

Editor's Notes

Public enterprises became an important phenomenon in the Philippine economy and society in the 1970s and the first half of the 1980s. The editors of the Journal have therefore deemed it appropriate to devote an entire issue to an examination of various aspects of the phenomenon.

The first article, written by Rosario Manasan and Corazon Buenaventura, provides a macro-view of the role of public enterprises in the Philippine economy. The authors note the marked increase in the size, scope and contribution of public enterprises. At the same time, the growth of public enterprises has had certain negative effects, including the growth of the government deficit.

Professor Leonor Briones examines the role of public enterprises in the Philippine political economy. Using a number of caseletters, she notes how government-owned or controlled corporations have been used under Marcos to siphon public funds into the private pockets of a favored few. She also brings out the intricate intermeshing of local and international interests on the question of privatization.

Dr. Carolina Guina, in an article extracted from her doctoral dissertation, outlines a comprehensive framework for the evaluation of public enterprises. Using concepts derived from microeconomics — in particular, welfare economics — she suggests certain desired modifications of conventional financial analysis to reflect the public nature of state enterprises.

In the last article, Professor Jose Tabbada provides a broad historical overview of the changing balance between the state, particularly public enterprises, and the private sector in the Philippine economy from the beginning of the American colonial period to the early 1980s. He discerns periods of intense state involvement in the economy, or statization, followed by periods of destatization, or vice-versa, and suggests some of the social forces which may account for such "cycles."