Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
THE EFFECTIVENESS AND RESULTS OF THE NEW ZEALAND OFFICIAL DEVELOPMENT ASSISTANCE EDUCATION AND TRAINING PROGRAMME TO THE PHILIPPINES

A thesis presented in partial fulfillment of the requirements for the degree of Master of Philosophy in Development Studies at Massey University

Ninia P. Inoncillo
1997
ABSTRACT

The role of education in the development of any given society is, beyond doubt, central, and crucial. When developing countries began their drive for social and economic development more than three decades ago, education was perceived as a means not only of raising political and social consciousness, but also of increasing the number of skilled workers and raising the level of trained humanpower. There is nothing new in a developing country seeking help from the developed countries who fund scholarships, trainings and programmes. The effects of these scholarships, trainings and programmes on the developing countries is much an open issue for study.

This thesis examines the outcomes and effectiveness of an educational aid programme in the Philippines. Its central purpose is to determine and evaluate the New Zealand Official Development Assistance (NZODA) Education and Training Programme for the Philippines. This entails an examination of the social and private benefits, as well as the costs accrued to the recipients and donor country were also looked at. The NZODA educational aid for the Philippines was further analysed in relation to the general aid objectives of gender bias, rural and urban development, and equal development of private and government institutions.

The study found that there are many social, economic and technological benefits that are derived from the programme and that accrue to the recipients and the donor. Further, the programme has brought about many substantial changes both in the social and economic development of the Philippines. The programme has not only increased the number of highly skilled employees but has increased as well the social and private rates of returns. Moreover, it was found that expansion of educational aid in the Philippines would be profitable for both the Philippines and New Zealand. In general, the programme is effective, but, because the results of the programme are faced by many constraints, there are a big number of things that need to be improved.
DEDICATION

To my Filipino brothers and sisters struggling through the margins of life and suffering from the bondage of poverty, illiteracy and domination -

ninia
PREFACE

It was in Summer of 1994 when my attention was called by the Director of the Institute for Development Education (IDE), Dr. Tan, to submit an application for an international scholarship. I was surprised to be nominated by the University of Santo Tomas, the university where I was then teaching at, considering the fact that I was one of the youngest amongst the faculty members, and the youngest amongst the (IDE) researchers. However, what concerned me more was the scholarship which I had not heard of before. I personally submitted the nomination to the Special Committee on Scholarships (SCS), and luckily, I was interviewed. A few minutes after the interview, I was given a letter addressed to the Department of Health for a physical examination. Quite happy, I told some of my colleagues, only to find out that two of my colleagues had the same application, filed two years earlier but have yet to be acted upon. I was told that I would not be able to go, just like them. After passing the IELTS in November of the same year, I was informed that by February I would be going to New Zealand. Then, on the 11th of February of 1995, a day after the defense of my Master's Thesis in Development Education at UST, I flew to New Zealand for further study. Although I was quite hesitant in going, but considering that the study would be under a scholarship and someone was encouraging me to really go, I finally did.

I, together with the other scholars went aboard, without knowing if there was someone to meet us in the airport. We didn’t even know what would it be like to study in New Zealand. We were at a lost in terms of information about the University we were going to, or as to what would happen to us if no one was there to see us. What food would we eat? What clothes should we wear? and many other questions. But these concerns were nothing, compared to other information about Filipino scholar prior me which appalled me. There were many other Filipino scholars who were here at Massey studying. Further, I learned from them that there were many other scholars who had graduated already; many of which had gone home while some did not. I was surprised to find out that there were quite a number of students who had finished since 1989, and even before while the scholarship was still under the Colombo Plan. If there were already so many recipients or graduates of the scholarship, then why was it that many of us Filipinos still are not aware about such scholarship programmes? Why is it that since 1989, I was only the third grantee who came from a private institution? Why was it that majority of the grantees came from the government offices and government owned corporations? Why were there many grantees coming from the central government offices? Why was it that there were more males than females? If there had been so many graduates since 1989, or since from the Colombo Plan, where are they now, and what have they
done for the development of the Philippines? New Zealand is just one country, how about the grantees in other Developed Countries? What has the education in New Zealand contributed to them?

It was these questions that motivated me to study this topic. Personally, at the time of the completion of this thesis, I had some thoughts about the uncertainty of the future of my career. Despite the completion of my study, I am not sure of what lies ahead. Will it just be a mere stock of knowledge or will it have immediate relevance to my work? Although it is quite relevant to my research work in the University, the degree of significance remains to be seen. How many graduate grantees have been in the same predicament?

If only all the past scholars to different countries were given the chance to prove that they had learned something, and that something would be used to speed up Philippine development, perhaps Philippines would no longer be just a developing country today. Hopefully, then, this thesis will provide readers, specially the donor countries and the Philippines, and other developing countries on the results and effectiveness of educational aid with an end in view of improving and maximising the development efforts for further benefits toward real aid and development. It is from this that development efforts can be improved and maximised for further benefits towards real aid and development.
ACKNOWLEDGMENTS

I gratefully acknowledge and sincerely thank a number of institutions, organisations, and individuals for their support and assistance in making the conduct of this study easy and possible:

- The New Zealand Government, in general, and the Ministry of Foreign Affairs and Trade, in particular, through Massey University International Students’ Office for my scholarship;
- The Philippine Government, in general; the Special Committee on Scholarships, the University of Santo Tomas and the Institute for Development Education, in particular, for their confidence in nominating me for an ODA scholarship; and the Faculty of Pharmacy, Medical Technology, Bio-Chemistry and Botany for my Sabbatical Leave;
- In particular, my main supervisor, Peter van Diermen from Development Studies, and my second supervisor, John Overton, Head of the Institute of Development Studies, for their supervision, guidance and critical comments on the conduct of the study and the writing of this thesis;
- The Head of the Department of Special Education, Rus Thomson, for his proof-reading, comments and encouragement; Maxine, the wife of Rus. Res and Alice for their encouragement and help in finding me a proof-reader;
- The Chairman of the Special Committee on Scholarships (SCS), Ms. Carmencita Juan-Guiyab; NZ Embassy in the Philippines- Programme Officer, Patricia Tan; and SCS NZ Desk Officer Lirio Laguilles, for the interview and their ready help, comments and provision of materials;
- The NZODA graduate grantees, for finding time to respond to the survey; and interview for some of them;
• Dr. Emily B. Tan; Dean Norma V. Lerma; personnel and colleagues at the University of Santo Tomas Institute for Development Education and Faculty of Pharmacy, Medical Technology, Bio-Chemistry and Botany, for their support and encouragement;

• To Sr. Marie Rosanne B. Mallillin, SPC., Chairman of the Asia Partnership for Human Development, for her encouragement, support and unexpected pre-paid phone calls;

• To all my friends that I have made whilst being in New Zealand, specially Manong Angel, Manang Myrna, Gigi, Manang Linda, Jimmy and family, John and Manang Angie, Tony Banks, Rommie, Len, Beatrice, Cammille, Louella and Kuya Boy, Gemma and Manny, Salli, Jess, Miles, Nieva and Acmad for their inspiring friendship and support throughout my stay in New Zealand;

• To Amy, Vicki and Jomar for their help in the typing and editing of this thesis;

• To Tony Banks and Allan for their comments and suggestions;

• To the members of my family, specially Nanay, nieces and nephews for their prayers that I may succeed in my study at Massey;

• Above all, the Almighty God, for giving me the wisdom, strength and spiritual enlightenment.
# TABLE OF CONTENTS

Abstract........................................................................................................ ii
Dedication........................................................................................................ iii
Preface........................................................................................................... iv
Acknowledgments........................................................................................ vi
Table of Contents......................................................................................... viii
List of Abbreviations....................................................................................... xi
List of Tables.................................................................................................... xiii

## INTRODUCTION
Introduction ..................................................................................................... 1
A Brief Background of the Situation in the Philippines................................. 6
Methods and Methodologies.......................................................................... 8

## PART I THEORY...................................................................................... 11

### CHAPTER ONE

**EDUCATIONAL AID AND THE THIRD WORLD** ............................................ 12
Introduction ................................................................................................... 12
Aid and Development ................................................................................... 12
Models of Education and Models of Development....................................... 14
Case Studies of Educational Aid to Development....................................... 21
The Role of Educational Aid to Development............................................. 24
The Challenges of Educational Aid in Today’s Development........................ 26

### CHAPTER TWO

**THEORETICAL FRAMEWORK FOR EVALUATING EDUCATIONAL AID PROGRAMME** ................................................................. 29
Introduction ................................................................................................... 29
Human Capital Theory .................................................................................. 29
The Human Capital Approach ..................................................................... 30
Human Resource Development .................................................................... 31
The Benefits of Education .......................................................................... 33
Characteristics of an Effective Educational Aid Programme........................ 37
A Theoretical Framework ............................................................................ 39

## PART II CONTEXT.................................................................................... 47

### CHAPTER THREE

**THE PHILIPPINE DEVELOPMENT** ................................................................. 48
Introduction ................................................................................................... 48
The Philippines .......................................................................... 48
Philippine Development Through Education:
Experiences, Thrusts and Perspectives .......................... 51
Aid and the Philippines ....................................................... 59
Official Development Assistance as a Type
of Aid in the Philippines .................................................. 62

CHAPTER FOUR
NEW ZEALAND AND THE PHILIPPINES:
PARTNERS IN DEVELOPMENT ........................................... 66
Introduction ......................................................................... 66
The New Zealand Development Cooperation
Programme ................................................................. 64
The New Zealand-Republic of the Philippines
Relationship .................................................................... 72
The New Zealand Official Development Assistance
to the Philippines ..................................................... 75
The NZODA to the Philippine Education and
Training ................................................................. 79
Summary ........................................................................ 85

PART III CASE STUDY ANALYSIS ........................................ 86
CHAPTER FIVE
RESULTS OF THE NZODA EDUCATION
AND TRAINING PROGRAMME TO THE
PHILIPPINES .............................................................. 87
Introduction .................................................................... 87
Characteristics of the Graduate Grantees .............. 87
Results of the NZODA Education and Training
Programme to the Philippines ...................................... 93

CHAPTER SIX
EFFECTIVENESS OF THE NZODA
EDUCATION AND TRAINING
PROGRAMME TO THE PHILIPPINES .................. 114
Introduction .................................................................... 114
Costs and Benefits of the Programme .................. 114
On the Effectiveness of the NZODA Education and
Training Programme ...................................................... 127
Social and Private Benefits to Education
in the Philippines .......................................................... 134
Rates of Return to Education in the Philippines ...... 137

SUMMARY, CONCLUSION, RECOMMENDATION.............. 140
BIBLIOGRAPHY .............................................................. 148
Appendix A
Distribution of Graduate Grantees .............................................. 166
Appendix B
Guiding Principles ................................................................. 167
Appendix C
Table 5.6.1: Frequency distribution on education and
change in income ........................................................................ 168
Appendix D
Table 5.7.1: Frequency distribution on change in work
position or designation after the education ................................. 169
Appendix E
Table 5.11.1: Grantees’ benefits gained from the
programme ................................................................................ 170
Appendix F
Survey Questionnaire for Graduate Grantees .............................. 171
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
</tr>
<tr>
<td>CID</td>
<td>Committee on International Development</td>
</tr>
<tr>
<td>CSC</td>
<td>Civil Service Commission</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>DAC-ODA</td>
<td>Development Assistance Committee-Overseas</td>
</tr>
<tr>
<td>DECS</td>
<td>Department of Education, Culture and Sports</td>
</tr>
<tr>
<td>DFA</td>
<td>Department of Foreign Affairs</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FTI</td>
<td>Food Terminal Incorporated</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Agency for Technical Cooperation</td>
</tr>
<tr>
<td>HCA</td>
<td>Human Capital Approach</td>
</tr>
<tr>
<td>HCM</td>
<td>Human Capital Model</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
</tr>
<tr>
<td>HRD</td>
<td>Human Resource Development</td>
</tr>
<tr>
<td>IAC</td>
<td>International Agriculture Center</td>
</tr>
<tr>
<td>IAEA</td>
<td>International Atomic Energy Agency</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>ICA</td>
<td>International Cooperation Administration</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Agency</td>
</tr>
<tr>
<td>IDA/IBRD</td>
<td>International Development Agency/International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>IELTS</td>
<td>International English Language Testing System</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>ISO</td>
<td>International Students' Office</td>
</tr>
<tr>
<td>MA</td>
<td>Master of Arts</td>
</tr>
<tr>
<td>MERT</td>
<td>Ministry of External Relations and Trade</td>
</tr>
<tr>
<td>MFAT</td>
<td>Ministry of Foreign Affairs and Trade</td>
</tr>
<tr>
<td>Mphil</td>
<td>Master of Philosophy</td>
</tr>
<tr>
<td>MsC</td>
<td>Master of Science</td>
</tr>
<tr>
<td>MTPDP</td>
<td>Medium-Term Philippine Development Plan</td>
</tr>
<tr>
<td>NCSO</td>
<td>National Census and Statistics Office</td>
</tr>
<tr>
<td>NEDA</td>
<td>National Economic Development Authority</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
</tr>
<tr>
<td>NSO</td>
<td>National Statistics Office</td>
</tr>
<tr>
<td>NZ</td>
<td>New Zealand</td>
</tr>
<tr>
<td>NZ$</td>
<td>New Zealand Dollars</td>
</tr>
<tr>
<td>NZODA</td>
<td>New Zealand Official Development Assistance</td>
</tr>
</tbody>
</table>
ODA - Official Development Assistance
ODA/GNP - Official Development Assistance/Gross National Product
OECD - Organisation for Economic Cooperation and Development
OECD/DAF - Organisation for Economic Cooperation and Development/Development Assistance Committee
OECF - Overseas Economic Cooperation Fund
PhD - Doctor of Philosophy
PNOC - Philippine National Oil Corporation
PRODED - Programme for Decentralized Educational Development
RICs - Regional Industrial Centres
SCS - Special Committee on Scholarships
SEAMEO - Southeast Asian Ministers of Education Organization
TIPP - Trade and Investment Promotion Programme
UN - United Nations
UNDP - United Nations Development Programme
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNICEF - United Nations International Children's Emergency Fund
USAID - United States Agency for International Development
US$ - United States Dollars
VISCA - Visayas State College of Agriculture
WB - World Bank
# LIST OF TABLES AND FIGURES

## TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>Measurement of private and social benefits</td>
<td>45</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Gross enrollment ratios in the Philippines, 1960-1990</td>
<td>52</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Enrollment ratios by level of education</td>
<td>52</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>Social rates of return to education in the Philippines and other world regions</td>
<td>53</td>
</tr>
<tr>
<td>Table 3.4</td>
<td>Private rates of return to education in the Philippines and other world regions</td>
<td>54</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>New Zealand’s bilateral assistance programme expenditure 1995-1996</td>
<td>71</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Summary of New Zealand projects and expenditures in the Philippines</td>
<td>77</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>NZODA’s bilateral aid programme expenditure for fully funded Filipino students and trainees in NZ, 1990-1997</td>
<td>81</td>
</tr>
<tr>
<td>Table 5.1</td>
<td>Age distribution of graduate grantees respondents</td>
<td>88</td>
</tr>
<tr>
<td>Table 5.2</td>
<td>Graduate grantees in place of work and programme finished under NZODA education and training programme</td>
<td>89</td>
</tr>
<tr>
<td>Table 5.3</td>
<td>Programme and courses of study finished under the NZODA education and training programme</td>
<td>92</td>
</tr>
<tr>
<td>Table 5.4</td>
<td>Perceived frequency values on the significance of obtained education to present work</td>
<td>94</td>
</tr>
<tr>
<td>Table 5.5</td>
<td>Frequency values on the extent of relationship between work and education obtained under NZODA programme</td>
<td>97</td>
</tr>
</tbody>
</table>
Table 5.6  
T-test values on education and change in income ........... 102
Table 5.7  
T-test values on change in work position or designation after the education .................................................. 104
Table 5.8  
Carried out productive development work in their respective office of work .................................................. 106
Table 5.9  
Graduate grantees level of confidence as acquired from NZODA education in relation to the delivery of their work role .......................................................... 108
Table 5.10  
Significance of difficulties encountered or most likely to be encountered in carrying out development work ........................................................................ 110
Table 5.11  
Regression results of NZODA Education and Training Programme to the development aspects of the graduate grantees .......................................................... 113
Table 6.1  
Summary of benefits and costs of the NZODA Education and Training Programme .................................................. 115
Table 6.2  
T-test values on graduate grantees' benefits gained from the NZODA Education and Training Programme ........................................................................ 117
Table 6.3  
Identified benefits to the Philippine society .......................................................... 119
Table 6.4  
Identified benefits to the Philippine government .......................................................... 120
Table 6.5  
Identified benefits to New Zealand society .......................................................... 121
Table 6.6  
Costs of the programme to the grantees .......................................................... 125
Table 6.7  
Costs of the programme to the Philippine society .................................................. 126
Table 6.8  
Main purpose of the NZODA Education and Training Programme .......................................................... 128
Table 6.9  
Identified development sectors in the Philippines where education and training programme is needed .......................................................... 129
Table 6.10
Perceived levels of changes brought about by the programme in relation to Philippine development........................................132

Table 6.11
Perceived extent of effectiveness of the NZODA education and training programme.................................133

Table 6.12
Association between social and private benefits with key characteristics, educational and social/professional factors........................................................136

Table 6.13
Update estimates of returns to education in the Philippines .................................................................139

FIGURES

Figure A
Schematic Representation of the Thesis Structure ..................4

Figure 2.1
The Human Capital Approach........................................30

Figure 2.2
Flow Model of Education in the New Zealand Official Development Assistance Programme ..................41

Figure 4.1
NZODA Programme Expenditure 1995/96............................69

Figure 4.2
Growth of NZODA Assistance 1987/1997 .........................70

Figure 4.3
NZODA Study Awards Placement Process .......................83