

A shift towards development or confusion?

[Economics](#)



**ASSIGN
BUSTER**

Shifting in to a new budget system that aims to create faster procurement and outputs to improve fiscal discipline and better planning among the agencies of the government has a good intention made by the budget department (Rey, 2018). The budget chief said that this is to avoid projects that are unfinished and budget that are underspent (Placido, 2018).

However, in a faster procurement system, contracts are awarded faster which ideally should lessen corruption because veto powers are lessened, and these proposals are evaluated impartially. Sceptically speaking, it is probable that even before the bidding starts for contracts, arrangements has already made between the agency, contractors, and all the authorities a part of the project. Since cash-based system of budget makes agencies to create projects within the fiscal year only, there will be a separate committee called the Multi-year Operation Authority (MYOA), made equivalent and secured to each agency, that will approve Multi-year contracts (MYCs). This is where a few problems come in, another committee that decides these contracts are certainly a room for corruption. Monopoly of power plus discretion of power minus the accountability is the working equation of corruption (Klitgaard, 2008). Using this theoretical equation, we could sync them by power, monopoly and discretion, is within the MYOA, and who will be accountable if anomalies happen? The agency? The MYOA? The contractor? It creates confusion and needs revisit.

Duterte's flagship project, the infamous " BUILD. BUILD. BUILD." program, has the highest allocation for the proposed budget. There is nothing wrong about this because a lot of contracts have already been made and the government are already on full swing with the project envisioning higher

investments in the country and after this, development will follow among the other sectors and aspects of the country such as health, education, social security, etc. However, one may notice, among all these infrastructure projects, how come there is no budget with public transportation on land? Does the budget expect LGUs and the MMDA to alleviate the dreadful traffic situation in Metro Manila and neighboring provinces? They might want to revisit that aspect albeit most of these public transports are privately-owned. Moreover, jobs are given priority for teachers and security positions. How about other jobs that are for TESDA graduates or Senior High School (SHS) graduates. Lastly, the budget's priorities are Infrastructure Development, Human Development, and Peace and Security, are these three priorities in line with the 3 macroeconomic goals (Low Inflation, Low Unemployment, and Stable Economic Growth)?

With all these expenditures, it is highly probable that the time projection of certain agencies, supposedly within a year, may exceed more than 12 months due to unforeseen circumstances. However, when these circumstances occur, they already have a special budget allotted for it so there is no worry that the project will be unfinished. If that is the case, then why will agencies have to follow the projected time if they are saved by those special budgets then will make sure their projects are finished. As far as economics is concerned, incentives work, the proposed cash-based system of national budget does not specify this, however, these agencies job is to deliver these projects to the people because that is the reason why they are there but as far as Philippine politics, common notion is that leaders and

authorities are more concerned with personal and political interest rather than their job description in what they ought to do.

To conclude, either one of the budget systems, there will always be loopholes. This proposed budget is relatively better than the old one, in terms of speedy and efficient delivery of projects. However, when not followed by its stakeholders then it would not work to what it is intended for. It is confusing when it comes to possible outcomes and consequences because in the Philippines, delivery of projects is a very long process, so it would be a very big change if this system is implemented because it will push agencies to move faster which is good however that question remains it is feasible despite a lot of hindrances that the country faces such as traffic, approvals, etc. If it is possible to have an experimental year for this budget system because if it promises to create speedy delivery of projects, then it must finish on the said dates however it is foreseen that these projects will be short-term due to the short period of completion. Project managers must really ensure its stakeholders that their projects must be sustainable and not a show of illusory governance that they are doing something for the sake of showing the people that their agency is delivering outputs efficiently and effectively. Projects in this kind of budget system must be really be thought of rapidly but adequate. Lastly, proposals like this should be known to the ordinary Juan, and must be consulted, after all, this is inclusive for everyone.