

Beg your pardon?

**The Philippines is Already
Federalized in All but Name**

The Philippines as a “Unitary” System

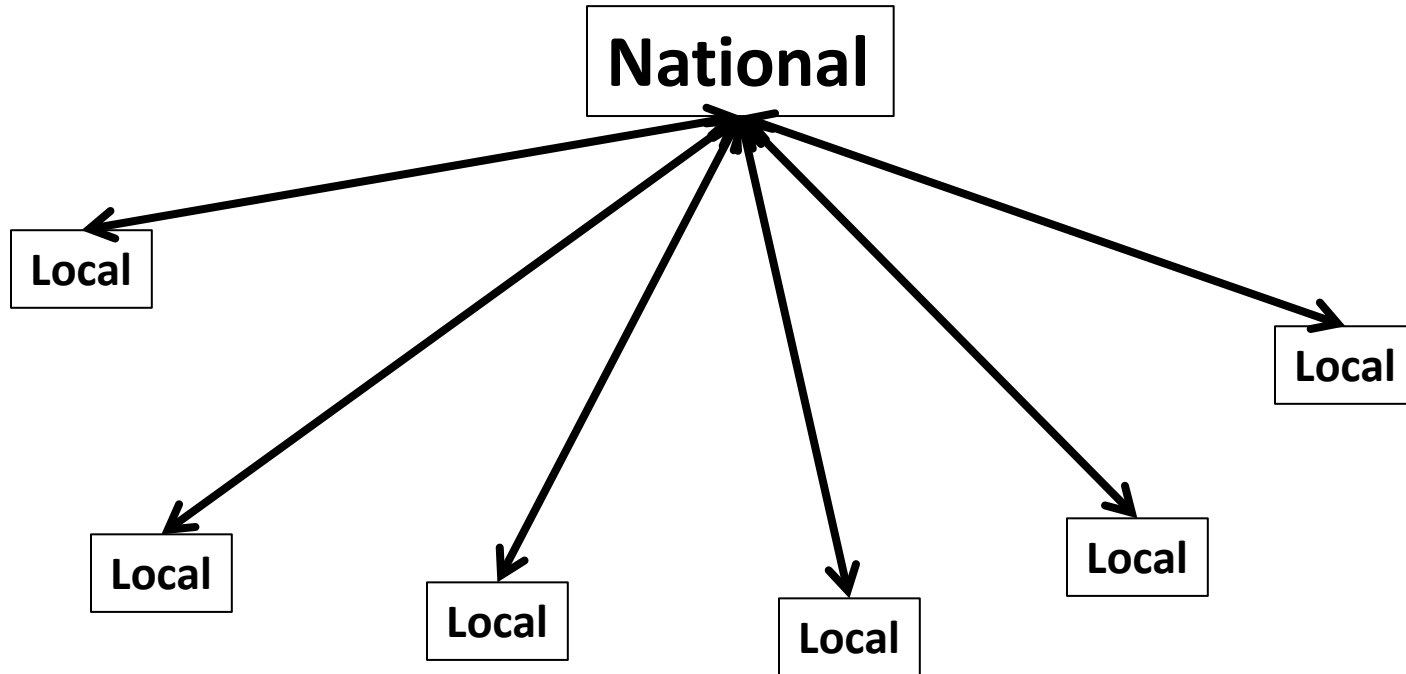
“The Philippines is a democratic and republican State. Sovereignty resides in the people and all government authority emanates from them.”

(Article 2, Section 1)

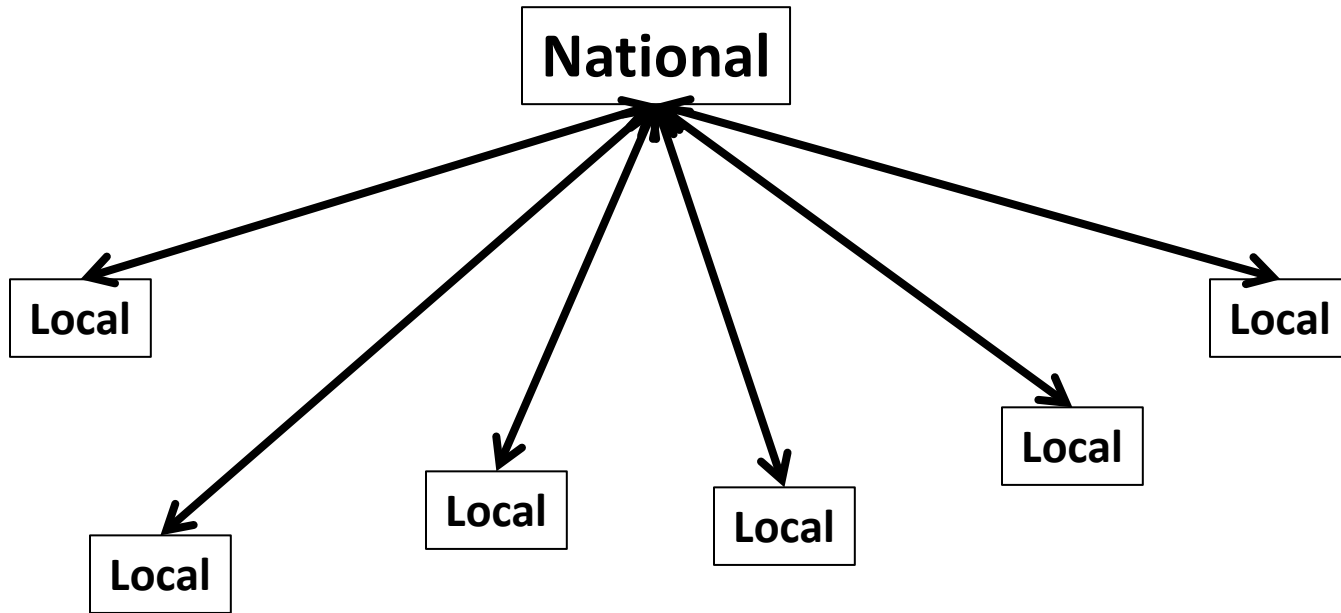
“The President of the Philippines shall exercise general supervision over local governments.”

(Article 10, Section 4)

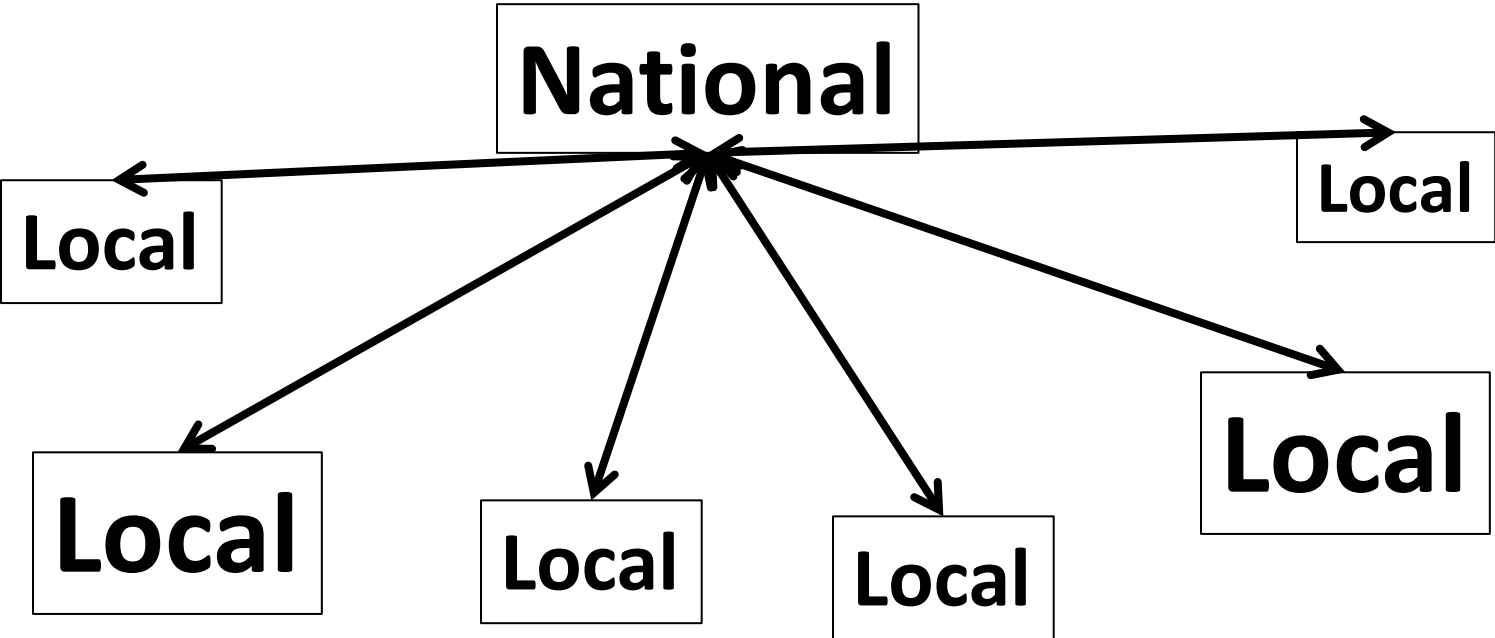
Essential Government Systems



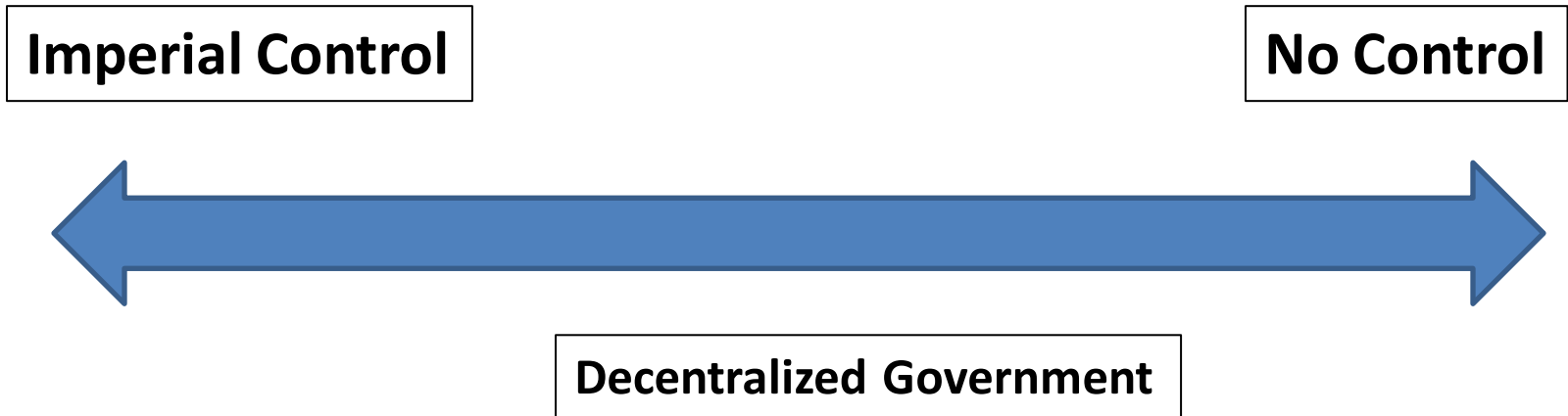
Imperial Government Systems



Confederate Government Systems



Decentralization Continuum



How to Tell a Federalized System

- **Two levels of government rule the same land and people**
- **Each level has at least one area of action in which it is autonomous**
- **There is some (constitutional) guarantee of the autonomy of each government in its own sphere.**

(Riker 1964: 13)

Is the Philippines a centralized government system?

RA 7160: An Act Providing for a Local Government Code (LGC) of 1991

- **Approved: 10 October 1991**
- **4 Books (General Provisions, Local Taxation and Fiscal Matters, Local Government Units, Miscellaneous and Final Provisions)**
- **25 Titles**
- **536 Sections**

1987 Constitutional Guarantees

The territorial and political subdivisions shall enjoy local autonomy.

(Article 10, Section 2)

Each local government unit shall have the power to create its own sources of revenues and to levy taxes, fees, and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local governments.

Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.

Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits. (Article 10, Sections 5 – 7)

Operational Autonomy

- It is hereby declared the policy of the State 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. (RA 7160: Book I, Chapter 1, Section 2)**

Local Autonomy is Specified

- **Six months after effectivity of this Code, prior approval of or clearance from national agencies or offices shall no longer be required for regular and recurring transactions and activities of local government units. (Book 4, Title 3, Section 527)**

Operational Local Taxing Authority

- Local government units have the power to impose taxes to generate revenues by way of taxes on real property ownership, franchise tax, amusement tax, business tax, etc.**
- Local revenue-generating powers are to be exercised through appropriate local ordinances (RA 7160: Book 2)**

Other Key Provisions of the LGC

- **Devolution of services to LGUs**
- **Regulatory powers of LGUs**
- **Participatory local governance**
- **Mandatory consultations**
- **Recall and Initiative**

Shift?

- **Present Constitutional guarantees are sufficient**
- **Improving the current decentralized system is better and more cost-effective**
- **Avoidance of uncertainties and unintended consequences**

Review!

- **Congress shall undertake a mandatory review ... at least once every five years and as often as it deems necessary, with the primary objective of providing a more responsive and accountable local government structure. (Book 4, Title 2, Section 521)**

Maraming salamat po!

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