

Fighting Corruption is Never Harmful to the Economy

We are former senior economic officials who have devoted ourselves to understanding the Philippine economy and the various challenges it faces. We do not play politics. We do not ask anything for ourselves. Our objective is a truly sound and sustainable economy – one built on truth, honesty and hard work worthy of all decent Filipinos.

The Arroyo Administration tells us that the economy is on a momentum; that it has given us an unprecedented 28 quarters of uninterrupted growth; that the economy has grown its fastest in the last 31 years. And this is because, she says, the President focuses on the economy like "a laser beam". These insistent reminders are made to counter the widespread clamor for truth and accountability in government in the wake of the NBN-ZTE scandal and following many other unresolved corruption scandals of this administration. The public demand for government to fight corruption is dismissed as merely the efforts of oppositionists and destabilizers who cannot wait for the 2010 elections. Some elements in the business sector are even arguing that we should not rock the boat when we are moving ahead so well; that mounting demands for truth and accountability in government can only risk losing the economic gains we have already made.

From our knowledge about our economy, we judge these sentiments to be mere politics, and the worst type of politics at that. Corruption is never good for the economy. Corruption in the Office of the President is a curse on our economy. Fighting corruption, therefore, never harms the economy. Any economic gains based on corruption in government are mere illusions, are of limited benefit, and cannot last. Only transparency, accountability and fair play are enduring foundations for a strong economy.

No, our economy is not gaining momentum. First, there is growing concern among experts about glaring and unprecedented inconsistencies in official statistics on growth, income and poverty that raise doubts about the reliability of the economic growth data. Second, even recent official poverty statistics affirm that whatever economic growth was achieved in the past 5 years has benefited only a few. Third, this "growth" had even swelled the ranks of the poor by almost four million additional Filipinos. Poverty has risen not only in absolute numbers, but in relative terms as well, with the proportion of poor families rising from 24 percent to 27 percent between 2003 and 2006. Our economy cannot gain momentum when its actual growth is much lower than its reported numbers, when whatever growth occurred benefited only a few, when more Filipinos slide into poverty despite this growth.

Mrs. Arroyo's economy is just a "power point mirage", good for presentations in air-conditioned conference rooms but false and fake to ordinary Filipinos struggling to make a living. It is against this public relations fakery that our people now demand the truth and accountability about massive corruption from the Office of the President. Corruption has taken a heavy toll on the economy, and its worst victims are the poor who are deprived of vital social services that the stolen billions could have funded.

No country ever built a strong and vibrant economy on the corruption, lies and abuses of its leaders. Without people's trust in their government, our economy will struggle to survive and remain on shaky ground. For an economy to flourish and remain strong, policies, laws and contracts must be enforced and respected, transactions must be transparent, the playing field must be level, and fair competition must prevail. A government that governs based on truth and accountability proceeds from fundamental values that must be served first and foremost, before we can ever attain a vigorous economy that will truly uplift the lives of every Filipino long into the future.

[Signed by FSGO Economic Cluster Members]