

**TOWARDS A PHILIPPINE FEDERALIST EXPERIENCE:
AN INQUIRY INTO THE EFFECTS OF A FEDERAL
SYSTEM OF GOVERNMENT IN THE DELIVERY OF
BASIC SERVICES**

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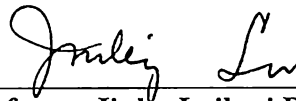
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ABSTRACT

There is an emerging movement calling federalization today. The farther one goes to the South, the greater the people accept and support the federal idea.

A number of related studies and researches had been made in preparation for a possible federal transition, including a draft constitution and an official resolution advancing the federal cause. Academics and public officials backed with a considerable nationwide mass support are behind these efforts. Their demand revolves around two main objectives that Senator Aquilino Pimentel outlined. That is, it is by federalism where the promotion of economic development is faster and more equally distributed, secondly, it is by federalism that the age-old problem of Moro secessionism in Mindanao can be addressed adequately, squarely and completely.

Parallel to the federalist idea is another school of thought which believes that decentralization measures, as espoused under the 1991 Local Government Code, should be fully implementing first. It argues that the provisions of the Code had not been fully utilized and optimized. Hence, there is therefore no need, as of yet, to take any more drastic step, such as federalism.

It is in this context that this thesis shall anchor its foundations on: the idea that federalism is a good alternative system of government for the Philippines. The study will determine the relationship of federalism and the system of public service provision, one of the most critical problem areas in the country today.

Federalism is the system of government where power is distributed among the independent states of a nation under the supervision of the central government as opposed to the *unitary system* where power is firmly concentrated in the hands of a strong central

government. The federal principle pertains to the method of dividing powers in such a way that the general and the regional governments are each within a sphere, coordinate and independent to each other. It is characterized by a tendency to substitute coordinating to subordinating relationships.

This research works under the hypothesis that the interplay of local autonomy, fiscal autonomy and the local chief executive under a federal system can better address the problem. It is maintained, given stronger linkages and stronger power and fiscal foundations conferred to LGUs, and the heightened role of the local chief executive under a federal system, that policies and programs related to the delivery of basic services will be more locality-responsive, more accessible for a greater number of people.

Local autonomy involves the devolution of powers to local government units, thus it is equated to political decentralization. *Local fiscal administration* is the conduct and management of the financial affairs and operations of provinces, cities, municipalities, and barangays. *Fiscal autonomy* therefore refers to the freedom of LGUs to conduct and manage their own financial affairs with minimum central government regulations.

There are however, several arguments that can refute this study's assumptions. For instance, the contention that some regions and provinces are not developed enough to financially support itself, and that the local taxes and IRA shares of LGUs is not enough to finance local development operations, much more be financially independent. Especially in depressed areas, there is no strong and stable fiscal base to begin with. Also, there is the issue that development, more particularly the improvement of the quality of the delivery system under a federal government becomes highly dependent on the local chief executive's effort. This is based on the perception that local officials are

not politically mature and experienced enough to hold the reigns of greater power and responsibility in a more complex governmental arrangement. Then, there is also the critical issue of revising the 1987 Constitution to change the current political order. These are just some of the arguments behind anti-federalist sentiments.

On the other hand, there are also equally attractive arguments in favor of federalism, particularly when public service provision is concerned. Federalism highlights the role of the LGU and its constituencies in developmental efforts. This measure highly benefits the local government unit, especially the LGUs in far-flung areas dependent only on the insubstantial trickle down benefits for their own development. This situation often lead to retarded growth and mediocre polices and programs. Since federalism will change how policies and laws are enacted and executed, then it can arrange for closer and more open channels for citizen participation in policy-making, law-making and governance as a whole. The federal system of government affords to the people the choice to make a more proactive stance in charting their political, social and economic growth.

Among the major findings of this research, include the discovery that the history of governance in the Philippines is one of an alternating pattern of centralization and decentralization. The level of centralism depends largely on the political, economic, and military interests of the political elite in power. Recent trends show, at least policy-wise, that there has been an increasing bias toward decentralization. In reality however, ‘overcentralization’ still prevails. Major decisions are still made in Metro Manila and in the few power centers, to the detriment of the marginalized majority. Backlogs in the bureaucracy are an indication that the central government is being plagued by small-town

and provincial concerns that should be handled locally in the first place. Overcentralization result to LGU dependency on the national government. Notwithstanding constitutional and statutory provisions, the majority of the LGUs in the Philippines today are far from being self-reliant and self-sustaining partners of development as they were envisioned to be.

Furthermore, it has been found that generally, the local government system in the country is one wrought of problems in funding and fiscal administration. Respondents observed that the LGU budget and revenue sources are not enough to sufficiently support local government operations, adversely affecting quality and quantity of basic services delivered. Although the Code provided for additional sources for revenue generation, other studies point out that the traditional means are still generally applied. Only a few LGUs with diligent local chief executives venture on practicing more innovative and productive means of fiscal administration and revenue generation.

The primary barriers that would defeat the passage of the federal proposal is the fundamental trait to be aversive to change, not to mention the wariness of the Filipino people, understandably so, to be vigilant on the issue of charter change and the hidden motivations behind it. There is also the fact that the current political, economic and security conditions in the Philippines today is too erratic to sponsor an environment strong enough to withstand the initial destabilizing effects of the federalization process.

Personally, given the advantages and disadvantages of both the unitary and the federal systems, the researcher believes that federalism can become a better system of governance for the Philippines, especially when the issue of the basic service delivery is

concerned. Theoretically, federalism is a beautiful concept but the issue of the practicability of transforming the unitary system into a federal one at this point in time, is another matter. The question on whether federalism can function effectively in the Philippine setting given the context of the times is another important consideration.

Federalism can be made to work, if and when, public officials, the people and all other sectors of the society make a conscious, collective and constant effort to make federalism work. Generally, given the merits and the demerits of applying the federal system, and the unsupportive and unstable conditions mentioned, the researcher recommends to continue working for full implementation of the provisions of the Local Government Code. But with the stipulation that while measures are being taken to address the problem of public service provision, with the short run solution of fully decentralizing first, federalization studies and federalization plans should continue and even be made to intensify.

Thus, fully decentralize now, but federalize later. A transition period should ensue, first and foremost, to warrant a smoother, popularly accepted and less painful federalization process. The appropriate structures should be properly enshrined first. Continuous education and information campaigns should be done to fully define as well as to explain to the public officials and the people of their new and critical role in this massive national endeavor.

The challenge of federalism is before us. Let us make a choice.

TABLE OF CONTENTS

Title	Page
Approval Sheet	
Acknowledgements	
Abstract	
Table of Contents	
List of Tables	
Table 1. Summary of Devolved Services and Functions.....	32
Table 2. The Distribution of Policy Functions in American Federalism.....	42
Table 3. Revenue Shares and Averages, National Government and Local Government 1986-1995.....	65
Table 4. Total Local Revenues from Own Sources, Total Local Expenditures and Self-Sufficiency Ratio (1991 – 1994).....	66
List of Figures	
Figure 1. Organization of LGUs in a Unitary System vis-à-vis a Federal System.....	38
Figure 2. The Structure of Local Government in the Philippines.....	39
Figure 3. Fiscal Responsibility of the Local Chief Executive.....	70
Chapter I.....	1
Introduction.....	1
Statement of the Problem.....	1-2
Hypothesis.....	2-3
General Objective.....	3
Specific Objectives.....	3
Theoretical Framework.....	4-5
Conceptual Framework.....	6-8
Methodology.....	9-10
Significance of the Study.....	10
Scope and Limitation.....	11
Review of Related Literature.....	12-17
Chapter II HISTORICAL BACKGROUND.....	18-19
Baranganic Rule and the Early Baranganic Confederations.....	20
Spanish Colonial Period.....	20-21
The American Colonial Period and the Commonwealth Government.....	21-23
The Third Republic.....	23-24
The Martial Law Regime and the Fourth Republic.....	24-26

The Aquino Administration.....	27-28
The Pilot Decentralization Projects.....	28-29
The ARMM.....	29-30
The 1991 Local Government Code.....	31-32
Senate Resolution 212 and the Federalization Movement.....	32-35
The Abueva Draft Constitution.....	35-36

Chapter III COMPARATIVE ANALYSIS OF THE UNITARY AND THE FEDERAL SYSTEMS.....37

The Unitary System Government	37-39
Advantages.....	39
Problems and Disadvantages.....	40-41
The Federal System of Government.....	42-44
Advantages.....	44-46
Disadvantages and Drawbacks.....	47-49
Applying Federalism in the Philippine setting: Some Issues and Concerns.....	49-53

Chapter IV PRESENTATION OF DATA, INTERPRETATION AND ANALYSIS.....54

Local Autonomy.....	54-62
Fiscal Autonomy.....	62-68
Local Chief Executive.....	68-72

Chapter V SUMMARY, CONCLUSION AND RECOMMENDATIONS.....73-78

BIBLIOGRAPHY

APPENDICES

- Appendix A. Senate Resolution No. 212
- Appendix B. A Map of the Proposed Federal States under a Federal Republic of the Philippines
- Appendix C. Indicative Ten Year Plan for the Adoption of a Federal Government (2001-2010)
- Appendix D. Contemporary Federations
- Appendix E. Social Weather Station Survey
- Appendix F. Guide Questions
- Appendix G. Transcript of Interviews

CHAPTER I

Introduction

This study is a response to the call for federalism today, presumably an idea ‘whose time has come’. It will revolve around the relation between federalism and the administration of basic service provision in the local government. In a way, this research is an attempt to contribute to that relatively young school of thought which espouses Philippine federalism. It is an endeavor to investigate the practicability of the idea of federalism for the local setting. The researcher wishes to accomplish the objective of identifying the merits for such an action, if only in the area of public service provision. This research is designed in such a way as to become an initial preparatory study for a probable shift from the current unitary government to a federal system. It is an attempt to examine federalism as an alternative politico-economic approach towards the development of the nation.

Statement of the Problem

There is a growing call for federalism today. Twelve years after the passage of the landmark legislation, the Local Government Code of 1991, it is argued that the time draws near for the next inevitable step that the nation must undertake—federalization. The countrywide campaign is increasing in numbers, particularly when one is moving away from the national capital, and farther into the south in the Visayas and Mindanao. Should the growing call be heeded? Why is there a need for federalism? Is such a demand justified?

Still, there is another school of thought that adheres to the idea that full implementation of the Code should take place first, before embarking on a change as revolutionary as federalism. It maintains that the immense possibilities of the Code should be fully exploited completely before any more drastic step is taken. Which arrangement is more practicable? Is it a more viable move than federalization?

The researcher believes that the answer to such a dilemma can be better answered by seeking to answer, first and foremost, the following questions: What difference can federalism make? In what way will federalism serve as a better system of government for the Philippines? For whom will the changes be, given a federalist transition is effected? In what area will the effect of federalism be most beneficial to the country? Will it substantially contribute to the development of such field?

Hypothesis

Federalism can be able to better address the problem of the delivery of basic services in the Philippines. The system can achieve this goal through the effective interplay of the following factors: local autonomy, fiscal autonomy and the local chief executive.

By assigning greater administrative and fiscal autonomy (political & economic autonomy) to local governments than is afforded to it by decentralization measures under a unitary form of government (i.e., the 1991 Local Government Code), federalism can serve as a more effective means of governance for the Philippines, particularly when the aspect of basic service delivery is concerned.

Over the last four years, a series of studies had been conducted to investigate on the prospects, probe on the possible dangers and benefits of a federal type of government for the Philippines. The author wishes to build from these preliminary studies. Hence, the hypothesis that is problem specific, that is, investigating from the angle of public service provision.

General Objective:

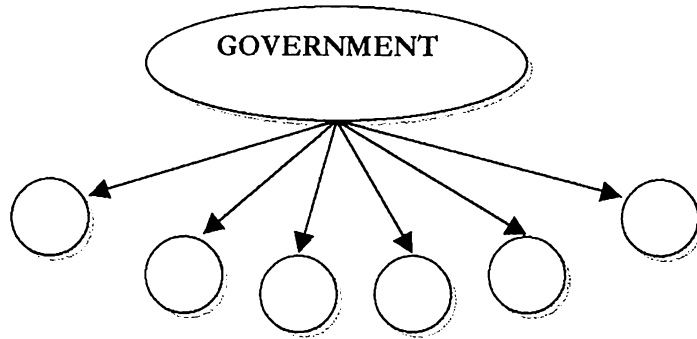
To examine the validity of the hypothesis that federalism can better address the problem of the delivery of basic services in the Philippines through the interplay of local autonomy, fiscal autonomy and the local chief executive.

Specific Objectives:

1. To trace the roots and the varying degrees of centralization and/or decentralization in Philippine governance.
2. To compare and contrast the unitary and federal systems of government; to define and examine its merits and flaws, respectively.
3. To exhibit that greater political and administrative autonomy under a federal system can among others, lead to more locality-responsive policies and projects, encourage greater citizen participation in governance under a flexible local government system that is closer and more accessible to the constituency it governs.
4. To look into the concept of fiscal autonomy under a federal system of government.
5. To assert the idea that given a competent, honest and dedicated local chief executive, LGUs in the Philippines can develop to their fullest capability under the federal system of government—a component that complements the two other factors in the bid to attain development.

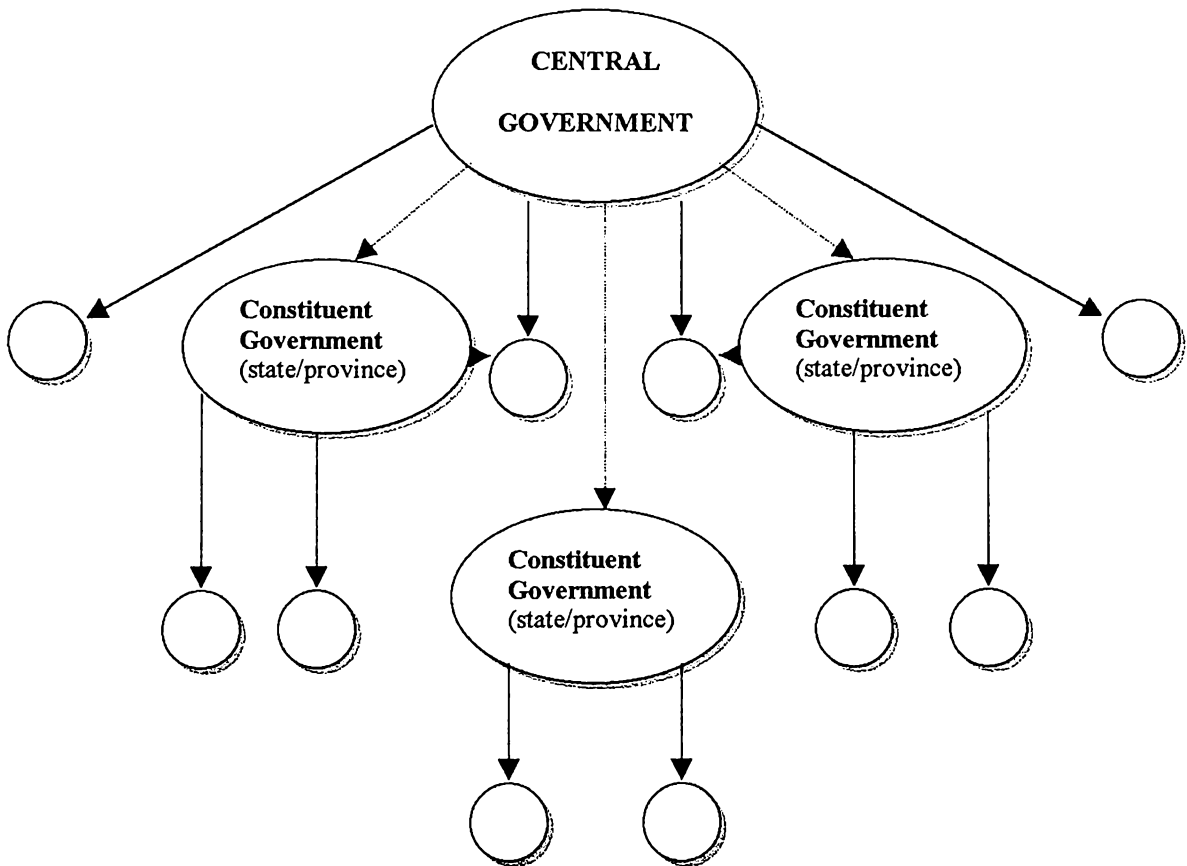
Theoretical Framework

The Unitary System of Government



The government exercises direct control and centralized powers to its constituents, the people regardless of the province, region, city or municipality they belong.

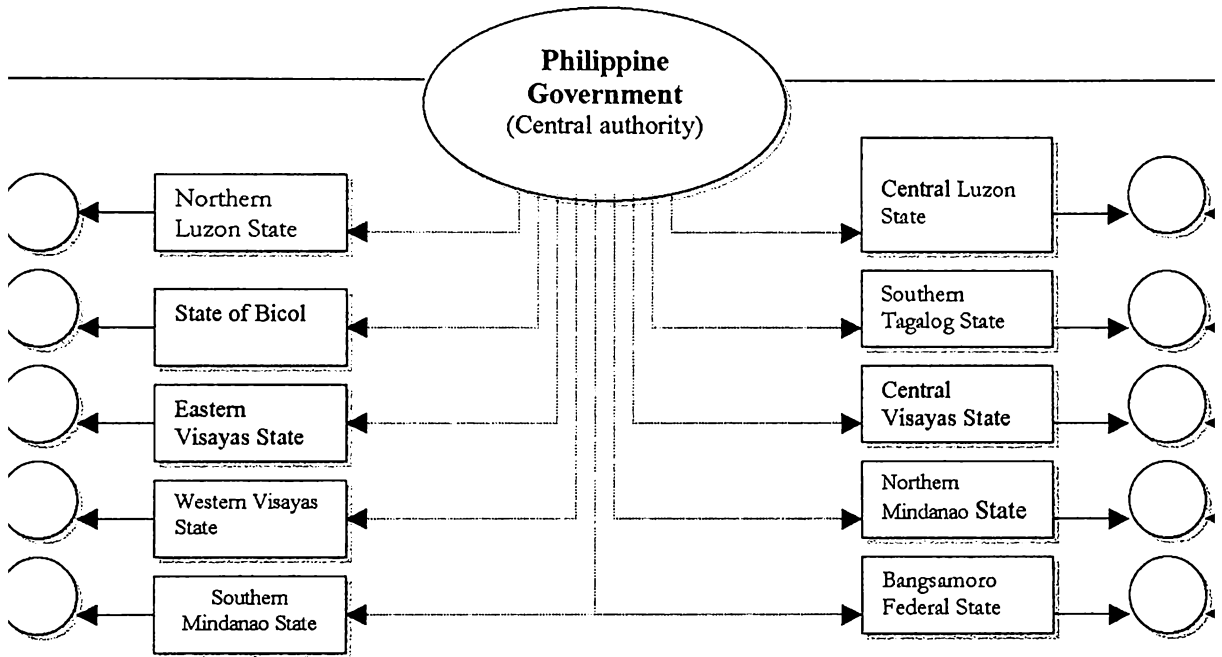
Federal System of Government



The Central Government delegates power and jurisdiction to the relatively independent states given that state programs and laws does not violate/ come into conflict with overall national programs and laws. The federal government has

jurisdiction over its citizens (regardless of state), in the same manner that the state has jurisdiction over its citizens regardless of province or municipalities. (The above illustrations are taken from Skidmore & Wanke; American Government: A brief introduction; 1981; p34)

The Philippine Federal Government



Taken from Senator Aquilino Pimentel's Why adopt a Federal System: A Primer on Federalism; as illustrated and interpreted by the researcher based on the Territorial Structures of Skidmore & Wanke

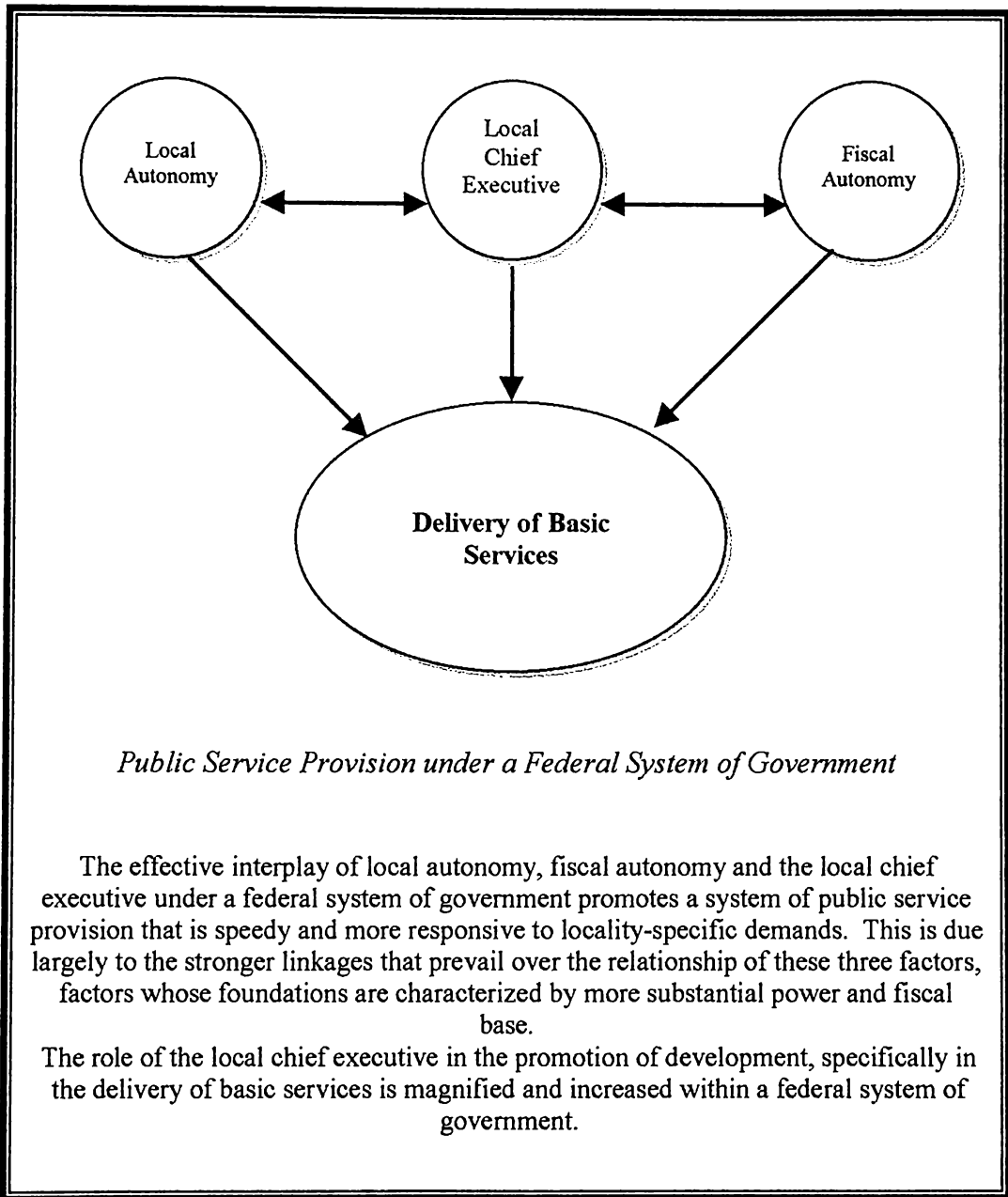
Legends:

Direction of Authority indicated by: →

Direction of Authority when exercised within the limited jurisdiction indicated by: - - - →

The citizens/people are indicated by: ○

Conceptual Framework and Operationalization



Some variables used in this study, as in *administrative* and *fiscal autonomy* and its application, had been patterned from Prof. Brillantes' research on decentralization and local autonomy. It was a study done in the late 1980's, before the passage of the new local government code. It identified specifically, three areas of concern in the light of the decentralization and local autonomy thrusts of the Aquino administration. The study highlighted administrative autonomy, fiscal autonomy and planning autonomy as the three major problem areas in public administration. This study will be an evaluation of federalism as an applied system of government in the light of these very important concepts. The approach will be a moving towards application and practice after establishing foundations from a theoretical starting point.

For the purpose of this research, the operational definition of "basic services" will only include the *health* and *agricultural* services supplied by the national government through the local government units.

Definition of Terms:

Unitarianism – a system of government where power is firmly concentrated in the hands of a strong central government

Federalism – a system of government where power is distributed among the independent states of a nation under the supervision of the central government

Senate Resolution No. 212 – "Resolution calling for a Constitutional Convention to revise the constitution by adopting a Federal system of government and for other purposes". This resolution was first introduced concurrently by Senators Francisco

Tatad, John Osmena and Aquilino Pimentel (11th Congress, 2nd Regular Session). It was later reintroduced by Senator Aquilino Pimentel acting individually, during the 1st regular Session of the 12th Congress.

Local Government Code of 1991 – the state policy that “the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals... the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units shall be given more powers, authority, responsibilities, and resources”

Decentralization – the transfer of power and authority from the central institution to the lower or local levels of a government system; it assumes three forms: deconcentration, devolution and debureaucratization

Deconcentration – the transfer of power, authority, responsibility or the discretion to plan, decide, and manage from a central point to lower/local levels within the national government; the nature of transfer is administrative and the approach is sectoral; also referred to as *administrative* or *sectoral decentralization*

Devolution – the transfer of power, authority and responsibility from the national government to the LGUs; the nature of power transfer is political and the approach is territorial; also referred to as *political* or *territorial decentralization*

Methodology:

The following qualitative research methods will be utilized for the purpose of this study:

1. Key Informant Interview

Among the objectives of the study is to determine the formal proposal and designs of the proponents of the federal idea. Therefore, learning how and why the Senate Federalists will go about the transition by conducting interviews with the authors of the resolution advocating for a federal transition, will be highly necessary for the success of the study. Interviews will make clear the objectives and the rationale behind the resolution to federalize the country. Consequently, the counterparts of these senators in the House of Representatives shall also be asked their position. If in the event that a personal interview with a senator or a representative is not possible then interviewing that particular congressman's senior staff skilled on the subject will suffice for the purpose.

To balance the presentation of arguments, the anti-federalist congressman's point of view shall also be considered.

An interview with a legal expert is essential in providing a legalistic perspective of the idea of federalism and amending the Constitution. Furthermore, the researcher will also solicit the views of some non-government and people's organizations, both in agreement and in opposition to the idea. It would be expedient if authorities on Philippine government and politics in the academe will be interviewed, such as professors from the UP College of Public Administration and Governance (NCPAG).

2. Content Analysis

In the event that the key informant interview is not possible, a content analysis approach will be utilized. A content analysis of an identified resource person's published

materials can serve as a supplementary method of data collection. Analyzing the Senate Resolution no. 212 and other related documents will be beneficial for the purpose. Furthermore, a discourse analysis on pertinent media interviews and speeches concerning federalization will also be utilized to complement a resource person's established policy positions.

3. Secondary Data

Extensive library research will be conducted to provide the bulk of the theoretical requirements of the study. A substantial part of the definition of terms, features of both unitary and federal systems of government, its advantages and disadvantages will be supplied by data from books on federalism and its related subjects, such as devolution, decentralization and local autonomy.

Significance of the Study

This study is timely, as it is a reflection of the federalization demands of a considerable part of the Philippine society. The campaign for federalism has significantly increased since the first echoes of the call was heard. The movement has gained widespread support and is widely accepted in the Visayas and the Mindanao, even in some parts of Luzon. Several non-government organizations and people's organizations with large mass membership base had been established all over the country. On this account, the movement has assumed a national character. It cannot be merely regarded as an isolated petition driven and reinforced by sectoral and localized interests alone. It is representative of a sizable part of the polity aspiring to remedy marginalized conditions of the many by proposing the federal change. Furthermore, the recurrence of

Senate and House resolutions being filed time and again brought to fore the expediency of looking into the merits and the demerits of the proposal.

Scope and Limitation

This study aims to investigate the effect of applied federalism to the local government units' capability to deliver basic public services, more specifically health and agricultural services. This paper proposes to utilize these two cases in a general manner only. It will not delve into specifics, no more than is necessary for establishing the status of public service provision as a major problem areas in the Philippine public administrative system.

The author is aware of the immense changes, not to mention the enormous tasks that will arise out of considering, much more implementing, a major institutional transformation as federalization. This study will only aim to look deeper into some positive and negative aspects of federalism as an applied system of government for the Philippines. More particularly, it will focus its investigation on the effects of federalism only insofar as the local government and its capability to deliver basic services, is concerned.

The author is aware that the federal proposal may remain to be exactly that, a proposal and a theoretical ideal. The study will not go into predicting the certainty of the passage or rejection of the federal plan. Nor will it proceed to evaluate the controversial issue of amending the 1987 Constitution, the pros and cons of amending or revising the charter—the primary step to initiate the federalization process. Furthermore, the issue of the practicability of shifting to federalism is also an altogether a different matter that this research will not extensively delve on.

Review of Related Literature

The interest for this study had been triggered by the Senate Resolution No. 212, the “*Resolution Calling for a Constitutional Convention to Revise the Constitution by Adopting a Federal System of Government and for other Purposes*”. The proposal works under the premise that the armed conflict being waged by separatist groups visualizing an independent Islamic state in Mindanao can only be addressed adequately and permanently through fundamental political and structural reforms. It aims to answer the grievances of disadvantaged Filipinos by adopting federalism as an alternative to the unitary system of government. It further believes that “Separatism could yield to national solidarity and integration within the Republic, provided those who advocate secessionism are given completely equal status and opportunities as the rest of the nation within a federal system of government”. Senator Pimentel, the author of the senate resolution, believes that Moro separatist struggles will not cease because the regional autonomous government in Mindanao and even the military pacification campaigns of the central government are superficial solutions to the problem (Federalization: An idea whose time has come; 25 July 2002).

In a paper prepared by Senator Pimentel entitled *Federal System of Government: the solution to the age-old problem of armed Moro uprising*, he identified twin objectives behind the proposition. One is to “provide the foundation for a just and lasting peace in central and southwestern Mindanao; and two, to provide an equal opportunity for the development of the regions of the country to counter the perception, if not the reality that Metro Manila is favored over the other regions in matters of development” (8 Feb 2002).

Senator Pimentel stated that since the outset of the Local Government Code of 1991, the Philippines had been practicing decentralization and devolutionary measure. Since 1991, local government units from the provincial down to the barangay level had been sharing more and more powers and responsibilities with the central government, especially in the provision of basic services. “Having eaten the fruit of devolution, there is no turning back.” The Senator enunciated this in a speech entitled, *Federalization: An idea whose time has come* at the 2nd International Conference on Decentralization held here in Manila. He believes that many local officials, even Muslim officials in Mindanao are unanimously in favor of taking the necessary steps for more decentralization. It is therefore only logical that after more than a decade of decentralist experience federalization of the Philippines should follow.

In the House of Representatives, Speaker Jose De Venecia is echoing this sentiment. During the 2nd International Conference on Decentralization the speaker stated that “a workable period of transition to prepare the nation” is necessary for deliberation and preparation. Provided that a Charter Change pushes through in 2004, De Venecia foresees a shift to the federal system by the year 2010. An estimation parallel to the timeframe set by Professors Jose Abueva and Alex Brillantes, authorities on decentralization and local autonomy, in the work “*Towards a Federal Republic of the Philippines with a Parliamentary Government by 2010*”.

There had been many studies, researches and projects on decentralization and local autonomy conducted in the Philippines. The problem, as Prof. Brillantes noted, lies not in the lack of researches on the subject but rather in the failure of implementation.

Acting as Project Director, Brillantes identified three major concerns of local autonomy and decentralization in the Philippines—*administrative autonomy, fiscal autonomy* and *planning autonomy* (1989: 8).

The effect of a “twenty year interlude with an authoritarian regime” had largely influenced the “groundswell support for decentralization and a true exercise of self-determination and governance.” Historical records, Brillantes believes, show that despite official policy statements of increasing local autonomy, the people at the local governments have continually clamored for more autonomy and less centralism. Thereby strengthening the tenet that “centralism continues in the country” (Brillantes: 1989: 2).

It should be noted that although the research conducted by Brillantes and his staff was completed in 1988, before the passage of the Local Government Code of 1991, but the publication still proves to be a rich source of descriptive insights as to the local autonomy and governance situation in the Philippines.

In lieu of the problems created by centralism, the Abueva draft constitution entitled “Towards a Federal Republic of the Philippines with a Parliamentary Government by 2010” begun with the premise for the inherent need for structural reforms in the country’s political system. In connection to this, it identified two major reasons behind the persistence of problems in governance and proposed two major solutions for these problems. To name:

- 1) Lack of good governance due to weak and ineffective political leaders and institutions, particularly the presidency, the Congress, the judiciary, the bureaucracy and the local governments, and

- 2) 2) A highly centralized, slow and inefficient unitary system in the Philippines that is unresponsive to the needs of the people.

Given the structural problem in the executive-legislative relations and the corollary problem of the relations between the national and the local government, Abueva, Brillantes and others proposed to answer these by ascribing to a parliamentary system and to federalism respectively (2002).

In lieu of the proposals for structural change called by Senator Pimentel, Professors Abueva and Brillantes, POs and NGOs, among others, this research study will proceed to examine the possibilities, the merits and the demerits of the federal proposal.

There is also a wealth of foreign materials and publications regarding federalism.

According to William Riker, the term 'federalism' originated from the Latin word *foedus*, which means 'league', 'treaty', 'alliance' or 'contract'. It is cognate to the Latin '*fides*' (trust) and to the English 'bind'. *Foedus* implies "a sort of mutual agreement of trust among parties" (George: 1997: 34).

The author Thomas George took note of William Livingston's definition of federalism. Unlike the definition provided by K.C. Wheare and William Riker, which regards federalism mainly in the light of power relations, Livingston views federalism from a sociological perspective. In the book, "*Federalism and Constitutional Change*" (1957), Livingston describes a federal government as "a form of political and constitutional organization that unites into a single polity a number of diversified groups

or component polities so that the personality and the individuality of the component parts are largely preserved while creating in the new totality a separate and distinct political constitutional unit.” (cited in George: 1997)

David Nice in the book “*Federalism: The Politics of Intergovernmental Relations*”, views federalism as being at the midpoint of a continuum the unitary system at the one end (all powers reside in the central government which has the option of devolving some of its functions to its subordinate political units) and confederations (a group of autonomous political units equal in stature, but are more powerful than the central governments mere symbolic functions) at the other.

The *Encyclopedia for the Social Sciences* (1962) defines federalism as one “characterized by a tendency to substitute coordinating to subordinating relationships; to replace compulsion from above with reciprocity, understanding and adjustment, command with persuasion and force of law”.

To K.C. Wheare, the difference between a federation and a confederation lies in the fact that the principle of organization under a confederation is one that the general government is subordinate and dependent to the regional governments that comprises it (1947: 3). The federal and the state governments coexist with one another under a federation, whereas in a confederacy the federal government can only operate on the regional governments who are its members. The extent of its authority does not reach the citizens of its respective member states. This is probably the argument why, Lord Davis in “*The Federal Europe*” describes the confederation as a ‘union of governments’, and the federation as a ‘union of people’ (George: 1997: 40).

The federal proposal is brought to a higher level by author Thomas George. In a chapter found in the book *“The State of International Integration Theory”* (1997), George regards federalism in the line of using it as an approach to bring about international integration. In this sense, one can even say that federalism becomes a continuation of, and in conjunction with the trend of globalization pursued by many countries today. The author investigates on the possibility of creating a voluntary world federation by examining the federal experiences of functioning as well as disintegrated, pre-modern federal systems, such as the Achean League in ancient Greece, the Lombard League in Italy and Hanseatic League in medieval Europe.

The attempt of transplanting federalism into the international level is brought about by the desire to unite the world, as espoused by international integration theorists. The concept of a world federation is based on the assumption that “economic and social forces will meekly follow political forces”. These theorists concerned with international peace and security argues that “the federal principle can be applied at the global level so as to unite a world divided into states” (George: 1997: 42). Consequently, this precludes that the federal approach can be used not only to achieve international integration but international peace and security as well.

The author concludes by pointing out that the federal principle can be applicable within a limited geographical area only. But not to the extent of actually transplanting it to the regional or global level where the identified pre-requisites for federalization may not and/or can never be present all at the same time.

CHAPTER II

HISTORICAL BACKGROUND

Introduction

The history of government in the Philippines is that of an alternating pattern of centralization and decentralization. However, recent trends show an increasing direction toward decentralization.

The prevalence of a pattern is dependent on the conditions and the context of the times. The degree of centralization and decentralization is calibrated to suit the political, economic and military demands of a specific historical period. Hence, one can observe visible centralization measures if the need for strong government control is imperative i.e., to pacify a rebelling populace as in the cases during the Spanish and American colonial administrations. The Post-EDSA Revolution scenario saw remarkable steps toward decentralization. Observing history, one can infer with reason that the level of centralization or decentralization in governance is for a large part, dependent on the political, economic, and/or military interests of the government in power. To extend this reasoning, it is therefore dependent on the political, economic and military interests of the political elite that is in power.

Centralization and decentralization in government can also be seen in the light of the De Guzman, Reforma and Panganiban's rationale for adopting appropriate institutional arrangements. These academics believe that choosing between these two governmental approaches involves determining whether the promotion of development is the main responsibility of the central government or the local governments working in

tandem with non-governmental institutions. In lieu of the latter option, there is a need to further determine, first and foremost, the local government's administrative and financial capability to ensure development given the added responsibilities entrusted on them (1988: 237). The choice between a 'strong centralized government' or 'citizen power and decentralization' can be better explained by the following words:

"The first alternative argues that since development requires unity of vision, comprehensiveness of planning, societal coordination of effort, rational allocation of resources to meet competing needs, and speed in policy decision-making, the powers of the government must be centralized. The second alternative counters that the crucial issue of development is the generation of widespread initiative, effort and social responsibility throughout the society and, thus, political and governmental power must be decentralized. These alternatives refer no less than to the distribution of power in society."

Sosmena (1987) identified five other factors affecting the extent of centralization or decentralization in governance (Manasan: 1992). These include 1) threat to national security; 2) personalities of the presidents; 3) national integration; 4) national development; and 5) perception of central government on the competence of local governments.

Having observed the general trend and indicated possible reasons behind its application, the study will now move on to identifying patterns of centralization or decentralization by using as a gauge major laws and policy formulations implemented across distinct historical periods. Moreover, to also show that over the years there has been increasing advancements favoring the decentralization alternative. So much so that there now exists a surfacing movement advocating for the federalization alternative.

The Baranganic Rule and the Early Baranganic Confederations

Prior to Spanish colonialization, independent 'socio-economic units' called *barangays* existed as the form of government of our early peoples (Tapales: 1995: 1). This indigenous political institution, roughly equivalent to the city-states in ancient Greece, was headed by the *datu*. Based on this system of leadership, one can observe a very centralized system of governance as all the power and authority was concentrated in the hands of the *datu*. The ruler possessed executive, legislative, judicial and military powers. Participation in governance was attained through the council of elders who served as advisers to the *datu* (De Guzman, Reforma & Panganiban: 1988: 209).

It is interesting to note that even before the arrival of the Spaniards in 1565, a form of confederation already existed between and among these independent *barangays*. Thus, the confederal system is not entirely a foreign practice. Such confederations prospered in Luzon and in Mindanao, as demonstrated by the powerful sultanates that ruled the area (De Guzman, Reforma & Panganiban: 1988). Another example of this arrangement can be seen from the *Madya-as* in Panay under the chieftainship of *Datu Sumakwel*, in Central Luzon under *Rajah Lakandula* and that in Cebu under *Rajah Humabon* (Nolledo: 1973: 2).

The Spanish Colonial Period

The current unitary system of government goes a long way back in our history as a nation. It can be traced to the colonial efforts of the Spaniards to establish a firm control over the colony.

In order to better control and administer the colony, the Spanish colonial administrators applied the *encomienda* system, a ‘feudal institution’ which later evolved into a ‘capitalist Spanish economic base’ (Constantino: 1975: 44). Politically, this served as the beginnings of a basic system for dividing power; later to give way to the establishment formal systems of administration like *pueblos* (municipalities), *cabildos* (cities) and provinces.

The *encomienda* system became an ‘integral part of the early Spanish administrative machinery’. Aside from working as a means to hasten the pacification of the Philippines, the *encomienda* also functioned as a distinct political unit being overseen by the *encomiendero* acting as provincial officer. Thus, the *encomienda* system perpetuated a system ensuring local government and control (Constantino: 1975: 48).

The centralized system being a ‘colonial imposition’, had become deeply imbedded in the Philippine administrative system for the span of three decades of Spanish colonial rule. A government hierarchy that places the national government at the apex with the provinces acting as intermediary units between the central government and the municipalities was the political order encouraged and practiced by the colonial administrators (Tapales: 1995).

The American Colonial Period and the Commonwealth Government

When the American colonizers took over the Philippines, the long trend of centralism was retained for the major reason that it was a ‘convenient’ way to rule the colony (Tapales: 1995: 396). In fact, according to Brillantes and Moscare (2002), despite

the policies purportedly supportive of local autonomy, the colonial government nonetheless maintained a highly centralized politico-administrative system.

US President McKinley's "*Instruction to the Philippine Commission*" of April 1900 provided that "municipal government[s]...shall be afforded the opportunity to manage their own local affairs to the fullest extent to which they are capable, and subject to the least supervision and control..." (De Guzman, Reforma & Panganiban: 1988). This declaration contrived for a 'relatively decentralized' government as opposed to the governmental approaches of the Spanish administrators. In reality however, these instructions, especially during the early stages of American colonialization, was put off over and above its military objectives. Tight military control in the local areas became the policy to quell dissension.

The difference between the Spanish colonial administration to the American colonial administration was found in the small matter of the character of supervision imposed by the latter. There were relatively more democratic measures implemented, particularly in the latter years of the rule, as shown by the fact that that provinces and municipalities elected their own public officials and enacted ordinances. Still, "the ultimate control of these actions were lodged in Manila" so that the practice of centralism was not radically altered (De Guzman, Reforma & Panganiban: 1988: 212). Thus, the centralized system practiced by the American administrators were only an extension of the tradition of centralism that was cultivated during the Spanish colonial times.

During the Commonwealth Republic under the President Manuel Quezon, the degree of centralization in governance had noticeably increased. The 1935 Philippine Constitution stated that, "*The President shall have control of all the executive departments, bureaus, or offices, exercise general supervision over all local governments as may be provided by law...*" (Article VII, Sec. 10, taken from Nollado: 1975). Several accounts show that Pres. Quezon followed this provision to the letter. According to De Guzman and associates, "Quezon believed that under the unitary system, the national chief executive does and should control all local offices. As a result, central supervision rapidly increased and was personally exercised by the President to a degree previously unheard of." (1988: 212)

The Third Republic

Between 1946 to 1972, decentralization emerged as a general pattern in the public administration. A number of congressional enactments conferred more autonomy to local government units through grants of additional powers or by the reduction of national control over local affairs (De Guzman, Reforma & Panganiban: 1988).

The *Barrio Charter Act of 1959* is one concrete example. This law gave the barrio its 'quasi-municipal corporate character' along with corresponding legislative and taxing powers (Manasan: 1992: 2).

Republic Act 2264 or "*An Act Amending the Laws Governing Local Governments by Increasing their Autonomy and Reorganizing the Provincial Governments*" was approved in 1959 during Pres. Magsaysay's term of office. The Local Autonomy Act bestowed upon the municipal governments the authority to exact license taxes and the

operation of a business enterprise. Additionally, municipal governments were sanctioned to appropriate funds for local usage. Furthermore, it also recognized and henceforth empowered provincial governments in a manner as to diminish national control in provincial budgeting, and the planning and implementation of public projects (De Guzman, Reforma & Panganiban: 1988: 213). In the words of Rosario Manasan, the Local Autonomy Act of 1959 equipped local government with greater fiscal, planning and regulatory functions (1992).

Also among the laws that paved the way for greater decentralization is Republic Act 5185, or the “*Decentralization Act of 1967*”. It includes provisions such that: 1) Cities and provinces were authorized to supplement national programs in rural and agricultural extension services; 2) National approval over a number of local actions were removed; 3) The share of provinces in internal revenue collection was increased, and distributed according to population and land area; 4) The appointment of some officials, including the provincial assessor and agriculturist, who were appointed by the President, was devolved and transferred to the Governor. (De Guzman, Reforma & Panganiban) Financial control however, remained largely with the national government (Tapales: 1995: 396).

The Martial Law Regime and the Fourth Republic

When the 1973 Constitution was ratified, a separate article on Local Government was introduced for the first time. Article IX, Section 5 of the 1973 Constitution reserved that local government units “*shall have the power to create its own sources of revenue and to levy taxes, subject to such limitations as may be provided by law*”.

This measure provided the foundation for local governments' financial self-sufficiency. Similarly, it recognized the role the local governments, namely, the province, the city, the municipality and the barrio in nation building.

Another significant constitutional provision decreed that, "*The state shall guarantee and promote the autonomy of local government units, especially the barrio, to ensure their fullest development as self-reliant communities.*" (Article II, Sec. 10 The 1973 Philippine Constitution)

On February 1983, *Batas Pambansa 337* or the Local Government Code was enacted. The Code made the legal distinction between a highly urbanized city and a component city and henceforth mandated the former to retain its autonomy from the provinces, and the latter to remain under provincial supervision (Tapales: 1987: 397).

The Code, granted LGUs with limited taxing powers and brought about the increase of local government share in the Internal Revenue Allotment. Furthermore, it allowed LGUs to exercise levying powers and for the barangay to enjoy the power to regulate businesses through barangay clearances (Ocampo-Salvador: 1999: 146).

BP 337 ruled in favor of the application of the *principle of liberal interpretation of local government powers*. This principle specifically maintains that, "any power of a barangay, municipality, city or province shall be liberally construed in its favor. Any far and reasonable doubt as to the existence of the power shall be interpreted in favor of the local governments concerned." (Manasan: 1992: 3)

The bid for decentralization during the Marcos administration manifested itself through the creation of regional governments, regional offices of government ministries and regional development councils. The *Integrated Reorganization Plan* (IRP) or Presidential Decree No. 1 was primarily designed to institutionalize regional development. It provided for the creation of *Regional Development Councils* (RDCs) equipped to assume responsibilities for developmental planning at the regional level. However, its jurisdiction does not include the authority to control plan implementation and budgetary appropriation. In a 1975 order constituted in the series of *Letter of Instructions* (LOIs), the authority of Regional Development Councils were notably strengthened; outfitting them with powers of program coordination and project implementation, in addition to recommendatory powers on budgetary setting (Lamberte: 1993: 8).

Nonetheless, these decentralization thrusts were classified as steps directed toward extending the central government's arm by delegating authority to field offices of line agencies, and *not* as an effort towards substantiating local government power per se. In fact, developments in national-local government relations indicated a tendency for greater political centralization. These actions were manifestations not of decentralization but what is technically referred to as "*deconcentration*" or the delegation of authority from central to the field offices of line agencies (De Guzman, Reforma & Panganiban: 1988: 216-217). Notwithstanding official Marcosian declarations, the Martial Law regime warranted for a strong and centralized type of government. The imposition of the martial law therefore was a great setback for the local autonomy movement in the Philippines (Brillantes & Moscare: 2002).

The Aquino Administration

After over a decade under martial law, the new administration made a conscious effort to veer away from the long-standing tradition of authoritarian rule. Thus, the 1987 Philippine Constitution demonstrated the new government and the people's desire for democratization. In 1988, '*people participation*' had been identified as one of the major themes of the Executive branch's legislative agenda. It was recognized that "decentralization, devolution and local autonomy" are the measures through which people empowerment can be effected (Brillantes: 1989: 2). One way to guarantee democratization is to ensure people participation by way of decentralization. This sentiment became one of the cornerstones of the Aquino administration.

The *Presidential Commission on Reorganization* under the Aquino government, stood by the belief that "decentralization concretizes the government's avowed goal of democratizing power". Hence, decentralization became one of the guiding principles behind the reorganization of the new bureaucracy (Brillantes: 1989: 1-2).

The new government alluded to two levels of decentralization. One being the decentralization of the executive department through regionalization and two, the decentralization of the government machinery as a whole through the promotion of local government autonomy. In a speech, Pres. Aquino commented that autonomy of local governments "in the plainest terms, means money: more funds and resources for local governments" (Brillantes: 1989).

"The state shall ensure the autonomy of local governments" (Article II, Sec. 35). The preceding constitutional provision is the basis for the present local government system in the Philippines. A constitutional safeguard to ensure people's participation in

government affairs and the promotion of local autonomy and answerability can be found in the recall and initiative provision of the Article X, Section 3 of the Constitution. It is resolved that:

“Congress shall enact a local government code which shall provide for a more responsible and accountable local government structure instituted through a system of decentralization with effective mechanisms of recall, initiative and referendum, allocate among the different local government units their powers, responsibilities and resources...”

In lieu of all the aforementioned policy declarations, the Aquino administration proceeded to act out progressive decentralization measures. Such a move can be exhibited through the government’s experiments on decentralization, or the Pilot Decentralization Projects.

The Pilot Decentralization Projects

Memorandum Circular No. 63 provided for significant institutional reforms under the Aquino administration. It mandated several national agencies to delegate some of their functions and responsibilities to their corresponding regional offices. The purpose of the pilot projects were “to develop and adopt a framework for managing decentralization from central officious of line departments to their regional and provincial offices and to LGUs” (Manasan: 1992: 5). The Project was launched on 30 May 1988 and covered the four provinces of Tarlac, Laguna, Negros Occidental and Davao del Norte. Each of the four other provinces were appropriated with ‘decentralization funds’ amounting to P120M. A large part of this sum (P100M) is allocated for infrastructure projects, while the remaining P20M goes to livelihood projects (Lamberte: 1993: 5)

Six national line agencies were tasked to prepare a list of specific powers and functions that could be devolved to these pilot provinces. A *Memorandum of Agreement* (MOA) between these line agencies and the provincial governments concerned were supposed to have been facilitated to signify clear manifestation of the agency's 'willingness' to identify and devolve certain functions to the local units (Lamberte: 1993: 10). However, Manasan reported that "very few of these MOAs were consummated", signifying little agency cooperation. In general, Lamberte assessed that the pilot projects lacked 'concrete framework and well-founded guidelines' that were, unfortunately not 'totally developed' in the pilot provinces. The experience nonetheless helped identify the need for the evaluation of the implementation process itself, the institutionalization of the consultation mechanism and the role of Congress in formulating meaningful decentralization policies (1993: 10-11).

The Autonomous Region of Muslim Mindanao

"There shall be created autonomous regions in Muslim Mindanao and in the Cordilleras consisting of provinces, cities, municipalities, ad geographical areas sharing common and distinctive historical and cultural heritage, economic and social structure ... "

-Article X, Section 15

The 1987 Constitution mandated the Congress to enact an organic act for the Muslim Mindanao and the Cordilleras; autonomous regions supervised by the President.

In 1 August 1989, Pres. Corazon Aquino signed into law the Organic Act for the Autonomous Region of Muslim Mindanao or *RA 6734* (Lamberte: 1993). The following provinces constitute ARMM: Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi.

Republic Act 6734 warranted the creation of the ARMM as a political subdivision with legislative as well as taxing powers. In other words, it is a regional government with constitutionally defined administrative and legislative autonomy. However, being an instrumentality of the national government, the ARMM cannot exercise any *residual powers*; so that all other powers, functions or responsibilities not accorded to the ARMM by the organic act are still vested in the central government (Ocampo-Salvador: 1999).

Specifically, RA 6734 extended ARMM's jurisdiction to include powers to: 1) create and establish an administrative and political organization; 2) create sources of revenues; 3) select leaders; and 4) exploit wealth and natural resources. Moreover, the ARMM also exercises exclusive jurisdiction over its cultural heritage; control over the Shari'ah courts, Appellate and Tribal courts, in addition to the running its personal, family and property relations (Ocampo-Salvador: 1999: 141-142).

After over a decade of 'local autonomy' Pimentel comment's on the status of the ARMM as that there is no doubt that it has fallen short of its goal to bring peace and progress to the region. Pimentel also added that the Autonomous Region in Muslim Mindanao has difficulty catching up with the developed regions because its powers are limited under the Constitution. (29 January 2003; www.nenepimentel.org). It is reported that Pimentel believes that much of the blame must be laid at the door of the authorities of the central government because of its practice of cutting down budget requests for the ARMM and even withholding funds that are already approved by Congress (www.nenepimentel.org; 24 February 2003).

The 1991 Local Government Code

The passage of the landmark legislation, the Local Government Code of 1991 or RA 7160, was deliberated in the Congress for five years, following the 1987 constitutional provision that directs Congress to “*enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralization...*” (Article X, Sec. 3)

The Code, Brillantes emphasized, is “considered the most radical and far reaching policy that addressed the decades-old problem of a highly-centralized politico-administrative system”. Furthermore, the 1991 Local Government Code fundamentally transformed the working relationship between the national government and the local government units; and the national officials and heads of departments vis-à-vis the local chief executives (2002).

Brillantes (2002) summarizes the major features of the 1991 Local Autonomy Act, as it is also known. To paraphrase:

1. It devolves to LGUs the responsibility for the delivery of basic services handled earlier by the national government. These include various aspects of: health, environment, social services, agriculture, public works, education, tourism, telecommunications services, housing projects, and other services such as investment support.
2. It devolves to LGUs the responsibilities for the enforcement certain regulatory powers; i.e., the reclassification of agricultural lands, enforcement of environmental laws, inspection of food products and quarantine, et. al.
3. It provides the legal and institutional infrastructures for expanded civil society participation in local governance by allocating to NGOs and POs seats in local bodies.
4. It increased available LGU financial resources by broadening their taxing powers; providing LGUs with a specific share from the national wealth extracted within their territorial boundaries i.e., mining, fishing and forestry charges and by

increasing LGU share from the national taxes collected as in increasing internal revenue allotments to 40% from a previous low of 11%.

5. It lays down the foundation for the development for a more entrepreneurial-oriented LGUs.

The following table contains a list of the devolved services and functions from the national government to the local government units as provided for by the 1991 Local Government Code.

Table 1.
Summary of Devolved Services and Functions

Services and Functions	Devolving Agency/ Department
Social welfare services	Department of Social Welfare and Services
Agricultural extension and on-site research	Department of Agriculture
Field health and hospital services and other tertiary health services	Department of Health
Public works and infrastructures projects funded out of local funds	Department of Public Works and Highways
Tourism facilities and tourism promotion and development	Department of Tourism
School building program	Department of Education Culture and Sports
Community-based forestry projects	Department of Environment and Natural Resources

Source: Cuaresma & Ilago; *Local Fiscal Administration in the Philippines*; 1996; p.25

The Senate Resolution No. 212 and the Federalization Movement

There has been advanced studies conducted regarding the Philippine federalization proposal. These were purposely done to pave the way for eventual federal transition. Senator Pimentel is at the forefront of this movement. It is his thesis that a federal system of government should be adopted in the Philippines for two basic reasons.

Federalism will, 1) hasten economic development and 2) lay down the foundations for a just and lasting solution to the recurrent problem of Moro secessionism in Mindanao. It is for these reasons that Pimentel believes that the federal system of government is a “better system of government” for the Philippines. With a federal system “*effectively governing a country of more than 7000 islands and a population of some 80 million who speak various languages and are of varied cultural origins*” will be more feasible. These fundamental theoretical assumptions are imbedded in the Senate Minority Leader’s Senate Resolution 212, the “*Resolution Calling for a Constitutional Convention to Revise the Constitution by Adopting a Federal System of Government and for other Purposes*”. [See Appendix A for a copy of SR 212]

The proposal for the Federal Republic of the Philippines entails the establishment of 10 Federal States; 4 states in Luzon: Northern Luzon, Central Luzon, Southern Tagalog, the Bicol area; 3 Federal States in the Visayas: Eastern Visayas, Central Visayas, Western Visayas and 3 states in Mindanao: Northern Mindanao, Southern Mindanao and the Bangsamoro Federal state. [See Appendix B for Pimentel’s federal map]

The Federal States may have power over matters not reserved for the Federal Government (i.e., health agriculture, social welfare, basic education, local public works, local taxation, trade, and police). The central federal republic will have powers over foreign affairs, national taxation, basic justice, basic education, coinage, customs and military matters and national security, among others. There are powers placed under the concurrent jurisdiction of federal and state governments (www.nenepimentel.org)

According to Pimentel, the experiences of federal countries seem to validate the point that “there is more leeway for countries to modernize and develop under a federal set-up.” Pimentel suggested adopting the best features of the federal system of the United States, Canada and Australia, the European model in Germany and the Asian model of the federalist Malaysia as models for a possible Philippine federalization scheme. (Federalization: An idea whose time has come; 25 July 2002).

The movement for federalism had been gaining momentum since 1999. NGOs such as the *Kusog Mindanao* (Mindanao Force) and the *Lihuk Pideral Mindanao* (Mindanao Federal Movement) led by academics and leaders like Rey Teves Magno, Lito Lorenzana, Gaudencio Sosmena Jr., and Michael Mastura, convened to spearhead the movement.

The *Kilusang Pideral Pambansa* (Movement for a Federal Philippines/KPP) was established for the purpose of devising a formal mechanism to aggregate the call for federalism in the Visayas and Mindanao. This NGO created in 1999, has an active mass base in Davao, Cebu, and Cagayan de Oro. The *Lihuk Pideral*, another NGO working at the forefront of the movement was launched last November 18, 2000 in Cebu City.

The Chairman of the House Committee on Constitutional Amendments, Representative Eduardo Nachura of Samar, filed a report to the Office of Speaker Jose De Venecia establishing that “representatives and officials of various government and non-government organizations agreed on the need to shift from the present unitary to federal system”. Other identified groups favoring federalism include the Mindanao Congress of Non-Government Organizations, Women’s Network Group, the Moro Islamic Liberation Front and the Moro National Liberation Front. Governor Herminaldo

Mandanas of Batangas and Camarines Sur Governor Luis Villafuerte, the Chairman of the League of Provinces are supporters of federal idea as well (www.nenepimentel.org).

With a sympathetic local chief executive, it is not surprising that the federal movement is highly acclaimed in the Camarines Sur area, especially in Naga City. A chapter of the MFP called the Federal Republic of Bicol Movement is active in the area. It works in collaboration with Ateneo de Naga University's Institute of Politics.

The Abueva Draft Constitution

At the helm of the Movement are a growing number of supporting and related studies on federalism. Leading figures from the academe include Professors Jose Abueva (Kalayaan College), Alex Brillantes (University of the Philippines) and Michael Mastura (Mindanao State University). Along with Abueva, Brillantes formulated a timeline for federalism, a ten-year transition period beginning the year 2004, to serve as a '*Preparatory Action Plan*' for a federal Philippine government. [See Appendix C for Brillantes' Federal Timeline]

The Abueva draft constitution materializes the growing reality that is the Philippine federal experience. It puts forth the Pimentel proposal into the legal test by formally going down to the specifics, into the nitty-gritty of changing the provisions of the 1987 Constitution. It serves both as an advance and a preparatory study on the prospects, the pit falls, the 'gray areas' of a functioning federal system. It brings to light the organizations and the active individuals that are at the fore of the federal movement.

Dr. Jose Abueva, a delegate of the 1987 Constitutional Convention, designed a working draft for a federal system with a parliamentary government whose tentative implementation period is by 2010. The draft is working in close collaboration with the Movement for a Federal Philippines. It is also made possible by a research grant from the Konrad Adenauer Foundation of the Federal Republic of Germany.

The Abueva draft constitution maintains ‘essential continuity’ with the 1987 Constitution in regard to the Preamble, the article on the Bill of Rights, on Citizenship, on Suffrage, and on the Constitutional Commissions.

It is in this context that this thesis shall begin its discussion—the investigation on the merits or the flaws of the federal system of government as a response to the growing nationwide call for a Philippine federalist experience.

CHAPTER III

COMPARATIVE ANALYSIS OF THE UNITARY AND THE FEDERAL SYSTEMS

The Unitary System of Government

The power relationship that predominate over the national government vis-à-vis its local government units involve that of a relationship of “subordination and dependency”. The indisputable authority of the national government and the supremacy of its decisions over and above local government policies are characteristic unitary features. The doctrine of “*undisputed and undivided sovereignty*” and “*supreme constitutional authority*” are central operating principles in a unitary system.

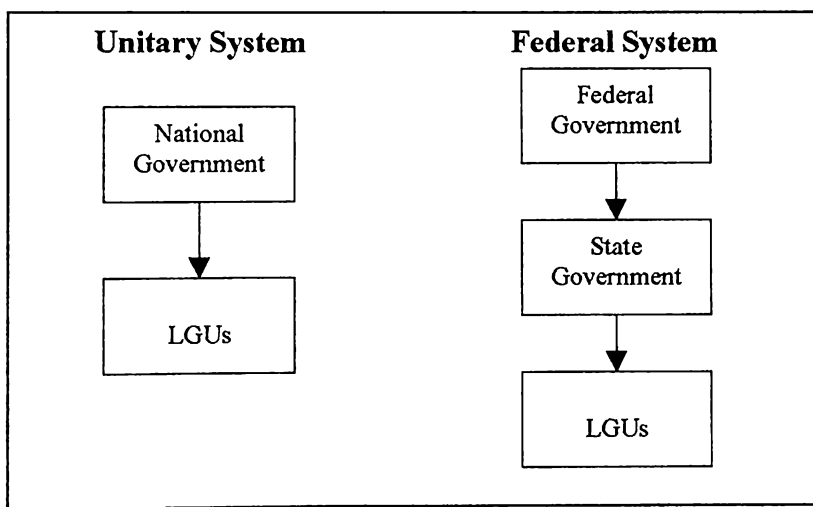
Corollary to the principle of “undivided sovereignty” is the rule of “*ultra vires*”, a governing rule in national-local relations. It means that local powers are never implied, and for it to be authoritative, these powers must be explicitly provided by the Constitution and delegated or devolved by the national government to the local level (Ocampo-Salvador: 1999: 120-121).

The unitary form of government espouses the belief on a strong centralized system of government. Taxation, local development planning and policy-making are fields directed by and controlled by the national government.

The Philippines is among the unitary countries in the world. France, UK, China, are just some of the examples of unitarist countries. Majority of the world’s nations applies the unitary institutional arrangement.

Generally, according to Ocampo-Salvador, the number of tiers in the local government system influences the degree of centralization applied. The *tiers* are the levels of government or the intervening layers of authority within a system. In a unitary system, there is no intermediate tier between the national and the sub-national/local government, in the same way as there are state or regional governments acting as intervening layers between these two levels under a federal system.

Figure 1.
Organization of LGUs in a Unitary System vis-à-vis a Federal System

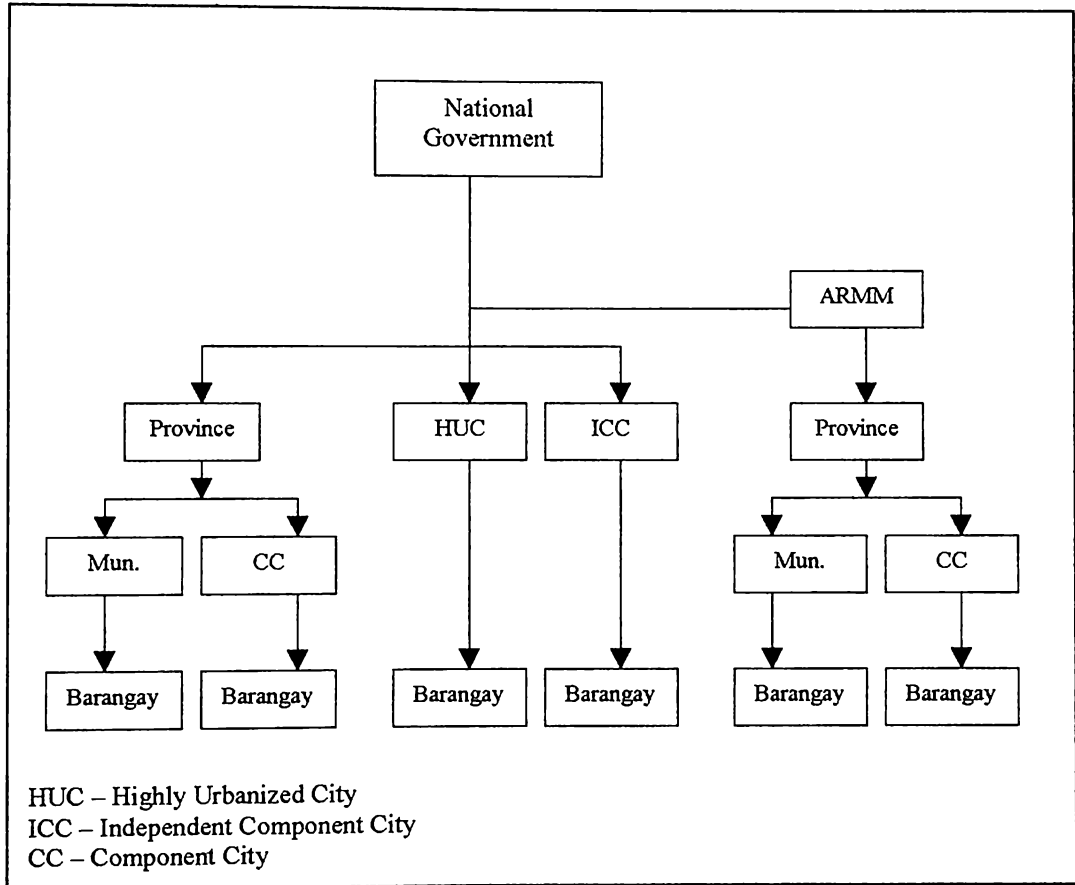


Taken from Celestino, Malvar & Zipagan; Handbook for Fiscal Administration in the Philippines; UP NCPAG; 1998, p.34

The Philippines has a four tiered local government system comprised of the Province, the City, the Municipality and the Barangay. The regional divisions in the country are considered as administrative and not political divisions. In the Philippine setting, the ARMM is the only one that fulfills the requirement of a regional government,

i.e. the existence of an organic act creating a political subdivision with legislative and taxing powers (Ocampo-Salvador: 1999: 141).

Figure 2.
The Structure of Local Government in the Philippines



Taken from Celestino, Malvar & Zipagan; Handbook for Fiscal Administration in the Philippines; UP NCPAG; 1998, p. 36

Advantages

According to Ocampo-Salvador (1999), unitary systems provide a menu of attractive benefits which include the ability to establish unity, uniformity and equality. The edge of a unitary system of government over a federal one is found in the area

regarding the uniformity of laws. Due to the uniformity of laws inherent in unitary systems, there are also inherent mechanisms present to ensure the universal protection of human rights otherwise not guaranteed under the diverse system of a federal government. In lieu of the advantages mentioned above, a unitary system therefore ensures the universal delivery of basic services.

A federal government allows for the enactment of laws in the state level as long as it is in accordance with the Federal Constitution, the supreme law of the land. Under a federal system, some individual states may pass relatively more progressive laws while others may pursue more antiquated or even harmful ones. Lack of uniform legislation may mean differing standards in state public education, labor laws, marriage and divorce laws, commercial regulations and social security, among others (Rodee: 1977: 40-42).

Problems and Disadvantages

A unitary system frequently suffers from a tendency to overcentralize of administrative control over local affairs.

Ocampo-Salvador (1999: 121) lists down some common problems of local governments under a unitary system. These include:

- 1) bureaucratic red tape and inefficiency;
- 2) absence of a comparably powerful intervening body which often necessitates for a final approval from the top in implementing local decisions;
- 3) centralized planning precludes an accurate identification of local needs, thereby compromising specificity for uniformity.

Ayson and Reyes (2000: 81-82) report some defects and disadvantages of unitary systems. To summarize: 1) overcentralized administrative control over local affairs overburdens the central governments with numerous local problems; 2) national officials may lack adequate knowledge prevailing in local conditions which may result to unsuitable and ineffective policy formulations; 3) it restrains local initiative and interest in managing local government affairs; 4) it hastens the creation of a large centralized bureaucracy; 5) it is generally not suitable to a large country with a culturally heterogeneous population.

Rodee believes that a unitary system is “particularly ill adapted” to large or culturally heterogeneous nations because problems in the local level usually require special rather than standardized responses and approaches. Furthermore, even in relatively small and highly homogeneous nations, as in the case of France, overcentralization of administration results to a situation wherein there is “paralysis at the extremities and apoplexy at the center” (Rodee: 1977: 40).

The above description coincides with what local academics in public administration identify as the national government’s propensity to transform LGUs into “mere appendages”. Accordingly, this propensity to overcentralize found endemic in unitary systems, more particularly the Philippine unitary system, contributes mainly to the problems inherent in centralized systems.

Notwithstanding these drawbacks, unitary systems prove effective in areas where “vast size and insularity of a territory” matters in order to achieve effectiveness in implementing policies and decisions (Ocampo-Salvador: 1999: 122).

The Federal System of Government

The federal arrangement is functionally, organizationally and structurally more complex than the institutional arrangement under a unitary order. The following table can exhibit the complexity of the division of functions in a federal government. [Refer also to Theoretical Framework]

Table 2
The Distribution of Policy Functions in American Federalism

<p><i>Monopolized by the national government</i></p> <p>macroeconomics, defense, immigration, social security, labor-management disputes, civil rights, workplace safety, regulation of monopolies and banking, wilderness areas and land conservation, atomic power and waste, airlines, railroads, broadcast licensing, outer-space exploration, international trade, foreign aid, foreign relations, postal services, counterintelligence</p>
<p><i>Shared rather evenly by the national government and the states</i></p> <p>medical care for the elderly, and disadvantaged, welfare benefits, environmental protection, social order, scenic recreation facilities, farm subsidies, industrial incentives, taxing, highways, civil liberties (although supremacy lies in the national Constitution and judicial review)</p>
<p><i>Monopolized by the states</i></p> <p>welfare administration, control of insurance, regulation of professions, nursing, higher education, regulation of utilities, definition of crime, justice administration, marriage, property rights, powers of municipalities</p>
<p><i>Shared rather evenly by state governments and local municipalities</i></p> <p>primary and secondary education, public finance, roads and highways, public transportation, airports, welfare administration</p>
<p><i>Monopolized by local municipalities and jurisdictions</i></p> <p>most important aspects of primary and secondary education (personnel, curriculum, programs, facilities, etc.) city growth and zoning, land use, public sanitation, fire and water services, parks, recreation, libraries, maintenance and provision of streets and roads, crime control, cultural life, political party organization and participation, property taxes</p>
<p><i>Shared rather evenly by all governmental jurisdictions</i></p> <p>taxes, housing, urban growth and services, highways</p> <p>Source: Taken from Hamilton & Wells; <i>Federalism, Power, and Political Economy: A New Theory of Federalism's Impact on American Life</i>; 1990; Prentice Hall, New Jersey; p.59</p>

The system of government of the United States of America is regarded as the universal example the federal form. Canada, Mexico, Australia, Malaysia, India, Brazil, Switzerland and Germany are also some of the federalist countries in the world. [Consult Appendix for a list of federal countries]

A federal government is one in which the principle of “*divided sovereignty*” prevails. The powers of taxation, police powers and eminent domain are shared between the central government and its component parts, the state governments, as shown above. The national and the intermediate (state, regional or provincial) level are the two independent tiers of authority under a federal system (Ocampo-Salvador: 1999).

The federal principle, in the words of K.C. Wheare, pertains to the method of dividing powers in such a way that the general and the regional governments are each within a sphere, coordinate and independent to each other. Wheare defines the federal system in terms of the governing power relationship between these two tiers of government: one of coordination rather than subordination. Thus, the principle of organization in a federal system as in the American federation is based on the division of powers between two distinct and coordinate levels of government. This is where the difference between a federation and a confederation lies: the principle of organization in a confederacy is one of the general government’s subordination and dependency to the regional governments that comprise it (Wheare: 1947: 3).

David Nice in the book “Federalism: The Politics of Intergovernmental Relations”, classified three major models of federation (Tenorio: 2000). This includes the 1) *competitive*, 2) *interdependent* and 3) *functional* models.

The *competitive model* works under the assumption that federalism is a ‘zero-sum’ game; one level gain power at the expense of the other. Under this classification, come the nation-centered federalism, state-centered federalism and dual / layer-cake federalism model, the last referring to an arrangement wherein there is a clear distinction between each levels’ areas of responsibility.

An *interdependent model* assumes the possibility of power sharing between and among the different levels of government. This includes cooperative federalism and rowboat federalism. Creative federalism is an arrangement wherein there is a cooperation not only within the different levels of the government but also cooperation and participation of the private sector in some areas of governance.

New federalism refers to a cooperative model that emphasizes local innovation over national intervention in domestic affairs. Rowboat federalism, on the other hand, is said to be the “purest interdependent model”.

Functional models categorize existing federal systems according to the way it divides responsibility along governmental functional lines such as education and health, among other public services. Within this classification are two alternative arrangements, the picket-fence federalism or the bamboo-fence federalism.

Advantages

The ‘federal style’ of the dividing powers and functions between the national and the state governments can work for and against a polity. While delegating basic governmental functions to the states, the national government is freeing itself from the administrative burden of attending to local concerns (Rodee); a problem found prevalent

by Ayson & Reyes under a unitary set-up. Applying the federal principle releases the federal government in administering small-town or parochial concerns, hence affording to it the opportunity to focus its attention, energy and resources to general and macro level concerns.

In the words of Carlton Rodee, “federalism secures uniformity where needed, while at the same time permitting diversity when sectional and local conditions make it desirable” (1977: 41). Corollary to this, is the fact that the federal system can more easily adjust federal standards and requirements to local or regional conditions (Skidmore & Wanke: 43) than the given stringent controls imposed by a centralized, unitary system.

Accordingly, federalism brings the government closer to the people since administration, planning and implementation of programs are administered at the state level (Skidmore & Wanke: 1981: 42). It encourages people participation as linkages and channels for participation are brought closer and made more accessible to them.

Hamilton and Wells noted the ‘multiple access points’ present in federal systems (1981: 70) that allows lobby groups to press their interests in their government. Under a federal government, there are many channels, not to mention levels upon which individuals and organized groups can forward their interests, influence decision-making, policy-making and governance as a whole.

Skidmore and Wanke lists down as an advantage, the system’s capability to provide a large playing field for state and local level officials to gain political experience as future national leaders (1981).

David Nice as quoted by Tenorio (2000) outlines the following benefits of the federal form of government:

- allows localities to adapt national policy according to their peculiar needs
- prevents the abuse of power by national as well as regional government owing to the existence of other [powerful] autonomous units to countercheck abuses
- encourages innovation as far as the multiplicity of autonomous governments affords experimentation of different social policies at the same time
- encourages citizens to demand more efficient and responsive governments
- enables governments to manage a set of growing demands from their constituents
- relieves central and national government from public resentment owing to the dispersal of tensions across different jurisdictions
- fosters greater participation of citizens in governance
- encourages self-reliance on the part of local governments
- strengthens the state's military and diplomatic front given the large resource pool afforded by autonomous and self-reliant local governments

In general, Carlton Rodee summarized that, "the federal system of government is particularly well adapted to states embracing wide areas, with sectional diversities due to geography, climate, resources, economic factors and social conditions, as well as to heterogeneity of race, nationality, language, or religion." (1977: 40)

Disadvantages and Drawbacks

The complexity of the federal system results to the generation of equally complex problems. As mentioned, the system of federal division of powers can work both ways. When powers are common and shared, overlapping federal and state jurisdiction can easily arise. Consequently, this may lead to either the occurrence of ‘turf wars’ or public policies called nondecisions. Nondecisions, in the words of Hamilton & Wells (1981), are “the kind of things that are consistently not done, avoided or suppressed”; or what Rodee refers to as the “twilight zone” between constitutional jurisdictions. It happens because of the jurisdictional complexities inherent in federal systems, i.e., when jurisdiction is either too clearly defined while it is ill-defined or vague in others. Overlapping jurisdiction is displayed when duplication of administrative functions happens, this may be tantamount to additional cost to the taxpayer.

In relation to this, Skidmore and Wanke (1981) also notes that disputes about “who should do what” often arise between the federal and the state governments, which may make possible undue delays in implementing much-needed social programs.

To balance his enumeration of the advantages of a federal system above, David Nice also pointed out to several costs of federalism. To cite: regional governments may unduly neglect externalities, as decisions in one state may have an impact on a neighboring state, whose citizens have no say on the former’s policies; localistic bias may even develop at the expense of national interest; equal stature may result in problems of coordination among different autonomous governments; delays in terms of program implementation; citizens may be hard put in pinning out responsibilities for failures in policies (Tenorio: 2000)

Federalism, as compared to the unitary type of government, because of its complexity, encounters more institutional and structural problems. To top this off, there also exists a relatively complex system of relations between and among the various levels within a functioning federal system. Such is the case of the federal government in the United States. Other than the national-local government relations in a unitary system, there exist in a federal system national-state (national-local) relations, interstate relations, sub-state (state-local) relations and inter-local relations (Hamilton & Wells: 1981). Each of these systems of relations has the tendency to become a possible point of tension or conflict, mainly jurisdictional in nature. Looking at the other side however, these points of contact may also become linkages for intergovernmental cooperation.

In a federal system, both the federal and the state government operate directly upon the people. Thus, each citizen is subject to two governments. [See Theoretical Framework] Unlike in a federal government where a 'sense of double nationality' may develop (Wheare: 1947), the concept of nationality and national loyalty is relatively simpler in a unitary government. However, this does not preclude that regionalism and provincialism may not develop in a unitary system. A closer look into the national milieu can prove the contrary. Regionalism and provincialism is highly prevalent in the Philippine society. The sentiments that go along within these subcultures define the type of interpersonal and intergovernmental relations that govern the country. As an illustration, consider the Filipinos' heightened sense of their being Bicolanos as opposed to the others who are Ilokano, Cebuano, Ilonggo, Waray, Muslim, etc.

It is widely acknowledged that nationality inside a federation means something that is more complicated than in a unitary system. K.C. Wheare warns that although it is necessary for citizens to form an attachment to an established local government, *their* established government, it is also necessary that this attachment “must not be too strong”. For “therein lies a possible source of weakness in a federal government—that state loyalty may prevail over general loyalty” (Wheare: 1947: 51).

Applying Federalism in the Philippine setting: Some Issues and Concerns

Recall that Rodee stated that “the federal system of government is particularly well adapted to states embracing wide areas, with sectional diversities due to geography... well as to heterogeneity of race, nationality, language, or religion.” (1977). Consider the following data. Notwithstanding the archipelagic nature of the country, the Philippines is composed of 80 provinces, 113 cities, and 1494 municipalities (www.nenpimentel.org). Consider further that some eleven languages and eighty-seven dialects were spoken in the Philippines in the late 1980s (www.lupinfo.com). Accordingly, these are some of the arguments Senator Aquilino Pimentel uses to promote and advance the cause for federalism.

Certain reservations arise out of considering the transformation of the current unitary system into a federal one. If applied to the Philippine setting, federalism may heighten the possibility of regionalism, the existence of regional power blocks, and a political elite with their own private armies reigning over their territorial niches. Whereas the unitary system has the tendency create an overcentralized center with a weak

periphery, the federal government has the opposite possibility to become weak at the center and too strong at the circumference.

Extreme regionalism might lead to the desire for secessionism and full independence. It is a disturbing concern that if and when, for instance, the Bangsamoro federal state after years of federal experience, developed or not, may still want to assert total independence and express a desire to be dismembered from the national government.

Governor Lutgardo Barbo of Eastern Samar, in an interview conducted by the researcher, foresaw this predicament. He countered by explaining that during the deliberations of the federal Constitution, drafters of the new system should make the necessary safeguards such eventuality. The federal constitution should include provisions that “under a federal form of government, any state cannot simply secede and get away from the republic”.

On the issue of the abuse of power and graft and corruption, Gov. Barbo believes that the possibility of those two instances should not stop the government and the people to not consider the federal proposal, “because there is always the possibility of abuse”. It is a ‘myopic view’ that will lead to ‘paralysis by analysis and analysis by paralysis’. He stated that the government could control the danger by strengthening institutions, agencies and the law enforcement to curtail possible abuses. “And then let the chips fall as they may. Meaning those who are guilty must be punished, those who have abused their power should be held accountable.”

Barbo even accepts the hypothesis that maintains that federalism in the Philippine setting may inhibit graft and corruption up to a considerable extent. If only for the reason that the powerful officials of the government, in this case, the state government officials, will be more accountable to its constituency, who are closer and can more easily monitor their actions. The subject bears further studying. To add to that, Barbo retells the instance under the Aquino administration, when a cabinet secretary reacted to the generalization that local autonomy and decentralization would only provide the setting for more corruption at the local government level. The cabinet secretary responded by half-jokingly stated that, if we are afraid to decentralize because of corruption then by all means, “let us decentralize corruption!” Barbo holds that graft and corruption can be more easily detected and monitored in a small setting than in big settings where graft and corruption goes unnoticed.

As a response to the objection that a federal system will fragment or dismember the country, Dr. Jose Abueva responds by pointing to the fact that in 1946, there were fewer than 50 provinces. Due to the ‘wasteful practice’ of splitting provinces into more provinces, there are today, 80 provinces. Under the proposed federal system, these 80 provinces will be consolidated into 11 states (2002: 25).

With respect to the effect of federalism on ethnic regionalism, Abueva is not wary that the former will cause national disintegration and the decline of people’s loyalty to the nation. He implied that ‘ethnic regionalism’ is a component of a people’s national identity. “It is good for the people and the nation and the country as a whole...Love of country and loyalty to it include love of one’s place of birth, community and culture”. Hence,

the federal system will promote “both our national identity and our regional ethnic and cultural identities because these are complementary and mutually reinforcing” (Abueva: 2002: 26-27).

As mentioned in Chapter II, the degree of centralization or decentralization can be dependent on the political, economic, and military interests of a government; extending this, to the political elite that is in power. Pimentel, the highest official that is most vocal and active in promoting the federal proposal, belongs to the minority political elite in power. This being the case, among the political factors that therefore inhibit the prioritization of extended official deliberations on the merits and demerits of applying federalism in the Philippines, is the matter that no more than a few political elite actively, if not moderately advocate for the idea. In the Philippine Congress today, especially in the House of Representatives the majority’s preoccupation and priority legislation is parliamentary system-related bills. The common link that binds the latter to the federal proposal is the fact that a charter change is necessary to initiate both parliamentary and federal proceedings. These two schools of thought recognize the need for numbers, the greater advocates for charter change, the better. Hence, the fusion and the unity of these two differing but not essentially contradictory propositions become possible.

The Social Weather Stations conducted a survey to determine the people’s attitude towards charter change. Among the questions formulated was connected to the idea of creating regional governments and / or federating them. On the question on the favorability of creating regional governments to replace provincial governments the result

of the SWS survey yielded as favorable plurality of 42% (Definitely Good 15% + Probably Good 27%), an unfavorable minority of 22% (Probably Not Good 12% + Definitely Not Good 10%), and a balance of 36% Undecided.

On the idea of federating regional governments, the SWS survey which was conducted from May 17 to June 3, 2002 to 1,200 statistically representative households, proved to be a “toss-up”. That is, 20% responded favorably, 20% responded unfavorably. The other 20% were Undecided, while the remaining 40% said they did not know enough about the federal system. Mahar Mangahas of the Social Weather Stations reported that such result indicate that “Filipinos are more open-minded about federalism now than two years ago” when 2000 SWS survey yielded only a 14% favorable response as against the 28% who responded unfavorably (www.sws.org.ph). [See Appendix for survey results]

CHAPTER IV

PRESENTATION OF DATA, INTERPRETATION AND ANALYSIS

This study revolves around the hypothesis that a federal system of government can better address the people's demand for basic services than the current unitary set-up.

Federalism has built-in mechanisms that make it possible not only to identify the specific problems and demands of the local government's constituencies but also to act specifically for it. The latter can be achieved through the mechanism of fiscal autonomy and the former through administrative and political autonomy.

Local Autonomy

Administrative autonomy includes the power of the local executives to recruit, appoint, and transfer personnel operating in their area of jurisdiction (Brillantes: 1989: 8). Administrative autonomy enables a local government to prompt for flexible responses to specific provincial or municipal concerns. Under the federal system, local government units are not only given the power to plan and act on certain issues, it also strengthens their financial capability to do so.

Brillantes (1989) equates political decentralization to local autonomy. *Local autonomy* involves the devolution of powers to local government units. Administrative autonomy is a well-used concept in Brillantes' 1989 report. In fact, this concept had been identified as one of the three major concerns of local autonomy. This research paper shall make extensive use of the concept.

While conducting interviews with municipal chief executives as respondents, Brillantes noted that practically all the key respondents raised the issue of the need for “administrative autonomy”. They articulated the need to have some form of authority or control over the national government officials operating in their jurisdiction (1989: 9).

The 1991 Local Government Code has specific provisions that grant substantial administrative autonomy to local officials. Ocampo-Salvador noted that local officials under the Code were given the power to appoint certain officials who were traditionally answerable to the national government (i.e., the treasurer, assessor, budget officers, health officers, agriculturists, etc.) which indicate enlarged administrative roles for local governments (1999: 149).

However, due to the phasing out of regional field offices to pave the way for devolution into the local levels (province and municipalities), the issue of accountability, traditional reporting mechanisms and loyalties were put to test after the passage of the Code (Ocampo-Salvador: 1999). Then there is also the critical issue of compensation and the issue of the disparate salaries of devolved national personnel and their local counterparts.

Representative Eduardo B. Nachura had attested this situation. Nachura commented that, “the employees of these national agencies who were devolved to the local government units are now asking that they should be returned to the national...Ang health workers, hindi masweldohan ng local government units ng tama. Ang mga agricultural technologists halos wala na. While there is a Municipal Agricultural Officer in a municipality, sya na lang mag-isa halos.”

From this, one can discern a possible counter-argument against the federal proposal. The above statement, particularly to the remark about former national employees desiring to be returned to the national agencies, can be interpreted as an overture for reversing the trend of decentralization to centralization or ‘recentralization’, the opposite extreme of federalization.

The researcher believes, along with the respondent that the status quo in the system of basic service delivery in the country, can be attributed to the fact that meaningful decentralization and local autonomy measures as envisioned by the Code, is yet to be achieved.

Twelve years ago, the local government units and their respective constituencies were very enthusiastic about the prospects of implementing the newly legislated Local Government Code and enjoying the positive changes that may accrue out of implementing the ‘radically different’ Code. Twelve years later, what replaced these optimistic welcome and the bright prospects for the local governments because of the new Code, is nothing but a considerable measure of unaffected plans, mediocre programs, substandard projects and unfulfilled political and economic expectations that left many LGUs and their constituencies wanting.

Despite the estimation that the “Code is anchored on the decentralization principles that support and implement fiscal autonomy” (Ocampo-Salvador: 1999), the researcher believes that the fiscal provisions of the Code is either not enough to maintain LGU operations, and/or the provisions of the Code had not been fully implemented and optimized.

A concrete example can be found in the field of the delivery of basic health services.

Representative Nachura has underscored this situation. The Congressman from Samar believes that the health service provision in the country, particularly in Samar, have deteriorated due of the inability of LGUs to fund and maintain an efficient health service system. He attributed this mainly to the devolution of health services as provided for by the 1991 Local Government Code. He observed that the “local autonomy as a national policy [that was] initiated in the Constitution and [was] supposed to have been fleshed out in the Local Government Code does not really work.” However, Nachura is nonetheless convinced that public service provision should eventually be devolved to LGUs, but in a manner where LGUs are financially prepared to for the additional responsibilities placed upon them. Presently, he believes that LGUs have yet to become fully capable of providing these basic services, especially the health services. Nevertheless, he reiterated his belief in decentralization by stating that, “maybe the concept of decentralization, of full decentralization, of full local autonomy will work very well if the LGUs are fully empowered, capable, and developed”.

Nachura described the condition of health service provision in Samar and commented that, “walang-wala [kami] in terms of facilities, etc. Ang nagagamit lang lagi na facility sa aming provincial hospital ay ang ambulances. Dahil kapag may pasyente na dumadating, inaa-advise ng hospital na ‘pumunta ka ng Tacloban at maaasikaso ka agad dun...”

Additionally, he also noted that health workers are not properly compensated by the local government units for lack of funds. This points to the general perception that

provincial and municipal offices, especially in poor areas, are often understaffed and under-equipped in facilities. Such status indicate the insufficiency of local funds to cover for the compensation of personnel, not to mention supplying and maintaining the proper infrastructures and facilities.

Recall that the Local Government Code of 1991 also devolved functions of the Department of Agriculture formerly held by the national government. The agricultural sector under the local governments had suffered considerably especially in in the funding for agricultural projects and programs.

The respondent brought to light their provincial experience with the Local Government Code and agriculture. Being the agricultural province that they are, Nachura noted from experience the difference between then, when the provision of agricultural services was still nationalized, and now, when the Local Government Code provided for when agriculture become largely the jurisdiction of the LGUs. He concluded that the agricultural condition in the province of Samar, has “worsened” over the years.

It can be noticed that in all three interviews conducted, the researcher found out that the common area that will benefit most if or when federalism is implemented would be in the area of the delivery of basic services. All three respondents were public officials from Bicol, Samar and Eastern Samar respectively. The common agitation was the local government’s inability to adequately fund local projects and its inability to satisfactorily fulfill their responsibility to provide basic services that were devolved to them through the Local Government Code.

Brillantes (1989: 4) explained that the underlying philosophy behind decentralization come from acknowledging that the lower levels are in a better position to identify their own needs, order their priorities and allocate their limited resources according to their needs. This rationale reflects the principle behind federalism: “faster development that is more democratic”. These are the words of Governor Lutgardo Barbo, Chief of Staff to Sen. Pimentel who also said to “Give the wherewithal, the powers, the rights and the obligations to the people who are near the problems who look at the problems face to face... We know what our problems are. We know what the solutions are, give us the wherewithal. Give us the necessary assistance, we will solve our problems.” Furthermore, “The idea of decentralization is that those who are near the problems, those who see and comes face to face with the stark reality of poverty should be given all the necessary assistance.”

According to another respondent, Rep. Escudero of Sorsogon , “one of the clearest problem areas that will be resolved will be the problem of overcentralization and what we call the ‘Imperialist Manila’, where all the decisions are made. Officials have to flock to Manila to be able to get this and that decision or concession. Officials cannot do things on their own in their respective areas.” In other words, the federal system places lesser pressure and demand to the Congress or to national departments to pool their efforts, not to mention their time and resources in favor of attending to local government concerns.

Federalism will affect how policies arise, are enacted and implemented. On this account, such an arrangement can ensure lesser LGU reliance to the national offices and agencies in terms of the approval and implementation of programs and policies.

Federalism and local autonomy translates to more powers, functions, rights, responsibilities legally conferred to local governments. Under a federal set-up, local public officials need not ‘flock to Manila’ to get a project and the necessary funds approved and released. Thus, applying federalism may be tantamount to mean a more empowered local government system. Local public and fiscal policy making, among others, except for a few exceptional cases, will be under the exclusive control of the state/local governments. This means that local legislation and policies will be given the priority and focus it properly needs, and discharge at a relatively faster rate. The state governments and the municipal and city governments under its jurisdiction will also have the opportunity to oversee the implementation of these projects and have the freedom to make any necessary adjustments to achieve optimal returns in a local government endeavor.

There is however, one criticism that may directly refute this study’s hypothesis. It is found in Ocampo-Salvador’s research that “a centralized system ensures the universal delivery of basic services” (1999: 124). Note the operational word: universal. As qualified, a federal system may supposedly deny certain individuals of their basic service requirements due to the possibility that federal governments, which are composed of several state governments, may employ diverging governance strategies subject only to certain federal standards and regulations (Hamilton & Wells).

This may result to differing administrative priorities, a factor that is highly dependent on individual politico-economic agenda of the highest local government officer in power. This situation had been duly noted by Escudero in a personal interview

indiscriminate not to do so. Nonetheless, it would also be careless to completely disregard the structural element of the unitary system, a variable that is contributory to adverse effects, as equal in magnitude and gravity as the graft and corruption factor.

Fiscal Autonomy

It is hypothesized that fiscal autonomy, if and when applied effectively along with the other two components of local autonomy and the local chief executive under a federal system of government, can bring about a more responsive and effective basic service delivery system.

In order to fully appreciate the concept of fiscal autonomy, consider the following definition given by Sofronio Ursal (1984). *Local fiscal administration* is the conduct and management of the financial affairs and operations of provinces, cities, municipalities, and barangays. There are two basic fiscal functions outlined for the local government units. These are the *revenue generation* function and the *revenue allocation and utilization* function (Celestino, Malvar & Zipagan: 1998: 2).

The major aspects of local fiscal administration are the center-local fiscal relations and the inter-local fiscal relations. The first refers to the fiscal relations between the national government and its agencies, on the one hand, and the LGUs on the other. The second refers to the fiscal relations between and among local government units (Cuaresma & Ilago: 1996: 1-2).

Local governments derive their income from internal and external sources. Internal or local sources involve tax revenues from, i.e., land-based taxes; and non-tax revenues such as regulatory fees, service fees, operating fees, user charges, and receipts from economic enterprise. External sources of revenue include, among others, central government grants and aids, Internal Revenue Allotment (IRA), credits from private capital markets like banks, and foreign grants (Celestino, Malvar & Zipagan: 1998: 18).

Grants and allotments make for a crucial part of local government revenue sources, not to mention its crucial role in effecting devolutionary measures. According to Celestino and others, the *central grant and allotment system* refers to the system of effecting financial transfers from national or central government to sub-national bodies or local government units. It is specifically intended as a means to subsidize and ensure that the minimum level of basic services are delivered by the LGUs; and to equalize if not lessen the fiscal disparities among LGUs (1996: 90).

77

The *Internal Revenue Allotment* (IRA) refers to the share of local governments in the collection of national internal revenue taxes imposed and administered by the central government. Furthermore, it is a system of sharing national internal revenue collections of the Bureau of Internal Revenue with local government units following a predetermined formula (Cuaresma & Ilago: 1996: 35). The IRA comprises the biggest component of the central grant and allocation system.

The current system of sharing being applied between the LGUs and the national government involves a 40-60 sharing in favor of the national government. This was

incrementally increased from 1992 at an initial rate of 30%, to 35% in 1993 until it reached to 40% in 1994.

Section 286 of the 1991 Local Government Code stipulated that the share of each LGU shall be released on a quarterly basis and shall not be subject to any lien or holdback that may be imposed by the national government for whatever purpose. This stipulation was modified by the exception that the President is authorized to readjust IRA levels if and when an “unmanageable public sector deficit occurs”. A provision, according to Cuaresma and Ilago, is “inconsistent with [the] government policy of fiscal decentralization” since it “restricts the capacity of local units to systematically plan their expenditures” (1996: 39). Such is the case when the IRA share of the LGUs was effectively reduced to 30% in 1998, as part of the Ramos administration’s ‘austerity measures’. This policy had been continued during the Estrada administration (Celestino, Malvar & Zipagan: 1998).

Under the current Code, the Internal Revenue Allotment is divided in the following manner: 23% to provinces, 23% to cities, 34% to municipalities, and 20% to barangays. To determine the share of each LGU, the formula has been modified to be based 50% on population, 25% on land area, and 25% on equal sharing (Tapales: 1995:401). The former is called the *vertical allocation*, while the latter determines the *horizontal allocation* scheme.

Tenorio reports that pro-federalists as Paul Paraguya of the Lihuk Pideral Movement foresee a 80%-20% swap in the mix of resource allocation in favor of local governments (2000).

To Celestino and others, the Code pegged the share of LGUs to 40% maximum, from which two opposing views arise. From the side of the local officials, it was noted that 40% was not sufficient to elevate the status of the LGUs as partners in development. Conversely, national authorities like the Department of Finance contend that LGUs must improve their revenue-generation efforts to prevent over-dependence to IRA shares (1998: 93).

According to Cuaresma and Ilago (1998), “as percentage share to GNP, both national and local government revenue shares gained significance before and after the Code”. Consider the table below.

Table 3.
Revenue Shares and Averages, National Government and Local Government
1986-1995

Period/Averages	National Government	Local Governments
Revenue Shares (%)		
1986-1991	90.45	9.55
1992-1995	86.34	13.66
1986-1995	88.88	11.2
Revenue		
Growth Rates (%)		
1986-1991	32.09	20.3
1992-1995	15.4	47.2
1986-1995	40.8	64.0

Source: Cuaresma & Ilago; *Local Fiscal Administration in the Philippines*; 1996; p.3

Notice that after the passage of the Code in 1991, the growth rate in local government revenue significantly increased to 47.2% at the expense of national government growth rates, which declined to 15.4% from the previous period’s 32.09%. Thus, the highly centralized distribution of financial resources that Cuaresma and Ilago

noted (1996: 2) had, to a considerable extent, decentralized the distribution of financial resources after the implementation of the Code.

Parallel to Manasan’s findings (1995), the data given above provide evidence that that the IRA has a *substitutive effect*. This refers to the slowing down of local revenue generation effort of LGUs as they tended to depend more on their shares in the IRA (Celestino, Malvar & Zipagan: 1996: 18).

Furthermore, according to Ocampo-Salvador, the proportion of public spending for local services in comparison with the proportion of the national services determines the degree of financial independence local governments exhibit vis-à-vis the national government (1999:124) Consider the following table below.

Table 4.
Total Local Revenues From Own Sources, Total Local Expenditures (in thousand pesos) and Self-Sufficiency Ratio, 1991 – 1994

Year	Total Own Sources Revenues	Total Local Expenditures	Self Sufficiency Ratio
1990	9 268.092	18 021.51	51.43
1991	13 929.771	23 681.88	58.80
1992	11 043.377	26 206.41	42.14
1993	17 686.864	39 814.79	44.42
1994	19 143.069	56 418.77	33.93

Self Sufficiency Ratio = Own Source Revenue as a share of Total Local Expenditures

Source: Cuaresma & Ilago, 1996, p.11

To Cuaresma and Ilago, the statistics above brings to light the ability of LGUs to finance their own expenditures through locally generated sources. From the period of 1991-1994, there has been a declining level of LGU self-sufficiency. Local governments

have increasingly depended on external sources of funds to finance general government expenditures (1996).

From the traditional sources of revenues, the large bulk of local government unit income comes mostly from real property and business taxes. However, Cuaresma and Ilago report that LGUs collect “less than 60 % of potential real property tax revenues”. This is mainly due to inadequate systems and procedures for assessment, collection and enforcement (1996).

These inefficiencies are “shortcomings on the part of the LGUs”. Cuaresma and Ilago infused at this juncture, the element of ‘political will’ by referring to LGUs low capability and lack of political will to maximize the use of their taxing powers. This issue shall be discussed in the ‘local chief executive’ segment of this chapter.

Additionally, Celestino and others report that provisions from the Code had relatively increased local government IRA shares, this does not seem to be enough to maintain a responsive local government system. Consider the following report (1999):

“Many LGUs are still unable to cope with the fast growing expenditures that accrue out of the financial requirements of devolution, the clamor for higher benefits by a staff, and the demands of local constituencies for more and better quality of services and infrastructures.”

The economic provisions of the Code include broadening the taxing powers and increasing the local governments share from the national taxes. From the complaints of local chief executives, one can see that this economic base is not enough to fund the added functions and obligations that arose out of decentralization measures.

Sometimes however, policy failures and the failure of developmental programs is caused “not so much by inadequate funds but rather adequate funds unequally distributive” (Hamilton & Wells: 1990: 120). The researcher believes that the federal system is more equipped given its structural and organizational mechanisms, to act as a vehicle for a more “distributive politics”. By granting local autonomy to state/local governments, federalism also affords to local government units more political and economic power to act, become or maintain to be the instruments of development that is expected of them.

Local Chief Executive

For federalism to succeed the primacy of the role of the local chief executive must be brought to fore in this national endeavor. It means that the local mayors with their respective municipal councils, and the state governor with its respective state assembly, must play a proactive role in their capacity as the vehicles for the effective federalization process. This hypothesis runs parallel with Representative Escudero’s estimation regarding the importance of the role of the local chief executive. The respondent also mentioned the necessity of a strong civil service system to back up both local and national officials in administration and the in securing continuity of policies and programs even after the end of official terms.

The researcher believes and accentuates the significance of the role of the local chief executive, their integrity, their sincerity to serve and deliver results and their desire for genuine governmental reforms. Federalism can serve as the vehicle for development

and national transformation but like any mechanism for change, it would not be able to do so without the effective and responsible drivers that will echo and embody truly national aspirations. Additionally, for federalism to succeed, Abueva (2002) emphasized the need for a competent civil service system, a merit-based bureaucracy and a responsible electorate and electoral system.

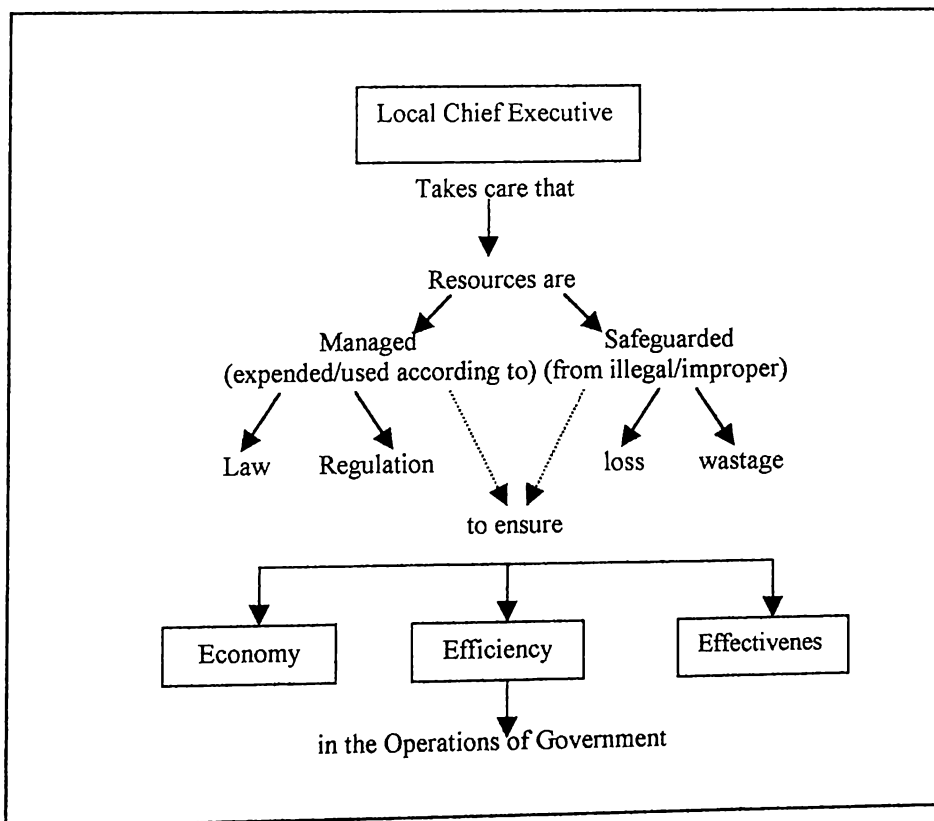
Since federalization entails focusing on and empowering local governments, it also empowers more, directly and indirectly, the officials and the constituencies of a local government unit. Especially under the supervision of a good leader, enlisting people participation may mean the success of developmental efforts, if only for the feeling of responsibility and concern for local progress, that it will incite, nurture and instill in the political consciousness of the people. Following this line of thought, it is reasonable to infer that federalism can support the growth of a responsible, critical, mature and progressive citizenry insofar as the federal system can also encourage greater political socialization among its people.

By bringing to the local governments and the people the responsibility of proper and effective governance of their own jurisdictions, developmental effort will be more responsive to locality-oriented needs. Federalism will encourage citizen participation at a level previously unsolicited. The people will be more than encouraged, they will be duly bound. Perhaps through time, federalism can give the local government and its people what K.C. Wheare noted as “a strong increase in the sense of self-importance, in the self-consciousness and self-assertiveness” (1947: 256)

A respondent (Nachura) highlighted the point that local development may indeed be highly dependent on the initiative of the local chief executives concerned. “Mabuti lang kung mahusay ang local executive. May mga mayors na talagang mahusay at may mga dine-design talaga na mga agricultural programs. Even with those agricultural programs, the mayor must, because the municipality working alone cannot fund all of these agricultural programs, naghahanap pa rin ng funds. The mayor has to come to Manila again and solicit funding assistance from national agencies, from their congressmen para lang na maituloy ang kanilang agricultural programs.”

To outline the role of the local chief executive, particularly in the crucial field of local fiscal administration, consider the illustration below.

Figure 3.
Fiscal Responsibility of the Local Chief Executive



Source: Cuaresma & Ilago, 1996, p. 99

Consider that among the problems that Hamilton & Wells had observed in their study of the American federal system is that federalism, as a political effect, fragments power without democratizing it (1990: 61). Federalism indeed fragments and redistributes political power. This is illustrated by the practice of granting administrative, planning and fiscal autonomy to state governments in a level that cannot be paralleled by a unitary system. The second hypothesis may also hold true. Federalism may not essentially democratize these powers, despite the fact that powers had actually been fragmented and distributed to state or regional governments.

In this sense, federalism does democratize power but only to the level of the state governments at the very least. What happens to the delegated and shared powers, and how it is utilized in governance will largely be dependent on the discretion of the state officials in the state government concerned. Furthermore, the degree upon which the state government is willing to share and delegate these powers to the level below their jurisdiction will also be dependent on the disposition and the constitution of the state governments. This is where the critical role of the local chief executive, once again, comes into play.

So that it may happen that the democratization of this fragmented power will ultimately rest on the will and the constitution of the officials in each state government. The equal and proper redistribution of power to local units will be the manifestation of the democratizing process. Other manifestations of democratizing fragmented powers can be seen when open, accessible and effective channels for participation in the local level is functional and effective.

As exhibited by the above discussion, the role of the local chief executive in the federal plan cannot be stressed enough. The public officials will serve as the binding factor that will integrate the two variables, local autonomy and fiscal autonomy.

A federal system in the Philippines would not be able to totally run without the help and the initiative of the drivers for change—our political leaders, as bleak as the prospect may sound. Without the support of the local leaders, a federal system in the Philippines would be incapacitated to ineffectiveness. The edge of the federal system over the unitary system, local fiscal and administrative autonomy being the most critical of which, will work for naught.

As bleak as the prospect may sound, the nation would have to rely on the hope and the expectation that 1) given the additional powers, functions and responsibilities placed on the shoulders of our local leaders, 2) given the incentive of relative independence in governance, and 3) granted that these state and local governments presumably have in their hands the necessary wherewithal to carry out policies and programs in accordance to locality-specific needs and demands, then it is highly likely that federalism can and may result to wide-spread and even political and economic development.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Managing social order and economic development through political means will be the approach that federalism will introduce to the system. The federal form of government more strongly ties the social and economic foundations for development by using the available political mechanisms that is built-in under federal system to propel and jumpstart economic development. Whereas, under a unitary system, development efforts are almost always concentrated in the industrial and administrative centers, as in the Metro Manila and its proximal surrounding areas. These centers of power and resources are few in number, while there is left a large nationwide periphery dependent on the trickle down benefits coming from the center and the top for their own developmental efforts. With local autonomy under a federal set-up, federalism can enable the nation to proceed with its development thrusts in a more widespread and deconcentrated manner, involving not only the traditional power centers but the marginalized peripheries as well. Development will be characterized more as a local effort, inasmuch as it is a national effort under a unitary government. Federalism is tantamount to harnessing local government capability as an effective equal partner for national development.

The problem of overcentralization in the Philippine public administrative system can be addressed by the federal system. The author does not discount other critical factors such as graft and corruption, neocolonialism or external political, economic, military and even cultural intervention over local affairs, among others, as contributors to

Philippine underdevelopment. This research concentrates on the relevant contribution of overcentralization to underdevelopment, a condition found prevalent in the neglected countryside and whose effect has been increasingly felt over the years.

The researcher maintains that federalism has the potential to be a better system of government for the Philippines, especially when the system of basic service delivery is concerned. Federalism can be able to address the problem through the interplay of these factors: local autonomy, fiscal autonomy and the local chief executive.

It is the researcher's belief that federalism is a theoretically beautiful idea that deserves further consideration. The idea of people empowerment, self-discretion and working for development by local initiatives is a very appealing concept that should be advocated and applied in the Philippine local administration.

However, the practicability of implementing the federalization process in these times of national political and economic instability, even if one considers Brillantes and Abueva's timeframe, is highly controversial. Social Weather Stations surveys, for one indicate an unfavorable social climate, especially when the equally controversial issue of charter change is opened to the public. The large segment of the populace genuinely and completely believes the ever-present hidden agenda theory behind any proposed change, with good reason. The researcher believes that this may be true, but it cannot be completely true. The people should continue to be vigilant and cautious but not to the point that it paralyzes them to inaction.

The other such alternative would be to adhere to the school of thought that promotes the full and complete implementation of the provisions of the 1991 Local Government Code. A reasonable and a logical solution if only for its weak fiscal and economic provisions, as affirmed by the respondents and other related studies.

Thus, the researcher have come to the conclusion, or should one say, a concession, that although federalism has a great many merits especially in terms of local government empowerment, which is the closest one can get to people empowerment, that at this point in Philippine government and politics it would be more viable, practical and less costly to take the 'remain unitary but decentralize more' alternative. The provision of the 1991 LGC had not been exploited fully. Except for a few remarkable instances, success stories of LGUs embarking on innovations on fiscal administration, for instance, in line with the provisions of the Code, are few and far between.

The researcher also maintains that without a strong, if not autonomous fiscal base, LGUs in the Philippines will remain crippled. Thus, if and when the political, economic and military conditions in the country had been relatively stabilized, due in part, to renewed and reinforced decentralization and local autonomy moves, reinvigorated efforts for fiscal independence and sustainability, perhaps then, a Philippine federal transition can be affected.

When sufficiently funded, the local governments under a federal system will be able to act on these demands for basic services faster than is warranted by the current overcentralized system, one that is beset by red-tape thus, causing the delays in the delivery of much needed services.

The researcher maintains the original position that federalism will provide greater autonomy and open a greater number of channels for participation available to the people in policy-making and governance. The researcher now adds a critical attachment to the original hypothesis. Federalism has the capacity to become a better alternative governmental system than the current unitary system especially when the requisite for competent public administrators and officials is satisfied. There will be a need for committed public servants that will endeavor to make federalism work if not operable. This element should embody, utilize and learn to apply the federal principle in such a way as to take full advantage of the possible benefits that can be legally accrued out of employing the federal order. Without the presence of this critical actor, a shift to federalism will be futile. It cannot work, unless and until there is a constant attempt to make it work. Federalism can work better for the country especially in the area of public service provision, but it can only be effectively done with the active participation of the well-intended leaders backed with a supportive and industrious citizenry. The presence of proactive, goal-oriented and well-intended state and municipal officials is called for. At best, there will be uneven growth and development between and among the state governments owing to the presence of negligent, corrupt and incompetent local chief executive in some state governments, which brings us back to the original situation, to the status quo in this unitary system.

The researcher, at this point, modifies the taken position by stating that although federalism may be good for the country, the road to a Philippine federal path is full of expectations and not enough assurances. The fiscal base that is expected to fund and sustain the 10 or so state governments in the country cannot assure a stable source of

appropriation, especially at the initial period. Although there is such a thing as the 'equalization fund' or the 'federalization fund' to level out the playing field to the federalizing LGUs, the Philippine polity, at this point in time, cannot afford to take such a drastic step.

Another important consideration is the present national context. Filipinos today cannot afford to be anymore poorer than they are, they cannot afford to live under the harsher political, societal and economic conditions. At the initial period, the implementation of federalization will destabilize the country, financially and administratively. The government has to go through educating and informing the people and the public officials of the process. New roles and expectations for the new arrangement should be defined. The proper institutional and structural arrangements should be prepared and enshrined to facilitate a smooth transition. Local and future state governments, government officials still have to acquire the capacity to effectively function in a federal system. It is important that they not only have the desire for self-governance, its more important to have the capability to do so.

By itself, the shift to federalism is already a painful jarring process. It will be more so if financial or fiscal support is not secured by the present government to the federalizing local governments, especially in already depressed regions.

In this light, there exists an inherent Metro Manila government dislike for the federal step since it would entail among others, 1) lesser shares from the IRA collection; 2) fewer sources of revenues; 3) limited share of the market; 4) imposition of tax to formerly tariff-free materials coming from the provinces 5) limited source of natural

resources to exploit and develop; 5) yet, it is obligated to share national taxes and revenues, to fund the very transition that will disempower it.

Generally, given the merits and the demerits of applying the federal system, and the unsupportive and unstable conditions mentioned, the researcher recommends to continue working for full implementation of the provisions of the Local Government Code. But with the stipulation that while measures are being taken to address the problem of public service provision, with the short run solution of fully decentralizing first, federalization studies and federalization plans should continue and even be made to intensify.

Thus, fully decentralize now, but federalize later. A transition period should ensue, to prepare the nation and the actors as to warrant a smoother, popularly accepted and less painful federalization process.

There are many ways to solve a problem. There are many short cuts and long roads available. Amidst these various choices, there is one element that common to all, and that is, there are no assurances. In the end, what matters is the product of the chosen path. By embarking on federalism, at least we know that our actions are directed towards a solution, a future end, an expectation of a better end. Remaining as we are, we remain as we are. Unmoving within the permanent cycle of 'reformation'. In the end, for better or for worse, we as a people won because of our optimism, our idealism that prompted us to act for the better amidst believing the worst.

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APPENDIX A

12th CONGRESS OF THE REPUBLIC OF THE PHILIPPINES FIRST REGULAR SESSION

SENATE RESOLUTION 212

Introduced by Senator Aquilino Q. Pimentel Jr.

RESOLUTION CALLING FOR A CONSTITUTIONAL CONVENTION TO REVISE THE CONSTITUTION BY ADOPTING A FEDERAL SYSTEM OF GOVERNMENT AND FOR OTHER PURPOSES

WHEREAS, an armed conflict has broken out in Mindanao, triggered by a separatist group that seeks to dismember the nation's territory for the purpose of carving out a separate and independent Islamic state;

WHEREAS, to this had been added the problem of terrorism by the Abu Sayyaf, another extremist group that has been involved in unabated kidnapping and hostage taking activities for many years now;

WHEREAS, daily clashes in the field have inflicted mounting casualties and loses of property upon the combatants and the civilian population, thousands of whom had been displaced from their homes and places of worship, work, occupation and livelihood;

WHEREAS, regardless of how this human tragedy ends, the roots of this centuries-old conflict are deeply embedded in our history and in a resurgent Islamic culture with which the rebels generally identify, and are not likely to wither away unless and until they are addressed squarely, adequately and permanently through fundamental political and structural reforms;

WHEREAS, many Filipinos, whether they support or reject the position of the separatists, are convinced that a long-term political solution to the problem is both indispensable and possible, and that separatism could yield to national solidarity and integration within the Republic of the Philippines, provided those who advocate secessionism are given completely equal status and opportunities as the rest of the nation with a federal system of government;

WHEREAS, such a proposed solution deserves to be fully and urgently debated at this time, and finally adopted, if found to be genuinely meritorious by most Filipinos;

WHEREAS, the best way to explore this path to a permanent solution is through a constitutional convention whose mandate will be to revise the Constitution to address the endemic and historic grievances of all groups of disadvantaged Filipinos;

RESOLVED by the Senate, the House of Representatives concurring, with a vote of at least two-thirds of all its Members, to call a Constitutional Convention for the purpose of revising the Constitution to adopt a federal system of government and for other purposes;

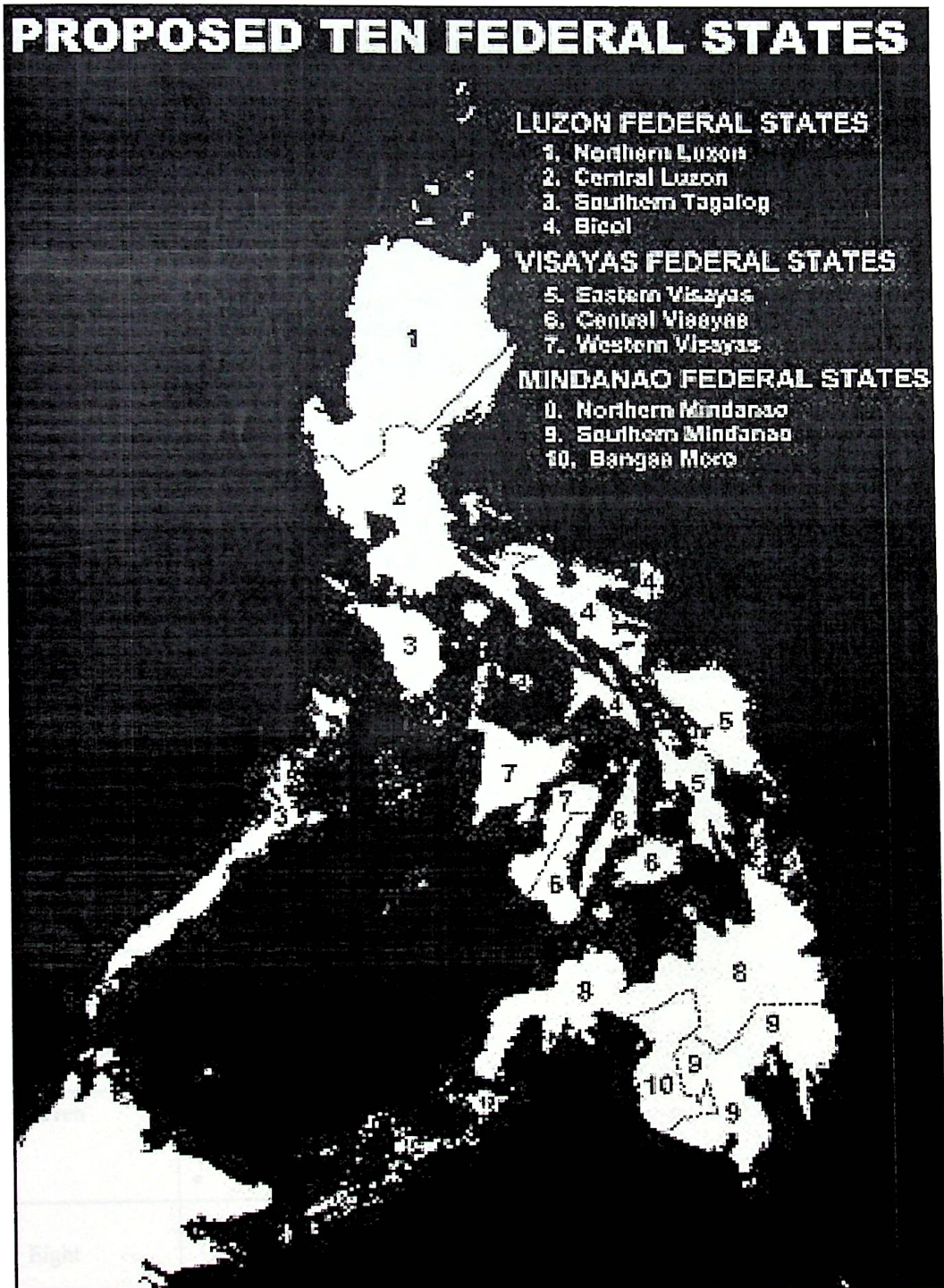
RESOLVED FURTHER that delegates to such convention be elected simultaneously with barangay elections on the second Monday of May 2002, each legislative district electing two delegates who shall take office beginning the 30th of June 2002 until they shall have concluded the work for which the convention has been called.

Adopted,

(SGD) **AQUILINO PIMENTEL, JR.**

APPENDIX B

The Proposed Federal States of Senator Aquilino Pimentel Jr. under the Federal Republic of the Philippines



Source: Why adopt the Federal System of Government? A primer on Federalism by Sen. Aquilino Pimentel; presented to the Integrated Bar of the Philippines Convention, Tacloban City, 27 April 2002; (www.nenepimentel.org)

APPENDIX C
Indicative Ten Year Plan for the Adoption of a Federal Government
2001-2010

YEAR	ACTION
One	<ul style="list-style-type: none"> • Setting up an institution (may be based in an academic institution, or may be a network or consortia of institutions) that will serve as the base of information related on federalism (data bank on models of federal governments, facts and figures on proposed states, and current local governments, proceedings on local and international conferences on federalism, devolution and local autonomy, policy papers and position papers on federalism, etc. • Design of a web-page of the Federal Movement of the Philippines • Laying the groundwork for a network on federalism (civil society, academe, “politicians”, etc. • Full implementation of decentralization as defined by the Local Government Code that is fundamental in laying the ground for local autonomy of sub-national institutions which is the lynchpin of federalism
Two	<ul style="list-style-type: none"> • Formalization of the Network of Federalism • ID Cards issued to members of the Movement of the Federal Republic of the Philippines • Recruitment of members to MFRP • Organize local chapters of the MFRP • Network with international organizations supportive of Federalism (such as the Canada-based International Forum of Federations) to harness their support • Launching the web-page of the MFRP • Conduct of public consultations on amendments to the Local Government Code¹ • Begin the massive information dissemination campaign for federalism
Three	<ul style="list-style-type: none"> • Organize local chapters of FMP • Conduct of public consultations on amendments to the Local Government Code • Conduct of seminars, workshops, conferences on federalism
Four	<ul style="list-style-type: none"> • Implementation of amendments to the Local Government Code within the context of full devolution • Conduct of seminars, workshops, conferences on federalism
Five	<ul style="list-style-type: none"> • Conduct of seminars, workshops, conferences on federalism
Six	<ul style="list-style-type: none"> • Election of delegates to the Constitutional Convention¹¹ • Conduct of seminars, workshops, conferences on federalism
Seven	<ul style="list-style-type: none"> • Holding of Constitutional Convention that would consider the shift from a unitary to a federal form of government • Conduct of seminars, workshops, conferences on federalism
Eight	<ul style="list-style-type: none"> • National government agencies affected by federalism will conduct an inventory of resources and equipment that will be affected by the federalism process • Conduct of consultation with personnel of national and local government agencies that will be affected by federalism • Conduct of seminars, workshops, conferences on federalism

Nine	<ul style="list-style-type: none"> • Conduct of seminars, workshops, conferences on federalism
Ten	<ul style="list-style-type: none"> • Adoption of the Constitution of the Federal Republic of the Philippines • Conduct of seminars, workshops, conferences on federalism

Lifted from Brillantes, A., Laying the Groundwork for Sustainable Federalism: A Ten Year Transition Action Plan for Federalism for Good Governance in Abueva, Jose's Towards a Federal Republic of the Philippines with a Parliamentary Form of Government by 2010 ; Kalayaan College; 2002

¹ The preparatory action plan has two major tracks. The first track pertains to the continued implementation of the Local Government Code through the devolution of powers to the local governments. This is necessary in order to sustain decentralization process initiated in 1991, also prime to the structures and processes at the local level (consistent with capacity building) to enable them to absorb more powers and functions that would be inevitable under a federal set up. The second parallel track is massive information dissemination and advocacy for federalism.

ⁱⁱ Note that there is a school of thought that the election of delegates to the constitutional convention be held as early as the year 2004 (or year three as contemplated in the proposal). The rationale behind such a proposal is that this may provide the window opportunity to elect delegates in a much less partisan manner, as against say, 2007 or thereabout where the elections will surely be influenced by the party in power that will be elected in the national elections in 2004

APPENDIX D
CONTEMPORARY FEDERATIONS¹

NAME	Constituent Units
Argentine Republic	22 Provinces + 1 National Territory + 1 Federal District
Commonwealth of Australia	6 States + 1 Territory + 1 Capital Territory + 7 Administered Territories
Federal Republic of Austria	9 Lander
Belgium	3 Regions + Cultural Communities
Brazil	26 States + 1 Federal Capital District
Canada	10 Provinces + 3 Territories + Aboriginal Organizations
The Federal and Islamic Republic of the Comoros	4 Islands
Ethiopia	9 States + 1 Metropolitan Area
Federal Republic of Germany	16 Lander
Republic of India	25 States + 7 Union Territories
Malaysia	13 States
United Mexican States	31 States + 1 Federal District
Federated States of Micronesia	4 States
Federal Republic of Nigeria	36 States + 1 Federal Capital Territory
Islamic Republic of Pakistan	4 Provinces + 6 Tribal Areas + 1 Federal Capital
Russian Federation	89 Republics and various categories of regions
St. Kitts and Nevis	2 Islands
South Africa**	9 Provinces
Spain**	17 Autonomous Regions
Swiss Confederation	26 Cantons
United Arab Emirates	7 Emirates
United States of America	50 States + 2 Federacies + 3 Local Home-Rule Territories + 3 Unincorporated Territories + 130 Native American domestic dependent nations
Republic of Venezuela	20 States + 2 Territories + 1 Federal District + 2 Federal Dependencies + 72 Islands
Federal Republic of Yugoslavia	2 Republics

¹ Table taken from Comparing Federal Systems by Ronald Watts (2nd edition, 1999) found in Abueva's *Toward a Federal Republic of the Philippines with a Parliamentary Government by 2010*, Kalayaan College, 2002, p. 155, with few editions in the format of the table's structure

** While predominantly federations in form, have not adopted the label "federation" in their constitutions.

APPENDIX E
 Constitutional Amendments? It Depends*
 Social Weather Stations Survey
 23 August 2002
 Mahar Mangahas

OPINION ON THE PROPOSAL TO CREATE REGIONAL GOVERNMENTS

	<u>RP</u>	<u>BAL</u>				<u>ABC</u>	<u>D</u>	<u>E</u>
		<u>NCR</u>	<u>LUZ</u>	<u>VIS</u>	<u>MIN</u>			
Good	42%	37%	43%	37%	47%	40%	42%	41%
<i>Definitely good</i>	15	9	13	15	25	8	16	15
<i>Probably good</i>	27	28	31	22	22	32	26	26
Undecided	36	33	34	36	43	31	35	43
Not good	22	30	22	28	10	29	23	16
<i>Probably not good</i>	12	12	17	9	5	13	13	10
<i>Definitely not good</i>	10	18	5	18	6	16	11	6

FOR NCR:

Sa ngayon, ang pinakawala sa pamahalaang lokal sa Metro Manila ay ang pamahalaang lunsod at munisipyo, na ang kapangyarihan, kumpara sa pamahalaang pambansa, ay napakaliit. Kaya't may nagpapauukala na gumawa ng pamahalaang pang-rehiyon ng Metro Manila, at magkakaroon ng halalan para sa mga opisyal na mamamahala at gagawa ng batas para sa Metro Manila bila ng isang rehiyon.

FOR OUTSIDE NCR:

Sa ngayon, ang pinakawala sa pamahalaang lokal ay ang pang-probinsya; sa itaas nito ang mga pamahalaang lunsod at munisipyo. Dahil sa daming probinsya, ang kapangyarihan ng pamahalaang probinsya ay napakaliit kumpara sa pamahalaang pambansa. Kaya't may nagpapauukala na gumawa ng pamahalaang pang-rehiyon ng (R'S REGION), na hahali sa mga pamahalaang probinsya. Samakatuwid magkakaroon ng halalan para sa mga opisyal ng (R'S REGION) na mamamahala at gagawa ng batas para sa buong rehiyon.

PR, Q103. Para sa inyo, ito po bang panukala ay... (Talagang makabubuti, Malamang na makabubuti, Di-makapagpasya kung makabubuti o hindi, Malamang na di-makabubuti, Talagang di-makabubuti)... para sa ating bansa?

* Survey Background: This report is based on the 2nd Quarter 2002 Social Weather Survey of 1, 200 statistically representative households, conducted over May 17 to June 3, 2002, for an error margin of +/- 3% at the 95% confidence level. The same holds true for all the SWS surveys used in this paper. Taken from www.sws.org.ph

APPENDIX F

INTERVIEW GUIDE QUESTIONS

1. Generally, what are the Senate Resolution 212 and the movement for a federal Philippines all about?
2. What are the political, economic and social conditions that serve as the impetus for the growing demand for federalism in the country today?
3. What are the merits and the flaws, the strengths and the weaknesses inherent in a unitary system of government? Is it the reason why conditions today prompt us to recognize the need for a shift to a federal system of government?
4. What are the advantages of the unitary over the federal form of government? Vice versa?
5. How do you describe the current unitary system of government in the Philippines in terms of its degree of centralization? What are the effects and repercussions of these to the effectiveness of administering the country?
6. How does decentralization differ from federalism?
7. Are you in favor of federalizing the Philippines? Why or why not? What are the arguments behind such a position?
8. There is a school of thought that adheres to the belief that the provisions of the 1991 Local Government Code should be fully and completely effected and applied first before any more radical step is taken, such as federalism. What is your view on the matter? Which step is more practicable? Which step is more effective?
9. Is federalism an appropriate system of government in the Philippine setting? What are the political, economic and social conditions that can possibly hinder or support the development of federalism in the country?
10. How can federalism become a better system of government for the nation?
11. What area of governance and administration will benefit most out of setting up a federal system in the country?
12. What will be the source of federal and state government funds and revenues to guarantee the efficient operation of the government? What and how will be the system of taxation under a federal government?
13. What will be the organizational and structural arrangement under a federal system? How will it be constituted? What is the role of Metro Manila in a federal system?
14. What legal process does a shift to a federal system entail?
15. What are the necessary local and national government preparations that should be laid down to ensure a smooth and a popularly-accepted transition from a unitary to a federal system of government?
16. What are the future major problems that can arise out of applying a federal order in the Philippine setting?
17. If you are in favor of the federal proposal, what recommendations can you suggest in order to smoothly facilitate the transition as well as to ensure a favorable majority response towards the federal proposal?
18. What do you think is the major factor that can defeat the idea of a federalist Philippine experience?

APPENDIX G
TRANSCRIPT OF INTERVIEWS

A transcript of the interview with Congressman Eduardo Antonio B. Nachura, Representative of the 2nd District of Samar, also the Chairman of the House Committee on Constitutional Amendments. Conducted at the House of Representatives, on the 27th day of January, 2003.
(Nachura is a lawyer and also a former member of the academe)

Claudette De Castro: Sir, thank you very much for accepting my request...

Rep. Eduardo Nachura: Ok. Sorry for the delay. Nagtagal kami dun sa meeting kasi.

CDC: Sir, kasi I am currently making my thesis, it is about Federalism. I am going to investigate if federalism is possible for the Philippine setting given the current political as well as economic conditions in the country. Sir, I have been interested in this topic largely because of Senator Pimentel's resolution.

EN: I'm sure you have a copy of the book of Dr. Jose Abueva and his proposed constitution?

CDC: Yes sir, I have.

EN: Ang Konstitusyon ng Pederal na Republika ng Pilipinas. Ako, you will have to ask me about my personal views, yung personal na opinyon ko?

CDC: Yes sir. Sir, are you in favor of considering federalism?

EN: I am seriously considering. I am very, very seriously considering the proposal to change the present unitary into a federal system of government. Mainly because of the problems in Mindanao, these have not been solved for almost... a hundred years, a hundred years. But I have certain reservations, and so I am not yet completely sold to the idea of federalism.

CDC: For instance, that would be?

EN: My reservation stems from the fact that I am a Congressman of a depressed, economically depressed area, Samar. I feel that if we change to federalism, depressed areas such as my province, which for a long time had been, if not attracted any investments at all, will suffer from virtual inability to stand up and propel its own economic development. Since it will then, in a federal system of government, it will have to rely on its own endemic resources. From our experience, we have been unable to really attract capital. Many of our people have left the province because they feel that there are not enough opportunities in the province. And so, if we should become part of an independent state, if the present regional configuration will be the basis of the creation of regional or states, of the independent states which will compose the federation, we have to have a transition period of maybe not less than 10 years before we can probably stand on our own feet. Of course, we can perhaps rely on the national government, the federal government to assist us. Perhaps during the transition there should be some kind of a program that will allow for equalization, that will make poor and depressed areas such as ours, to cope. Otherwise, we will be left behind by the already developed areas, especially those in Luzon.

CDC: So the IRA, the taxes of the people cannot sustain the development of the region?

EN: Impossible. Impossible. Especially considering also the present attitude of our people in Samar after their experience again from mining and logging companies operating in Samar. These mining companies and logging companies that operated in Samar have already gone, leaving the province or virtually the parts of the province, devastated. And what? Except for the minimum benefit of employment perhaps, the people did not really benefit from these. And so the attitude of the people now is against any form of mining and any form of logging, especially in what remains at the virgin forest in Samar.

CDC: Sir, what do the people in Samar think of the charter change movement?

EN: In fact over the last weekend, I was there. I spoke in a symposium, I spoke over the radio. I think many of our constituents when they see what the real issues are, and when these are discussed intelligently, are convinced that we should have changes in the constitution. But there were questions raised for example, also in the matter of economic provisions. Here in Manila a number of businessmen are proposing that if there will be an constitutional change, we should change the economic provisions so that we can allow foreigners full ownership of land, full ownership of corporations engaged in public services, ownership of the mass media, full ownership of corporations engaged in the exploitation of natural resources. These economic provisions which were really intended to protect Filipinos are still very much, very, very important to our people, to our constituencies. They refuse to acknowledge the benefits of trade liberalization and allowing foreigners to... That is perhaps because of their experience. Malalaking kompanya yan ha, malalaking kompanya ang nag-mine, malalaking kompanya ang nag-logging. At tapos nung iwanan ang Samar nitong mga ito, dala-dala din nila ang kayamanan nakuha nila sa Samar. Hindi nagseep-in hanggang sa grass-roots ang benefits. So they are, shall we say reluctant, in accepting the idea that allowing foreigners to own lands, and to have full ownership of these corporations will benefit them.

They refuse to see that. Ang nakikita nila by their experience, since wala din namang nangyari sa amin, lalong wala pa ring mangyayari kung pupuntahan lang tayo dito ng mga foreigners.

CDC: Sir, going back to the federal idea, what positive benefits can you see out of applying federalism in the Philippines?

EN: In terms of the delivery of public services, ang experience talaga, sa amin halimbawa lang. The experience that almost everything you need for development comes from the national government. And when you speak of the national government, you talk of Manila. Almost all the offices of the departments are in Manila. While there may be regional offices in the provinces, the powers in the regional offices are very, very limited. And so decisions have to be made in Manila.

CDC: Despite the 1991 Local Government Code sir? So, decentralization had not that much affected the system of administration and governance in the Philippines?

EN: Itong local autonomy as a national policy initiated in the Constitution and supposed to have been fleshed out in the Local Government Code does not really work. Issues on devolution which agencies devolved their offices to Local government units. DSWD, Department of Health, Department of Agriculture. All the employees of these national agencies who were devolved to the local government units are now asking that they should be returned to the national. Again, maybe, maybe the concept of decentralization, of full decentralization, of full local autonomy will work very well if the LGUs are fully empowered, capable, and developed. Ang health workers, hindi masweldohan ng local government units ng tama. Ang mga agricultural technologists halos wala na. While there is a Municipal Agricultural Officer in a municipality, sya na lang mag-isa halos. Yung technologist na yun, hindi naman...wala eh. Kami because we are really an agricultural province we see the difference between noon, na national pa, at ngayon, na devolved na itong services ng agriculture.

CDC: So it has worsened?

EN: It has worsened. Mabuti lang kung mahusay ang local executive. May mga mayors na talagang mahusay at may mga dine-design talaga na mga agricultural program. Even with those agricultural programs, the mayor must, because the municipality working alone cannot fund all of these agricultural programs, naghahanap pa rin ng funds. The mayor has to come to Manila again and solicit funding assistance from national agencies, from their congressmen, and from national agencies para lang na maituloy ang kanilang agricultural programs. So yun, ang ibang mga mayors na tamad, na hindi na magpupunta dito, na hindi na magpafollow-up, at paulit-ulit yun. Kailangan na makulit na makulit ka eh. Para makulitan sayo! (Laughs)

CDC: Para pagbigyan ka na...

EN: Oo, para pagbigyan ka na lang! At para umuwi na ito at para hindi na ito balik nang balik dito. That is what happens. So perhaps, these difficulties and the problems that arise from the "Imperial Manila" Syndrome, will be solved if ever there will be a federal system of government. After all, well siguro the most number of benefits will go to Mindanao, especially the peace and order problem that flows from the diversity in culture between the Muslim areas in Mindanao and "Imperial Manila". These problems will probably be addressed best if we have a federal system of government.

CDC: Sir considering cultural diversity as well as linguistic differences, do you think these factors support or will make a statement supporting federalism?

EN: The proponents of the federal system are perhaps thinking that when a particular geographical area is given full independence, full autonomy it will have by force of circumstance, the people will really have to work hard, so that they can stand on their feet and develop. And siguro, second yang diversity na yan. There is an unkind criticism against Muslims, na mga tamad...then perhaps they can show, itong regional grouping na ito, they can show that they can be competitive and that they can develop themselves better than others. Perhaps the competition that will arise out of this, might help...although...(Laughs again)

CDC: It will take years to develop?

EN: It will take years, it will take years. If we must shift to a federal system, we should provide for a relatively long period of transition for our people to really, imbibe the concept, the principles behind federalism and for them to really understand what is required of them when their places become independent states. Wala akong problema doon sa powers that will be given to the national government, yung national defense federal government yun, ang foreign affairs, maybe ang taxes may areas ang taxation na national. And siguro education...

CDC: It will be given to the states?

EN: Oo. Although I am convinced that eventually, these should also become devolved to Local Government Units. In number of places, the local government takes care of the basic services. Then ano pa ang concerns? Yung health services. Yung health services, marami ang hindi pa makaka-kayang magprovide nyan. Sa amin, sus dios ko. Nakakaawa ang aming mga tao.

CDC: Sir, I am also from Bicol po.

EN: Oo. Ganun. Namarginalize talaga ang tao. Ang problema pa namin sa amin, kasi now that health has been devolved, ang aming provincial hospital is not even accredited by PhilHealth. Ang aming mga government employees who regularly pay premiums for membership in PhilHealth, pag nagkakasakit at pumunta sila sa aming provincial hospital, hindi nagagamit ang kanilang PhilHealth membership. And then walang-wala in terms of facilities, etc. Ang nagagamit lang lagi na facility sa aming provincial hospital ay ang ambulances. Dahil pag may pasyente na dumadating, inaa-advise ng hospital na 'pumunta ka ng Tacloban, at maaasikaso ka agad dun' at doon ang merong mga... Ito pwede mong gamitin ang ambulansya, magbabyad ka lang ng ganyan. So ganun.

CDC: Sir, do you think the Charter Change movement will have a chance this 2004?

EN: Before 2004? I don't know. But here in the House, we are sure that the majority of members are in favor of charter change, which should really be done immediately before 2004. Sana. Sana. If this materializes then, the elections in 2004 will be election of the officials who will preside over the transition sana. If we must change into a federal, then iyon na, mag-uumpisa na ang transition from 2004. If we are changing form presidential to parliamentary also, then doon na sa 2004 mag-uumpisa. Those who are saying that it should be a ConCon, kamukha nitong natanggap kong ito. ConCon must really feel that the need is NOT urgent. So kung 2004 palang mag-eelect ng ConCon delegate magtrabaho sila sa 2004 palang. Even if we assume that they work only for one year, the amendment, even if approved by the people would only take effect in 2010, ever there are changes in the government. Those of us who are in favor of immediate constitutional change, say that 2010 is too far away. Maybe we no longer have a Philippines...(Laughs)...by 2010. Pero ewan ko. Mukhang mahirap, the Senate has come out with a statement for the charter change only in 2004 through a ConCon.

CDC: But don't you think that it is a more expensive choice?

EN: It is very expensive. We are requesting the COMELEC to give us figures of how much we will need.

CDC: And what is the estimated amount sir?

EN: Mga 6B for one year. Sa election kasi, wala nang gastos dahil isasabay na sya sa 2004 elections. But when this people are elected, if you go by the Senate Resolution, ang representation will be 2 delegates per congressional district. There are almost 200 congressional districts. Now, we are talking of 400 people. You will have to pay them honoraria for 1 year. You will have to rent offices for them. You will have to provide them with staff. You have to provide them with computers, etc. So mga 6B ang kanilang estimate.

CDC: So ConAss is the preference of the House?

EN: Yes, ConAss ang amin dito. That's what we're saying.

CDC: The Senate is asking for a ConCon?

EN: Yes. ConCon daw. There are those that really do not want charter change now. Pero mukhang kokonti lang ito. Those who are against charter change now are even, many of them are willing to have charter change kapag 2004 daw mag-uumpisa. I am in favor of ConAss because that is the only way we can immediately address what we feel are the urgent demands of the people in respect to provisions of the Constitution that require change.

CDC: So, sir amendment lang or revision?

EN: Amendment lang ang tingin namin, amendment lang. We can amend altogether Articles 6, 7, 8 of the Philippine Constitution. Yung form of government, yung legislative, executive and judiciary branches. Maybe the Article on Local Government. We just change some of the provisions there, kasi kung magfederal din naman...baka ichange na naman yung constitution.

CDC: If federalization is considered, total revision po ba ng constitution ang kailangan?

EN: Well, it is possible. In my opinion, I feel that we can still call this merely an amendment. We do not touch Article 1, perhaps amend only a few provisions in Article 2. We do not touch Article 3. We need not touch Article 4. We do not even have to touch Article 5. Of course, we change Articles 6, 7, 8; maybe 9. And then Article 10, on Local Government, perhaps 11, parts of 11 on accountability and impeachment dahil kung matuloy yung Parliamentary, wala na yun...Then Article 12, the economic provisions. The others paisa-isa siguro in so far as they affect the form of government. Ayun.

CDC: Sir, yun na lang po. Thank you very much sir.

A transcript of the interview with Congressman Francis G. Escudero III, Representative of the First District of Sorsogon. Done on the 29th of January 2003 at the House of Representatives

(Escudero is a graduate of UP College of Law and is currently the Vice-Chairperson of the Oversight Committee and a member of the House Committee on Government Reorganizations)

Claudette De Castro: Good Afternoon. Sir, kasi po, my interest for this study is fueled by Senator Pimentel's proposal for a federal government. I'm investigating the viability and the prospects for applying federalism for the Philippines. So sir, to begin with, what do you think of the current unitary system of government. In terms of... (Phone call interruption)

Francis Escudero: As you have said, Federalism was proposed by Senator Pimentel. It is being tried at present in accordance with the Local Government Code of 1991 or RA 7160, which in a sense, devolves certain powers to local government units. I would surmise given the fact that Senator Pimentel was the author of that law that it was in preparation for a full-blown federalism. However, we have encountered some problems regarding the devolved functions given to the LGUs. Like that in agriculture and that in health. If a study is conducted, and some have been conducted, it would show that if and when the governor or the mayor for that matter or the local chief executive is interested in agriculture, then if and when it is devolved, it will flourish in that area. However, if there is little or no interest on the part of the local chief executive insofar as those two aspects are concerned, namely health and agriculture, these two services will suffer a whole lot or a great deal. Given that, for example if the mayor or the governor was formerly a farmer, agriculture could definitely get a boost. If the mayor or the governor was formerly a doctor prior to his running for office, health service will definitely get a boost. However, if the local chief executive has no background on these fields or has no or little interest in those two fields, these two devolved fields will suffer a great deal insofar as this local government unit is concerned. Comparing the new Local Government Code with the former local government code, a lot of powers were devolved. And this will be a good measure or a gauge if indeed federalism will be good for our country.

CDC: And so far, it hasn't?

FE: And so far we have had mixed signals. As I've said, it depends on the interest of the local chief executive concerned and his own priorities. In other countries, given the fact that they have a strong civil service to back them up, regardless of the local chief executive's interests, there are certain basic minimums that are done insofar as these sectors and aspects are concerned. However, given the fact that we do not, as of yet have a strong civil service either at the national or the local level, to back up, that is, our local officials. I seriously doubt, if indeed there will be continuity of programs insofar as these are concerned, if and when full blown-federalism is implemented in this country.

CDC: So instead it will be a major hindrance?

FE: It might. It might be a hindrance instead of a help. It might be good for other areas. It might not be good for other areas. It all depends, as I said, in the local chief executive concerned. If we take for example the United States, if we take up their elected officials, so much so that continuity is not affected nor discouraged. Certain policies are continued on after the term of the given governor or president is over and done with.

CDC: So I assume that, according to your words, I surmise that you are an anti-federalist?

FE: Not really anti. As it is yet, I would want to wait for the figures to come in. and I would want to get a definite, a more definite basis to make a decision. All I'm saying is, it is too erratic at this point in time, to judge the merits or the demerits of Federalism. Hopefully, this might be the study that would be able to do it. You will want to compare or evaluate the present LGUs given this much power, comparing it to the amount of power they have prior to the Local Government Code of 1991. Compare it now and let's see how far we've gone. If indeed these areas devolved progressed, grew, shrank, or diminished. And depending on the findings on those areas covering more or less 1,500 municipalities, more or less 50,000 barangays, 78 provinces and 84 cities, we would know if it is indeed a success.

CDC: Sir, what about the views of our fellow Sorsogonans on the idea of federalism? Are they in favor of federalism? Are there sectors that would support the call?

FE: Public hearings have not been formally conducted on the matter neither is there a formal proposal concerning the matter, pending either in the Congress or in the Senate. Hence, there is no need at this point in time, to really consult them or formally get their pulse aside from the usual conversations in side streets.

But other than that we have no formal data regarding the sentiment of my constituency in the First District of Sorsogon.

CDC: I also belong to...

FE: Saen ka? Saen ka sa Sorsogon? (Where in Sorsogon?)

CDC: Sa Casiguran po.

FE: Aw, iyo? (Oh, really?)

CDC: Sir, supposing that federalism is implemented in the Philippines what do you think are the problems that can be better addressed by federalism than the current unitary system can ever do?

FE: Well, one of the clearest problem areas that will be resolved will be the problem with overcentralization and what we call the "Imperialist Manila", where all the decisions are made. Officials have to flock to Manila to be able to get this and that decision or concession. Officials cannot do things on their own, in their respective areas. Take for example the EDSA's we've been having. We've had about EDSA III. We might reach EDSA 15 before our lifetime, our respective lifetime ends. It seems that changes in government are decided upon, within Metro Manila.

(Phone call interruption; conducted a short radio interview in Tagalog)

The very government itself, who and what comprises it, is decided upon Metro Manila. Which I don't think is fair. Kahit na sabihin mo pang tatlo-limang milyon pa ang nandoon, wala pa ring boses tayong naririnig mula sa ibat-ibang munisipyo, ibat-ibang lalawigan at barangay sa labas ng Metro Manila. Subalit tila iyon ang nagiging practice. Kung sino ang may hawak ng Maynila, siya rin ang may hawak ng buong Pilipinas. Hindi ito patas sa mga kababayan natin sa labas ng Metro Manila. Ganun din, kung mapapansin mo, lahat ng media outlets natin nasa Metro Manila. Kaya magkaroon lang ng lubak sa isang maliit na eskinita at niradyo, dyinaryo, tinibi, kinaumagahan ay ipapagawa na kaagad dahil ayaw nilang ma-media. Samantalang sa mga lalawigan, maglulundag ka na, hanggang mamatay ka, ika nga, sa kakareklamo, hindi pa rin ipapagawa ito dahil wala namang nagbibigay ng pansin. Yan siguro ang maaring maresulba ng pideralismo. Magkakaroon ng mas malaking atensyon ang ika nga, maliliit, "maliit" para sa mga taga-Maynila subalit malaking problema sa mga taga-nayon.

CDC: Sir, di'ba po for federalism to come through there will have to be a constitutional change in order to pursue a federal path...

FE: Definitely. Hindi pwedeng padaanin lamang iyan sa isang batas. Kailangan tayong mag-amyenda ng ating Saligang Batas.

Sorry, Englishin natin...

We have to amend our charter in order to indeed pursue federalism. You might have to amend Articles 6 and 10 of the 1987 Constitution pertaining to the executive and the local governments.

CDC: Siguro last question na lang po: What will be the major factor or the major element that will defeat Federalism?

FE: The major factor that will defeat federalism at this point in time, or not even be near to federalism, is if the people would continue to resist charter change. If the people continue to resist, any attempts to restudy and look at the Constitution once more, given their basic fears that this might be done, that might be done. If at all, that would be the basic, the biggest factor that will defeat not only Federalism, but also any attempts towards changing our system.

CDC: Sir, that would be all. Thank you po.

A transcript of the interview with Governor Lutgardo Barbo, Governor of the 2nd District of Samar and Chief of Staff to Senator Aquilino Pimentel Jr. Done on the 14th day of January 2003, 1 PM at the Philippine Senate.

(Barbo finished his law degree in the University of Santo Tomas, and teaches part-time in at the Ateneo de Manila University. He had been twice nominated for the Aurora Aragon Peace Foundation Award for his peace initiative experiment in Eastern Samar.)

Claudette De Castro: Good afternoon. Sir, first of all I'd like to thank you for accepting my request even at such a short notice.

Governor Barbo: It is my privilege.

CDC: Thank you po. Sir, I'd like to start by asking the historical precedents of the bill. Of Senate Resolution 212. Sir from what I gather po, Senate Resolution 212 has its precedent in the form Senate Resolution 26? The one that was concurrently introduced by Senators Tatad, Osmena and Pimentel. So, sir aside from these two resolutions, has there been any other precedent bills filed before?

LB: I am not aware of any, except for a resolution filed by Senator Pangilinan calling for a Constitutional Convention, to you know, change the Constitution. But it does not speak specifically of federalism.

CDC: Ok. Sir, what is the current status of SR 212?

LB: Well, it was filed the last Congress...ah...it is good as dead. (Laughs)

CDC: Na-archive?

LB: Yes. It has to be refilled again this present Congress.

CDC: Did Senator Pimentel start the process of refilling the bill?

LB: Yes. I think so. And not only that he has been going around the country speaking on Federalism. I remember that I was with him in the Visayas, we went around the Region VIII, Samar and Leyte, and he talked extensively of Federalism. As a matter of fact, I have a compilation of the speeches of Senator Pimentel. I can give it to you. Ah, there are several of them and let it be so recorded that I am giving it to you now.

CDC: Thank you po! Meron din po silang...They made these one available sa internet po. Yung sa website po ni Senator Pimentel.

LB: The same speeches?

CDC: I am not sure kung lahat po. Pero madami pong related speeches on federalism. Thank you very much for these sir. So generally, what is Senate Resolution 212 about?

LB: Well it's principally anchored on changing the structure of the Philippine government from Unitary to a Federal system of government. In fact perhaps as a background...In PDP-LABAN, the political party where Senator Pimentel and myself belong, in the constitution and by-laws of that political party, which constitution and by-laws were drafted way back in the 1980's, it makes mention of federalism as a form of government for the Philippines.

CDC: So it's an idea that has taken its roots long before...

LB: Yes. It's an idea that we would like to sustain and hopefully it may bear fruits later.

CDC: So, sir aside from Senators Pimentel, Osmena and Pangilinan, who are the other pro-federalists in the Senate?

LB: I think the two Osmenas, John Osmena and Sergio Osmena. At one time, I heard Senator Biazon. Of course, the former Senator Kit Tatad, your kababayan. There are a few of them who are pro-federalists.

CDC: Sir, how about in the House of Representatives, who are the most active supporters of federalism?

LB: And the most vocal? I am not very familiar in the House. I have some friends there, especially those who were former congressmen. But I am not sure where they stand. Without meaning to degrade them, but sometimes Congressmen do not know where they speak from and what ideas they would like to espouse...But had I been, you know, I would have espoused federalism.

CDC: Sir, you might want to run?

LB: Well, yes. There are some people who are asking me, the bishops and the priests and the nuns in my province are asking me to go back or at least to run for Congress. Well, I'm thinking about it but my wife is vehemently against the idea. (Laughs) Although two of my three kids are pushing me to run again. I would like to take a rest. I would have to support Nene Pimentel in whatever political ambitions he has.

CDC: Sir, looking at the other side, who are the ones who are anti-federalists? The ones most vocal and active?

LB: I really cannot speak for them. I'm not sure, assuming there are, and I would assume that there are. I have a feeling that they can be convinced given the facts and circumstances surrounding the idea of federalism. Because I think that Federalism is an idea whose time has come. And talking about an idea whose time has come, I remember the French author, was it Victor Hugo, who said that, you may have the capability to stop a battalion of tanks but you do not have the ability to hold or stop an idea whose time has come. And I think that Federalism is an idea whose time has come.

CDC: Sir, in the Office of the President, what do you think is the position of President Gloria Macapagal-Arroyo on federalism?

LB: The President has been saying, in fact lately, she said, "Let us stop all these talk about Charter Change and focus our attention and energy in uplifting the quality of life in the Philippines". And she has also said, "I'll leave the talks or discussions of Charter Change to the congressmen and the senators. I am not going to talk about it." Senator Joker Arroyo said that the President should not remain silent of the ideas on Charter Change. She should take sides and let the people know where she stands. That is part of leadership. I think the President is still trying to collect her thoughts and the things that she's going to do about the things that she will not do in the remaining 18 months or so. So perhaps, one of these days Claudette, let us listen to her, on what she'll have to say if she's for federalism or not. So let's wait for the time.

CDC: Sir, we know that we are currently applying the unitary type of government in the country, what then are the problems and the merits as well as the flaws that you see, in this system of government?

LB: Right now, we are currently applying the unitary system of government. When we talk of the unitary system of government we are referring to the present one. It is a highly centralized form of government. Look at what is happening in this country, everything is centered in the so-called "imperial city of Manila". And so there is very small trickle down in the countryside because Manila is considered as the center of the bureaucracy. That is the problem of a highly and an overcentralized system of government. Practically all the powers, functions and obligations and authorities are lodged in one central form of government. That is why we are not moving as fast as we should. If we look around us, let us not go far to Europe or to the United States because they are highly decentralized and most of these countries are federalized, or they have embraced the federal system of government. Here in Asia, we can look at Malaysia, we can look at Thailand and they are getting ahead of us. Look at what happened to us and what happened to them. Leaders in Southeast Asia used to come here and learn from us, to study in ours schools. But now they are far, far away. If it is a race, if it is running, they are almost in the finish line and we are just barely starting. I think it is because of the concentration of powers in a highly centralized system of government. That is why if we go federal, we have to decentralize because in a federal system of government we are going to talk about the government of division of powers, obligations and authorities. We are going to devolve several functions, powers, and resources to the so-called regional state governments. While we will allocate powers to the central government, there will be more for the state governments.

CDC: Sir, what do you think will be the division of the internal revenue allotment if ever federalism pushes through?

LB: Well that can be discussed. The IRA which comes from taxes, customs duties, from the use of ports and wharves, that can be discussed among the state governments. There should be sharing. Perhaps, one criticism against the federal form of government is this, if we will subdivide the country into state governments is that there might be state governments which are underdeveloped or do not have as much potential as the other state governments. The answer to that can be found perhaps by looking at the experience of federal government. Like in Australia. In Australia, there is what you call the equalization fund. So that there's a common fund and perhaps the common fund can come from the Internal Revenue Allotment or the internal Revenue Allocation, as Senator Pimentel would like to call it. Then perhaps we should allocate more to those who have less and perhaps it will have to equalize.

CDC: But will that be a source of argument between states?

LB: It could be. It could be a source of conflict, but they will have to understand that if it is the law... Well the law should be followed and it may happen that the impoverished or the poor state governments are not always that poor. They can make use of their potentials, they can improve. And then perhaps later on, they can develop on their own. By then the allocation can be little bit different. So that the allocation should not be permanent.

CDC: It would have to depend on their potentials as well.

LB: Yes, their potentials, and their needs

CDC: ...and their contributions?

LB: Yes, and then perhaps, yes their contributions in the wealth of the country.

CDC: Sir aside from that, how will federalism become a better system of government for the Philippines?

LB: It will become a better system of government. I am not saying that a unitary system of government is bad. I'm saying that a federal system of government is a much better system of government than a unitary system. There is a built-in mechanism in the idea of federalism. It is that you will have to devolve so much powers, functions and resources to the state governments. Meaning it will be in the law, it will be in the Constitution that will say that these are the powers, the functions, the resources, the authorities and the responsibilities that should be allocated to the central government. These are the powers, the functions, the resources, the authorities and the responsibilities that should be allocated to the state government. For example the military, or the monetary system, the foreign affairs, the justice system will remain in the central government. But the social welfare, the health services, the police will go to the state government. They will have their own laws to govern their own jurisdiction. But there is going to be a federal law that would cover all the state governments under the leadership of course of the central government

CDC: But among themselves, can the state government make their own laws?

LB: Yes, definitely.

CDC: But it would have to be in accordance with the national government.

LB: Yes, with the national or the federal law of the federal government. Just like in the US. The United States is applying a presidential form of government, and it also subscribes to a federal form of government. The state of California can make its own laws, several laws. New York can pass different laws or similar laws as that of California. California can have its own Supreme Court, as well as New York. But there is one Federal Supreme Court that will supervise and cover all the states in the US.

CDC: So sir, in a way, it is a possible source of contentious issue among states if they have differing laws. If one state, say for example, passes a law legitimizing abortion and the other does not, what will be the solution to this dilemma?

LB: Well, perhaps in the matter of abortion there could be some federal guideline for that. Now the matter of states having different or contentious laws, nothing is wrong with that, for as long as they are not violative of the Federal law. For example, in the state of say, Bicol region. The state government of Bicol region they may pass a law saying that all cigarettes, all liquors should be taxed by say, 10% more than the present. That is all right for the state government of Bicol to do that.

CDC: But sir, would it be not equal?

LB: It would not be equal. And nothing's wrong with that. There would be competition. For example, Metro Manila. Metro Manila in the idea of Senator Pimentel would be a Special Regional Administrative Government, just like Washington D.C., Kuala Lumpur or Canberra. For example, the state government of NCR will say that real estate here will cost this much per square meter and non-payment of real estate taxes will mean forfeiture or something of the sort. Nothing is wrong with that. And then the ARMM, the state government of the Muslim Mindanao, will say, we will not confiscate those real estate with unpaid taxes. They will have to put up some kind of an industrial center and we will not tax them. You know things like those. So that there is going to be competition of ideas. And you know, when there's competition, it's good. It's good for the country and for the state government.

CDC: How about the appropriateness of applying federalism in the local setting. Considering that our country is an archipelago and that there is within us different linguistic as well as cultural divisions, how will these factors fit in with the federal system?

LB: For example is Eastern Visayas, you're talking about cultural divisions and linguistic differences, in Region 8, for example is composed of 6 provinces. There are three in Samar, and three in Leyte. That can compose of one state government, and I think there is no problem about it.

CDC: So sir, do you believe for a fact that there are indeed cultural divisions and linguistic differences?

LB: Yes, and that should always be taken into consideration whenever the federalization proposal is taken up.

CDC: Sir, concerning its effectiveness, if applied to the current political condition, say for instance, the political maturity of the people. Are the people and the leaders themselves. ready for such a change?

LB: We will have to make them ready. We will have to bite the bullet, so to speak. Since it is good for them, I think that they must understand that they must adjust to the idea of federalism. For example in Eastern Visayas, my province. Did you know that I had to argue with President Cory Aquino so that I could buy typewriters, so that I could buy a second-hand automobile? And there was money...you

know...there was money in the provincial government, but we have to seek permission from the central government to spend our own money. And to me, that was lousy. I could not understand that kind of situation. We had to seek prior authorization from NEDA to push through with some projects. To me that was crazy. I was telling my fellow governors, "Look we have our own money. Do we have to seek permission from Manila to use our own money? That's none of their business. Why do they have to meddle and interfere with our own money?" For as long as the duly elected public officials, say the Sangguniang Bayan, approved of such an appropriation, and the expenditures is not against the rules of the COA, then if it is our own money, then we could spend that according to our own needs. To me that was crazy. I had to tell the President Cory Aquino that "I hope you understand Mrs. President, but would you believe there is no vehicle in the Office of the Governor? I had to travel several kilometers to catch a plane if I had to go to Manila to attend to a conference." At one time I was riding a motorcycle, no, not a motorcycle, a tricycle, and sometimes a dump truck for there was no other vehicle. So when we were elected after being appointed as OIC governor, those of us who were the so-called progressive thinking governors, especially those who were new to the government, we were telling ourselves, if we cannot make a change, if we cannot make a dent, we have no business staying in this government. Let us get out and look for another job. So, we have to push for the local government code. We were fighting for decentralization and devolution.

CDC: Sir, considering that the resolution of Senator Pimentel passes through, diba he was asking for a constitutional convention? What would be the legal processes and procedures that will follow out of considering changing the structure of the government?

LB: Now, there are 3 ways to amend the constitution, as you are aware. Number one is Congress amending the Constitution. Number two is Congress filing a resolution, a joint resolution calling for the election of delegates to constitute the Constitutional Convention and this Constitutional Convention will amend or revise the Constitution. The third is, as you know, the people's initiative. The people can change the Constitution. But that is very difficult. So, we are talking about the so-called ConAss or ConCon. Now, assuming that it is going to be a ConAss or the Constitutional Assembly, Congressmen and Senators, voting separately, will amend or revise the Constitution. Now if it's going to be the ConCon, it is going to be the delegates who will amend the Constitution. These delegates are going to be elected by the people in a plebiscite. Now, whatever amendments passed by either ConAss or ConCon will have to be finally approved by the people in what you call a referendum. Only then can these amendments be considered as approved, and a part and parcel of the new Constitution.

CDC: Sir, what if the people are not in favor of some provisions in that amendment?

LB: In a referendum, there is only one question, a yes or a no, do you favor or not, or do you approve or not. So, it may happen that some provisions are, you know, objectionable. But they have no choice. The people have no choice. Either they will have to lump all the provisions and say we approve or disapprove, or we vote no or we vote yes. So that will be a problem.

CDC: If for example, federalism will be included, and a provision calling for a parliamentary form of government will be included as well along with the federal proposal. Would that not be a difficulty sir?

LB: Yes. That will be a difficulty. But the COMELEC is under obligation to go out and campaign and inform the people about the validity of the proposed amendments and the need to amend the Constitution. And of course, the delegates, assuming that it is a ConCon and the senators and the congressmen, assuming it is a ConAss, will have to go around the country and say that this is good for us, therefore you vote for it. But of course, there will be people who will say, "This is not good. Let's retain the original, the former constitution. Let us vote no." But I think that it will be farfetched to say that the proposed amendments will be rejected, because I think the whole government machinery will be tapped to have the proposed amendments approved.

CDC: So the more important question should be if there would be a charter change in the first place? Because we are not so sure if indeed charter change can ever take place.

LB: So, ganun ang sistema nun, it's either ConAss or ConCon.

CDC: That is, kung pumayag ang tao, in the first place.

LB: Yes, that is right. The first step. Tsaka kapag ayaw ng President din. Because you will have to fund, you will have to put some appropriations, especially if it is going to be a ConCon. And they say that it is estimated to be 4 or 5 billion to fund a ConCon.

CDC: not to mention the changes that will be made if ever federalism will be approved, specifically the cost considerations of changing structures...

LB: If we would like it to be faster, it should be a ConAss. Now there are several pros and cons to that. If it is going to be a ConAss...It is not a secret the congressmen and senators, being politicians that they are, may have their own personal, selfish political agenda that could easily be tacked into the proposed amendments. And personally, with due respect to some senators and congressmen, I have high respect for some senators, I cannot trust some congressmen and some senators to be drafting the highest law of the land that will govern us. I would rather have a Constitutional Convention, elected democratically.

CDC: So, sir given that federalism will be passed, what will be the necessary local and national preparations that will have to be made in order to ensure a smooth as well as a popularly accepted change from a unitary to a federal system?

LB: I think one preparation should NOT to implement it immediately.

CDC: So there's a timeframe...

LB: Yes, a timeframe. So perhaps assuming there will be a constitutional change this 2004, perhaps we can make it effective by 2010. Immediately prior to the full blast implementation of federalism, we shall have informed and enlightened the stakeholders: the constituencies, especially the future public officials, and more importantly, the people themselves.

CDC: Given such as case, what would be the form and the structure of the state governments? What would be the hierarchy of officials who will head the state governments?

LB: The state government can still be headed by a state governor. Then, perhaps the provincial governor can be called the provincial governor, and the municipal mayors, the same. I think it is a matter of nomenclature and to me that is not so important anymore.

CDC: What structures should be formed in order to cater to the needs of the new system of government? Since we know that federalism entails a moving away from the relationship of subordination to that of coordination...

LB: Yes. For example, there should be continuous education of the bureaucracy. The Civil Service should be extended. I think there should be a continuing education and enlightenment, letting the people know the different changes in the handling of functions, powers and authorities. The structure should be enshrined in such a manner that is clearly understood. There is a federal government that is headed by the federal president and then under that office and structure there will be state governments which will be headed by state governors or state ministers, whatever you'll call that. Then perhaps below the state governors will be the same structures as there is now, the provinces, cities, municipalities, up to the last barangays.

CDC:What is the worst problem that you can foresee out of passing the federal proposal?

LB: The first thing that we have to brace ourselves against is the idea that normally, human beings are often averse to change. They might say, "teka muna! We are not used to that idea eh! 'Wag na lang yan! Mahirap pala, di pala maintindihan yan eh. 'Wag na yan. Balik na lang tayo sa dati." That can very well happen. But for as long as there is a continuous barrage of information and enlightenment... And letting them know that we do not have to go to Manila begging for funds, typewriters, vehicles and all that. Let me give an example. Here is Samar and Leyte (points to the map). This will constitute one state government. This is Eastern Samar. Imagine if we have to go all the way, all the way to Manila (traces through the map from the Visayas area to Metro Manila) to get our projects approved! Whereas, if we have a state government, we can easily discuss it there among ourselves. So that we only have to go to this place and have the state legislature to approve our plans. We do not have to be flying every now and then to Manila. That is very costly. Sometimes, if we do not fly to Manila, we have to pass all the way to this very, very long process! (Laughs while traces through the map again). Ang tagal! It will take several hours and days to travel. Imagine the lost time! So faster development that is more democratic, that is federalism.

CDC: It gives more autonomy to the people...

LB: Yes, more autonomy. The rationale behind is, give us the wherewithal, and give the powers, the rights the obligations to the people who are near the problems. Who look at the problems face to face... You know, when I was new as a governor, because I was a student activist long before I was a governor, I was always, I did not have, I did not have sympathies for those who would say that, "Look, we are here in Manila. We were educated abroad. We know your problems and we give you your solutions". To me that is, that is very arrogant. Simply because they were staying in their air-conditioned rooms in Manila did not mean that they were brighter than us. We knew what were our problems. We knew what were the solutions, give us the where with us. Give us the necessary assistance, we will solve our problems. We do not want you to solve our problems. So I think that was what is wrong with an overcentralized system of

government. They call the shots in Metro Manila. They decide for us in the provinces and they believe that what they think is what is good for us. They do not feel our sentiments in the provinces. And yet, simply because they were educated, some of in Harvard and in London, and they think that they are smarter than us. The idea of decentralization is that those who are near the problems or those who see and comes face-to-face with the stark reality of poverty should be given all the necessary assistance. That is also behind the idea of a federalism system of government. That is why the US is very progressive, Europe is very progressive because of that.

CDC: Sir, what about the possibility of the abuse of power?

LB: Well, there's always the possibility, you cannot take that away. In any exercise of power, there is always a possibility of abuse. But that possibility should not make us believe and make us say that since there is a possibility, let us therefore not go into that. It is a case of paralysis by analysis and analysis by paralysis. Simply because you know that there is a possibility that it is abused, wag na lang! Well, that is, that is very myopic. Well then let us strengthen the institutions and the agencies, law enforcement to curtail and to control possible abuses. And then let the chips fall as they may. Meaning, those that are guilty must be punished. Those who have abused their power should be held accountable. One thing good about the American system of government is, but I do not subscribe to everything American. Some of my friends consider me anti-American. I am not anti-American. But what I believe in the American system of government is in their Justice system. You were wrong, you made some mistakes, then you have to suffer for it! You violated the law, and since you are liable for that, you have to get penalized for that. And within a short period of time. Here in this country we have to decide cases for several years. Justice is not only delayed, justice is also denied. Kaya ako'y tuwang-tuwa nung nakulong si Erap. This country should get the big fish. But I'm not content with his staying in the hospital. He should go to the detention cell where he properly belongs. Hopefully, with a federal system of government, because we will improve economically, our sense of justice will also improve. Kasi ang nangyayari pag mahirap and sitwasyon ng mga tao, and utang na loob... nakautand ng loob eh, syempre ang bayad din nyan ay utang na loob din.

CDC: Sir, in connection to that don't you think that federalism can curb, in some ways, graft and corruption?

LB: To some extent, yes it can. It can! Kasi and kuwan dyan eh, kasi magkakakilala na yan. Kasi isang region sila eh. Yeah it can curb graft and corruption faster.

CDC: ...they will be more accountable to the people?

LB: More accountable, yes. Although of course, meron ding mga tauhan yan. But palagay ko, mas and chansa na ma-curb ang criminality, corruption. Ams malaki ang chansa. You know, I remember when we were discussing decentralization and devolution and local autonomy sa Malacanang, and that was in 1987 or 1988, Cory Aquino used to preside meetings monthly among governors and cabinet members. Especially kami, I was always in the Office of the League of Governors. Sabi ni Cory Aquino, "You know, I would like to consider decentralization and local autonomy as a centerpiece of my administration". Sabi nyang ganyan. That is why if you can develop the countryside, we give more autonomy, and we give more powers and perhaps more obligations to the local officials. And I remember there was one cabinet member, sabi nya, "Mrs. President, wag na munang yang local autonomy, kasi pag binigyan natin ng powers yang mga local officials na yan, mga corrupt yan eh", sabi nyand ganun. I was really surprised ng ganyang salita ng isang cabinet member. I had no respect for that guy. I will not mention his name. Mrs President, if we give local autonomy, there will be more corruption in the countryside. And then there was one guy, he was the Secretary for DOTC, nakalimutan ko ung pangalan. He's a good guy. And he stood up, sabi nya, "Mrs. President, it is very disappointing that my fellow cabinet member will say that. If he is against decentralization because of corruption, then Mrs. President, let us decentralize corruption!" sabi nya. Eh di nagtawanan! Sabi nya, "Mrs. President, I am not kidding. I am not making any joke here. What I am saying is that, you know in the countryside, almost everyone know one another. So, if one is making some monkey business, everybody will know. Pagraralihan ang bahay nyan. I-rerecall sya. Baka di na sya makalabas sa bahay nya kasi kilala sya. Samantalang dito ang corruption natin dito, grabe. Dahil nandito tayo sa central government, milyon-milyon, walang nakakaalam. So, sabi ko, this guy, Fuliosco. The name is Fuliosco. Secretary Fuliosco, DOST. I liked that guy. So let us decentralize, sabi nya. Kasi ang corruption nalalaman kaagad sa small setting. Pero pag dito sa big setting, wala, bilyon-bilyon. I liked that guy. So there are two reasons for federalism. Number one is stronger democracy and two, faster development.

CDC: Do you think that federalism will be a just solution to the Mindanao problem?

LB: I believe so. Yes. Yes, because even Hashim Salamat and Nur Misuari have been saying that, according to Senator Pimentel. That they really do not want a separate state, independent state from the Republic of the Philippines. They only want self-government among themselves, where they can preserve their own culture, their own traditions. But there should be, in a Federal Constitution, it should mention that the Philippines is a republic, and while we are a federal state and under a federal form of government, any state cannot simply secede and get away from the republic. There should be constitutional provisions. So that if they do that, for example they want to dismember the country then the federal army can come in and will be asked to tow the line.

CDC: So there will still be unity amidst the disunity?

LB: Yes, right. That would be called perhaps, unity in diversity?

CDC: Yes. Sir, what do you think... will federalism really have a chance?

LB: Right now, we will have to sell the idea to the public. Some Senators are already selling the idea to the public. The governors, many of them believe in federalism, but many of our constituencies and many of our people are not familiar with the idea of federalism. My wife, for example, is a lawyer CPA but she has several misconceptions about the federal system of government. So there should be a continuing series of information campaign.

CDC: That would be your recommendation sir?

LB: Yes. And perhaps, perhaps ultimately, you know, if we can convince you to ah, campaign with us, we will ask your assistance. So perhaps we can ask you after you shall have graduated to work with us!

CDC: That would be, uhm... that would be very welcome sir!

LB: Yeah. But finish your studies first. (Laughs)

CDC: Yes, sir. I'll have to finish my thesis first. Sir, that's the last of my questions na po. Thank you very much po for the information and the time you shared.