Inflation refers to the rate at which the prices of commodities rise over a specific period of time. When this rate goes up, the value of the Philippine peso goes down as Filipinos can no longer purchase commodities as much as they previously could with the same amount of money.

According to Caparas (2002), inflation has two major types. The first one is the demand-pull inflation, or when the consumers demand more goods and services than available. The other one is the cost-push inflation, which results from the rise in the cost of inputs in the production process.

In 2017 alone, the Bangko Sentral ng Pilipinas (2017) noted a 3.2-percent inflation rate, the highest since 2015. This figure is almost twice the 2016 rate, which settled at 1.8 percent. Still, it fell well within the 2- to 4-percent target of the government for 2017, according to the National Economic and Development Authority.

According to Reyes (1996), inflation can be influenced by several factors. First, it can rise as a result of the oversupply of money, or when the national bank prints money beyond demand. Disturbances in the prices of basic commodities, such as rice, can also affect the general prices of goods.

Aside from these factors, market responses to economic uncertainties can also cause the inflation to rise. For instance, the proposed increase in oil prices in 1995 induced traders and retailers to stock up on basic commodities, thereby driving their prices up due to artificial shortages.

Sadly, Reyes (1996) claimed that inflation affects mostly the poor. According to the 2015 Family Income and Expenditure Survey, for instance, the poorest Filipinos spend at least 60 percent of their earnings on food, whose prices usually increase faster than other commodities except oil. Meanwhile, the nonpoor may even benefit from such increase in prices of commodities as it may lead to their income gains, according to Son (2008).

continued on page 3
The Bangko Sentral ng Pilipinas (BSP) is the central bank of the Republic of the Philippines. It was established on July 3, 1993 pursuant to the provisions of the 1987 Philippine Constitution and the New Central Bank Act of 1993. It has since then functioned as the country’s central monetary authority that enjoys fiscal and administrative autonomy from the national government.

Under the New Central Bank Act, the BSP performs functions such as liquidity management, currency issue, lender of last resort, financial supervision, management of foreign currency reserves, and determination of exchange rate policy. It also acts as the banker, financial advisor, and official depository of the government, its political subdivisions and instrumentalities, and government-owned and -controlled corporations.

Currently, the BSP provides policy directions in the areas of money, banking, and credit. It supervises operations of banks and exercises regulatory powers over nonbank financial institutions with quasi-banking functions.

Know more about BSP here. Click here to access BSP materials in the SERP-P database.

Dr. Michael A. Alba is the eleventh president of the Far Eastern University. Previously, he was the dean of the College of Business and Economics of the De La Salle University (DLSU) from 2001 to 2006 and an assistant professor and associate professor in economics at the University of the Philippines (UP) and DLSU, respectively, for 10 years. He also became an exchange professor at Waseda University in May 1999.

Outside the academe, Dr. Alba also became a member of the Technical Committee for Economics of the Commission on Higher Education. He also served as president, vice president, and member of the board of directors of the Philippine Economic Society. He has also been a consultant of various international organization, such as the World Bank, the Asian Development Bank, and the United States Agency for International Development in the fields of education and economics.

As a researcher, he has conducted studies on household consumption and economic growth, overseas workers’ remittances, gender and inter-industry wage differentials, and hospital cost functions.

Dr. Alba obtained his Ph.D. in Applied Economics from Stanford University, M.A. in Economics from UP, and AB in Economics from Ateneo de Manila University.

Check out his publications below.

- Estimating Modes of Labor Force Participation in the Philippines
- Motives and Giving Norms Behind Remittances: The Case of Filipino Overseas Workers and Their Recipient Households
- Douglass North, Killing Us Softly with His Song
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- Why has the Philippines Remained a Poor Country? Some Perspectives from Growth Economics

For other publications by Dr. Alba, simply type “Alba” in the search box of the SERP-P website.
The Socioeconomic Research Portal for the Philippines (SERP-P) Project of the Philippine Institute for Development Studies (PIDS) has recently launched its first promotional video on the PIDS social media pages. With the said launch, SERP-P (https://serp-p.pids.gov.ph/) has gained more page visits and publication downloads. To date, SERP-P has 5,949 publications in its database and an average of 2,023 visits per day in 2017. (Note: access statistics generated using Webalizer)

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Deadline for nominations is on 30 April 2018. Click [here](#) for more details.

**2018 High-Level Policy Dialogue on Meeting the 2030 Global Agenda Pledge to Leave No One Behind in the Philippines**

April 20, 2018
9:30 AM to 3:00 PM
18th Floor, Three Cyberpod Centris-North Tower, EDSA corner Quezon Avenue, Quezon City

This policy consultation, which is jointly organized by the United Nations Development Programme - Philippines and the Philippine Institute for Development Studies, will bring together a small group of researchers, government officials, development partners, civil society, the private sector, and other stakeholders to present and discuss challenges and opportunities in eradicating poverty and ensuring no one is left behind.

Note: This is not open to the public. Nevertheless, it will be streamed live on the PIDS Facebook page (facebook.com/PIDS.PH/).

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Jachin Jane O. Aberilla, SERP-P Coordinator
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If you want your forthcoming events, latest publications, and other announcements to be included on the SERP-P News, contact:

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