

EABER WORKING PAPER SERIES

PAPER No.10

POLICY REFORMS AND INSTITUTIONAL WEAKNESSES: CLOSING THE GAP

GILBERTO LLANTO AND EDUARDO GONZALEZ

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

GLLANTO@MAIL.PIDS.GOV.PH

PAPER PREPARED FOR DISCUSSION AT THE
MICROECONOMIC FOUNDATIONS OF ECONOMIC PERFORMANCE IN EAST ASIA CONFERENCE
MANILA 23-24 NOVEMBER 2006

ABSTRACT:

Coming out of the destruction wrought by the Second World War, the Philippines seemed to be better prepared than other countries in Southeast Asia to break from the ranks of poor, developing countries. At that time in the not-so distant past, the Philippines, with a relatively better educated work force, abundant natural resources and a democratic system of governance inherited from its former colonizer, the United States of America, held a lot of promise and potential for growth and development. The supreme irony is that the promise and potential seen in the fifties have remained as unrealised promise and untapped potential well at the dawn of the 21st century. The ‘boom-bust’ cycle of Philippine economic growth during the post-War period, an erratic growth record at best, shows that the country has somehow missed pathways to growth and development. Thus, today the Philippines is one of the slowest-growing economies in the region.