

Income Distribution and Inequality in Three Key Cities in Mindanao

Emmanuela Bullina Santiañez

Associate Professor III
MSU-General Santos City

ABSTRACT

The study tried to describe and compare the income distribution and inequality in three key cities in Mindanao namely: Cagayan de Oro City, Davao City and General Santos City. It made use of the data from the 2002 Family Income and expenditures survey conducted by the National Statistics Office.

Population shares and income shares of families in different income levels were determined. Income inequality was measured using the Gini coefficient. The Lorenz curves were also constructed for the three cities to have a clearer picture of the inequality.

While Davao City has the highest number of families included in the survey consisting of 227,960 families, it has also the lowest average family income. Thus is Php155,937. For Cagayan de Oro City and General Santos City, there were 98,937 and 82,907 families, respectively that were included in the survey. And their corresponding average incomes are Php176,937 and Php164,900, respectively. Moreover, the lowest income level of Cagayan de Oro City is Php20,000–29,999, while that Davao City and General Santos City are both at Php10,000 – 19,999.

The Gini coefficient obtained for Cagayan de Oro City, Davao City and General Santos City are 0.395, 0.384 and 0.555, respectively. With Davao City getting the lowest coefficient, indicates that it has lowest inequality. Hence, the gap between the rich and the poor is smallest in Davao City than in the other two cities. The value of the coefficient is highest in general Santos City. This indicates biggest inequality among the three cities.

The above results were further reinforced by the appearance of the Lorenz curves. The Lorenz curve for Davao City is closest to the egalitarian line (the line of perfect equality), while that of General

Santos City is farthest from the said line. In between the two curves is that of Cagayan de Oro City. The farther away the curve from the egalitarian line, the bigger is the inequality.

From the result it can be concluded that the gap between poor and rich families is greatest in General Santos City and least in Davao City though the difference between Davao City and Cagayan de Oro City is very small. It can be also be said that among the three cities the percentage of families controlling the city's wealth is biggest in General Santos City than in the other two cities.

Knowing that among the three cities, General Santos City has the worst inequality people concerned especially government officials must work harder for a more equitable distribution of wealth. One way maybe providing the less fortunate members of the society more opportunities to improve their quality of life.

This study used the data for the year 2000. A more meaningful information can be obtained if the trend of the inequality of the three cities through the years will be studied. This should include the data for the 2003 Family Income and Expenditures Survey by the NSO.