EMERGING MODEL OF PH FEDERALISM 1.0

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THE TWO FACES OF PHILIPPINE SOCIETY
LOPSIDED ECONOMIC DEVELOPMENT

- Metro Manila, Central Luzon, and Southern Tagalog produce 62% of our Gross Domestic Product (GDP).

Source: Philippine Statistical Authority
WHAT’S WRONG WITH THE UNITARY SYSTEM?

- Created a huge imbalance in economic development.
- Metro Manila, Region IV-A (Calabarzon) and Central Luzon account for 62% of GDP while 14 out of 17 regions account for only 38%.
- 62% of GDP in 3 Luzon regions
WHO SPENDS OUR TAXES?

For 2016, the distribution for public expenditures for the National Government accounted for 72% of the entire General Appropriations Act compared to only 18% of LGUs.
WHERE DO OUR TAXES GO?

The unitary system has led to over-concentration of government powers in “Imperial Manila” and in the hands of oligarchs and the Manila elite.

Source: 2016 Budget of Expenditures and Sources of Financing, Department of Budget and Management
President Duterte and PDP Laban believe in structural change. Since 1982, PDP Laban has proposed the Federal System of Government. If we do not change structures, the rich regions only become richer and the poor regions, much poorer.
FEDERALISM AS SOLUTION TO AGE-OLD PROBLEMS

- Federalism is the practical solution to age-old problems of poverty, inequality and instability.

- For a diverse and multi-cultural country such as ours, Federalism provides a system where national unity is maintained while protecting the diversity of our society.
OBJECTIVES OF PHILIPPINE FEDERALISM

- Create a regional level government that will allow the provinces and HUCs to work together
- Accelerate the economic development of the regions
- Activate the Regions’ participation in national decision making
- Achieve “Peace in Mindanao”
- Allow the preservation of the culture and language of the various ethno-linguistic groups
EMERGING MODEL OF FEDERALISM

2 Constitutionally established orders of government primarily accountable to its respective electorates:
1. Federal Government
2. Regional Government (includes our current local governments)

Each level of government has its particular jurisdiction
THE REGIONAL GOVERNMENTS

- Creation of more politically and economically effective administrative structure based on 12 regions with its own Regional Government
DIVISION OF POWERS

- **Federal Power** - concerns the entire nation
- **Regional Power** - basic service to the people
- **Shared Power** - basic service that is best provided under a national standard

All residual powers are retained by the Federal Government but may be delegated to the regional governments.
POWERS OF THE FEDERAL GOVERNMENT

- Defense
- National Security
- Foreign Policy
- Currency, Banking, and Monetary Policy
- Customs and national taxation
- International Trade
POWERS OF THE REGIONAL GOVERNMENT

- Responsible for the development of the region and for providing basic services to its constituents such as:
  - Regional Planning, Land Use and Development
  - General Supervision of Local Governments
  - Housing
  - Water Supply, Sanitation and Sewage
  - Waste Management
- Fire Protection
- Road Traffic Management
- Irrigation
- Hospitals, Clinics and Day Care Centers
- Education Infrastructure
- And many more
CONCURRENT OR SHARED POWERS

- Law and Order, and Police
- Administration of Justice
- Education (Basic, Higher and Technical)
- Energy
- Sustainable Use and Management of Natural Resources
- Labor Relations, Benefits and Standards
- Social Security
- Health Policy and Standards
- Price Control and Product Standards
- Social Welfare and Development
- And many more
SELF RULE, SHARED RULE, SUBSIDIARITY AND SOLIDARITY

- **Principle of Subsidiarity** - addressing problems at the level of government closest to the problem

- **Principle of Solidarity** - where the welfare of each component unit (like the Region) is the business of all the other component units by making sure that the basic services rendered to the people are more or less of the same quality and standard in whatever part of the country.

- In the name of Solidarity, there shall be a program for “Fiscal Equalization”
PRESIDENTIAL OR SEMI-PRESIDENTIAL/PARLIAMENTARY SYSTEM?

- PDP Laban proposes a hybrid system for the Executive-Legislative Set-up
- We adopt the advantages of the parliamentary system while respecting our preference for a President at the helm
- Under this system, we will have a President and a Prime Minister
THE PRESIDENT IN A SEMI-PRES’L SYSTEM

- Head of State
- Directly elected by the people
- Symbol of unity of the nation
- Responsible for national defense and foreign affairs
- Commander in Chief of the armed forces
- Chief Diplomat
WHY A STRONG PRESIDENT

- The President will unite the country and ensure the success of federalism.
- He will deal with powerful countries like China and the US as well as to compete in a globalized economy.
- He will address the many national security challenges of our country.
- He will ensure no gridlock in our political system.
- He will be the decisive leader in times of crisis.
THE PRIME MINISTER IN A SEMI-PRES’L SYSTEM

- Head of Government
- Elected by the House of Reps/National Assembly and formally appointed by the President
- He “runs the government” and is responsible for domestic and economic policy
- Appoints the members of the Cabinet and all other officials not within the powers of the President
THE VICE PRESIDENT IN A PRES’L OR SEMI-PRES’L SYSTEM

There is no need for the position of Vice President but the position can be retained if this is the wish of the Filipino people.

If the position of VP is retained, the following is proposed:

The vote for the President is also a vote for his VP.

The VP shall have real work, as Presiding Officer of the Senate.
CHANGES IN THE LEGISLATURE

- We propose a bicameral legislature with a Senate and a House of Representatives/National Assembly.
- The Senate shall represent the Regions while the lower house represents the population.
- The number of senators per region can be from 3 to 7.
POWERS OF THE NEW SENATE

- Review all legislation coming from the Federal Assembly. 1 reading only. Senate may not initiate legislation.
- Concur in treaties and international agreements and share with the President the responsibility of conducting our Foreign Affairs.
- Confirm appointments made by the President and by the Prime Minister which under the Constitution or law need confirmation.
- Act as an impeachment court for impeachable officials.
- Propose amendments to the Federal Constitution.
PRINCIPLES OF FISCAL FEDERALISM

- The tax system shall follow widely held principles of an efficient tax system

- The taxing powers of the national and local governments will not change

- Regional Governments should get a constitutionally guaranteed allocation of budgets that allows them to fund their responsibilities

- Increased powers and resources to the Regional and Local Governments should be balanced by greater accountability

- Federalism requires credible fiscal controls

- Each level of government shall be vested within sufficient revenue powers that will enable them to perform their respective responsibilities
REVENUE REFORMS

- Increase the revenue share of the regional/local governments from 17% to 60% and decrease that of the National Government from 83% to 40%

- The Federal Government shall allocate 20% of the total public budget to the “Equalization Program” to fund:
  - Unconditional General Purpose Grants (IRA);
  - Conditional and Matching Grants tied to national priorities

- Increase local share of revenues from the national wealth from the current 40% to 50%
FEDERALISM AS THE GRAND BARGAIN

The Package of Reforms to make Federalism succeed:

- Make the anti-dynasty provision in the Constitution self-executing
- Support the development of strong and cohesive political parties by penalizing political butterflies
- Provide budget support to political parties just like in mature democracies
- Institute a system of proportional representation
- Raise the requirements for presidential candidates
- Strengthen the powers of the COMELEC, CSC, COA, Ombudsman and Sandiganbayan and ensure their strong presence in every region
WE ARE ONE COUNTRY UNDER FEDERALISM

- one Constitution
- one Flag
- one National Anthem
- one Foreign Policy
- one Armed Forces
- one National Police Force
- one Public Education System
- one Central Bank and Monetary System

The secession of any group of people or any Region would not be allowed and will be treated as treason.
VISION OF PHILIPPINE SOCIETY

Through Federalism, we foresee the achievement of a Philippine society which is:

- **JUST and FAIR**
- **SAVES and SHARES**
- **SCIENTIFIC and OBJECTIVE**
- **PEACEFUL and DEMOCRATIC**
- **EDUCATED and HEALTHY**
- **HAPPY and FREE**

with overflowing **LOVE OF GOD AND COUNTRY.**
THANK YOU FOR YOUR ATTENTION!

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