Federalism, Decentralization and Local Autonomy in the Philippines: Issues, Concerns and Directions

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on Secondment as
Commissioner, Commission on Higher Education

Notes presented at the
PAGBA 2nd Quarterly Seminar held at the Pryce Hotel, Cagayan de Oro, 7 July 2017.

These take off from notes earlier presented at the International Conference Federalism and Decentralization: Perceptions for Political and Institutional Reforms in the Philippines, 4 – 5 September 2015 Hotel H2O, Manila, Philippines and the PDP Laban Conference on Federalism and Constitutional Reform 27-28 June 2016 Ambassador Hall, Manila Grand Opera Hotel, Manila

I am grateful Usec Mario Relampagos for the invitation to be part of this very relevant conference. My gratitude too to Tatay Aquilino “Nene” Pimentel and Dr Jose V. Abueva for their inspiration and support over the years.
Many Characteristics of Politics and Administration in the Philippines

- Vibrant
- Dynamic
- Democratic
- Paradoxical
- Centralized
- Decentralized
- Participative
  - representative
- Tumultuous
- Ningas Kugon
- Personalistic
- SIR
- Dynastic local elite dominated
- formalisms

- Patronage -client
- Transactional
- Vote-buying
- Pragmatic
- Party-switching
- Cynical
- Vindictive
- Intense
- Critical
- Angry
- NATO
- Violent
- Fiesta like
- Fun
Framework for Governance and Reform
(Brillantes, Fernandez & Perante-Calina, 2013)

VISION

Communication

Areas for Reform

Institutions
Processes
Procedures
Leadership
Political Will

(duty bearers)

Values
Mindsets
Paradigms
Citizens’ Engagement

(claim holders)

Enabling Mechanisms

Communication

CoCoComm (cliché)

VISION

CoCoComm

CoCoComm

VISION

VISION

VISION
Part One
Main Messages

• From the Philippine perspective, the debate on decentralization, devolution and local autonomy has been alive and well.

• Discourse on autonomy has been subject of many policies including the Malolos Constitution, barrio charter act of the 50s. Our participants include two regions identified in the constitution as autonomous regions: Cordillera and Muslim Mindanao who are with us today.

• Philippine context: debate on Federalism has been tied up with decentralization and autonomy: we said it is the logical next step to devolution. About transfer of power to lower levels. But should be located within the context of power sharing.
Main Messages

• In designing the federal structure of the Philippines, delineation of powers, authorities, functions, responsibilities have to be very clear. This include exclusive and shared / concurrent functions, responsibilities and powers of various levels of government (federal / state / local). This also includes revenue raising / fiscal and budgetary matters. The Philippines has an edge considering that we can learn from, and take off from the lessons learned from devolution over the past years.

• The idea of a federal structure for the Philippines has been articulated by Jose Rizal in the late 1800s as part of the continuing search and design for the appropriate politico-administrative system for the Philippines. This has been re-articulated by former Philippine president Jose P. Laurel, and later by his son, Salvador Laurel, who was President of the Nacionalista Party of the Philippines.

• Federalism was incorporated into the platforms of government of certain political parties. Foremost was the Partido Democratiko ng Pilipinas – Laban (PDP-Laban) headed and founded by Senator Aquino “Nene” Pimentel.
Main Messages

• **International organizations** played a key role in advocating the idea of federalism in the Philippines. This included the German foundations especially the Konrad Adenauer Foundation, the Canadian based Forum for Federations, and the Institute for Federalism based in Freiburg, Switzerland.

• Local academic institutions led by the Center for Regional and Local Government of the National College of Public Administration, the Mindanao State University, and the Pimentel Institute of Local Governance (formerly in UMAK but soon to be in PUP) continued to deepen the discourse on federalism

• **International conferences on federalism** have been conducted in the Philippines.
Part II
Decentralization and Local Autonomy

We begin with a quick Discussion of Decentralization and Local Autonomy that serves as the Platform for Federalism
Decentralization and Federalism as a Development and Reform Strategy

• Builds the capacities of sub-national institutions to enable them to respond to local needs

• Innovations and flexibility at the local level

• A powerful tool for national development, good governance and poverty reduction, given the appropriate capacities and policy mix
Decentralization and Local Governance

But decentralization in the Philippines started earlier on even before the enactment of the Local Government Code. As early as “1500’s (Pre-Hispanic) decentralization efforts were seen already as the chieftain of native settlements exercised executive, judicial and legislative powers assisted by Council of Elders.

The so-called Monarchial chieftain (datu, panginoo or pangolo) heads the autonomous territorial and political units during the era (Brillantes, 2014). However, it was in 1992 when decentralization in the Philippines was given much emphasis and importance that led to notable contributions of local governments in national development.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1898</td>
<td>1st Philippine Republic under Malolos Constitution</td>
<td>Malolos Constitution introduced “decentralization” and “administrative autonomy” by instituting localized law-making bodies through the municipal and provincial assemblies. Local officials were elected on a popular basis.</td>
</tr>
<tr>
<td>1902-1935</td>
<td>American Occupation</td>
<td>Promulgation of a number of policies promoting local autonomy; largely because of security considerations, local affairs had to be under the control of the Americans.</td>
</tr>
<tr>
<td>1935-1946</td>
<td>Commonwealth Period</td>
<td>Local governments were placed under the general supervision of the President following the provision embedded in Article VII Section II of the 1945 Constitution; President, by statute, could alter the jurisdictions of local governments and in effect, create or abolish them; President Quezon preferred to appoint the chief officials of cities thus further centralizing political authority in the presidency.</td>
</tr>
<tr>
<td>1946-1972</td>
<td>Philippine Republic</td>
<td>The Philippine Republic was not so centralized because of the establishment of a Philippine Republic that was a unitary form of government headed by an elected President.</td>
</tr>
<tr>
<td>1972</td>
<td>Marcos Dictatorship</td>
<td>A dictatorship was established by Marcos that centralized power in the Presidency.</td>
</tr>
<tr>
<td>1983</td>
<td>Local Government under Authoritarian Rule</td>
<td>Local Government Code under authoritarian rule of Marcos (Batas Pambansa 337)</td>
</tr>
<tr>
<td>1986</td>
<td>Freedom Constitution</td>
<td>Immediately after the overthrow of the Marcos regime, the Freedom Constitution was enacted that led to two major pieces of legal frameworks – the 1987 Constitution and the Administrative Code</td>
</tr>
<tr>
<td>Year</td>
<td>Event/Code</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1987</td>
<td>1987 Constitution</td>
<td>Included specific provisions guaranteeing autonomy to local governments</td>
</tr>
<tr>
<td>1991</td>
<td>The Local Government Code of the Philippines</td>
<td>The enactment of the Local Government Code that was implemented in 1992</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Challenges in implementation of Devolution ranged from inadequate financial resources at the LGU level to implement decentralization, to imperatives to build local (and national capacities); developing entrepreneurial capacities of LGUs; fostering inter-local cooperation and amalgamation; refining national-local relations by further defining powers devolved to LGUs; operationalizing people participation in local governance; promoting accountabilities through the processes of recall and initiative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post LGCode enactment has also seen the emergence of many good and best practices at the local level as evidenced by programs such as Galing Pook, Hamis Awards and other programs and projects initiated by the DILG</td>
</tr>
</tbody>
</table>

Source: Brillantes 2014; Table constructed by Authors 2014
Philippines has 15 Geographic Regions

Implications to structure of government

Distribution of Power
Decentralization, Local Governance and the Philippine Administrative System

A significant move to decentralize governance was embarked in 1991 with the enactment of the Local Government Code that radically transformed the nature of central-government relations with massive devolution of powers to the local government units (LGUs).

When the Philippines was granted political independence by the United States in 1946, the first local autonomy act was enacted.
Decentralization, Local Governance and the Philippine Administrative System

“Local autonomy would now mean less reliance on the national government, including “allotments” made by the national government, and increased reliance on internally generated resources, or resources jointly generated with other institutions, be they other local government units or private institutions”
Decentralization, Local Governance and the Philippine Administrative System

The Code’s provisions also strengthened the operations of local governments by providing them the power to create own sources of revenues and to levy fees, taxes, and charges, thus making them self-reliant communities.

Aside from local sources, LGUs are entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their territorial jurisdiction (Article X, 1987 Philippine Constitution) (Brillantes and Perante-Calina 2014:2).
# Table 1. IRA Shares of Local Governments vs. National Budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Budget (in million pesos)</th>
<th>IRA (in million pesos)</th>
<th>IRA as Percent of Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>248,679</td>
<td>9,841</td>
<td>4.0%</td>
</tr>
<tr>
<td>1992</td>
<td>262,042</td>
<td>20,305</td>
<td>7.7%</td>
</tr>
<tr>
<td>1993</td>
<td>276,859</td>
<td>36,724</td>
<td>13.3%</td>
</tr>
<tr>
<td>1994</td>
<td>329,985</td>
<td>46,815</td>
<td>14.2%</td>
</tr>
<tr>
<td>1995</td>
<td>392,450</td>
<td>51,925</td>
<td>13.2%</td>
</tr>
<tr>
<td>1996</td>
<td>415,557</td>
<td>56,594</td>
<td>13.6%</td>
</tr>
<tr>
<td>1997</td>
<td>492,568</td>
<td>71,049</td>
<td>14.43%</td>
</tr>
<tr>
<td>1998</td>
<td>546,743</td>
<td>80,990</td>
<td>14.81%</td>
</tr>
<tr>
<td>1999</td>
<td>585,097</td>
<td>96,780</td>
<td>16.54%</td>
</tr>
<tr>
<td>2000</td>
<td>665,094</td>
<td>111,778</td>
<td>16.81%</td>
</tr>
<tr>
<td>2001</td>
<td>483,846</td>
<td>131,917</td>
<td>27.26%</td>
</tr>
<tr>
<td>2002</td>
<td>575,123</td>
<td>134,422</td>
<td>23.37%</td>
</tr>
<tr>
<td>2003</td>
<td>609,614</td>
<td>141,000</td>
<td>23.23%</td>
</tr>
<tr>
<td>2004</td>
<td>609,614</td>
<td>141,000</td>
<td>23.23%</td>
</tr>
<tr>
<td>2005</td>
<td>597,663</td>
<td>155,866</td>
<td>26.08%</td>
</tr>
<tr>
<td>2006</td>
<td>597,663</td>
<td>155,866</td>
<td>26.08%</td>
</tr>
<tr>
<td>2007</td>
<td>635,041</td>
<td>183,937</td>
<td>28.96%</td>
</tr>
<tr>
<td>2008</td>
<td>1,066,000</td>
<td>210,730</td>
<td>19.76%</td>
</tr>
<tr>
<td>2009</td>
<td>1,170,000</td>
<td>249,988</td>
<td>21.36%</td>
</tr>
<tr>
<td>2010</td>
<td>1,304,000</td>
<td>265,802</td>
<td>20.38%</td>
</tr>
<tr>
<td>2011</td>
<td>1,000,000</td>
<td>286,944</td>
<td>28.69%</td>
</tr>
<tr>
<td>2012</td>
<td>1,245,000</td>
<td>273,309</td>
<td>21.95%</td>
</tr>
<tr>
<td>2013</td>
<td>1,368,000</td>
<td>302,304</td>
<td>21.81%</td>
</tr>
</tbody>
</table>

Source: Brillantes (2003); Brillantes and Perante-Calina (2013) Basic data from DBM; updated by authors based on the total new appropriations (1998-2013), General Appropriations Act (GAA)
Decentralization and Local Governance

Phases

• Changeover

• Transition

• Stabilization
Good Governance
Decentralizing the Bureaucracy
(Blantes 2002)

National

de-concentration devolution de-bureaucratization

NGA
LGU
NGO/PO
Stylized Continuum of Decentralization: Degrees of Transfer of Powers and Authority to Sub-national Levels
(Brillantes 2002)

deconcentration  devolutution  regionalism  federalism  separatism
Part III
Focus on the Federalism

As early as Rizal in 1890s ...
Federalism:
Rizal the Federalist, Bonifacio the Unitarian

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
"Absence of any great preponderance of one race over the others will free their imagination from all mad ambitions of domination, and as the tendency of countries that have been tyrannized over, when they once shake off the yoke, is to adopt the freest government, like a boy leaving school, like the beat of the pendulum, by a law of reaction the Islands will probably declare themselves a federal republic."
Aquilino “Nene” Pimentel Jr
Father of Local Autonomy and Decentralization in the Philippines
Prime Mover and Advocate of Federalism in the Philippines
Our Tatay Nene Pimentel

• Through the Years, Tatay has been in the forefront of the advocacy for local autonomy, decentralization and federalism
• CLRG
• Pimentel Institute for Local Governance
• Pimentel Center for Leadership and Governance, University of Makati and soon at the Polytechnic University of the Philippines
• LOGODEF
• PSPA
• With federalism, the wishes and aspirations of the various tribes and peoples in Mindanao would be addressed.

• Under a federal system, sovereignty and power are divided between a central governing authority and constituent political units. Federalism is also a system based on democratic rules and institutions.

• “I saw that this is the answer so I agreed when Reuben Canoy (founder of Radio Mindanao Network and one of the strong advocates of federalism) and Senator (Aquilino) Pimentel, the father, asked me to help in pushing for federalism,” he said.

Rodrigo Duterte advocate of Federalism
Autonomy Federalism Nexus: Salvador Laurel, Former Vice President and Senator of the Philippines in 1989

“Federalism rests on the principle that the smallest unit of government knows what is best for its constituent needs. Decisions should therefore be made by the local, municipal, provincial, city or regional levels of governments, because they know best who need help and how to help them.”

On the Mindanao Issue: “I believe that plain and simple autonomy is not the solution to the secessionist problem. We must seriously consider a shift to the federal system under which greater autonomy can be given to the far flung regions that are now being neglected and left behind in economic development.”
“Federalism rests on the principle that the smallest unit of government knows what is best for its constituent needs. Decisions should therefore be made by the local, municipal, provincial, city or regional levels of governments, because they know best who need help and how to help them.”

On the Mindanao Issue: “I believe that plain and simple autonomy is not the solution to the secessionist problem. We must seriously consider a shift to the federal system under which greater autonomy can be given to the far flung regions that are now being neglected and left behind in economic development.”
As a Platform of Political Parties

PDP Laban (Nene Pimentel)
Nationalista Party (Salvador Laurel)
Democratic Centrist Party (Jose V. Abueva)

Political leaders, among others, who advocated for its incorporation in political party platforms

Reuben Canoy
Monico Lorenzana
Rodrigo Duterte
International Institutions in the Philippines and Donors supporting Federalism Debate

Forum for Federations (Canada) and CIDA International conferences on federalism

Institute for Federalism (Frieburg in Switzerland) and CLRG fellows and conferences

Konrad Adenauer Foundation (Germany) and LOGODEF and our conferences and publications on decentralization and federalism
Partial List

Academics and Scholars who have published on federalism in the Philippines

Aquilino Nene Pimentel
Jose V. Abueva
Gaudioso Dodong Sosmena
Terry Dumugho
Raul de Guzman
Gabriel Iglesias
Simeon Ilago
Sukarno Tanggol
Macapado Muslim
Rizal Buendia
Romulo Miral
Raphael Montes
Donna Moscare
Elizabeth Cureg
Ed Tayao
Alex Brillantes Jr

Philippine Society for Public Administration

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017

And more ...
Federalizing the Philippines: A Primer

By
Senator Nene Pimentel

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
Regional Autonomy and Federalism:
Concepts and Issues for the Bangsamoro Government

SU K AR N O D. T AN GG O L
In this book, published in 1992, or seven years after the Local Government Code, we identified ten major concerns that must be addressed. This included

- Financial decentralization: “decentralization without financial decentralization is meaningless”
- Role of NGOs and Pos
- Role of Donors in shaping the discourse on good governance and decentralization
- “Federalism as a logical next step to devolution.”
The Future of Local Autonomy
Decentralization and Federalism

Alex B. Brillantes, Jr.
Simeon A. Ilago
Raphael N. Móntes, Jr.
Editors

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
Federalism and Multiculturalism

Papers and Highlights of Proceedings of the International Conference on Federalism and Multiculturalism

Plus

Additional Papers on Federalism in the Philippines

Edited by
Simeon Agustin Ilago
Raphael N. Montes, Jr.

2006
DECENTRALIZATION & POWER SHIFT
AN IMPERATIVE FOR GOOD GOVERNANCE
A Sourcebook on Decentralization Experiences in Asia Volume I
CLSG Working Paper Series 2002/92

Edited by ALEX B. BRILLANTES, JR and NORA G. CUACHON

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
As early as 1992, we have said that that “Federalism is the logical next step after devolution”

GMA EO on Federalism
Consultative Group of which we were part
The following are the slides prepared by Senator Aquilino Nene Pimentel on Federalism (used with his permission)

(Many of us call him “Tatay” an endearing word for Father.)
FEDERALIZING THE PHILIPPINES: THE FINAL SOLUTION (WITHIN REASON)

By: AQUILINO Q. PIMENTEL, JR.

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
Seminal in ‘82

Federalizing the Philippines is not a new proposal of ours. As early 1982, we advocated the adoption of the federal system as a part of our party platform in PDP Laban.

The federal idea that we espoused was seminal in many respects.

But, we simply did not like the dictatorship and the concentration of government power that was implicit in it. Neither did we want to spill so much Filipino blood in the undertaking to oust Marcos from power.
Disperse power

We thought that the solution was to disperse power – political and economic – throughout the nation.

The most concrete way of doing it in our mind was to convert the country into a federal republic.

I will now take up with you the most recent form of our federal advocacy.
The proposal will create 11 Federal States out of the existing political subdivisions of the country and one federal administrative region.

**Luzon States**

Luzon will have four States, namely:

1. The Federal State of Northern Luzon;
2. The Federal State of Central Luzon;
4. The Federal State of Bicol, and
Metro-Manila will be converted into a Federal Administrative Region along the lines of a Washington, D.C., a New Delhi or a Kuala Lumpur.
Visayas States

The Visayas will have four federal States, namely:

1. The Federal State of Minparom;
2. Federal State of Eastern Visayas;
3. The Federal State of Central Visayas, and
Mindanao will have four Federal States, namely:

1. The Federal State of Northern Mindanao;
2. The Federal State of Southern Mindanao;
3. The Federal State of the BangsaMoro, and
4. The Federal State of Sabah
The secessionist movements waged by various Moro groups started ever since Magellan had come to our shores.

The secessions cannot be solved by force.

The ultimate solution as suggested by the title of this presentation is to federalize the country and convert the present Autonomous Region of Muslim Mindanao into a BangsaMoro federal state.
Include Sabah

- Sabah is only 217.9 miles or 350.67 kilometers from Bongao, Tawi-Tawi.
- Sabah is ours. Not Malaysia’s.
- Filipino population: 1.5 million (est. 2013)
THE FEDERAL STATE OF SABAH

The country’s claim to Sabah as a part of our territory is still problematic.

History is on our side. Sabah was given to the Sultan of Sulu as his reward for assisting the Sultan of Brunei to repel his enemies in the 17th century.

The Sultanate of Sulu has authorized the Philippine Government to pursue the claim. Sometime during the martial law years, Marcos relinquished the claim back to the heirs.

The present Sultan of Sulu wants the claim reinstated by the government with the heirs having certain rights over the property once recovered.
FEDERAL STATE BOUNDARIES

Federal State boundaries will maintain or cut across present regional boundaries.

The Federal States should be constituted out of bigger political territories to provide the environment for competitiveness and sustainability rather than create them out of provinces that in many instances might simply be too small to survive as Federal States.

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The Resolution defines the territory of the Federal Republic and unequivocally includes two previously ambiguously claimed islands, reefs or shoals: the Scarborough reefs, and Kalayaan Islands, and Sabah.
Group of islets, shoals, cays, and reefs mostly inhabitable is now a municipality.

It has one barangay: Pagasa.

It is 1189 plus kilometers from Palawan.

It is within the 200 nautical mile exclusive economic zone of the Philippines.

Inhabitants – more than 300 civilians, including children.

It’s mayor is Eugenio Bito-Onon, Jr.
Include Scarborough Shoal

- The shoal is barely 124 nautical miles away from Masinloc, Zambales.
- It is 550 nautical miles away from Hainan Island, the closest Chinese territory.
NATIONAL Legislative powers shared by TWO houses of Congress:

1. Senate, and

2. The House of Representatives.

Senate is elected by Federal States.

The House is elected by districts same as today.
EVERY FEDERAL STATE SHALL HAVE A STATE GOVERNOR AND A VICE GOVERNOR ELECTED BY THE PEOPLE OF THE STATE.

THE FEDERAL STATES WILL STILL HAVE PROVINCES, CITIES, MUNICIPALITIES AND BARANGAYS.

THE LGU POWERS WILL BE ADJUSTED ACCORDINGLY
• FOR EVERY STATE

• POWERS OF STATE LEGISLATURES: MAKING LAWS FOR STATE PURPOSES

• STATE LEGISLATORS elected by provincial and city sanggunians from among their members.
FEDERAL STATE SENATORS

Every State shall be represented by six (6) senators elected by the qualified voters in state-wide elections.

Justification for increase

The increase may be justified by the fact that we now have more than 90 million people. The 24 senatorial limit was based on a Philippine population of 20 million or so.

Moreover, as the following graph shows, many countries with much less populations have far more representatives in their upper chambers.
10 NATIONS WHOSE UPPER LEGISLATIVE CHAMBERS HAVE MORE LEGISLATORS THAN OUR SENATE

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Members/Upper Chamber</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) UK</td>
<td>60.9 million</td>
<td>618</td>
</tr>
<tr>
<td>(2) France</td>
<td>64 million</td>
<td>331</td>
</tr>
<tr>
<td>(3) Italy</td>
<td>52 million</td>
<td>315</td>
</tr>
<tr>
<td>(4) Spain</td>
<td>40 million</td>
<td>264</td>
</tr>
<tr>
<td>(5) Egypt</td>
<td>81.7 million</td>
<td>264</td>
</tr>
<tr>
<td>(6) Thailand</td>
<td>65.4 million</td>
<td>150</td>
</tr>
<tr>
<td>(7) Ethiopia</td>
<td>78 million</td>
<td>108</td>
</tr>
<tr>
<td>(8) Australia</td>
<td>20.6 million</td>
<td>76</td>
</tr>
<tr>
<td>(9) Malaysia</td>
<td>25 million</td>
<td>70</td>
</tr>
<tr>
<td>(10) Ireland</td>
<td>4.1 million</td>
<td>60</td>
</tr>
</tbody>
</table>

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LOCAL GOVERNMENTS RETAINED

- PROVINCES
- CITIES
- MUNICIPALITIES
- BARANGAYS
NEW SHARING FORMULA:

In terms of allocating the resources of the Republic, a formula is provided in the Resolution:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Share of</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 %</td>
<td>Federal Government</td>
</tr>
<tr>
<td>80 %</td>
<td>States</td>
</tr>
</tbody>
</table>
In this formula, the shares of the provinces, cities, municipalities and barangays will be bigger than what is currently provided for under the local government code.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Share of</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 %</td>
<td>State Government</td>
</tr>
<tr>
<td>70 %</td>
<td>Provinces, Cities, Municipalities &amp; Barangays</td>
</tr>
</tbody>
</table>
To address the reality that not all the Federal States are born equal in terms of resources and opportunities, an equalization fund is created that will administered by the Federal Government to assist States in dire need of development funds.
• The President and the Vice President are elected throughout the nation.

• They retain the same term (6 years w/o reelection for the President; 6 years w/ one reelection for the VP.)
JUDICIAL SET-UP

- One Supreme Court **RETAINEEd**
- Sandiganbayan **DISPERSED** to Regions

- Court of Appeals **DISPERSED** to States
- Regional Trial Courts, City Courts, Municipal Courts **RETAINEEd**
Political & economic objectives

To enable our participants to air their concerns, let me conclude this statement. Let me just add that as we had explained time and again, the federal system is meant to accomplish two major things:

1. Cause the speedy development of the entire country by unleashing the forces of competitiveness among the States, and

2. Dissipate the causes of rebellion in the country and particularly in Mindanao.
DUAL NATURE OF FEDERAL PROPOSAL

1. NOT SIMPLY a ‘political’ undertaking.

2. Also an ECONOMIC effort. By creating 12 Federal States and by converting Metro-Manila as a federal administrative region, we immediately establish 13 centers of power, finance and development throughout the country.

Under the unitary system that has characterized the government for centuries we only had one center of power, finance and development: Metro-Manila.
The federal proposal will hopefully provide a just and lasting redress of the grievances of the powerless and the neglected sectors of society, like the Moro and Lumad peoples of Mindanao.

And in the case of the Moro peoples, their own federal state would conceivably enable them to run their state government according to their customs and traditions subject, of course, to the norms of modern democratic governments.
Other Issues

Are discussed in the 494 page book, *Federalizing the Philippines: A Primer*, that may help people understand the whys and wherefores of the proposal to adopt the federal system.

The book includes vital data of the States regarding their LGUs, populations, tribal groups, languages & dialects, land areas, airports, seaports, economic zones, power sources, major activities, investments, fishing, forestry & mining resources, tourist sites, hotels, lodging houses, telecommunications, banks, hospitals, educational institutions, media facilities, & road networks.
UNALTERABLE PRINCIPLE:
WE ARE ONE NATION

WE HAVE ONE

- Flag
- Judicial System
- Chief Executive
- Bicameral National Legislature
- Armed Forces
- National Police
- Civil Service Commission
- Educational Policy
- Foreign Policy
- One National Language
- Currency
Imperative to clearly delineate powers, functions and responsibilities including revenue and spending assignments

**Exclusive**

Federal
- Defense, foreign affairs, currency, justice

State and Local
- Social services, local law and order

**Shared**

(Federal Framework, State and Local Operationalization)

- Education
- Health
- Agriculture
- Issues
  - Gun control, traffic,
Revisiting Our Main Messages

• From the Philippine perspective, the debate on decentralization, devolution and local autonomy has been alive and well.

• Discourse on autonomy has been subject of many policies including the Malolos Constitution, barrio charter act of the 50s. Our participants include two regions identified in the constitution as autonomous regions: Cordillera and Muslim Mindanao who are with us today.

• Philippine context: debate on Federalism has been tied up with decentralization and autonomy: we even said it is the logical next step to devolution. About transfer of power to lower levels. But should be located within the context of power sharing.
Main Messages

• In designing the federal structure of the Philippines, delineation of powers, authorities, functions, responsibilities have to be very clear. This include exclusive and shared / concurrent functions, responsibilities and powers of various levels of government (federal / state / local). This also includes revenue raising / fiscal and budgetary matters. The Philippines has an edge considering that we can learn from, and take off from the lessons learned from devolution over the past years.

• The idea of a federal structure for the Philippines has been articulated by Jose Rizal in the late 1800s as part of the continuing search and design for the appropriate politico-administrative system for the Philippines. This has been re-articulated by former Philippine president Jose P. Laurel, and later by his son, Salvador Laurel, who was President of the Nationalista Party of the Philippines.

• Federalism was incorporated into the platforms of government of certain political parties. Foremost was the Partido Democratico ng Pilipinas – Laban (PDP-Laban) headed and founded by Senator Aquino “Nene” Pimentel.
Main Messages

• International organizations played a key role in advocating the idea of federalism in the Philippines. This included the German foundations especially the Konrad Adenauer Foundation, the Canadian based Forum for Federations, and the Institute for Federalism based in Frieburg, Switzerland.

• Local academic institutions led by the Center for Regional and Local Government of the National College of Public Administration, the Mindanao State University, and the Pimentel Institute of Local Governance (formerly based at the University of Makati) continued to deepen the discourse on federalism

• International conferences on federalism have been conducted in the Philippines.
And Federalism as an Institutional Intervention can address

• Redistribution of Resources
• Poverty
• Preserve and build upon unique Indigenous identities and need
• Conflict and Post-Conflict
• Equitable Economic Development
But Issues have to be addressed

• Power sharing: exclusive and shared / concurrent jurisdictions
• Federal-State-Local Responsibilities: Exclusive and Shared
  • Finances / revenue raising / spending
• Local Institutional mechanisms and sectors
• Conflict and post conflict scenarios especially in Mindanao and post BBL
REFORMS FOR FEDERALISM
Imperatives for Development at the Local level

• Need to change policies, processes, institutions and mindsets
• Leadership and Political Will
• Change Agents and/or advocates of Reform
• Capacity building for Good Governance
Advocacy and IEC

• President Elect Duterte himself
• Political Parties: PDP Laban
  • PDP Laban with Tatay Nene Pimentel and SP Koko Pimentel
• International Institutions
  • German Foundations / Forum of Federations / Institute of Federalism in Switzerland
• Scholars and Researchers
• Bureaucrats and civil servants
• Organizations such as PAGBA
More issues and questions to be addressed

• Will it lead to increased people participation?
• Will it recognize needs of indigenous people
• Will it increase accountabilities?
• Will it lead to control of more local resources (fiscal and land and others)
• Research agenda
• DATA DATA DATA: EVIDENCE / FIGURES
  • Cite AQP and Terry Dumugho on initial computation of transfers
The Struggle for Local Autonomy and Devolution and Federalism Continues
Directions for Research Agenda: Need Comparative studies

Models – hybrid federal, pseudo federal, de facto federal, emerging federal, Linking federalism to HDI
Power sharing arrangements
Post conflict arrangements
Subsidiarity
Proper role of Government

Good and Best Practices: Good local governance
(Fadel Ahmad in Gorontalo, Jokowi as Mayor, Doitung Coffee in Thailand, Galing Pook in the Philippines)
The Emerging Federalism Processes
Theory building

Principles for success and reasons behind failures
Leadership, political will, structures, mindsets, information, process, phases, etc
An area we can explore ...

**HDI of Federal Countries and Others that may be considering Federalism:**

Any correlation? Conflict resolution?

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI Ranking</th>
</tr>
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<tbody>
<tr>
<td>Australia</td>
<td>2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3</td>
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<tr>
<td>Germany</td>
<td>6</td>
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<tr>
<td>Canada</td>
<td>8</td>
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<tr>
<td>Spain</td>
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<tr>
<td>Libya</td>
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<td>Malaysia</td>
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<td>Brazil</td>
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<tr>
<td>Yemen</td>
<td>154</td>
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<tr>
<td>Ethiopia</td>
<td>173</td>
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</tbody>
</table>
Others areas that can be explored ...

• Variations of the Federalism Process
  • Pseudo-Federalism, Hybrid Federalism, Emerging Federalism, Evolving Federalism, Feckless / Telescopic / Muscular / Grudging

• ISSUES – VALUES, IDENTITY AND CULTURE: Indonesia and Bhineka Tunggal Ika: “unity in diversity”

• Issue of fragmentation vs strong central government / amalgamation

• Indicators of extent of decentralization – finance? Recentralization efforts

• Issues: leadership and political will, Elite capture and dominance, local warlords

• Issues: role of donors, role of people’s organizations and NGOs

• Good and Best Practices: Galing Pook; Thailand, Indonesia, Philippines

• Why do we have a weak state? Phasing decentralization? Centralize then decentralize?

PAGBA 2016 2nd Quarterly Seminar, Pryce Hotel, Cagayan de Oro, 7 July 2017
REFORMS FOR FEDERALISM

Framework for Governance and Reform
(Brillantes, Fernandez & Perante-Calina, 2013)
Thank you

Maraming Salamat Po