

Address to the Graduates on Recognition Day

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Thank you very much *Professor Dante Canlas* for your wonderful, wonderful introduction. (Addressing the faculty and guests)

Dean Emmanuel de Dios – Dean de Dios was my professor of international trade way back in 1981, and it is not only because he gave me a grade of 1.5 that I agreed to be your guest speaker for today. It is hard for me to remember all my teachers in college, but Dean de Dios was someone I remembered very well, because I couldn't imagine how one so young could be so brilliant. Dean de Dios was *personally* chosen by UP President Emerlinda Roman to be one of the speakers at the UP Centennial Lecture Series. He will speak on “Secular morality and the University” on May 7; (Plugging plugging.)

By the way, President Roman says that noted filmmaker Behn Cervantes keeps reminding everyone that it's pronounced “centennial” with a short “e,” and not “centeeennial.”

Former Dean Raul Fabella – It's unfortunate that I missed Dean Fabella in college. I think he was in the US when I was a student;

College Secretary Oggie Arcenas – *Di ko rin inabutan* si Professor Arcenas, but then he must've been still in high school when I was at UPSE. When I saw him, I came to the conclusion that UPSE college secretaries are all boyish-looking because the college secretary during my time, Professor Cayetano Paderanga, who incidentally taught me Econ 101, had the same features. (During my time, there were two cutie pies – Professor Vito Inoferio and Professor Cayetano Panderanga.)

Professor Dante Canlas, who taught me Econ 181. He was the only professor man enough to give me a grade of “1” even if I didn't take his midterm exams. I will tell you about that later;

Professor Solita Monsod – the irrepressible Winnie Monsod, with her sexy legs, mini-skirt, booming voice, cigarette and iced tea in tow. Professor Monsod taught us Econ 11 and Econ 101, and she explained everything so clearly it made economics less scary than I thought. One morning during a class in the auditorium, Professor Monsod said, “Hey, who's been spreading the news that this glass I'm carrying everyday to class contains scotch? Of course I don't bring scotch to class. It's iced tea!”;

Professor Manny Esguerra – *sayang, di ko naging teacher si Prof Esguerra*;

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Professor Benjie Sandoval of the College of Business Administration – Benjie is Executive Director and my barkada at the UP Centennial Commission;

Tita Eden Bautista, former administrative officer at SE 101, who gave me my honorable dismissal in 1981 when I unexpectedly left UP in my senior year. If I need someone to remember where I placed all my things, it has to be *Tita* Eden. In fact, she is right now holding my handbag for me;

Joaquin Teotico, President of the UPSE Alumni Association;

Academic personnel, administration personnel, parents and graduates, good afternoon.

I'm very happy to be back in the university which I never graduated from but I wish I had. I am simply one lucky bitch to be speaking on your recognition day. Thank you to the UPSE Student Council, led by Sarah Adan and Jances Parado, for inviting me. In their letter, Sarah and Jances asked me to share my experiences and insights into being an instrument of meaningful change in society. And if could please bring in the concept of economics as an instrument of change and progress.

I gave Dean de Dios a call and said, “Dean, it’s a wonderful topic but I don’t know what I’m supposed to say,” and he told me, “Let’s have lunch with the students and talk about it.”

And so I did, and I met Sarah, Jances, and other student reps Mario Garcia, Nica Maloles and Jelain Reyes, plus Dean Fabella, Professor Arcenas, Professor Monsod and Jack Teotico. I asked the students, what would you really, really be interested in? They said, can I talk about what’s for them after economics? The faculty said, how about entrepreneurship, or how about matching economic theories with reality?

And so I decided to put everything together, as chopsuey as it may sound. Let me start with economic theories, or concepts, or terminology, whatever is the right way of calling them.

The first theory is the ubiquitous **law of supply and demand**. The reason I failed to graduate from UP was that I was kidnapped on the way to School in September of 1981, and guess what, right on the day I was supposed to take Professor Canlas’s exams. Contrary to the 2000 movie “Ping Lacson, supercop”, I was not jogging on the grounds of UP wearing a mid-riff when I got kidnapped. In the first place I didn’t have the body then to wear that outfit and never will. By the way, the actress who played me in the movie was Angel Locsin, and I hope you didn’t invite me to make this speech because you thought I looked like her. (Of course, deep inside, I wish I did.)

By the way, yes, it was then-Lt. Col. and now Senator Ping Lacson who rescued me after seven days in captivity. He literally kicked and broke down the door, just like what you see in the movies.

At that time, 1981, the kidnapers demanded P7 million in ransom money. Nowadays, any Tom, Dick and Harry would kidnap you for as low as P300,000. And that's the law of supply and demand. The price has gone down to P300,000 because there are so many unorganized criminal gangs nowadays who are willing to take anything, and the victims are more willing to give since it's not worth your life trying to haggle if it's only P300,000.

You must be wondering whether the kidnapers were caught. Which brings me the second theory, the theory of **competitive advantage**.

The mastermind was the son of a judge from Cebu. The judge from the lower court found him guilty, but when the case came up to the Supreme Court, the justices there acquitted him. It's only in the Philippines where you see the mastermind of a kidnapping get acquitted, and I wonder whether it has to do with his being the son of another judge. That is what you call competitive advantage.

The third theory is **cost-benefit analysis**. In 1989, we acquired the venerable national daily *Manila Times* from the Roces family. Sometime in 1998, my editors, who incidentally came from UP, wrote a headline that annoyed then-President Joseph Estrada. The story was about how the government was unwittingly led to sign an anomalous contract with IMPSA, a foreign group. Take note, this was in 1998, so if you're thinking that this is ZTE, this is not ZTE.

Anyway, I didn't even know what the story was all about, as my policy was to leave the editors to do their job while I handled the business side. I ended up getting sued by the president of the country, and for several nights, I thought hard about the future of the paper. As an economist would say, "Do a cost-benefit analysis." The benefit was that it was a well-respected paper with a well-respected staff. However, the cost was that I was sure to die early, thinking about getting sued day in and day out. I didn't want the staff to deal with a boss suffering from a nervous breakdown, and I didn't want the readers to think that we were now forced to change the newspaper's ideals to avoid any more lawsuits, so with a heavy heart, we sold the paper.

Running a well-respected paper was part of my efforts at being an instrument of meaningful change in society. So much for the effort. I figured, *hay naku, magtitindera na lang ako*.

Anyway, five years after, the government ended up suing *that* same foreign group, IMPSA, for leading them to sign that anomalous contract. By that time, I was already leading a less-turbulent life managing our retail group, and I left my sister Lisa to continue with publishing. She was smarter than me. She put up the highly successful Summit Publishing, which includes some staples such as *Cosmopolitan* and *FHM*. This is where I can say that when it comes to sex, the demand is always greater than the supply.

The fourth concept is about **monopolies and oligopolies**. A UP alumnus recently branded our family as oligarchs in the airline industry. In my economics textbook, an

oligopoly happens when only a few players dominate the industry and set the price of goods unreasonably high. I do not know how we can be oligarchs if we give opportunities for people to travel more often by providing one-peso fares. Setting the price of goods with one-peso fares? Maybe he wants us to lower it to 50 centavos.

Let me go on to the fifth and sixth concepts, which I believe are the most important because it has to do with what you are going to do after graduation. Specifically, what you think you can do after an economics degree. In truth, you can do anything you want. In fact, I asked the student reps over lunch why they majored in economics, and they said it's because they had the impression that you can do anything with an economics degree, and I told them they were right.

In fact, I wonder who among of you were like me who decided to major in economics because we wanted something close to business but not take up business administration, and we thought that economics and BA were almost the same. It turns out that they're related in some ways but in most ways, they're totally different, and it's a good thing I didn't major in BA: I barely passed Accounting.

My dad didn't force me to take up BA after I graduated in high school in 1978 because he said that I would learn business anyway when I entered business, so I should go learn something else. If I had had the choice, I would've gone into anthropology or veterinary medicine, but then it was *uso* among the Chinoys at that time that you either majored in pre-med because you were going to be a doctor, or in business because you were going to work in a bank. It seems that Chinoys were headed to only two professions at that time. I was the typical Chinoy who just followed where everyone went.

Anyway, back to my fifth and sixth theories – the theory of **opportunity costs** and the law of **diminishing marginal returns**. I know that when you start looking for a job, you will do two things – you will compare what each company is offering you, and you will compare your pay with your batchmates. Taking the first job offer that comes your way implies an opportunity cost of losing the chance of making more money. You wouldn't want to lose that opportunity of making more money would you?

Six months into the job, either one of two things can happen, or the two may happen at the same time. Six months into the job, either you are thinking about whether this is the job you really want, and you will keep on meditating about it to the consternation of your boss; or another company will try to poach you by offering better pay and benefits, or both.

Now take note that you belong to Generation Y, which the latest issue of *The McKinsey Quarterly* describes as people “born after 1980 – whose outlook as been shaped by by, among other things, the Internet, information overload, and overzealous parents. HR professionals say these workers demand more flexibility, meaningful jobs, professional freedom, higher rewards, and a better work life-life balance than older employees do. People in this group see their professional careers as a series of two-three year chapters and will readily switch jobs”. Emphasis on “readily switch jobs.”

So on to Theory No. 6, the law of diminishing marginal returns. Being a member of Gen Y, you may have the habit of moving from one job to another always grabbing the one that will pay you more. You have the right not to miss out on these opportunity costs, but take note that if, by the time you're 30, and you show this three-page resumé of having had 12 jobs in eight years, you can be sure that you will experience first hand the law of diminishing marginal returns. On your 13th job-interview, you will be worth what your rate was when you were 22. No employer will dare hire you, because he thinks you will just run off again after six months.

Assuming (which by the way is an economist's favorite word), you decided to become an entrepreneur instead of seeking employment, then bravo, you made the right decision. Entrepreneurship is a topic that Dean de Dios wanted me to talk about, but I told him that I wasn't an entrepreneur. I am only managing one of my father's businesses and using company money, not my money. But Dean said that in any case, he knows more people who have spent all their father's wealth and run the business into the ground much faster than it took me to build my father's business. So thank you for your kind words, Dean.

I am not an entrepreneur – it is my dad who's an entrepreneur – but let me say something about it. I think the reason few people go into entrepreneurship especially when they come from top tier schools like UP is that when they want to open their own *taho* cart, for example, people around them would tease them and say “*Ano ka ba, galing kang UP, magtataho ka lang!*”

My answer to that is “*E ano?*” At least you have something you can call your very own. You are not beholden to anyone but yourself, and yet you bring joy to society because you give people a product that they like. After all, big businesses started by being small once. Big business didn't start out big: there's no such thing.

Let me give you though one tip about running a business, and one more economic theory to go with it.

It's about the theory of **market competition**. There's such a thing as fair competitors, and there's such a thing as desperate competitors. Both are troublesome, but you know fair competition is part of free enterprise. As for desperate competitors, you worry if this country is retrograding

You were not born yet when the story of my *kakambal na ahas* who was half-woman, half-snake came out when we opened our second Robinsons Department Store branch in Cebu in 1985. My *kakambal* was supposed to be the source of our wealth as she laid golden eggs. She was supposed to be hiding under the floor of the fitting rooms, and everytime a beautiful woman would enter, the floor would open and she would land right inside the mouth of my *kakambal na ahas*. I have no idea who started this incredible story, but I have to tell you that some people believed it and even started staring at my legs if there were any signs of snakeskin. A few people still ask me about it, and I have to tell them *na naging handbag na ho sa Robinsons Department Store*.

Thank goodness there was no internet yet at that time, or you would start receiving photos of me with a snake's body and my *kakambal na* snake with a woman's legs.

How do you deal with these dirty tricks? Nothing, just keep quiet and let the story fade away. Or better still, make a joke out of it.

And that is what you are going to face on a regular basis once you step out of the School. Someone will be out to kill your product, out to get your job, out to grab your boyfriend. And if you're an unlucky bitch, maybe all at the same time! But in the end, you will come out a stronger person, and better still, end up with a much better boyfriend.

Thank you and congratulations!

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