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Program on Political Economy

The Third Roundtable Discussion (RTD 3) on Progressive Industrial Policy (PIP)

23 June 2026
Balay Kalinaw, UP Diliman

Allan Benedict C. Solacito

UNIVERSITY OF THE PHILIPPINES
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Cover Image Credit

The photo was taken during the event.

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PROCEEDINGS

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

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 convened the final session of its Progressive Industrial Policy (PIP) Colloquium last June 23, 2026 at the Balay Kalinaw, UP Diliman. It brought together leaders from the government, industry, academe, and civil society to discuss the creation of a more inclusive, innovative, and resilient Philippine economy.

The colloquium completes UP CIDS' Progressive Industrial Policy Project. The initial two Roundtable Discussions (RTDs) were conducted last July and December 2025. It serves as a strategic and vital bridge between academic research, statecraft, and industry realities. Driven by a mission to address the country's economic vulnerabilities, food security, and persistent inequality, the colloquium aims to chart a unified agenda for national development. Discussions revolved around four foundational pillars: (1) establishing pro-poor job creation, (2) driving blue-green ecological transformation, boosting innovation through sector-wide collaboration, and (3) securing self-reliant national resilience.

In order to address the clear disconnect between policy and real-world needs, the program zoomed in on actionable strategy in agri-business, manufacturing, and the creative industries. Experts and policymakers provided their insights on holistic solutions ranging from sustainable agricultural practices and local technology integration to strengthening domestic manufacturing supply chains and leveraging the high-growth potential of Cultural and Creative Industries. Instead of constantly relying on fragmented efforts or unsustainable economic models, the initiative focuses on closing educational and institutional gaps to empower local communities and industries.

Ultimately, the program encourages the academe, government, civil society, and private enterprise to co-create a forward-looking industrial roadmap that delivers dignified work, economic independence, and inclusive growth for all Filipinos.

Academic and Research Institutions

1. **Rosalie Arcala Hall, PhD**
   Executive Director, UP Center for Integrative and Development Studies

2. **Caesar A Saloma, PhD**
   Executive Vice President, University of the Philippines

3. **Percival Almoro, PhD**
   Assistant Vice President for Research and Innovation, University of the Philippines

4. **Rene Ofreneo, PhD**
   UP Strategic Advisory Group

5. **Niceto Poblador, PhD**
   UP Strategic Advisory Group

6. **Jose Luis "Nonoy" U. Yulo, Jr**
   President, Chamber of Commerce of the Philippine Islands

7. **Jose Tabbada**
   UP Strategic Advisory Group

8. **Jaime Veneracion, PhD**
   UP Strategic Advisory Group

9. **Rafael Natividad**
   Owner, Bukid Hiraya Farm

10. **Saturnina Halos, PhD**
    President, Biotechnology Coalition of the Philippines

11. **Antoinette Raquiza, PhD**
    Convenor, Political Economy Program UP Center for Integrative and Development Studies

12. **Rose Marie O. Mendoza, PhD**
    Acting Director, Manufacturing industries Service Board of Investments

13. **Anthony Ng**
President, Philippine Plastics Industry Association (PPIA)

14. **Grace Alfonso, PhD**
UP Strategic Advisory Group

15. **Josefina N. Natividad, ScD**
UP Strategic Advisory Group

16. **Kristyn T. Caragay, MA**
Chair, Department of Clothing Textile and Interior Design, UP Diliman

17. **Unicka Sta. Ana**
Founder and President, Zapateria

The Third Roundtable Discussion (RTD 3) on Progressive Industrial Policy (PIP)

Welcoming Remarks

Dr. Rosalie Arcala Hall, Executive Director of the UP Center for Integrative Development Studies, welcomed the participants to the final colloquium on progressive industrial policy. In her remarks, she described the present moment as one of acute global and domestic reckoning, marked by the retreat of globalization and the rise of protectionism. These shifts expose the country's own vulnerabilities: a fragile industrial base, chronic food insecurity, and persistent economic inequality. Higher education and policy research should not limit themselves to analyzing the world but must help fortify the nation against volatilities. UP CIDS, together with the UP Strategic Advisory Group (SAG) and the Political Economy Program, is presented as a bridge between academic theory and statecraft, convening the state, the private sector, and civil society to co-author the country's economic future.

Participants were then challenged to anchor their deliberations on four pillars: a pro-poor industrial policy that generates quality, dignified jobs for both urban and rural communities; a blue-green transformation grounded in climate resilience, renewable energy, and ecological sustainability; innovation-driven growth that strengthens collaboration among academia, industry, and government; and national security and resilience, through self-reliant capacities in food, energy, health, defense, and digital infrastructure. The key objective of the colloquium was to synthesize the insights and recommendations of the earlier roundtable discussions into a coherent and actionable policy agenda. It was noted that the next challenge is to identify those who will test and implement the recommendations.

In a closing reflection, the Assistant Vice President for Research and Innovation Dr. Percival Almoro drew on his personal experience to draw a picture of the persistent disconnect between the needs of industry and the design of academic curricula. He encouraged universities and industry to build stronger links

between training and the workplace, noting that truly meaningful initiatives produce not only a quality workforce, but also a committed network of alumni who want to return as mentors and serve the country. Overall, the remarks challenged the academe, industry, government, civil society, graduate students, and alumni to move past fragmented solutions and co-author a progressive industrial policy that is pro-poor, climate-resilient, innovation-driven, for a progressive industrial policy that secures a better future for the Filipino people.

Synthesis of the Recommendations for Philippine Industrial Policy

The Progressive Industrial Policy Colloquium opened with a question, “Is progressive industrial policy the salvation of the country?” The question seeks the direction of the Philippine economy. Industrial policy is the center of reports from global actors like the United States and European Union. Dr. Rene E. Ofreneo, in his presentation, emphasizes a shift in perspective when it comes to industrial policy, further elaborating the need for the Philippines to shift its gears to industrial policy.

The discussion began with the evolution of industrial policy, starting as the antithesis of globalization, associated with protectionism and rent-seeking, to a globally accepted tool of development. Originally dismissed as irreplicable, industrial policy is now acknowledged by the World Bank’s Chief Economist as viable and in demand among client countries. The United Nations Conference on Trade and Development (UNCTAD) has further expanded the framework to include creative industries such as advertising, architecture, design, music, performing arts, software, and artificial intelligence (AI). These industries appear to have the most potential in the Philippines.

Progressive industrial policy requires a progressive group of actors. It must revolve around current realities while taking into consideration global and regional complexities. Mr. Jose Luis "Nonoy" U. Yulo, Jr. spoke of the Philippines’ downward trajectory: from only second to Japan during the 1960s, to seventh in the region at present. He stated that OFW remittances are not sustainable for the economy, as the money sent back is used to purchase imported goods, returning the money to foreign hands. Additionally, he pointed out the inconsistency in the government, as leadership changes meant a different direction, a lack of compass, so to speak. Finally, he criticizes the continuous downward spiral of Philippine education as Filipino students rank 78th out of 81 in international assessments.

Dr. Niceto Poblador echoes this statement by highlighting the unique properties of knowledge in the factors of production. Unlike most traditional factors, where extensive use sees diminishing returns, knowledge is subject to increasing returns. Educating others increases the number of actors with knowledge, while those who pass knowledge on do not lose anything. He exemplifies that collaboration over competition should be the preferred strategy, especially in industries that share complementary resources. The result of collaboration, especially among those in similar supply chains, is an increase in profits due to upscaling of operations leading to more goods sold. Knowledge is then implied to be the solution to poverty and inequality, as inclusive access to education can lift entire sectors of society.

Agri-business

The session on agri-business began with a sobering reminder. There is widespread poverty in the agriculture and fisheries sector, with rates as high as 22.1 percent. A large portion of this statistic is composed of farmers, numbering up to 2.4 million. Typically, the agriculture sector shrinks as labor shifts to the industrial sector. However, that is not the case with the Philippines, as the industrial sector remains stagnant in growth.

A key factor noted by Mr. Jose Tabbada is the large amount of rice the Philippines' imports.

The Philippines would spend over USD 1.7 billion during the 2024-2025 period alone. Instead of utilizing the budget for industrialization and economic development, the Philippines spends it on rice. This would result in a vicious cycle of low productivity leading to high food prices, poverty, poor health and nutrition, poor educational performance, and back to low productivity.

Mr. Tabbada proposes to invest in rice, reasoning that investment in rice has backward and forward compatibilities. Development occurs when a particular sector grows, pulling along other sectors with it. He points out Japan, Vietnam, and Thailand as prime examples of nations that flourished after resolving their rice problem.

Dr. Jaime Veneracion's strategy revolves around adaptation and permaculture. The first example of this case would be the cultivation of iron bamboo for communities affected by deforestation and logging. Iron bamboos can be used for food, lumber, timber, handicrafts, paper, and fiber. Particularly, it can also

prevent soil erosion, absorb toxic metals, and serve as a substitute for charcoal when pelletized. When coupled with modern technology, communities affected by unfortunate circumstances—natural or man-made—can be self-sufficient.

Another adaptation is the utilization of rabbits as livestock. Due to corporate interest in the poultry market, it is no longer sustainable for rural areas to invest in backyard poultry. Dr. Veneracion suggests rabbits due to their low starting capital investment. Rabbits, according to hum, reproduce rapidly, can survive with just grass, produce organic fertilizers, and only need chicken wire for housing; the returns come swiftly. Additionally, rabbit meat is halal, allowing investors to tap into a wider market among Muslims, especially during Ramadan.

Mr. Rafael Natividad, the owner of Bukid Hiraya Farm and Director of Blue Agri Development Incorporated, reacted to the previous presentation with some challenges he experienced as a relevant stakeholder in policy changes. He echoed the statement of Mr. Tabbada and Dr. Veneracion that there is a lack of education in state universities and colleges to provide knowledge to farmers. This contributes to logistical inefficiencies, ramping up costs, machinery underutilization, and the inability of the everyday farmer to understand if their yields are up to par with their input costs.

Dr. Saturnina Halos, president of the Biotechnology Coalition of the Philippines, supports Mr. Natividad's narrative of climate change and soil degradation as an everyday challenge that farmers face. Although Dr. Veneracion advises a shift to organic agriculture as a policy, Dr. Halos disagrees. She makes a point that organic agriculture would not resolve poverty, as its yields are approximately less than half of conventional agriculture. She refers to an incident in Sri Lanka where they created a food crisis with this shift in method. Additionally, the costs for organic fertilizer would be higher than inorganic.

As a counter-suggestion, she proposes three different types of alternative agriculture, namely: regenerative, agroecological, and nature-positive agriculture. The three alternatives are techniques that are holistic, involve high levels of livestock as natural pest control, capable of reducing costs from fertilizers, and aligned with the UN's sustainable development goals (SDGs).

On the Subject of Manufacturing

Dr. Antoinette Raquiza opined that manufacturing connects small stores and large corporations. According to her, manufacturing is important for several reasons. First, labor productivity and income go up for low- and medium-skill workers. Second, manufacturing enables innovation, scalable economies, and capital accumulation. Finally, manufacturing allows backward and forward linkages in technology transfer, bringing up other sectors.

The Philippines had historically relied on manufacturing during the post-2008 global financial crisis. It was during this period that OFW remittances dramatically increased, with the potential to reinvest in the manufacturing sector. That would not be the case, as the growth of manufacturing remains slow. Its slow growth rate ran counterintuitive with its resiliency during the COVID pandemic, where nations like Malaysia, Vietnam, and Indonesia showed a surge in GDP growth rates due to an increase in contribution from the manufacturing sector.

Despite over 1.2 million registered establishments, the manufacturing sector comprises less than 12 percent. Even with its small size, it continued to generate some of the highest revenues with high employment rates. Two of the most important industries under manufacturing, electronics and food, have little synergy with each other. Electronics is the top industry that brings in big revenue numbers but is the smallest and is limited to low-level work like assembly, testing, and packaging. Food, on the other hand, is the biggest industry, but only operates on raw material extraction or basic assembly. Finally, electronics contribute little value to the domestic economy while food is the largest, an inversion of expectations.

The slowing down of manufacturing can be attributed to the usual suspects. These are fragmented and inconsistent policies; limited research and development for manufacturing, highlighted especially by the shortage of scientists, engineers, and skilled workers who leave the Philippines as OFWs; remittance dependency leading to affordability and preference for imported products; blanket trade liberalization; and dualistic structure of the sector.

To remedy the slow growth of manufacturing sectors, she recommends six strategies. The first is to link manufacturing with agriculture and service sectors to resolve the missing middle, allowing for the establishment of supply chains and economies of scale. Second is to provide incentives and favor local products for manufacturing hubs. Third is to increase support for technology

innovation through localization of imported technology to allow the farmer or fisher to make use. This type of knowledge sharing will affect future investment with a large base of knowledgeable users in technology. Fourth is to scale up and tool existing technologies. Fifth is to support domestic champions. Lastly, is to ensure the formulation and implementation of laws that include direct stakeholders in their planning, implementation, and as beneficiaries.

Involving the Creative Industry

Dr. Grace Alfonso presents a new perspective on progressive industrial policy. She urges that industrialization should not only focus on factories, exports, and profits, but also on an economy that creates decent jobs, strengthens communities, protects culture, and sustains the environment. She identifies Cultural and Creative Industries (CCIs) as the promising sector that checks these boxes for the Philippines. She argues that a progressive industrial policy should be holistic and that all should benefit, rather than simply corporations and investors alone.

The UNESCO Framework describes the cultural cycle as a nonlinear chain of networking relationships that transform ideas into goods, services, experiences, and meanings. This encompasses artists, producers, communities, audiences, institutions, as well as public and private intermediaries in the process of creation, production, dissemination, transmission, and participation. Cultural and Creative Industries are not only economic, but also social, cultural, human, and environmental.

The Philippines saw developments like Republic Act No. 11904 in 2022 to craft a development plan for the Philippine creative industry. Additionally, the Philippine Statistics Authority (PSA) developed a system to measure the creative economy. From the period of 2018-2022, gross value added (GVA) by the creative economy grew to PHP 2.12 trillion, marking a significant share in the country's GDP of nearly eight percent. The Philippines is a net exporter of creative services, with export values rising from USD 965 million in 2010 to USD 4.02 billion in 2024. The statistics show promise for domestic development and international competitiveness.

Design leads the pack in contribution among creative domains, while digital interactive goods and services are emerging as major drivers of economic growth. This can be seen as 18 percent of all workers are employed in the creative industries, increasing total employment by over a million. Yet there is a

divide in the industry. Those in digital interactive goods and services generate large GVA with a smaller workforce, while traditional cultural expressions employ a large number of Filipinos despite a smaller GVA. Nonetheless, this highlights that the industrial policy Dr. Alfonso envisions is one that continues to support both facets to achieve the goal of creating jobs, sustaining communities, preserving heritage, and strengthening identity.

Cultural and Creative Industries in the Philippines face similar challenges that agriculture and manufacturing face. These are: weak institutional support, lack of educational support, and a weak domestic value chain. In addition to traditional challenges, CCIs experience difficulty with digital disruption through AI and monetization policies, along with tension between cultural and commercial goals.

Dr. Alfonso suggests that the University of Philippines is a key actor by serving as creative hubs to support enterprises. Not only that, but universities should be used to nurture talents and skills and prepare their students to become creative professionals. Finally, governments should be proactive when investing in creative industries by providing grants, low-interest loans, procurement policies, incentives, and support systems for the creative industries to thrive.

The Role of the University in Advancing Progressive Industrial Policy

In the colloquium, Dr. Hall presented a comprehensive framework on higher education's role in advancing progressive industrial policy. She drew on previous roundtables and a survey conducted from UP faculty and administrators. She grounded the university's core contributions within UP's statutory charter across its tripartite function: teaching, research, and public service. As far as teaching goes, the university focuses on advanced and specialized graduate education to train the next generation of scientists, engineers, and policy leaders. In research, UP advances basic and applied technology development alongside business incubation through specialized units like the Technology Transfer and Business Development Office. Through public service, the university is an institutional bridge that links academia, government, and industry that hones cross-sectoral collaboration and evidence-based governance.

In order for these institutional linkages to be effective, Dr. Hall advocated expanding industry advisory councils beyond curriculum design. She mentioned the need to move and innovate research agenda setting and student mentorship.

Dr. Hall highlighted that UP currently lacks a formal "Professor of Practice" designation. This prevents industry practitioners from formally joining instruction, thesis panels, and research projects. Having these formal practitioner appointments would allow seasoned industry leaders to directly participate in instruction and align academic research with market demands. Furthermore, she asserted that reorienting academic R&D toward "client discovery" research that solves the felt, practical needs of industry and government rather than solely filling academic literature gaps. She also emphasized establishing accessible data repositories so non-academic stakeholders can readily utilize university research for policy decisions and industrial applications.

Dr. Hall also proposed scaling industrial policy down to the regional level in addressing archipelagic transport and logistics constraints. This way, we foster collaborative networks between UP, SUCs, and Regional Development Councils (RDCs). By doing this, we can establish regional research hubs that enable local institutions to lower logistics costs and align R&D with regional economic strengths. She reported that in the stakeholder survey that she conducted, UP faculty and administrators view support for policy reform as the university's most vital contribution to progressive industrial policy. Respondents identified key operational hurdles, including the need for dedicated partnership funding, streamlined administrative procedures, and faculty load incentives for enterprise creation and public service. Overcoming these bureaucratic barriers is essential to enabling researchers and faculty members to actively engage in public-private industrial initiatives.

Finally, Dr. Hall stressed the necessity of evaluating university performance through real-world impact metrics rather than relying solely on traditional publication counts. Assessment frameworks should measure tangible outcomes such as technology adoption rates across local economic sectors, commercial spin-off creation, and workforce training efficacy. She noted that emerging spin-off enterprises could be supported through alumni-led venture capital funds to bridge financial gaps in commercializing academic R&D. Evaluating workforce training outcomes ensures that graduate education continuously adapts to national industrial requirements and encourages top talent to remain in the Philippines.

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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