Filipinos leads in income inequality in Asia

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Manila (Philippine Daily Inquirer/ANN) -

The gap between the rich and the poor is most pronounced in the Philippines as compared with neighboring Southeast Asian nations, a new study by research and advisory firm Stratbase Research Institute showed.

The study noted that the Philippines registered a Gini coefficient of 44 percent last year, higher than Thailand's 42.5 percent, Indonesia's 39.4 percent, Malaysia's 37.9 percent and Vietnam's 37.8 percent.

The global ranking was prepared by international group Vision of Humanity using the Gini coefficient, a measure of the inequality of a distribution, as the basis.

"Relatively, the Philippines had the highest Gini coefficient among these countries, which means a greater rate of inequality compared to other Southeast Asian countries," explained Stratbase president Victor Andres Manhit.

He said this should be addressed as the huge disparity between the rich and the poor bred "social tension and even political instability."

"Inequality and tragic marginalization can worsen without the proper policies in place. For Stratbase, therefore, the elected leadership must firmly hold the line against vested interests and political machinery that are poised to advance their position to the grave detriment of the majority," he said.

The country's high Gini coefficient was backed by similar research by multilateral lenders Asian Development Bank and the World Bank, as well as the United Nations Development Program, National Statistics Office and National Statistical Coordination Board on spending and income in the country.

Huge disparity

A World Bank report showed that the richest 20 percent of the population "outspent" the poorest 20 percent by more than eight times.

"This huge disparity in expenditures can cause problems such as the lack of legitimacy, the weakening of social cohesion and the outbreak of social strife. [It can] exacerbate the existing differences and conflict between the poor and the non-poor," the World Bank report stated.

If left unchecked, Stratbase said this wide chasm could cause "the polarization of society and the creation of social tensions that eventually undermine the process of growth and development."

An ADB study, on the other hand, showed vast inequalities, not only in income, but also in land distribution, welfare and human development.

The same study showed that the richest 10 percent of Filipino families were "raking in more than a third of the country's total income


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