

Afterthoughts on the Conditional Cash Transfer (CCT)

Judging by the blare of trumpets and hymns of ecstatic praise, it appears that the Conditional Cash Transfer Program is the centerpiece of P-Noy's national budget and poverty alleviation program. As such it has been attacked from all quarters—civil society, media, academics, and members of Congress.

Conditional Cash Transfer or CCT is considered so important that the original Ph5billion allocation of former Pres. GMA has been quadrupled to Ph21 billion and the budget of the DSWD doubled.

The CCT budgetary allocation is double that of the entire budget of the DENR. For all the talk about climate change, loving the environment and doing something about the “inconvenient truth,” the reality is that one program allocation is double that of a major department.

Miraculously, after expensive vitriolic debates in both houses on the vulnerabilities of CCT, it emerged intact, unscathed and untouched when the budget was finally signed. Many are wondering: How much did it cost the administration to protect CCT from the clutches of both houses of Congress? What happened during the last hours—or is it early morning hours – when Congress finally passed the CCT? What happened in the Senate? And most curious of all: What happened during the Bicameral Committee meetings to which the public is not privy?

The merits and demerits of CCT have been discussed. It must be admitted that both the Lower House and the Senate have exposed serious flaws in the program. Social Watch Philippines has a position paper on the CCT.

It is clear that giving away cash will not solve poverty, nor will it improve health services **or** the quality of education in this country. Jobs will.

Besides, one of the main requirements of an effective CCT plan is a clear *exit strategy*. It will not take long before people get used to receiving dole-outs. It will not be long, either, before they begin to expect it permanently. With mounting deficits and insufficient revenues, it is more than obvious that non-stop CCT is not sustainable. An exit strategy is clearly needed. But is there one?

We should also consider the World Bank announcement that in 2012, the CCT program will be expanded further.

It is time for the government to take very great care. The prophets of old, under a divine mandate, warned that “just as the rich rule the poor so the borrower is servant to the lender.” (Proverbs 22:7). An expanded CCT budget demands a more elaborate exit strategy and a larger resource base to finance it. Won't this require additional loans for government? Our leaders should take heed that in helping the poor, we do not get ourselves even more deeply indebted to foreign banks.

This editorial is adapted from the article “A Reform Budget for 2011?” by Dr. Leonor “Liling” Magtolis Briones of UP-NCPAG, a former National Treasurer and currently the convenor of Social Watch Philippines.

