

**Innovation as a Catalyst for
Deepening Inclusiveness and
Regional Integration: the
Philippine case**

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23 November 2017

References

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Income inequality has been
rising

Economy	Initial Year	Final Year	Gini Coefficients			Quintile ratios		
			1990s	2000s	Annualized growth rate (%)	1990s	2000s	Annualized growth rate (%)
China, People's Rep. of	1990	2008	32.4	43.4	1.6	5.1	9.6	3.6
Korea, Rep. of	1992	2010	24.5	28.9	0.9	-	-	-
India	1993	2010	32.5	37.0	0.7	4.8	5.7	1.1
Cambodia	1994	2008	38.8	37.9	-0.1	5.8	6.1	0.3
Indonesia	1990	2011	29.2	38.9	1.4	4.1	6.6	2.2
Lao People's Dem. Rep.	1992	2008	30.4	36.7	1.2	4.3	5.9	1.9
Malaysia	1992	2009	47.7	46.2	-0.2	11.4	11.3	0.0
Philippines	1991	2009	43.8	43.0	-0.1	8.6	8.3	-0.2
Thailand	1990	2009	45.3	40.0	-0.6	8.8	7.1	-1.2
Viet Nam	1992	2008	35.7	35.6	0.0	5.6	5.9	0.2

Source: ADB (2012), Worldbank PovcalNet, CIA, 2012

Major Sources of Inequality

- *Increasing skill premiums and returns to human capital.* The emergence of vast new economic opportunities, unleashed by trade and financial integration, technological progress, and market-oriented reform, has increased returns to human capital and the skill premium, with individuals having higher educational attainment and skill endowment able to benefit more from the new opportunities.

Major Sources of Inequality

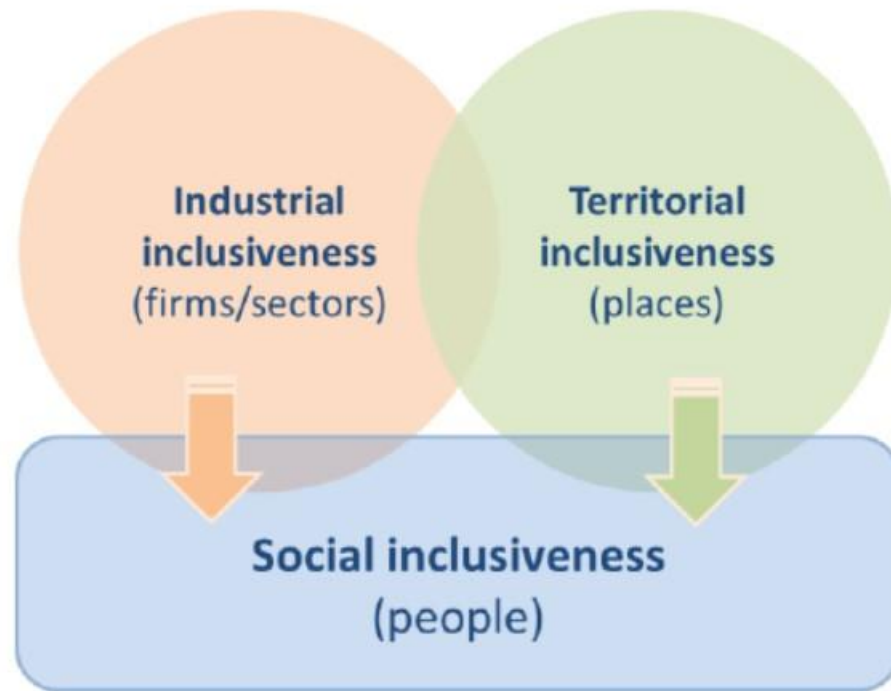
- *Falling labor income shares.* As in many countries in other parts of the world, technological progress appears to have favored capital over labor. The abundance of labor relative to capital, which depresses wage rates, is also a contributing factor to the declining labor income share in developing Asia. Since capital is less equally distributed, this has contributed to rising inequality.

Innovation → Technological
Progress → Inequality

Example in the Philippines: BPO
sector (or information-technology-
enabled service, ITES)

Making innovation and technology more inclusive

Figure OR.3. Interactions among social, industrial and territorial inclusiveness



Access to higher education is a cross-cutting issue

OECD: Higher education systems can
foster inclusive growth and technology
trends can support the process

Unified Student Financial Assistance System for Tertiary Education or UniFAST (Republic Act 10687, 2015)

“any student financing should always be a full-financing program, covering tuition, living allowance, and instructional materials. Any partial financing will be antipoor.”

What is the impact of Republic Act 10931 or "Universal Access to Quality Tertiary Education Act", 2017?

Populist measure that undermines UniFAST by granting free tuition across the board in State Universities and Colleges

감사합니다

Maraming Salamat!!!

Terima Kasih

ขอบคุณครับ

ありがとう

Cảm ơn rất nhiều

ຂອບໃຈຫລາຍໆ

謝謝你。

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ကျေးဇူးတင်ပါတယ်။

THANK YOU !!!