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THE 2018 BUDGET AS A NATIONAL DEVELOPMENT TOOL: **SOME CAVEATS**



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THE 2018 GENERAL APPROPRIATIONS ACT

This paper looks closely at certain aspects of the national budget and highlights issues to clarify its importance as a policy tool in the overall development approach of the current administration.

At first glance, the Philippine government appears to be heading in the right direction if one is to consider its key programs and priorities as reflected in the budget for this year, 2018. In total, the budget for the year is at Php 3.76 trillion, representing a 12.4 percent increase from the 2017 budget.

For analysts closely observing Philippine society, the 2018 national budget is an important piece of legislation because it is, for all intents and purposes, the first “full” financial plan crafted under President Rodrigo Duterte’s administration. The 2017 national budget and the National Economic Development Authority’s (NEDA) strategic plan currently in place were first developed under the past administration. President Benigno “Noynoy” Aquino’s leadership also started the crafting of longer-term collective vision called “Ambisyon Natin 2040” and the current administration merely wrapped up the effort. The 2017 budget was already laid out by the time the current administration took office.

* THE VIEWS AND OPINIONS EXPRESSED IN THIS PAPER ARE THOSE OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THOSE OF THE INSTITUTE.

Image Credit: philippinesbasiceducation.us/2015/02/poverty-crushes-education.html

TABLE 1. 2016-2018 NATIONAL BUDGET

Particulars	2016	2017	2018
Obligation Budget (PHP Trillion)	2.683	3.350	3.767
Growth Rate (%)	11.1	24.9	12.4
Ratio to GDP (%)	18.5	21.2	21.6

SOURCE: 2018 BUDGET OF EXPENDITURES AND SOURCES OF FINANCING (BESF)

THE BUDGET AS DEVELOPMENT TOOL

The 2018 budget is supposed to align with the medium-term development plan under President Duterte, the “Philippine Development Plan (PDP) 2017-2022.” This medium-term plan, spanning six years, is supposed to be an elaboration of the “10-point Socioeconomic Agenda”, a platform offered by the President during his election campaign.

The PDP 2017-2022 is the first medium-term plan that supports the AmBisyon Natin 2040 which purportedly represents the collective long-term vision and aspirations of Filipinos to relish a “matatag, maginhawa, at panatag na buhay” by the year 2040.

The President’s budget message strongly puts forth that the national budget is directed “towards the policies, programs, and activities that will provide the means and assure the delivery of services that give form and substance to the changes that we aspire for” (CPBRD, 2017). More pointedly, the President affirmed the budget as a development policy tool aimed at our country’s longing for a better life “in peaceful and safer communities, with enhanced opportunities for advancement, and supported by convenient,

reliable services from their government” (CPBRD, 2017).

Under the PDP 2017-2022 national development plan, economic growth, one that is more inclusive, is projected to reach 7 to 8 percent in the medium-term. Poverty incidence is targeted to drop to 14 percent by 2022 from its current rate at over 20 percent — rural poverty, in particular, is expected to decrease from 30 to 20 percent by the end of the Duterte administration.

The national leadership is supposedly following through on its declaration in the State of the Nation Address (SONA) that “through prudent fiscal and monetary policies [we] can help translate high growth into more and better job creation and poverty reduction” (CPBRD, September 2017).

Moreover, it is worth noting that the Congressional Policy and Budget Research Department (CPBRD) of the House of Representatives points out that the 2018 budget is supposed to anchor itself on the following principles (CPBRD, August 2017), to wit:

(1) *Credible and disciplined fiscal policy by maintaining the budget deficit at a manageable 3 percent of GDP for the*

next five years which requires reforms that will stimulate fiscal expansion to sustain the country’s inclusive growth and development strategy.

(2) *Fiscal space focused on equitable progress and social order through increased outlays in infrastructure development and social services – education, health, employment, housing and social protection. Reach of these services is being expanded to more areas outside the National Capital Region to address the needs of both emerging growth centers and lagging communities, specifically those in disaster- and conflict-affected sites.*

(3) *A Budget reflecting the administration’s policies by presenting the budget in terms of the agency’s program objectives and grouping their respective programs and projects to improve transparency and accountability. This will promote better understanding of government policies, facilitate planning, and make the evaluation of the effectiveness and cost of the agencies’ programs and projects easier.*

(4) *Strengthening transparency, participation and accountability by cutting short the validity of appropriations to one year, enforcing discipline on the agency transfer of funds across different line items and across different expenditure classes, and upholding Congress’ power of the purse in the use of savings in appropriations.*

(5) *Enhancing partnerships with local governments to ensure sustainable development through sustained engagement with local government units (LGUs). The national government shall provide assistance on the setting up of good governance practices in the development of road network plans, the implementation of financial and management improvement plans, and the submission of timely project progress reports.*

THE PRIORITIES: THE TOP BUDGET ITEMS

Looking closely at the budget, one sees that the ten main allocations were for:

- Education (Department of Education), with Php 691.1 billion;
- Public Works/Infrastructure (Department of Public Works and Highways), Php 643.3 billion (37.5% increase from the 2017 figure);
- Local Governance and the Interior (Department of Interior and Local Government), Php 172.3 billion (15.4% increase);
- Health (Department of Health and Philippine Health Insurance Corporation), Php 164.3 billion (10.6% increase);
- Defense (Department of National Defense), Php 145 billion;
- Social Welfare (Department of Social Welfare and Development), Php 138 billion;
- Transportation (Department of Transportation), Php 73.8 billion (32.6% increase);
- Agriculture (Department of Agriculture) Php 54.2 billion (17.9% increase);
- Muslim Mindanao (Autonomous Region of Muslim Mindanao), Php 33.5 billion; and,
- Nature and Natural Resources (Department of Environment and Natural Resources), with a budget of Php 27.9 billion.

From the numbers above, these five sectors are the top “winners” for having the biggest budget increases in terms of percentage allocation:

- Public works;
- Transportation;
- Agriculture;
- Interior and Local Government; and
- Health.

Most should agree that these are great priorities. They touch on the most basic daily concerns of the Filipino public—food, safety, and transportation. Two questions arise: 1) Where will these huge funds

be generated from and how will the government raise the said funds?; and 2) Where will these funds really go to? Which sectors and communities will actually benefit?

Let’s take the education sector as an illustrative example, since a huge chunk of the national budget goes to this sector every year.

EDUCATION: THE PERENNIAL NEED

Aside from being a highly politically-charged issue for Filipinos of school-going age and their families, human resource development through formal, the Department of Education (DepED) and Commission on Higher Education (CHED), and non-formal education, Technical Education and Skills Development Authority (TESDA), is seen as a core concern for national development. Hence, the DepEd has the second highest per-department allocation in the 2018 National Budget. The DepEd was allocated over Php 550 billion (over USD 11 billion), accounting for almost 15% of the total budget. Its 2018 allocation is about 1.7% higher than that in 2017.

The budget is targeted mainly for:

- Building new and maintaining existing education facilities;
- Hiring people for teaching and non-teaching positions; and
- Providing learning resources to Filipino students across the country.

Moreover, there is the Php 62.12 billion (USD1.25 billion) allocated for State Universities and Colleges (SUCs). Reportedly, this means each SUC will receive an increase of at least Php 10 million for equipment procurement and the repair and construction of buildings.

Then, there is the Php 40 billion (USD 803 million) budget for the Universal Access to Quality Tertiary Education Act and the Php 327 million (USD6.57 million) allocation for the provision of free Wi-Fi for all SUCs.

CHED gets Php 50 billion (over USD 990 million), a hefty increase of 164% from its 2017 allocation. A bulk of CHED's budget is intended to finance scholarships, grants, and subsidies for higher education.

Finally, the budget of TESDA totals almost Php 6.8 billion (over USD150 million) for 2018.

Who would really want to propose any lowering of these expense items very close to the hearts of Filipinos?

THE TOP BUDGET ITEM: INFRASTRUCTURE

The government slogan “Build, build, build!” resonates for many, especially perhaps for those who have some grounding on economic growth theories. In a serious attempt to address the country's decrepit infrastructure, the administration decided to pour in funds for “hard infrastructure” and implement projects that are physically necessary to facilitate trade and improve the country's business climate. Infrastructure broadly includes electricity, gas, telecoms, transport and water supply, sanitation, and sewerage.

The primacy of infrastructure development is very evident in the national budget for 2018 given the lofty sum apportioned to the sector. In his budget message in July 2017, President Duterte himself said that there was over Php 1.097 trillion or over USD 22 billion to be allocated for infrastructure development in 2018. This is nearly one-third of the total 2018 budget.

The Department of Public Works and Highways (DPWH) will receive the largest departmental allocation for 2018. DPWH, given its infrastructure development programs, will get Php 637.86 billion (USD 12.8 billion)—even surpassing the Php 553.3 billion budget of the DepEd, which usually receives the highest allocation among all government agencies. This is equivalent to 16.9% of the country's total 2018 budget and is higher by 40.3% from the previous year's budget. This budget will primarily be available for the construction, rehabilitation, and improvement of transportation infrastructure and flood control systems.

In addition, the Department of Transportation (DOTr) has been provided with over Php 60 billion (about USD 1 billion). This is at least a 20% increase in its annual budget compared to its allocation in 2017. In line with its mandate, the DOTr budget should allow for the provision of a safe, affordable, and comfortable public transportation system, especially big-ticket railway projects.

On top of all these, there is also the Php 10 billion (USD 201 million) budget—predominantly allotted for infrastructure projects—to support the rebuilding and rehabilitation of Marawi, which has been shattered by a catastrophic siege that has resulted in severe human and physical damage.

WHY INFRASTRUCTURE?

Putting the infrastructure program at the top of the agenda for this year's economic growth efforts is no accident nor borne out of mere political whim.

Studies on the growth of national economies show how transport infrastructure improvements (including road networks, airports, railways, ports, and logistics) have led to increased trade flows. Infrastructure, particularly information and communications technology (ICT), also strengthens trade, as the density in the number of telephone lines, mobile phones, broadband access, internet users, and secure internet servers have a positive impact on trade for both exporters and importers (Agénor, 2006; Ismail and Mahyideen, 2015; Bourne and Zuluaga, November 2016).

Relatedly, it has also been shown in studies that in lower-income countries, domestic revenue collections have a positive effect on firm performance, which could be channeled into the financing of public infrastructures that are vital to firms. Indeed, it has been highlighted in studies that tax revenue resources had a positive effect on infrastructure development. These studies recommend that the government should provide the necessary human and material infrastructure that are needed to support seamless tax collection so increased revenues can really enhance development (Chauvet and Ferry, 2016). This last point ties in with one of the questions raised earlier: From where will these huge funds be generated and how will the government raise these funds?

THE COMPREHENSIVE TAX REFORM PROGRAM: THE TRAIN

The government has seen the necessity of pushing for a comprehensive tax reform program to finance its national programs. The first tranche of a package of laws for such reform has already been passed last December 2017. This early, many have--and are--already raising their concerns on the imposed levies pushing up the prices of petroleum and electricity. This will have the unavoidable and unpalatable general effect of price increases for all commodities.

The National Budget for 2018 is intimately tied to the Comprehensive Tax Reform Package (CTRP) being nurtured by the current government. The recently-signed Tax Reform for Acceleration and Inclusion (TRAIN) Law, the first package of the CTRP, seeks to lower personal income tax rates, limits Value Added Tax (VAT) exemptions, introduces tax administration measures, and raises excise taxes on several commodities, while generating the requisite funds for infrastructure spending, education, health, and other social safety nets. This is seen as crucial for sustaining long-term economic growth.

The government believes that it can balance the budget enough for sustained growth. Looking at the figures below (Table 2) from the CPBRD, one can see that the optimism is grounded on the economic growth inertia, which began and was sustained from previous administrations.

The recent pessimism on the country’s economic state mainly flows from the inflation that is beginning to bear on those who did not benefit from the initial tax reform measures--those in the lower socio-economic status. On top of this, even those in the middle layers of the economic totem pole are also beginning to feel the pinch as the combined increase in petroleum taxes, widened VAT coverage, and lessening of tax exemption items are starting to impact daily expenses via increased prices of virtually all consumer goods.

But then again, as suggested by the model of infrastructure-led economic growth discussed broadly above, the government argues that the positive impact of growth resulting from the “Build, build,

TABLE 2. FISCAL OPERATIONS OF THE NATIONAL GOVERNMENT
(IN BILLION PESOS, 2010-2018)

Particulars	Actual							Program	Projection
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Levels (in Billion PhP)									
Revenues	1,208	1,360	1,535	1,716	1,909	2,109	2,196	2,427	2,841
Disbursements	1,552	1,558	1,778	1,880	1,982	2,231	2,549	2,909	3,364
Fiscal Balance	-315	-198	-243	-164	-73	-122	-353	-482	-524
Percent of GDP									
Revenues	13.4	14	14.5	14.9	15.1	15.8	15.2	15.3	16.3
Disbursements	16.9	16	16.8	16.3	15.7	16.8	17.6	18.3	19.3
Fiscal Balance	-3.5	-2	-2.3	-1.4	-0.6	-0.9	-2.4	-3	-3

SOURCE: BESF, VARIOUS YEARS

build!” thrust should be enough to counter the unsettling situation of general price increases. This point is highly debatable.

Let us now consider some other ideas — not so favorable ones — on infrastructure-led economic growth and pursue another angle on further addressing the question: Where will these funds (budget allocations) really go to or which sectors and communities will actually benefit?

IDENTIFYING THE CAVEATS

Expenditure Program: Where is Regional Development? The budget is often analyzed in terms of the sectors where the bulk of the allocations will go to. The table below shows the disaggregation of the 2018 budget (Table 3).

Social services received an allocation of Php 1.4 trillion or 37.8% of the total—more than half of which will go to education, culture, and human resource development. Economic services will get the second highest share of the budget amounting to Php 1.2 trillion, 25% higher than the allocation in 2017. The administration’s growth approach via infrastructure development is clearly manifested in the budget with the allocation for communications, road, and other transport surging by 37.2% to over Php 650 billion from just over Php 475 billion in 2017 (CPBRD, August 2017).

It is argued that:

...the massive infrastructure program of the government is expected to improve access to remote regions, provide efficient intermodal logistics solutions, and ensure seamless intermodal passenger transport. It is also estimated that the program has the potential to generate 1.6 million jobs annually. Notable in the sectoral allocation of the expenditure program is the decreasing share of net lending and debt-service-interest payments which would effectively free up allocation for other programs and projects (CPBRD August 2017; underscoring mine.)

Is there a discernible pattern for the regional budget allocations? The tables below suggest some interesting propositions on this.

TABLE 3. EXPENDITURE PROGRAM BY SECTOR
(IN BILLION PESOS, 2016-2018)

Particulars	Levels			Share to Total (%)			Growth Rate (%)		
	2016	2017	2018	2016	2017	2018	15-16	16-17	17-18
Economic Services	820.3	922.9	1,153.4	30.6	27.5	30.6	15.9	12.5	25
Social Services	972.6	1,351.5	1,424.9	36.3	40.3	37.8	9.7	39	5.4
Defense	113.8	148.7	155.7	4.2	4.4	4.1	17	30.6	4.7
General Public Services	456.3	575.4	662.1	17	17.2	17.6	13	26.1	15.1
Net Lending	15.3	16.8	16.8	0.6	0.5	0.4	57.8	9.6	0.2
0.2Debt-Service Interest Payments	304.5	334.9	354	11.3	10	9.4	-1.6	10	5.7
TOTAL	2,682.8	3,350	3,767	100	100	100	11.1	24.9	12.4

SOURCE: 2018 BESF

The table below shows that most of the big-ticket sectors have bigger budgets for their central offices rather than all their regions combined. This lopsided allocation needs to be studied. A change in the allocation pattern in this respect may be in order. Assuming the real need for larger budgets for the central offices, this suggests a need to have more effective and efficient centers of power to address national concerns while remembering the needs of the many in the localities.

TABLE 4. REGIONAL VS. CENTRAL OFFICE BUDGET ALLOCATION: AGENCIES WITH BIGGEST BUDGETS

	Total Regional Allocation	Central Office Budget	TOTAL Budget
DPWH	211,951,660,000	425,943,562,000	637,895,222,000
DEPED	382,153,271,000	203,066,908,000	585,220,179,000
DOH	31,744,153,000	71,858,116,000	103,602,269,000
DENR	15,024,008,000	6,551,486,000	21,575,494,000
DICT		6,246,323,000	6,246,323,000
DOLE	2,983,474,000	3,875,330,000	6,858,804,000
DILG	4,158,554,000	2,578,562,000	6,737,116,000
DOTr	3,380,661,000	57,674,974,000	61,055,635,000
TESDA	2,581,101,000	4,214,194,000	6,795,295,000
TOTAL	653,976,882,000	782,009,455,000	

SOURCE: NATIONAL EXPENDITURE PROGRAM, 2018

TABLE 5. REGIONAL BUDGET ALLOCATION 2018
(IN THOUSAND PESOS)

	Region 1	Region 2	Region 3	Region 4A	Region 4B	Region 5	Region 6	Region 7	Region 8	Region 9
DPWH	14,169,188	8,603,337	19,279,041	20,163,953	9,094,816	15,853,729	13,142,521	13,844,919	13,553,056	7,696,030
DEPED	22,409,537	16,211,698	39,274,864	44,515,025	15,344,241	29,096,275	32,215,374	30,552,273	23,940,172	17,119,519
DOH	1,932,300	1,429,756	2,231,348	1,076,598	590,004	1,417,251	1,855,746	1,917,364	922,982	1,474,598
DENR	800,260	1,002,760	799,847	1,057,964	931,423	927,216	865,750	770,225	1,021,951	1,283,022
DICT										
DOLE	109,052	121,039	250,464	233,890	91,779	183,063	195,015	254,910	158,415	162,429
DILG	270,156	227,881	273,676	300,753	225,140	292,651	344,051	347,289	310,522	217,388
DOTr	109,415	84,583	182,239	179,143	19,285	82,520	97,901	104,773	78,690	77,411
TESDA	151,033	171,201	165,310	177,133	139,785	231,171	225,534	117,541	190,522	136,465
TOTAL	39,950,941	27,852,255	62,456,789	67,704,459	26,436,473	48,083,876	48,941,892	47,909,294	40,176,310	28,166,862

	Region 10	Region 11	Region 12	Region 13	CAR	NCR	Regional Allocation	Central Office Budget	TOTAL Budget
DPWH	10,541,510	11,096,182	7,777,689	7,876,613	14,169,188	25,089,888	211,951,660	425,943,562	637,895,222
DEPED	18,703,601	18,830,320	17,845,346	13,571,541	8,786,854	33,736,631	382,153,271	203,066,908	585,220,179
DOH	1,642,746	2,324,839	758,541	721,958	1,379,751	10,068,371	31,744,153	71,858,116	103,602,260
DENR	790,581	847,132	847,600	1,250,894	89,619	931,190	14,217,434	6,551,486	20,768,920
DICT								6,246,323	6,246,323
DOLE	182,909	200,438	191,996	116,290	93,180	438,605	2,983,474	3,875,330	6,858,804
DILG	257,031	220,303	225,730	265,596	227,488	152,899	4,158,554	2,578,562	6,737,116
DOTr	86,473	75,631	80,880	69,068	69,046	1,983,603	3,380,661	57,674,974	61,055,635
TESDA	173,001	219,767	110,403	124,308	117,217	130,710	2,581,101	4,214,194	6,795,295
TOTAL	32,377,852	33,814,612	27,838,185	23,996,268	24,932,343	72,531,897	653,170,308	782,009,455	

SOURCE: NEP, 2018

Above is a table showing the breakdown of budget allocations by regions for the top budget items (Table 5).

If one superimposes the patterns of capital resource allocation shown in the tables above on the pattern of poverty spread across the country using, for instance, the data in the Figure 1, would there

be an appropriate fit? In other words, are the less developed areas or regions getting the support they should be getting relative to the ones less in need? A case in point: if Mindanao and the Visayas need more infrastructure support, why is the bulk of infrastructure allocation in Luzon?

FIGURE 1. REGIONAL BUDGET ALLOCATION, 2018

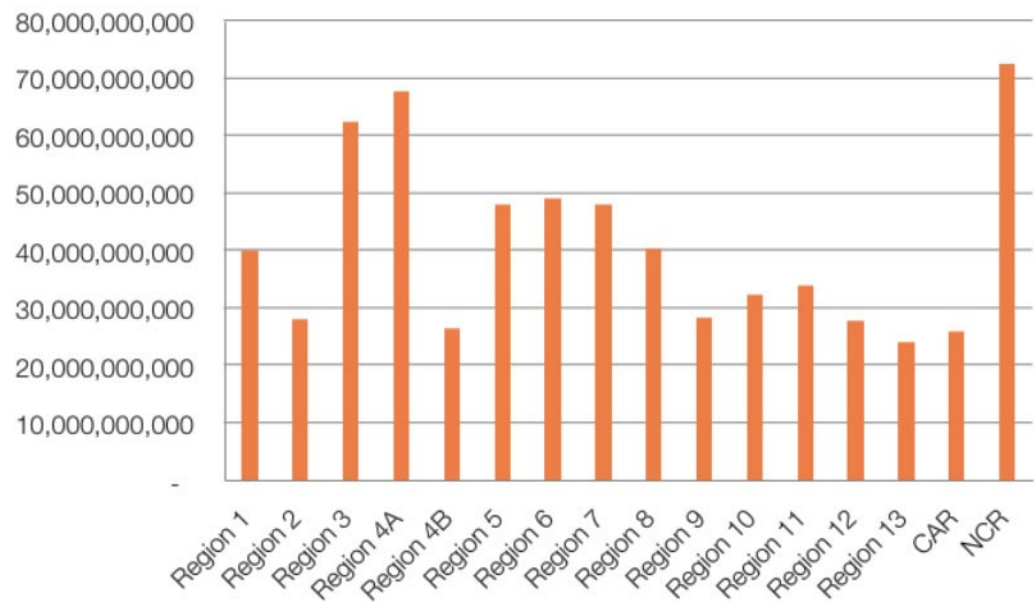


FIGURE 2. REGIONAL BUDGET FOR DEVELOPMENT?

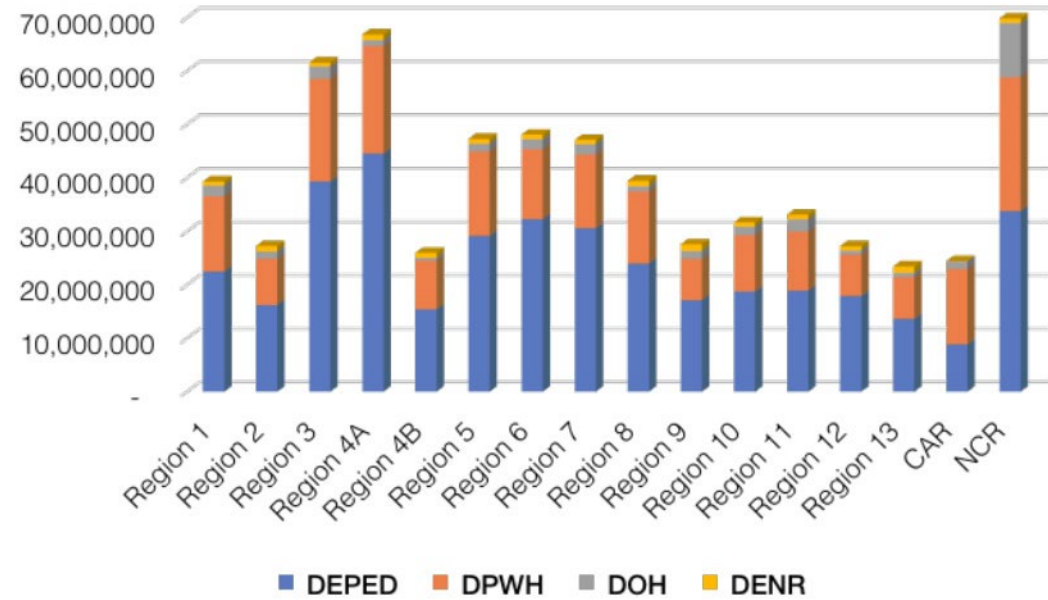


TABLE 6. POVERTY INCIDENCE IN THE PHILIPPINES, 2015

REGIONS	Families %	Population %
CAR	14.9	19.7
NCR	2.7	3.9
Region I	9.6	13.1
Region II	11.7	15.8
Region III	8.9	11.2
Region IV-A	6.7	9.1
Region IV-B	17.4	24.4
Region V	27.5	36.0
Region VI	16.6	22.4
Region VII	23.6	27.6
Region VIII	30.7	38.7
Region IX	26.0	33.9
Region X	30.3	36.6
Region XI	16.6	22.0
Region XII	30.5	37.3
Region XIII	30.8	39.1
ARMM		
Mindanao	48.2	53.7
Total	16.5	21.6

SOURCE: PSA

THE SKETCHY RECORD OF INFRASTRUCTURE-LED ECONOMIC GROWTH

Infrastructure matters to growth. Studies have shown this, as noted above. Several anecdotal and technical evidence affirm that “better quantity and quality of infrastructure can directly raise the productivity of human and physical capital and hence, growth (e.g. by providing access, roads can: (i)

improve education and markets for farmers’ outputs and others by cutting costs; (ii) facilitate private investment; and (iii) improve jobs and income levels for many)” [Estache, and Garsous. April 2012]. There are, however, counterfactual cases.

Macro-level analyses dominant in mainstream economics emphasize that increased public-sector investment in infrastructure (particularly in transport) will increase the efficiency and profitability of the business sector. This, purportedly, also stimulates business investment in private capital. However, evidence from case studies and large datasets show that the financial, social, and environmental performance of infrastructure investments is strikingly dubious. A paper, for instance, on the Chinese case, looked at the following propositions: (i) infrastructure creates economic value, and that (ii) China has a distinct advantage in its delivery. Based on these, the typical infrastructure investment is shown to be a failure in delivering a positive risk-adjusted return. To quote, the authors argue:

Investing in unproductive projects results initially in a boom, as long as construction is ongoing, followed by a bust, when forecasted benefits fail to materialize and projects therefore become a drag on the economy. Where investments are debt-financed, overinvesting in unproductive projects results in the build-up of debt, monetary expansion, instability in financial markets, and economic fragility, exactly as we see in China today. (Ansar, et.al., 2016)

Furthermore, the authors cite Huang (2006) who posited that:

This is [a] ‘China myth’ — that the country grew thanks largely to its heavy investment in infrastructure. This is a fundamentally flawed reading of its growth story. In the 1980s, China had poor infrastructure but turned in a superb economic performance. China built its infrastructure after — rather than before — many years of economic growth and accumulation of financial resources. The ‘China miracle’ happened not because it had glittering skyscrapers and modern highways but because bold economic liberalization and institutional reforms — especially agricultural reforms in the early 1980s — created competition and nurtured private entrepreneurship. (Ansar, et.al., 2016)

In the final analysis, facilitating trade and thus spurring economic growth not only requires efficient hard infrastructure, but also soft infrastructure elements such as a good business and regulatory environment, transparency, and customs management (Ismail and Mahyideen, 2015).

Moreover, Ismail and Mahyideen (2015) warn that in the push for infrastructure projects, “the quality of infrastructure is as important as the quantity; any inadequate or poorly performing infrastructure may create obstacles for economies to meet their full growth potential.” Thus, quality assures impact and sustainability.

There is also an observation that public infrastructure can be the main engine of growth but government must spend on health services to create positive “network effects” on economic growth. With adequate governance, a sufficient degree of efficiency of public investment outlays, “an increase in the share of spending on infrastructure may facilitate the shift from a low growth equilibrium, characterized by low productivity and low savings, to a high growth steady state” (Agénor, 2006).

CONCLUSION

While the government’s development goals sound very rational and sensible, and the budget priorities somehow in order, serious governance-related concerns remain.

First, even assuming for the sake of argument that the monies budgeted for the key programs will really be used by the concerned agencies, there is a need for vigilance in ensuring that the agencies prioritized are truly prudent in spending their budgets. Other expenditure priorities such as health services, among others, must deliver well to complement the push in infrastructure development. Otherwise, the soft infrastructure components cannot be created to sustain economic growth.

It would be helpful indeed if investing on infrastructure translates to improving the flow of the economy and, thereby, the mitigation of price increases and additional levies for everyone. Unfortunately, as it stands, key infrastructure agencies have yet to unlock the solution to addressing public spending bottlenecks.

Second, there is a continuing need for additional measures by the government in ensuring that taxpayers do not avoid and evade taxation, so enough revenues can be tapped for the economy. Authorities responsible for taxation should be strengthened and made more accountable in enforcing compliance by taxpayers.

Third, governance mechanisms can still be crafted or pursued like community-based budgeting activities that can better ensure that the regional or spatial dimensions of our development efforts are addressed. What use is a big budget on infrastructures that is only concentrated in Luzon when most of our less developed communities are in the other islands of the archipelago?

The bottomline is that, we are in need of a better governance. It is only in this end that the national budget may be more fully and concretely seen as a real tool for national development. Otherwise, for many Filipinos, especially the regular Juan and Juana, whose immediate concerns are about the daily sustenance of their families, this “Build, build, build!” slogan would only be an empty promise.

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