

OCCASIONAL

PAPER

MAY 2024
ISSUE 17.05



UNDERSTANDING
YOUTH AND EXPERT
OPINIONS
TOWARDS PROPOSALS ON
**AMENDING
THE 1987
CONSTITUTION**

UNDERSTANDING YOUTH AND EXPERT OPINIONS TOWARDS PROPOSALS ON AMENDING THE 1987 CONSTITUTION

This paper provides an overview of historical precedence on charter change and discusses in brief the results of a nationwide study. The results show that understandings of charter change are deeply intertwined with domestic concerns such as trust in the government, information and understanding of the proposals, and many other factors that policymakers should be aware of in their attempts to push for Constitutional amendments.

Constitutional reform, or charter change (colloquially known as cha-cha in the Philippines), is the process by which constitutions and its subsequent laws are reconstructed through public consultation and negotiation (Dressel 2005). In the Philippines, discussions surrounding charter change mainly pertain to revisions around the 1987 Philippine Constitution. In the Philippines, there are three approaches that can be used to amend the Constitution: first, a People's Initiative through a signed petition of at least 12% of the total number of registered voters; second, a Constituent Assembly (Con-Ass), which is composed of all members of the bicameral Congress of the Philippines (Senate and House of Representatives); and third, a Constitutional Convention (Con-Con), where elected delegates are brought together with the ability to propose both amendments and revisions (Gavilan 2018).

Since the establishment of the current Constitution in 1987, numerous attempts across administrations have been initiated towards charter change, ranging from small insertions to larger alterations towards existing systems of government. These include proposals of a federal government, elimination of nationalist policies and allowing full foreign ownership, to the removal of presidential term limits. These are but a few of the proposals that have been pushed over the past years.

In all these attempts, none have come close to success, and mistrust of the public across these proposals is at an all-time high. However, there is no doubt that these revisions

and amendments to the Constitution will bring significant changes to society. For one, a counterfactual scenario often used by experts and advocates of charter change if the Philippines ushered in significant economic reforms in the 1990s to early 2000s is described in the case of Vietnam. Once one of the world's poorest countries, constitutional change as well as a myriad of enabling laws transformed Vietnam into a middle-income country within one generation (World Bank n.d.). This is through a combination of laws that enable private sector participation and the promotion of good governance which have been key components in attracting foreign investment across the globe. While current Philippine laws such as the amendments to the Public Service Act, Retail Trade Liberalization Act, and the Foreign Investments Act enable greater participation of foreign investors, advocates of economic charter change say that limits on their participation continue to exist which threaten the competitiveness of Philippine markets in comparison to its ASEAN neighbors.

This paper is situated right at the height of key debates on charter change, where the 19th Congress is currently debating the merits of pushing through with economic Constitutional amendments. Thus, this paper will attempt to do several things. First, the history of proposed amendments to the 1987 Constitution will be traced to provide context to the recent proposals. The broader history of charter change attempts in the Philippines will be discussed in terms of both political and economic proposals,

DISCLAIMER: THE VIEWS AND OPINIONS EXPRESSED IN THIS PAPER ARE SOLELY THOSE OF THE AUTHOR. THE INFORMATION AND MATERIALS CONTAINED IN THE PAPER SIMPLY AIM TO PROVIDE GENERAL INFORMATION. AS SUCH, THE ARGUMENTS PRESENTED IN THE PAPER DO NOT REFLECT THE OFFICIAL POSITION OF THE STRATBASE ADR INSTITUTE AND THE INSTITUTE DOES NOT MAKE REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED ABOUT THE COMPLETENESS, ACCURACY, RELIABILITY, SUITABILITY, OR AVAILABILITY REGARDING THE INFORMATION PROVIDED.

but the sections following this segment will only inquire about the proposed economic amendments as these are the ones currently being discussed in Congress. An overview of the current proposed amendments will also be outlined. This will include a discussion of the proponents of the changes, as well as the opposition and their arguments. Second, the discussion will delve on a study commissioned by the Stratbase Institute in partnership with Democracy Watch Philippines that was conducted from February to April of this year. The methods and results of this study will then be discussed in detail to provide an understanding on the key arguments for and against the current proposed Constitutional amendments. The fourth and last section concludes and provides policy recommendations that would need to be addressed by Philippine lawmakers in creating ideal conditions for charter change.

HISTORY OF PROPOSED AMENDMENTS TO THE 1987 PHILIPPINE CONSTITUTION

Ever since the creation of the 1987 Philippine Constitution, there have been attempts towards charter change in every presidency. These proposed amendments ranged from the revision of political provisions such as the removal of term limits and shifts in the form of government, to amendments towards economic aspects such as the removal of nationalist provisions. The backdrop of these proposed changes was set in the 1990s where numerous states around the world initiated massive liberalisation reforms throughout. One evident example is the revised Vietnamese Constitution that was adopted in 1992 that strengthened the Đổi Mới, or economic reforms ushered in 1986 (Stern 1987; World Bank n.d.). In the next section,, discussions on amendments that relate to economic liberalisation and political reforms are discussed in the context of presidencies from the Ramos to the Duterte administrations.

RAMOS ADMINISTRATION

In 1997, under the Fidel V. Ramos (FVR) administration, a movement called the People's Initiative for Reform, Modernization and Action (PIRMA) pushed for a nationwide signature campaign (Samonte 2023). The changes that this version of charter change proposed were shifts in the political system and the removal of term limits for public officials. These proposals were ill-timed—staunch critics of the proposals argued that these proposals were meant to benefit FVR as a way of extending his rule. In March 1997, the Supreme Court ruled that there was no enabling law that would allow the people's initiative to proceed. Unfazed, FVR announced on June 14, 1997, that he had directed the Legislative-Executive Development Advisory Council (LEDAC) to fast-track a bill on the people's initiative based on the reasons provided by the Supreme Court (Samonte 2023). This sudden move by the president led to intensified campaigns by his critics, leading to a massive protest organised by the Catholic Church on September 21, 1997, which ultimately put an end to the movements to amend the Constitution.

ESTRADA ADMINISTRATION

The first attempt to amend the economic aspects of the Constitution came during Joseph Estrada's administration. With the understanding that the term “charter change” was negatively associated with the Ramos administration's attempts to change the Constitution, Estrada's administration sought to win public support by calling charter change “Constitutional Correction for Development” or CONCORD, for short (Palatino 2021). Estrada proposed the complete removal of restrictive economic provisions within the Constitution that impeded foreign investments in the Philippines. However, these proposals were met with continued backlash, and Estrada dropped the proposals as his corruption

scandals were brought to light, eventually leading to his impeachment in 2001.

ARROYO ADMINISTRATION

The proposed amendments coming from the Gloria Macapagal Arroyo (GMA) administration in comparison to the past two attempts were the most diverse and all-encompassing. In January 2005, Arroyo issued Executive Order No. 453 that sought to create a consultative commission that would “study and propose amendments and revisions to the 1987 Constitution” (Republic of the Philippines 2005). The commission that was headed by Dr. Jose Abueva proposed massive reforms ranging from economic liberalisation, a shift to a parliamentary-federal system of government, and empowerment of local governments through decentralisation. In June of the same year, the “Hello Garci” scandal erupted as conversations of GMA and then-Election Commissioner Virgilio Garcillano on the rigging of the 2004 presidential elections were leaked to the public. Despite this, conversations on charter change continued through the *Sigaw ng Bayan* Initiative which aimed to call for a plebiscite and the push of former House Speaker Jose de Venecia, Jr. to convene the House of Representatives and the Senate into a Constituent Assembly (Con-Ass). The *Sigaw ng Bayan* Initiative was struck down by the Supreme Court in 2006, while De Venecia's proposal and subsequent proposals by other lawmakers after this were met with opposition that ultimately extinguished the calls for charter change under Arroyo.

AQUINO III ADMINISTRATION

Benigno Aquino III's (PNoy) administration was seen as a relatively quiet period for charter change, considering that the president

himself was against amendments in his earlier years in office. However, in August 2014, PNoy publicly discussed that he was open to proposals to amend the Constitution, specifically with the intent to allow a president to run for a second 6-year term (Gutierrez 2014). Similarly, several attempts by lawmakers within the PNoy administration attempted to push for charter change. In 2013, House Speaker Feliciano Belmonte Jr. filed Resolution of Both Houses No. 1 that pushed for economic liberalisation, which would add the phrase “unless otherwise provided by law” despite PNoy’s lack of support (Romero 2013). The resolution went through two readings in the House of Representatives but did not make it through the third reading.

DUTERTE ADMINISTRATION

Federalism was a main campaign promise of Rodrigo Duterte as he ran for President in 2016. The rationale behind the pursuit for a federal government was the redistribution of power and wealth to rural areas, and as a solution to the Moro conflict in Mindanao. The push for charter change was almost immediate—in December 2016, Duterte issued Executive Order No. 10 which created a Consultative Committee (ConCom) that was tasked to review the Constitution. There were several proposals in relation to how the Federal Philippines would be subdivided. One proposal looked at 14 states (MindaNews 2017), while another proposal divided the Philippines into five states: Luzon, Visayas, Mindanao, Bangsamoro, and Metro Manila (Cervantes 2018). Other parts of the proposal included economic provisions (Palatino 2021) and an amendment prohibiting elected officials from switching political parties during the first and last two years of their term, as well as the banning of political dynasties (Cortez 2018). In the subsequent years that followed, heavy opposition and disagreement among Duterte’s allies and his administration heavily hampered further developments towards charter change. In 2021, Duterte cited that the failure of the

campaign for a federal government was due to the lack of Congressional support.

CURRENT PROPOSED AMENDMENTS

In January 2024, the People’s Initiative for Modernization and Reform Action (PIRMA) group initiated a People’s Initiative attempt where the House of Representatives and the Senate would vote jointly. However, this attempt became controversial as allegations of payment for signatures towards the People’s Initiative were revealed. These allegations led to the suspension of proceedings by the Commission on Elections on grounds of possible bribery (Mayen 2024). Though President Ferdinand “Bongbong” Marcos Jr. has openly declared his support for charter change, he has limited it to the economic aspects of the provision, which the House of Representatives has supported. Last March 20, the Resolution of Both Houses (RBH) No. 7 was approved by the House of Representatives on the third reading, while RBH No. 6 is pending in Senate with the Committee on Constitutional Amendments and Revision of Codes. The amendments to economic provisions under both resolutions seek to amend Articles 12 (National Economy and Patrimony), 14 (Education, Science and Technology, Arts, Culture, and Sports), and 16 (General Provisions). The goal of these amendments is to open the Philippine economy to foreign investors through the insertion of the phrase “unless otherwise provided by law,” which would ease foreign ownership of public utilities, educational institutions, and media and advertising.

METHODS OF INQUIRY

To understand the perspectives on charter change on a nationwide scale, two different methods of inquiry were used. The first method consisted of a survey that was commissioned by Democracy Watch

“ECONOMIC LIBERALISATION IS AT THE HEART OF THE CURRENT PROPOSED AMENDMENTS. PAST AND CURRENT ATTEMPTS, HOWEVER, HAVE MAINLY FAILED. FUTURE ATTEMPTS MUST THEREFORE BE VERY MINDFUL OF TIMELINESS AND THE DUE CONSIDERATION TO PUBLIC SENTIMENT.”

Philippines in partnership with the Stratbase Institute. These surveys were conducted under Pulse Asia Research last March 6-10. These questions in the Pulse Asia survey studied public opinion on amending the economic provisions of the 1987 Constitution.

The second method of inquiry was qualitative. Democracy Watch Philippines in partnership with the Stratbase Institute hosted a series of consultative discussions across the country. A total of four different meetings were held in Metro Manila (March 23), Cagayan De Oro (April 18), Cebu (April 20), and Baguio (April 27) to understand youth opinions on the proposed constitutional amendments. These meetings were attended by youth that represented members from the *Sangguniang Kabataan* (SK), youth leaders from universities, local and national youth organizations. Mainly youth participants were selected because this age group selected will be the primary beneficiaries of the Constitutional amendments being proposed. One meeting held in Manila last April 3 brought together experts on Constitutional Law, economics, policy, and foreign investment.

SURVEY FINDINGS AND DISCUSSION

SURVEY FINDINGS

The Pulse Asia survey commissioned by the Stratbase Institute was conducted last March 6-10, 2024, with a total representative number of 1,200 representative adults 18 years old and above. The questions that were asked discussed both awareness and knowledge of the Constitution and public opinion towards the proposed Constitutional amendments. Other questions that discussed specific parts of the amendments explored public opinion on amending specific economic provisions. Below are the commissioned and non-commissioned questions that were asked in relation to charter change.

1. Over the past months, there have been proposals to change the Constitution. Have you heard, read, or watched anything about the proposals to change the 1987 Constitution before this or only now?
2. Have you heard, read, or watched anything about the proposals to change the 1987 Constitution before this or only now?
3. How would you describe the amount of knowledge you have regarding the 1987 Constitution of the Philippines?
4. In your opinion, should the 1987 Constitution be amended or not amended at this time?
5. The following are some of the proposed changes or amendments to the Constitution. Are you in favour or not in favour of each one of them?

Two questions were asked through the Pulse Asia survey that discussed economic provisions.

1. Which of the following do you think is the most significant factor that hinders foreign investment in the Philippines? You may choose up to three.
2. Which of the following may occur or result from the removal of restrictions against foreign investors or businesses in our Constitution? You may choose up to three and mention others not included in this list.

In discussing the findings of the survey results, two perspectives can be seen using the four tables presented below: on one hand, 88% of Filipinos believe that the Constitution should not be amended now, and that there is widespread opposition

TABLE 1 . WHETHER IT IS APPROPRIATE TO AMEND THE 1987 PHILIPPINE CONSTITUTION AT THIS TIME
ROW PERCENT/PHILIPPINES
(MARCH 6-10, 2024)

| Base: Total Interviews, 100% | | | | | | | | |
|--|----|----------|----|-----|-----|-------|----|----|
| “In your opinion, should the 1987 Constitution be amended or not amended at this time?” | RP | LOCATION | | | | CLASS | | |
| | | NCR | BL | VIS | MIN | ABC | D | E |
| YES, THE CONSTITUTION SHOULD BE AMENDED NOW | 8 | 14 | 4 | 15 | 8 | 7 | 9 | 5 |
| NO, THE CONSTITUTION SHOULD NOT BE AMENDED NOW | 88 | 81 | 89 | 85 | 91 | 82 | 87 | 93 |
| NO, THE CONSTITUTION SHOULD NOT BE AMENDED NOW, BUT IT MAY BE AMENDED SOMETIME IN THE FUTURE | 14 | 10 | 16 | 17 | 8 | 25 | 12 | 13 |
| Under the current administration | 6 | 4 | 6 | 11 | 1 | 6 | 5 | 7 |
| Under the next administration | 8 | 6 | 10 | 6 | 7 | 19 | 7 | 6 |
| NO, THE CONSTITUTION SHOULD NOT BE AMENDED NOR ANY OTHER TIME | 74 | 72 | 73 | 69 | 82 | 58 | 75 | 80 |
| UNAIDED | | | | | | | | |
| I don't know | 4 | 5 | 7 | 0 | 1 | 11 | 4 | 2 |

SOURCE: PULSE ASIA RESEARCH, INC.

TABLE 2 . WHETHER IN FAVOR OR NOT IN FAVOR OF PRIOR AND CURRENT
PROPOSED AMENDMENTS TO THE 1987 PHILIPPINE CONSTITUTION
IN PERCENT./PHILIPPINES
(MARCH 6-10, 2024)

| Base: Total Interviews, 100% | | | | |
|--|----------|--------------|--|--------------|
| The following are some of the proposed amendments to the Constitution. Are you in favor or not in favor of each one of them? | UNAIDED | | | |
| | IN FAVOR | NOT IN FAVOR | I don't have enough knowledge to give an opinion | I don't know |
| Allowing foreigners to own schools or universities | 24 | 68 | 0.4 | 8 |
| Allowing foreign individuals and companies to foreign equity in mass media and advertising | 19 | 71 | 1 | 9 |
| Lifting the prohibition of foreign ownership on communications like cellphone and internet company | 19 | 71 | 1 | 9 |
| Changing the present unitary system of government and having a federal system of government for the country | 18 | 71 | 2 | 10 |
| Term extension for national and local elective officials, except for barangay officials | 18 | 73 | 1 | 8 |
| Removing limits on shares of stocks in Philippine corporations that may be owned by foreign individuals and companies | 14 | 78 | 1 | 7 |
| Change the presidential system to a parliamentary system of the government | 14 | 71 | 5 | 9 |
| Shift from bicameral to a unicameral legislature | 12 | 74 | 3 | 11 |
| Allowing foreign individuals and companies to own residential and industrial lands | 10 | 81 | 1 | 8 |
| Allowing foreign individuals and companies to exploit our natural resources | 6 | 86 | 1 | 7 |

SOURCE: PULSE ASIA RESEARCH, INC.

TABLE 3 . MOST SIGNIFICANT FACTOR THAT HINDERS FOREIGN INVESTMENT IN THE PHILIPPINES
IN PERCENT, MULTIPLE RESPONSE, UP TO 3 ALLOWED/PHILIPPINES
(MARCH 6-10, 2024)

| Base: Total Interviews, 100% | | | | | | | | |
|--|----|----------|----|-----|-----|-------|----|----|
| “Which of the following do you think is the most significant factor that hinders foreign investment in the Philippines? You may choose up to three.” | RP | LOCATION | | | | CLASS | | |
| | | NCR | BL | VIS | MIN | ABC | D | E |
| Complicated rules and regulations like red tape, changes in government policies and regulations | 56 | 58 | 55 | 61 | 50 | 66 | 55 | 52 |
| Restrictive rules on foreign ownership | 55 | 51 | 55 | 65 | 48 | 57 | 54 | 56 |
| Corruption in the public sector | 46 | 50 | 51 | 42 | 38 | 45 | 46 | 49 |
| Inadequate transportation infrastructure | 40 | 37 | 41 | 45 | 38 | 36 | 42 | 36 |
| High cost of electricity | 37 | 53 | 39 | 39 | 26 | 27 | 38 | 40 |
| Inadequate telecommunications infrastructure | 32 | 32 | 34 | 27 | 34 | 27 | 34 | 27 |
| The incentive for investors is not enough | 21 | 16 | 17 | 18 | 33 | 17 | 21 | 22 |
| UNAIDED | | | | | | | | |
| Don't Know | 2 | 2 | 2 | 0 | 4 | 6 | 2 | 1 |

SOURCE: PULSE ASIA RESEARCH, INC.

TABLE 4 . POSSIBLE OUTCOME OF THE REMOVAL OF RESTRICTIONS AGAINST FOREIGN INVESTORS
OR BUSINESSES IN OUR CONSTITUTION
IN PERCENT, MULTIPLE RESPONSE, UP TO 3 ALLOWED/PHILIPPINES
(MARCH 6-10, 2024)

| Base: Total Interviews, 100% | | | | | | | | |
|---|----|----------|----|-----|-----|-------|----|----|
| “Which of the following may occur or result from the removal of restrictions against foreign investors or businesses in our Constitution? You may choose up to three and mention others not included in this list.” | RP | LOCATION | | | | CLASS | | |
| | | NCR | BL | VIS | MIN | ABC | D | E |
| An increase in high quality jobs with high salaries and better benefits | 64 | 64 | 61 | 80 | 59 | 62 | 65 | 65 |
| Services to stakeholders / customers will be better | 56 | 51 | 57 | 67 | 47 | 64 | 54 | 58 |
| Foreign capital will dominate local investors and businesses | 55 | 53 | 57 | 54 | 54 | 54 | 56 | 52 |
| The price of goods and services will decrease | 54 | 55 | 52 | 61 | 52 | 42 | 54 | 63 |
| National security will be at risk | 43 | 38 | 51 | 32 | 37 | 46 | 43 | 37 |
| UNAIDED | | | | | | | | |
| Cannot say | 5 | 8 | 6 | 0 | 7 | 8 | 5 | 2 |

SOURCE: PULSE ASIA RESEARCH, INC.

to foreign exploitation of natural resources (86%), the ownership of residential and industrial lands (81%), and the removal of limits on shares of Philippine corporation stocks that can be owned by foreign individuals and companies (78%).

On the other hand, respondents also recognize that apart from domestic concerns, restrictive rules on foreign ownership play a significant role in hindering foreign investment in the Philippines (55%). Similarly, there is a significant recognition that the removal of restrictions on foreign investors in the Constitution may lead to social outcomes such as an increase of better quality jobs with higher salaries and benefits (64%), better access to customers and other stakeholders (56%), an increase in foreign capital among local businesses (55%), and a decrease in the prices of goods and services (54%).

These observations, according to Pulse Asia Research (2024) show that while the public may have general apprehensions towards charter change for reasons that will be explored in the next section, there is also a wide recognition of the benefits that can be experienced through the influx of foreign capital. The next section will discuss key arguments for and against the amendments of economic provisions between members of the youth and experts.

FINDINGS (CONSULTATIVE SESSIONS)

This section discusses results from a series of consultative discussions initiated by Democracy Watch Philippines, a citizen-led democratic initiative in partnership with the Stratbase Institute. The consultative discussions were carried out over the course of late March to late April across Luzon, Visayas, and Mindanao. The findings show that while economic amendments were at the heart of the discussion, these are not divorced from domestic issues

such as trust in the bureaucracy and lawmakers, understanding of government priorities and the urgency of change, the need to address local problems, and overall knowledge on the Constitution and the consequences of the proposed amendments.

GENERAL ARGUMENTS

There is a consensus between the youth and the experts that there is a need to address issues in relation to the economy, and that changes in the Constitution through these amendments can be one way of addressing problems. Experts believe that the current proposed amendments were not only heading towards the right direction, but also extremely necessary and long overdue. Economic experts further believe that the current versions under RBH 7 are ‘conservative’ and the further extent that these provisions could be taken is to remove all nationalist provisions altogether.

On the other hand, while the youth agree to an extent that the economic provisions need to be amended, there is greater apprehension on their side because of real-world scenarios that might come to life under charter change. For instance, issues of vested interests by politicians can influence the formation of these amendments, and there is staunch opposition across the board for any sort of political amendment that might be introduced such as the removal of term limits, moving to a parliamentary system of government, among others. Another is the problem of the government diverting its attention, time, and resources from solving urgent national issues and leaving these unaddressed to favour charter change. Lastly, there are discussions on whether charter change will really solve the economic problems at hand. Below are common themes brought up by both experts and youth in the discussions with each group’s arguments compared against one another.

ROLE OF THE CONSTITUTION

There is consensus between the youth groups and the experts on the importance of the Constitution. To the experts, the Constitution is a “reflection of the aspirations of society and the generation right now.” There is also a recognition that the aspirations of society now are significantly different to the aspirations of Filipinos back then when the Constitution was created, thus the need for its revision. Experts also see that the Constitution is a tool for global competitiveness, and countries that have revised their constitutions in accordance with this principle have realised this.

The youth also acknowledge the importance of the Constitution and possible consequences of changing it which is why they emphasise on the need to take enormous amounts of precaution towards any amendment proposed.

In addition to the role of the Constitution, experts have also commented that the Constitution’s role is to enable, while it is the responsibility and duty of Congress to regulate through laws. In relation to economic amendments, the Constitution should be amended to relax restrictions on foreign ownership, while it is the role of Senate and the House of Representatives to create laws that adjust to this enablement accordingly.

DOMESTIC INDUSTRIES AND LABOUR

While the experts are in unison regarding the benefits of charter change towards domestic industries, the youth across the discussions are divided between understanding the need for market competition and fears of local markets being dominated by foreign businesses. Experts are united in the positive spill over effects of foreign industries towards upskilling workers through research and development and the technological knowledge brought in by foreign

companies. To become globally competitive, there needs to be an influx of new companies entering the country in order to significantly affect the Philippine workforce through the introduction of new technology and skills. This, experts argue, would only be possible through the changes brought about by the Constitutional amendments.

Another argument given by experts would be in terms of the benefits to labor. Currently, there is a labor surplus compared to the number of jobs that are available. This has resulted in lower wages and poor quality of jobs. Experts have said that as a result of opening up the country to foreign companies and increasing investors, there will be a point where there are more jobs than there are job seekers. This will ultimately result in higher job salaries as job openings compete for more qualified individuals. Currently, local enterprises have already exhausted their job allocations and are unable to produce more jobs at a massive scale that would cater to the rising influx of people into the labour market.

An example that the experts have provided is the “Ceboom” (a portmanteau of ‘Cebu’ and ‘boom’) phenomenon where Japanese, Korean, and Australian companies established a shipbuilding industry coming from local economic policies in the 1990s (Magno 2023). As a result of the shipbuilding sector, there was an increase in economic productivity through the rise of restaurants, malls, and other businesses. This is a real-world example given by experts of the trickle-down effects on jobs and opportunities through foreign direct investment.

The youth, on the other hand, have expressed apprehension at the effects towards domestic industries and marginalised sectors. There is a recognition that when economic restrictions are lifted, there will be a lowering in the prices of commodities. An apprehension by the youth is that domestic businesses will not be competitive enough to keep up with the rates of production, scale, and cost of foreign businesses.

However, there is recognition among the youth as well on the importance of competition. Some members of the youth have noted that local companies, for instance, were forced to raise their quality of service based on international standards, thereby delivering better goods and services to the Filipino people. These are recognized benefits towards allowing foreign ownership.

The key elements that the youth have identified in mitigating the effects of an influx of foreign industries are the acknowledgement of potential risks to domestic businesses, and proper safeguards that can still balance the playing field between local and foreign enterprises. Local laws can also further be revised and strengthened to favour and protect local businesses.

GOVERNMENT READINESS

There are considerable differences between the two groups on government readiness to implement charter change. Experts on one hand believe that “the government will never be ready,” in the sense that we will always have ideal scenarios for when it is best to introduce charter change but never get to that point. However, there have been massive opportunity costs from the time that economic amendments were first considered until today, and if we wait for the best and most optimal time, we will not experience the benefits of increased foreign direct investment.

Youth groups, on the other hand, discuss that current existing laws such as the amendments to the Public Service Act, the Retail Trade Liberalization Act, and the Foreign Investments Act should have been enough in encouraging foreign investors, so the necessity of cha-cha is in question. Another reason for apprehension towards charter change is that we may not experience the full benefits of this amendment given that current systems within government may not be ready to sustain this influx of investment.

A key reason for raising the issue of government readiness is the existence of local bureaucratic inefficiencies and the corruption, according to the youth. They surmise that despite the economic amendments, investors might still choose to invest in other countries because of governance challenges that the Philippines has such as policy stability and the lack of implementation towards regulations that safeguard businesses. Instead, some members of the youth discuss that solving these problems must take precedence over charter change.

ANALYSIS

One significant factor why there is still general apprehension among the youth (and the wider public as seen through the latest survey results) is the fact that these fears are deep-seated and rooted in historical precedence. For instance, the first time that economic liberalisation was discussed in relation to Constitutional amendments was under President Estrada, and after that, President Arroyo. These two presidents were subjected to allegations of corruption that eroded public trust. Beyond these two presidents, low amounts of trust in the Philippine bureaucracy have led to assumptions that amendments to the Constitution will be self-serving to the government pushing for these reforms. There were similar apprehensions in this proposal due to the allegations of bribery that have marred the ongoing efforts of the People’s Initiative. Public trust, therefore, is an important component in pushing for successful amendments.

Another concern would be the uncertainties that come with these proposals for change. While many countries have gone through several constitutional amendments, the 1987 Philippine Constitution has made the processes of amending difficult. As a result, no amendments have been introduced since its establishment. Because this is a new and unprecedented move, there

is uncertainty as to how it will affect society at large, and members of the public have erred on the side of caution.

Lastly, there is a lack of knowledge towards charter change, as well as its possible consequences and effects. This has been discussed throughout the consultative discussions that many of the youth are unfamiliar with the proposed amendments, and with more knowledge on the economic provisions, they become more willing to accept the changes.

Many other arguments discuss the provisions to be amended in more detail such as its effects towards education, public utilities, and mass media but this can be covered in other papers. The next and last section will conclude the paper as well as discuss policy recommendations coming from both sources of data.

CONCLUSION AND RECOMMENDATIONS

This article has discussed historical attempts to amend the Constitution, as well as findings from the latest Pulse Asia survey and consultative discussions by Democracy Watch Philippines. From these two sources of information, several findings emerge, which show that while there is general apprehension towards Constitutional amendments, there is also a recognition of the benefits that an influx of foreign direct investment will bring. These benefits can come in the form of upskilling workers, new forms of training in technology, as well as competition that will benefit domestic industries. However, apprehensions also exist in the form of whether labour and domestic industries will be able to keep up with foreign companies. Other questions such as government readiness are also put into question as corrupt practices and inefficiencies may hamper outcomes that charter change intends to bring about.

Given that the discussions above on Constitutional change are deeply entangled with issues of domestic governance, historical precedence and differing perspectives towards the sector, policy managers and decision-makers will have to consider the following recommendations in order to manage public concerns.

- 1. Consider the information levels of the public towards charter change and clearly explain the possible benefits of the amendments. Clearly show the process of how foreign investments lead to further benefits for society which include job creation and skills and knowledge transfer, as well as positive spillover effects to local communities.
- 2. Trust in the bureaucracy needs to continually be established by showing efforts of the government in responding to existing problems. The government must continue its efforts to address domestic concerns such as red tape, corruption, and inefficiencies, and not just refocus its priorities towards charter change.
- 3. An understanding of historical precedence is important in allaying public fears. Policy practitioners must acknowledge that past attempts at amending the Constitution have eroded public trust and have been seen to be self-serving. These historical accounts must be considered when speaking to the public about the proposed amendments.
- 4. The creation of the amendments has to be open to public scrutiny and opinion. Public participation and continued consultation are a necessary component of amendments that are representative of public concerns.

Constitutional reform is a drastic change compared to small incremental policy adjustments, yet these types of reforms can

lead to good governance and better social outcomes (Grindle 1997; Schneider & Heredia 2003 as cited in Dressel 2005). The ultimate goal of revising the economic provisions in the Constitution is to improve social outcomes through widespread economic development. However, before this happens, it is first necessary to understand the contextual factors and arguments that shape and define the debate on charter change. Only then can charter change move forward as an inclusive policy that hears and considers the sentiments of the public.

REFERENCES

Cervantes 2018, ‘5 states in proposed PH federal charter’, Philippine News Agency, viewed 17 May 2024, <<https://www.pna.gov.ph/articles/1021781>>.

Cortez 2018, ‘ConCom completes draft federal charter’, Businessworld, viewed 17 May 2024, <<https://web.archive.org/web/20180704122943/http://bworldonline.com/concom-completes-draft-federal-charter/>>.

Dressel, B 2005, ‘Strengthening Governance through Constitutional Reform’, The Governance Brief, Issue 13-2005, p. 1.

Executive Order No. 453, s. 2005, Creating A Consultative Commission To Propose The Revision Of The 1987 Constitution In Consultation With Various Sectors Of Society (Republic of the Philippines)

Gavilan, J 2018, ‘What you need to know about Charter Change’, Rappler.com, viewed 15 May 2024, <<https://www.rappler.com/newsbreak/iq/193718-charter-change-explainer-philippine-constitution/>>.

Gutierrez 2014, ‘Aquino now open to Charter change, 2nd term’, Rappler.com, viewed 17 May 2024, <<https://www.rappler.com/nation/66171-aquino-open-charter-change/>>.

Grindle, MS 1997, ‘Getting Good Government: Capacity Building in the Public Sectors of Developing Countries’, Cambridge, Massachusetts: Harvard Institute for International Development, Harvard University Press.

Magno 2023, ‘Ceboom’, Philstar Global, viewed 17 May 2024, <<https://www.philstar.com/opinion/2023/12/05/2316566/ceboom>>.

Palatino, M 2021, ‘A Brief History of Charter Change Attempts in the Philippines’, The Diplomat, viewed 15 May 2024, <<https://thediplomat.com/2021/02/a-brief-history-of-charter-change-attempts-in-the-philippines/>>.

Mindanews 2017, ‘Alvarez’ federal Philippines: 14 states, Negros as seat of central gov’t’, Mindanews, viewed 17 May 2024, <<https://mindanews.com/top-stories/2017/03/alvarez-federal-philippines-14-states-negros-as-seat-of-central-govt/>>.

Romero 2013, ‘Despite Noy’s rejection, SB to push for Charter change’, Philstar Global, viewed 17 May 2024, <<https://www.philstar.com/headlines/2013/06/27/958715/despite-noys-rejection-sb-push-charter-change>>.

Samonte, S 2023, ‘How the first Charter Change proposal started in 1997?’ Philippine News Agency viewed 15 May 2024, <<https://www.pna.gov.ph/opinion/pieces/810-how-the-first-charter-change-proposal-started-in-1997>>.

Schneider, BR and B Heredia, eds. 2003, Reinventing the Leviathan: The Politics of Administrative Reform in Developing Countries. Miami: North-West Center at the University of Miami.

Stern, LM 1987, ‘The Vietnamese communist party in 1986: Party reform initiatives, the scramble towards economic revitalization, and the road to the sixth national congress’ Southeast Asian Affairs, pp.345-363.

World Bank, n.d., ‘Overview’, The World Bank in Viet Nam, World Bank, viewed 15 May 2024, <<https://www.worldbank.org/en/country/vietnam/overview>>.

Yusingco, MH 2018, ‘Why Some Filipinos Still Resist Constitutional Reform’, IACL-AIDC Blog, International Association of Constitutional Law, viewed 15 May 2024, <<https://blog-iacl-aidc.org/blog/2018/6/24/why-some-filipinos-still-resist-constitutional-reform>>.

Picture Credits:

¹ Cover page: stock.adobe.com
² Page 2: rappler.com/philippines/how-philippine-economy-opened-up-world-without-charter-change

ABOUT



Shanice Espiritu-Amador

is a non-resident fellow of the Stratbase Institute. She is a governance and public policy expert with a wide range of experience spanning the public and private sector, non-government organisations, and the academe. She previously held the role of Director for Policy and Advocacy under the Stratbase Group and Deputy Executive Director for Research under the Stratbase Institute. She is also a former university lecturer under the Political Science and Development Studies Department of De La Salle University-Manila. Currently, she is a Casual Sessional Academic under the Policy and Governance Program of the Crawford School of Public Policy, Australian National University, where she also finished her degree of Master of Public Policy specialising in Integrity and Anti-Corruption Policy.



STRATBASE ADR INSTITUTE

is an independent international and strategic research organization with the principal goal of addressing the issues affecting the Philippines and East Asia

The Financial Tower
6794 Ayala Avenue, Makati City
Philippines 1226

V 8892.1751
F 8892.1754

www.stratbase.ph

