

Position Paper¹ On
**A RESOLUTION OF BOTH HOUSES OF CONGRESS PROPOSING AMENDMENTS TO
CERTAIN ECONOMIC PROVISIONS OF THE 1987 CONSTITUTION OF THE REPUBLIC OF
THE PHILIPPINES, PARTICULARLY ON ARTICLES XII, XIV AND XVI**

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- 1) The proposed amendments aim to liberalize the economic provisions of the 1987 Constitution, specifically Articles XII, XIV, and XVI, to facilitate increased foreign investment. This initiative seeks to spur growth and job creation through the infusion of capital, expertise, and innovation. The Congress is advised to proceed with caution as changes present both significant opportunities and potential risks that could impact the nation's immediate and long-term future.
- 2) For public utilities, the proposal to retain a 60% Filipino ownership threshold while empowering Congress to revise these thresholds offers a balanced approach. This flexibility allows for adjustments over time based on sector dynamics, rather than implementing blanket liberalization. A gradual shift, founded on a thorough analysis of growth factors versus impacts on national interest, would be advisable.
- 3) In the advertising sector, calibrated liberalization grounded in an in-depth assessment of competitive and socio-cultural indicators over transitional periods, while upholding existing safeguards on Filipino control, would be prudent.
- 4) The focus on higher education in the proposed amendments necessitates careful consideration of foreign control and local partnerships as implemented in most ASEAN member states. For example, while Indonesia prohibits foreign investment in education, mandating a non-profit model, it allows cooperation between foreign and local institutions under certain restrictions. Conversely, Singapore and Malaysia progressively welcome foreign capital into higher education, with Singapore allowing 100% foreign ownership but stringent student protections. Beyond ownership restrictions, facilitating international faculty appointments in higher education institutions in the Philippines poses another challenge for the internationalization of higher education. Singapore's calibrated approach offers a template for elevating the quality of Philippine higher education while retaining the Filipino culture for shaping the minds of our youth.

¹ The position stated here is that of the author's and does not in any way represent the views of the Philippine Institute for Development Studies

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- 5) Advancing investment and growth are commendable but require measured strategies weighing national interests. Accommodating changing realities without comprehensive analysis or transition plans risks unintended consequences.
- 6) In summary, while the proposed amendments hold promise for growth, changes must be strategic, balancing investment promotion and national interests to ensure prosperity. The Congress is advised to proceed cautiously, fully considering how today's policy shifts can impact the nation's future.

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