Corruption, economic globalisation and resistance: the Philippine rice industry

Rice shop in the Philippines
Photo Credit: Grant Walton

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When people think about corruption, they often picture shady deals, dodgy politicians, and backroom handshakes. But what happens when the idea of corruption itself becomes a political tool? That's what we set out to explore in our latest research published in the journal *Geographical Research* (open access), which examines corruption narratives associated with one of the most politically charged commodities in the Philippines: rice.

Rice isn't just food in the Philippines. It's political. It's symbolic. And in recent years, it has been at the heart of some big changes in how the country engages with the global economy. In 2019, the government passed the Rice Tariffication Law (RTL) (Republic Act 11203), which essentially opened the rice market to global competition. Instead of regulating how much rice comes into the country, the law slapped tariffs on imports, meaning anyone could import rice — as long as they paid the 35% import tariff.

At first glance, this seemed like a smart move to deal with corruption and inefficiency. Many have argued that the old system under the National Food Authority (NFA), was plagued by cronyism, kickbacks and hoarding. The solution? Cut out the middlemen, bring in market forces, and let the prices sort themselves out.

However, as is often the case with economic liberalisation, this policy resulted in both winners (initially at least) and losers.

To understand how this reform came about, we examined how corruption was talked about publicly in media and policy debates, as well as by those opposed to and in favour of market reforms, and how these narratives were used to justify the

RTL. The main finding? For those in favour of opening up the Philippine rice industry, “corruption” became a kind of catch-all villain that allowed for sweeping economic change.

Think of it like this: if you paint a system as rotten to the core, then it becomes easier to burn it all down and start fresh (this is how the Trump administration justified its attempt to dismantle USAID). In the case of the Philippine rice industry, the corruption label was used to nullify the NFA’s role in rice importation and regulation, with some policymakers arguing that open markets would be cleaner and more efficient. The media played a role here, often framing the NFA as outdated, bloated and corrupt — sometimes with good reason, but often without much nuance.

Meanwhile, reform advocates (including economists, think tanks and government officials) promoted a global, market-friendly vision where private importers would now take the lead. Corruption, they claimed, would be “solved” by removing the state from the picture.

However, the law’s impact on corruption has been less than impressive, with recent scandals suggesting that corruption still blights the sector — see here, here and here.

More broadly, our research has shown that this type of corruption talk is symptomatic of what has been referred to as an “economic perspective” that has largely dominated the academic literature. To respondents reflecting the economic perspective, corruption is the result of government monopolies and market-based reforms such as deregulation would help remedy these inefficiencies.

After RTL was passed, rice prices dropped — which has been of benefit to consumers. Though recently the country has declared a food security emergency to bring down the cost of rice, with many fearing deregulation hasn’t reduced prices as anticipated. The policy has also reduced the incomes of local farmers, as many can’t compete with cheaper imported rice.

This is what many opponents of the RTL we spoke to feared. Reflecting the concerns of more critical corruption scholars, rather than buying into this liberalisation agenda, they pushed back. They argued that the state had a larger role to play — not because it was perfect, but because it could protect farmers, improving the country’ self-sufficiency. In turn, they wanted corruption to be addressed through land reform, rather than liberalisation. For some, the NFA, despite its flaws, played an important role in subsidising rice prices and buying locally to allow small-scale farmers to compete.

Our analysis does not suggest the old system was great. There were real issues in how rice importation and pricing were managed and a great deal of corruption. But what we found is that corruption narratives — along with narratives around the importance of the Philippines fulfilling its international obligations, environmental limits and benefits to consumers — can be used to push through big economic reforms that fail to account for who benefits and who loses.

Given this, the current Philippine government is trying to address the inequalities facing the country's farmers.

On 9 December 2024, President Ferdinand Marcos Jr's administration assured continuous aid to Filipino farmers by signing into law Republic Act 12078, better known as the Agricultural Tariffication Act. This new law amending the RTL intends to extend the duration of funds created from tariffs that aim to enhance the competitiveness of Filipino farmers. The government has also substantially increased funding from 10 billion PhP (A$276,335,155) to 30 billion PhP (A$829,005,465) and aims to strengthen the Department of Agriculture's regulatory functions by creating and maintaining databases.

These amendments intend to provide relief to farmers experiencing the brunt of the Philippines' newly liberalised rice trade policy under the RTL. While this is a welcome development, our research suggests it does not go far enough in addressing farmers' concerns about unjust land reform and corruption in the sector. It's also perhaps unlikely these measures will address the soaring price of rice.

And our findings are not just about rice, or the Philippines. These kinds of stories play out across the globe — wherever corruption narratives are deployed to dismantle, destroy and disrupt. That's why we think it's so important to look more closely at how corruption is talked about, who gets to tell those stories and what happens when those stories get turned into policy.

In the end, this is a cautionary tale. Yes, corruption is real. Yes, reforms are sometimes needed. However, it's important to acknowledge that some corruption narratives can result in policies that can further marginalise some groups and lead to unintended consequences.

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