CONTENTS DETAILS

PREFACE

xxi-xxii

INTRODUCTION

xxiii-xxxviii

PART I STEPS TO ECONOMIC EQUALITY FOUNDED ON DEMOCRACY AND THE GREATEST GOOD FOR THE GREATEST NUMBER

1. DEMOCRACY: THE IDEOLOGICAL FOUNDATION OF ECONOMIC EQUALITY THROUGH DEMOCRATIC ECONOMICS—THE ANTIDOTE TO PRO-RICH INFLATION-FACTOR NEOLIBERALISM

1

Statement of the Problem: Gross Wealth and Income Inequality Exists on a Global Scale Without Signs of Abating, 1

The Root of the Problem: Worsening Economic Inequality Springs from Undue Dominance by Economic-Ideology Free Market Over Political-Ideology Democracy, 2

Great Thinkers with Conflicting Economic Thoughts had Either Enlightened or Confused... Government Economic Managers, 3

The Rise of Potent, Pro-Rich Inflation-Factor Neoliberalism, 7

The Goal-Oriented Definition of Economics States its Mission and the Means of Attaining it, 14

Differences Between Capitalism and Socialism, 14

Otto Von Bismarck Showed the Way Thru Innovative Capitalism with Social Insurance that Can Meet Society's Basic Needs, 17

The Nordic Countries are Not Models of Successful Socialism, 18

Why Democratic Capitalism—Not Socialism—is the Ideal Economic System, 19

The Anchor of Democratic Capitalism as a Solution to the Root of Inequality: Democratic Economics Founded on Democracy, 21

If Tyranny of the Majority Poor is Bad, Tyranny of the Minority Rich is Worse, 21

Democratic Economics Embodies the Majority-Rule Political-Ideology Democracy Enshrined in Our Constitution, 22

2. PROGRESSIVE TAXATION THAT TEMPERS THE INCREASE IN WEALTH OF THE RICH AND NARROWS THE GAP BETWEEN THE RICH AND THE POOR

Introduction: Their Decision to Adopt or Not to Adopt Progressive Taxation—the First and Foremost Step Toward Economic Equality—Will Expose What Kind of Government Officials We Have, 23

Gross Wealth and Income Inequality: The Rich 1% of the Nation Lords It Over the Economy and Lives in Comfort and Luxury, While the Majority Poor... Live in Deprivation and Misery, 24

Part 1: Progressive Taxation is a Practical System Affordable by the Rich, Bearable by the Middle Class, and Where Those Who Benefit More and Can Pay More are Constrained to Pay More, 26

Why the Government Should not Fear Taxing More the Rich, 29

Progressive Taxation is the Incredibly Easy Capitalist Alternative to Problematical Socialist Nationalization of Industries, 30

Summary of Justifications for Progressive Taxation, 31

Part II: The Case Against Regressive Taxation, 33

Historical Background: The Confluence of Tax Measures and Legislative Inaction that Produced Regressive Taxation, 34

An Economic... Wisdom, No Matter How Profound, Must be Result-Oriented and Judged Based on... What Is Gained from it; Reject it if it Benefits the Minority Rich but Harms the Majority Poor, 39

Simplify Sales Taxation to Address the Plight of Consumers Subjected to Discriminatory Double VAT Taxation, 40

Part III: Minimize Loss in Government Revenue from the Enacted CREATE Law Through Reducing Corporate Income Tax Rate of Small and Medium Enterprises Only, 42

Very Important: Let Us Go Back to What We Were Doing When Our Economy was Second Best in Asia: Two-Tier Corporate Income Taxation. 42

How to Properly Evaluate the Proposed Corporate-Income-Tax Rate Reduction from 30% to 20%, 44

Corporations with Already High Rate of Return Do Not Deserve Corporate Income Tax Reduction, 46

Imperative Reform: ...Two-tier Corporate Income Tax Rates that Will Give Full Benefit of Tax Reduction to Deserving Companies Only, 49

55

Reducing the Corporate Income Tax Rate of Big-Time Corporations is III-Advised—Because the First Priority and Best Use of the Intended Tax Reduction is to Solve One of Our Foremost Economic Problems—Inadequate Power Supply, 50

Cutting the Corporate Income Tax Rate is III-advised as it is Trickle-Down Economics Condemned as Wrong by IMF and OECD, 53

3. EQUITABLE PROFIT SHARING BY FACTORS OF PRODUCTION THAT UPLIFTS THE WORKING CLASS WITHOUT INEQUITY TO CAPITALISTS

Factors of Production: Partners and Protagonists in the Sharing of Profits from their Produce, 55

The Root of Class Struggles and Valid Grievances of the Working Class: Inequitable Profit Sharing by Factors of Production that Gives Huge Net Profits Solely to Minority-Rich Capitalists, 56

Just who was the "Authority" who Discriminated against Labor and Mandated that only Capitalists Will Earn the Huge Increase in Business Profits Even Beyond Reasonable Industry Earnings Rate, and Why? 58

Economic History Shows that Nobody with Enforceable Authority Over Nations' Economies Ordered Inequitable Sharing Between Capital and Labor—It Just Evolved from Government Tolerance of Capitalists' Use of Economic Power Over Cloutless Workers, 60

Where Communism Failed, Democracy May Partly Succeed: Today, It is Time to Institute Equitable Profit Sharing by Capitalists and Workers. 61

Justifications for Profit Sharing Between Capitalists and Workers, 61

Recommended Profit Sharing in Principle, 63

4. POVERTY ERADICATION PROGRAM WITH SOCIAL SPENDING FOR 65 THE POOR

If Economics is About the Satisfaction of Society's Needs and Wants—and the Poor are Part of Society—then Social Spending for the Poor Should Be Integral to the Economic System, 65

Poverty Eradication Program is the Seed Towards a Strong Middle Class that Makes Economies Resilient, 66

Social Spending as an Integral Role of Democratic Capitalism is not Evil Just Because it is a Similar Role of Socialism, 68

PART II IMPERATIVE REFORMS AGAINST PRO-RICH ECONOMIC POLICIES THAT WORSEN INEQUALITY

5. PRIVATIZATION: THE MISAPPLIED ECONOMIC WISDOM THAT PROMOTES HIGHER—NOT LOWER—PUBLIC SERVICE RATES AND PRODUCES ABSURD CHANGE FOR THE WORSE, NOT FOR THE BETTER

Exposing the Myth of the Globalization Tool Privatization: Contrary to its Objective, Privatization Promoted an Upsurge—Not Reduction—in Prices or Rates of Basic Necessities, But Economists Seem Blissfully Ignorant of it and Do Not Initiate Solutions to it, 69

Part I: Why 100% Privatization of Government Corporations Serving Captive Markets for Basic Necessities Imbued with Public Interest is Unsound Economics and Should Be Stopped, 73

Part II: The Alternative to 100% Privatization of Crucial Industries, with Solutions to Perceived Incompetence in Mission-Oriented Government Corporations: a Mixed Privatization Scheme that Moderates the Greed of Big Businesses, 87

6. REGULATION UNDER CAPTIVE-MARKET ECONOMICS FOR BASIC 91 NECESSITIES CLOTHED WITH PUBLIC INTEREST

Free Market, the Seed of Creativity and Innovation, is the Economic Ideology for Ordinary Goods and Services—But Not for Basic Necessities in Captive Market Imbued with Public Interest, 91

The Unintended Evil Consequence of Free Market: It is a Price Raiser or Inflation Factor in Captive Market for Basic Necessities—Which No-Choice Consumers Have to Buy Even at Overprice, 92

Overpricing is Lawful Under Free-Market Deregulation! 93

Economic Solutions Must Be Result-Oriented, 94

The Free-Market Lesson that Has Not Dawned on Undiscerning Proponents of EPIRA (RA 9136) and Rice Tariffication Law (RA 11203): Letting Market Forces Set Prices is Not Always Right Because the Forces that Make Up the Market May Include Greed and Other Evil Factors that Stifle Competition, 95

Resolving the Issue of Regulation vs. Deregulation: Free-Market Deregulation with Competition, Regulation Without, 99

The Case for Free-Market Deregulation: Free-Market Competition Promotes Supply of New, Innovative, and Best Quality Goods and Services at Most Advantageous Prices, 99

The Case for Regulation: It is Imperative in Captive Market for Basic Necessities Without Competition, 100

Clue to the Resolution of the Issue of Regulation vs. Deregulation: Economic Solutions Should Be Condition Oriented, 101

If Economic Solutions Should Be Condition Oriented, Contrasting Market Conditions Should Separate Free Market From Captive Market, 103

Simplified Conclusion on the Issue of Regulation vs. Deregulation:

- (1) Deregulation for Ordinary Products that Satisfy Human Wants;
- (2) Regulation for Basic Necessities that Satisfy Human Needs, 104
- A. Deregulation for Ordinary Products in Free Market, 104
- B. Deregulation for Ordinary Products in Captive Market, 104
- C. Regulation for Basic Necessities in Captive Market, 105

Captive-Market Ideology Should Govern Captive Market Affected with Public Interest, 107

Proper Regulation Will Do What Free Market Does Not: Set Prices at Reasonable Return—Not More—to Sellers, Equated to Reasonable Prices to Consumers, 108

7. RATE-OF-RETURN LIMIT AND MODEL PRICE REGULATION: COST PLUS REASONABLE RETURN

The Fundamental Solution to Our Unduly High Public Service Rates—Proper Enforcement of Public Service Providers' Rate-of-Return Ceiling, the Safety Net Against Overpricing, 109

Part I: How to Institute Proper Regulation of Captive Market Imbued With Public Interest, 110

Part II: How to Enforce the Cap on Rate of Return Under Proper Regulation of Monopolies and Oligopolies in Captive Market, 114

Model Price Regulation: Cost Plus ROE, With Limit on Rate of Return—Not on Prices Per Se—a Cost-Plus Pricing Method, 115

8. TELECOMMUNICATION INDUSTRY PRICE REGULATION: COST PLUS REASONABLE RETURN WITH ECONOMIES OF SCALE

How to Properly Regulate the Telecommunication Industry as Model for the Grant of Franchises in Basic-Necessity Industries, 119

109

119

9. RETURN ON EQUITY (ROE): THE SOLUTION TO HIGH SERVICE 121 RATES FROM MISAPPLIED RETURN ON RATE BASE (RORB)

Rate-of-Return Limit is an Indispensable Tool in Reining in Within Reasonable Range the Service Rates of Public Utilities and Other Public Service Providers, 121

Part I: Interpretation of RORB Ceiling Imposed on Regulated Water Companies Under Section 12 of RA 6234 is Utterly Wrong And Useless as Safety Net Against Overpricing, 123

The Correct RORB Calculation, 126

The Logical but Problematical Interpretation of RORB Prescribed Under MWSS Charter (RA 6234), 127

Actual Examples of Uselessness of 12% RORB Ceiling: Maynilad's Excessive Rates of Return not Reined in by RORB Ceiling, 131

For Maynilad to Breach the 12% RORB Ceiling, it Must Earn Net Income With Unconscionable Return on Equity (ROE), 132

Part II: Why ROE—Not RORB—is the Correct Profit-Rate Limit for Meralco and Other Public Service Monopolies, 133

139

10. CONSUMER PROTECTION OFFICE: THE SAFETY NET AGAINST MARKET MISBEHAVIOR

Checks and Balances are Wanting in Power-Rate Setting, 139

The Government Provides Not Only Government Lawyers for Prosecution of Accused In Criminal Cases but also for Defense of the Same Accused if He is Poor and Cannot Hire His Own Lawyer—to Prevent Miscarriage of Justice, 139

The Government Should Provide Government Lawyers Not Only as ERC Commissioners for Authorization of Power Rates but also as Separate Counsel for Protection of Power Consumers—Including the Government Itself as a Large Power Consumer, 140

Imperative Reform: Activation of DOE Consumer Protection Office—or a New Office Separate from DOE—As Badly Needed Check and Balance to ERC, 141

Recommended Long-Term Reform: Creation of Government Consumer Protection Office Against Unwarranted Price Increases of Basic Necessities Clothed with Public Interest, 142

PART III

ADDRESSING OUR STRUGGLES UNDER MISAPPLIED GLOBALIZATION TOOLS, ESPECIALLY PRIVATIZATION THAT PROMOTES INEQUALITY THROUGH HIGHER—NOT LOWER—PRICES OF GOODS AND SERVICES

11. OVERHAUL EPIRA! THE CURE WORSE THAN THE DISEASE IN THE POWER INDUSTRY UNDER DEFECTIVE PRIVATIZATION

143

Objective of EPIRA (RA 9136): Adequate Power Supply at Lower Rates from Privatization with Free-Market Competition—But Competition is Not Possible Under the Peculiarities of the Power Industry Which EPIRA Failed to Address, 143

Part I: Result of EPIRA Implementation: After 20 years of Patient Waiting by its Apparently Clueless Proponents, it Still Cannot Attain its Targeted Adequate Power Supply at Lower Rates—Because it Indirectly Prohibits the Means of Attaining Its Objective, 145

Part II: Why Overhaul EPIRA: To Repeal Its Prohibition Against the Solution to the Problem that It Created—Insufficient Power Supply at Unduly High Rates, 150

Part III: Cause of EPIRA's Failure to Produce Adequate Power Supply: Exclusion of Government from Competition in the Power Industry, 155

Summary of Recommended Government Role Toward Adequate Power Supply, 158

Part IV: Causes of EPIRA's Failure to Lower Our Abnormally High Power Rates, 159

Monumental Defects of EPIRA that Caused Its Failure to Reduce Our Abnormally High Power Rates, 163

Lacking Requisites of Competition—or Conditions that Make Competition Impossible—In EPIRA-Deregulated Power Generation Oligopoly, 167

What EPIRA has Failed to Foresee and Prevent: Ingenuity of Capitalists in Raising Power Rates Through Taking Advantage of the Faulty and Deficient Regulation by the Energy Regulatory Commission, 173

Summary of Reforms Toward Low Power Rates that Can Be Promptly Done Without New Legislation, 180

12.	HIGH RATE OF MT. APO GEOTHERMAL POWER IN MINDANAO FROM UNLAWFUL AND DEFECTIVE PRIVATIZATION				
	Overview of the Unlawful Privatization of Mt. Apo Geothermal Power Distribution, 183				
	Compelling Grounds for Reversal of Privatization of Mt. Apo Geothermal Power Distribution in Mindanao in 2014, 184				
	Imperative Reversal of Unwarranted Power Rate Increase from Fallacious Privatization of Mt. Apo Geothermal Power Distribution in Mindanao, from P3.00 to P5.1827 per kWh, 188				
13.	FREE-MARKET-COMPETITION HOAX IN THE WHOLESALE ELECTRICITY SPOT MARKET FROM DEFECTIVE PRIVATIZATION	191			
	The Disgrace to Lawyers and Economists if Allowed to Continue: Free-Market-Competition Hoax in the Wholesale Electricity Spot Market (WESM), 191				
	Just What is Wrong with the Wholesale Electricity Spot Market, 192				
	Proof of Lack of True Competition in WESM, 194				
	Competition will Cease to Function in WESM Once There is a Shortage in Power Supply During Shutdown of Some Power Plants—And if There is No Competition then There is No Free Market, Therefore, Regulation Should Apply During that Time, 196				
14.	PERFORMANCE-BASED REGULATION (PBR): THE MODUS OPERANDI IN OVERPRICING POWER RATES UNDER DEFECTIVE PRIVATIZATION	197			
	Exposing the Modus Operandi in Unlawfully Raising Power Rates, Called Performance-Based Regulation (PBR): Inclusion of Dreams of Unspent Future Capital Expenditures in Present Rates, 197				

Part I: The Monumental Error in Raising Rates for the Payment of Power Distributor's Dreams of Future Capital Expenditures, 198

Part II: The Technical Error in Raising Rates for the Premature Recovery from Power Consumers of Unspent Future Increase in Replacement Cost of Meralco's Fixed Assets, 207

The Supreme Court Has Voided ERC's Adoption of Replacement Cost in the Valuation of Meralco's Regulatory Asset Base, 212

Introduction: The Broken Promises of Water Industry Privatization, 213

Regulatory Framework Towards Attainment of Privatization Objective, 213

Part I: Major Defects in MWSS Privatization and Consequences, 214

Part II: Exposing the Modus Operandi Also Employed in the Power Industry in Unlawfully Raising Water Rates: Inclusion of Dreams of Future Capital Expenditures in Present Service Rates, 222

Maynilad's Past Phenomenal Rate Increases were Not Justified by Valid Cost Increases but by an Unorthodox Pricing Method that will Produce Double Billing to Consumers, 223

The Unorthodox Rate-Setting Method that "Justified" the Unjustifiable Increases in Water Rates Every Five Years: Inclusion of Dreams of Unspent Future Capital Expenditures in Present Maynilad Rates, 225

The Monumental Error in Raising Rates for the Payment of Water Concessionaire's Dreams of Future Capital Expenditures, 226

Part III: If Investors Play Fair, They have Nothing to Fear, 233

Water Concessionaires Pushed their Luck—or Greed?—Too Far and Deserve Their Comeuppance, 233

Water Firms Have Been Abusing the Market, but Free-Market Economists Who Espouse Privatization Do Not Lift a Finger to Protect Consumers from Resulting Unduly High Water Rates and Annual Water-Supply Crisis, 234

Exhibit A: Additional Indicator of MWSS Coddling of Water Concessionaires: Inaction on Our 9-17-18 Recommendations that, Otherwise, Could Have Protected Consumers and Stopped the Concessionaires' Market Abuses, 247

Exhibit B: Issues Raised Before the Supreme Court on the Petition vs. MWSS, MWSS Officials, Manila Water, Maynilad, et al, 252

AV.	Contents	
16.	HIGH OIL PRICES FROM DEREGULATION AND DEFECTIVE PRIVATIZATION	253
	Debunking the Myth of Oil Deregulation that Junked Past Profit- Per-Liter Limit: It Produced Higher—Not Lower—Prices, 253	
	Part I: What Deregulation Did in the Oil Industry: It Raised—Not Reduced—Oil Prices, 254	
	The Most Basic Issue Against Deregulation is a Question of Fact: Did It Really Produce Lower Prices? If Not—If, On the Contrary, It Spawned Higher Prices—It Should Be Dismantled, 254	
	The Hidden Result of Oil Deregulation: Higher Prices, 260	
	What the Independent Review Committee Missed: Regulation with Cost-Plus Pricing System, Thereby Resulting in Wrong Affirmation	

Part II: Features of Past Oil Industry Regulation, 268

of Oil Deregulation Over Regulation, 262

Part III: How to Reduce Oil Prices: Restore at Least The Basic Pro-Consumer Features of Past Oil Industry Regulation, 272

There is No Alternative to Government Intervention in the Moderation of Business Greed—the Problem is Lack of Government Officials Who Know... How to Regulate Crucial Markets, 272

Part IV: Reforms for Minimizing Multi-Billion-Peso Oil Smuggling Losses, Reducing Importation Freight Rate, and Monitoring Oil Industry Product Costs Toward Reasonable Oil Prices, 275

281

17. MAN-MADE CALAMITY TO FARMERS FROM DEFECTIVE RICE IMPORT LIBERALIZATION

As Brainchild of Free-Market Advocates Whose Kind Has a Track Record of Failures in the Philippine Economy, the Anti-Farmer Rice Tariffication Law is off to a Fiery start by Creating a Mess in the Rice Farming Industry, 281

Part I: The Rice Tariffication Law Wrought Havoc in the Vital Rice Farming Industry, 284

Prices Dropped, Indeed, But the Wrong Prices—Because of Built-in Defects in the New Law! 289

Part II: The Monumental Defects and Fallacious Assumptions of the Rice Tariffication Law, 290

Part III: Addressing the Problems of the Rice Industry Under the Rice Tariffication Law, 299

	The Mitigating Solution to the Hidden Cause of Rock-Bottom Palay Prices—Which NFA can Implement without Amendment of Rice Tariffication Law: Reforms in NFA Palay Procurement Rules, 301	
	Emergency Measures that will Allow NFA to Serve as Farmers' Alternative Market as well as Sell Cheap Rice to Poor Consumers, 302	
	Long-term Solutions to Monumental Defects of the Rice Tariffication Law, 305	
	Why Filipino Farmers are Not Globally Competitive, 312	
	Why Focus on Both Industrialization and Agriculture, 315	
18.	HIGH PUBLIC SERVICE RATES FROM RISK MISMANAGEMENT UNDER DEFECTIVE PRIVATIZATION	317
	The Gross Risk Mismanagement in Privatized Power and Water Industries—Lack of the Following Safety Nets: (1) Insurance Against Natural Calamities and (2) Hedging Against Exchange Losses, at Great Risk and Cost to the Paying Public, 317	
	Risk Mismanagement in Captive Power and Water Markets Clothed with Public Interest, 318	
	Lack of Exchange Rate Hedging on Foreign Loans of Public Service Monopolies Among the Dollar-Debt-Ridden Philippine Corporations: It Led to Eventual Drastic Rate Escalations from Gross Negligence to Hedge and Prevent Exchange Losses During the Asian Crisis, 323	
	Imperative Reforms Toward Low Power and Water Rates, 329	
19.	HIGH TOLLWAY RATES FROM DEFECTIVE PRIVATIZATION	331
	August 3, 2016 Email on Illegal Public Bidding on CALAX and Other PPP Projects, 331	
20.	HIGH INTEREST RATES AND BAD LOANS FROM ECONOMIC CRISIS UNDER DEFECTIVE CURRENCY LIBERALIZATION	333
	High Interest Rates: The Evil Impact of Currency Liberalization Without Safety Net that Produced the Export-Import of Economic Problems Among Nations, 333	
	Part I: Economic Wisdom of High Interest Rates in Asian Crisis, 334	
	High Interest Rate Fallacies: IMF's 60% High-Interest-Rate Cure Has Fatal Defects and Does Not Attain Objective, 336	

Part II: Addressing the Provocation to High Interest Rates During the Asian Meltdown: Capital Flight and Currency Speculation, 342

The Solution to Capital Flight: Nothing, Because it is Non-Controllable; Just Wait and Work for the Crisis to Blow Over, 342

The Solution to Dollar Speculation, Which High Interest Rate Was Tasked to Fallaciously Cure Through Tightening of Money Supply Usable in Dollar Hoarding: Currency Speculation Control, 346

Part III: Available Less Disastrous High-Interest-Rate Alternatives, 349

Follow-up Letter to Bangko Sentral in 2001 on Its Failure to Implement Currency Speculation Control, 350

Summary of Viable High-Interest-Rate Alternatives, 354

PART IV THE INDISPENSABLE ELEMENTS OF SUCCESSFUL IMPLEMENTATION OF SOLUTIONS TO ECONOMIC INEQUALITY

21. WAGING AN ANTI-CORRUPTION WAR FOR PRESERVATION AND JUDICIOUS USE OF PUBLIC FUNDS IN ADDRESSING INEQUALITY

363

Introduction: The Real Problem in Corruption: There are Doable Solutions but the Highest Government Officials Do Not Implement Them, 363

In a Nutshell, the Main Problem and Solution: The Government Cannot Lick Corruption Because Half of the Anti-Corruption War is Not Waged at all; The Solution then is to Wage an All-out Anti-Corruption War, 365

Magnitude of the Corruption Problem: The Shocking Corruption Losses Over the Years, 367

Part I: Dissecting the Root of Corruption—the Key to Solving Corruption in Government, 369

Part II: Addressing the Problem and Root of Corruption, 371

The Root of Corruption—Combined Failure of Men and System— Should be Addressed Through Structural Changes as well as Corruption-Prevention Measures and Audit Procedures, 371 A. Addressing the Root of Corruption as Failure of Men: The President and the COA Chairman, 372

B. Addressing the Root of Corruption as Failure of System: Lack of Adequate Internal Control, 372

The Evil Legacy of Martial Law Constitutes the Single Biggest Cause of Major Weakness in Internal Control and Consequent Rampant Corruption in Government: Abolition of Selective COA Pre-Audit to Avoid COA Confrontation with Martial Law Administrators, 373

Why Continued Total Abolition of COA Pre-audit Even after End of Martial Law is Monumentally Wrong: Comparison of 100% COA Post Audit and Selective COA Pre-Audit Shows It, 375

How Selective COA Pre-Audit Prevents Corruption in High-Value Government Disbursements, 379

COA Has Failed to Prevent Preventable Corruption Despite Available Off-the-Shelf Fraud-Prevention Audit Procedures, 380

Objectives of COA Management Audit, 382

Part III: Designating Who Should Do What in the All-Out Anti-corruption War: The Missions and Weapons of Key Fighters in the Waging of Anti-Corruption War, 384

- A. The Role of the Executive Branch, 384
 - 1. The Role of the President, 385
 - The Crucial Role of the Anti-Corruption Czar, 386
 Some Priority Anti-Corruption Measures, 389
 How to Prevent Substandard Infrastructure Projects, 393
 - 3. The Role of the Department of Finance (DOF), 394
- B. The Role of the Commission on Audit (COA), 397
- C. The Role of the Office of the Ombudsman, 400
- D. The Role of the People, 400

22. MARTIAL LAW CORRUPTION DOOMED OUR ECONOMY FROM SECOND BEST TO BASKET CASE IN ASIA

401

Crony Capitalism Discouraged Investments in Growth-Promoting Increase in Production Capacities, 401

One Power Plant for the Price of Three! 402

Martial Law Regime Ended in Bankruptcy, 404

Proofs of Martial Law Corruption, 406

The Evil Legacy of Martial Law, 407

23.	WHY IS PCGG LOSING IN WINNABLE MARTIAL LAW WEALTH RECOVERY CASES?	409
	Introduction: PCGG is Doing the Hard and Impractical Mode of Prosecution—Proving that the wealth is III-gotten—Instead of the Easy and Practical: Proving that the Wealth is Untaxed Under the Available Al Capone or Tax Evasion Prosecution Method, 409	
	Why PCGG is Unable to Recover the Martial Law Unexplained Wealth: It Has Refused to Follow the Tax-Evasion Method Successfully Pursued in the United States in Convicting Al Capone in the 1930s, 411	
	PCGG Must Get Out of the Box and Recover the III-Gotten Wealth Through the Al Capone Method, 414	
24.	POLITICAL WILL AND BEST MANAGEMENT PRACTICES IN THE IMPLEMENTATION OF SOLUTIONS TO ECONOMIC INEQUALITY	417
	Part I: Best Management Practices as Standards of Performance: How Not to Run the Government on a Hit-and-Miss Basis, 417	
	Total Coverage of Functions With Contingency Planning, 417	
	Observance of Hierarchy of Needs in the Budgeting, Funding, and Implementation of Government Projects, 418	
	Proactive Urban Planning for Minimizing Traffic Woes, 429	
	The Art of Effective and Efficient Problem Solving, 432	
	Rationalization of Education to Prepare Students for Life, 434	
	Tapping the Services of Systems and Procedures Specialists in Finding Effective and Efficient Solutions to Problems, 437	
	Part II: Political Will: The Litmus Test of Statesmanship and Sincerity to Serve the People, 444	
	Debunking the Myth of Communism and Adopting the Ideal Economic System to Start the Country's March Toward Economic Equality and Avoid the Red-tagging of Pro-poor Activities, 447	
	With Available Solutions to Economic Inequality, Initiation of Action is Now with the Head of State Where the Buck Stops, 450	
INDE	≅X	451
АВО	UT THE AUTHOR	456