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## BOOK REVIEW

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### *Pro-Poor Development Policies: Lessons from the Philippines and East Asia* (ed) Hal Hill

Majah-Leah V. Ravago, and James A. Roumasset.  
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Benjamin Franklin was quoted as having said: 'Either write something worth reading or do something worth writing'. I can say that the authors of the chapters in this edited volume did both: wrote something worth reading and did something worth writing in their various capacities as policymakers and thought leaders, often challenging conventional wisdom with the intention of stimulating a meaningful discourse on this all-important subject.

There is a large body of literature on pro-poor development challenges and related reforms in the Philippines. So what distinguishes this book from the rest?

One answer lies in the fact that this volume provides an excellent coverage of the *multi-dimensional issues and challenges* surrounding poverty alleviation in the Philippines. The breadth and quality of research in the book speak to the deep knowledge of the contributors in their chosen fields of studies. The chapters raise incisive questions, highlighting the often-complex issues and breaking them down into analytically digestible segments with the view to identifying targeted interventions and instruments aimed at reducing the incidence of chronic and transitory poverty.

The chapters examine pro-poor development challenges from both the macro- and microeconomic perspectives, using a rich store of macro and micro data. Microeconomic analysis helps reveal information on how economic developments and policies have influenced the behaviour of the Filipino poor and vulnerable. Sectoral discussions, particularly on agriculture, help to focus on the policy imperatives. The emphasis on the agricultural sector is fitting. While the direct contribution of this sector in the economy

has been on a trend decline, it continues to have strong backward and forward linkages with the rest of the economy. Policies aimed at improving the plight of the agricultural poor would allow them and their families to participate more productively in the economy, thus lifting the country's economic potential. The macroeconomic perspective allows for a holistic view of the pro-poor development agenda, which is necessary for coherent, consistent, and mutually reinforcing policy actions and structural reforms.

It is notable that the various book chapters examine public policies that affect the asset accumulation and the capabilities of the poor. They focus not only on the challenges confronting the poor in raising resources available to them but also on the challenges that they face in pursuing opportunities that can help them exit poverty and avoid economic reversals.

The book, very well-crafted as it is, would have been even more compelling had there been a more involved discussion on the role of the financial sector in advancing pro-poor development. A dedicated chapter on how changes in financial intermediation over the years—through deliberate government action and through market-led innovations—have helped ameliorate poverty in the Philippines would have been provided important insights.

The chapter on the regulation, market evolution, and competition in the microfinance sector is highly informative. Indeed, there have been some advances in the ways that the unbanked, the unserved, and the underserved have been encouraged to engage more in the financial sector. This can be partly attributed to targeted government policies. But beyond those, fintech innovations in payments, credit, and other financial services have also played a large role in breaking down once-binding credit and financial market constraints. Digital technologies and supportive regulatory policies have helped clear obstacles that have hampered the willingness and the ability of the poor to gain access to basic

financial services. An in-depth discussion on these innovative financial products and services, relevant trends in terms of usage by the poor, the market environment as well as the risks and opportunities that they present would be most salient in helping to understand the dynamics of poverty in the Philippines. In particular, an examination of whether the regulatory environment has been effective in managing and averting risks to financial stability, particularly for the poor whose options for redress may be limited, would be informative.

The book appropriately considers the significant role of natural disasters and more broadly climate change in the country's development agenda. While the focus is on the agricultural sector—and rightly so because it would be the most hard hit by natural disasters—it is worth noting that climate change will also impact the non-agricultural poor as they also face the harsh consequences of food insecurity and food inflation, while having very limited resources to shield themselves against such eventualities. With the threat of climate-related disasters rising, the resilience of the economy in managing this risk is key to preventing these shocks from amplifying the challenges faced by the agricultural and non-agricultural poor.

On a final note, the last chapter talks about the inspiring story of the life of Arsenio Balisacan.

May all who read it be glad that we have crossed paths with him and his story, even if only by reading this book. He makes us Pinoys proud and motivates us to aspire for something greater than ourselves.

Interested observers of the Philippine economy and those who strive to make a difference in the country's development pathway will find in this book a wealth of insights that invite—sometimes provoke—a call-to-action to craft and pursue sound policies and structural reforms that can help lift the Filipino poor from the poverty trap and reduce their risk of falling back in.

Readers will come away with a deeper appreciation of just how complex the challenge of poverty alleviation is in the Philippines. Its complexity underscores the need for carefully crafted pro-poor development policies and structural reforms aimed at achieving more participatory and sustainable economic growth. Growth that is broad-based and inclusive buttresses the economy's foundations and strengthens its institutions during periods of stability and—equally important—during periods of fragility and radical uncertainty.

*Cyd Tuano-Amador*<sup>1,2</sup>

<sup>1</sup>*Philippine National Bank Board, and* <sup>2</sup>*Bangko Sentral ng Pilipines*