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GOING
BEYOND
CONCEPTS:
THE
CONSULTATIVE
COMMITTEE
DRAFT FEDERAL
PHILIPPINE
CONSTITUTION

CHALLENGE OF LIMITED STATEHOOD (RISSE)

- 2 Dimensions of Governance- Actors and Modes of coordinating social action, various institutionalised modes of social coordination
- Philippines' network of dyadic, two-person reciprocities (Scott)
- State and Society and the Challenge of Evolving a Modern State (Abinales and Amoroso, Rivera, Hutchcroft)

EVOLVING APPROPRIATE PHILIPPINE PUBLIC INSTITUTIONS

- Luzon Republic; Negros Cantonal Republic; Biak na Bato and Malolos Constitution and the Debate of Philippine Founding Fathers;
- Grafted Philippine Political and Governmental Structure;
- Lost Opportunities in all previous attempts at writing a true Philippine Constitution

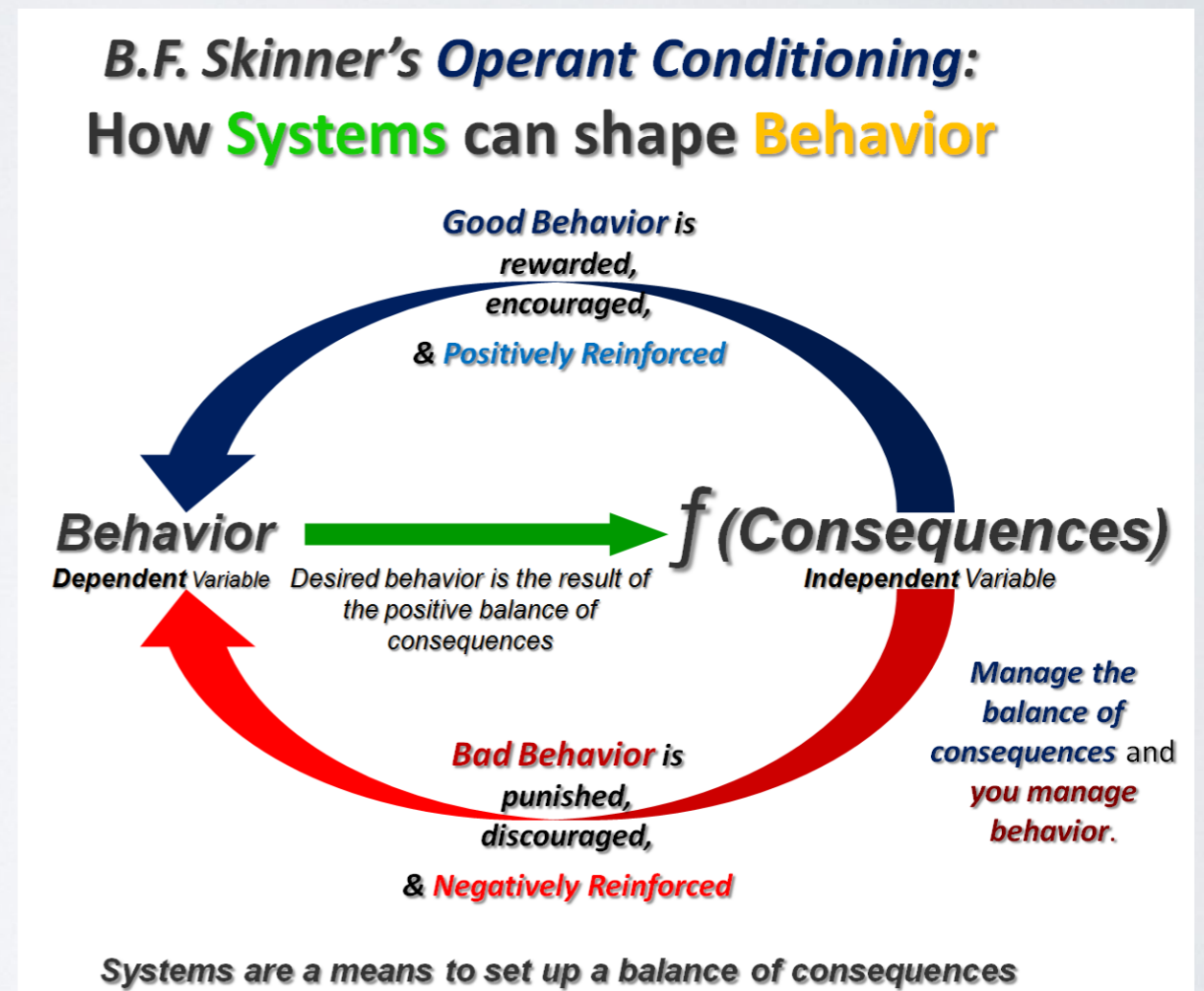
“...if at a the time of the inauguration of competitive elections, a polity has only one significant group that sees itself as a nation and there exists a relatively common sense of history and religion and a shared language throughout the territory, nation-state building and democracy building can be mutually reinforcing logics.

However, if competitive elections are inaugurated under conditions that are already ‘politically robustly multinational,’ nation-state building and democracy building are conflicting logics. This is so because only one of a given polity’s ‘nations’ would be privileged in the nation-building effort, and the others would not be recognised or would even be marginalized.” (Stepan et. al. 2005)

A Constitution constitutes a country's public institutions as it Charts its future, the very reason why it's called the fundamental law of the land.

ESTABLISHING SYSTEMS AND ESTABLISHING ROUTINES

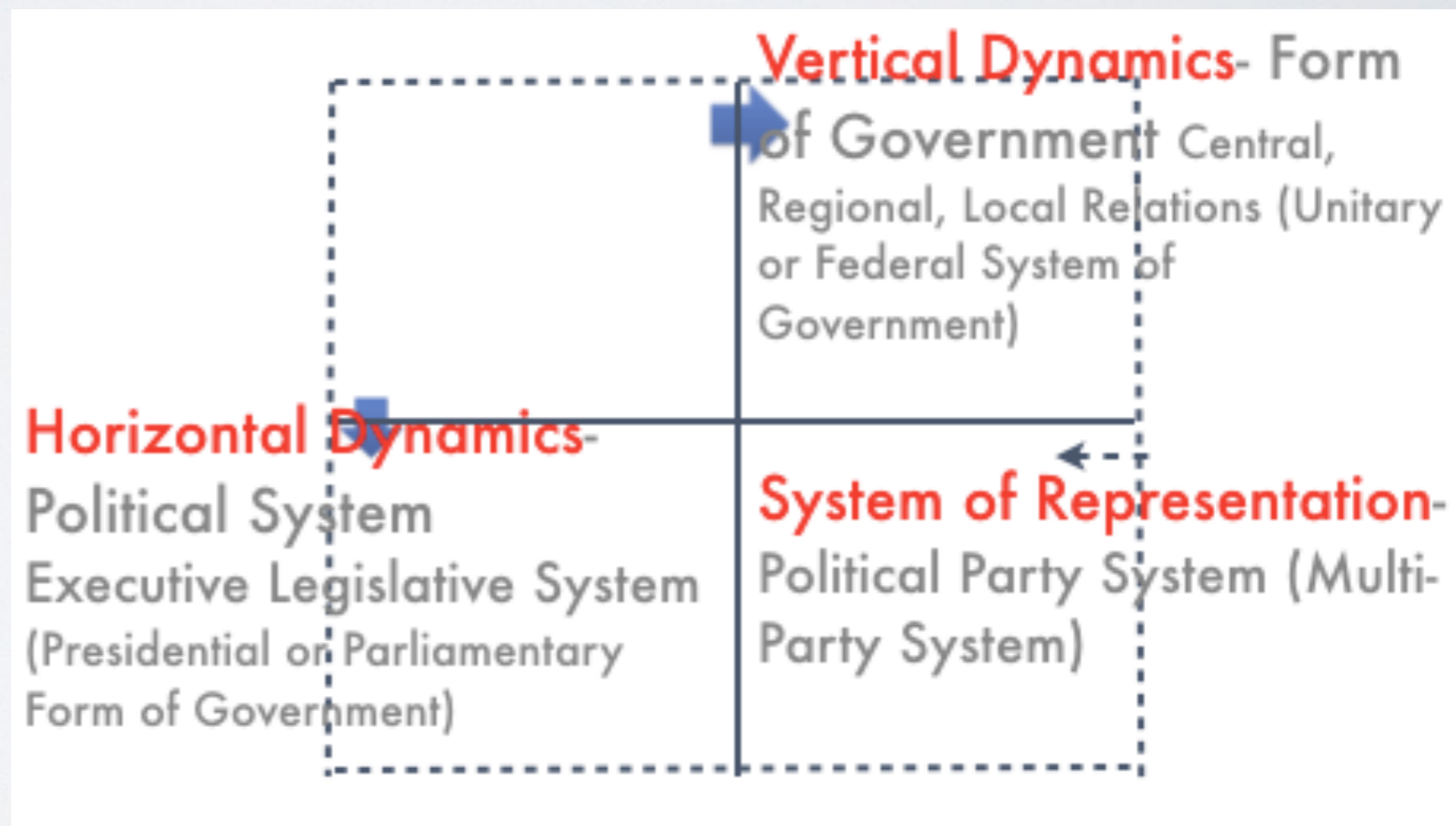
- Routine is like our Second Nature;
- Basic Sense of Harm and Benefit (Rational Calculating individuals)
- Fundamental importance of Information and therefore participation to promote public understanding and rationality; and,
- Fundamental difference between Collegial and Individual Decision-making



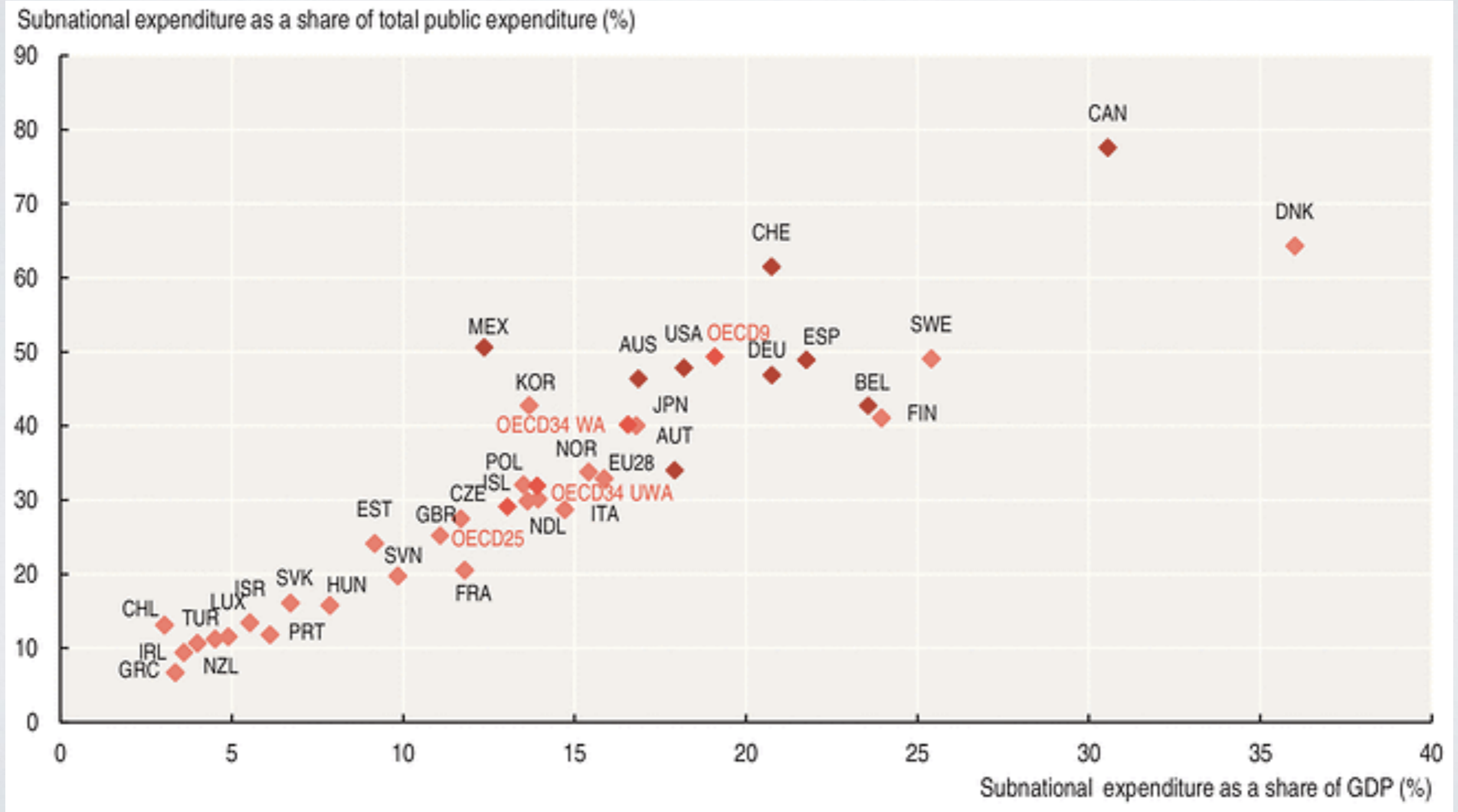
CONSTITUTIONAL REFORM IS NOT A
QUESTION OF TIMING BUT A
QUESTION OF OPPORTUNITY

- Political Parties as Public Institutions
- Electing the President and Vice President as a tandem
- Reconfiguring the House of Representatives and returning to real Proportional Representation (60/40 from current 80/20 party-list)
- More Comprehensive and Demandable Rights
- More Powerful Constitutional Bodies (e.g. CHR, Phil. Competition Commission)

KEY FEATURES INTRODUCED IN THE DRAFT



2014 SUBNATIONAL GOVERNMENT EXPENDITURE AS PERCENTAGE OF GDP AND TOTAL PUBLIC EXPENDITURE



SNG expenditure	Low income	Lower middle income	Upper middle income	High income	All 95 countries
% of GDP	1,7%	6,3%	8,3%	13,2%	9,0%
% of public expenditure	7,5%	20,3%	25,1%	29,7%	23,9%

OECD 2016 SUBNATIONAL GOVERNMENTS AROUND THE WORLD

SNG expenditure stood at USD 6,450 per capita in the OECD area, accounting for 17 % of GDP and 40% of total public expenditure in the OECD in 2014

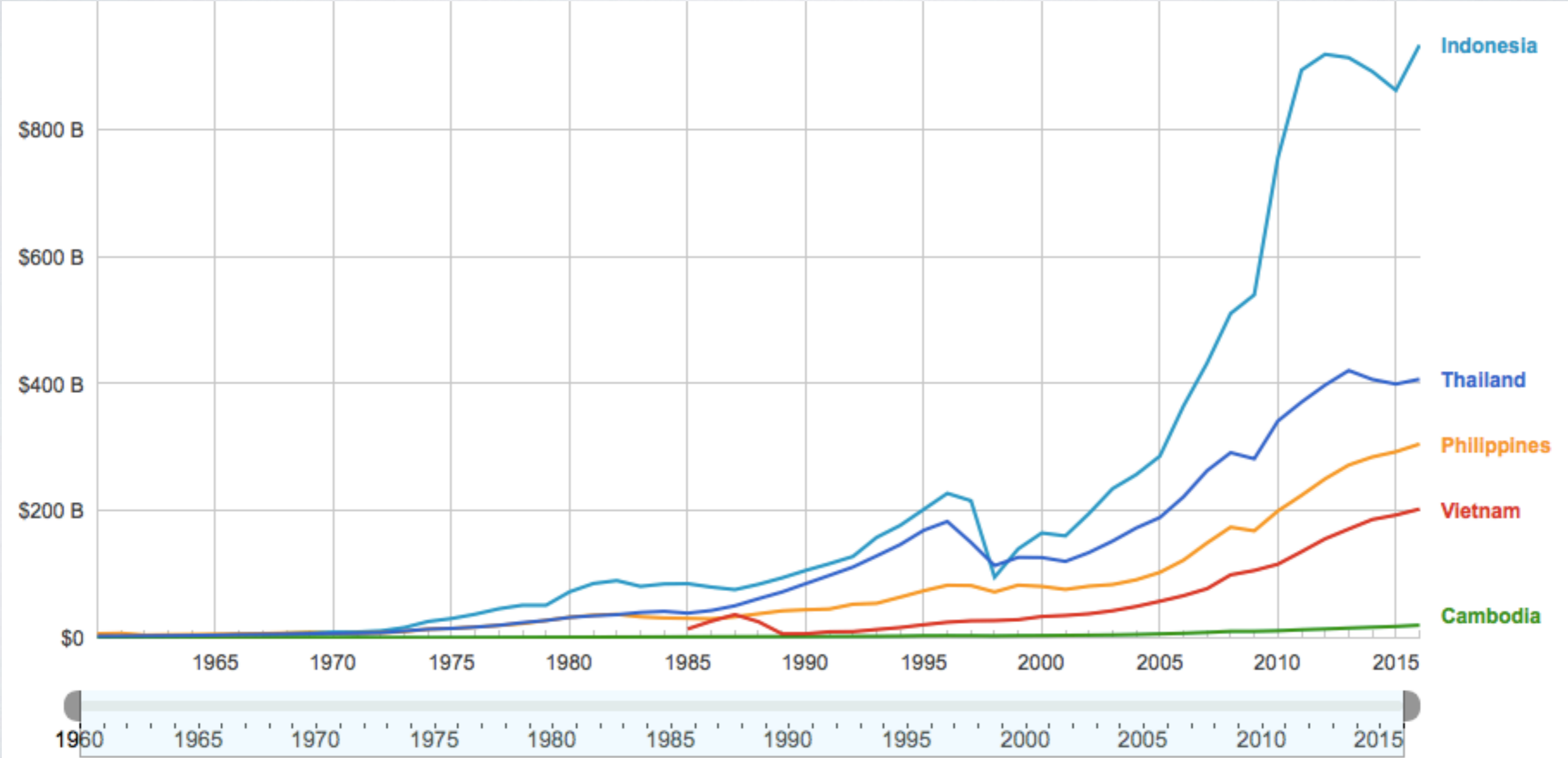
In Federal countries, SNG expenditure is at USD 8,500 per capita or 19% of GDP and 49% of total public expenditure while the share of expenditure carried out by local governments varies

Local Government expenditure is lower in unitary countries representing only USD 4,330 per capita, which is 13 % of GDP and only 29% of public expenditure

DECENTRALISATION USED AS KEY STRATEGY

Cambodia	Indonesia	Philippines	Thailand	Vietnam
Democratized in 1993	Reformasi in 1998	1986 Revolution	1992 return of party politics	1992 Constitution of Vietnam and
1997 Coup by Cambodian People's Party	Free general elections in 1999	1987 Constitution ensuring autonomy	Decentralization institutionalized in 1997 Constitution	1995 PAR
2001 enacted 2 major laws introducing decentralization	2000 Constitution Amendment guaranteed autonomy	1991 Enactment of the Local Government Code	1999 Decentralization Process Act	Grassroots key to socialist philosophy
2009 passing of Organic Law on Decentralization and Democratic Development	2004 enactment of Law 32	Fiscal autonomy is ensured but still essentially centralized	1999 Local Public Personnel Administration Act	Remains essentially unitary

COMPARATIVE GDP GROWTH



Data from [World Bank](#) Last updated: Sep 18, 2017

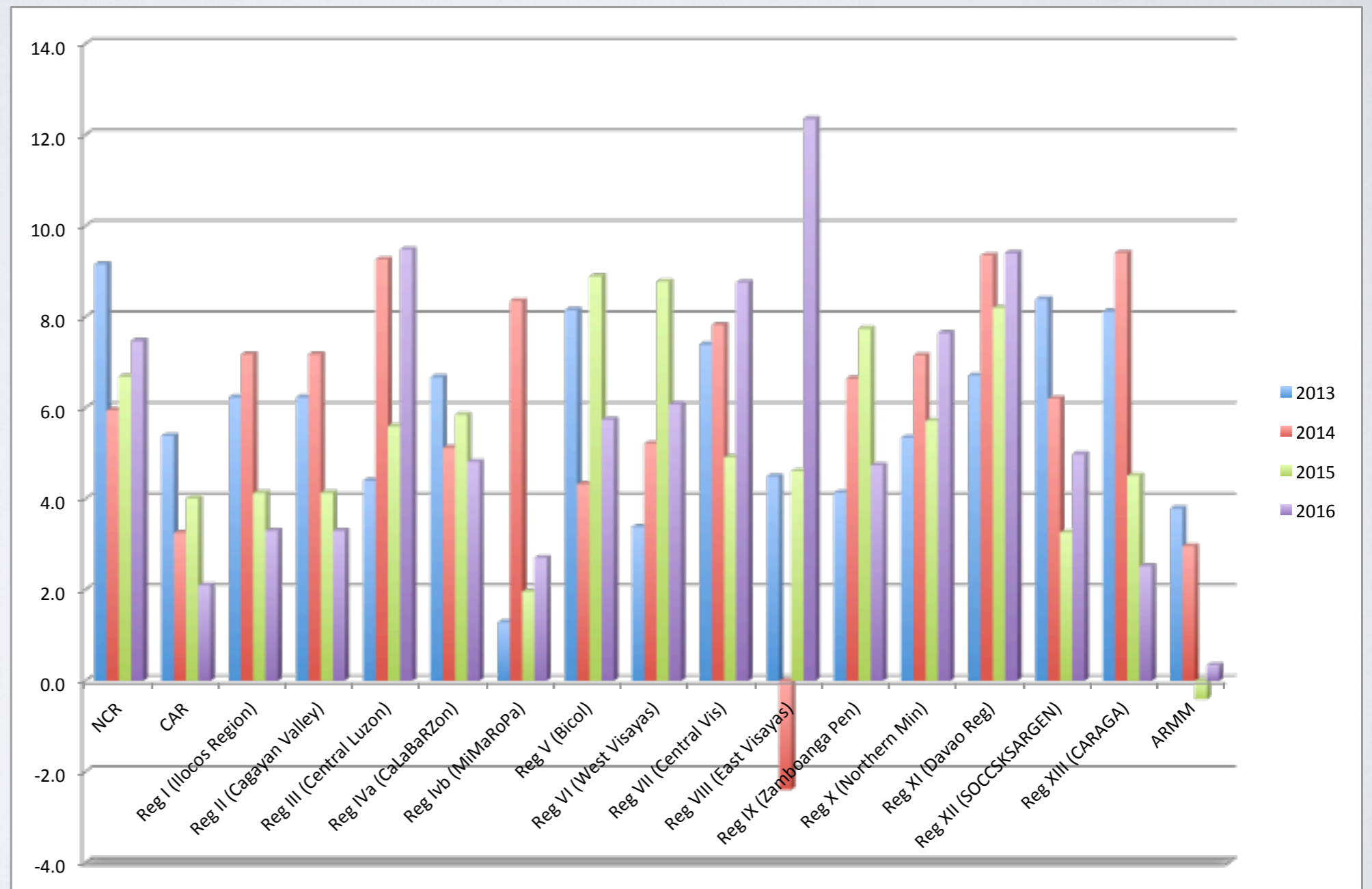
Comparative Local Public Finance in SEA

- Significant Subsidies and Transfers
- Indonesia tops all with an average of 55% of overall local expenditure share
- Thailand and Cambodia are among those with varying patterns
- Philippines is at a constant of 19% owing to its fixed local government share of national revenue.

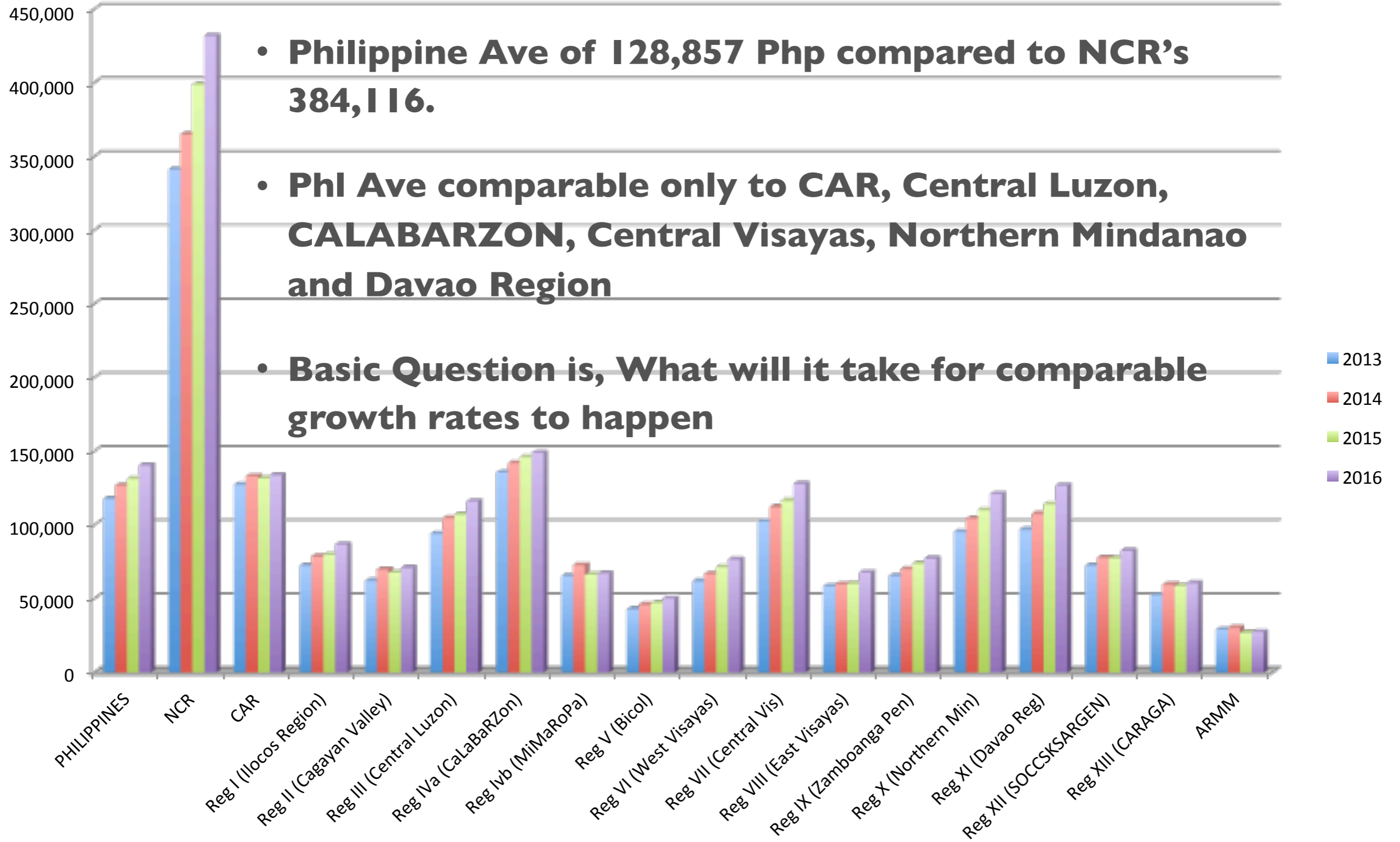


GRDP GROWTH RATES AT CONSTANT 2000 PRICES

- Only NCR, Regions X, XI and IVa have been posting consistent 5% ave. growth.
- Irregular growth for Reg.VIII for 2016, Reg V for 2013 and 2015 and CARAGA for 2013 and 2014, including others



PER CAPITA GRDP AT CURRENT PRICES



FEDERALISM AS THE ANSWER: FEDERALISM AS OPPORTUNITY TO AMALGAMATE

- Limitations of Planning and Implementation
 - Fragmented Local Government Units
 - Challenges to Integrated National, Regional and Local Planning
 - NGAs mainly just downloading national plans
 - LGUs limited capacity to plan and absorptive capacity (lack of maps, cbms and even personnel)
- Vacillating support to decentralisation from one administration to another.
- Mainly Lack of Political Authority at the Regional Level

POINTS FOR CONSIDERATION

Utilize the issues on decentralisation as benchmark for better IGR under a federal set-up

Clear definitions on the roles of each level of government to demand accountability and effectively prepare them for federal set-up

Current configuration of LGUs cannot be done away with through the constitution, if at all, has to be decided by the would-be regional governments either through their Organic Act or Regional Legislation.

“Institutions matter” in shaping political behaviour especially at the subnational level; guarantee meaningful local autonomy to establish trust relations between federal-local governments

THE PROPOSED FEDERATED REGIONS

- Formed by existing LGUs, Provinces, Highly Urbanized and Chartered Cities;
- Regional Assembly composed of one representative each directly elected and another by proportional representation;
- Regional Governor and Vice Governor elected from the Regional Assembly; and,
- Existing NGAs in the region to be part of Federated Regional Governments.

“the institutional structure that creates market failure will also prevent implementation of interventions to improve incentives at the micro level”

–Acemoglu and Robinson in Why Nations Fail