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Center for People Empowerment & Governance (CenPEG)
**PHILIPPINE INDUSTRIAL AND LABOR POLICY:
THE EMERGING ‘DAVAO CONSENSUS’**
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Key points:

- National industrialization, socio-economic policies and labor market policies with respect to employment, income/wage, voice / representation, and social security go hand in hand.
- Coherence in industry and socio – economic, agrarian and fiscal policies, to eliminate poverty, create jobs and sustain growth.
- National industrialization and preferential use of Filipino labor is provided in Art. XII of the 1987 Philippine Constitution.
- Emergence of the Davao / Duterte development model emphasizing a balance between local, regional and urban industries and markets, through strong state intervention and opportunities in big-power geopolitics (rivalries between US, China, Russia, etc.).
- Previous statements during the campaign called for “national industrialization”; SONA 25 July 2016 provided basic architecture of PRRD’s national industry policies: agriculture, indigenous communities with rich natural resources; social entrepreneurship; dispersal of industries in the countryside; “reforms to ensure competitiveness and promote ease of doing business will be mandatory. “ . . . Reacting to these needs, the restrictions on the economy will be needed to make more investments to come and to develop labor-intensive industries such as manufacturing, agriculture and tourism shall be pursued.” “We must also invest in human capital and ensure equal access to economic opportunities.”
- Previous neoliberal macro economic policies of “fiscal and financial management” maintained during the SONA; as proposed by Finance Secretary Carlos Dominguez and the Davao business conference: “my administration will continue and maintain current macroeconomic policies, and even do better. We will achieve this through prudent fiscal and monetary policies that can help translate high growth into more and better job creation and poverty reduction.”
- National industrialization policies need appropriate fiscal and financial support which may not be “prudent” since these would involve preferential treatment i.e. tax incentives, priority support in terms of budget and infrastructure, employment and wage policies, environmental / carbon footprint policies, and favoring the local industry champions or leaders versus foreign business / MNCs.
- Industry leaders and champions need to be identified in priority “sunrise” sectors with distinct local comparative advantage and high probability of competitive success, through ICT leapfrogging: steel / metals → shipping / maritime and fisheries; local community indigenous enterprises; agribusiness / plantation agriculture; health care and telehealth; eco-tourism; maritime / shipping, fisheries, cannery, carrageenan, and other high value added sectors. Development banks and financial institutions need to be mobilized to support national industrialization.
- Science and technology support is essential, through DOST flagship programs and projects, with support from the NEDA, DTI, CHED and key S & T institutions.