

Editors' Note

This special double issue of the Public Policy Journal (PPJ) contains twelve papers presented between 2014 and 2016 in the various rounds of the Ayala Corporation-University of the Philippines School of Economics (AC-UPSE) Economic Forum. The idea behind this special issue was initially discussed between AC and UPSE officials as a follow up volume to the first one published in 2014. Then, one of the editors (JJC) suggested the idea to the other editor (EEAC), who was then the UP Vice President for Public Affairs and Executive Director of the UP Center for Integrative and Development Studies, the office in charge of the PPJ. It was an instant and perfect meeting of the minds: the papers focus on policy issues and are written for policymakers and other stakeholders (in business). They were the right articles for the PPJ, which positions itself as an outlet of scholarship for enriching and influencing policy debates.

The articles are organized around policy themes, namely: federalism and decentralization, tax reform, competition and regulation, and trade and agrarian reform.

In the lead article, Tigno reviews the variants of federal form of government, and then argues that the current decentralized government structure of the Philippines' actually renders it already quasi-federal. According to Arcenas, Magno and Bustamante, pushing the country further towards federalism without addressing the sources of government inefficiencies may not arrest the continuing decline of state of the country's environment and natural resources. Providing additional inputs on the policy debate, Mendoza and Ocampo examine the recent efforts towards more effective governance and fiscal independence of local governments under decentralization. Concern about clientelism and political patronage, which may aggravate under federalism, is illumined with a historical and comparative cross-country lens in the paper by Hutchcroft.

The next two papers revisit the country's experience in the last 25 years that saw the decentralization and social health insurance programs, among the important policy developments, rolled out. Despite these two health sector reforms, Solon, Herrin and Florentino report that health care financing in the country remains inequitable, wherein households, especially the poor, continually to pay the bulk of their health care expenditures directly out of their own pockets. The persistent and resurgent financial and functional conflicts among different levels of government are traced in Capuno's paper to the flaws in the design and implementation of the Local Government Code of 1991, which underlays the country's decentralization program.

In addition to federalism, tax reform is also in the top socioeconomic policy agenda of the Duterte government. In this aspect, the papers by Quimbo and Javier and by Reside, achieve greater relevance. Prescient in their choice of topic, Quimbo and Javier finds the income tax system to be inequitable, and, more interestingly, presents evidence that a lower income tax rates may actually the government's total tax revenues. Extending the scope of tax reform beyond income taxes, Reside maps

out the gamut of possible adjustments in the tax bases, rates, and administration that the present government may well consider in its own tax reform agenda.

As the economy advances, the necessity for and the complexity of regulating markets grow with it as well. Here, the articles by Abrenica and Bernabe and by Lotilla, provide useful vantage points on which to view the policy landscape. Focusing more on the legislative aspect, Abrenica and Bernabe reprise the events and the legal and economic perspectives behind the passage of the Competition Act of 2015. Focusing more on the administrative aspect, Lotilla examines the governance relations issues concerning the major government agencies involved in the development and regulation of the power sector in the country.

The last two papers cap this special double issue with an illustration how to assemble, assess, and apply evidence to make tough policy decisions. Using a computable general equilibrium model, Clarete estimates what and how much the country serves to gain if it joins the Trans Pacific Partnership agreement, a proposed preferential trade agreement among Pacific countries. Examining the various evidence and arguments for and against the Comprehensive Agrarian Reform Program (CARP), Fabella finds it wanting in results and counsels to let it go.

The papers contained in this volume benefitted from the comments, critiques and suggestions from forum discussants and participants, in particular: Anthony A. Abad, Fermin D. Adriano, Paolo Benigno A. Aquino IV, Benedicta Du-Balabad, John Eric T. Francia, Dante B. Gatmaytan, Veronica C. Hitosis, Rina Lorena R. Manuel, Felipe M. Medalla, Edwin M. Mercado, Enrique T. Ona, Simon R. Paterno, Vicente S. Perez, Jr., and Peter Lee U. As special issue editors, we also reviewed the papers and provided additional comments and suggestions to the authors.

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Joseph J. Capuno and Edna E. A. Co

Issue Editors