

Privatopia

The Emergence of urban megaprojects in Metro Manila



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1 Introduction

1.1 Introduction

Large scale urban megaprojects are rapidly emerging in the Filipino capital of Metro Manila. They are developed as enclaves by powerful privately (often family) owned companies and are seldom integrated into the surrounding city. The government has lost much of its role in planning into the hands of these companies and has made itself dependent on them for city development. As parts of Metro Manila is divided, developed and governed by family companies, a modern feudal system - or as Murphy and Hogan calls it “neo-patrimonial urbanism” (Murphy, P & Hogan, T, 2014, p 10) - is emerging. This system takes its physical form in urban megaprojects.

This paper will focus on how private companies are developing megaprojects in Metro Manila. It is describing the history that has led up to today with focus on the effects of colonialism and globalization in the city. The aim is to highlight the factors that are shaping the urban environment in Metro Manila.

1.2 Urbanization

On a global scale urbanization is changing the way the inhabitants of countries are being distributed. In third world countries the development is more rapid than anywhere else as these economies are catching up on the first world.

In 2014 the major part of the global population (53%) were living in urban areas (World Bank, 2014) which makes them highly important places in which influence and democracy are needed. In 2005, eight of the ten largest cities were situated in less developed countries and Asia had the largest urban population of more than 1.5 billion people (UN Habitat, 2006).

What happens with the city development when a small elite has the power over the land?

In Metro Manila private companies are taking over the role of the local governments, having ambitions of shaping the entire city. The megaprojects are planned as complete urban entities with their own infrastructure, commercial activities, and transportation systems¹. They often have their own management, codes, regulations, and security forces, set up by the companies. This stands in strong contrast to e.g. Sweden where private companies are contracted to construct various projects, and the municipalities and the city have the responsibility for overall planning and management.

1.3 Global impacts on Metro Manila

Many of the mega cities in the third world are formed by a 'global city-region' development. This includes a global market production, low cost sites as well as a centralization of corporate functions. In the case of Metro Manila the city itself as well as the five surrounding provinces is in focus of foreign direct investment. Here you can find more than half of the country's GDP² and 20% of the country's population. This concentration of capital and the impacts of globalization on Metro Manila are leading to influence by foreign private investors as well as foreign architects and planners and is part of the story of the cities privatization

¹ One example of this that has been seen by the author is the banning of tricycles (the poor people's taxi) in the urban megaproject Makati.

² GDP Gross domestic product is a monetary measure of the value of all final goods and services produced in a period (quarterly or yearly).

(Shatkin, 2008). There is a history of new towns being created by foreign planners in many third world countries e.g. Malawi, Nigeria, and Brazil. In many cases the local factors, traditions, way of living etc. were neglected to implant western city ideals (Jenkins et al, 2007). This pattern is repeating itself with the urban megaprojects, as they also seldom consider the localities and what's surrounding them.

But other factors have also had its role in how Metro Manila and The Philippines look today.

2 Literature Review

2.1 Colonial Heritage

The Spanish colonialists enforced a plantation-based economy that led to the forming of a landowning upper class. Their privilege was later inherited mainly by mestizo³ Chinese merchants. After the Spanish, the Americans came to take over the role as colonial masters and during the first half of the 20th century they created an electoral democracy. But this was done in a way that the same people still maintained elite political control. It allowed the landowning family's to keep their power by dominating electoral post in the local politics as well as in the parliament.

For ex-colonies it became of highest importance to urbanize quickly and improve their economic growth to catch up with the first world. The common perspective was that urbanization was a good basis for centralizing and linking industry and economy together (Jenkins et al, 2007). In 1965 The Philippine administration financed large infrastructure projects with foreign money, but in 1980 the economic situation worsened as the country sank into a recession. When former dictator Marcos was overthrown in 1986 the new democracy was forced to pay more than 40% of the country's national budget to the old creditors. This had a large effect on the country's ability to direct its own economy.

When the Japanese yen increased in value in the 1980's the Philippines was not able to react to the opportunities. The country was unattractive for foreign investors and was not like other

³ A word mainly used in Latin America and the Philippines to describe a person of mixed native and foreign descent.

Southeast Asian nations able to reform political and economic systems, as well as invest in infrastructure (Shatkin, 2008).

2.2 Privatization of planning

Instead of strengthening the state to push the elite and the private sector in development friendly policy directions, as was the case in Taiwan, Korea, Singapore and Malaysia, in the name of 'market efficiency' and 'weeding out corruption', they set about dismantling the state's role in planning, production, trade and finance. Not surprisingly... an already weak Philippine government bureaucracy was even more thoroughly colonized by private interests (Bello, 2004, cited in Shatkin, 2008, p.396).

And as the weak Philippine government did not expand its economy in comparison to other Southeast Asian countries, privatization of planning became a reaction for several reasons. First of all planning was never strong in Metro Manila.

The concentration of landownership since the plantation economy had created conditions for development of a real estate sector controlled by a few, granting private developers to access large areas of land. The country's largely polarized structure between the poor and the rich made it easy for a few powerful actors to take command (Shatkin, 2008).

Already in the 1920s and the 1930s, families like Legarda, Araneta and Tuason started transforming their estates into market and rental properties. This allowed the families to take new roles and become de facto city planners as well as landlords and developers. In the 1950s Ayala family Corporation developed Makati – which is now the best know and wealthiest of cities in Metro Manila (Murphy, P & Hogan, T, 2014).

After the government had been stripped of most of its powers Manila was divided into seventeen cities and municipalities, becoming decentralized and even weaker (Shatkin, 2008). In the 1980s (when the new Filipino democracy had to pay 40% of the national budget thus making the country economically weak and more easily affected by foreign factors) there was a global neo-liberal attitude towards planning. In e.g. Britain attempts were made to by-pass and streamline planning regulation and to create development corporation- and enterprise

zones. The Thatcher government had an impact on the way planners should act pushing them to be partners and supporters of the private sector (Jenkins et al, 2007).

What effect did this have on the poor? According to David Harvey

The long-term effect of Margaret Thatcher's privatization of social housing in central London has been to create a rent and housing price structure throughout the metropolitan area that precludes lower income and now even middle class people having access to housing anywhere near the urban center (Harvey, p 12).

If this were some of the effects in London, what effects can we then see in Metro Manila?

2.3 Effects of the Urban Mega projects

As the large property developers in Metro Manila gained new planning powers they have developed large visions of integrated urban megaprojects. (see figure I) They are playing a growing role in the infrastructure and mass transit in the city as well as the region.



Figure I: Model of Bonifacio Global City – a large vision of an urban megaproject.

Photo by author

But the poor are not part of these visions and are being pushed further away from the new central developments. This has led to an urban form much alike the American model, which

has tendencies of creating environmental issues such as sprawling cities, gated communities and the emergence of a mall culture. The results is enclavization and enhancing of gaps between the poor and the rich as well as an over usage of cars, and a system of irregular unconnected roads (Shatkin, 2008). Sikora-Fernandez describes similar development in Poland as follows:

Urban life is concentrated not in public squares and streets, but in shopping centers and separate colonies. This results in the further marginalization of economically vulnerable groups and, paradoxically, decreases the overall safety in the city, instead of improving it. The new spatial organization also interrupts its continuity and makes the city grow outwards. With the increase of urban space, the maintenance costs of the city also rise). The urban sprawl in combination with that public spaces are being reduced, creates situations were "...public space is dominated mainly by transport. In addition, its excessive use causes severe pollution and the formation of traffic jams..." (Sikora-Fernandez, D. 2013, p 127-128).

The light rail in Metro Manila has been subsidized but the transport systems used by the urban poor has remained unsupported and unregulated. This has led to a free for all transport sector with more than 400 bus companies operating in the city. The free market system of transportation has led to a competition of passengers with the strategy to idle along the side of the road waiting for passengers, clogging the road and slowing down the traffic (Shatkin, 2008).

The national government reaction has been to engage in public-private partnerships with the large companies, privatizing public land to generate an income for the state and to achieve urban development goals. By doing this it has been trying to retain the support of the influential consumer class. It states the importance of these goals as well as the importance of

being focused on global competition and the achievement of 'Tiger' economy status⁴ (Shatkin, 2008).

3 Discussion

3.1 The private city

... Privatization is grounded in the belief that market competition can be a more efficient and cost effective way to provide services. Today, facing recessionary deficits and shrinking municipal workforces, privatization is gaining popularity. In fact, many local governments are using privatization to turn the crisis into an opportunity by restructuring government management, modernizing delivery systems and raising new revenues in order to better serve residents and support long-term growth" (Rozsa, S & Geary, C, 2010, p 1).

A private sector combined with regulations that considers the public interest could be a working solution in the Philippines as a tool in order to create a more democratic city⁵. But as the real estate companies are continuing to have the political and economic power to do what they want, they have no real interest in taking social responsibility for the megaprojects. The companies are leaving the municipality to build for the poor, cementing the private companies as the ones with power, making money, and the municipalities as the ones without any of them. Even if changes were wanted this cementing of power has made it hard to challenge the dominance of the companies.

⁴ A tiger economy is the economy of a country which undergoes rapid economic growth, usually accompanied by an increase in the standard of living. The term was originally used for the Four Asian Tigers (South Korea, Taiwan, Hong Kong, and Singapore) as tigers are important in Asian symbolism.

⁵ What in this paper is considering being an democratic city is a city that allows a variety of citizens to be able to influence the development, not being very segregated as well as offer public spaces for its inhabitants in were they are able to meet each other.

On a macroeconomic point of view the trickle-down effect of a growing economy makes the country richer, but with the inequality in distribution of the wealth within the Philippines a polarization could be observed. It is in the long run leading towards a shattered and more dangerous society. In *the right to the city* Harvey states that most concepts addressing how to create a better world are property based and individualistic and therefore do not challenge the

...hegemonic liberal market logics...” He continues: “We live in a world, after all, where the rights of private property and the profit rate trump all other notions of rights one can think of (Harvey, D, 2012, p 1).

As the Urban megaprojects are being erected the poor and even the middle class are being relocated and pushed further away from the attractive areas, all the time having to move as more part of the city is being fenced in. That’s why the transformation to a more including and sustainable society will not be successfully done by real estate companies as they don’t really have an interest in doing so. On the contrary their interest is in selling apartments and making money. If the companies are to sell apartments they need to address the people with money and in a socio-economical polarized country these people do not usually feel safe living with the once without. The equation here is that the poor has to be segregated from the rich for the companies to be able to make more money.

The Philippines is possibly the first society in the world to have universalized the gated community (Murphy, P & Hogan, T, 2014, p 12).

Barriers are deeply embedded in the Filipino society and gatekeeping is one of the most common labor. Unlike many other societies it is not only the rich that are erecting large walls around their communities, but fences and walls are being put up around almost all type of property. It is almost like public space needs to be colonized and whenever it is affordable armed guards are patrolling the border between the public and private, manifesting that it has been conquered (Murphy, P & Hogan, T, 2014). This is a development that is hindering a large amount of people to reside in certain parts of the cities. It is an example of how a segregated society becomes unsafe and how the lifestyle of the rich (who is copying the West) is being copied. The real estate companies are not evil; they are just considering the logic of

the market. Without being hindered they are creating fast solutions to please their consumers to continue to make money – after all, this is what companies strive to do. If the consumers are threatened: build a wall, if they think there is too much traffic to stay in the street – build a mall. And to continue creating malls instead of successful public spaces is something that goes together with the evolution of megaprojects.

The mind-boggling expansion in the Philippines' real estate sector has gone hand in hand with the perennially disappointing absence of modern public infrastructure. There is hardly any massive "green" public park area (think of Singapore's Botanic Gardens or New York's Central Park), where Filipinos from all walks of life can safely and comfortably enjoy the wonders and serenity of nature in an ocean of congestion and pollution. Public spaces are often neglected by the authorities or vandalized by uncaring residents. There is limited public space for (spiritual and physical) disengagement from the hustle and bustle of everyday life. The Filipino state has basically outsourced such responsibilities to profit-driven enterprises. And this is precisely why the shopping malls have become the core of urban life in the Philippines... (Javad-Heydarian, 2015)



Figure II: The real estate business is present everywhere. In the malls there are many places where it is possible to buy apartments. Photo by author.

I argue that to address these problems one needs to ask questions considering how these fast growing urban regions could be developed and governed in a more sustainable way. What

models should be applied and what roles would e.g. the urban poor be able to play in this governance?

3.2 In search of another urban form

The continuous colonial history of the Philippines has made it hard for the country to develop their own localities and a greater understanding of what Filipino is, thus made it easier for global actors to apply other ideals to the country. In the Philippines the ideals are largely those of a perceived western or American lifestyle: To drive as many cars as possible, speak American English, reside in the shopping malls, eat at international food chains and to live in rich gated communities. As the inhabitants strive to achieve these individual goals there is a risk that they will do so at the expense of not addressing problems as inequality, poverty, pollution and to be able to influence the development of their own cities. Shatkin argues that in other parts of Asia, where the development of the public city has been more successful and resilient, local movements have been recognized as well as the public responsibility for the built environment.

...two recent trends in urban theory can help to Understand the situation of the privatization." The first one has to do with focusing on the historical development and to examine the local actors in the cities of Southeast Asia. This should be done in situations that has been shielded as much from *Westernization* as possible (Shatkin, 2008, p 384).

The second trend that Shatkin is promoting is to understand how internal and external actors are addressing localities and how the symbiosis of this is affecting the urban space (Shatkin, 2008). This could be actors as foreign companies and investors but also the informal economy and informal settlers of the Philippines. In comparison to many countries in the west the informal economy is e.g. handling a big part of the everyday shopping and as it is taking part on the street or in sari-sari stores⁶ it results in small local meeting places (places that are threatened by the megaprojects). Another factor to consider is the large amount of Filipinos

⁶ Sari-Sari stores are small convenient stores found in almost every neighborhood in The Philippines. Most sari-sari stores are privately owned shops and are operated inside the shopkeeper's house.

employed by foreign companies working with telecommunication as well as the large population of Filipinos abroad sending money to the Philippines.

I argue that the colonization of the Philippines is still ongoing but now in the form of large private companies. A change is therefore needed as the urban development is not having a long term perspective and not considering what is local. The first step is to understand and search for an actor that has a possibility to create another urban form.



Figure III: Different types of Informal economy. Photo and collage by author.

4 The Role of Architects

I believe that there is a responsibility, especially on international architects, to show examples and encourage another way of city development. Non-Filipinos are not bound to the same rules as Filipinos and could express themselves without taking the same risk – as they are not dependent on the benevolence of the large companies.

Local architects are nevertheless working on this, trying to make a change. Three examples of different type of roles are presented here.⁷

⁷These are all Filipino architects that the author met during he´s visit to the Philippines.

- The first example is the ones working with NGOs like Tao Pilipinas⁸ building for the urban poor (mainly in areas that have been struck by natural disasters) through participatory workshops and civil dialogue. This inspires as they are giving examples of what could be done and they are in that way challenging the hegemony of private real estate developers. But there is also a risk in replacing governmental work with voluntary enthusiasts. They do not have the capacity of taking on the larger missions and there is a risk of people having to interrupt what they are doing if they lose their commitment or their health being too committed. It could also be a reason for the companies or the municipalities to argue that they do not need to take responsibility as someone is already helping. As the politics is systematically corrupt many public services has already been put in the hands of the idealistic middle class and the NGO's (Murphy, P & Hogan, T, 2014).
- The second example is the architects working for private companies, constructing e.g. shopping malls but try to make them more inclusive. Except being a positive thing to try to include other people than the consumers there is also a risk with this. It could change the focus from the real problems to acceptance or even enhancement of the present development. This could shift the focus from the real problem by stating that the companies are actually the ones trying to solve the situation.
- The third example is the architects in the municipality that are trying to influence a mixture between groups in residential areas, wanting to create places for both the middle class and the urban poor. In their point of view this could be a gap that could be bridged and would then work as a tool against segregation. To make this work it will be dependent on it being sufficiently attractive for the middle class as they would be the ones subsidizing the project.

⁸ A women-led non-stock, non-profit, NGO, <http://www.tao-pilipinas.org/>.

5 Conclusions

The emergence of the urban megaprojects in the Philippines is a result of the nation's colonial history with a few landowning families and weak decentralized local governments. The national government has left a large part of the city development into the hands of the private sector and a fairly unregulated free market. This has led to a few large companies taking the role of reshaping the city according to their plans – mainly addressing the rich consumer class. One direct effect of this has been that the poor are being neglected and pushed away from the city centers into slum areas or social housing, leading to segregation, urban sprawl and a dangerous city. To be able to find new ways to resist this type of development the global westernization needs to be questioned in search for local movements and sustainable solutions. Analysis must be done in order to understand how global and local factors are forming the urban environment in rapidly urbanizing cities. As cities are the areas where the major parts of the world's population are living we need to address this acute problem in order to create the living environment that we want.

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