

The pandemic creates an appetite for stimulus that's hard to satisfy

By **Kyle Aristophere T. Atienza**

Marites A. Sotelo, 53, owns a small food store near a public school in Alicia, Isabela — scene of some of the worst Cagayan Valley floods after Typhoon Ulysses (international name: Vamco) in November.

That means that on top of the pandemic, which deprived her of her clientele after the schools closed, Ms. Sotelo has had to deal with the economic damage done to her town by the typhoon, which caused the Cagayan River to overflow its banks — to the extent that she wishes for more government aid for small businesses.

Her plight, multiplied millions of times across the country, has helped create unprecedented demand for stimulus funds, with Congress enacting economic revival packages in the hundreds of billions of pesos. Meanwhile, economic managers have tried to persuade legislators to accept smaller amounts, citing limits to the resources available to the government.

The recovery is hanging in the balance, with the Philippines' fiscal response deemed by analysts to be among the smallest in the region, shedding light on the central conflict currently simmering within government — legislators eager to spend, and economic managers trying to impose restraint.

The rush to stimulate the economy kicked off shortly

after the initial declaration of a state of calamity on March 16 via Proclamation No. 929, which recognized the outbreak as a public health emergency. Such declarations under Philippine law are designed to expedite the release of government funds to support urgent spending priorities.

Congress responded by passing the P275-billion Republic Act (RA) No. 11469 or the Bayanihan to Heal as One Act (Bayanihan I), which granted President Rodrigo R. Duterte special powers to realign funds from within the P4.1-trillion national budget for 2020. The law provided for, among others, cash handouts of

