

#### NAST Policy Forum on Federalism in the Philippine Context 29 November 2016 Acacia Hotel, Manila

## "A Proposed Approach to Federalization: The Natural Region Framework"

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## **Outline of the presentation**

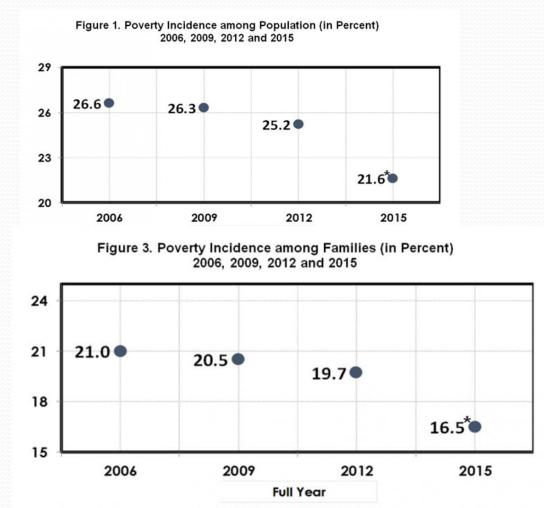




- Realities
- Federalization and Decentralization
  - Observations and Lessons from Other Countries
- Proposals
- Conclusions



## **PREMISES:** Poverty persists



## Poverty incidence among Filipinos in 2015 was estimated at 21.6 percent.

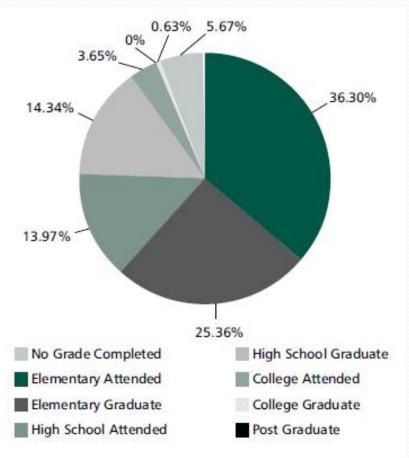
The poverty incidence among Filipino families based on 2015 FIES was estimated at 16.5 percent in 2015.

\*statistically significant decrease between 2012 and 2015 based on t-test

## OF THE

### **PREMISES:** Poverty persists

## Educational Attainment of Heads of Poor Households



Source: Family Income Expenditure Survey public use files; author's computations.



# **PREMISES FOR THE SHIFT:** Inequality and underdevelopment are pronounced.

Income growth of the richest Filipinos—top 10 percent of the income bracket—is 11.35 times more than what the poorest, or the bottom 10 percent



#### **PREMISES FOR THE SHIFT**

Spread of development across region is uneven, as demonstrated by contribution to National Gross Domestic Product

#### **PREMISES FOR THE SHIFT**

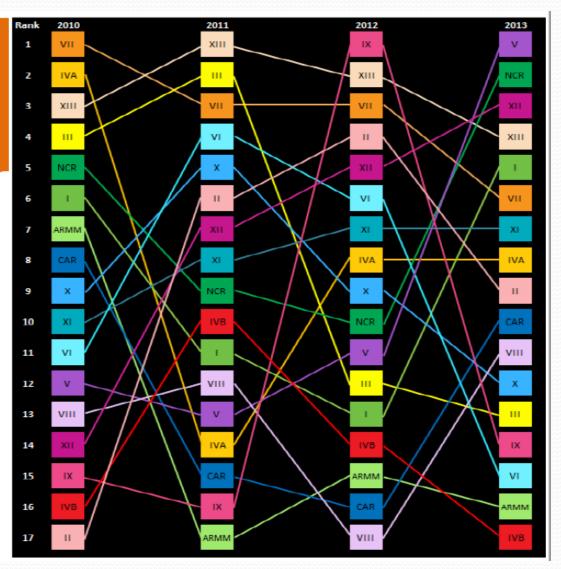
Rank of Regions Economic Growth Rate

2010 - 2013

Region XIII (Caraga) and Region VII have consistently ranked in the top 6

> Only Region XII experienced a continuous rise in rank

Source: Philippine Statistics Authority



#### **PREMISES FOR THE SHIFT**

#### **Contribution of Regional Economies to GDP Growth: 2013**

NCR has the highest contribution to growth at 3.2 percentage points followed by CALABARZON and Central Visayas. On the other hand, NCR 3.2 -IVB 0.03 ARMM and MIMAROPA IVA 1.2 -**ARMM 0.03** had less than 0.1 VII 0.5 VIII 0.1 percentage point III 0.4 · II 0.1 contribution. XI 0.3-CAR 0.1 XIII 0.1 IX 0.1 Area 09-10 10-11 11-12 12-13 Trend 1 0.2 6.8 7.2 3.7 PHILIPPINES XII 0.2 7.6 X 0.2 1.1 2.5 3.2 2.6 NCR V 0.2 2.4 2.3 1.2 LUZON 3.3 VI 0.2 0.7 0.7 0.8 VISAYAS 1.0 0.6 1.2 0.9 0.7 MINDANAO Source: Philippine Statistics Authority



# How do we address poverty, inequality and underdevelopment?

Is Federalism the answer?

### **III. REALITIES**

- Philippines has a decentralized set-up for 25 years since 1991 (LGC).
- But, Local Government Code only achieves patches of development (islands of good governance) and poverty and inequality across income class and regions were not reduced
- System of accountability remains weak
- LGU's were not fully functional due to partial implementation of the LGC
   E.g. Inter-LGU cooperation on development limited to "sisterhood" arrangement

### **III. REALITIES**

- Income generation potential of the LGUs not maximized due to national government dominance in the ownership of Natural Resources
- Local capacities and autonomy are limited particularly in areas of local finance and taxing power
- Decentralization leads to empowerment of some LGUs and dependency of many others to National government
- $\blacktriangleright$  IRA formula is skewed and tends to engender culture of dependency
- Local policies are still very much determined by the national government (E.g. Bottom-Up Budgeting or BUB)



Decentralization does not automatically translate to development

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Decentralization has its own weakness and misgivings

Decentralization is not complete and fully functional enough to lead to empowerment and autonomy

### **Some typologies of federalism**

- 1. Unilateral Federalism: Federal government, by and large, directs provincial policy, usually through conditional funding.
- 2. Collaborative Federalism: Here the federal and provincial governments work collaboratively to attain policy goals, and there is no coercion on part of the federal government.
- 3. Cooperative Federalism: Regional governments delivers services while Federal Government provides the regulatory framework within which services shall be provided.

### **FEDERALISM: Other countries**

#### **Reason for the shift**

#### Germany

Strong leaders that ruled Germany led to wars, splitting the land into many different countries was designed to prevent autocratic rule (Hitler)

#### Switzerland

Federalism was seen as a way to end over centralization, and as means to equitably share powers and resources

#### Spain

- People demanded for autonomous territories
- $\blacktriangleright$  Spain observes a flexible and open framework for decentralization.

### **FEDERALISM: Other countries**

#### **Reason for the shift**

#### Argentina

Federalism was seen as a system that could facilitate balanced contribution of taxes

#### Australia

The states did not come together because of conflict. They decided to federalize because of the basic need to protect the interests of each state.



# **Observations and lessons from other countries that adopt federalism**

#### **Fiscal Arrangements**

#### Germany

- There are special taxes levied by each level of the federation, corresponding respective budgets for federal, state, and local.
- There are common taxes like income and value-added taxes which are allocated to the federal, state, and local levels.
- Employs equalization payments which allow every Land to pay for its administration and government services and to reduce differences in financial endowments of the Länder
- Horizontal and vertical transfer payments between the states (lander); and between the states and the Bund (Federal).



# **Observations and lessons from other countries that adopt federalism**

#### **Fiscal Arrangements:**

India

 $\blacktriangleright$  There are taxes which the state collects and uses for itself

 $\succ$  There are taxes that the center collects and uses for itself.

There are taxes which the center collects and shares to the state.
Formula decided by the Finance Commission

# Observations and lessons from other countries that adopt federalism

#### **Fiscal Arrangements:**

#### Spain

- Autonomous communities derive their resources from the following:
  - taxes wholly or partially assigned to them by statute, charges on State taxes, and other shares in state taxes;
  - transfers from an inter-territorial clearing fund and other allocations to be charged to the General State Budgets;
  - revenues accruing from their property and private law income; and yield from credit operations.

# Observations and lessons from other countries that adopt federalism

#### **Fiscal Arrangements:**

#### Spain

- In Basque Country and Navarra, all taxes are collected by autonomous governments.
- Autonomous communities are prohibited from raising taxes that could hinder free movement of goods and services.
- Budget allocation to autonomous communities is made in proportion to the volume of state services and state activities for which they have assumed responsibility; to ensure basic public services available throughout the country.



# **Observations and lessons from other countries that adopt federalism**

#### **Fiscal Arrangements:**

#### Argentina

- Under the Federal Government are three types of taxes: customs duties, indirect internal taxes, and direct taxes (under the exceptional power of the government).
- Provinces deal with indirect internal taxes and direct taxes.
- Follows objective sharing criteria for distribution. Equity and solidarity serve as the system framework; equal opportunities are given priority nationwide.
- Under Co-Participacion Federal, there are "[n]o transfer of jurisdictions, services and functions without the corresponding reallocations of funds."



# **Observations and lessons from other countries that adopt federalism**

#### **Division and Assignment of Powers**

#### Argentina

Powers and authorities are at the various levels of government assigned by enumeration

#### Switzerland

- Lower House backs the government, and government depends on the Lower House on legislative support
- Lower House has oversight power over government, making it stronger than the Upper House



# **Observations and lessons from other countries that adopt federalism**

#### **Role and Characteristics of the Civil Service**

India

India has a Public Service Commission which is the main pool for competent and qualified civil servants who may be assigned and can work across all levels of the bureaucracy.

Civil servants are insulated from politics



# **Observations and lessons from other countries that adopt federalism**

### **Criteria for Creating or Merging States:**

#### Spain

- There are three basic principles that govern the creation of states: unity, right to autonomy, and solidarity.
- ➢ Island Territories and Provinces serve as a model for amalgamation and creation of federal units

#### **III. PROPOSALS**

Two main groups in the Philippines propose a federal set up characterized by:

#### **Movement for Federal Philippines**

- Corporatist Framework for LGU
- Competitive
- ✤ Grassroots Leadership

#### Kilos Pederal sa Pagbabago

- Sharing of powers
- Central Federal Government and Five
   States
- ✤ Basis: Economic viability



## IV. UP CIDS PROPOSAL: The Natural Region (NR) Approach

## Natural Region (NR)

- A geographic unit delineated based on biophysical criteria (e.g., land configuration, climate, vegetation).
- Interchangeably referred to as "ecological region" or eco-region

**IV. PROPOSALS: Why NR?** 

Recognizes the country's archipelagic configuration including the spatial distribution of the diverse resource endowments and their linkages with human community and well-being.

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- Facilitates delineation of regional boundaries; the legitimacy of territorial delineation is less contentious.
- Provides framework for resolving resource use conflicts and the sustainable management of resources.

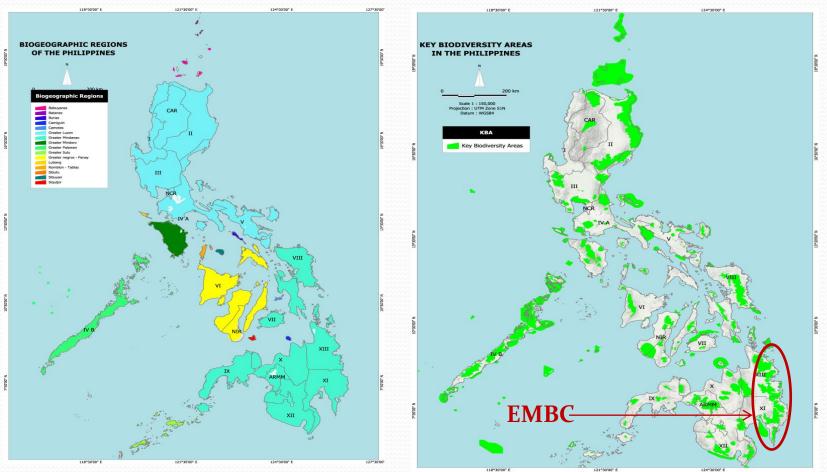
## **IV. PROPOSALS: Why NR?**

- Provides the spatial framework to facilitate amalgamation of LGU territories to resolve social and economic problems and conflicts that cut across LGU boundaries.
- Facilitates urban-rural linkages and the hub and spokes framework

### **DELINEATING NATURAL REGIONS**

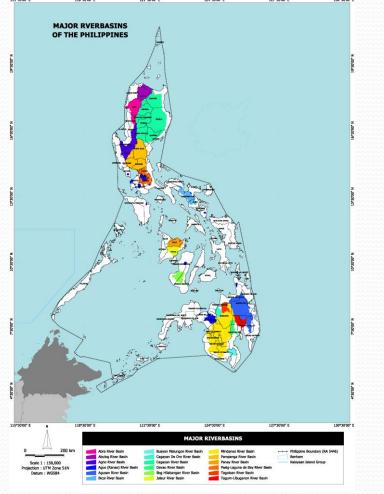
#### **Key Biodiversity Areas (KBAs)**

#### **Biogeographic Regions**



### **DELINEATING NATURAL REGIONS**

#### **Major River Basins**



#### WATER REGIONS OF THE PHILIPPINES (JWRM)



#### **THE NATURAL REGIONS**

Regions	Area (ha)	%
Northeast Luzon	4,013,787.40	13.50%
	4,013,787.40	15.5070
Northwest Luzon	1,118,631.36	3.76%
Central Luzon	2,726,036.96	9.17%
NCR	58,602.08	0.20%
Southern Tagalog	2,716,418.54	9.13%
Bicol	1,797,928.37	6.05%
Palawan	1,462,026.14	4.92%
East Visayas	2,496,961.37	8.40%
West Visayas	3,205,069.99	10.78%
East Mindanao	3,757,584.38	12.64%
Central Mindanao	4,328,830.50	14.56%
West Mindanao	2,056,006.75	6.91%
Total	29,737,883.84	100%



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### **Socio-economic Profile of Proposed Natural Regions**







➢ Internal Revenue Allotment (IRA)





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Natural Regions	Population Estimate	Population Rank				
as of 2015						
Source : Philippine Statistics Authority, Figures F	Source : Philippine Statistics Authority, Figures Recomputed by CIDS					
1. NATIONAL CAPITAL REGION (NCR)	12,877,253	4 <sup>th</sup>				
2. NORTHWESTERN LUZON	2,310,562	11 <sup>th</sup>				
3. NORTHEASTERN LUZON	4,302,975	10 <sup>th</sup>				
4. CENTRAL LUZON	14,913,010	2 <sup>nd</sup>				
5. SOUTHERN TAGALOG	16,072,425	Biggest Population				
6. BICOL	5,857,988	8 <sup>th</sup>				
7. PALAWAN	1,104,585	Smallest Population				
8. WEST VISAYAS	13,912,502	3 <sup>nd</sup>				
9. EAST VISAYAS	5,753,710	9 <sup>th</sup>				
10. EAST MINDANAO	7,490,027	6 <sup>th</sup>				
11. CENTRAL MINDANAO	10,851,854	5 <sup>th</sup>				
12. West MINDANAO	5,793,534	7 <sup>th</sup>				

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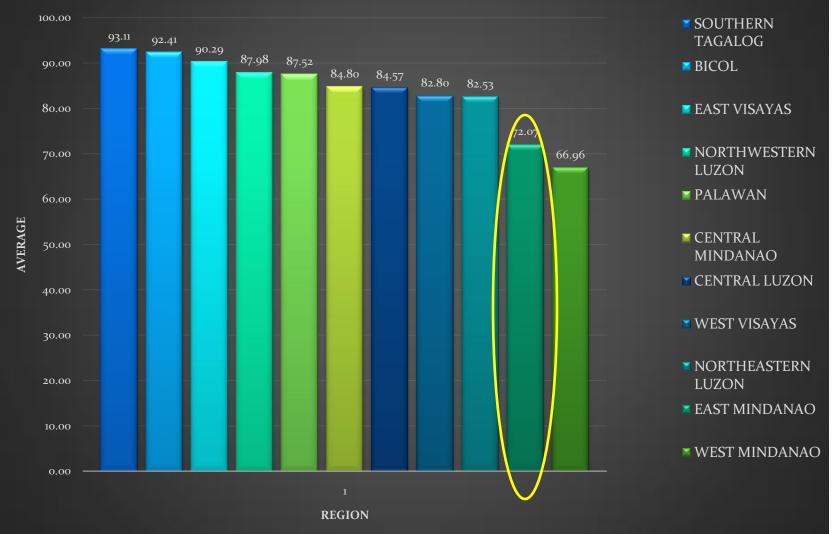
<b>Region/Province</b>	Income Gap	Poverty Gap	Severity of Poverty	Notes
NORTHWESTERN LUZON	25.9	5.5	2.2	
NORTHEASTERN LUZON	27.8	7.1	2.8	
CENTRAL LUZON	24.4	4.0	1.5	
NCR	21.1	0.9	0.3	
SOUTHERN TAGALOG	25.2	4.2	1.7	
BICOL	26.7	8.6	3.3	Highest in Poverty Gap
PALAWAN	25.2	4.4	1.4	
EAST VISAYAS	30.3	11.0	4.8	
WEST VISAYAS	27.9	8.3	3.4	
EAST MINDANAO	24.1	7.3	2.9	
CENTRAL MINDANAO	33.6	15.0	7.0	Highest in Income Gap and Severity of Poverty
WEST MINDANAO	24.7	8.1	3.0	



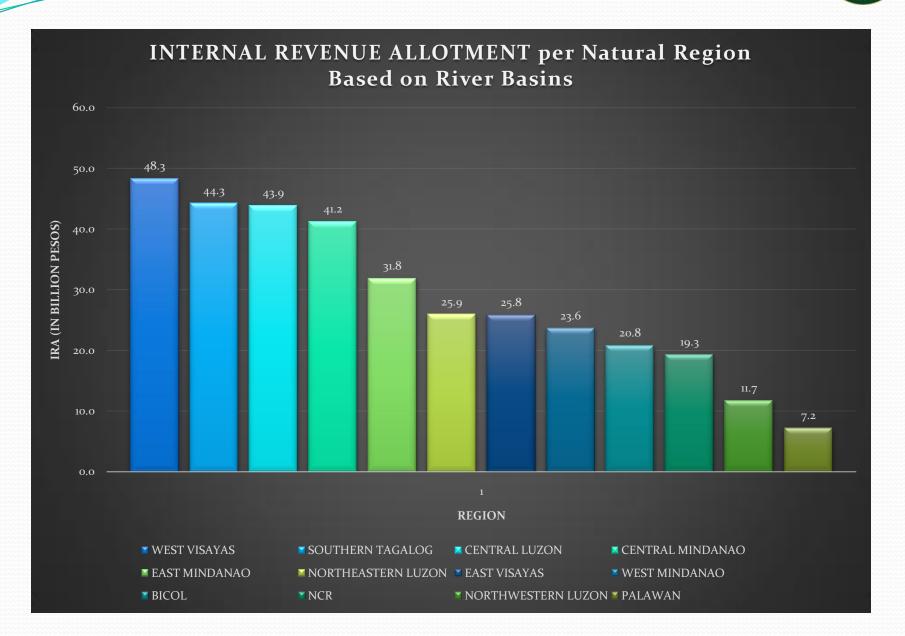
Natural Regions	Average Percent Literacy	Notes
1. NATIONAL CAPITAL REGION (NCR)	NO DATA	
2. NORTHWESTERN LUZON	87.98	No data for Ifugao
3. NORTHEASTERN LUZON	82.53	
4. CENTRAL LUZON	82.38	No data for Tarlac
5. SOUTHERN TAGALOG	93.11	
6. BICOL	92.41	
7. PALAWAN	87.52	
8. WEST VISAYAS	82.80	No Data for West Visayas
9. EAST VISAYAS	90.29	
		No data for Davao Occidental and Dinagat
10. EAST MINDANAO	72.07	Islands
11. CENTRAL MINDANAO	84.80	
12. WEST MINDANAO	66.96	Lowest; No data for Zamboanga Sibugay

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#### AVERAGE LITERACY RATES per Natural Region based on River Basins



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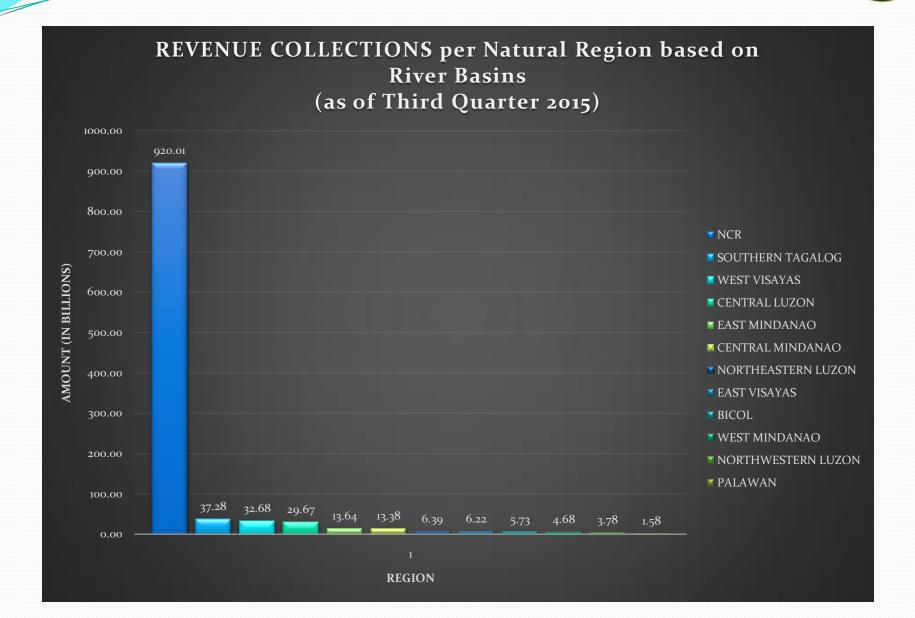




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Natural Regions	2014 (Full Year)	Percent share	2015 as of Third Qtr	Percent share	Notes	
	Amount (in billion			Share		
TOTAL ESTIMATED REVENUE	₱1,335.17		₱1,075.04			
1. NATIONAL CAPITAL REGION (NCR)	₱1,152.25	86.3%	₱920.01	85.58%		
2. NORTHWESTERN LUZON	<b>₱</b> 4.54	0.34%	<b>₱</b> 3.78	0.35%		
3. NORTHEASTERN LUZON	₽7.47	0.56%	₱6.39	0.59%		
4. CENTRAL LUZON	<b>₱</b> 37.21	2.79%	₱29.67	2.76%		
5. SOUTHERN TAGALOG	₱43.83	3.28%	₱37.28	3.47%		
6. BICOL	<b>₽</b> 6.96	0.52%	₱5.73	0.53%		
7 PALAWAN	<b>₱</b> 1.81	0.14%	<b>₱</b> 1.58	0.15%		
8. WEST VISAYAS	<b>₱</b> 36.59	2.74%	₱32.68	3.04%		
9. EAST VISAYAS	₱6.81	0.51%	₱6.22	0.58%		
10. EAST MINDANAO	<b>₽</b> 16.23	1.22%	<b>₽</b> 13.64	1.27%		
11. CENTRAL MINDANAO	<b>₱</b> 16.04	1.20%	<b>₽</b> 13.38	1.24%		
12. WEST MINDANAO	<b>₱</b> 5.68	0.43%	<b>₽</b> 4.68	0.44%		

OF THE



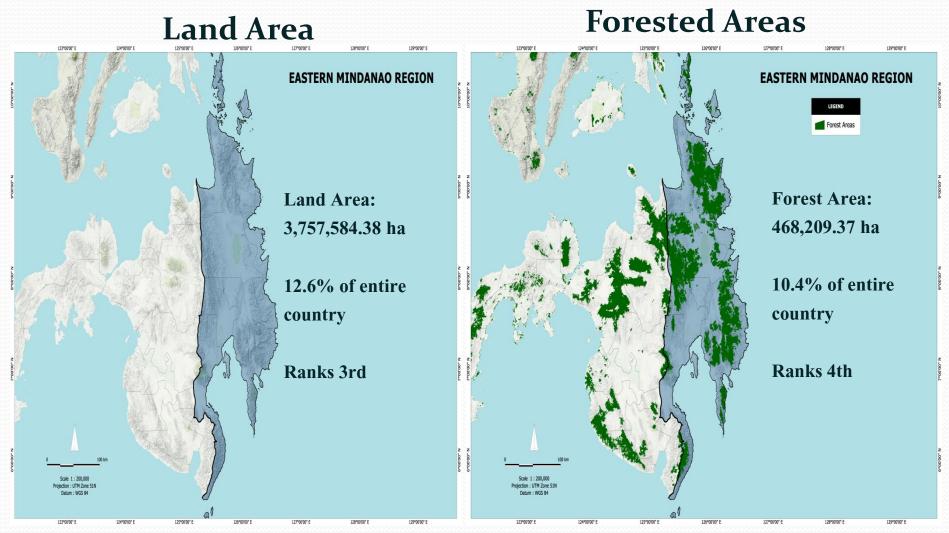
## **Pilot Case: Eastern Mindanao**



127°00'00" E	128°00'00" E 129°00'00" E
10 Provin	ces 12 Cities
Agusan del Norte	Butuan Cabadbaran
Agusan del Sur	Bayugan
Dinagat Island	
Surigao del Norte	e Surigao
Surigao del Sur	Tandag Bislig
Compostela Valle	ey -
Davao del Norte	Panabo Samal Tagum
Davao del Sur	Davao City Digos
Davao Occidental	l
Davao Oriental	Mati

## **Pilot Case: Eastern Mindanao**

## **Resource Endowments**



**Protected Areas** 

## **Pilot Case: Eastern Mindanao**

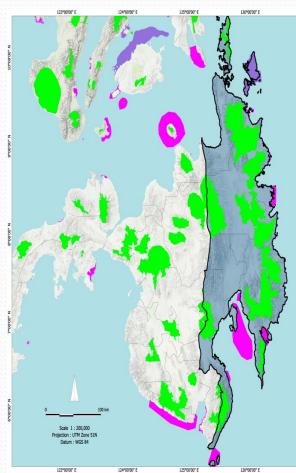
## **Resource Endowments**

## **Important Watersheds**

## **EASTERN MINDANAO REGION** EASTERN MINDANAO REGION Important Watershe Protected Area Area: 526,312.33 ha Area: 468,209.37 ha 7.3% of entire 10.4% of entire country country **Ranks 6th Ranks 4th**

## Pilot Case: Eastern Mindanao Resource Endowments

## **Key Biodiversity Areas**



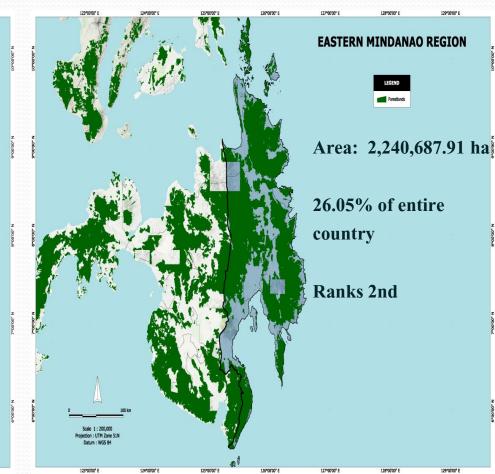
#### EASTERN MINDANAO REGION



**Key Biodiversity Area:** 

Terrestrial : 1,235,634.85 ha 22.4% of entire country Ranks 1st

Marine : 218,300.99 ha 9% of entire country Ranks 5<sup>th</sup>

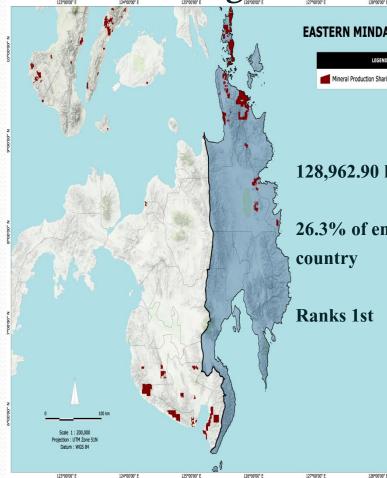


**Classified Forestlands** 

## **THE NATURAL REGIONS**

## **Resource Endowments**

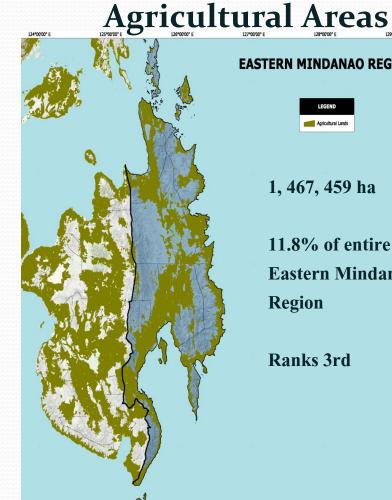
## Mining Areas



**EASTERN MINDANAO REGION** neral Production Sharing Agreement (MPSA)

128,962.90 ha

26.3% of entire



#### **EASTERN MINDANAO REGION**

EGENI Agricultural Lan

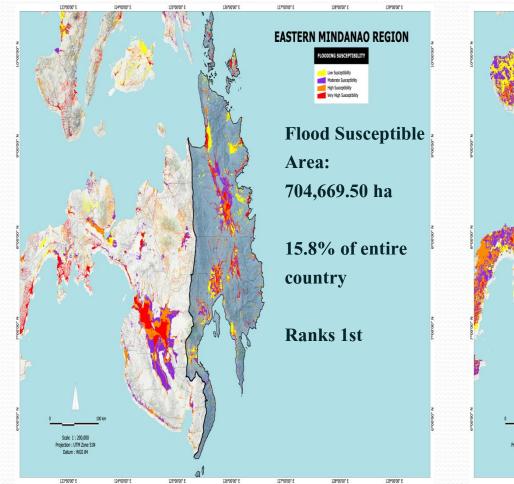
1, 467, 459 ha

11.8% of entire **Eastern Mindanao** Region

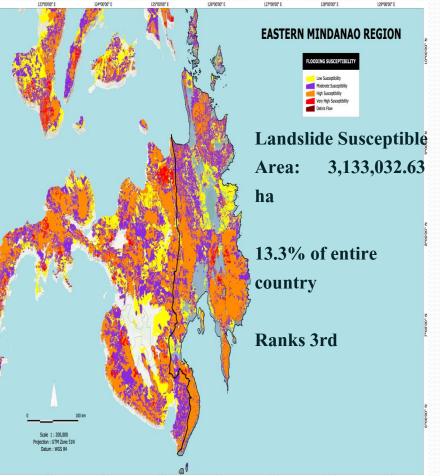
**Ranks 3rd** 

## THE NATURAL REGIONS Disaster Vulnerabilities

### **Flood Susceptibility**



### Landslide Susceptibility



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## Landslide Vulnerability

Regions	Low Landslide Susceptibility	Moderate Landslide Susceptibility	High Landslide Susceptibility	Very High Landslide Susceptibility	Debris Flow	Total
Northeast Luzon	568,359.13	803,104.43	2,099,242.54	165,688.52	1,131.83	3,637,526.45
Northwest Luzon	91,065.43	56,693.40	576,356.32	167,998.33	1,192.61	893,306.08
Central Luzon	97,736.57	31,474.00	301,624.89	98,936.37	3,255.83	533,027.67
Southern Tagalog	776,890.82	638,296.50	946,686.83	2,186.93	3,666.96	2,367,728.04
Bicol	502,185.78	566,914.72	490,446.20	34,738.03	2,655.37	1,596,940.09
Palawan	443,675.20	461,315.35	399,426.41	422.39		1,304,839.36
East Visayas	408,588.95	867,572.66	787,243.81	21,588.15	5,345.09	2,090,338.66
West Visayas	880,881.55	825,360.15	916,471.69	75,605.16	614.58	2,698,933.13
East Mindanao	738,875.10	913,728.01	1,442,133.58	32,380.64	5,915.29	3,133,032.63
Central Mindanao	767,297.52	1,195,527.07	1,534,779.70	106,361.89	3,108.64	3,607,074.83
West Mindanao	396,656.94	522,024.49	731,439.35	65,938.07	264.79	1,716,323.64
Total	5,672,213.01	6,882,010.79	10,225,851.32	771,844.48	27,150.98	23,579,070.58

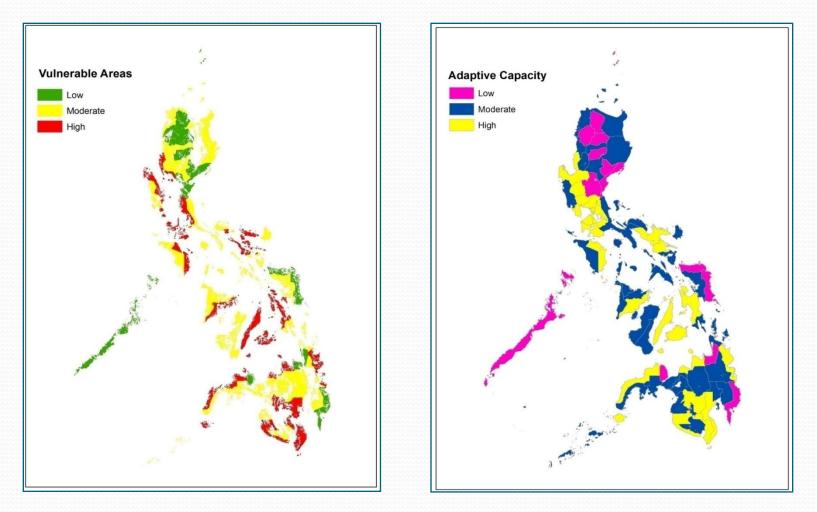
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### **Flooding Vulnerability**

	******************************		<u></u>	<u></u>	*******
Region	Low Flooding Susceptibility	Moderate Flooding Susceptibility	High Flooding Susceptibility	Very High Flooding Susceptibility	Total
Northeast Luzon	116,865.75	161,811.03	27,903.33	118,680.04	425,260.15
Northwest Luzon	110,324.58	60,747.32	74,746.43	37,867.15	283,685.49
Central Luzon	71,486.05	96,556.21	94,969.33	27,211.73	45,861.20
Southern Tagalog	103,316.85	101,556.12	156,812.01	14,604.59	376,289.58
Bicol	95,445.32	80,212.86	83,031.31	2.80	258,692.30
Palawan	25,536.60	38,299.46	124,359.97		188,196.03
East Visayas	110,630.48	123,080.84	207,408.36	56,760.29	497,879.96
West Visayas	160,898.52	158,661.40	188,046.47	98,502.49	606,108.89
East Mindanao	203,345.01	170,918.15	193,719.56	136,686.78	704,669.50
Central Mindanao	25,129.34	269,797.42	272,815.77	151,264.07	719,006.60
West Mindanao	40,184.20	62,630.95	144,422.63	117,961.84	365,199.63
Total	1,063,162.70	1,324,271.77	1,568,235.18	759,541.78	4,470,849.33

## **Pilot Case: Eastern Mindanao**

#### **Climate Change Vulnerability & Adaptive Capacity**

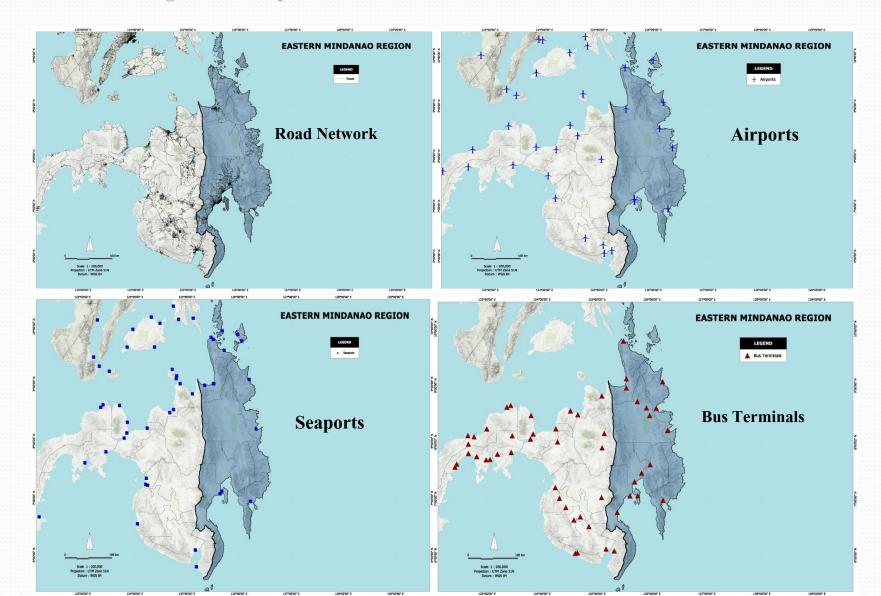




## **East Mindanao: Resource Endowments**

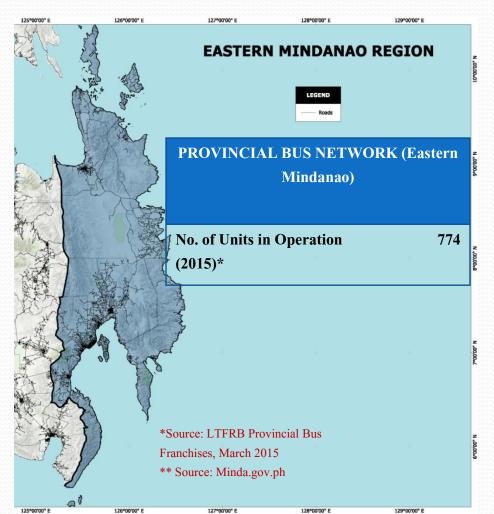
<b>Resource Endowment</b>	Percent of Total	Rank
Total land area	12.60%	3rd
Forest area	16.10%	2nd
Critical watershed area	10.40%	4th
Protected area	7.30%	6th
Terrestrial KBA	22.40%	1 <sup>st</sup>
Marine KBA	9%	5th
MPSA area	26.30%	1st
CADT area (ha)	26.50%	1st

#### **Intra/Inter-Regional Transportation Hubs and Circulation Network**

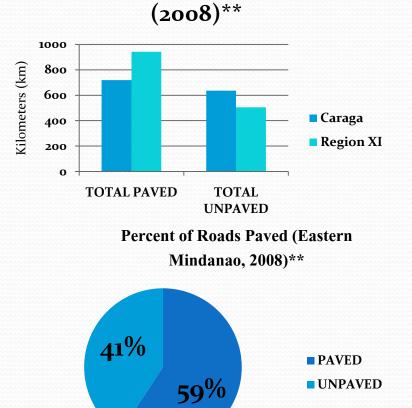


UNIVERSITY OF THE PHILIPPINES CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES Pilot Case: East Mindanao Socio-Economic-Political Variables

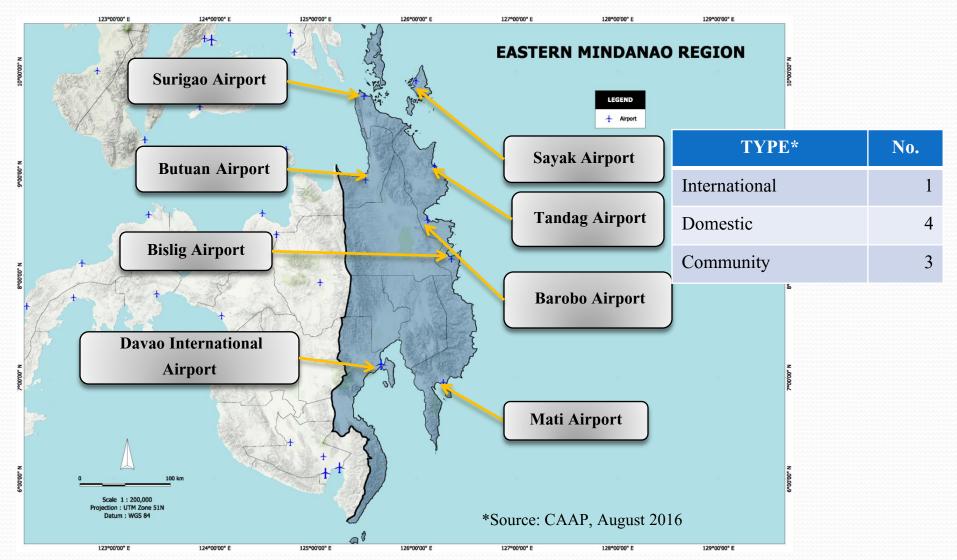
#### **Infrastructure: Road Network**



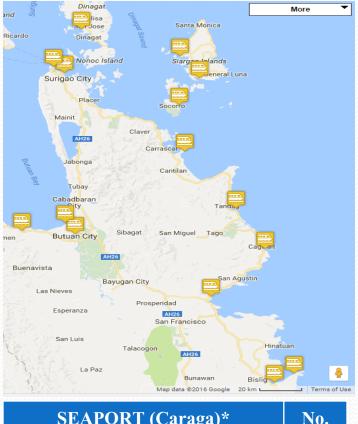
## National Roads Inventory



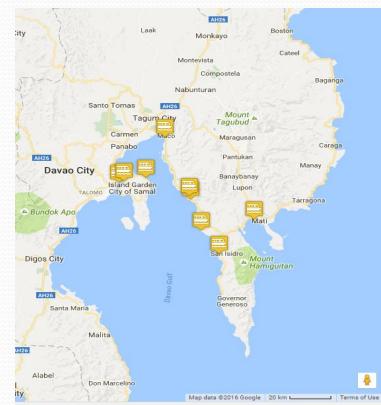
#### **Infrastructure:** Airports



#### **Infrastructure:** Seaports



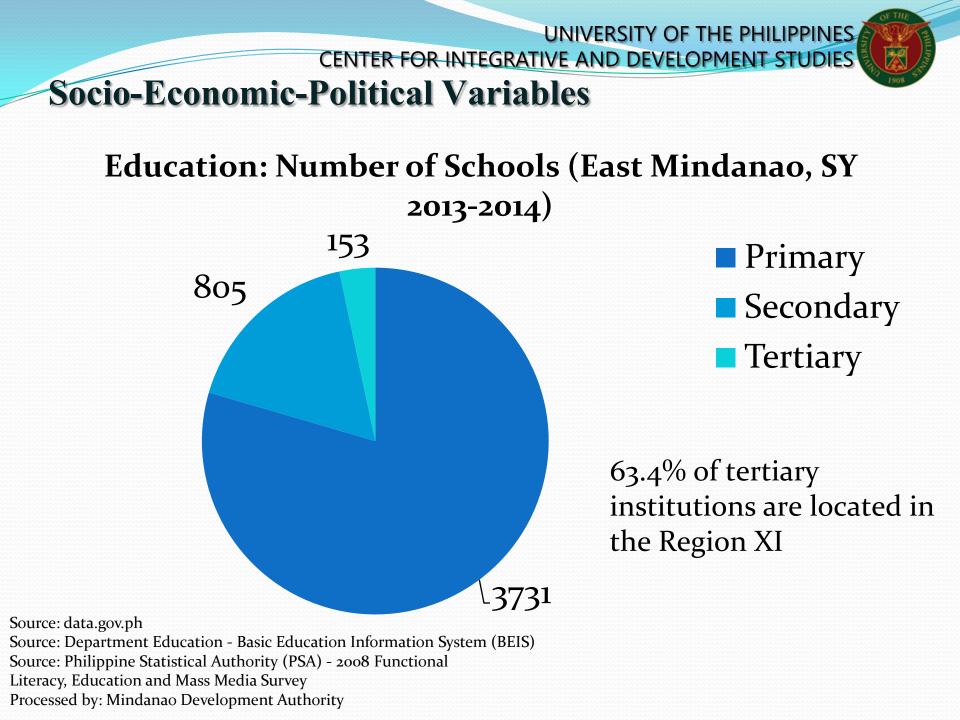
SEAPORT (Caraga)*	No.
RORO	9
Non-RORO	6



OF THE

SEAPORT (Region XI)*	No.	
RORO	4	
Non-RORO	5	

\*Source: minda.gov.ph



### **Employment: Labor Force**

Total Labor Force*					
YEAR	CARAGA**	REGION XI***			
2010	1,051	1,835			
2011	1,087	2,019			
2012	1,107	1,950			
2013	1,167	2,019			

Labor force in CARAGA and Region XI grow by an average of 1.02 and 1.03, respectively.

There is an average variance of 1077.75 in labor force between the 2 regions in favor of Region XI.

\* Scale not indicated on http://minda.gov.ph/socio-economic-trend \*\*Source of Raw Data: Philippine Statistical Authority \*\*\* Source of Raw Data: National Statistics Office

### **Employment: Labor Force**

<b>EMPLOYMENT RATES (%)</b>						
REGION	CARAGA*	<b>REGION XI**</b>				
2010	93.5	93.9				
2011	94.5	95.4				
2012	95.7	95.2				
2013	96.06	93.31				

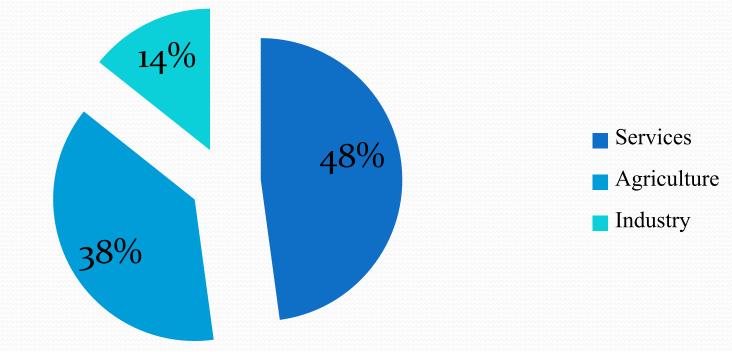
➤ Region XI has experienced a small dip from 2012-2013 of 1.9 that could be regarded as marginal.

➢ By way of comparative averages, both CARAGA and Region XI enjoy employment rates of 94.94 and 94.45, respectively. Hence, their employment rates are about the same level.

> \*Source of Raw Data: Philippine Statistical Authority \*\* Source of Raw Data: National Statistics Office

## **Socio-Economic-Political Variables**

## Employment by Industry (East Mindanao, 2012)



62% of the workforce are into non-agricultural economic activities



#### **Banking and Financial Institutions**

<b>NUMBER OF FINANCIAL INSTITUTIONS*</b>						
	BAN	IKS	NON-BANKS			
	REGION			REGION		
YEAR	CARAGA	XI	CARAGA	XI		
2007	115	253	18,796	572		
2008	117	266	20,415	607		

Data indicate more banks can be found in Region XI.

However, data also indicate more non-banks can be found in CARAGA.



#### **Banking and Financial Institutions**

TOTAL DEPOS	SITS and LIABI	LITIES*	NET
<b>(in</b> I	Million Pesos)		
YEAR	CARAGA	<b>REGION XI</b>	YEAR
2005	13,665	57,292	2005
2006	16,496	66,503	2006
2007	18,798	71,216	2007
2008	20,415	78,684	2008

NET LOAN PORTFOLIO						
(In Million Pesos)						
YEAR	CARAGA	REGION XI				
2005	13,665	16,305				
2006	16,496	18,230				
2007	18,796	16,523				
2008	20,415	19,981				

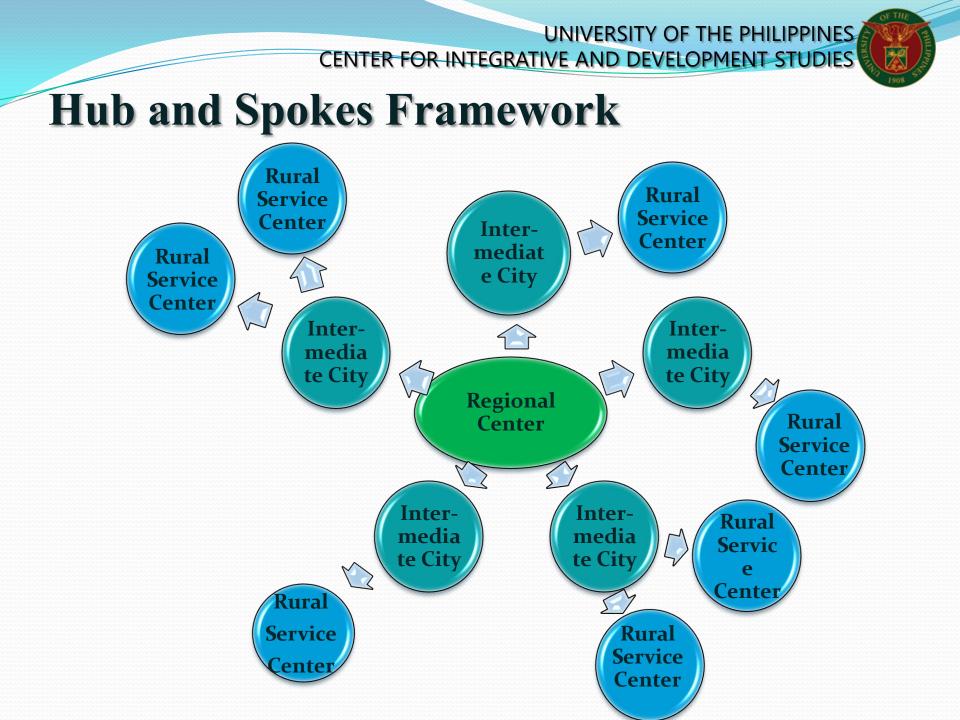
It can be drawn from this data that the bulk of deposits and liabilities are found in Region XI, there is a difference of about Php 68,000 (in Million Pesos)

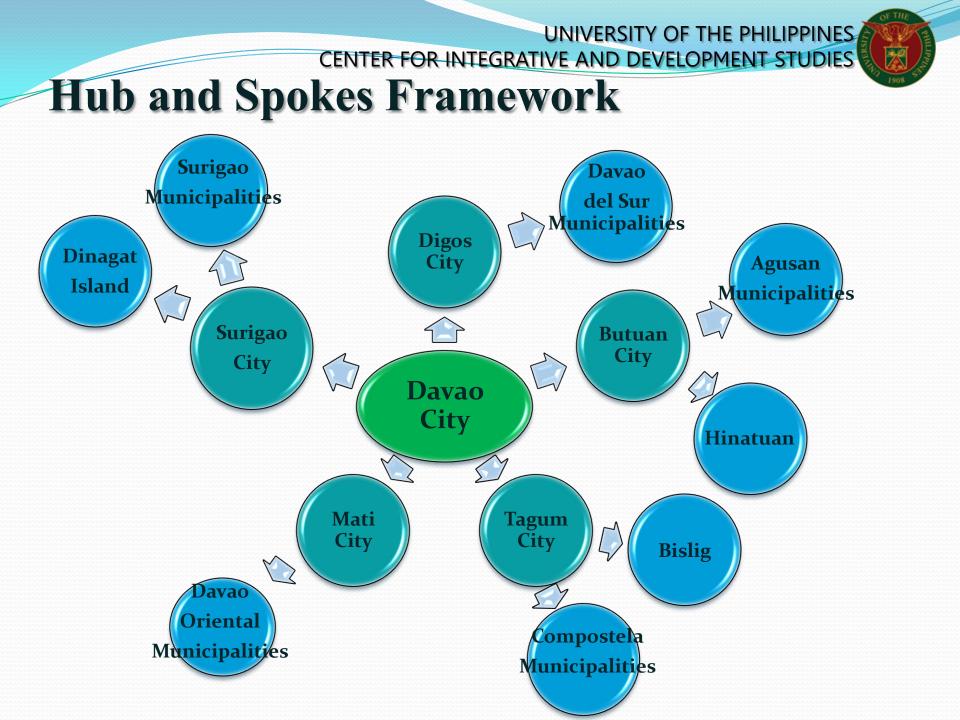


### Vital and Health Statistic (East Mindanao, 2011)

REGION	HOUSEHOLDS WITH SANITARY TOILETS		HOUSEHOLDS WITH ACCESS TO SAFE WATER		DISTRIBUTION OF BARANGAY HEALTH STATIONS (BHS)	RATIO OF GOV'T DOCTORS AND NURSES TO POPULATION	
	Number	Rate	Number	Rate		Doctors	Nurses
CARAGA	370,385	84.45	399,393	91.1	649	1:31,963	1:15,278
REGION XI	752,245	81.45	884,890	95.8	982	1:58,033	1:23,034

Note: Standard Population Ratio for Doctor= 1:20,000/ Nurse=1:15,000 Source: DOH Central Office, Mindanao Health Development Office and DOH- Regional Field Offices \* blank entry means no data available 0=means no case





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**Hub and Spokes Framework** 



## Conclusions

- The UP-CIDS proposal is aimed at contributing to the articulation of a vision of the future organization of the Philippine archipelagic state under a federalization arrangement/set up.
- UP-CIDS believes that a clear picture and understanding of the envisioned state organization and its spatial structure are critical to the success of any initiative of transforming the Philippines and the federalization process.
- ➤ As shown in the East Mindanao pilot case, the delineation of territories of the future federalized units can be framed within the natural region (NR) approach that recognizes the intrinsic biophysical features and their spatial distribution across the regional landscape.

## Conclusions

- The natural regions approach offers a scientific option and informed strategy on the matter of federal state formation: incorporate the biogeographic factors with the other development sectors and provides the better basis for development planning, programming, and governance.
- Provides the basis for operationalizing the "hub and spokes" integrative and developmental strategy.

## Conclusions

➢ With gradual approach to federalization, the hub and spokes stratagem will reach a point or degree of decentralization when natural regions will have adequate resources to finance local development projects and to motivate greater local revenue mobilization.

## Conclusions

➢ UP-CIDS scopes political and structural reform with caution, pragmatism, adherence to democracy and social justice.

➤ We envision that growth and development provide access across population groups, that development across territories is equal or at least a levelled-playing field, where resources are utilized in a sustainable way.

# Conclusions

- We opt for an incremental and studied approach to power and responsibility sharing in orders of government, we therefore argue that FEDERALIZATION rather than FEDERALISM be the initiative
- Analyses, discussions, and deliberations should also focus on the process of state transformation, beginning from where we are, not just the anticipated form of transformation

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## **Thank You!!!**



### NAST Policy Forum on Federalism in the Philippine Context 29 November 2016 Acacia Hotel, Manila

# "A Proposed Approach to Federalization: The Natural Region Framework"

Dr. Edna E.A. Co

Dr. Jose M. Regunay | Primer Pagunuran

Michael Eric Castillo | Rainier Tolentino

Alfred Marx Garcia | Ruben Jeffrey Asuncion