2013

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POLICY BRIEF
AKI RESEARCH GRANTS ON POVERTY ISSUES
Volume V, No. 3 2013
ISSN # 2094-3342

ASSESSING THE IMPACTS OF CASH, FOOD, AND NON-FOOD GRANTS ON POVERTY ALLEVIATION IN THE PHILIPPINES

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INTRODUCTION

The incidence of hunger in the country gave rise to government mitigation projects. One such endeavour is the Food-for-School Program (FSP). Its major goals are to help feed the poorest families in the Philippines, help them cope up with increasing prices of food and fuel, and provide education to children. Through this program, the government provides a kilo of rice to families suffering from severe hunger. Furthermore, FSP beneficiary families that ensure the regular attendance of their children in the various Department of Education (DepEd) educational institutions are entitled to a free kilo of rice from the National Food Authority for each of the 13 days covered by the program (Ordinario, 2009).

The FSP also aims to achieve increased investment on human capital through the children by way of school attendance, regular use of preventive health care, and nutrition services. However, changes in other aspects of their behaviour may also occur (Manasan & Cuenca, 2007). De Janvry and Sadoulet (2005) states that the FSP assumes that the income effect of an unconditional transfer is insufficient to stimulate demand for investment in education. There then is a need for conditions to boost demand for education and child/maternal health services.

Feeding program literatures show that the FSP has a huge potential in improving education. The food grant could address the prime needs of the poor, and its efficiency is attributed to its self-selecting nature. However, Standing (2008) pointed out reasons for possible failures. Firstly, a food grant may not be what the vulnerable really need. Second, it is potentially market distorting, hence affecting employment and local livelihood. Finally, its perceived inaccessibility often fails to target those who are really susceptible to hunger and poverty. Costs incurred to monitor whether or not target beneficiaries are served is a limitation as well. Hence, monetary aid is deemed an alternative.

This study assesses which program is most effective in enhancing the welfare of the poor via food and education, in Pasay City, Eastern Samar, and Agusan Del Sur

through the use of the Community Based Monitoring System (CBMS) survey. This research aims to determine significant and feasible government programs that can increase school participation and reduce hunger, hence alleviating poverty.

THE FOOD-FOR-SCHOOL PROGRAM (FSP) AND THE CONDITIONAL CASH TRANSFER PROGRAM

Prolonged hunger leads to malnutrition. In 2005, the 6th National Nutrition Survey (NNS) stated that 27 out of 100 children aged 6-10 years were underweight; and 36 out of 100 children aged 6-10 years were short for their age. Malnutrition then, persisted among Filipino children. Furthermore, the 4th Quarter of 2005 saw an increased incidence of severe hunger which affected approximately 700,000 families. The Self-Rated Hunger Survey of the 1st Quarter of 2007 showed that 19% of Filipino households had nothing to eat at least once in the past three months. Results revealed that the incidence of hunger was highest in Mindanao (22.7%); followed by the NCR (20.7%), Luzon (18.3%), and Visayas (15.3%).

Estimates from the 2003 Family Income and Expenditure Survey (FIES) conducted by the National Statistics Office revealed that 2.3M households have incomes below the annual per capita food threshold of Php 8,149.00. The survey also showed that subsistence incidence began to climb to double digits in households with 6 or more members.

Malnutrition and poor school performance are the top factors which cause children in the primary level to drop out of school (Presse, 2008). Hence the need to implement hunger mitigating measures. The Department of Education (2006), expresses the necessity to address the issue of hunger with increased food production and establishment of efficient logistics to ensure proper distribution of food.

The Department of Social Welfare and Development (DSWD) is tasked to implement and monitor the conditional cash transfer program known as the "Pantawid Pamilyang Pilipino Program." This project aims to provide assistance to extremely impoverished households in order to improve the family members' health, nutrition, and education, particularly of children aged 0-14. According to the DSWD, the selection process is done via the National Household Targeting System for Poverty Reduction, using the proxy means test. This test determines the socio-economic category of the families by evaluating certain proxy variables (e.g. ownership of assests, housing type, household head's education, family's livelihood, access to water and sanitation facilities). The abovementioned government organization says that beneficiaries should comply with the following conditions: pregnant women must avail of pre and post-natal care; a trained health professional must attend to her during childbirth; parents must attend Family Development Sessions; children aged 0-5 years must receive preventive health check-ups and vaccinations; the children who are 3-5 years old must attend day care or pre-school classes at least 85% of the time; children aged 6-14 years must enroll in elementary or high school 85% of the time. They should also be administered with de-worming pills twice a year.

The Asian Development Bank (ADB) approved a USD 400 million loan in 2010, to support program expansion. According to Esguerra (2011), 1.6 million households were beneficiaries of Php 4 billion subsidy under the "Pantawid Pamilyang Pilipino program" facilitated by the DSWD. The total amount of funds allocated by the government for the conditional cash transfer (CCT) reached Php 21 billion.

POLICIES ADDRESSING SCHOOL PARTICIPATION AND INCIDENCE OF HUNGER

The study's major policy relevance and results will provide direction geared towards determining the most effective program which would address the problem on hunger and absenteeism. Expenditure targeting and tracking have proven to be of great interest to policy makers because these elements motivate public and private stakeholders to implement measures which mitigate the incidence of hunger among Filipinos, particularly schoolchildren. Noteworthy is the fact that schools supported by their community are more successful than those with less community involvement. Therefore, the government is deemed able to initiate long-term programs with incentive packages in tow. Should the FSP be proven to be effective in reducing absenteeism, improving academic performance, and curtailing drop-out rates, parents will be inspired to send their children to school and ensure the young ones' regular class attendance.

Government-sponsored programs meant to alleviate poverty by ensuring access to basic education and food manifested a weak impact. This effect may be attributed to

errors in inclusion and exclusion. Although it is assumed that poverty alleviation programs have indirect effect on the increase in school participation and probability of hunger, it can be argued that not all projects formulated for the abovementioned goals were really geared towards the issue/s. Hence, the programs instigated in Pasay City, Eastern Samar, and Agusan Del Sur were only partly significant in increasing school participation and eradicating incidence of hunger.

It is our objective to determine if a food grant is better than a non-food grant in addressing poverty through higher school participation and lower probability of hunger among households. It is therefore, deemed critical to explore the effects of poverty alleviation programs steered towards the abovementioned situations. It is indeed important to emphasize that increasing school participation and reducing probability of hunger are ways by which poverty can be assuaged. With such, further studies can be conducted to explore an economic assessment of government-sponsored programs' efficiency in addressing intended results.

Results show that non-food programs turned out to have had a greater impact in addressing school participation and incidence of hunger. In addition, it is considered beneficial for the local government to allocate resources aimed at providing health benefits and scholarship programs. More likely, these will help increase school participation rates among public school elementary students.

On the other hand, credit programs do not really lower the incidence of hunger. There is a need to restructure the program to ensure that beneficiaries would experience lower incidence of hunger through instigated improvements in income generation. Long term benefits from the credit program will only be realized if the financial support is used for income-augmenting purposes such as sustainable livelihood programs and entrepreneurial activities. The local government of Pasay City may assist in providing training programs. On the other hand, the local government of Agusan Del Sur should focus on increasing school participation by providing scholarship programs to address the extremely low elementary cohort survival rate.

Another policy implication is that programs should be made more sustainable in order for poor households to experience long term benefits. One example is the generation of income. Most of the poor households in Pasay, Eastern Samar and Agusan Del Sur are temporarily employed. It would be beneficial for them if the programs assist them in obtaining permanent employment and regular income. Monetary compensation is one direct way of alleviating poverty. The current programs are temporary or so-called stop gap measures and are not truly effective in the long run. The large population is also a hindrance as to why there is low school participation and incidence of hunger is prevalent in most rural areas. There is a need for more sustainable programs meant to address the issue of population.

Both the local and central government, together with the private sector and non-government organizations should allocate resources to establish sustainable programs. An example is the Go Negosyo program that aims to educate and provide network for potential entrepreneurs in the country. In line with this, the promotion of micro, small and medium enterprises will be very helpful in addressing the poverty issues. Another possibility is to tap on the Flexi Fund Program, a social security program for overseas Filipino workers and their families. Such could be a vehicle to provide seed capital for those who are planning to venture in a new business.

The poverty problem is a multi-faceted issue that needs to be addressed from its root cause. Poor school participation rate and high incidence of hunger are just some of the manifestations of poverty. Further studies could be conducted to learn if the case is also the same for other provinces in the Philippines where poverty is prevalent.

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This publication is based on a study under the
AKI Research Grants on Poverty Research