Institute.

12. Sale of publications

This represents the proceeds from sale of various articles published by the Institute both sold inhouse and through consignment.

13. Traveling expenses

The amount represents mainly the cost of travel incurred in the regional fora/consultation meetings conducted by the Research Information Staff in connection with the dissemination program of the Institute.

14. Other expenses

This account consists of the following objects of expenditures:

Cost of complimentary copies	P1,654,840
Health maintenance	299,625
Athletic/cultural	106,551
Miscellaneous	<u>106,823</u>
	P2,167,839

Annex L
PIDS Provident Fund, Inc.
Comparative statement of financial condition
As of December 31, 2002 and 2001

	2002	2001
Assets		
Cash in bank (note 1)	193,615.40	119,912.84
Due from PIDS (note 2)	1,561.18	-
Accrued interest receivable (note 3)	155,887.23	108,834.10
Short-term investments (note 4)	1,146,012.52	2,543,946.96
Long-term investments (note 5)	6,677,616.79	3,200,000.00
Total	8,174,693.12	5,972,693.90
Liabilities and fund balance		
Liabilities		
Due to PIDS (note 6)	124.66	-
Accounts payable (note 7)	6,000.00	-
Miscellaneous payable	-	773.06
Dividends payable (note 8)	766,766.66	351,270.52
Total	772,891.32	352,043.58
Fund balance (note 9)		
Contributions	4,475,736.17	3,010,873.71
Fund equity	2,000,000.00	2,000,000.00
Total	6,475,736.17	5,010,873.71
Fund earnings		
General Reserve Fund	263,710.49	130,885.75
Add net income for the period	662,355.14	478,890.86
Total	926,065.63	609,776.61
Total	8,174,693.12	5,972,693.90

See accompanying Notes to PIDS Provident Fund's financial statements.

Annex M
PIDS Provident Fund, Inc.
Comparative statement of operations
For the years ended December 31, 2002 and 2001



	2002	2001
Income		
Interest income on investments (note 10)	684,164.38	483,102.59
Miscellaneous income (note 11)	3,740.76	3,850.77
Total	687,905.14	486,953.36
Less: Expenses		
Trustees and committee members' fee (note 12)	2,300.00	-
Honorarium (note 13)	10,500.00	1,800.00
Office supplies	-	4,250.00
Semi-expendable assets	-	1,350.00
Professional fees (note 14)	6,000.00	-
Miscellaneous expense (note 15)	6,750.00	662.50
Total	25,550.00	8,062.50
Net income	662,355.14	478,890.86

See accompanying Notes to PIDS Provident Fund's financial statements.

Annex N
Notes to PIDS Provident Fund's financial statements

1. Cash in bank

This account represents the current account being maintained with the Land Bank of the Philippines or the PIDS Provident Fund Account No. 0052-1272-11.

2. Due from PIDS

This account represents members' contribution for the month of December 2002 collected January 2003.

3. Accrued interest receivable

This account represents interest earned as of December 31, 2002 but to be collected only upon maturity of the investment.

4. Short-term investments

This account represents investments with the Bureau of Treasury which will mature within one year, broken down as follows:

Maturity date	Rate	Tenor	Cost of investment	Maturity value
<i>T-Bills</i>				
Apr. 02, 2003	6.5000%	356 days	190,336.69	200,000.00
May 14, 2003	5.1000%	364 days	288,230.90	300,000.00
June 11, 2003	5.8000%	343 days	191,621.24	200,000.00
July 23, 2003	5.8000%	364 days	191,136.67	200,000.00
Nov. 26, 2003	6.9900%	351 days	<u>284,687.02</u>	<u>300,000.00</u>
Total			P1,146,012.52	P1,200,000.00

5. Long-term investments

This account represents investments with the Bureau of Treasury which matures beyond one year, broken down as follows:

Maturity date	Rate	Tenor	Carrying amount	Maturity value
<i>T-bonds</i>				
May 10, 2003	11.9250%	2 years	P1,002,558.85	P1,000,000.00
Mar. 25, 2004	14.0000%	5 years	1,004,428.25	1,000,000.00
Oct. 24, 2004	7.9875%	2 years	1,709,375.08	1,700,000.00
Dec. 09, 2004	12.7125%	3 years	1,200,000.00	1,200,000.00
Oct. 11, 2011	14.8500%	10 years	<u>1,761,254.61</u>	<u>1,600,000.00</u>
Total			P6,677,616.79	P6,500,000.00

6. Due to PIDS

This account represents adjustment of members' /fund share on adjustment of salary of D. Romero and L. Melendez.

7. Accounts payable

This account represents payment of professional fee for the conduct of audit of financial statements for CYs 2000-2001.

8. Dividends payable

This account represents the unpaid dividends as of CY 2001 to be distributed to the members upon secession of their membership from the Fund.

9. Fund balance

This pertains to the total fund balance consisting of:

- (a) contributions to the fund by the PIDS and Fund members;
- (b) equity fund or the initial funding of the Fund amounting to P2.0 million as authorized by the PIDS Board of Trustees per PIDS Board Resolution No. 97-05 dated July 24, 1997; and
- (c) fund earnings consisting of the General Reserve Fund or that percentage of earnings of the Fund set aside for specific purposes and the unappropriated net earnings.

10. Interest income on investments

This represents the interest earned from investments in Treasury bills and Treasury bonds.

11. Miscellaneous income

This represents income from interest earned from savings/current account for CY 2002.

12. Trustees and Committee members' fee

This represents per diem of Board of Trustees paid as of October 31, 2002.

13. Honorarium

This represents honorarium of Secretariat paid for CY 2002.

14. Professional fee

This account represents professional fee for the conduct of audit of financial statements for CYs 2000-2001.

15. Miscellaneous expense

This represents reproduction charges, notarial fee and miscellaneous expenses incurred for CY 2002.

Annex O
PIDSEA statement of financial condition
 As of December 31, 2002

Assets

Cash on hand and in bank	9,634.13
Miscellaneous receivable	<u>1,800.00</u>
Total	P11,434.13

Liabilities and fund balance

Liabilities

-

Fund balance

Fund earnings	
Income - prior year	9,358.73
Income - Current Year	<u>2,075.40</u>
Total	P11,434.13

Annex P
PIDSEA statement of operations
 For the period ending December 31, 2002

Income

Membership fee	5,400.00
Total	5,400.00

Less expenses

CNA materials reproduction	200.00
BLR-DOLE requirements	70.00
Kitchenomics activity	1,454.60
Logo design contest cash prizes	1,600.00
Total	3,324.60

Net Income* **P2,075.40**

*Cash composition: 2002 income of P275.40 and collectibles of P1,800.00

Annex Q *Board of Trustees*

Chairman

Hon. Dante B. Canlas

Secretary, Socioeconomic Planning
Director-General, National Economic and Development Authority

Members

Dr. Ledivina V. Cariño

Professor, National College of Public
Administration and Governance
University of the Philippines

Dr. William G. Padolina

Deputy Director-General
International Rice Research Institute

Amb. Edgardo B. Espiritu

Special Envoy to Multilateral and Bilateral
Financial Institutions

Dr. Mario B. Lamberte

President
Philippine Institute for Development Studies

Annex R *Local Advisory Board*

Dr. Felipe B. Alfonso

Former President
Asian Institute of Management

Hon. Felicito C. Payumo

Chairman
Subic Bay Metropolitan Authority

H.E. Gloria Macapagal-Arroyo

President
Republic of the Philippines

Mr. Washington Sycip

Chairman
The SGV Group

Mr. Jaime Zobel de Ayala

Chairman and President
Ayala Corporation

Hon. Margarito Teves

President
Land Bank of the Philippines

Mr. Amando Doronila

Editorial Consultant
Philippine Daily Inquirer

Dr. Alberto Fenix Jr.

Past President
Philippine Chamber of Commerce and Industry

Dr. Placido L. Mapa

President
Bankers Association of the Philippines

Dr. Raul V. Fabella

Dean and Professor
School of Economics, University of the Philippines

Mr. Democrito T. Mendoza

President
Trade Union Congress of the Philippines

Annex S *Management Committee*

President

Dr. Mario B. Lamberte

Ph.D. Economics, University of the Philippines
Postdoctoral, Stanford University
(money and banking, international finance,
development economics)

Vice-President

Dr. Gilberto M. Llanto

Ph.D. Economics, University of the Philippines
(money and banking, public finance)

Directors

Mr. Mario C. Feranil

Project Services and Development
M.A. Economics (Candidate)
University of the Philippines - Diliman

Ms. Jennifer P.T. Liguton

Research Information
M.A. Mass Communication
University of the Philippines - Diliman

Ms. Andrea S. Agcaoili

Operations and Finance
M.A. Business Administration
Philippine Christian University

Legal Consultant

Atty. Roque A. Sorioso

Bachelor of Laws, University of the Philippines - Diliman

Annex T *Senior research staff*

Dr. Myrna S. Austria

Ph.D. Economics, Australian National University
(trade and industry, development economics)

Dr. Arlene B. Inocencio

Ph.D. Economics, University of the Philippines
(agricultural and resource economics esp. urban
water issues, public finance)

Dr. Marife M. Ballesteros

Ph.D. Social Sciences, University of Nijmegen
(economic anthropology, housing and urban
development issues)

Dr. Danilo C. Israel

Ph.D. Economics, Clemson University
Postdoctoral, University of British Columbia
(resource and environmental economics,
fisheries economics)

Dr. Caesar B. Cororaton

Ph.D. Economics, Clark University
(applied general equilibrium modeling, total factor
productivity estimation, trade and poverty)

Dr. Rosario G. Manasan

Ph.D. Economics, University of the Philippines
Postdoctoral, Massachusetts Institute of Technology
(public finance, decentralization, education)

Dr. Cristina C. David

Ph.D. Agricultural Economics, Stanford University
(agricultural economics)

Dr. Erlinda M. Medalla

Ph.D. Economics, University of the Philippines
Postdoctoral, Yale University
(trade and industrial policy)

Dr. Ma. Melanie R.S. Milo

Ph.D. Economics, Australian National University
(money and banking, international
macroeconomics)

Dr. Aniceto Orbeta Jr.

Ph.D. Economics, University of the Philippines
Postdoctoral, Harvard University
(demographic economics, social sector issues,
applied economic modeling, information
and communication technology)

Dr. Celia M. Reyes

Ph.D. Economics, University of Pennsylvania
(econometric modeling, poverty analysis)

Dr. Josef T. Yap

Ph.D. Economics, University of the Philippines
Postdoctoral, University of Pennsylvania
(econometric modeling, macroeconomic policy)

*Annex U
Research associates*

Rafaelita A.M. Aldaba

Ph.D. student, University of the Philippines
M.A. Economics, University of the Philippines
Advanced Studies Program in International
Economic Policy Research
Kiel Institute of World Economics
(trade and industrial policy)

Ma. Teresa S. Dueñas-Caparas

Ph.D. candidate, Economics of Technology
and Technical Change, University of Maastricht
Diploma in Advanced International Economics
Kiel Institute of World Economics
M.A. Economics, University of the Philippines
(trade and technology)

*Annex V
Affiliated researchers and organizations*

Jocelyn Badiola
Agricultural Credit Policy Council

Arnulfo Mascariñas
Bicol University

Jeremy Barns
Asian Institute of Management

Bureau of Agricultural Statistics

Fernando Aldaba
Leonardo Lanzona
Ellen Palanca
Rachel Racelis
Godelia Ricalde
Ateneo de Manila University

Minda Mangabat
Bureau of Agricultural Statistics

Alma dela Cruz
Central Luzon State University

Anthony SF Chiu
Tara P. Donozo

Gerardo Largoza
Tereso Tullao Jr.
De La Salle University

Eduardo Gonzales
Development Academy of the Philippines

Gonzalo Jurado
Kalayaan College

Elvira Adan
Habib Macaayong
Grace Majorenos
Eugenio Manulat
Ali Panda
Mindanao State University

Roberto de Vera
Cherry Lyn Rodolfo
Peter Lee U
Zenon Udani
University of Asia and the Pacific

Napoleon Juanillo
University of Illinois

Martin Desrochers
University of Laval

Rahimaisa Abdula
Ramon Alampay
Florian Alburo
Emmanuel Alfiler
Reil Cruz
Juline Dulnuan
Alejandro Herrin
Carlos Libosada
Evelia Pardo
Epictetus Patalinghug
Gerardo Sicat
Susan Solis
Guillermo Tabios III
Edita Tan
Aurora Vistro
University of the Philippines - Diliman

Catherine T. Aragon
Amelia Bello
Nora Carambas
Liborio Cabanilla
Gideon Carnaje

Eulogio Castillo
Tito Contado
Jovelyn Du-Quiton
Herminia Francisco
Ben Malayang III
Rufo Mendoza
Tolentino Moya
Carl Vincent Nadela
Arturo Pacificador
Agnes Rola
Luis Rey Velasco
University of the Philippines - Los Baños

Jinky Leilani Lu
University of the Philippines - Manila

Larry Digal
University of the Philippines - Mindanao

Jose Eleazar Bersales
University of San Carlos

Romeo Acosta
Romeo Bautista
Roehlano Briones
Faith Cacnio
Ruben Mercado
Johnny Noe Ravalo
In their personal capacity

Editorial Advisory Board: Mario B. Lamberte, Gilberto M. Llanto, Mario C. Feranil, Jennifer P.T. Liguton, Andrea S. Agcaoili, Roque A. Sorioso
Editor-in-Chief: Jennifer P.T. Liguton
Associate Editor: Genna J. Estrabon
Production Staff: Sheila V. Siar, Connie G. Bayudan, Ma. Gizelle R. Gutierrez
Exchange: Valentina V. Tolentino, Rossana P. Cleofas
Circulation: Delia S. Romero, Galicano A. Godes, Necita Z. Aquino, Alejandro P. Manalili
Photography: Genna J. Estrabon, Edwin S. Martin
Design and Layout: Jane C. Alcantara



PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

4F, NEDA sa Makati Building, 106 Amorsolo Street

Legaspi Village, 1229 Makati City, Philippines

Tel. nos. 893-5705, 892-4059, 892-5812

Fax nos. (632)816-1091, 893-9589

URL address: <http://www.pids.gov.ph>

Publications e-mail address: publications@pidsnet.pids.gov.ph