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Gloria's Stimulating Gimmickry

SACRAMENTO, CALIF., Feb.17 (PinoyGlobal) - Last February 13, 2009, the think tank IBON Foundation posted on its website an article titled "Gov't 'Stimulus Plan' A Mere Spin." IBON implied that the much ballyhooed stimulus plan of President Gloria Macapagal Arroyo is a "mere public relations gimmickry to create the impression that something is being done to address the crisis." According to IBON, "part of the reported P330-billion stimulus plan includes the P160-billion increase in the 2009 national budget, the P100-billion off-budget infrastructure fund, the P40-billion corporate/individual tax breaks, so-called alternative livelihood programs, etc."

Sonny Africa, research head of IBON, stated that "the 'stimulus' funds are already there even before the recent descent into crisis... There is very little to indicate that, with the so-called stimulus plan, government is pouring any substantially new efforts to deal with the economic downturn." He concluded that "all these imply that the administration is not really taking additional measures in the face of the crisis, and leaves the majority of poor Filipinos on their own."

To begin with, the original stimulus plan was the brainchild of Albay Governor Joey Salceda who serves as an "economic adviser" to President Arroyo. The goal of the stimulus plan was to continue the country's growth momentum and minimize the effect of the imminent recession in the United States. He submitted the P75-billion stimulus plan to Arroyo in January 2008. A few days later, Arroyo approved it.

But before the stimulus plan could take off, then Senate President Manny Villar said the stimulus plan should go through Congress for appropriation as mandated by the constitution. Fearing resistance from Congress, Arroyo scuttled the stimulus plan and replaced it with a P50-billion "performing budget" which was already in the 2008 national budget; thus, a congressional appropriation was no longer required.

In December 2008, the Arroyo administration made a surprise announcement: it planned to implement a P300-billion stimulus plan to "speed up spending on infrastructure and social services, and cut tax rates, in the first half of 2009 to ensure jobs are created and a major slowdown in growth prevented." The stimulus plan was called the Economic Resiliency Plan (ERP). Gloria's point man for ERP was Socio-economic Planning Secretary Ralph Recto.

Within a couple of weeks, Romulo Neri, President of the Social Security System (SSS), swiftly acted to channel P12.5 billion to the ERP as its share in the stimulus plan. Instantaneously, lawmakers in both chambers of Congress filed resolutions to investigate Neri's plan to remove a big chunk of money from the private sector employees' pension fund and "contribute" it to the ERP. Senator Ping Lacson suspected that the money would eventually find its way to the campaign funds of administration candidates in the 2010 elections. Assistant Minority Leader Congresswoman Liza Maza said that

Neri "has to account to the about 27 million SSS members on how he is going to use their hard-earned money." Indeed, Neri could be the "robbing hood" who steals from the people to feed the rich.

In another appearance of irregularity, Gloria signed A.O. 248 last December 4, 2008 which ordered the Overseas Workers Welfare Administration (OWWA) to contribute P250 million to the ERP. That amount was to be used to finance OWWA programs as part of the stimulus plan. However, Migrante International Chairman Garry Martinez said that the money had been a part of OWWA's annual budget since 1986. So why the double-budgeting? Martinez said, "We smell something fishy with this stimulus package. And as usual, they are targeting the funds of OWWA, which belongs to us OFWs."

In the labor sector, the Alliance of Progressive Labor (APL) had raised concerns that the stimulus plan did not have clear and specific programs. Daniel Edralin, the APL chairman said, "without clear programs, this 'stimulus package' will just end up 'stimulating' once more the oversized greed and pockets of Arroyo's henchmen and sycophants."

In January 2009, the stimulus plan was increased by 10% making it to P330 billion. Recto explained that the P30 billion increase would come from government agency savings, government-owned and government-controlled corporations. However, he did not say what the increase was for. Could it be one of those markups that we hear about that are earmarked for "tong-pats" or "commissions"?

Two weeks ago, Sen. Ma. Ana Consuelo Madrigal filed Senate Resolution 881 asking the Senate Committee on Ways and Means to "investigate the source, rationale, and detailed expenditure breakdown of the P330 billion 'economic resiliency plan'." Madrigal claimed that the stimulus plan is "not only unclear but seemingly padded

with non-existent expense."

I reviewed the outline of the ERP and its objectives were: 1) To ensure sustainable growth, attaining the higher end of the growth targets; 2) To save and create as many jobs as possible; 3) To protect the most vulnerable sectors: the poorest of the poor, returning OFWs, and workers in export industry; 4) To ensure low and stable prices to support consumer spending; and 5) To further enhance competitiveness in preparation for the global economic rebound. Hmmm...

The strategies to achieve its goals were: Improve Revenue Collection; Budget Intervention; and Off-Budget Interventions. First of all, how much would it cost to improve revenue collection? Doesn't the government have agencies assigned to do that already? Couldn't they improve revenue collection without increasing cost? But as we all know, the revenue collection agencies are some of the most corrupt agencies.

In regard to Budget Intervention, does this mean that the funds have already been included in the 2009 national budget? And in regard to Off-Budget Intervention, the government is going to raid the SSS pension funds, OWWA funds, government agencies, and government-owned and -controlled corporations. So, where is the "new money" to stimulate the economy?

The IBON Foundation is then right when it said that "the 'stimulus' funds are already there even before the recent descent into crisis..." There is no "new money" to be infused into the economy. In other words, there is really no new "spending plan" which is what a stimulus plan should be all about.

However, if there was a "spending plan" using "new money," then it would require Congress to appropriate these funds for the stimulus plan. The fact that it never went through Congress shows that Gloria's stimulus plan is nothing more than a stimulating gimmickry.#