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Trade Liberalization, by Bautista

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sudden demotion to third world status" (p. 2). One cannot, of course, fault Ms. Choa's book for not doing what she did not set out to do; yet it is tempting to suggest that, on the basis of this study, she could put together an interesting and integrated syllabus for the second year high school course in Afro-Asian Literature. Perhaps we can look forward to further publications from Ms. Choa.

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IMPEDIMENTS TO TRADE LIBERALIZATION IN THE PHILIPPINES. By Romeo M. Bautista. Aldershot: Gower Publishing Company, Ltd., 1989. 90 pages.

Dr. Romeo Bautista has given us a short but well written study about the various economic and political obstacles that have hindered Philippine trade liberalization during the postwar period. Specifically he addresses the difficulties that attended the implementation of the Philippine trade liberalization program begun in 1981. His book represents yet another important contribution in a long line of studies on Philippine trade policy.

Previous studies such as Robert Baldwin's *Foreign Trade Regimes and Economic Development: The Philippines* and John Power and Gerardo Sicat's *The Philippines: Industrialization and Trade Policies* have documented the economic costs associated with Philippine protectionism. They show how inefficient industries producing low quality goods have survived only because the government protected them from any foreign competition. Furthermore, they demonstrate how such protection, in addition to harming the interest of consumers, has also hindered agricultural development and limited the creation of new jobs. Given a large and growing labor force and a majority of its population living in the countryside, these and other authors have forcefully argued that the Philippines should and must liberalize its trade regime if it is to have a more efficient and equitable economic structure.

While there appears to be a growing consensus among mainstream economists in favor of trade liberalization, attempts at liberalizing the Philippine trade regime have achieved only limited success. More recently, in order to understand the obstacles to trade liberalization, scholars have turned their attention to the political forces underlying the country's trade policy. Robin Broad's *Unequal Alliance, 1979-1986*, while rejecting the mainstream economist support for trade liberalization, is a penetrating study of how the the international community, acting through the IMF and the World Bank, has been able to influence Philippine trade policy by providing economic and political incentives for trade liberalization. My own study, "Economic Stagnation and Class Conflict, 1950-1972" in *Philippine Studies* (1989), attempted to understand the reasons that led to the post-war domination of Philippine trade policy by domestic protectionist groups.

Bautista's key contribution, as I see it, is to give a fuller picture of all the various forces involved in the determination of Philippine trade policy than either Broad or I were able to do. Although not in as much detail he includes the international actors studied by Broad and the domestic actors I studied. What he adds to this mosaic is a more nuanced understanding of the divisions within the Philippine government in determining and implementing trade policy. His expertise in this area is to be expected since he served for six years in a relatively high technocratic position in the Marcos government.

In his study Bautista notes that there are certain ministries aligned with and often influenced by those industries receiving protection. These ministries with their influential business ties can often frustrate the efforts of other ministries involved in implementing trade liberalization programs. The author recounts, probably from personal experience, instances when highly placed government officials have had conflicts of interest. Frequently in the Philippine government high government officials are also industrialists whose businesses depend on government protection. Often these individuals are able to use their government positions to thwart any trade liberalization effort which might threaten their personal financial interests.

Another important conflict within the government during the Marcos years was the division between the technocrats and the "cronies." A certain sense of the author's personal disappointment with government service can be inferred when he describes how technocrats towards the end of the Marcos regime were pushed aside in order to promote the economic interests of the "crony capitalists." And then with the rise of Mrs. Aquino to the presidency, Bautista notes how these same technocrats, having been discredited by their association with the Marcos regime, were excluded from the new government (p. 70).

The book contains six chapters. Chapters 1 and 2 provide an overview of the Philippine economy and its structure of protection as it developed from the 1950s onward. Chapter 3 is devoted to the economic aspects of the trade liberalization program begun in 1981 under the direction of Cesar Virata. Chapter 4, which I feel is the heart of the book, examines the political aspects of trade liberalization. Chapters 5 and 6 survey the international economic environment and end by looking at the prospects of trade liberalization under the Aquino administration.

Dr. Bautista provides us with a brief and clear account of a critical issue facing the Philippines—trade liberalization. Furthermore, he brings the advantages of government service—day-to-day involvement in the actual implementation of policy—to bear on his study. Finally, his work will force future scholars to more adequately take into account the complexity of the Philippine government and its bureaucracy in the determination of economic policy.

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