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Tingnan mo...
Nagbabago na ang lahat
Much-awaited reforms are finally taking roots. The next step is to accelerate the bureaucratic restructuring that is needed to adapt to the new regime. The objective must be to ensure that the Filipino people benefit from these reform measures expeditiously and palpably.

Two years into the implementation of the Philippine Development Plan (PDP) 2017-2022, the Duterte administration has delivered on its promise to put in place critical and broad-based reforms. These include the Philippine Identification System (PhilSys) Act and Ease of Doing Business and Efficient Government Service Delivery Act under the Malasakit pillar; the Rice Tarification Act, 11th Regular Foreign Investment Negative List, the entry of the third TelCo player, First 1000 Days Act, and the Universal Access to Quality Tertiary Education under the Pagbabago pillar; the restructuring of the Commission on Population (PopCom) and Balik-Scientist Law under the Patuloy na Pag-unlad pillar; the Tax Reform for Acceleration and Inclusion (TRAIN), Personal Property Security Act, and Administrative Order 13 (Removing Non-Tariff Barriers and Streamlining Administrative Procedures on the Importation of Agricultural Products) under the supporting strategies; and the Bangsamoro Organic Law, enforcement of environment laws for sustainable tourism under the bedrock strategies. These reforms were among the material considerations for the country’s recent credit ratings upgrade.

The next steps should ensure that the benefits from these reforms are positive, substantial, and broadly shared – that there is ample mechanism to see to it that those who bore the cost of the reforms can quickly recover and later thrive under the new regime. These next steps are about empowering every Filipino by keeping them informed of the new regime (rules, protocols, etc.); providing them access to improved facilities; and encouraging utilization. This also entails retooling the bureaucracy to implement the enhanced protocol.

Some of these reforms, however, are still incomplete. Administrative rules and regulations need to be reviewed to ensure coherence. Moreover, a number of measures in the reform agenda still needs to be undertaken.

Over the years 2019 and 2020, the following priority strategies are recommended:

Building a constituency for reforms

The benefits of reforms already in place have to be seen and felt to establish credibility and to build constituency for the next set of reforms.

1. **Ensure that all those involved in the implementation and those who would be affected are in step with the reforms.** Government agencies tasked with implementing the reforms need to formulate an implementation roadmap, complete with an intensive information drive, safety nets for those who would be adversely affected especially in the short term, and a program for retooling the bureaucracy. Note that in some cases, a new unit (e.g., PhilSys, Cooperative Development Authority) or agency (e.g., Anti-Red Tape Authority, Department of Human Settlements and Urban Development, and possibly a Department of Water Resource) may need to be established to implement the reform.
2. **Implement complementary measures for reforms to be effective and beneficial to people.** For instance, the PhilSys ID will improve the efficiency in the delivery of services, provided that existing program databases will be reconfigured such that the PhilSys ID number is used as a sorting field in agencies’ information management systems. Government processes need to be redesigned to make use of electronic platforms. Safety net mechanisms also require the creation of sectoral registries. The accurate collection of tariff revenue from rice imports under the Rice Tariffication Act likewise requires the full operationalization of the National Single Window covering all agencies involved in the rice trade.

3. **Institute monitoring and impact evaluation protocols** in all government agencies to enable tracking of progress and allow for timely corrective measures.

### Creating opportunities for more people

Strategies to expand opportunities and facilitate access to opportunities need to be intensified to sustain growth and make it more inclusive:

4. **Expand production opportunities** through sustainable agriculture, agri-business, upscale manufacturing, coastal resource management, responsible mining, and sustainable tourism.

5. **Expand markets and access to markets** by promoting inclusive finance, facilitating access to technology, improving connectivity and logistics, fostering National Quality Infrastructure, and forging strategic trade agreements and openness of the economy in general.

### Encouraging investments in key areas

In some cases, investors with financial resources are simply waiting for a more attractive business environment. The following initiatives may provide the big push needed to establish a more attractive investment climate:

6. **Improve macroeconomic competitiveness** by streamlining government processes, increasing the efficiency of logistics, ensuring energy security, improving labor flexibility, and lifting restrictions on foreign participation in investment areas and activities. The creation of the Anti-Red Tape Authority will facilitate the first measure identified.

7. **Ensure a level playing field** through a national competition policy to encourage more investments and business. World Bank (2019) finds that some regulations have created barriers to entry in some sectors and actually abetted the formation of monopolies and oligopolies. It is also equally important to aggressively implement anti-smuggling measures such as the Run After the Smugglers (RATS) program to complement the various tax administration reforms.

8. **Reduce vulnerabilities** through the use of adequate technology, provision of needed infrastructure, and the establishment of social protection measures.
Strengthening adaptability and resiliency

Times are increasingly becoming volatile, uncertain, complex, and ambiguous (VUCA) hence it is necessary to build the capacity of the country and Filipinos to thrive amidst a VUCA world.

9. **Face up to the Fourth Industrial Revolution** (Industry 4.0) by building the country’s science, technology, and innovation ecosystem.

10. **Implement the Population and Development program.** Besides averting unintended pregnancies, intensify interventions during the first 1000 days of the child to build the capacity to develop the necessary cognitive skills.

11. **Increase investments to improve the quality of human capital** to meet the human resource requirements under Industry 4.0.

Building social cohesion, promoting connectivity, and maintaining ecological integrity

The durability of the benefits of policies, programs, and projects rests having a strong society and on maintaining ecological integrity.

12. **Build a constituency for long lasting peace.** The strategies need to be varied depending on the problems and the sectors involved. Efforts to reduce the supply of drugs must be accompanied by programs to reduce demand, as indicated in the *Rehabinasyon* Program. A whole-of-government approach is also needed to effectively address the problem of insurgency, as directed by Executive Order No. 70, s. 2018. Moreover, to pursue our goal of building a high-trust society while maintaining cultural diversity, it is important to mainstream culture concerns in development planning.

13. **Sustain infrastructure investments** consistent with the National Spatial Strategy and other masterplans.

14. **Mitigate climate change and its impact** following a framework for Sustainable Consumption and Production which will also require the conduct of studies on carrying capacity and ecological limits and the development of biotech solutions.

Pursuing still more reforms

The momentum for change is still strong and work on reforms should continue.

15. **Pursue amendments to the Foreign Investment Act, Public Service Act, Retail Trade Act, and TRABAHO Bill, and create a policy framework** to stimulate innovation, institute flexible work arrangements, and initiate social protection floor.

As with the previous Socioeconomic Report, these reform agenda and the programs, activities, and projects are all meant to lay down the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy.