Interaction of Powers in the Philippine Presidential System

Takeshi Kawanaka
Institute of Developing Economies

INSTITUTE OF DEVELOPING ECONOMIES

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Takeshi KAWANAKA*

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Abstract

The executive – legislative relations in the Philippines have been described in two contrasting stories, namely the "strong president" story, and the "strong congress" story. This paper tries to consolidate the existing arguments and propose a new perspective focusing on the "compromise exchange" between the president and the congress across the different policy areas. It considers that the policy outcome is not brought by unilateral power of the president or the congress, but formed as the product of such an exchange. Interaction of powers and their complementary function are addressed. Furthermore, aside from the constitutional power, the weak party discipline is pointed out as a key factor in making the exchange possible.

Keywords: executive – legislative relations, presidency, policy process, democracy

* Senior Research Fellow, Area Studies Center (kawanaka@ide.go.jp)

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INSTITUTE OF DEVELOPING ECONOMIES (IDE), JETRO
3-2-2, WAKABA, MIHAMA-KU, CHIBA-SHI
CHIBA 261-8545, JAPAN

INTRODUCTION

From a comparative perspective, the presidential legislative power in the Philippines is at the middle level, in both constitutional and partisan powers (Shugart and Carey 1992, Haggard and McCubbins eds. 2001). This middle level strength raises some problems for researchers. Generally, it is more difficult to explain why it is neither weak nor strong than why it is weak or strong. It is also difficult to examine empirically. In conventional arguments in the studies on Philippine politics, however, there have been two contrasting views on the presidential power. One claims that the Philippine president is strong. This group focuses on the constitutional powers, and the administrative control over the bureaucracy (de Dios 1999, 2002). Another emphasizes the influence of dominant social class in the congress. This group claims that presidential legislative initiatives that undermine the social interests usually fail, due to the resistance of the congress (e.g. Abueva 2002).

Both of them seem to describe the actual characteristics of the Philippine presidency, but not comprehensively. Instead of assuming that the policy outcome is a result of unilateral influence of the president or the congress, this paper proposes an alternative hypothesis that the policy outcome in the Philippines is a product of the “compromise exchange” between the president and the congress over the unconnected policy areas. Such an exchange is made possible when the superior player switches depending on the policy areas. In the Philippines, the president has the superior power in the budget process and policy implementation, while the congress dominates the legislative process of ordinary policies. Through offering compromises in the policy area where one is dominant, each player seeks concessions from the opponent in other areas where the opponent is dominant. This “compromise exchange”, deriving from the switch of dominant players in different areas, is made possible by the constitutional framework and weak party discipline.

In the following section, we will deal with the theory of “compromise exchange”. Then, we will examine the theory in actual policy outcomes.

PRESIDENT AND CONGRESS

Form of Government and Party System in the Philippines

The Philippines adopts a presidential system. The president monopolizes the executive power and has the power to appoint secretaries of departments, who are not allowed to hold a seat in the legislature[1]. The power is strictly divided by the executive and the legislative branches. The legislature is bicameral, composed of the Senate and the House of Representatives. The Senate has 24 members elected from the national constituency, while the House has more than 200 members elected from single member districts and the limited proportional representation (the party list system).

Table 1 President and Congress under the 1987 Constitution

	The President	The Senate	The House of Representatives
Members	1	24	216 (SMD) + max 50 (PR)*
Term	six years	six years	three years
Term Limit	No reelection	No three consecutive terms	No four consecutive terms
District	National constituency	National constituency	Single member district (SMD) + national constituency
Method of Election	Plural	Plural by bloc voting (12 names), change half of the members every three years	Plural + Limited proportional representation (max three seats for each party)

* As of November, 2008. Actual number of the PR representatives is 22.
Source: Author.

Regarding the local governance, the Philippines has a unilateral system, instead of a federal system. Aside from local governments which are headed by elected local chief executives and local councils, the central government maintains local offices for respective departments.

As for the party system, the Philippines had the two-party system of the Nacionalista Party and the Liberal Party, after its independence in 1946 until the declaration of martial law in 1972. After the democratization in 1986, the number of parties increased drastically, and there is no stable dominant party (Kasuya 2008). Actually, a party is formed by an individual presidential candidate every election time. In the first place, there are some leading presidential candidates. They are usually senators, cabinet secretaries or vice presidents. They decide whether they will use the existing parties for

[1] But, the consent of the Committee on Appointment composed of the members of the Senate and the House of Representatives is required to finalize the appointments.

their campaign or establish new ones. That is the party formation at the initial stage. When the winner is decided, the party system goes through reorganization. Reorganization is driven as party switching to or coalition formation with the president's party. Politicians change their affiliations, and some parties disappear. Since the parties are short term groupings of politicians, they are not cohesive. In recent years, left leaning parties supported by labor unions and peasant groups have gained some seats in the lower house through the proportional representation (the party list system), and this opens up opportunities for cohesive parties to appear. Such cohesive parties, however, have little chance to become dominant in the congress, since each party is allowed to hold a maximum three seats under the current law.

Political parties are not expected to play key roles in policy making as they are very fluid. The key players in policy making in the Philippines are institutional players defined by the constitution, namely, the president, the senate and the House of Representatives[2].

Preferences of the Players

Assuming that political players seek to hold and maintain the power, three institutional players have different incentives defined by the respective method of election.

[2] Eaton (2002) explained the policy process in the Philippines through the election system and preferences of these institutional players. MacIntyre (2001) also discuses policy outcomes based on these three institutional players.

Table 2 Institutional Players and Expected Behavior

Player	Method of Election	Expected Behavior
President	Plural in national constituency. No reelection.	The presidency is the final point of a political career in the Philippines. But the president may be apprehensive about being ousted in the midst of his term. The president is also concerned with policy performance at the national level, like fiscal discipline and stability of the macro economy. The president tends to consider the problem in the short term as he can stay in the position for six years only.
Senate	Plural by bloc voting (12 names) in national constituency. No three consecutive terms.	Senators can still further their careers to cabinet posts, the vice presidency and the presidency. They can also continue their careers by keeping their current positions. Senators pay much attention to their images in the media for nationwide popularity. Each senator acts independently. Formation of the majority is fluid.
House of Representatives (SMD)	Plural in single member districts. No four consecutive terms.	Representatives seek to establish and strengthen their power base at their local bailiwicks. They try to maximize the pork barrel distributions in order to secure personal votes. Representatives, supported by their own local political machine, have little incentive to rely on political parties for elections.

Source: Author.

For the president, the current post is the final point of his political career. The next election, therefore, generally does not affect the behavior in the current term[3]. The

[3] President Gloria Macapagal-Arroyo was able to run for the presidential election in 2004, because she assumed the presidency as vice president after President Joseph

president may give an “anointment” to a certain candidate as his successor. It is possible for the president to support the “anointed” candidate during an election campaign, expecting the candidate will play the role of the incumbent’s alter ego. This “anointment” is expected to bring reelection incentive. Such an “anointment”, however, does not work to bind the successor for the predecessor’s interest protection, because there is no means to secure the commitment of the successor. In this situation, an “anointment” usually does not prepare the reelection incentive for the president. The president is forced to be free from reelection incentive and seeks policy stability during his term to stabilize his current power. For this purpose, the president gives much attention to legislations for fiscal discipline and macroeconomic stability. Additionally, the president calculates his payoffs in a relatively short time frame, as his term is limited to six years. The president, therefore, is expected to prefer ad hoc solutions for policy problems or just to put off the necessary actions, instead of adopting long term strategies for fundamental solutions.

On the other hand, the senators have the reelection incentive. Although the constitution prohibits three consecutive terms for the senators, they can shift to the executive posts, the House of Representatives, or other elective offices. The term limit has little influence on the senators’ behavior. Against its rival institutional players, the senate usually tries to contain the House of Representatives that seek maximization of pork barrel, and to resist legislations that expand the presidential discretions. Another important feature is that the senators have the incentive to promote their own personal political career against their colleagues. The senators are actually each others’ competitors, because they are elected in the national constituency with 12 names in bloc voting. Candidates need to get in the top 12 to win the election. In this setting, the senators have less incentive to pursue collective interests.

The members of the House of Representatives also face a constitutional limit on their term (no four consecutive terms), but they can shift to provincial governors or can position members of own families to take care of the posts in their absence. The representatives keep the incentive to secure personal votes in such a situation (Cain et al., 1987). The term limits, therefore, do not influence their behavior. Based on the reelection incentive and the different methods of election, the representatives have

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Estrada stepped down in the midst of his term. This case is exceptional under the 1987 constitution.

different preferences from those of the president and the senate.

The single member district is generally considered to be more conducive to strong party discipline than the multi-member district. The case of the Philippines, however, does not seem to fit the pattern. The main reason is that nomination of a political party does not influence the result of elections. It is true that the affiliation with a party contributes to a candidate's campaign because a party helps a candidate in voting, counting monitoring and finance. But, it is not crucial in deciding the fate of a candidate. A candidate depends on each local political machine which is developed not by parties but through the personal or family capacity (Kawanaka 2002).

The representatives do not need to compete with their colleagues in the House unlike the senators, because most of them are elected from the single member districts. The representatives, rather, share the incentive to maximize the collective interest of the House, which is the increase of pork barrel distribution. For the collective action, they, of course, face the collective action problem (Olson 1965). In addition, even if they do not need to compete in the elections, the representatives are expected to compete for the lucrative posts in the House. The House of Representatives formed a system to mitigate these problems, by means of giving relatively strong power to the Speaker of the House, not through political parties[4].

Explaining Policy Outcome

The policy process in the Philippines is characterized by the interaction of these three institutional players who have different preferences. To simplify the logic, we do not

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[4] The Speaker of the House holds the following powers for mitigating the collective action problem and intra-House competitions. First, the Speaker appoints the chairs of committees. Second, the Speaker appoints the members of the bicameral conference committee, which negotiate with the senate counterpart on the conflicting issues in legislations. Third, the Speaker has the rights to speak and vote at all committees. Fourth, the Speaker holds the power to supervise and intervene in the management of committees through regular meetings with chairs and vice chairs. Fifth, the Speaker can influence the allotment of bills to committees through the Committee on Rules. Finally, the Speaker decides the schedule of session and priority issues. In addition, pork barrel distribution rarely creates competition among the House members, because the amount of the pork barrel allocation to each legislator is decided uniformly, and the actual release is negotiated between the president and the House leaders, or between the Department of Budget and Management and individual representatives, but not among the representatives.

distinguish between the senate and the House here. Instead, we treat the congress as one. The currently dominant arguments can be classified into the following two.

One is the "strong president" story. This view thinks that the policy process is dominated by the president who holds formal and informal superior power. The president actually holds strong constitutional power and has large discretions over the implementation of policies. The bureaucracy is also fully placed under the president's control. Such a strong presidential power is often used for explaining inconsistency of policies in the Philippines. This view claims that policies are changed every six years when the president changes. This argument further asserts that the Philippines has a barrier to further economic growth due to this policy instability (de Dios and Esfahani 2001).

The other is the "strong congress" story. This view emphasizes that the policy process is dominated by the congress. It does not mean that the congress takes policy initiatives. Instead, it asserts that the status quo is generally maintained due to the veto power of the congress. The "strong congress" story fits the argument of dominant social class. They explain that the dominant social class controls the congress, and such a class prevents the reforms which bring damages to the class interests. As typical cases, the scholars point out the failures of the land reform and the tax reform. The argument on the shift from the presidential system to the parliamentary system is developed based on this perspective. That is to say, gridlock in policy making often takes place in the Philippines due to the veto power of the legislature, and this obstructs the reforms conducive to economic growth.

The "strong president" and the "strong congress" stories are contradictory in their logic, but, both stories describe correctly certain aspects of the actual executive – legislative relations in the Philippines. It would be more comprehensive and precise if we suppose that there are two types of policy area. In some areas, the president is dominant, while in other areas, the congress controls the process. And actual policy outcome is made through the "compromise exchange" over the different policy areas. For this purpose, we can classify three policy areas, which are ordinary legislation, budget making and implementation, and ordinary policy implementation.

The congress is dominant in general legislation, because the president has no power to introduce bills or intervene in the session. Moreover, the president is only given the package veto power, but not the partial veto. The degree of presidential intervention is limited.

On the other hand, the president can control the budget making and implementation. First, the president has the exclusive power to introduce the budget proposal to the congress. Second, the congress is not allowed to amend the budget proposal to exceed the total amount of the presidential proposal. Third, the president can exercise the partial veto aside from the package veto on the budget bill approved by the congress. The partial veto allows the president to amend the budget virtually at the final stage. Finally, the Presidential Decree No. 1177, which provides automatic appropriation of the expenditure for the debt service, augments the presidential power[5]. The congress, especially the House of Representatives, seeks to increase the allocation of pork barrel funds within the ceiling imposed by the president. The target for additional funds is always the debt service. The congress underestimates the debt repayment and attempts to take away its funds for pork barrel items. The ban on the amendment of the debt service causes difficulty for the congress in securing additional sources for fund transfers. In addition to these powers in the budget making process, the president also has the power to change the budget at the implementation phase. Actual fund release is controlled by the president through the Department of Budget and Management. The congress occasionally tries to insert the rules to provide the congress with the authority over the fund release, but these rules are deleted by the presidential veto.

As for the ordinary policy implementation, the president monopolizes the power. The regulatory power is under the sole jurisdiction of the president. The president issues executive orders for this purpose under the mandate of the statutes.

The president's legislative powers are listed in Table 3.

[5] The Presidential Decree No. 1177 was enacted by President Ferdinand Marcos under his authoritarian rule. The decree has statutory effects. The decree can be amended or repealed in the same procedure for ordinary statutes. To date, however, the decree has not been amended or repealed.

Table 3 Legislative Power of the President

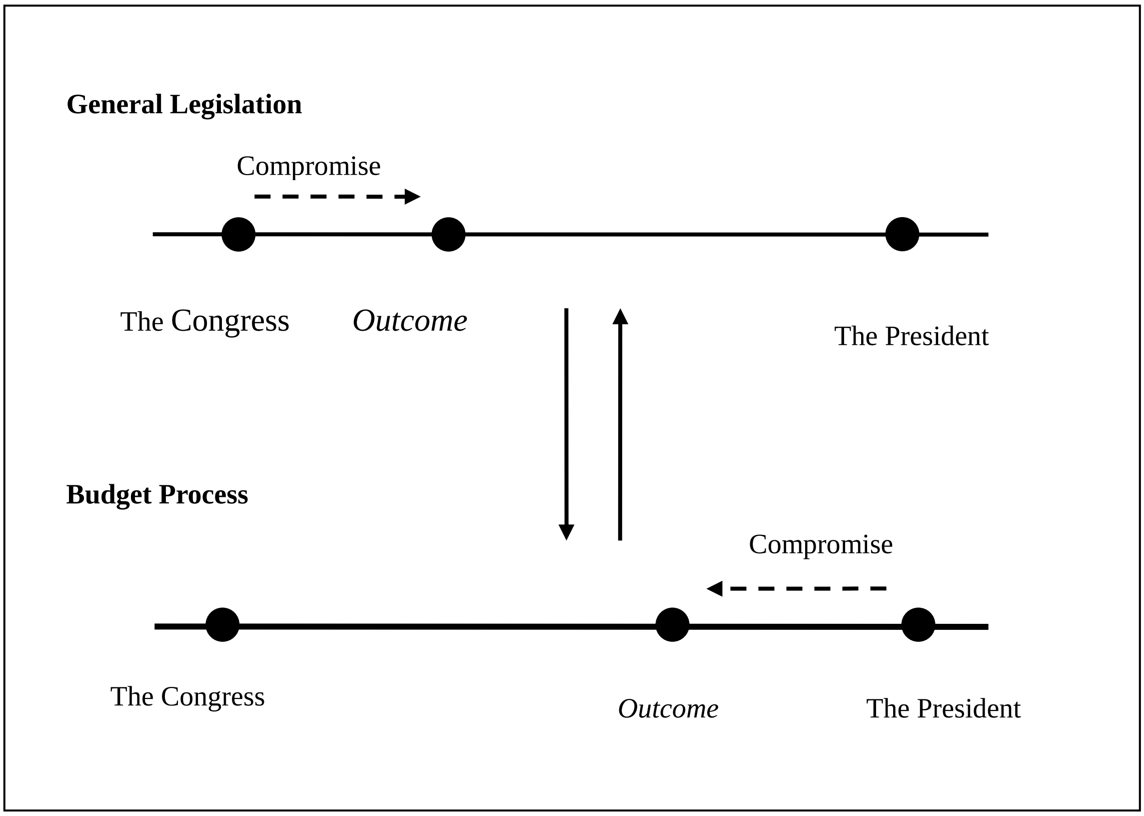
Power	Yes or No
Package Veto (Reactive)	Yes (Override by 2/3 of the congress)
Partial Veto (Reactive)	Yes (Only for budget and tax measures)
Decree (Proactive)	No (Executive orders within the mandate of statutes)
Exclusive Introduction of Bills (Proactive)	No (Except for budget proposals)
Budget Enactment (Proactive)	Yes (Exclusive introduction and ceiling)
Referendum	No
Dissolving the congress	No

(Source) Author.

Bargaining arises due to the reverse power balance between the president and the congress in the ordinary legislation, the budget making/implementation and the ordinary policy implementation. As a precondition for bargaining, the president and the congress need to have different preferences in each area. In the general legislation, the congress usually prefers the status quo, while the president prefers to leave the status quo, especially in economic issues. In contrast, for the budget process, the president prefers to restrain the expenditure, while the congress, particularly the House of Representatives, prefers to obtain more allotment for their local projects, which eventually leads to expansion of the expenditure.

Since the ordinary legislation is technically independent of the budget process and policy implementation, the decision making seems to proceed as if they are not related. The compromises, nonetheless, are made and exchanged across the different areas, and such bargaining as a whole decides the final outcome.

Figure 1 Interaction between Two Policy Areas



(Source) Author.

The president provides compromises in the budget process in order to obtain the compromise from the congress in the ordinary legislation. The congress cooperates with the president on the legislation of the president's initiative, to gain the further allocation in the budget. Figure 1 shows this type of interaction across the different areas. If the ordinary legislation is independent of other policy areas, the congress can easily realize its preference. In the same way, if the budget process is decided without any connection to other areas, the president's ideal point would be the final outcome. In the actual process, the final outcomes in the respective areas are brought relatively closer to the rival's ideal point. We can say that this pattern is made possible by the interaction between the compromises across the different areas.

As we have seen, the president has no power to propose a bill at the congress. But he can allow his allies in the congress to file a bill, and certify it as an administration certified bill or priority bill for fast enactment. On the other hand, the congress desires increase and fast release of pork barrel funds. In this situation, enactment of the president's priority bills and allocation/release of pork barrel funds are expected to be interconnected.

In fact, the local media often reports that the president releases the pork barrel funds to have his priority bills approved by the congress. In this sense, the "compromise exchange" is not a new finding. Nonetheless, the exchange of the budget allocation and legislation of priority bills are usually discussed in the context of the "strong president" story. The president is perceived to be able to control the congress through budget management. But, emphasis on the president's control is one sided, because the president is also pressured to give some concessions to the congress in both the legislation and budget process. This could be interpreted as the congress exercising its influence through its veto power in legislation.

Importantly, the weak party discipline is the precondition which makes the "compromise exchange" possible. Strong party discipline sometimes strengthens the president's control over the congress, because the president is usually the leader of the dominant party. But, at the same time, the opposition also becomes cohesive. If the congress is dominated by the opposition, the divided government emerges. If the party discipline is weak, the president may have a chance to let the opposition members shift their affiliation or at least to cooperate with his policy initiatives through negotiation.

For example, in the 12th congress (2001-2004), the Speaker of the House who was close to the president was supported by 91.8 percent of the total members of the House in the election of the speakership. Also in the 13th congress (2004-2007), the president's ally was supported as the Speaker by 80.9 percent of the total members. When we look at this pattern, we can say that it is less possible to have a divided government in the Philippines after 1986. The president usually has collaborative relations with the majority of the House. Nonetheless, such an ad hoc coalition may be costly to the president, because the president needs to provide resources to the congress every time an important issue is on the agenda.

To examine the theory above, we will take a look at the legislative performance and budget distribution in the next section.

EXAMINING POLICY OUTCOMES

Legislative Performance

If the "compromise exchange" enables the president to legislate his preferred policies, the enactment rate of the president's priority bills becomes higher than without such exchanges. The ideal examination method is to compare the enactment rate of the president's priority bill with the "compromise exchange" and that without the exchange. This is actually impossible because we cannot control the "compromise exchange." We, therefore, compare the enactment rates of the president's priority bills and those of ordinary bills assuming that ordinary bills are not supported by the "compromise exchange".

Table 4 indicates the enactment rates in the post-democratization congress (1987-2004).

Table 4 Enactment Rates at the House of Representatives

Congress/Administration	National Application	Enactment Rate	Local Application	Enactment Rate
8th / Aquino (1987-1992)	191/5,237	3.6%	809/30,183	2.7%
9th / Ramos (1992-1995)	156/3,184	4.9%	306/11,448	2.7%
10th / Ramos (1995-1998)	147/3,785	3.9%	393/6,766	5.8%
11th / Estrada (1998-2001)	67/4,197	1.6%	348/8,738	4.9%
12th / Arroyo (2001-2004)	89/2,920	3.0%	84/3,764	2.2%
Total	650/19,323	3.4%	1,940/60,899	3.2%

(Source) The House of Representatives.

On average, the enactment rate of national application bills is 3.4 percent, while that of local application bills is 3.2 percent[6]. Bills hardly survive.[7]

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6 National application bills are applied nationwide. Economic reform bills are included in this category. On the other hand, local application bills are applied limitedly to certain areas. These are, for example, bills for specific facilities.

7 In addition, the rates of presidential veto against the bills are: 3.9 percent in the 8th congress, 8.0 percent in the 9th congress, 3.1 percent in the 10th congress and 4.8 percent in the 11th congress. These figures include the partial vetoes against the general appropriation acts. We can observe the tendency that the veto is more exercised against local application bills.

Compared with these average rates, the president's priority bills are enacted at higher rates. Table 5 shows the data on the president's priority bills in the 8th and the 12th congresses.

Table 5 Enactment Rates of President's Bills at the House of Representatives

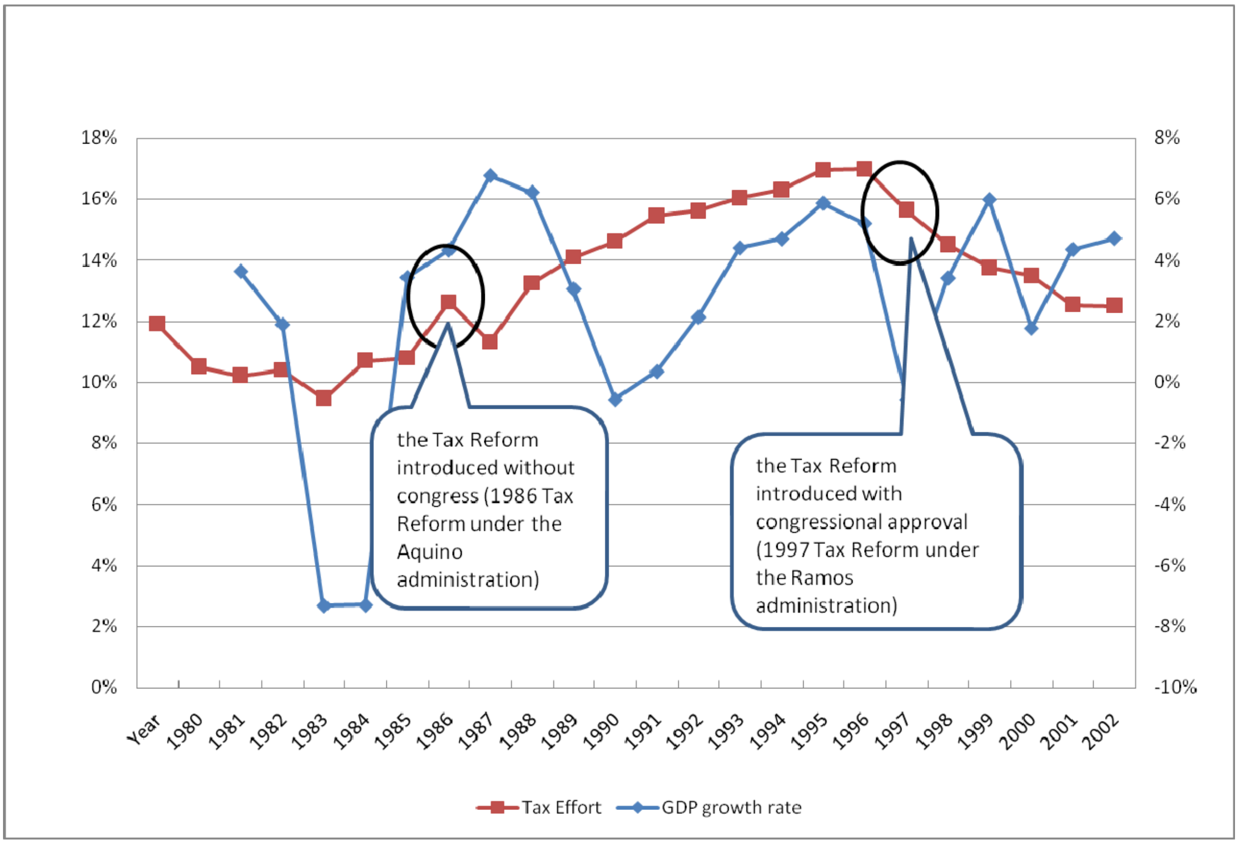
Congress / Administration	President's Priority Bills	Enacted Bills among President's Priority Bills	Enactment Rate
8th / Aquino	93	54	58.1%
12th / Arroyo	20	8	40.0%

(Source) The House of Representatives

Since not all the president's priority bills are approved by the House, it seems that the president's influence over the congress is not perfect. But, considering the legislation results, it is possible to say that the president's policy initiatives are relatively supported by the House.

Here is a problem in measurement. The enactment rate does not completely indicate how the president's preference is realized in legislation. If the congress imposes essential amendments to the bills, the president's policy plan may be virtually scrapped.

Figure 2   Two Tax Reforms and Tax Effort



* Tax effort here means the ratio of tax revenue to nominal GDP. The left vertical axis indicates the tax effort, while the right vertical axis shows the real GDP growth rate.
(Source) Department of Budget and Management, National Economic and Development Agency.

Tax reforms are often discussed regarding legislative “distortion” on the president’s initiative. The Philippines had two major tax reforms after the democratization. One was introduced under the Aquino administration in 1986 just after the democratization. At that time, the congress was not yet convened, and the reform was brought by the presidential power only, through the executive order. Another reform was enacted under the Ramos administration in 1997. This second tax reform needed to go through the ordinary legislative process at the congress. Figure 2 shows the ratio of tax revenue to the nominal GDP (tax effort). This figure casts a simple picture that the tax effort increased after the first tax reform under the Aquino administration, but declined after the reform under the Ramos administration. In other words, when there was no congressional intervention, tax effort went up. But tax effort went down when there was an intervention. Although tax reform is not the sole cause for fluctuation of tax effort, it is still a major factor. It is natural to assume both President Aquino and President Ramos had the same goal for the tax reforms, which is revenue expansion. Based on this assumption, it is plausible to say that the effects of tax reforms are affected by the congress that prefers a lower tax rate. The president was forced to give concession even though he could enact the tax reform.

From the number of enacted bills, we find that the congress gives concession to the president. But we need to examine the content of the enacted bill to check how much the bills were modified. In this sense, we still do not know completely if the congress really made compromises to the president.

Budget Control

The outcome of the budget process shows a different trend as compared with ordinary legislative processes. Table 6 shows the comparison of the presidential budget proposals and the enacted budgets from 1995 to 2005.

Table 6　Presidential Proposals and Final Budgets

Fiscal Year	Total Amounts of the Presidential Budget Proposals	Enacted Budgets	Changes（%）	The Ratio of Government Expenditure to GDP as of Session for Budget （%）
1995	390.9	382.2	-2.25	+1.0
1996	404.5	394.4	-2.50	+0.6
1997	476.2	493.4	+3.61	+0.3
1998	540.8	565.3	+4.53	+0.1
1999	579.5	579.5	0.00	-1.9
2000	650.0	629.0	-3.23	-3.8
2001	725.0	Not enacted	***	-4.0
2002	780.8	780.8	0.00	-4.0
2003	804.2	804.0	-0.02	-5.4
2004	864.8	Not enacted	***	-4.6
2005	907.6	907.6	0.00	-3.8

* 1 billion pesos.

(Source) Author, based on the Business World articles in CODEX.

This table indicates that the ceiling imposed by the president is strictly maintained if the current fiscal balance worsens. But, the ceiling is broken if the budget has surplus. As mentioned above, the constitution prohibits the budget bill amendments to increase the total amount over the presidential proposal. The presidential ceiling was, nonetheless, neglected twice under the Ramos administration. This happened as a result of the combination of automatic appropriation of the debt service and the presidential partial veto. In these two years, the congress projected optimistic economic performance and estimated the reduction of debt service based on the favorable exchange rate. The congress, then, transferred funds from the debt service to local projects, and increased the funds allocation which they preferred. This move was not considered unlawful since the total amount of revised budget did not exceed the presidential proposal at this point. The president, however, exercised partial veto on the debt service after the congress passed the bill. The initial amount based on the automatic appropriation scheme was revived, and pushed up the total amount over the ceiling (Gutierrez 1998).

The budget surplus forms the background to this “trick” to make the budget expand. The president did not strongly intend to prevent this “trick” under the good fiscal condition. In this sense, such budget expansion was the president’s compromise to the congress. But as the budget condition worsened and the president could not tolerate the budget deficit, the ceiling was strictly imposed. Supported by the constitutional provision, control over the total amount seems to work well.

The congress sabotages the session when the president controls the budget process. The budget was not enacted sometimes, or the process was terribly delayed. The president, hence, is not free to control the budget making. Especially, the president has difficulties in abolishing or slashing the pork barrel funds, because such an act causes serious damages to the members of the congress. The representatives, in particular, resist the reduction of pork barrel allocation. The failure of President Estrada’s attempt to abolish the pork barrel was a typical case of the strong resistance from the congress.

President Estrada promised, during his campaigning for the 1998 presidential election, that he would totally abolish the pork barrel funds. As he promised, he did not include items for the pork barrel in the 1999 fiscal year budget proposal. But, ultimately, President Estrada was forced to compromise and approved the budget amendments to revive pork barrel. In the following year, President Estrada tried to impose constraints over the areas where pork barrel funds could be used. Moreover, the President did not allow fast release of pork barrel funds in the running appropriation. Such constraints and delay in release triggered again the protest of the House of Representatives. The President finally exercised partial vetoes on 52 items of the congress approved budget. Again, for the 2001 budget, the delayed release of pork barrel funds incurred anti president sentiment in the House of Representatives, and this eventually stopped the session. The congress, at that time, was busy with the impeachment trial against President Estrada, and could not enact the appropriation act.

In sum, the president’s constitutional power over budget making basically works for fiscal discipline. But, as the deficit becomes serious, the president has less room for compromise to the congress. The president and the congress also face serious conflict in the budget making process. Gridlock in policy making may also take place, because the president loses the bargaining power in ordinary legislation.

Institutions for Interest Coordination and Pork Barrel Politics

In order to facilitate the "compromise exchange" between the president and the congress across the different areas, they need a place for negotiation. This is the institutions for interest coordination. The Legislative Executive Development Advisory Council (LEDAC) and the Presidential Legislative Liaison Office (PLLO) function for this purpose[8]. The LEDAC is the place where the president, cabinet secretaries and leaders of the congress meet together and discuss the legislative agenda. The PLLO, on the other hand, is a part of the Office of the President. The PLLO has offices at the senate and the House, and lobbies the legislature on a daily basis for passage of the president's priority bills.

These institutions for interest coordination among institutional players play a crucial role where political parties are less cohesive and do not work for interest aggregation. The interest coordination is backed by the pork barrel funds. The origin of the pork barrel funds after the democratization was regional development funds under the Aquino administration. These funds are reorganized into two types under the Arroyo administration, namely the Priority Development Assistance Fund (PDAF) and the funds under the Department of Public Works and Highways (DPWH). Each member of the congress (senator and representative) is given a fixed amount of allocation. Table 7 summarizes the pork barrel funds in 2002 and 2003 budgets.

Table 7 Pork Barrel Funds in 2002 and 2003 Budgets

		PDAF	DPWH	Total
2002	Amount of Pork Barrel (Share in Total)	4,979	13,886 (29.1%)	18,864 (2.5%)
	Total		47,632	742,022
2003	Amount of Pork Barrel (Share in Total)	6,168	13,387 (25.1%)	19,555 (2.4%)
	Total		53,312	825,113

(Source) Department of Budget and Management.

[8] Additionally, the Bicameral Conference Committee is also important for coordination between the senate and the House of Representatives.

Each congressman identifies the projects that he wants to implement. After such identification, the departments concerned will work on them. For fund release, the Department of Budget and Management issues the permit for fund release considering the condition of the national coffers. Although the budget and management secretary has jurisdiction over the permit issuance, the president can influence the release through the budget and management secretary, reflecting on the issues in the legislative process.

Measuring the “compromise exchange”, nonetheless, is difficult either quantitatively or qualitatively. Checking the correlation between the pork barrel fund release and legislators’ behavior (e.g. voting in the session for the president’s priority bills) seems an appropriate examination for such exchange. Unfortunately, the data on roll call vote, which is considered to indicate the legislators’ behavior, does not reflect the exchange precisely, at least, in the Philippines. Furthermore, the compromises are exchanged not only between the pork barrel and the passage of bills, but also through other issues. Considering such conditions, it seems difficult to present significant correlation[9]. The local media, however, often reports the bargaining between the president and the congress through pork barrel distribution, and the probability of “compromise exchange” is quite high. For example, Gutierrez (1998: 77-79) reports that the congress approved the 1994 expanded value added tax reform on the condition that the president releases the funds of the Congressional Initiative Allocation (CIA), which is also pork barrel. I also confirmed the bargaining through pork barrel in my interview with an official in the congressional secretariat[10].

CONCLUSION

In general, the presidential legislative power in the Philippines is at the middle level. But if we take a closer look at the power, we find “compromise exchange” deriving from the structure in which the superior player changes depending on the policy areas. The “compromise exchange” forms the policy outcomes in the Philippines. This is the key in this paper. As a precondition, it is important that the political parties are less cohesive in the Philippines. It enables the president to placate the opposition in the congress, and it eventually prevents a rigid divided government.

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[9] Kawanaka (2008) tries to test the correlation, but does not find evidence to support such correlation directly.

[10] In the interview, it was also mentioned that the timing of fund release was important, in addition to the amount.

Such a weak party system is formed through the situation that political candidates win the elections by means of their personal votes instead of the party support. Each candidate can secure his political machine because his respective bailiwick is geographically limited in the single member district. The presidential system also weakens the party as the election of the executive is separated from those of the legislature. When we consider the preference of the House of Representatives, the representatives share the same preference among their colleagues, but not with the president even if he is the party leader. On the other hand, the opposition party faces the same problem of weak discipline. The members of the opposition easily shift their position depending on the concessions which the president provides. If we suppose a counterfactual whereby the political parties were more cohesive in the Philippines, the expected result would be that the president's party and the opposition tend to have rigid conflict and a divided government emerges more often. The president would have difficulty in appeasing the opposition and making them collaborate with his policy initiative. In short, weak political parties are one of the main causes of this "compromise exchange."

Considering the "compromise exchange," the case of the Philippines implies that the interaction of the power of each player should be taken into account in addition to measuring the strength of the power itself. How do the presidential powers in different areas complement each other? How do the partisan powers affect the constitutional design? Is there an endogenous mechanism between the constitutional and partisan powers? These are future prospective research questions.

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