

ABSTRACTS OF DISSERTATIONS AND THESES

Ph.D. Dissertation

Ma. Agnes R. Quisumbing, *Estimating the Distributional Impact of Food Market Intervention Policies of Nutrition*, School of Economics, University of the Philippines, 1984.

The study utilized consumer demand theory to obtain alternative estimates of income-stratum-specific food demand parameters and used these estimates in a partial equilibrium model simulating the consumption and nutrition effects of food market intervention policies. These policies were of three types: supply shifts, demand shifts, and price wedges.

The first part explored the implications of general and particular restrictions on demand parameters on estimation, particularly the assumptions of strong and weak separability of the utility function. Three models of demand systems were used: the S-branch system, the Frisch method, and a simple double-logarithmic demand function. These models were applied to household level consumption data from the 1978 Nationwide Nutrition Survey conducted by the Food and Nutrition Research Institute to obtain price, cross-price and food budget elasticities for 16 commodities and four income groups. The general conclusion was that methods incorporating fewer restrictions, as well as those which impose restrictions only when empirically valid, yielded estimates with more plausible values and with more stable behavior across income groups.

The second part used the estimated parameters in simulating the effects of food budget transfers and price subsidies on nutrition, under different assumptions regarding supply elasticities and degree of targetting. Cost-effectiveness analysis was used to determine the treasury costs of different types of intervention policies. Finally, modifications of the model were used to estimate nutritional effects of the adoption of modern varieties of rice and removal of nominal protection on food.

M.A. Theses

Husein Badawing, *Family Income Inequality in the Philippines: The Case of 40 Selected Provinces, 1975*, School of Economics, University of the Philippines, 1984.

Data on Philippine income inequality in 1975 become an interesting issue to work on because many researchers doubt the NCSO official report which states that there are significant improvements in income inequality over its 1971 level. In Gini terms, it is said to drop from 0.49 in 1971 to 0.45 in 1975. Whereas income inequality would, based on Family Income and Expenditure Survey, seem to have narrowed, the same 1975 FIES data also indicate that poverty worsened during 1971-1975, both relatively and absolutely.

This paper was based on 1975 data of a nationwide Integrated Census of Population and its Economic Activities Phase II; the survey has a tremendously big sample size and the tabulated results are available by province.

We found that the 1975 Gini, in fact, jumped to 0.607. The reader, however, should be reminded that our data also suffer from underestimation of income, especially in the lower income brackets. The real measure might not be that bad, but the evidence clearly shows that the inequality is worse compared to the previous years.

Concentrating on the available data of 40 provinces by the Theil method of inequality decomposition, we found that the high level of overall inequality is almost entirely due to "within-set" inequality, particularly in the subset of self-employed in the agricultural sector. Varying across provinces, other subsets also contributed a relatively significant portion. The small variation of Gini and Mean Family Income from one province to the other did not allow us to see clearly the Kuznets inverted U-shape of the relation between inequality and income. However, the resulting relationship is positive which can be interpreted to mean that the country is still in the rising portion of the curve, or in other words, in the early stages of development.

With respect to relative share of income of the families, it seems that the rich get richer and the poor get poorer. With the increase in Mean Family Income, the income share of the top 10 per cent of the families increases, while the share of the bottom 40 per cent decreases, particularly in urban areas.

* * *

Djabir Hamzah, *Farmer Education and Farm Efficiency*, School of Economics, University of the Philippines, 1984.

This study is an empirical investigation of education effects on farm efficiency of self-employed farmers using a profit function approach. To relate farmer education and farm efficiency, a relative economic efficiency concept was applied.

Findings showed that the level of education was positively and significantly related to profitability and efficiency. The effect was correspondingly reduced for less schooling and was correspondingly enhanced for more schooling. This could reflect the higher level of education that may be required for effective utilization of modern agricultural practices. Three years of formal education seems to be a minimum threshold before education has any significant effect.

Test of profit maximization assumption showed that differences in education for Kediri and Nganjuk farms in Indonesia did not lead to differences in the ability to maximize profit, which means that allocative efficiency of a farm does not appear to depend on its level of education.