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Shift to federalism won't cost too much—Tayao

by Bernadette D. Nicolas – April 23, 2018

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A member of the consultative committee (Con-com) tasked to review the 1987 Constitution expressed doubts that the additional cost of shifting to a federal system of government would amount to as much as P72 billion a year.

Con-com member Edmund S. Tayao, chairman of the Subcommittee on Creation and Structure of the States and Subnational Governments, also questioned the basis of the study on the cost of federalism conducted by state think tank Philippine Institute for Development Studies (Pids).

According to Rosario G. Manasan, senior research fellow at the Pids, the amount would cover the additional bureaucratic costs—salaries of governors, vice governors, regional legislators, increase in the number of federal level Senate and their additional staff. These figures were revealed by Manasan during a Senate hearing on Charter change.

“Where did those [Pids] numbers come from? That’s why we are back to the drawing board, because up to a certain extent, we are really expecting that the study would help us and not dissuade us from moving forward,” he told reporters in a news briefing.

In a separate interview with the Business Mirror, Tayao also clarified that the shift to federalism would entail only a “reconfiguration” of the existing structure of government.

“The basis of the figure is what I’m questioning because, more than the figure, it was assumed that a third layer would be added without changing the top,” he said. [But the number of people from] the top will be reduced because the personnel there will go down to the regions. So where is the additional there?”

Asked if the shift to a federal government would require additional staff, Tayao said the committee is still crunching the numbers.

“Yes, but we still don’t know how many because there might be a possibility that there won’t be a need for a significant number of additional staff,” he said.

Tayao noted there is a proposal to first form a regional commission, which will be headed by a provincial governor, before it graduates into a “federated region.” While the shift to federalism would require funds, Tayao said the cost won’t be as much as P72 billion a year.

“The additional cost is not a factor if you consider what to expect out of it, especially on revenue generation because, right now, the ones that generate revenue is only the center, even if the periphery is very much a part of the whole economic system,” he said.

Con-com is now intensively deliberating on the formation of “federated regions.” The committee has decided to use this term instead of “states” to refer to the constitutional units.

The committee invited economic managers and government officials to their en banc session next week. Con-com members will consult the economic managers and seek their expert opinion.

Among those invited to attend the en banc session were secretaries and undersecretaries from the departments of Budget and Management, Finance, the Interior and Local Government and the National Economic and Development Authority, as well as Cabinet Secretary Leoncio B. Evasco Jr. and Pids President Celia M. Reyes.