

Challenges to the **Idea** of a Federal Philippines

Hans Siedel Stiftung-PPI Seminar

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Preliminary **Remarks**

- **My remarks** are not a rejection of the Federal idea *per se*;
- Rather, they point to **key challenges** to making a good idea into concrete reality
- The challenges may be just a **question of when**, rather than being wholly ideological in orientation
- **Three main points**: philosophical/foundational, pre-conditions, economic

I. Philosophical and **Foundational** Challenges



- Johannes Althusius (1557-1638)
- German jurist from Emden who was a colleague of Jean Calvin and Theodor Beza
- Wrote *Politica* (1603), which is considered the first systematic exposition of the philosophical and legal foundations of federalism

Philosophical and Foundational Challenges

KEY IDEAS

- politics as symbiotic
- government from below
- the idea of *consociatio* – strong mutual social and political bonds founded on mutual communication on many fronts and across groups, bodies, associations, and not just the government
- “bottom up” versus “top down”

Philosophical and Foundational Challenges

TAKE AWAY:

consociatio: federalism unites, not divides: but current political situation is **toxic**

SWS survey: 75 % of Pinoys not aware of federalism (March 2018)

To begin with: is this “awareness” equivalent to a deep understanding?

Where is the requisite of mutual communication?

- gradual and natural development and not an arbitrary imposition (**the development of a political culture friendly to a federated state**)
- European experience took a long time from Althusius’ era (17th century)

II. Preconditions

Requisite political and electoral reforms

- Anti-dynasty law
- Campaign finance reform law
- **guarantees** for a development and growth of a strong, genuine political party system against capture of federal states by local oligarchies
- These should all happen before the shift!
- a government of equitable opportunities and meritocracy, not an oligarchy
- NEDA itself proposes a 15-year transition period
- **IDEALLY**: at least a “gestation” period for a generation (20-25 years)?

III. Economic Challenges

P 300 billion (DOF)

versus

P 15 billion (DILG)

- Which is which? It shows the proposal was not given proper thought
- BAD TIMING – 6.7 percent inflation
- **Build, Build, Build** project – where will the government get the money to pay for the gargantuan costs?
- Example: Multi-Level, Multi-Court system provided in the draft Federal Constitution.
- *Mandanas* case (2018), where the Supreme Court held that the IRA should be computed from all national taxes imposed
- Arrears total P 500 billion (1992-2012, or an additional P 50 billion per year)
- seems to undercut arguments that federalism is necessary to bring more economic gains to LGUs
- What may be needed is only a more equitable distribution and utilization of income, which will only require amendments to the Local Government Code

CONCLUSION



“And so was born, as it were, the need for communicating necessary and useful things, which communication was not possible except in social and political life. God therefore willed that each need the service and aid to others in order that friendship would bind all together, and no one would consider another to be valueless.”

-Johannes Althusius, *Politica* (1603)