

Human, social, and physical infrastructure

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The Philippines three types of infrastructure sorely need major improvements to be in step with its Asean neighbors, let alone the rest of the world's emerging economies. These are cited in order of priority, requiring serious attention from the government and society at large, along with the requisite budgetary support. This is a veritable challenge, especially now, given the government's binding fiscal constraint, with debt-to-GDP ratio at about 62 percent and budget deficit hovering over 8 percent.

As regards population management, the Philippines adopted It is common knowledge that human infrastructure (or human development) begins in the early stages of pregnancy, and becomes more manifest at 0-5 years of age. At birth, the size of a baby's brain on average is said to be about a quarter the size of an adult's brain. Its subsequent growth is so fast that by age 5, a kid's brain is nearly fully grown, at 90 percent of the adult's brain. However, it is widely reported that in our country, about a third of children in the 0-5 age group are stunted, hence, unable to reach their full potential as they grow older. This may be nothing new, but it remains a persistent and serious problem plaguing especially the poor that calls for urgent attention, yet one hardly hears anything being done about it.

More recently, a World Bank report reveals that 91 percent of children at 10 years of age are unable to read and understand a short and simple text. This puts the Philippines at the bottom of 10 Asian countries on "learning poverty," with Singapore at the top, followed by South Korea, Japan, Vietnam, China, Thailand, Malaysia, Indonesia, and India, in that order. The Philippines also ranks last in "learning deprivation" and third to the last in "schooling deprivation" (5 percent), just preceding Indonesia and India (both at 6.8 percent).

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In the Philippines, the Department of Education recorded 27.2 million enrollees for basic education (K-to-12) in school-year (SY) 2021-2022, a 4-percent increase from the previous SY. Such a huge student population accounts for more than a quarter of the country's total population of 110 million, suggesting that public spending per student is a mere fraction of corresponding spending in Asean peers. Spending per student, compared with Indonesia, for example, is only about 60 to 72 percent, respectively, for primary and secondary levels. As regards better-off countries like Malaysia and Thailand, Philippine spending is even a smaller fraction, not to mention the competency levels of teachers, appropriateness of curricula, and learning materials. With subpar resources for enhancing schooling quality and outcomes, our country has performed poorly in international standardized student assessments (such as the Programme for International Student Assessment). Relevant to the issue is quantity-quality tradeoff, i.e., the larger the student population, the lower the learning capacity, given a budget constraint.

Social infrastructure—schools, hospitals, specialized medical facilities, such as virology, etc., manned by well-trained teachers and a large enough cadre of medical doctors and health care workers—is indispensable for facilitating human development. Social infrastructure needs to be sufficiently well-distributed nationwide, with specialized hospitals, science high schools, and higher education institutions based in the main city(ies) of the regions. This will be a major contribution to redressing the stark inequality and poverty across the regions.

The Philippines has badly lagged behind its Asean original peers, and this has been unrelenting. This includes, inter alia, the three types of infrastructure. While our country used to be at the top in the '60s and '70s, it has sadly fallen to the bottom of the pile.

A serious and well-studied consideration of the state of human development in our country would suggest that it entails massive and smartly allocated investment in social infrastructure with well-suited advanced human infrastructure or personnel. This will enable the provision of quality education and health care services to both young and older people across the country.

Physical infrastructure (transport and spatial mobility) completes the infrastructure circle. This is also a very costly undertaking but the advantage is that investment in physical infrastructure is more feasible via public-private partnerships (PPPs). It is crucial, though, that the conditions and guarantees imposed by the public sector on private sector partners are fair and sufficiently attractive for them to recover their investment cost and with reasonable returns.

The current administration seems keen on undertaking PPP projects, especially given the economy's tight fiscal constraints. Moreover, the record of PPP projects under the P-Noy administration, a few of which were completed under the Duterte administration, has been given the thumbs up by expert observers and the general public. An additional funding source often tapped is of course official development assistance (ODA) from Japan, United States, South Korea, and China to a limited extent.

The PPP modality has been adopted by a number of ADB developing member countries. An added advantage of the PPP mode for physical infrastructure is it frees up government funds for human development and social infrastructure (which is also amenable to PPP and ODA), allowing them to get more substantial funding, a quantum improvement from the traditional allocation of budgetary funds. This would make it possible for the infrastructure triad to vigorously advance our country's socioeconomic development.