

Federalism: The Basis for Lasting Peace and Development

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First and foremost, may I express my sincerest thanks for your kind invitation for me to speak at your conference today.

I am glad that you have invited me to speak about “Federalism” because at no other time in our history has this dream been closer to reality. Our new President, Rodrigo Duterte, campaigned and won on a platform of federalism and we in PDP Laban have been advocates of federalism since our party was founded in 1982 by Sen. Nene Pimentel, Sen. Lorenzo Tanada, and Sen. Ninoy Aquino, among others. In fact, federalism has been part of our party’s platform since its inception in the early 80s.

Most importantly, the debate on the appropriate form of government for our country has been fought since the beginning of our Republic. As early as the 1890s, our national hero himself Jose P. Rizal advocated for a federal form of government for our country. In his seminal work, *The Philippines A Century Hence*, Rizal wrote that the country would probably adopt the “freest government” and he predicted that the “islands will probably declare themselves a federal republic.”

While Rizal was a federalist, Andres Bonifacio, on the other hand, was a unitarian. Therefore this debate is nothing new and the discussion on decentralization, devolution and local autonomy has been alive and well for more than a century.

So, let me begin my talk by discussing our experience with decentralization and how the adoption of the federal system of government maybe the next logical step for us to take after 25 years of devolution of certain central government powers to the local governments.

Briefly, our experience with decentralization or devolution has generally been positive. Since the Spanish colonial era (1521-1898) up

to the American Occupation (1898-1946) and all the way to the years of our independence as a Republic (beginning in 1946) our system of governance had always been highly centralized or unitarian. All power belonged to “Imperial Manila.” This system of government has stunted economic development and heightened tensions among the people in the impoverished areas of the country, particularly in the Moro dominated areas of Mindanao.

Then, in 1990 the landmark Local Government Code was passed by Congress and made effective in 1991. Since then, certain powers of government like those that pertain to health, agriculture, and social welfare, and snippets of power over education, environment, tourism and to some extent, police had been devolved to and exercised by local governments.

Under the Local Government Code of 1991, local autonomy would now mean less reliance on the national government, including the “allotments” given by Imperial Manila, and increased reliance on internally-generated resources, or resources jointly generated with other institutions be they other LGUs or private institutions.

Before the adoption of the Local Government Code, the taxes of the nation and the revenues accruing to the government from natural resources like geothermal plants, gold, copper and iron mines, and timber had been monopolized by the central government. With the adoption of the Code, these were now mandated to be shared between the central government and the local government units.

Because of the devolution of certain central government powers to the local governments and the compulsory sharing of central government taxes and revenues derived from natural resources between the former and the latter, the local governments are now able to provide many of the basic services that they used to rely on the central government to deliver. Moreover, the Code gave LGUs the power to create their own sources of revenues and to levy taxes, fees, and charges, thus allowing them to become self-reliant communities.

Today, more and more roads are constructed or repaired by the local governments through their local engineering offices. More and more schools and teacher needs are provided by the local governments through the local school boards. More and more health services are delivered by local governments through the local health boards. More and more agriculture and social welfare services are delivered through locally organized agriculture and social services offices.

In a word, more and more socio-economic activities are now undertaken by local governments than ever before.

While some local governments failed to deliver on the promised development for one reason or another, nonetheless by and large there has been a huge leap in the delivery of basic services to our people since the devolution of certain powers, finances and resources from the central government to the local governments.

Having seen what devolution can accomplish, there is no turning back. In fact, local governments now want more. They want at least 50% of the taxes and revenues collected by the central government. They want more powers over the police, tourism, trade, and development issues in general. In fine, local governments want to raise the ante in the matter of power-tax-and-revenue sharing with the central government in order to spur more growth and development across the country.

Notwithstanding what the Code was able to accomplish, much remains to be done. Our country is still mired in poverty and underdevelopment. A separatist rebellion is still raging in Mindanao and a communist insurgency lives on in the countryside. And more and more of our young people are flocking to foreign shores to earn a living because our economy has not grown enough to provide jobs for our growing labor force. While our GDP has grown considerably in the past 10 years, the rich just keeps getting richer and the vast majority of our people who are poor even poorer.

Nothing shows the yearning for change in this country more than the election of our first Mindanaoan President who lamented about the

“erosion of the people’s trust and confidence in government and its leaders” in his inaugural address last thursday.

The problem, we submit, is our highly centralized form of government and the solution, we submit, is the adoption of the federal system.

Federalism is derived from the Latin word foedus meaning “covenant.” A covenant signifies a partnership or marriage wherein individuals or groups consent to unite for common purposes without giving up their fundamental rights or identities.

In federalism, sovereignty is constitutionally divided between a central governing authority and constituent political units, like states or provinces. Simply put, federalism can be viewed as a system that accommodates both self rule of the constituent unit and shared rule at the federal level. While there is no single model of a federal system in the world, there are common attributes that characterize federal systems: 1. Distribution of powers between central and constituent units; 2. The participation of constituent units in central decision-making; 3. The constitutional autonomy of constituent units; 4. Accomodation of diversity; 5. Fiscal equalization; and 6. Intergovernmental instruments.

For me federalism rests on the principle that the smallest unit of government knows what is best for the needs of its constituents. Decisions should therefore be made by the local governments because they know best who need help and how to help them. Since the beginning of my career, I have always believed that greater autonomy must be granted to the far flung regions of our country that are neglected and left behind in economic development.

This is a vision I share with President Duterte who recognized that with federalism, the wishes and aspirations of the various tribes and peoples in Mindanao would be addressed.

I see the incessant Moro armed struggle as a result of our over centralized system of governance of the country. One Moro group after another has continuously fought the government from the Spanish colonial era up to the present thereby uselessly draining the resources of the government that could be put to better use elsewhere.

The government has tried several approaches, including assimilation and integration of the Moro people into the mainstream of the country's society. It has tried regional autonomous governments, local government devolution of power, the BBL, and even military pacification campaigns. In short, the carrot and stick approach. All to no avail.

The reason why the government approaches so far have not succeeded in providing for a just and lasting peace in the Moro lands of Mindanao is that the efforts have been superficial. The Moros see through the superficiality of the solutions the government has thus far tried to address their grievances. The government attempt to apply the divide and rule tactic to subjugate the Moro people has not succeeded. The government iron fist approach exemplified by the military pacification campaign against the Moro rebels has not succeeded. The government tactic to integrate the Moro people into the mainstream society of the country has not succeeded.

That is the principal nuance of this centuries old conflict between the Moros of Mindanao and the governments of our country from the Spanish era to the present. It is a nuance that seems to have been consistently overlooked or even ignored by Manila in dealing with the Moro rebels. If we are to address the Moro rebellion more effectively, we must be more sensitive to the nuanced demands of their culture and traditions that have been theirs at least a century before Magellan brought Christianity to our shores in 1521.

Thus, aside from expanding the powers and increasing the resources and finances to local governments, the next logical, and perhaps the only peaceful, legal and constitutional avenue left open to those who wish to lay down the foundations for a just and lasting peace

in Mindanao, which will also speed up the economic development of the entire country, is for us to adopt a federal system of government.

My tatay, Sen. Nene Pimentel, has proposed 11 states under a Federal Republic. This will include a Bangsamoro Federal State which would comprise all the local government units where the Moros predominate. In order to allow them to enhance their own culture, Sen. Nene proposes that they should be allowed to adopt the Shari'ah for purposes of settling disputes among Moro litigants. The Shari'ah, however, should be subject to the the Philippine Constitution's limitation that bars the imposition of cruel and unusual punishment such as lashing or caning of criminals. Also, the Shari'ah should apply only to the litigants who profess Islam as their religions. If litigants are of different religions, the national law, not the Shari'ah, should apply.

The exact powers of the Federal Government, meaning the central government, and the Federal States, meaning the various states comprising the Federal Republic, shall be defined in a national constitution. Suffice it to say that for discussion purposes, the Federal Government may have powers over, among other things, foreign affairs, national defense, currency, federal taxes, customs, and immigration, basic education, and basic justice.

The States, on other hand, shall powers over matters that are not reserved to the Federal Government, including health, agriculture, social welfare, trade, basic education, local public works, local taxation, development matters and police. This enumeration is not all-inclusive or exclusive. In other words, the constitution will be final repository of what powers should be exercised by the Federal Republic itself and those powers that should be exercised by the states. Moreover, the constitution may also provide that certain powers be placed under the concurrent jurisdiction of the Federal Government and the States or what is called as "shared powers."

But what model do we pattern our proposal for the adoption of the federal system? I suggest that we adopt the best features of the classical federal systems in Europe, North America, Australia and even Malaysia

and adapt them to our needs. We should not also close your eyes to the newly emerging federations in South America and Africa. I am sure that their experiences will be a big help in crafting a federal government responsive to our needs.

Thus, we must act now. There is no time to loose. If we want to speed up progress and economic development and lay the basis for a just and lasting peace in Mindanao, we must go federal.

Towards this end President Duterte has tasked PDP Laban to take the lead in advocating for a federal system of government in our country. In compliance thereto, the party convened last week our leaders from across the country in a Conference on Federalism and Charter Change to consult them about moving forward in building a Federal Republic.

I and incoming House Speaker Bebot Alvarez have also filed bills on the first day of the 17th Congress calling for a Constitutional Convention to amend the Constitution and adopt the federal system. Once approved by both houses of Congress, we propose that an election for the ConCon delegates be held by middle of next year, 2017, which also signals the start of the constitutional convention. We intend to give the Con-Con delegates only until December 2018 to finish the new draft Constitution. After this, a plebiscite will be held by May of 2019 together with mid-term elections.

If federalism wins in the plebiscite, the second half of the term of Duterte from 2019 to 2022 will serve as the transition period from unitary government to federal government. In order to guard against vested interests and negative public perception, we are planning to institute safeguards among the Con-Con delegates. We are thinking of including some disqualifications on Con-Con delegates from running for public office. For example, Con-Con Delegates will be bared from running for elective office for 10 years or more to discourage political dynasties from fielding candidates

Federalism's complex nature demands careful study. Scholars contend that there is not one model in the world that fits all. Each

country must discern its own version of federalism according to peculiar conditions of their societies. Therefore, it is important to learn from the experiences – whether good or bad – of existing federations.

We do not see federalism to be the cure-all to all our problems. In fact, there is no cure-all to all our nation's ill. Federalism is not a perfect system; but it may be the answer to the country's lingering problems rooted in our country's multi-cultural nature. Maybe it is time to recognize the Filipino identity as a "diversity of identities" and not one single monolithic artificial construct. I submit that it is the recognition of differences that make communities prepared to embrace a common identity with others.

In the end, federalism is not the only step after devolution but it is the next logical step, if the Philippines chooses to further decentralize. And since we should, the decision should be well-informed, well-thought of, and participatory. In the ultimate analysis, federalism is a covenant that is made by citizens, and ultimately the decision to federalize should reflect the will of the people who choose to unite amidst their diversity.

Thank you.