

# Covid-19 And Its Effects On The Federalism Initiative In The Philippines

## Abstract

*In the Philippines, the federalist initiative can be categorized as a relatively recent political project. The country has for the longest time adopted a strong central government that led to top-down governance. Critics have long pointed out that such concentration of power has led to the neglect of many areas in the country. The clamour was particularly loud especially from the southern part of the Philippines where a protracted civil war, essentially, arrested the development potential of a resource rich region. Recently, secessionist moves led by Islamic rebel groups have been toned down owing to a peace settlement signed under the administration of President Benigno Aquino III. The election of President Rodrigo Roa Duterte in 2016 catalyzed the federalist movement in the Philippines. Under his administration, a consultative commission composed of leading public intellectuals was formed to draft a new constitution to replace the 1987 constitution that on paper, categorizes the country as a unitary state. The draft document christened the "Bayanihan" constitution was eventually submitted to Duterte for his consideration and eventual endorsement to the public (President Duterte receives proposed federal constitution of Consultative Committee - Presidential Communications Operations Office, 2020). Curiously, such expected strong support for this landmark document was not forthcoming owing perhaps to conditions which I will outline below.*

## Philippines as a Quasi-Federal State?

To further contextualize the federalism initiative in the country, it is imperative to highlight the current structural conditions of the Philippines after the 1986 People power revolution. Doing so enables outside observers to get a detailed perspective on the nuances of the Philippine government set-up that shapes the discourse and strategies of relevant political players to any proposed structural change.

Tigno (2017) points out that while the framers of the 1987 Constitution were worried about the creation of a federal structure, they were more afraid of re-establishing the old model of a strictly unitary system. Equally, the framers feared that any call to federalize would lead to the republic's disintegration. The framers, however, worried more about improving the national government. The result was a constitution negotiating the substantial decentralization of the national government's powers and providing for local autonomy but retaining the unitary system in name.

Tigno further argues that a two-tiered system of political administration exists in the Philippines: the central government and the units of local government. These powers are listed in the Constitution. The relationship between the two levels is such that the central government cannot be said to have absolute sovereignty over all the units of local government. Relations between central and local authorities are in many cases very much part of a negotiated process. More importantly, the constitution protects the political and economic autonomy of local governments, and its implementation is specified in the Local Government Code of 1991.

## Philippine Political Culture and Structural Features

While structural changes have been put in place over the years to devolve many powers to the local government units (LGUs) in the country, it is important to view institutional dynamics through the lens of political culture. Owing to cultural peculiarities, the head of the Philippine executive department led by the President of the Republic had often patterned their governance style with what Agpalo (1999) had called the Pangulo regime model. This model can be differentiated from the other democratic regime types such as the Presidential and the Parliamentary Systems. The key difference lies in the type of cultural values that underpin such models. According to Agpalo, the Presidential regime type emphasizes the value of equality as exemplified by the premium it gives to the notion of checks and balances among the different departments under its system. In contrast, the parliamentary type underscores the value of liberty as evidenced by the restrictions it has placed on state power through the enactment of a bill of rights. On the other hand, the Pangulo regime type highlights the value of fraternity or "pagdamay".

Amidst these contextual factors, this paper argues that Covid-19 has unmasked the underlying centripetal mechanisms that restricts the federalism initiative in the Philippines. It also underscores the critical role of political agency to the success or failure of any movement towards greater structural change in the Philippines.

One of Duterte's main sources of political capital is the subscription of a vast number of the populace to the motto of his administration known as "tapang at malasakit". This roughly translates to courageous and caring. His administration has trumpeted its strongman approach in addressing the problems of the country while coupling it with both real and simulated policy initiatives that aim to cultivate the image as the caring father of the nation. Given the theoretical fit of the empirical evidence as displayed by the governance style of Duterte vis-à-vis other government institutions in the country with Agpalo's Pangulo regime model, it would appear that such political tendencies would circumscribe any power-sharing effort between the central and local government units under a federalist project.

Consequently, the political image cultivated by Duterte as well as his pronounced support for the cause of federalism in the Philippines when viewed against the backdrop of the on-going pandemic has provided a severe litmus test for his government's faithfulness to such lofty policy goals. Accordingly, I posit that the Covid-19 crisis has unmasked the strong centralization tendencies of Duterte that do not bode well for the federalism project. It can be considered ironic given the

fact that federalism was one of his core electoral promises and where he has spent a significant amount of political capital to nudge the country towards greater decentralization during the early part of his administration.

## Missed Opportunity for Local Governance

The Covid-19 crisis has also surfaced the leadership potential of local officials who ideally, in a proposed federalist set-up should be given the autonomy and support that will be beneficial to their local constituency. There are indications that such an arrangement has not been fully welcomed by the Duterte administration as exemplified by the way it has publicly responded to the local initiatives done by the different local government units.

This development is not surprising considering earlier events that in hindsight may have had profound effect on the federalism initiative in the country. Mendoza et. al (2018) argue that all these issues have been made even more crucial by a July 3, 2018 decision by the Supreme Court (SC) on a case between Mandanas et al. vs. Ochoa et al. (G.R. No. 199802) concerning the “just share” of local governments in national taxes. The decision on this case could significantly expand the revenue base from which the Internal Revenue Allotments (IRA) to LGUs are computed.

Romero (2020) underscores the implications of this decision for any federalism initiative. He argues that Mandanas had hoped the new IRA will be reflected in the 2019 budget. Now, the Duterte administration seems to ignore the local autonomy harness he championed himself through his daring federalist championship. He and his Cabinet are now stonewalling LGUs, negotiating with LGUs to delay the sharing of the new IRA until the next session.

This landmark decision as well as the subsequent national government response can be considered quite a significant event under the Duterte administration as it further reveals the underlying policy environment that militates against the move towards federalism in the Philippines. The theoretical literature on federalism points to fiscal transfers from the central government to the other parts of a country as being a critical component for any federalism project to work. This is particularly true for areas that are characterized by highly uneven levels of development owing to historical circumstances.

The Philippines is one such country. Despite steady economic growth for over a decade, economic development is highly concentrated in just a few regions in the country such as those found in Region 3 (Central Luzon), Region IV-A (Calabarzon) and NCR (Metro Manila) while thirteen (13) other regions lag behind in terms of accepted development metrics. As a result, many areas outside of these more affluent regions have become and remain dependent on fiscal transfers known as internal revenue allotments (IRA). Such an allocation is based on formula that accounts for the land area and population size of each LGU. In addition, the type of LGU classification such as whether they are recognized as barangays (villages), municipalities, cities or provinces also impacts on the amount that would be forthcoming to their respective coffers.

Undoubtedly for some of these LGUs, the IRA is a vital economic resource needed to foster development in their areas. It should be noted the local taxes generated from whatever local enterprises that are based there are often not enough to cover many of the devolved functions provided under the Local Government Code of 1991. The lack of locally generated funding has caused many LGUs to become IRA-dependent. For many of them, the IRA can be considered as often being just barely enough to cover maintenance and operating expenses. Capital outlay for the building of much needed social infrastructure remains sparse as exemplified by many unfinished road projects and public facilities.

The formula has been applied only to taxes collected by the Bureau of Internal Revenue (BIR). The new high court ruling mandates that even those collected from custom duties as collected by the Bureau of Customs shall now be included as a source of funds to be disbursed to LGUs. As such for almost three decades now, the diminished size of the fiscal pie has prevented the LGUs from carrying out many of their developmental functions. This has contributed to the uneven development of the country’s different regions as the lack of development in many areas has engendered large scale rural to urban migration by many Filipinos.

Perhaps a more deleterious effect of the current fiscal circumstance has been the absence or in many cases, the palpable lack of key devolved social services such as educational facilities, adequate health care, and job creation opportunities in

these poorer regions that has led to the concentration of businesses in the metropolitan areas of the Philippines. Much of this enduring condition would have an impact on the Philippine's overall ability to address Covid-19 and to a large extent, shape the federalism project that was highly touted by the Duterte administration during the first half of his term.

## Local Tensions

The Covid-19 crisis has exposed the acute deficiencies faced by both central and local governments in the Philippines. As the central government engaged in what many considered as tactical responses some of which have been labeled as being incongruent with one another in dealing with the on-going pandemic, local government responses have had varying degrees of success. These are often determined by two critical factors namely, local executive leadership and municipal resources.

The case of the one of the more celebrated young mayors in the country is a good example of this phenomenon. Ma. Victor Reghis Sotto who is more popularly known locally as Vico is the local chief executive of Pasig City which is one of the most affluent local government units in the country. Elected in 2019, he is renowned for his innovative approaches that are designed to protect his constituents who live in one of the most densely packed cities in the world. He, however, caught the ire of central government officials as he was implementing measures to ensure public health while at the same time prevent the economic dislocation of the mostly poor constituents in the city (Vico Sotto: Pasig to follow nat'l gov't on tricycles ban, 2020).

Particularly telling in this unfortunate episode was the fact that the Department of Interior and Local Government (DILG) which had been at the forefront of the federalism initiative in the country was the one which also sought to penalize Mayor Sotto for his policy stance (Aguilar, 2020). Only a public outcry aided by social media, prevented state forces from pursuing charges against him for allegedly going against the national policy being imposed by the Interagency Task Force on Emerging and Infectious Diseases.

The case of Vico Sotto is not an isolated case. The central government response to the Covid 19 has also led to policy overrides in other local jurisdictions. This is particularly true in Cebu which is considered as another major economic hub in the country. A recent pronouncement from the provincial government that sought to permit the use of tandem riding in motorcycles as public transport since many modes of public conveyance have remained suspended resulting not only in economic losses but also unfathomable hardships for frontline workers who are needed by their respective industries was disapproved resoundingly. No less than, President Rodrigo Duterte in a public address, overrode the decision of the Cebu provincial government on what could be construed as a purely local government matter (Aguilar, 2020).

While Pasig and Cebu might have the local economic wherewithal to cope with the limitations imposed by Covid-19 owing their status as highly urbanized cities with large tax bases, there are numerous other local government units that are not in a position to have an effective local pandemic response. Combine this with ill-timed and not well-thought out policy measures from the central government vis-à-vis local government units, this can lead to disastrous results.

One such policy measure is known as the Balik-Probinsya (Return to Provinces) Program has been advocated by close Duterte ally, Sen. Christopher "Bong" Go. Ordinarily, this move should have been complementary to the federalism initiative of the central government. As part of the policy to decongest major population centers that can quickly become epicenters of infections, people were incentivized to return to their province of origin. The program has been marked by an apparent lack of close coordination with receiving local government units (Lalu, 2020). This policy disarray created the phenomenon of locally stranded individuals (LSIs) who have been staying in major transportation hubs such as airports and seaports hoping that they could be accommodated in the next transport out of Manila (Hatid Probinsya and Balik Probinsya, more harm than good?, 2020).

Furthermore, this program arguably has negated the geographical advantages that the Philippines naturally have being an archipelagic state that could have further stemmed the rising tide of Covid-19. Moreover, to the detriment of the federalist narrative peddled by the Duterte government, there are indications that such an ill-timed program may have produced

adverse effects in central-local relations and has again exposed the strong centralist tendencies of the Duterte administration.

A case in point, is what happened in the local government of Ormoc in Leyte Province. For close to three months since the start of the community quarantine in the Philippines, this southern city has maintained zero Covid-19 cases owing to local government policies that ensured physical distancing. However, the first case of Covid-19 was documented in the city on May 21. The patient was a Balik-Probinsya beneficiary who came from Cebu. Since that time and up until June, the number of cases in Ormoc has increased to 35 ((From its first COVID case last week, Ormoc now has 35 in a span of five days, 2020).

Ormoc City Mayor Richard Gomez, in a viral social media post, criticized the lack of coordination by the central government as a result of the Balik-Probinsya program that led to the drastic increase of Covid-19 cases in his city. He underscored that his city unlike other more endowed local government units would be easily overwhelmed by the influx of potential carriers of the virus. Relatedly, like the cases of the other local chief executives who had questioned the policy measures of the central government, Mayor Gomez was also admonished by central authorities (Hallare, 2020).

It is important to highlight these cases as they serve as a critical evidence of the overt and underlying centripetal forces at work that can lead to a rollback of the federalism initiative in the country. While the rhetoric for autonomy and federalism rings loud, the conspicuous policy responses from the top as seen in their decisions to over-ride the local decision makers provides a clearer picture on where the federalism initiative stands at this juncture.

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