

Dreams of Upheavals and The House of de Venecia

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The impeachment season is finally over

The number of opposition congressmen has dwindled. There are no more than forty of them now compared to the 79 congressmen needed in the past to transmit an impeachment complaint direct to the Senate.

Members of the Liberal Party, which is going through a reconsolidation, will no longer be available for the impeachment project. The LP has allied itself with the administration congressmen supporting the KAMPI candidate for the House Speakership. There is of course political benefit to be had from this return to the trapo fold. Even if Garcia fails to unseat de Venecia, LP's Mar Roxas can look forward to the Garcia clan's support in Cebu province. This is just one example illustrating how the campaign for the 2010 presidential elections has already started and how it may be closing off options for impeachment and other opposition projects.

The pro-impeachment opposition minority may even see its prerogatives in the committees slip away. If the matter of the Speakership comes to a formal vote, instead of being settled through backroom negotiations and through the intervention of the President, then the majority as well as the minority positions in the House will be given to administration congressmen. Such a situation is even better perhaps for a president fearful of platforms and entry points that the opposition can use.

All of the above is probably now classifiable as conventional knowledge.

New Political Focal Points

Lakas and KAMPI will probably part ways, one gets this sense from the acrimonious tone of the campaign for the House Speakership. This uncivil tone is quite unusual among the big boys. There were allegations, for instance, that the Garcia at the GSIS has been using resources of his office in the family's bid for the Speakership. In turn, Garcia's publicists are trying to imply that de Venecia may have exerted undue influence over government agencies in the bidding for the national broadband network contract.

Members of the administration coalition may be in the process of disentangling themselves from each others' embrace because the factor that brought them together is expected to start losing its pulling power. Gloria Macapagal-Arroyo remains important to traditional politicians because this is post-election cost-recovery season, she possesses the power of the public purse, and government finances have improved compared to previous years. Government finances may also improve further if the economic growth translates into significant increases in the tax take from the real sector (e.g., from the Bureau of Customs). But she can no longer be the only point of reference. Increasingly, the points of reference in the coming months will be the potential coalitions that are seen as capable of launching a strong candidate in 2010 for the presidency.

More will be seen of the LP and of the NP, both of which already have well-known presidential

contenders – perhaps more congressmen will transfer to these two parties. The shift to a parliamentary arrangement will, however, remain attractive for the politicians of LAKAS and KAMPI (de Venecia and Puno) who imagine themselves as possible future prime ministers. The shift to a parliamentary system, and a derailment of the 2010 presidential elections, will remain attractive to Gloria Macapagal-Arroyo if she figures that she could be jailed after she steps down. The possible re-opening of the “Hello Garci” probes in the Senate and by the COMELEC is keeping the situation fluid [1].

To be sure presidentiables Lacson, Roxas, Villar and Legarda will not want the president to be impeached at this time for the simple reason that none of them would want to be competing against an incumbent Noli de Castro.

Self-preservation for a weakened presidency

No president would want to be a lame-duck, especially not someone who emerged bloodied and vulnerable from two years of mortal combat. Having made the opposition nearly irrelevant in the Lower House after the mid-term elections may have soothed the president’s nerves, but it is really only the just who can have a restful sleep. The “Hello Garci” investigations, if they resume, carry with them the prospect of new witnesses — supposedly three generals and, possibly, even Mr. Bedol.

What would work best for Gloria Macapagal-Arroyo is if such investigations were terminated. To do this she will have to mobilize owners of local election banks to influence presidentiables, who in turn would be able to influence heads of committees doing the investigations.

The power of the purse is one of the most potent among the powers that Gloria Macapagal-Arroyo can deploy; and of all past presidents she has probably been the most adept at using the presidential fiscal powers. The focus of the 2006 SONA on the mega-projects in the regions testifies to her intentions of deploying these fiscal powers. She will want to deliver on those projects because of the many debts that she has accumulated when she mobilized governors against the attempts to impeach her and in the course the effort for a parliamentary shift.

These debts piled up further when in the run up to the May 2007 elections Malacanang asked many local politicians to stand down so that governors, congressmen and city mayors would run unopposed by other local heavy weights [2]. Most local seats for instance were uncontested in the district of Simeon Datumanong.

These political debts and her need to continue to influence national politicians via local channels is something that needs to be watched.

The ongoing effort to alter the rules on build-operate-transfer schemes is a key component for further strengthening the already formidable financial prerogatives of the presidency. This is a parallel budget and public fund disbursement process that the executive has carved out for itself. It is a process that has been creating huge public sector fiscal deficits over the past decade, on top of the deficit arising from the expenditures authorized through the national budget. The change of rules aims to remove the monitoring and technical screening role of the NEDA secretariat over BOT projects. It is also aimed at removing the need for the multi-department deliberation by the NEDA-ICC (Investment Coordinating Council) for the approval of large BOT projects. A new era of wealth creation for BOT proponents and their contractors will surely be ushered in by this weakening of regulatory controls. Former NEDA chief Dante Canlas warned recently that the loss of transparency, accountability and checks in the BOT process could set off the next debt crises. The beneficiaries would be the local non-Metro Manila elites who would be charged with administering the mega-projects that will be financed via a blend of private and public money.

A Weaker de Venecia to Push for a Stronger Congress?

Jose de Venecia will probably still win out as Speaker of the House. He remains unrivaled in his ability to cut deals, to make promises with congressmen and to deliver on these. The petering out of the cabinet revamp means that de Venecia's ally, Mr. Puno of KAMPI, continues to have significant bargaining leverage with Malacanang, even if he may no longer be seen as being a reliable political operator and ally.

De Venecia knows that the shift to the parliamentary system is still an option that the president needs to keep alive, which is why he talked about it right after the elections. But he knows that this is hardly the time for that, which is why he put it on hold. He also knows, however, that if public opinion continues to be against Gloria Macapagal-Arroyo in the next two years the Cha-cha project will need to be resurrected.

In the mean time De Venecia will be a much-less powerful Speaker of the House. It is highly plausible that Gina de Venecia was indeed extremely impertinent before the president at around the time of the State-of-the-Nation-Address in 2005. The story goes that madam de Venecia was berated the president when she discovered that a timeline for the shift to the parliamentary system was not part of the final SONA draft speech. Because of the impeachment threat de Venecia was in a position then to operate behind the scenes — to turn the tide for or against impeachment. De Venecia's role as political fulcrum has disappeared with the fading away of the impeachment threat. De Venecia's bargaining power has diminished after the administration victory has made the pro-impeachment opposition minority basically irrelevant.

Even if de Venecia becomes House Speaker again the president's party KAMPI may well turn out to be more influential through its access to the president and through the president's power to withhold pork barrel. De Venecia could be Speaker but KAMPI political operators will be the puppet masters.

De Venecia as Advocate for "A Better Pork Barrel System"

Therein lies a unique opportunity. The President's informal control over the pork barrel funds of the congressmen is perhaps the most important reason for the inability of Congress (and of leaders like de Venecia) to come to its own.

There may be this one-time convergence of interest between civil society organizations and the LAKAS party of de Venecia in reforms that would alter the balance of the relationship between the executive and the legislature, in favor of the latter. Aside from taking back the power of oversight e.g., by strengthening the NEDA-ICC as a regulatory agency it is possible to strengthen the power of Congress by reforming the pork barrel system.

Such a reform of the pork barrel system can have two key components:

1. **Anti-impoundment** — increase and automatic release of pork barrel funds. In the US this kind of reform required that approved budgets be treated as "mandatory budgets" and the president may withhold spending only with the permission of the legislature. One does not have to change the charter to implement such a change. Majority of congressmen including the opposition will probably support this, except for the KAMPI leaders. So will the Senate. This will reduce Malacanang's power to set agendas, to dictate outcomes and to periodically orchestrate coherence in congressional deliberations. More independent voices will certainly be heard if individual legislators are not under the thumb of the executive, the separation of powers will certainly have a greater chance of being realized.

2. LGUs choose. The allocation of pork barrel funds will not be for specific projects. Funds will be allocated to specific local governments and government agencies that have gone through the process of investment prioritization and already have their list of project priorities. The LGUs and government agencies will be in full control not only of project identification but of the entire procurement process, making full use of check and balance and transparency mechanisms within LGUs as well as those provided in the procurement act. The Regional Development Council of Region six has already written a resolution asking the DBM and Congress to follow this principle. Of course, congressmen can still put up bill boards that give them credit for PDAF-funded projects.

The reform of executive-legislative relations will have important long-term consequences. At its core it is about mobilizing Congress as an institution of horizontal accountability against a presidency that in the past has proven capable of overwhelming all other institutions without exception.

Realizing his reduced bargaining power, the cracks in the administration coalition and seeing no LAKAS presidential contender on the horizon, de Venecia may have to think about Plan B. It will be difficult to re-launch the discredited charter change project of abolishing the Senate and then merely converting what is now the House of District Representatives into the national parliament. The coalition that will pursue that option is presently out of reach because key players are looking expectantly towards 2010 and they would not want to rock the boat that will bring them to that shore.

Plan B may well have to be the project of clipping the inordinate prerogatives of the presidency so that Congress, now and in after 2010, might become relatively more powerful even if it does not become the center of the political universe. From this we might see the inadvertent coming of age of the Philippine legislature.

Surely that is not a formula for national deliverance. But it can be pregnant with possibilities for everyone, including de Venecia, whose dreams of upheavals have ended with the closure of the impeachment season.

P.S.

* From IPD website.

Footnotes

[1] Short of impeachment these investigations can be used by advocates for electoral reforms. The presidentiables will probably want to join in the fray in aid of real electoral reform legislation.

[2] EWSBREAK informants - operators of Malacanang - said before the elections that the more aggressive Dagdag-Bawas operations would only be carried out in provinces where there are no strong local candidates contesting seats against administration candidates. The reasoning was that where there are strong local contenders, each with a sizeable contingent of poll watchers and election lawyers, Dagdag-Bawas operations for the Senate slate would be difficult and risky to implement.