

**Republic of the Philippines**

**Philippine Competition Commission**

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**Hooding Ceremony Message**

By Chairman Arsenio M. Balisacan, PhD

Philippine Competition Commission

**2017 Hooding Ceremony and Recognition Rights**

**for Graduate Students**

**University of the Philippines Los Baños**

UPLB D.L. Umali Grounds, 23 June 2017, 7:00 PM

To University of the Philippines Board of Regents members, Honorable Alexis Mejia, Patricia Arinto, and Francis Laurel; University of the Philippines Vice President for Academic Affairs, Prof. Maria Cynthia Rose B. Bautista; the officials of the University of the Philippines Los Baños led by Chancellor Fernando Sanchez, Jr.; officials, faculty members, and staff of UPLB Graduate School led by Dean Jose Camacho, Jr.; the graduating class of 2017, parents, families, and their friends; other esteemed guests; ladies and gentlemen, good evening.

Let me begin by addressing the most pressing question in your minds. Out of all the illustrious graduates of the UPLB Graduate School in its numerous academic programs – agriculture, forestry, mathematics and statistics, agrarian studies, development management and governance, and human ecology, among others – why was an economist chosen to address you on this special event?

**One likely reason is that the University sees that, as an economist, I can help emphasize the value of the people’s money that was invested in your education.**

I was once in the same position you find yourselves in now: wide-eyed, with heart on my sleeve, ideals brimming to the fore, and ready to take on the world. After obtaining my Master’s degree in Agricultural Economics from this very institution through various grants, I pursued a Doctorate in Economics outside the country, still relying on assistance and scholarships from various sources. After graduation, I continued honing my skills abroad; until I reached a crossroads in the 1980s and decided to come home and serve my country. I have been in public service ever since, starting as a faculty member of the University of the Philippines right up to my current responsibility as Chairman of the Philippine Competition Commission (PCC), the country’s antitrust authority or what may be referred to as the “Ombudsman of the Market”.

But even outside of formal schooling, as someone who has come from an underprivileged household, one of the first realities I learned to appreciate is the concept of *value for money*. When applied to you as graduates of higher education from the country’s premier state-subsidized university, *value for money* translates to the question, *“Will society be served well by investing in your graduate studies?”* In a country such as ours, where dreams do not easily come true, have you ever stopped to ask, *“Why has the State spent valuable, limited resource on my dreams of obtaining higher education?”*

Our higher education gives us greater capacity and more competence to contribute significantly to the perpetual task of nation-building. We owe our degrees to the Filipino people, the majority of whom will never be hooded, let alone be graduates of a prestigious school. Yes, we owe our degrees to even the poorest of our society, because the money and valuable resources spent on you is money that could have been spent for their basic education, health services, or housing, or for much-needed infrastructure, particularly in the rural areas. And so, therefore, it is incumbent upon us to use our advanced knowledge and skills not only for advancing our own positions in the social ladder but also for improving the welfare of those who toil day and night to pay for our education.

Their dreams, unlike ours, are modest: easing their family’s hunger pangs and having a roof over their heads.

**Another possible reason for my presence here is that, as an academic economist who has had the opportunity to take an active role in high-level decision making in government, I can share lessons and perspectives to future leaders and development practitioners, especially from *this* University.**

I can tell you that social apathy or desensitization to our country’s ills is our strongest disabling perplexity (or social disease). It is our biggest stumbling block from effectively addressing massive poverty and inequity in our midst and truly becoming a player in the Asian, let alone, global arena. As this country’s future leaders and development practitioners who have come from an institution where public service and leadership are held in higher esteem than individual achievements, you must always guard against these two – desensitization and apathy – for they have the dangerous makings that lead to the preservation of the oppressive status quo.

In challenging the status quo, you will be met with a lot of resistance, as I have experienced, sometimes even coming from those you want to serve. Do not be afraid to go against the grain nor take the path least trodden. In questioning the status quo, you will sometimes be misunderstood and find yourselves to be the proverbial lone voice in the wilderness. Hold fast to your truth and whenever necessary and there’s an opportunity, always break new ground.

Remember also that it is not enough that you become merely good professionals in terms of proficiency, creativity or management. It is also important for you to be *good*, in the moral and ethical sense of the word. Our Filipino language captures best this particular nuance: “*Hindi sapat na ikaw ay maging magaling. Kailangan rin na ikaw ay maging mabuti.”*

Whether you have already realized it or not, your acquired higher degrees already set you apart from your colleagues and counterparts. You are at a premium position to affect, change and direct the sail of your organization, your community or this county in the decades to come. It is incumbent upon you to have your hearts in the right place, so that your knowledge and actions will bear meaning and importance, most especially to the marginalized in this country. Just as Robert F. Kennedy once said, “Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope.” Therefore, be the technocrat, innovator, manager, or leader who chooses to be part of something hopeful and lasting and beneficial to others.

**A third reason for my presence here is to impress upon you that in moving our country forward, in finding effective solutions to the complex and ever-changing problems that threaten the social fabric of our society, collaboration is the name of the game.**

In my previous life as the country’s chief economic planner, it dawned on me that nothing less than collaboration across government agencies and among government, business, academe, and civil society, is needed to move the economy to a higher growth trajectory and establish a solid foundation for a more rapid but sustained economic development. Yes, effectively addressing the even more complex problems of widespread poverty, huge inequities in access to opportunities, insecurity from various shocks, vulnerability to climate change, and environmental degradation requires solutions emanating not from silos of science and politics but from synergistic partnerships involving various actors, practitioners, and stakeholders in as many number of disciplines as necessary.

Collaboration is also manifested at the Philippine Competition Commission (PCC), an independent quasi-judicial body constituted in 2016 through the passage of the Philippine Competition Act (PCA). Economists, lawyers, and technical experts at PCC work together to ensure that we deliver on our mandates of promoting and protecting competitive markets, as well as guarding against anti-competitive behavior.

The big challenge for you, dear graduates, is to further strengthen and refine such collaborations in order to hasten the delivery of response to our country’s development problems. It is also imperative that you, together, take an active role in collaborative efforts to tackle the challenges head on.

Let me dwell a bit more on some of today’s most pressing social problems, which call for collaborative action among us, especially those of us privileged to have taken advanced studies to help solve society’s problems.

**One** is the widespread chronic poverty and highly inequitable distribution of opportunities and wealth. Economic history of modern nations tells us that nothing less than sustained expansion of the economic pie is needed to win the war against abject inequity and destitution. The same history reminds us that economic prosperity is necessary but not sufficient for poverty reduction and social inclusion.

In recent years, the performance of the Philippine economy has been quite spectacular, achieving an average growth rate of 6.3 percent in the past seven years -- the country’s best performance in four decades. This performance has placed the economy in the ranks of fast-growing emerging economies in the world, finally shedding off its moniker as basket case of Asia. Yet, poverty has not fallen as much as expected, at least not in the same way that poverty fell substantially in the countries around us when their own economies grew at about the same rates a decade or two or three earlier. Poverty in our country has remained among the highest in East Asia: one in every five Filipinos or roughly 22 million of our countrymen remain poor today.

To be sure, sustaining the economic momentum to the next decade and beyond is crucial in the overall efforts to bring our country to the future we want—*matatag, maginhawa*, *at panatag na buhay*. But we need to make economic progress more inclusive, now rather than later, by ensuring that those in the lower rungs of our social ladder get to equally benefit from the growth. Otherwise, economic growth itself is not expected to last long. Again, economic history is a useful guide: rapid growth without equity will eventually lead to social tensions and conflicts, spawning social instability that will prove detrimental to long-term investment and economic growth.

Part of the problem is that production processes, particularly in industry and large part of the services sector of our economy, have become less labor-using and more capital and knowledge-intensive. In short, to produce a unit of output, we now employ less labor. What this means is that an expanding economy may not necessarily be accompanied by a robust growth of employment opportunities, especially for the less-skilled members of our work force. The Digital Revolution that is fast engulfing the workplace and our social systems is likely to deepen the divide between the skilled and the unskilled, between those connected to the digital world and to those who are not.

This brings me to the **second** pressing problem that I wish to dwell on: the big mismatch in the Philippine labor market. What I mean is that the demand for skills needed by fast growing industries or sectors of the economy is not matched by the supply of skills produced by our educational system. The Digital Revolution is, for example, bringing in huge opportunities for employment across a wide spectrum of economic activities—but also pushing out employment in firms and industries failing to meet the challenges of the New Economy. Are our universities able to produce graduates who will thrive in the digital world? More generally, are our graduates prepared to seize opportunities as they come along, as, say, the forces of globalization and information technology open up such opportunities for our people?

This mismatch problem brings to the fore the imperative for greater collaboration between the private sector and the academe. Our universities must not be silos of excellence just for the sake of excellence; they must be collaborating agents of change and opportunities by connecting academic programs and research to industries that produce employment and generate wealth for the economy and people. To be sure, we are never absolutely certain what economic possibilities will hold in the long run. As Kaushik Basu, a former chief economist of the World Bank, has eloquently said: “Long-run forecasting is usually a fool’s errand.” But what is important is that there is a basic-skill set that firms and industries can tap into as economic opportunities emerge, whatever these may be. This is one lesson I have learned from collaborating closely with the private sector, as I was leading the preparation of what is now know as *Ambisyon Natin 2040,* the country’s long-term vision for development.

Our postwar economic history is replete with missed opportunities. Our agricultural economy, for one, had so much promise following the Green Revolution that swept the developing world in the 1960s through the 1980s. The combination of new high-yielding varieties, commercial development of fertilizer, investment in new irrigation systems, and good governance of agricultural policy spurred growth in agricultural productivity and rural incomes. For many countries in Asia, the Green Revolution was a powerful vehicle in reducing poverty, which was for many of these countries, including the Philippines, a largely rural phenomenon. The rise in productivity and income also facilitated the eventual industrialization in these countries. Rising incomes in agriculture, coupled with rapid expansion of employment opportunities in the non-agricultural sectors of the economy were key to winning the war against poverty.

The Green Revolution in the Philippine context is a different story. The agricultural economy has grown in fits and starts since the 1970s, but virtually stagnating in recent years. The benefits from the application of breakthroughs in science and technology, as well the opportunities afforded by the rapid expansion of food markets in fast-growing Asian economies, were muted by inappropriate or conflicting agricultural policies, lack of complementary investment support (particularly in rural infrastructure), and bad governance. Again, the lesson here is: coordination of policy, investment, and governance is key to seizing economic opportunities for rural areas.

With everything that I have discussed, it must be stressed that there is no such thing as a one-size-fits-all approach. The particular experiences and circumstances of people would lead to different methods and outcomes. Given your myriad of backgrounds and chosen fields of expertise, it is exceedingly likely and quite expected that you will travel different paths in responding to the development challenges I have laid out before you. Of greatest import is the end goal that we all want to achieve: a nation that allows its people to live with dignity and in harmony with one another while at the same time affording them opportunities to maximize their full potentials. Your circumstances might change, but whatever trajectory you want to follow, it should bring you closer to that particular desired state.

As U.P. graduates, you are a unique testament to the University’s keen investment in extensive human capital enhancement. The challenge for you is to tap into that capital and direct it towards strengthening our institutions and building resilient communities. Sustainable development can be realized only if it is inclusive. Innovations and progress can last only if they empower the people.

Finally, as I close this speech, I wish to share with you a line from one of William Butler Yeats’ famous poems: “but I, being poor, have only my dreams; I have spread my dreams under your feet; Tread softly because you tread on my dreams.”

Millions of our countrymen have been undeniably poor: they have seen opportunities pass them by, their bodies withered from toil and malnutrition, and their children robbed of any semblance of a good future. They have been born into poverty and they live and oftentimes die in poverty. And they, being poor, have only their dreams of a better life. By subsidizing your education, they have spread their dreams under your feet. You now have your degrees in higher education, a strong enough foundation to build upon their dreams. You are in a position to act; so act nobly and rightly for you tread on their dreams.

Tonight has been inspiring because it is a microcosm of what we hope to achieve in this country: a place where we can all sit together and imagine our shared vision of a prosperous and equitable Philippines. Seeing you all here now, seeing all these fields of expertise meet and interact and intersect, I feel even more confident that this vision of the Philippines will not remain just a vision for long—that, together, we can finally translate this into reality; that, finally, the Philippines will be forever known as the land that lived up to its promise.

Again, congratulations. Your quest for excellence, justice, and equality does not end tonight. It is only beginning.

Mabuhay kayong lahat! Padayon, U.P.!

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