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Before Blocks, Build the Bedrock: Why Blockchain Shouldn't Lead Philippine Budget Reform—Yet

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"Blockchain!" The new magic word. Whisper it in a meeting about public funds, and it sounds like a promise of instant trust and perfect transparency. The idea is seductive: a digital ledger where every single peso is tracked from the national budget all the way to a local project, all in plain sight, unable to be secretly changed.

But here's a hard truth: you can't build a skyscraper on a swamp. Trust in government isn't something you code; it's something you earn. It's built on the boring, sturdy pillars of smart policies, clean data, capable institutions, and real consequences for wrongdoing.

Right now, asking the Philippines to run its budget on blockchain is like trying to install a state-of-the-art, impenetrable vault in a house with no foundation and crumbling walls. It's performance, not progress.

Garbage In, Permanent Garbage Out

Let's be honest about where the real problems are. Money doesn't vanish because of a hackable database; it leaks through old-fashioned cracks in the system. We're talking about confusing rules, procurement contracts that anyone can bend, no reliable way to check who's actually receiving benefits, and weak enforcement when someone gets caught.

These are human problems, not tech problems. A blockchain is just a permanent record keeper. If the process for awarding a contract is flawed, the blockchain will simply preserve that flawed record

forever. It can tell you a transaction happened, but it can't tell you if that transaction was fair, legal, or a complete waste of money. It's a high-tech way of making our mistakes permanent and harder to fix.

Before we dream of complex algorithms, we have to agree on the basics. Imagine trying to build a house where one team uses meters, another uses feet, and a third uses hand-spans. That's our data. Different agencies have different codes for the same things. Without a common language that is a shared dictionary for projects, suppliers, and account, a blockchain won't create transparency. It will create beautifully engineered, permanent confusion.

A System for the Few, Not the Many

Think about the thousands of local government offices across the country. Many are working with old computers, spotty internet, and maybe one over-extended IT person. A blockchain system requires not just constant connectivity, but also a deep understanding of digital security.

If we roll this out too soon, we'll be asking a barangay office struggling to send an email to manage the digital equivalent of a Swiss bank account. Instead of closing gaps, we would be widening the digital divide, leaving the communities with the fewest resources even further behind.

And what about security? We're told blockchain is "unhackable," but that's a dangerous oversimplification. The danger just moves. Instead of someone altering a database, the threat becomes someone stealing a digital key, exploiting a bug in the code, or attacking the network itself. A stolen key could authorize millions in fraudulent payments with perfect, cryptographic certainty. A single coding error

could automate a disaster faster than any human could stop it. We are not ready for this new battlefield.

Let's Build the House First

So, what's the answer? It's the unglamorous, roll-up-your-sleeves work that actually builds trust.

First, let's finish the job of moving from paper to digital. Let's create one standard playbook for data so all agencies are speaking the same language. Let's build systems that can actually talk to each other and create clear, conventional audit trails that a human can actually read. Let's strengthen our existing digital payment and procurement systems and demand simple security measures like two-factor authentication for anyone handling public money.

Most importantly, let's train the people. A system is only as good as the budget officers, treasurers, and auditors who run it every day.

Do these things, and we'll get the transparency we crave, with or without a blockchain.

We will achieve a sturdy foundation when our data is clean, our laws are clear, and our people are prepared. Only then can we have a smart, targeted discussion about piloting blockchain for a specific, narrow purpose. We can test it, measure it, and see if it's truly better than simpler tools. If it's not, we can set it aside without embarrassment.

The principle is simple: trust is built by institutions, not by technology. Let's be master builders, focused on a strong foundation. Let's build the house first. Then, and only then, can we have a serious conversation about whether we even need the fancy new vault.