



# SERP-P NEWS

Innovating Knowledge Exchange in Policy Research

March 2016 | Vol. 4 No. 1

## Socioeconomic Issue on Spotlight PERSONAL INCOME TAX

In 2005, the **University of the Philippines School of Economics** published a report that underscored the importance of fiscal policy in ensuring growth. The same report, however, noted that despite tax reform programs and initiatives, the Philippines still succumbed into a financial crisis brought about by the deterioration of the tax system (**Diokno 2005**).

More than a decade later, the unresponsiveness of the current tax system to the changes in the economy, which Diokno emphasized in his study, remains a burden that Filipino taxpayers carry.

These fiscal imbalances, according to the **Asian Development Bank (2011)**, negatively affect the delivery of basic services, such as infrastructure, education, and health.

Hence, the clamor to amend the personal income tax law, which is levied directly on a person's income, progressed in recent years as a

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## Policy-oriented research through open knowledge in Mindanao<sup>1</sup>

The potential of evidence-based research in improving the quality of life in the Philippines expands when linked to effective policymaking. Rooted on the idea that policies determine the state of a country, research then plays a critical role as the compass that steers nation-building initiatives on the right path. As the interest in policy-oriented research continuously grows, the need to disseminate research and increase its accessibility comes next in the agenda. This is the mandate of the **Socioeconomic Research Portal for the Philippines (SERP-P)**—a knowledge networking initiative of the **Philippine Institute for Development Studies (PIDS)**.

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## ANNOUNCEMENTS

### **PIDS Seminar**

*Seminar on the European Union (EU) Immigration Crisis*  
PIDS Conference Room, 18th Floor, Three Cyberpod Centris, North Tower, EDSA corner Quezon Avenue, Quezon City  
April 11, 2016

### Call for Papers

### **2016 BSP International Research Conference**

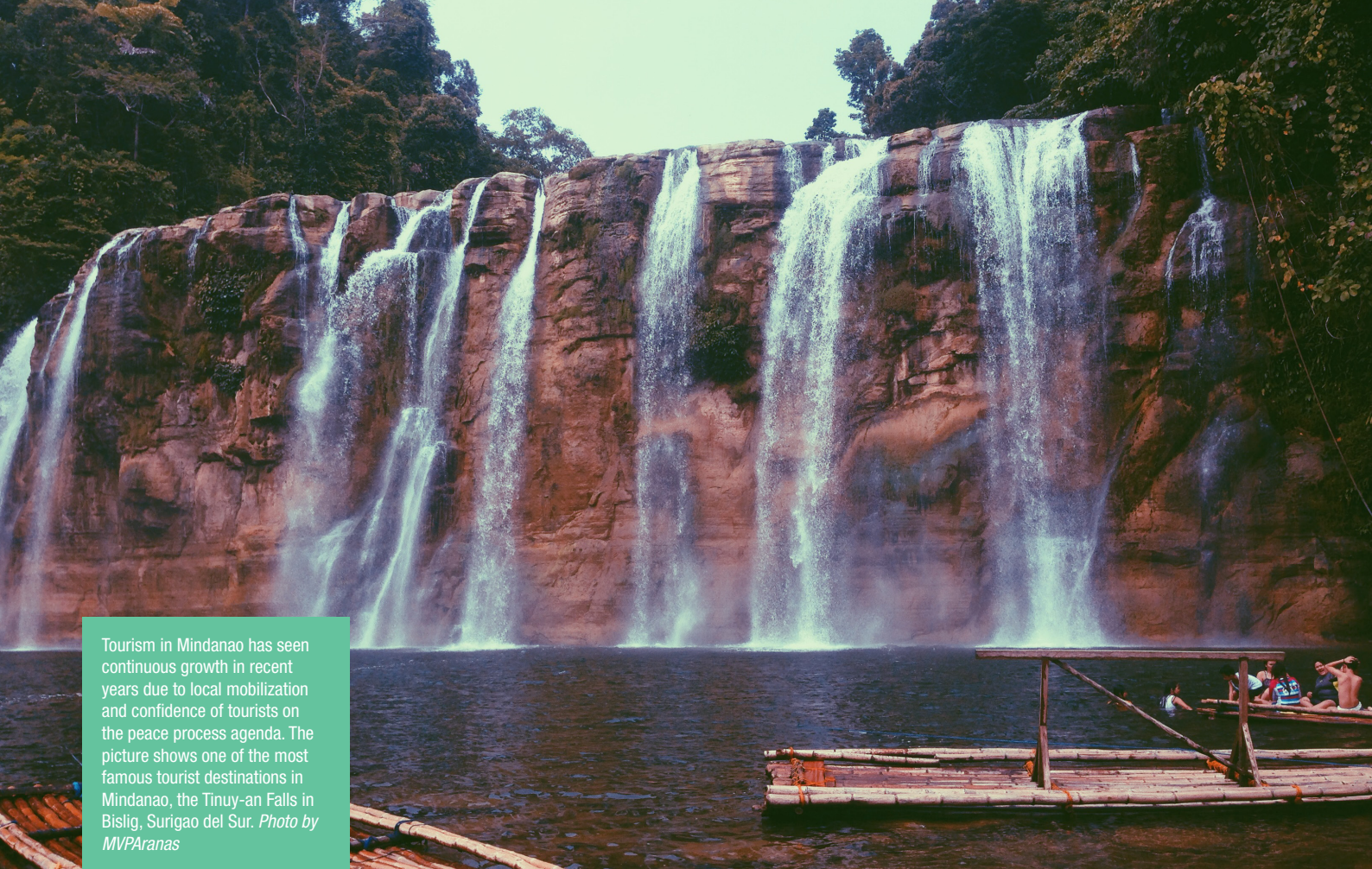
*Revisiting macro-financial linkages: Looking back and looking ahead*  
Manila, Philippines  
20–21 September 2016

Interested contributors should submit a draft paper or a two-page proposal/extended abstract, together with their curriculum vitae, to the Technical Committee ([secretariat.mpss@bsp.gov.ph](mailto:secretariat.mpss@bsp.gov.ph)) on or before **04 April 2016**.

Authors of accepted papers will be notified by **06 May 2016**. Papers to be presented should be submitted not later than **22 August 2016**.

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Tourism in Mindanao has seen continuous growth in recent years due to local mobilization and confidence of tourists on the peace process agenda. The picture shows one of the most famous tourist destinations in Mindanao, the Tinuy-an Falls in Bislig, Surigao del Sur. Photo by MVPAranas

#### *Policy-oriented research... continued from page 1*

In 2000, the SERP-P was established to become a leading electronic repository of policy research in the country. What started as a partnership among 19 institutions developed into a network of 53 member-institutions—comprised of government agencies, academic and research institutions, and local and international development organizations.

At present, the SERP-P is home to more than 5,500 materials contributed by almost 3,000 authors. At the core of the SERP-P lies its objective to make these materials and researches, which are required for the formulation of local and national development plans and policies, accessible to everyone.

To advance its cause, the SERP-P joined the **Global Open Knowledge Hub (GOKH)**—an initiative of the **Institute of Development Studies (IDS)**—in 2014. The GOKH project aims to put forward the open knowledge agenda and increase the accessibility and availability of research information. Through the OKhub—the online platform of the GOKH project—materials on the SERP-P reached Northern America, Eastern Africa, Northern Europe, and other parts of the globe. The wide range of materials already available on the OKhub, meanwhile, gives an international perspective to Filipino researchers who conduct local research. The SERP-P Network has also benefitted as the partners learn more about

open knowledge. Undeniably, the byproduct of this collaboration (i.e., SERP-P and GOKH) has not only carried a common goal to promote open access among the SERP-P Network but has also reinforced the role of evidence-based research in crafting effective policies and regulations.

This story of change builds on the experience of the **Mindanao Development Authority (MinDA)**<sup>2</sup> where policy-oriented research and the open access agenda, through the SERP-P and GOKH, meet to serve a common purpose.

#### ***Shifting to a new Mindanao***

Recent development initiatives in Mindanao<sup>3</sup> demonstrate the potentials of linking research and policies together through open knowledge networking. As a member of the SERP-P Network, MinDA<sup>4</sup> not only has pushed forward relevant initiatives gathered from research materials on the SERP-P and OKhub but has also localized national-level studies and assessments to better fit in their context.

For instance, because of the partnership between the SERP-P and MinDA, a memorandum of agreement was signed between PIDS and MinDA to conduct an inaugural policy forum,

which centered on advancing Mindanao toward sustainable economic development and balanced ecosystems. This forum brought together more than 100 participants from the government, academe, business, and civil society sectors to underscore the potentials of policy research in pursuing development goals in Mindanao. The comments and ideas solicited from the policy forum were monumental in the follow-up activities held with some ecosystems stakeholders in the region. The forum was also significant in deepening the embedded cultural ties within the tourism sector, and was influential in changing the mindset of some academic institutions and local government units in terms of green and gold tourism and payment for ecosystem services. PIDS and MinDA plan to hold this policy forum annually.

By using the open knowledge framework of the GOKH project, MinDA staff and partners, particularly state universities and colleges in the region, have gained a better understanding of the open access initiative. A number of Mindanawon<sup>5</sup> researchers, who used to keep their research for their university's consumption, have now considered publishing their works with minimal restrictions. These universities have also included digitizing publications in their action plans. Currently, the SERP-P team at PIDS is also providing assistance to MinDA in creating their own portal called the Mindanao Knowledge Center (MKC). The GOKH project, meanwhile, provides necessary inputs and materials in advancing the open knowledge agenda among the MKC Network.

**At the core of the SERP-P lies its objective to make materials and researches required for the formulation of local and national development plans and policies accessible to everyone.**

In terms of information usage, there were instances when MinDA used materials downloaded from the SERP-P website to review and assess research gaps in Mindanao.<sup>6</sup>

As an example, a review of the SERP-P database showed a huge gap in terms of research on the infrastructure support and efficiency of the rice sector in Mindanao that led local researchers to conduct their own study, employing the methodologies they explored from the related studies found on the SERP-P website. The result of this particular study was later presented in various fora, where different line agencies, academic institutions, and irrigators' and people's organizations validated initial results.

Some local chief executives, who are at the forefront of development in the towns and cities of Mindanao, also participated in the study. As a result, various efforts—including implementation of farm-to-market roads, pavement of national roads, and rehabilitation of irrigation systems—were undertaken.

More importantly, evidenced-based research provides an objective evaluation and assessment of existing and proposed laws—whether or not these laws provide the needed change or intervention. The SERP-P has a long list of assessment and impact evaluation studies that the MinDA staff used in crafting their own regulations. SERP-P materials, along with the resources from the OKhub, have thus become one of the major sources of discussions in meetings within and outside MinDA.

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*Personal income tax.. continued from page 1*

result of the inconsistencies of the law to the current economic status of the country. The Philippines, in fact, has not adjusted its personal income tax system since 1998. To make the matter worse, “personal income tax has been low and thus its progressivity has been falling over the years” (ADB 2011, p. 8).

According to the analysis of Dr. Rosario Manasan (2016, p. 5), senior research fellow at the Philippine Institute for Development Studies (PIDS), the “proposals to amend the personal income tax schedule appear to be well-justified from the

perspective of (1) eliminating bracket creep and (2) easing the tax burden on Filipino personal income taxpayers relative to their Southeast Asian neighbors.”

Currently, there are several income tax reform proposals pending in both houses of Congress (i.e., Senator Recto's Senate Bill [SB] 716, Senator Aquino's SB 1942, Senator Angara's SB 2149, Rep. Quimbo's House Bill [HB] 4829, and Rep. Colmenares and Rep. Zarate's HB 5401). All of these, according to Manasan, are aimed at addressing bracket creep, which occurs when

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Through the studies that have been done, MinDA is able to strategically employ what works and eliminate what does not, particularly in assessing their place in the Southeast Asian regional integration, in analysing the brain-drain situation in higher education institutions, and in understanding the social aspect of the conditional cash transfer program of the government.

Furthermore, PIDS studies that tackle the Cabotage Law provided Mindanawons a clear picture of its effect on the shipping industry in the region. Both the public and private sectors welcomed this initiative, as this national policy becomes favorable to Mindanao in general.

### Prospects

The rise of open access in recent years has made the link between research and policy clearer and tighter. Because of GOKH's commitment to promote open knowledge advocacies and the SERP-P's support to knowledge networking, the understanding and acceptance of open access mechanisms, which seemed beyond reach at the beginning, have started to form a solid foundation in the way MinDA and its partners see research networking.

Lastly, making Mindanao-related materials accessible through the SERP-P and OKhub helps change the general perception that Mindanao is a war-torn region. MinDA believes that if they continue to do local research, important issues will not only be raised to the national level but can also be the spark plug to alter the course of Mindanao and become a major contributor to the national economy. Likewise, with the help of a broader set of research resources on the OKhub, it is an opportune time for MinDA to conduct researches that directly impact the lives of the Mindanawons. ■

<sup>1</sup> This story of change, which was first published on the OKhub website, was prepared by Mark Vincent Aranas, SERP-P Coordinator at PIDS.

<sup>2</sup> MinDA is the lead agency in coordinating and integrating development efforts in Mindanao. It has been a member of the SERP-P Network since 2012.

<sup>3</sup> Mindanao is the second largest and the southernmost major island in the Philippines.

<sup>4</sup> The MinDA staff interviewed for this story are Ms. Sheila Almasa, Mr. Marlo Sullano, and Ms. Missiles Somoza. They are technical staff, development management officer, and information system researcher, respectively, at MinDA.

<sup>5</sup> Mindanawon refers to the citizens and inhabitants of Mindanao.

<sup>6</sup> Based on the *SERP-P Case Studies of Contributions to Users* by Jennifer P.T. Liguton and Katherine Mitzi Co.

The banner features the PIDS logo (Philippine Institute for Development Studies) at the top left. The main text reads "Southeast Asia's best social policy think tank" in a large, bold, blue font. Below this, it says "- Based on the 2014 and 2015 Go To Think Tank Index Reports". At the bottom, there is the TTCSP logo (Think Tanks and Civil Societies Program, University of Pennsylvania).

### Graduate Scholarship for Southeast Asians

SEARCA invites applications for its graduate scholarship (MS and PhD) in agriculture and related fields for Academic Year 2017–2018.

Deadline of Application:  
**30 September 2016**

Inquiries can be directed to:  
*Graduate Education and Institutional Development Department*  
College, Los Baños, Laguna, Philippines  
Telefax: +63-49 536 7164  
Email: [gsd@searca.org](mailto:gsd@searca.org)

For other scholarship opportunities at SEARCA, click [here](#).

### Legislative Information System (LEGIS)

*House of Representatives*  
LEGIS is a browser-based system that allows a user connected to the Internet to access, retrieve, print, or save structured bills information and status as well as download full texts of bills, republic acts, House Journals, House publications, and other published legislative materials and documents.

### Forum on the Impact of DepED's School-based Feeding Program and Managing Risks and Building Resilience

Alumni Center, University of the Philippines Baguio, Baguio City  
April 6, 2016

## CAREER OPPORTUNITIES

Career opportunities at [NEDA](#)  
Career opportunities at [SEARCA](#)  
Career opportunities at [ASoG](#)  
Career opportunities at [UP NCPAG](#)



The banner photo used for this issue is a picture of the Bureau of Internal Revenue building in Quezon City. Photo by David Montasco

employees' income increases over time as a result of inflation. This pushes them to pay higher taxes, but their purchasing power remains the same.

Manasan, however, warns that while being progressive, all tax reform proposals mentioned will negatively impact government revenue. Increasing value-added tax and imposing excise tax on sugar-sweetened beverages are some of the options that government can consider upon amending the personal income tax law.

With the upcoming elections, the Philippines is in a good position to pursue amending the personal income tax law. **Diokno (2005)** believes that tax reforms should be done at the start of an administration, as successful reforms require broad political support and political will.

The **Socioeconomic Research Portal for the Philippines (SERP-P)** offers a number of tax-related studies that deal with personal income tax, withholding tax system on individual payers (**NTRC 2011**), government expenditures relative to tax (**NTRC 2011**), and tax neutrality (**CPBRD 2012**), among others. ■

## LATEST SERP-P RESOURCES

- The Philippine Economy in 2015 and Prospects for 2016
- Are Higher Education Institutions Responsive to Changes in the Labor Market?
- Importance of Entrance Exam Scores for Selecting Grants-in-Aid Recipients
- Promoting Inclusive Growth through Higher Education
- The National System of Technical Vocational Education and Training in the Philippines: Review and Reform Ideas
- Growing Inclusive Businesses in the Philippines: The Role of Government Policies and Programs
- Making Digital Dividends Inclusive
- Results of an Impact Evaluation Study on DepED's School-Based Feeding Program
- Examining Processes in Research and Development at the Department of Science and Technology
- How Effective Has the Generics Act Been?
- Optimizing PhilHealth's Case-based Payment Scheme to Achieve Greater Financial Protection
- Assessment of the COMPACK Program
- Social Protection in APEC: In Pursuit of Inclusive Growth
- Investing in Human Capital for Inclusive Growth: Focus on Higher Education

## SERP-P Resources on Personal Income Tax

- Reforming the Philippine Tax System: Lessons from Two Tax Reform Programs
- Where Does Your Tax Money Go?
- Study on Strengthening the Withholding Tax System on Individual Taxpayers
- Tax Reforms toward Fiscal Consolidation
- Promoting Tax Neutrality in the Financial Sector
- Comparative Assessment of Proposals to Amend the Personal Income Tax Law

For more tax-related studies, simply type '**personal income tax**' or '**taxation**' in the Search box of the SERP-P website.

## SERP-P Statistics

Number of publications: **5,589**

Number of authors: **2,956**

Number of keywords: **4,422**

Average hits per day: **14,147**

Average visits per day: **1,207**



The Rockefeller Foundation Bellagio Center's residency program offers a superb opportunity for focused work in a serene environment that brings highly diverse cohorts of artists, academics, practitioners, and policymakers together for up to one month, fostering rich cross-cultural and interdisciplinary exchange. Diversity of culture, thought and practice is a hallmark of the program that has for decades provided residents with unparalleled opportunities to advance their work while gaining exposure to new thinking and ideas as they expand their networks internationally.

The latest news and an overview of programs can be found on the Center's website. All applicants must submit an application using the online application form.

Those interested in applying should visit the Bellagio Application Resource Center for additional information.



"My Bellagio experience has remained with me, influencing my thinking and continually reminding me of the importance of considering the perspectives of others."  
- W. Ed Hammond, Resident Fellow, 2008

Competition Opens: March 1, 2016 • Final Deadline to Submit: May 2, 2016  
Successful applicants from this competition will be offered residencies between February and August 2017.

If you want your forthcoming events, latest publications, and other announcements to be included on the *SERP-P News*, contact:

**Mark Vincent P. Aranas**  
SERP-P Coordinator  
Email: [maranas@mail.pids.gov.ph](mailto:maranas@mail.pids.gov.ph)  
Tel.: 877-4022

### SERP-P Team at PIDS:

**Sheila V. Siar**, Project Manager  
**Mark Vincent P. Aranas**, SERP-P Coordinator  
**Gilberto Llanto and Aniceto Orbeta Jr.**, Technical Advisers



**pids** Philippine Institute for Development Studies  
18F Three Cyberpod Centris, North Tower  
EDSA cor. Quezon Ave., Quezon City