

**NATIONAL ROAD PROJECTS AS A KEY TO
ECONOMIC GROWTH**

THESIS

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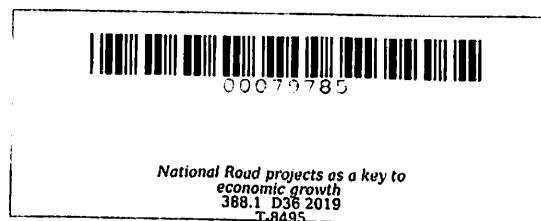
Indang, Cavite

June 2019

NATIONAL ROAD PROJECTS AS A KEY TO ECONOMIC GROWTH

**Undergraduate Thesis
Submitted to the Faculty of the
College of Economics, Management, and Development Studies
Cavite State University
Indang, Cavite**

**In partial fulfillment
of the requirements for the degree of
Bachelor of Science in Economics**



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June 2019**

ABSTRACT

DE JUAN, ROVI JANE R., PARDALES, JOHN RAY P. and ROBEA, MARK JOSEPH V. "National Road Projects as a Key to Economic Growth". Undergraduate Thesis Bachelor of Science in Economics Cavite State University, Indang, Cavite. June 2019 Adviser Ms. Reinalene Joy M. Ayos.

The study was conducted to determine the contribution of National Road Projects to the Economic Growth of the Philippines, Determine the profile of the national road projects per region in the Philippines, Determine the historical patterns of the determinants of economic growth, Determine the relationship of national road projects to the determinants of economic growth in the Philippines, and Determine if there is significant relationship between the national road projects and total foreign investments per region in the Philippines.

Primary and secondary data were utilized in the study. The profiles of arterial and secondary national road projects, which includes total number of projects, allocation, total number of completed projects and disbursement were obtained personally from the Department of Public Works and Highways (DPWH) - Main Office. Meanwhile, the national roads covered by the Autonomous Region for Muslim Mindanao (ARMM) are not included in the DPWH national road data base. While the Gross Regional Domestic Product (GRDP), population, inflation rate, employment rate and total foreign investment were obtained from the Philippine Statistics Authority (PSA), concerning the determinants of economic growth.

The result of panel regression showed that national road projects had significant relationship to the gross regional domestic product and inflation rate in the Philippines. However, both inflation rate and gross regional domestic product had negative relationships. Other economic growth determinant such as employment rate, population and total foreign investment were statistically insignificant in this study.

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Robea, Mark Joseph V.**

An undergraduate thesis manuscript submitted to the faculty of the Department of Economics, College of Economics, Management, and Development Studies, Cavite State University, Indang, Cavite, in partial fulfilment of the requirements for the degree of Bachelor of Science in Economics, major in Business and Development Economics with Contribution No. CEMDS-E-2019-167 T Prepared under the supervision of Ms. Reinalene Joy M. Ayos.

INTRODUCTION

Enhancing the economic and social welfare of every citizen is the main objective of the nation. The long-term goal of the Philippine government is promoting the stable and standard living of all Filipinos, the reason for the government to make such projects according to the needs of a country. According to Arasan (2012), Transportation is an activity of life processes and seeks to provide access to various activities that satisfy mobility needs of humankind. The role of transportation is to provide and improve access to different locations for individuals and for businesses, for both personal and freight movements. Thus, transportation has a relationship to the economic growth of a country.

Philippines, especially to its most densely populated places such as Metro Manila has been suffering from traffic congestion all throughout its cities and its streets. It's been a frustration to be stuck in a queue of honking vehicles blocking the way between you and your target destination because of all various types of road problems that causes hindrances to all. According to the news and articles from Business Mirror, "Pinoys waste 28,000 hours in traffic". Cai Ordinario (2015), stated that translates to