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Business groups unsure about federalism

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Some of the country's largest business groups want to amend the Constitution's economic provisions, but they are on the fence when it comes to federalism.

Over the weekend, Makati Business Club (MBC), Management Association of the Philippines (MAP) and Financial Executives Institute of the Philippines (Finex) issued a joint statement calling for constitutional amendments, but clarified that these should be focused "only on certain economic provisions."

When asked in separate interviews if the support extends to federalism, top officials of MBC and MAP told the Inquirer that their respective groups had not yet decided on the issue.

Top officials of other influential business groups—namely the Philippine Chamber of Commerce and Industry and the Joint Foreign Chambers of the Philippines—said they did not have a position on the issue as of now.

This develops as Congress is planning to shift the form of

government towards federalism, floating ideas that have received criticisms for being "self-serving," such as a proposal to change the current term limits.

"For federalism, we have no clear position yet other than thoroughly studying our options. It is the process that we would like to weigh in on at this point," said Peter Perfecto, MBC executive director, in a text message.

Perry Pe, cochair of the national issues committee under MAP, said that federalism was still a divisive and "hot issue" for their business group.

"As much as possible, we would want to be unanimous. We don't want to be 50-50 [in terms of the support]. We are still divided. The smaller businesses want federalism, the bigger ones don't want it. There are still some [big businesses] who also want federalism," he said in a phone call.

In their joint statement, MBC, Finex and MAP did not say whether a federalist government would lead to economic benefits. Instead, they said the transition of the government should be done through a constitutional convention (Con-con), not a consti-

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tutional assembly (Con-ass).

A Con-ass means that Congress members would decide among themselves how they would rewrite the Constitution. A Con-con, on the other hand, would be composed of elected delegates.

"A Con-con body, on the other hand, will be purposely elected for the specific task of revising the Constitution and, therefore, individuals who wish to be elected for this role can properly present themselves and their views during the campaign period," the groups said.

"While such mode would entail greater costs to implement and probably more time, it should be seen as a justifiable investment that will result in significant social returns in the long run," they added.

While Finex, MBC and MAP prefer a Con-con, Congress has already been pursuing a Con-ass, noting that it was a faster and cheaper process.

For the part of the three groups, they specifically mentioned a resolution filed by former Speaker Feliciano Belmonte Jr. in 2016. Named "Resolution of Both Houses No. 2", the document would relax the Constitution's economic provi-

sions by making them amendable by the law.

The groups said that constitutional restrictions on foreign investments were absent in almost all countries in the world. Instead, restrictions could be imposed through laws or administrative orders "that can be changed to suit shifting national priorities."

They said there was no better time than now to relax the economic restrictions given the country's current growth prospects. "It will be unfortunate if the Philippines fails to take advantage of this golden opportunity and realize the potentials that a liberalized trade and investment regime will bring," they said.

Guenter Taus, president of the European Chamber of Commerce of the Philippines, told the Inquirer in an e-mail that they too believed that both chambers should vote separately on the issue.

He said they would support "whatever direction the government takes."

"Should the Philippines decide to take the federalism route, there are many best practice cases in Europe which the country could benefit from studying," he said. INQ