

*Philippine Economic Growth:
Recent Key Accomplishments, Challenges, and Strategic Priorities*

INTRODUCTION

Despite its political, geographical, and structural shortcomings, the Philippines has historically been known as one of the fastest growing economies in Southeast Asia. Even now, it is currently on track to economic recovery from the COVID-19 pandemic as lockdowns have become a thing of the past, firms and public spaces are opening up, and the rise in fully vaccinated Filipinos allows for more free economic participation. As the country moves forward with a new normal and administration, it is necessary to look back upon its previous experiences as an economy, how it has succeeded, how it had struggled, and what needs to be done.

This report aims to analyze the Philippines' experiences with economic growth: its achievements, trials, and prime concerns moving forward. The objective of this report is to synthesize related literature to better grasp the economic situation of the country especially in light of the new Marcos administration and the necessary policies needed in light of said situation.

To be specific, this paper will be reviewing: Dr. Alvin Ang's study entitled *Assessing the Reforms of the Arroyo, Aquino, and Duterte Administrations and Addressing the Gaps for the Next Administration and the New Normal*, the Ateneo de Manila University's Economics Department's *Building the National Economy: A Capital-Based Agenda for our Future*, Rep. Joey Salceda's Lecture *The Marcos Breakthrough: The Philippines Unbound*, Dr. Alvin Ang's presentation *Deflating Inflation*, and Cielito Habito's Eagle Watch Economic Briefing *Building Up Our Various Capitals: Moving Forward and Upward*.

In order to provide the foundation of this report, it is also necessary to highlight the extraordinary circumstances the Philippine economy finds itself in at the time of the writing of this report, namely: the COVID-19 pandemic, the Russo-Ukrainian War, the transition to the newly elected Marcos administration, and the extremely volatile weather conditions that ravage the country with Typhoon Hinnamnor (Henry) and previously typhoons Odette (Rai), Ulysses (Vamco), and Rolly (Goni).

This report will be organized into three primary sections: *Recent Key Accomplishments, Challenges, and Strategic Priorities*. The first section primarily focuses on describing the recent achievements of the Philippine economy, why they are so significant and who they focus on helping. The second section highlights the specific historical struggles the country has faced and what the state has done in response. Finally, the third section tackles the objectives necessary in order to establish a stable and fruitful system to stimulate economic growth as well as a thorough breakdown on their roles to create such a system.

For the purposes of this report, economic growth will be focused on real gross domestic product (real GDP) as its metric for a more accurate representation of the true value of the goods and services being traded and tendered. Economic growth will be defined as the "sustained increase in economic activity within a nation over a period of time". This also takes into consideration the impact of other macroeconomic variables unto the rate of economic activity such as inflation and unemployment as well as social reforms focused on welfare that may also promote productivity which affects said growth. Finally, to limit the scope of this report, the relevant years discussed will be 2001-2022, beginning with the Arroyo administration and ending with the recent Duterte administration, though only key policies, events, and concepts will be discussed in relation to Philippine economic growth.

RECENT KEY ACCOMPLISHMENTS:

This section will be focusing on the recent accomplishments of the Philippine economy that enabled its past growth and helped maintain economic stability. In particular, there are three broad yet notable accomplishments that the Philippines has continually improved upon recently and those are: socioeconomic reform legislation, the creation of essential economic governing bodies, and the rise of BPOs.

1. Social Reform Legislation

The past two decades has seen the implementation of numerous reforms that benefit Filipinos across the country and continue to help raise the average quality of life for the average Filipino. In doing so, these reforms have also enabled the economy by addressing needs of its current consumer base as well as enable its workforce to continue participating in the market. That is to say, while this report recognizes the unquantifiable impact these social reforms may have had, this discussion will primarily focus on its contribution to enabling economic growth by protecting the involved stakeholders' interests, stimulating economic activity in the process.

Despite the countless reforms that have been passed over the previous administrations, this section will focus on the legislations that improved individuals': health, formation, and upliftment.

These kinds of changes were focused on granted their impact and necessity in the economic context. To maintain public health allows for the maintenance of everyday trade, avoiding consumers and firms alike to be stunted by unforeseen health concerns on a massive scale. To enable the formation of every Filipino grants them more opportunities to pursue work that meets their physical needs while also matching their skills as individuals. Finally, to uplift unemployed grants them the chance to rejoin the workforce and earn an income to contribute to the larger economy while also improving their immediate circumstances.

Health

The specific laws pertaining to improving the public's access to healthcare which will be discussed are: the *National Health Insurance Act of 2013* (R.A. 10606), the *Reproductive Act of 2013* (R.A. 10354), and the *Universal Health Care Act* (R.A. 11223).

The National Health Insurance Act of 2013 amended the previous National Health Insurance Act of 1995 to make the law mandatory and applicable to every Filipino regardless of income class, age, gender, and region. Thus making another monumental step towards actualizing universal healthcare in the country.

The Reproductive Act of 2013 had provided universal access to proper sexual education, contraception, and maternal care to all Filipinos. This is impactful granted the significance of proper family planning in minimizing maternal and child mortality in the country which affects families on a psychological, social, emotional, and financial level.

The Universal Health Care Act had further institutionalized universal access to healthcare for every Filipino by automatically including every citizen into the National Health Insurance Program while also reallocating the funds to the health sector and its programs to improve their reach.

Formation

The particular bills that relate to the improvement of the skills and knowledge of the populace which will be expounded on include: the *Enhanced Basic Education Act of 2013* (R.A. 10533), the *Free College Education Act* (R.A. 10931), and the *First Time Job-seekers Act* (R.A. 11261).

The Enhanced Basic Education Act of 2013 had reformed the Philippine educational system by institutionalizing the K-12 program into the national curriculum for basic education. This added two more years to the required schooling of every Filipino while also improving the depth and breadth of its curriculum topics to better prepare students for employment or further education. This was done to bring the country's basic education up to international standards which followed a similar model and improve the quality of education and broaden the employment opportunities for future generations.

The Free College Education Act had cut the tuition costs for public universities and technical-vocational schools for all Filipinos. This greatly increased the enrollment of students into higher education and had reduced the barriers to entry for attaining higher level skills and knowledge that unlocks their chances to pursuing upper-level employment and training. Both of these enable the improvement of income and welfare of the country as they finish their education and enter the workforce. This policy works to improve the quality of workers in the economy nationwide later down the line as a result.

The First Time Job-seekers Act sought to remove the existing costs of forms and paperwork necessary in seeking employment for the first time. This again reduces the barrier of entry into the labor market especially considering their lack of or minimal income coming out of tertiary education as students.

Upliftment

The reforms that focus on the improvement of the welfare and needs of indigent individuals and families which will be explored are: the *Masustansyang Pagkain para sa Batang Pilipino Act* (R.A. 11037) and the *Magna Carta of the Poor* (R.A. 11291).

The Masustansyang Pagkain para sa Batang Pilipino Act which had brought free and nutritional food to every Filipino child through the introduction of feeding programs to all public schools nationwide. This law enables financially struggling students to better focus on their education in spite of the potential food insecurity their family may be experiencing granted their circumstances. This then arguably addresses a factor that contributes to the worrying quantity of students who drop out of school early on.

The Magna Carta of Poor had reoriented the government and relevant government agencies (DSWD, DOLE, TESDA, DepEd, CHED, NHA, and the DOH) to ensure that poor Filipinos and their families are guaranteed: adequate food, decent work, relevant and quality education, adequate housing, and the highest attainable standard of health in their poverty-alleviation programs to enable any form of social mobility for indigent Filipinos and their families.

2. New Governing Bodies

It is also important to note that in recent years, new departments and commissions have been made to address gaps in the Philippines, but there are three offices that are key to maintaining and promoting economic growth in a more stable and healthy manner. These three offices are: the Philippine Competition Commission, the Department of Information and Communications Technology, and the Department of Migrant Workers.

Philippine Competition Commission

The Philippine Competition Commission (PCC) was established as a regulatory body that ensures the enforcement of fair competition amongst firms as well as the protection of the welfare of everyday consumers from predatory market practices. This is in line with the relevant Philippine Competition Act (R.A. 10667) whose values and principles serve as the foundation of said commission. The PCC serves an important role in maintaining sustainable and healthy growth that benefits both the consumer and producer fairly, avoiding the abuse of potential market failures which may manifest such as information asymmetry or the abuse of monopoly power.

Department of Information and Communications Technology

The Department of Information and Communications Technology (DICT) is the governing body over matters relating to the implementation, education, and regulation of information and communications technology (ICT) in the country. Granted that, the DICT has continually played an essential role in paving the way for the economy's extension into the digital age as it works to improve public access, understanding, and use of ICT in everyday society. This looks like administering the ICT Proficiency Exams or upholding cybersecurity as tasked by R.A. 10175. This is relevant granted the attraction of potential investments in the Philippines granted the greater capacity for proficient use of ICT in economic activities as well as the improvement of productivity across the economy granted the country's adoption of more advanced technology through the years and the steady development of its "digital economy".

Department of Migrant Workers

The Department of Migrant Workers (DMW) is tasked with protecting the rights and welfare of overseas Filipino workers (OFWs). OFWs have garnered their own department in the national government granted their significance and contribution to national economic activity, so much so that OFW remittances made up \$31.4 billion as of 2021 according to the Bangko Sentral ng Pilipinas or about 7.97% of the country's GDP. As such, the DMW is responsible for overseeing the proper registration and deployment of OFWs to their desired countries to work for while also enabling Filipinos of any background to take become an OFW with their training programs allowing for them to become more qualified and productive to work abroad.

CHALLENGES:

The Philippine economy is far from perfect and this section is dedicated to tackling the five key areas of the Philippines that limit and inhibit its economic potential: Education, Corruption, Food Security, Infrastructure, and Economic Structure.

1. Education

Education remains one of the Philippines' most underdeveloped sectors despite its significance in society granted the positive externalities brought about by being educated. This is not the fault of the students nor their families, rather, it is due to the negligent approach in enabling education in the modern context.

These are ultimately detrimental to the Philippines' state of growth since an underdeveloped educational system produces less skilled workers and limits their opportunities in the job market. Granted these limited opportunities, individuals who are unable to follow through with the required years of schooling will be limited to low-skilled labor which provides them very little avenues of social mobility. This leaves them with less income to consume goods and services with as well as leaving them vulnerable to inflation and supply shocks, hindering their ability to contribute to growth to the best of their ability. Thus, the current state of the Philippine educational system leaves millions of Filipinos in worse living conditions and wastes the potential of millions of skilled laborers.

According to the *The State of Global Learning Poverty: 2022 Update* by the World Bank, the Philippines has a learning poverty rate of about 91% which means that nine out of ten Filipino children cannot comprehend a simple text by age 10 and that the same number of school children are out of school (World Bank, 2022). This is but one indicator of the quality of the Philippine educational system despite the legislative breakthroughs in making education accessible to Filipinos on a basic, secondary, and tertiary level. Note that in 2019, the Philippines had an extremely low graduation rate among university students at 23.39% (Commission on Higher Education [CHED], 2019).

There are many elements contributing to the poor quality of education the Philippines provides. Among them: overworked and underpaid instructors which ultimately reflect back on the quality of the students' education (David et al., 2019), the costs of free education still remains too costly for indigent families as 36% of Filipino families rack up debts to send children to school (UNESCO, 2021), food insecurity affecting the lifestyle and capability of the average Filipino child to focus on their education.

All of these are especially amplified by the shift to remote learning over the course of the pandemic. The pandemic has pushed 27 million Filipino families to choose between online or remote learning, the former proving to be more costly than the average household could afford. On top of the already existing financial barriers to education, online learning requires families to afford: a stable internet connection and one device per student at the bare minimum. Meanwhile for those who are pushed to remote learning through physical learning packets or radio/television programs, there have been issues regarding their distribution, readability, and accuracy.

Even if these requirements have been met, the quality of online/remote education proves problematic granted the lack of: proper training of most instructors for distance learning, interactive/engaging material for students granted these physical limitations, and even social interaction among their peers (Cho et al., 2021). This has led to an even greater disparity between income classes through this lens of education.

2. Corruption

The Philippines has struggled with corruption at every level of government, from a position as local as a barangay tanod to one as large as the entirety of the Department of Health in its procurement of overpriced personal protective equipment through the Pharmally scandal. In fact, the Philippines ranked 117th in the Corruption Perceptions Index 2021 with the sharp decline of freedom of expression and the press while rising deaths of human rights defenders in recent years (Transparency International, 2022).

There are infinitely many factors that contribute to this trend in corruption and has been discussed ad nauseum. But at its most basic level, corruption to this degree is a result of the lack of accountability mechanisms legislatively and in practice. This looks like the lack of legislation against political dynasties which seem to be omnipresent throughout the country as well as the struggle with the enforcement of already existing anti-corruption policies.

This is a significant factor that hinders Philippine growth in maximizing its potential considering how much revenue and funds are re-diverted into the pockets of bad actors rather than the government programs intended (Radics, 2001). Corruption alters the decision-making of public servants, making government programs less effective for their intended demographic or scrapped entirely as a cover for embezzling funds. In either scenario, it makes the state an unreliable arbiter of policymaking in light of economic growth increasing the likelihood of representing personal/corporate interests rather than that of their constituents.

Following this line of reasoning it also helps explain the average Filipino's disillusionment with politics and the prospects of change granted the timeline for most of these policies and programs to truly take effect in their lives which was the primary platform the Duterte administration won on. This results in an apathetic political culture which is counterintuitive for the purpose of electing individuals based on merit rather than convenience or the like. This then perpetuates this system of patronage politics and deceitful political tactics to keep the populace hopeless to pocket government funds rather than actually enacting change for the everyday citizen.

3. Food Security

In spite of its abundance in natural resources, the Philippines is not self-sufficient in its food production. This is a result of unstable weather conditions that regularly devastate the country's crops and agriculture, the country's dependence on importing food / farming inputs like fertilizers and pesticides, and the agricultural sector's vulnerability to agricultural diseases like African Swine Fever and Bird Flu.

To further visualize the food insecurity of the country, the *State of Food Security and Nutrition in the World 2020* joint report by the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, UNICEF, the World Food Programme and the World Health Organization showed that there were 15.4 million food insecure Filipino from 2017-2019. This number has only increased throughout the pandemic due to a mixture of great income losses brought about by massive layoffs and steadily increasing prices nationwide. According to a 2021 report by the Congressional Policy and Budget Research Department, as much as 62.1% of Filipino families experienced "moderate to severe food insecurity" in 2020 as a result of the pandemic.

This is problematic granted the mechanisms that depend on global supply chains may cause inflation granted the weight of food products in the economy and that "40% of Philippine GDP is connected to the world". This can be seen by the recent skyrocketing prices of all goods and services right now granted the global energy crisis raising oil prices as well as fertilizer and grain costs becoming more expensive due to the Russo-Ukrainian War, with both major combatants being major exporters of grain and Russia being a major global exporter of fertilizer. This inflation is problematic granted that cost-push inflation like these eventually result in an overall decrease in economic activity as factors of production become more expensive, disincentivizing production and raising aggregate prices. This is paired with the threat of leaving millions of Filipinos vulnerable to starvation due to a supply chain disruption thousands of miles away.

4. Infrastructure

Right now, the Philippines' infrastructure has primarily been centralized in the National Capital Region (NCR) due to the fact that the NCR is the primary economic center of the country. Despite efforts to develop regions outside Metro Manila by previous administrations, NCR continues to be the leading region in regards to economic contribution to the country's GDP.

As such, this has greatly influenced the way Philippine infrastructure is constructed considering the densely populated nature of the NCR, particularly the transport sector. Metro Manila finds itself congested on a daily basis, resulting in ₱3,500,000 of potential revenue lost due to traffic as of 2018 (JICA, 2018). Despite this issue, public transportation continues to suffer from delays and mismanagement from the Light Rail Transit (LRT) and Metro Rail Transit (MRT). Meanwhile, their counterparts on the roads (public utility jeepneys, buses, and public utility vehicles) currently lack proper enforcement of the required maintenance, inspections, and protocols called upon by the Land Transportation Franchising and Regulatory Board (LTFRB).

Outside of the NCR, the quality of infrastructure remains lacking for the same reason. Potholes among roads, broken bridges, destroyed power cables, are a common sight passing through the countryside showing the disregard for the state of infrastructure outside of the NCR despite the budget allocated to local governments. Though the recent Build, Build, Build program by the Duterte administration had attempted to resolve this pattern, many projects find themselves marred by “right-of-way acquisition, the technical deficit in government agencies, political lobbying, and issues in bidding and contracting”.

Just as infrastructure such as transportation facilitates the growth of the material economy, concrete physical infrastructure also facilitates and heavily influences the trajectory of what is known as the “digital economy”. From 23 million users in 2010, the number of Filipino internet users more than tripled to 73 million in 2020, and is expected to increase with the proliferation of digital spaces following the COVID-19 pandemic (We Are Social, 2020, as cited in World Bank, 2020). In line with this expansion of digital platforms is also the necessary development in economic activity, with the digital economy predicted to contribute approximately P5 trillion to annual economic value by the year 2030 (AlphaBeta, 2021). A prominent manifestation of the Philippine digital economy is e-commerce, whose year-on-year growth of 55% in 2020 was able to significantly offset declines in travel, transport and food delivery (Google et. al., 2020).

However, this large economic sector is nevertheless propped up on shaky foundations. The core digital infrastructure that allows data to be transferred (especially across long distances) is the presence of physical connective technology such as cell towers, cables and fiber optic wires. Until the entry of DITO in 2021, the entirety of the physical digital infrastructure in the Philippines was solely owned, operated and managed by a duopoly consisting of Globe and Smart PLDT, contributing to higher broadband prices and limited competition in international connectivity (World Bank, 2020). Digital access is also scant nationwide and unequal across provinces: the DICT estimates the number of cell towers in the country to be less than 20,000, far less than Vietnam’s 70,000 and Indonesia’s 90,000 (Pateña, 2018 and Camus, 2018, as cited in World Bank, 2020); and internet access in the National Capital Region is six times more prevalent than in the Bangsamoro Autonomous Region of Muslim Mindanao. As of 2018, 40% of Filipinos did not have access to the internet (International Telecommunication Union, 2018). This divide has obvious implications for educational opportunities as well as international competitiveness.

STRATEGIC PRIORITIES:

Having discussed the primary challenges of the Philippine economy thus far, it is clear that the Philippines needs a coordinated, independent, and concrete response to these issues moving forward. To do so would naturally call for capital investment unto the suffering party, but this section breaks it down even further by tackling the different dimensions of capital investment necessary to properly respond to the Philippines’ aforementioned problems.

In particular, there are four dimensions of capital focused here: Human Capital, Physical Capital, Natural Capital, and Financial Capital. Human capital investment focuses on improving the capabilities of the average Filipino through better training and education. Natural capital investment tackles the maintenance, preservation, and improvement of the country’s natural resources through the pursuit of sustainable practices and policies. Physical capital investment relies on the improvement of national infrastructure to better improve the quality of life of the people while also promoting productivity. Finally, financial capital investment discusses the policies that promote both fiscal and monetary stability of the economy.

Human Capital Investment

One of the key points to be addressed is that of the necessity to modernize the current Philippine educational system. That is, to modernize not only the curriculum, but also the governing body that manages it on a primary and secondary level. Considering the new information available regarding the effectivity of our current learning methods which primarily revolve around rote learning, it is essential for the Department of Education (DepEd) to shift their teaching practices to one that is more meaningful upon the students' minds and up to date with the latest education science out there. Granted that, a model to potentially base our new curriculum would be to follow the Finland+ educational systems with their approach to meaningful learning as opposed to the Philippines' traditional approach. Similarly, this modernization ought to extend to the tools the students use. Similar to what the Arroyo administration had envisioned with their plans to incorporate information or communications technology into their curriculum and to digitize classrooms across the nation. These are essential so as to better equip the future generations with the necessary skills in the current digital age as well as open up more opportunities aside from low-skill labor-intensive jobs as well as the business process outsourcing industry (BPOs) which may soon be vulnerable to the fourth industrial revolution in the form of automation.

Similarly, it is also necessary to better prioritize the quality of public healthcare and feeding programs, both of which greatly affect students' capability to focus on their studies. Granted the current threat of COVID-19 as schools open up, it is of utmost importance to maintain vigilance in contact tracing and caring for the sickly moving forward. To do so would require to strengthen the currently existing PhilHealth system, extend the coverage of universal healthcare, and focus on improving the quality of training/education of medical professionals in the provinces to further the accessibility to quality healthcare. Similarly, food insecurity still plagues the vast majority of indigent families and so in order to enable impoverished families the opportunity to receive an education and achieve any kind of social mobility, their direct needs need to be met, particularly their access to nutritious meals.

Physical Capital Investment

One of the key strategies moving forward with respect to the physical infrastructure of the Philippines is to change the current focus on cars as a means of transportation. It is necessary to realize the importance of improving upon walkways to be clean, clear, and safe, rather than their current condition today as nearly non-existent in width compared to the roads ahead of them. Similarly, there needs to also be a change to the approach in the creation of bike lanes which involves the construction of separate lanes rather than impeding upon currently existing roads, thus tightening the roadway as well as resulting in a greater quantity of collisions.

In altering the infrastructure policy, decentralization is just as, if not more, important in implementing as well. This decentralization entails further investments in the development of regional infrastructure and their communities, but despite the government's past efforts, this issue requires a more holistic approach in incentivizing firms to relocate outside of the National Capital Region. This could potentially look like subsidies to firms that provide employment in the provinces or firms that assist in the maintenance of the aforementioned infrastructure. These ought to be paired with the greater allocation of personnel in overseeing the proper use of government funds in creating/maintaining infrastructure like roads or buildings to minimize any misappropriation of capital.

Though, the goal is not only to enable economic activity physically, but also digitally. Granted the greater interconnectedness brought about by the internet, a national broadband plan is of great significance in uplifting all sectors' access to information, reducing currently existing costs for sub-par connectivity, and improving efficiency within (and between) firms, organizations, schools, and governments. For these benefits to manifest, it is necessary for the state to invest more heavily in the construction of routers, cell towers, and telecommunications facilities throughout the country.

While the Philippine housing system remains lucrative to invest in for the predicted future, the Philippines still has one of the lowest housing ownership rates in Southeast Asia—therefore necessitating the creation of a credibly funded and well-developed housing ecosystem in order to attract buyers. One important aspect is the development of public-private partnerships for mass housing, where the government can promote land value capture and direct development while reducing real estate costs through private management. Irrational and inefficient land hoarding in high density areas can also be tempered through a progressive property tax, with revenues earmarked for further socialized housing development.

Natural Capital Investment

To boost the productivity of the agricultural sector requires greater attention to the issues being faced on a macro and micro level.

Looking at the macro point of view, it may be necessary to consider the employment of genetically modified (GM) crops into the market as well as greater investment in its research and development. This change could potentially reduce the average costs of production for the average farmer (lesser need for pesticides or decreased losses during seasons of agricultural disease/water shortages) while also greatly increasing their yield through more nutritional and faster growing crops depending on the modifications made. This adjustment may prove to aid in the battle against food insecurity in the country while also improving the productivity and potential of the agricultural sector at the cost of time and continuous investment into their production and research by the Department of Science and Technology and other private firms/organizations involved.

From a micro perspective, the budget allocated to the Department of Agriculture ought to be raised so as to better enable opportunities and programs that will reach farmers across the country. This looks like greater capability for the government to provide credit to local farmers that seek to modernize their production inputs (equipment, buildings, or crops) or provide stronger safety nets to farmers granted the seasonal and volatile nature of their incomes. This is paired with the initiative to better consolidate farms into much larger cooperatives so as to allow for the sector to reap the benefits of economies of scale with much greater yields and reduced costs in the long run.

Financial Capital Investment

As previously mentioned, public goods and other state-sponsored initiatives are essential to create definite economic returns from the country's natural resources and other strengths. However, the government cannot act on these initiatives without the proper funding. Hence, it is necessary for the government to develop a strong *fiscal policy* in order to achieve these growth goals.

The current government's fiscal plan is contained within President Marcos' Medium-Term Fiscal Framework (MTFF). However, as of the present this framework is constrained by the current lack of fiscal options in the 2022 Budget of Expenditures and Sources of Financing (BESF). Therefore, alternative sources of funding are necessary; in particular *public-private partnerships* (PPPs) and *privatization*. Public-private partnerships are distinct from full privatization in the sense that the goal of privatization is to eventually fully transfer ownership (i.e. assumption of risk) of an enterprise to a private entity, while government ownership is ultimately retained in PPPs (Austria, 2013). PPP has been supported in the legislature by President Marcos, while a specific recent proposal to rationalize the privatization process has been to renationalize and relegate approval of reclamations to the Department of Finance (DOF) instead of LGUs. Additionally, an additional source of revenue could be the realization of the revaluation surplus retained by the Bangko Sentral ng Pilipinas (BSP), which should have totaled approximately P627 billion at a USD/PHP rate of 52 by the end of July, of which P16.2 billion could be released through dividends.

Most importantly, the primary impetus for fiscal rationalization and consolidation continues to be the DOF, who have touted it as “critical” to a post-pandemic recovery and the continuation of productive economic spending (DOF, 2022). As of the present, all of the measures on the joint priority list of President Marcos and the DOF have been approved by the Committee on Ways and Means (WAM), namely: the imposition of VAT on foreign digital service providers, the passage of the Ease of Paying Taxes Act (to enable further digitalization of the BIR), the imposition of excise tax on plastics, and the rationalization of the mining fiscal regime, which so far will cover the entire revenue effort contained within the President’s MTFF.

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