# Curing the 2025 national budget

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Budget Secretary Amenah Pangandaman had declared that the national budget for 2025 would reflect the Marcos administration’s determination to fulfill “the needs and aspirations of the Filipino people,” who are confronted by a multitude of daunting challenges, not least of which is the unabated increase in the prices of basic goods and commodities that has weakened the power of the peso.

However, the political opposition, academe, civil society, and business community have joined the chorus of criticisms against the P6.326-trillion 2025 budget on grounds that it “may not succeed” in delivering on “lofty goals” that include elevating the quality of education and skills training and improving the delivery of public health services.

## Deep cuts

This is mainly due to deep cuts in the 2025 budget for social services, which cover education, culture and manpower development, health, social security, welfare, and employment; and economic services, which cover agrarian reform, public infrastructure, development of water services, and agriculture, as spelled out in the paper of Diwa Guinigundo and Wilhelmina Manalac for think tank GlobalSource Partners.

“A simple examination of the budget [for 2025] shows not one but several areas of disconnect with the avowed social goals and commitments. For one thing, compared to [2024] allocation, social and economic services would drop their shares of the national budget while general public services, defense, and the debt burden would clearly receive this year’s priority,” Guinigundo and Manalac said.

Grave concerns over the breakdown of the 2025 budget were immediately raised in December last year following the approval by the bicameral conference committee of the General Appropriations bill that revealed surprising changes to the allocations, where key sectors got less while other “discretionary” items that favored the legislative branch got more.

There is now an increasing possibility that the 2025 budget as signed by President Marcos last Dec. 30 would be challenged in the courts.

## Most glaring anomalies

Critics raised the alleged violation of the constitutional provision that the education sector should get the biggest share of the annual budget and the mandate to prioritize the needs of the underprivileged because of the zero allocation of regular government subsidy to the Philippine Health Insurance Corp. (PhilHealth), the government corporation mandated to administer the country’s National Health Insurance Program.

1Sambayan, a broad coalition from different sectors that aim to shape a democratic and just society, strongly condemned these two “most glaring anomalies” in the 2025 budget, a sentiment shared by other institutions such as the Makati Business Club that was “alarmed” by the adjustments made by the bicameral conference committee to the 2025 General Appropriations Act (GAA).

The MBC underscored that Filipinos were most concerned about controlling inflation, increasing the pay of workers, and fighting graft and corruption in government, thus “these should be the government’s priority.” It called for “more transparent and needs-aligned corrective actions” to address the public’s concerns and needs.

## Discretionary funds

The Philippine Business for Education (PBEd) echoed the view, stressing that discretionary funds must be realigned toward institutions that ensure people are educated, fed and healthy because this “not only immediately impact but the poor, but also lay the groundwork for a strong economy.”

PBEd expressed concern over “the growing discretionary funds” in the national budget because they are “less transparent, accountable, and prone to inefficiencies, duplication, and patronage.”

Mr. Marcos held off signing the budget bill supposedly to thoroughly review and ensure that priority sectors will get the proper funding. But hopes that this would lead to significant changes were dashed.

He vetoed only P194 billion worth of projects—P26 billion was cut from the Department of Public Works and Highways budget and P168 billion from the “unprogrammed allocations” budget item. He kept controversial items such as the P26-billion funding for the widely panned Ayuda para sa Kapos ang Kita Program or the Akap cash aid program of the Department of Social Welfare and Development and the zero-subsidy for PhilHealth.

## Supplemental budget

With criticisms growing in intensity even with the administration’s stout defense of the GAA, Mr. Marcos may well be advised to listen more closely to the sentiments of the people and consider curing the budget.

One option is to pass a supplemental budget addressing concerns over the education and health sectors not getting the required funding, as suggested by retired Supreme Court senior associate justice Antonio Carpio.

This way, Mr. Marcos will not just assuage fears of insidious patronage politics insinuating their way into the budget but also fulfill his promise that the 2025 budget would “uplift lives, strengthen communities, secure the future development of the Philippines.”