ABSTRACT

AQUINO, E. P., Social, Human, and Physical Capital: A Poverty Analysis in the Less-Developed Municipalities in the Philippines. Ph.D. in Business Administration, De La Salle University-Dasmariñas, Cavite, March 2010. Adviser: Dr. Alice T. Valerio.

The purpose of this study is to describe the social, physical, and human capital in the four identified poor provinces namely Abra, Quezon, Samar, and Bohol; to determine the effect of the said capitals on poverty; to ascertain the relationship of physical capital and human capital to social capital; to compare the social, human, and physical capital of the respondents when grouped in terms of poverty threshold ratio; and to create an exclusion index. The explanatory variables are: (a) for human capital, household size, educational attainment, age, employment status, and length of residence; (b) for social capital, mutual support groups and networks, trust and solidarity, collective action, and social cohesion (exclusion); and (c) for physical capital, type of shelter (wall, floor, roof, and number of rooms used for sleeping), home ownership, water supply, electricity supply, and sanitation.

Majority of the heads of the family were not able to reach secondary school level. Mean age of the head of the family is 47 years and most of them are residents in the village since birth. Almost all of the household heads of are working though, mostly, are working as farmers. Household size across provinces averaged at five. Of the four provinces, Samar experiences the lowest level of human capital. Physical capital is inadequate in all provinces but Samar has the worst scenario. All provinces

experience problems in housing facilities, home ownership, sanitation, electricity supply, and water supply. Social capital varies across areas. For group and networks and trust and solidarity, Samar was identified as the weakest in these categories. Trust and solidarity, however, is high in other provinces. Collective action is very low in Samar and low in the other three provinces. Differences that bring about exclusion are low in Abra, Quezon, and Bohol. Samar still has the higher risk of exclusion.

OLS and 2SLS regressions per province show varying results. Consistently, in all four provinces, household size is significant. While, trust and solidarity, educational attainment, water supply, shelter, and social cohesion are common in majority of the provinces.

Among all provinces, it is in Samar, where highest correlations of both human capital and physical capital to social capital have been established. There are significant differences in household size, educational attainment, age of head of the family, length of residency, group and networks, social cohesion, shelter-wall, shelter-roof, shelter-floor, shelter-room, sanitation, home ownership, water supply, and electricity supply when they are grouped according to poverty threshold ratio.

The lowest exclusion index is that of Samar (1.5581) followed by Abra (1.6552) which happens to be the two provinces with the lowest poverty threshold ratio. The highest rank, rank 1-30, do not experience exclusion at all.