

## TOWARDS INSTITUTIONALIZING INDUSTRY DIALOGUES UNDER THE NEW SOCIETY\*

By

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What is expected of industry under the New Society?

The objectives of the New Society with respect to industry have been explicitly stated by the President. It may be useful to summarize here some of those stated objectives.

The guiding principle of the government in planning and directing economic development is to achieve growth in the gross national product in such manner that the benefits of that growth are spread among the lower income sectors of the society, i.e., economic development with social justice.

The New Society continues to rely on the private sector for the main bulk of activities to bring about economic growth. The steps taken to achieve the objectives of economic development will give sufficient room for the exercise of initiative by the private sector. In attaining the reform objectives, it is expected that conflicting interests will be faced, but efforts to attain these objectives will be harmonized and balanced so that one objective is not gained at the unneeded sacrifice of another. Business and industry may operate freely within the guidelines that have been and will be set so that the exercise of business initiative will bring about accelerated growth of the economy with social justice to the people. The guidelines that have been set are:

1. Property will not be expropriated except when absolutely necessary for the building of infrastructures, such as roads and low-cost housing projects.

2. Prices of goods and commodities which form part of the daily consumption pattern of the wage earner and rural worker will be

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\*Keynote address delivered at the BIZCON seminar on the subject held January 13, 1973 at the Intercontinental Hotel.

kept stable so as not to erode the earning power of the masses of our society. Price controls are a temporary measure to achieve this goal, but the permanent attainment of this end will come about through adequate production and efficient distribution of these goods and commodities.

3. The creation of employment opportunities must be accelerated.

4. Economic development in all regions outside of greater Manila will be given much greater attention than in the past. Among the steps to be taken to relieve the congestion in the Manila area will be the dispersal of industry through various means.

5. The pattern of our exports must be changed so as to include an expanding proportion of processed and manufactured goods.

The government believes in the private enterprise system as being the most efficient in the long run for the development of our economy and of our society. But the developing nature of the Philippine economy and the need for carrying out economic development with increased social justice for the people require that private enterprise operate under guidelines and toward directions which achieve the greatest good for the greatest number of people. Thus, goals and directions to be achieved by specific industries are being set so that the dynamism and the energies of the private sector may be harnessed in tandem with the efforts of the government toward the building of the New Society. The events of the past two decades have demonstrated that while the profit motivation of the private sector, left entirely free to choose the venue and the manner of its activity, may have resulted in satisfactory rates of increase in the gross national product, the people as a whole have not appreciably shared in the benefits of that increase. Hence, the nation cannot rely solely on the profit motivation; there must be a definition of the directions and a delineation of the channels within which the profit motivation would be exercised, so as to optimize the contribution of private sector activities to the requirements of the society and the goals of the nation.

In the light of these explicit objectives set forth by the government, what are the specific policies for various industries and how will they be formulated and implemented?

It is the government's attitude that responsible participation by

the private sector is desirable in the planning, setting of guidelines, and formulation of development programs which involve the private sector. To this end, the respective government agencies concerned are willing to engage in a continuing consultation and exchange of views with the private sector in those stages of policy and program formulation where such consultation would be helpful for greater practicality and effectiveness of policy in obtaining the desired results.

The process of formulating and administering policy in a business corporation, where objectives are already articulated with sufficient clarity, has been described to consist of the following steps:

1. Size-up the situation and formulate policies;
2. Discover opportunities, assess risks, and plan programs of action;
3. Organize administrative personnel and put plans into action;
4. Measure performance and motivate administrative personnel;
5. Follow-up and reappraise policies.

The process of formulation and administration of economic development policies in a government context should ideally be parallel, except that in cases where the private sector is relied upon to carry out the economic development activities involved, there are obvious variances that need to be observed with respect to steps 3 and 4. The need to have constant feed-back of information between the government and the private sector nevertheless remains, in order to have a continuing cycle of policy formulation which most effectively attains the desired objectives.