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Constitutional Modernization in the Philippines: A Case Study on Lowering the Vice President's Eligibility Age and Liberalizing Foreign Corporate Ownership

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Abstract

The Philippine Constitution of 1987 enshrines safeguards for democracy and national sovereignty. However, evolving demographic and economic conditions challenge its capacity to address emerging governance needs and global competitiveness. This case study examines two proposed constitutional amendments: (1) reducing the minimum eligibility age for the Vice President from 40 to 35 years old, and (2) increasing allowable foreign corporate ownership from 40 percent to 60 percent. Using a qualitative case study approach, the paper synthesizes comparative constitutional practices, economic performance data, and governance theories to assess the viability of these reforms. The study concludes that these amendments would broaden leadership opportunities, strengthen democratic representation, attract foreign investment, and align the Philippines with regional integration goals—while maintaining adequate safeguards through subsequent legislation.

Keywords: constitutional reform, foreign direct investment, youth leadership, governance, Philippines, ASEAN integration

Introduction

The 1987 Philippine Constitution is widely celebrated for restoring democracy after authoritarian rule. It institutionalized checks and balances, civil liberties, and provisions protecting national patrimony. Yet, as the Philippines confronts rapid demographic shifts and intensified economic competition, some constitutional provisions have become structural constraints rather than enablers of progress.

This paper focuses on two proposed constitutional amendments: (1) Lowering the minimum age to run for Vice President from 40 to 35 years old, and (2) Allowing up to 60% foreign ownership of corporations. These reforms represent political modernization and economic liberalization, both of which are critical to long-term national development.

Literature Review and Contextual Framework

Studies show that younger leaders often introduce reform-oriented policies, technological innovation, and participatory governance (Norris & Inglehart, 2019). Global examples include Emmanuel Macron (France, age 39), Jacinda Ardern (New Zealand, age 37), and Gabriel Boric (Chile, age 35). In the Philippines, a predominantly young population—over 50 percent under age 30 (Philippine Statistics Authority, 2023)—underscores the urgency of intergenerational leadership transition.

According to the World Bank (2022), the Philippines lags behind ASEAN neighbors in FDI inflows, partly due to constitutional restrictions that cap foreign ownership at 40 percent. Vietnam, Malaysia, and Indonesia have liberalized equity rules, resulting in higher capital inflows and industrial upgrading. Economic literature emphasizes that FDI promotes technology transfer, productivity gains, and market diversification (Borensztein et al., 1998; Alfaro et al., 2004).

Comparative research indicates that rigid constitutions can hinder adaptation to global trends (Ginsburg & Melton, 2014). Amendments related to political eligibility criteria and foreign investment are common in states transitioning toward open-market policies while preserving sovereignty (Elkins et al., 2009).

Methodology: Case Study Approach

This study adopts a qualitative case study methodology to evaluate the two constitutional reform proposals: (a) reducing the eligibility age to run for vice president to thirty-five years, and (b) allowing foreign ownership of corporations up to sixty percent. A qualitative case study is particularly suited for addressing “how” and “why” questions in governance reform because it enables an in-depth, context-sensitive examination of the interplay between legal frameworks, institutional dynamics, and socio-economic outcomes (Yin, 2018). Rather than testing a single hypothesis, this method illuminates the complex motivations, constraints, and consequences that surround constitutional change, offering nuanced insights that purely quantitative approaches may overlook.

The analysis draws from three complementary data streams. First, primary legal documents, such as the 1987 Philippine Constitution and legislative records of prior amendment initiatives, provide the formal legal basis and historical trajectory of constitutional change. These sources clarify the doctrinal and procedural hurdles to amending the Constitution and reveal patterns in previous reform efforts. Second, secondary sources, including World Bank and OECD investment reports, Philippine Statistics Authority (PSA) demographic data, and scholarly literature on youth leadership and foreign direct investment (FDI), ground the study in empirical evidence and policy research. These materials help assess whether lowering the age requirement can realistically broaden leadership pipelines and whether liberalizing corporate ownership rules can enhance capital inflows without undermining national interests. Third, comparative analysis examines constitutional provisions from ASEAN neighbors and OECD economies that have adopted more flexible age thresholds for high office and more liberal investment regimes. This regional and global benchmarking highlights best practices and potential trade-offs, showing how constitutional design can be calibrated to foster both political inclusivity and economic competitiveness.

Findings and Discussion

A. Lowering the Minimum Age to Run for Vice President

Article VII, Section 3 of the 1987 Philippine Constitution requires both the President and the Vice President to be at least forty years old on election day, whereas Senators are only required to be thirty-five years old (Article VI, Section 3). This age disparity limits opportunities for capable younger leaders who may already meet the maturity, experience, and public service credentials expected of national office. Lowering the minimum age for vice-presidential candidates to thirty-five would have several significant benefits.

First, it would expand the leadership pipeline by enabling highly qualified individuals from younger generations—many of whom have demonstrated competence in public administration, law, entrepreneurship, and civil society—to participate in executive governance earlier in their careers. This would reduce reliance on a narrow political elite and promote meritocratic competition.

Second, it would improve demographic representation. The Philippines is a young nation, with a median age of around twenty-five, yet its highest offices are structurally reserved for older cohorts. Aligning age requirements with population demographics can increase voter engagement, giving younger citizens candidates who reflect their aspirations and priorities.

Third, it would harmonize the Philippines with international norms. Many established democracies—including those in ASEAN, Europe, and the Americas—allow candidates younger than forty to run for executive office. Comparative constitutional analysis shows no adverse impact on governance quality when age thresholds are lowered.

Finally, no credible risk to political stability is apparent. Age, by itself, is not a guarantor of wisdom or sound decision-making. Safeguards such as elections, vetting by political parties, and constitutional checks and balances ensure that only candidates with broad public support and competence succeed. Lowering the age requirement for vice president does not weaken these safeguards; rather, it democratizes access to high office while maintaining institutional stability.

B. Allowing Foreign Ownership of Corporations up to 60 Percent

Article XII, Sections 2 and 11 of the Philippine Constitution limit foreign ownership in corporations to forty percent, reserving at least sixty percent equity for Filipino citizens or entities. While these provisions were designed to protect national patrimony and ensure domestic control over strategic industries, they have also constrained capital inflows, limited technology transfer, and discouraged large-scale foreign direct investment (FDI) relative to regional peers. Allowing up to sixty percent foreign ownership would better align the Philippines with modern investment frameworks while retaining strategic safeguards.

First, such reform would enhance economic competitiveness. By removing rigid barriers to capital participation, the Philippines could attract multinational firms and investors seeking majority control over their ventures, which often translates into greater efficiency, productivity, and global market integration.

Second, it would facilitate capital formation and technology transfer. Higher levels of foreign equity often correspond with stronger commitments to infrastructure, advanced manufacturing, and digital technologies, all of which spur domestic job creation and skills development.

Third, strategic safeguards are still possible. The Constitution and implementing laws can continue to prohibit foreign majority control in sensitive sectors such as defense, public utilities, and natural resource extraction. Clear regulatory frameworks can ensure that liberalization strengthens rather than undermines national economic security.

Finally, the reform would promote regional integration. ASEAN neighbors such as Singapore, Vietnam, and Indonesia have adopted more open investment regimes, helping them attract robust FDI inflows. Liberalizing foreign ownership rules to sixty percent would signal that the Philippines is serious about regional competitiveness and economic

modernization, making it a more attractive destination for investors in a globalized market.
Policy Implications

Mode of Amendment: Congress may pursue reforms via a Constituent Assembly (Con-Ass), a Constitutional Convention (Con-Con), or a People's Initiative.
The Philippine Constitution provides three legitimate pathways for amendment: a Constituent Assembly, where Congress proposes changes by a supermajority vote; a Constitutional Convention, where elected or appointed delegates draft revisions independently of Congress; and a People's Initiative, where citizens directly propose amendments through petition. Each mode carries unique political, procedural, and cost considerations. A Constituent Assembly is the most expedient, relying on existing legislative structures, while a Constitutional Convention is often perceived as more deliberative and less prone to partisan influence. A People's Initiative, though highly democratic in principle, faces logistical and legal challenges in gathering sufficient verified signatures. Evaluating these options requires balancing efficiency, transparency, and public trust to ensure that any constitutional reform enjoys both legal validity and broad legitimacy.

Phased Liberalization: Gradual opening of non-sensitive sectors can build public trust.
Economic liberalization, particularly in ownership rules, must be calibrated to avoid public backlash and to protect strategic industries. A phased approach enables the government to liberalize sectors incrementally, beginning with non-sensitive industries such as retail, manufacturing, and services, before moving toward infrastructure or natural resources. This gradualism helps to allay fears of economic domination by foreign entities while demonstrating the tangible benefits of foreign direct investment (FDI)—such as job creation, improved technologies, and increased tax revenues. Countries that have successfully liberalized foreign equity rules, such as Vietnam and Indonesia, did so in stages, allowing domestic industries to adapt and build competitiveness over time. A carefully sequenced framework ensures that liberalization does not undermine national security or local enterprise development.

Legislative Guidance: Post-amendment laws must specify which industries retain Filipino majority control.
Even if constitutional restrictions on foreign ownership are eased, enabling legislation will be necessary to determine sector-specific rules. Congress can enact safeguards to retain majority Filipino ownership in industries deemed vital to sovereignty and national interest—such as defense, telecommunications, and mass media—while opening other areas fully or partially to foreign investors. This approach combines constitutional flexibility with policy precision, allowing economic priorities to evolve without recurring constitutional amendments. By clearly delineating sensitive versus open sectors, legislation can prevent uncertainty that might deter both foreign investors and domestic stakeholders. Such guidance also ensures that liberalization remains aligned with national development goals, industrial policy, and security considerations.

Public Education: A nationwide information campaign is crucial to explain how these changes benefit governance and economic development.
Constitutional reform often encounters skepticism when citizens perceive changes as politically motivated or beneficial only to elites. A comprehensive public information program can build trust by clarifying the objectives, scope, and anticipated benefits of reforms such as lowering the age requirement for high office and increasing foreign ownership caps. Using transparent, evidence-based messaging—supported by economic data, leadership case studies, and regional comparisons—can dispel misconceptions and foster informed debate. Public consultations, media engagement, and academic forums should be integral to the process, ensuring that reforms are understood not as isolated legal changes, but as part of a broader strategy to modernize governance and stimulate economic growth. A well-informed citizenry is essential to securing democratic legitimacy for constitutional amendments.

Conclusion

This case study concludes that lowering the Vice Presidential eligibility age to 35 years and permitting 60 percent foreign corporate ownership are pragmatic reforms. They expand democratic choice, ensure generational leadership renewal, attract much-needed investment, and strengthen economic competitiveness while retaining necessary safeguards.

These constitutional amendments represent a balanced approach to modernization, simultaneously addressing political inclusivity and economic growth. Ratification through a national plebiscite would ensure legitimacy, while subsequent legislation would protect national interests.

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