



PROCEEDINGS 2026-21

Program on Political Economy

The Second Roundtable Discussion (RTD 2) on Progressive Industrial Policy (PIP)

10 December 2025

Allan Benedict C. Solacito



UNIVERSITY OF THE PHILIPPINES
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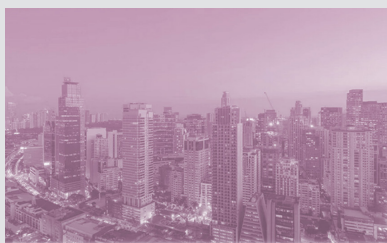
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The First Roundtable Discussion (RTD 1) on Progressive Industrial Policy



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Program on Political Economy

Building and Gaining National Capability in Science, Technology and Innovation

**Moving Filipinnoation Forward:
Proceedings of a Roundtable Discussion**

27 February 2024 | 1:00 PM to 3:00 PM
National Engineering Center, University of the Philippines Diliman
Diliman, Quezon City

Edited by Fortunato de la Peña



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PROCEEDINGS

Building and Gaining National Capability in Science, Technology and Innovation:
Moving Filipinnoation Forward—Proceedings of a Roundtable Discussion

About the Roundtable Discussion

The University of the Philippines Center for Integrative and Development Studies (UP CIDS), through its Political Economy Program and the Strategic Advisory Group has convened a landmark Second Roundtable Discussion (RTD 2) on Progressive Industrial Policy (PIP) on December 10, 2025. This signals a renewed push for a more inclusive and innovation-driven development pathway for the Philippines. The event builds on from an initial session held last November 2025 and focused on validating actionable policy directions.

At the core of this event is the articulation of the definition of a “Progressive Industrial Policy” that is distinct from traditional forms and models. It emphasized that a progressive framework must be explicitly pro-poor, ensuring quality employment and livelihood security; environmentally sustainable, aligned with climate resilience and green transformation; innovation-oriented, strengthening research and development as well as academe–industry collaboration; and nationally strategic, building domestic capacity in critical sectors such as food, energy, health, transport, and digital infrastructure. These pillars echo constitutional mandates on full employment, industrialization, and the protection of Philippine enterprises.

The roundtable was attended by a diverse assembly of stakeholders coming from academia, industry, civil society, and other sectors such as agriculture, manufacturing, emerging green and digital, and creative industries. Participants engaged in a dialogue to assess the structural causes of the nation’s long-standing deindustrialization, citing a declining manufacturing share and persistent rural-urban inequality as primary concerns. Sectoral sessions identified urgent challenges and opportunities. There was an emphasis on the need to connect small farmers to value chains, high energy and logistics costs as barriers to productivity, and the need to advocate for the protection of creative labor. Furthermore, discussions on green industrialization highlighted the urgent need to retain value locally from critical minerals instead of exporting raw materials.

The role of the University of the Philippines emerged as a focal point, with participants urging the institution to act as a policy watchdog, research partner, and incubator. By providing data-driven analysis and facilitating technology transfer, academia is seen as an essential bridge between academic theory and industry needs. The insights from RTD 1 are expected to inform upcoming policy papers, contributing to a sustainable and future-ready national economy.

These proceedings were compiled and organized by Allan Benedict C. Solacito.

Academic and Research Institutions

- 1. Dr. Joel Marciano**
Vice President for Research and Innovation, University of the Philippines
- 2. Dr. Rosalie Arcala Hall**
Executive Director, UP CIDS
- 3. Dr. Antoinette Raquiza**
Program Convenor, UP CIDS Political Economy Program

The Second Roundtable Discussion (RTD 2) on Progressive Industrial Policy (PIP)

Welcoming Remarks

The Vice President for Research and Innovation of the University of the Philippines and the Director of the UP Center for Integrative and Development Studies welcomed the participants of the second roundtable discussion. In their speech, they recognized the leadership of UP CIDS Political Economy Program and the UP Strategic Advisory Group (SAG) and underscored the importance of this dialogue. A critical industrial policy plays a role in shaping futures of key sectors and markets in the country. It was stressed that choices made in designing the industrial policy will have long-lasting effects on production, trade, employment, and opportunities which set the tone and importance of the said roundtable discussion.

Dr. Hall also highlighted the need for the policy to be practical and aligned with the actual capacity of these sectors, while also allowing space for them to grow. There is a need to engage those who work firsthand with producers, workers, firms, and communities to ensure that the policy is well-rounded and grounded in reality. She also shared the broader implications of industrial policy and its direct consequences to the lives of ordinary Filipinos. Ergo, the most crucial task at hand is to understand what are the challenges they face and identify ways to navigate with them through policy. The key objectives of the second roundtable discussion then was to present and validate the findings from the first round, identify sector-specific priorities and challenges, refine framing of the progressive industrial policy, and explore collaborative pathways for work.

Overall, the hope expressed in their remarks was to build on the progress made and work towards recommendations that can support real progress in the country's industrial development. It is important to bring together different perspectives to gain a comprehensive understanding of the issues.

Synthesis of the Previous Roundtable Discussion

The Second Roundtable Discussion began with a video recap of the first roundtable discussion introduced by Dr. Grace Javier Alfonso. The previous roundtable discussion focused on two key questions: (1) What are the vital pathways to advance Philippine industrial policy? and (2) What role can universities play in strengthening partnerships?

The video presentation captured the key points raised during the first roundtable. Participants acknowledged that there has been a long-standing issue of Philippine industrial and agricultural stagnation. The country has been falling behind its regional neighbors which was attributed to the lack of government support and pro-business policies that have led to the hollowing out of the country's manufacturing capacity.

As the discussion centered around the agriculture sector, it was asserted that there is a need to redefine the concept of 'farmer' and address the challenges such as land fragmentation, lack of support services, and low productivity. The manufacturing sector was also given focus as the participants highlighted the continuous decline in the sector's GDP and employment share. This has been attributed greatly to the lack of government support and pro-business policies. Local manufacturers face challenges in competing with imported products due to cost disadvantages and lack of economies of scale, and universities were seen as having a potential role in providing research, development, and technical assistance to improve the competitiveness of local manufacturers.

The creative industry was finally recognized for its importance especially in industrial policy. Given this, participants from various sectors echoed that as creative industry and labor is given recognition now, it has to come with the acknowledgment and protection of their freedom of expression and support.

The Roundtable Discussion

A main issue raised during the roundtable discussion was the steady decline of the number of manufacturing firms in the Philippines. Dr. Annette O. Balaoing-Pelkmans, who was involved in drafting the government's *Tatak Pinoy* industrial strategy, presented data showing that the Philippines lags behind regional peers in terms of manufacturing firms per capita. She asserted that:

"We are not stellar like Vietnam, but we are holding our own. The problem is, we are becoming fewer and fewer, and the companies that are exiting are the bigger ones," Participants then asserted how the current development model, heavily reliant on exports of migrant labor, has come at a high social cost and is unsustainable.

Stronger linkages between manufacturing, agriculture, and services sectors need to be fostered according to Dennis Jimenez from the Integrated Rural Development Foundation. He attributed the inability of the country to move up the value chain to its dysfunctional outlook, advocating for leveraging on the services sector's strength to further hone the growth of the manufacturing industry.

This transition to high-value production is complemented by the strategic use of government procurement as a policy lever. To this end, Dr. Balaoing-Pelkmans outlines how the *Tatak Pinoy* strategy redefines what makes a bid "economically advantageous" instead of just taking the lowest price. By prioritizing this, the framework ensures to capture broader impacts such as job creation and long-term industry development. "Local procurement is a huge opportunity because we have a big domestic market. But it has to be two sides of the same coin - on one side you give preference to local firms, and on the other side you have a plan to upgrade them," she said. The audience then manifested the heightened need to bridge our micro, small, and medium enterprises (MSMEs), with larger "anchor" companies to enable them to meet their procurement needs.

Universities and academia are also identified as crucial and critical to the success of industrial policy. Dr. Balaoing-Pelkmans alluded that universities and academia must be co-creators and partners. We need to shy away from the usual consultative approach and instead actively engage with them. "No one is going to make the research, the memo, if you expect the industry to do that, it's going to be a position paper. If you wait for the government to do that, it's going to be a wish list," she said. There must be a tripartite collaboration with these sectors which is something that the *Tatak Pinoy* Strategy provides an avenue for.

The silo mentality and coordination failures within the government was also brought up as a major hurdle. The government was dubbed as a "government of soloists" as agencies work in isolation from each other. This then leads to a lot of duplication, lack of synergy, and wasted efforts. Creating the *Tatak*

Pinoy Secretariat Council was then seen as a positive step forward. It links and coordinates the strategy's implementation together although the audience still stressed out the need for clear accountability mechanisms and whole-of-government approach. This lack of confidence in implementation and issues of misinterpretation is attributed to the lack of proper documentation and written industrial policies.

A different perspective was raised regarding the issue of coordination. Some argued that the problem was not because agencies work in silos. Rather, this tendency to work in silos is a coping mechanism to address the structural coordination challenges. A veteran policy expert argued that because of the fear of governance failures we are on autopilot to gravitate towards open market policies rather than standing their ground on doing what is more effective. Overall, the discussion highlighted that overcoming the silo mentality and coordination challenges within the government is a critical prerequisite for the successful implementation of the Philippines' industrial policy strategy. Developing the right institutional mechanisms and fostering a culture of collaboration across agencies will be key to translating the Tatak Pinoy vision into tangible outcomes for the country's manufacturing sector.

UP President, Atty. Angelo Jimenez closed the program. He stated that this is more than just economics. The significance of industrial policy is all about attaining equity, sustainability, and national resilience. "By forging stronger links between academia, industry and government, we can turn knowledge into action and ideas into industries," Jimenez said, underscoring the collaborative nature of the endeavor.

Overall, the roundtable discussion highlighted the need for a comprehensive, long-term approach to industrial policy in the Philippines. By fostering sectoral linkages, leveraging government procurement, and strengthening industry-academia partnerships, the country aims to build a more resilient and equitable manufacturing base that can drive sustainable economic growth.

Center for Integrative and Development Studies

Established in 1985 by University of the Philippines (UP) President Edgardo J. Angara, the UP Center for Integrative and Development Studies (UP CIDS) is the policy research unit of the University that connects disciplines and scholars across the several units of the UP System. It is mandated to encourage collaborative and rigorous research addressing issues of national significance by supporting scholars and securing funding, enabling them to produce outputs and recommendations for public policy.

The UP CIDS currently has twelve research programs that are clustered under the areas of education and capacity building, development, and social, political, and cultural studies. It publishes policy briefs, monographs, webinar/conference/forum proceedings, and the Philippine Journal for Public Policy, all of which can be downloaded free from the UP CIDS website.

The Program

The Political Economy Program (PEP) seeks to advance innovation-driven and equitable development through the conduct of problem-solving research on development policies and practice; the promotion of collaboration among the academe, government, industry, and other stakeholders in pursuit of inclusive technology and sustainable industrial policy; and the popularization of the political economy framework in the national conversations on policy options.

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