

## **Pantawid Pamilya boosts local economy according to research study**

Written by Server Admin

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The findings of a research study done by the team of Dr. Lourdes S. Adriano, a former professor at the University of the Philippines, for the Department of Social Welfare and Development (DSWD) were discussed during the Public Forum entitled, “Pantawid Pamilyang Pilipino Program: Stimulus to Local Economic Growth?” held jointly by the DSWD, Ateneo School of Governance (ASoG), and the Australian Department of Foreign Affairs and Trade (DFAT) at the Ateneo University on June 23. The study was carried out with support from the Australian Embassy.

In her message during the forum, DSWD Secretary Corazon Juliano-Soliman said, “We hope this study can help the incoming administration to further improve the program.”

“If there is one good thing that we can turn over to the new administration, it is evidence-based policy making, planning and evaluation,” Sec. Soliman added.

The research study used quantitative and qualitative methodology to determine the nature, form, and degree of the economic impact of the Pantawid Pamilya cash grant expenditures on the local economy. The study covered the provinces of Masbate, Camarines Norte, and Albay. The study was divided into five parts namely; Household Economy, Economic Sector: Bicol Rice Value Chain; Economic Sector: Flea Market Case Study; Regional and Macro Perspective; and Integration of Recommendations.

The key findings of the study are:

### **Household Level Analysis**

1. For food items, the Pantawid Pamilya beneficiaries are consuming more cereals, in general, and more rice, in particular, than non-beneficiaries. For non-food items such as clothing, health, education, utilities, communications and recreational goods, the patterns of spending are shown to be generally higher among Pantawid beneficiaries compared to non-beneficiaries.

2. The overall pattern in terms of savings and other forms of investments shows that Pantawid beneficiaries are saving and investing more than the non-Pantawid Pamilya counterparts.

3. In terms of key economic decisions made by the household, the results showed that women in Pantawid Pamilya households are more active in the decision making on household marketing and budgeting. This demonstrates that the program does not only affect the behavior of the households in terms of consumption but has also enhanced the women’s role in the decision making on marketing and budgeting.

4. The benefits of Pantawid Pamilya is not limited to its direct material benefits. It was found out that the program influences aspirations, which in turn determines the future behavior of the beneficiaries. The study showed that beneficiaries are more optimistic in terms of their children achieving more in life than their parents. Further, beneficiaries have higher social aspirations compared to non-beneficiaries.

### **Economic Sector Analysis (Rice Value Chain)**

1. The Pantawid Pamilya cash grants along with the Internal Revenue Allotment (IRA) of the local government units (LGUs) create a multiplier effect in the local economy of Bicol estimated to be 7.87 and 3.49 for the first and second income deciles, respectively. Also, it was found out the Pantawid Pamilya cash grants for Bicolanos can potentially generate an additional P18 to 40 billion revenue for the local economy.

2. There is a significant increase in the number of registered agricultural-related businesses in the three locales of the study. Total capitalization of all registered agriculture businesses

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increased from about P1.65 million in 2005 to about P13.27 million. Total sales are rose from a measly amount of P3.645 million in 2005 to P119.23 million in 2015.

3. Rice consumption behavior of Pantawid Pamilya beneficiaries who are not rice farmers, has changed in terms of quality as manifested by the shift from NFA rice to commercial rice. According to the respondents, the cash grants, along with the relatively lower prices of commercial rice, enabled them to afford better quality commercial rice.

4. There are changes in behavior and action of Pantawid Pamilya beneficiaries toward other rice stakeholders. They increased their access to credit from rice retail stores because of the predictable streams of income coming from the Pantawid Pamilya cash grants. Beneficiaries have forged a stronger relationship with retail stores through a “suki relationship” over time. Rice Value Chain (RVC) players confirmed slight increase in their incomes when Pantawid beneficiaries became group buyers. In turn, rice retailers and wholesalers have extended credit and other special arrangements to Pantawid rice consumers to encourage them to buy.

### **Flea Market Case Study**

1. It is now a common sight to see the operations of a flea market near the site where the Pantawid Pamilya cash payouts are being made. The case study shows that the operations of the flea market is a manifestation that the extra income received from the Program can perk up local economic activities since most products being sold in the flea market come from the locality or neighboring areas. Even merchants not participating in the flea market, such as pharmacy store, mini-grocery, and school supplies shops, gained from the expenditures of Pantawid beneficiaries.

2. The municipality derived extra revenues from flea market traders by imposing market rental fees collected by a designated market collector. The positive contribution of these extra revenues generated is highly visible in Libon where the successful operation of the Libon Town Center (LTC) is partly supported by the fees generated from the market rentals where various merchants sell their wares particularly during payout days.

These findings reinforce that Pantawid Pamilya can transform not only the lives of its beneficiaries, but also the communities where they live,” Sec. Soliman emphasized. On the other hand, Dr. Fermin Adriano, member of the research team said that Pantawid Pamilya should be combined with other economic enhancing efforts to achieve optimal impact.

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