Reshaping Metro Manila
Gentrification, Displacement, and the Challenge Facing the Urban Capital

Globalization and liberal economic reforms provide both opportunities and threats for developing cities. It can bring much needed capital and economic development but also at the possible cost of displacement and marginalization. Metro Manila contributes US$7.7 billion to the Philippine economy by remaining competitive in attracting and facilitating the flow of capital. However, this economic development translates to displacement, with its very citizens being affected. We analyze this phenomenon through the existing literature on Metro Manila and gentrification.

This paper addresses the key questions: Who are the key players in Metro Manila’s gentrification? What are the implications of their actions? In this analysis, we use Neil Smith’s gentrification framework. We find that the key players involved in this development have prioritized competitiveness by facilitating capital in a globalized world at the cost of ignoring Metro Manila’s marginalized households. To continually ensure capital, the private sector has captured Metro Manila with the urban elites benefiting the most.

Metro Manila has been successful in attracting capital and economic progress, but exclusively for consumers who can afford it. While this paper is primarily descriptive in nature, we hope to pose this as a challenge for government to pursue stronger inclusive policies in the urban capital.
Saskia Sassen, a noted sociologist on globalization, famously outlined the strategic role that global cities such as London, New York, and Tokyo, have taken in the global economy. These cities now function as the global economy’s command points, key locations for finance and specialized services, hubs for innovation, and ready markets for the products produced by such innovations (Sassen 1991). More than twenty years on and the “global city” discourse has successfully entrenched itself well into the realm of public policy (Machimura 1998). Thus, we see that governments around the world are on a drive to achieve this coveted global city status. This is with the belief that it is the best way to attract and harness the increasingly transnational flow of capital in the globalized economy. One such way global cities ensure that they remain competitive is to host projects and events which guarantee the flow of capital. Examples of these are Singapore’s drive to open casino resorts by building the Marina Bay Sands, and London’s trumpeted hosting of the 2012 Summer Olympics. As for aspiring global cities, they also have similar initiatives which signify their aspiration—such as the Kuala Lumpur City Center project, which includes the Petronas Towers, (Bunnell and Barter 2002, 357) which were the tallest twin buildings in the world for a time, and Istanbul’s drive to host various global arts festival, which culminated in being declared as “European Capital of Culture in 2010” (Göktürk et al. 2010).

Metro Manila, the national capital of the Philippines also wants to be part of this global city discourse. The urban capital has started developments that are similar to other global cities’ initiatives. One example is London, where the recent hosting of the 2012 Summer Olympics led to various urban regeneration projects. In particular, the newly built Westfield London shopping center served as the grand gateway to the Olympic Park. We note and compare this with Bonifacio Global City, a privately-developed urban area in Metro Manila.

On the surface, this reflects how such global city aspirations are the same, namely, to become a market-oriented and market-friendly urban environment (Machimura 1998). As the photos show, the two developments are not quite exactly the same, but one could easily substitute for the other. Two similarities stand out: their purpose and the profile of their builders. The purpose of both projects was to create more economic opportunities by serving as an urban regeneration initiative. For London, the Olympic Stadium area was formerly brownfield land, and a shopping mall was constructed as a grand
Figure 1. Westfield Stratford City in London. Author’s photo.

Figure 2. Bonifacio Global City in Metro Manila. Author’s photo.
gateway to the Olympic area in order to capitalize on the potential consumers that the Olympics would bring. For Metro Manila, the original site was military land which was undeveloped; the government needed to attract capital and thus invited the private sector to develop the area. This leads us to the next similarity, which is that both were constructed by the private sector and were designed by international firms. In London, Westfield Stratford City is owned by the Westfield Group, an Australian company, which has shopping centers located around the world. Meanwhile in Metro Manila, Bonifacio Global City was designed by Hellmuth, Obata, and Kassabaum, a US-based architecture and engineering firm with major projects across the globe. Firms such as these are present where cities want to be seen as competitive in this global economy. Because of this, strategies for cities have taken similar form—but the impact of globalization always depends upon the local context. Upon closer analysis in the Metro Manila experience, we argue that what is happening is not urban regeneration, but a displacement of residents. We observe that the particular process in the Philippines is characterized by an overtly market-friendly environment that is led by the private sector and is quite unsustainable in a service economy. Based upon this, we argue that the most appropriate framework to be utilized for this analysis is gentrification.

Before proceeding further, we must take note of the difference on urban regeneration and gentrification. Couch et al. (2003, 2) defines urban regeneration as “concerned with the re-growth of economic activity where it has been lost … and social inclusion where there has been exclusion.” It is a normative concept which has roots in British urban policy which addresses urban decline, decay, and economic and social transformation (Imrie et al. 2009, 4). Can urban projects found in Metro Manila be considered as urban regeneration? The simple answer is that while these create economic opportunities, social inclusion is not being achieved. In fact, as we shall see later, it is a factor for displacement. This is the reason why we use gentrification as a framework. The literature on gentrification traditionally associates the concept as something more localized and confined to neighborhoods (Lees et al. 2008). However, we argue that the gentrification process in Metro Manila is happening and accelerating by huge urban chunks, which are reshaping the image of the urban capital. Consistent with the global city discourse, developing countries design cities according to the best way to attract capital and investors (Drakakis-Smith
2000, 7) hence the dominance of a market-friendly or, some would say, neoliberal agenda in this globalized economy. But this also raises the question whether such a design includes the most vulnerable residents of a city, that is, the low-income residents. We argue that the gentrification experience in the Philippines leads to different kinds of displacement: actual displacement, design displacement, and non-places displacement (the latter draws from the French anthropologist Marc Augé’s [1995] concept of non-places, a place of transience which does not hold significance). The purpose of this paper will be to critically discuss the process of gentrification and its impact on Metro Manila as a strategy to achieve global city status. We aim to do this in two parts. The first part of the essay will have a description of Metro Manila to give shape the local context, followed by a discussion of the gentrification framework to be utilized. The second part will discuss the gentrification of Metro Manila as it attracts and facilitates capital, but at the cost of displacement. We hope to begin describing what is particularly the Filipino experience in gentrification.

THE CAPITAL CITY SHOWING ECONOMIC PROGRESS

The Philippines is regularly identified by investors and investment agencies as an emerging economy. It was able to weather the 2008 financial crisis through strong consumption backed by US$20 billion overseas remittances (Bangko Sentral ng Pilipinas [BSP] 2013) and a fast-growing service sector economy fuelled by outsourcing growth (Usui 2012, 1). The Hongkong and Shanghai Banking Corporation (HSBC), a British bank, even projects that the country, given the right economic policy conditions, could be the 16th largest economy by 2050 (Business Mirror 2012). More recently, Fitch Ratings upgraded the country to its first ever “investment grade” status, which signifies a stable economic outlook and potential (InterAksyon 2013). At the heart of this country’s economic prospect and progress is the urban capital region of Metro Manila.

Metro Manila is the country’s premier urban center, encompassing seventeen administrative cities and resting on 636 km² of land. A population of 11.5 million and growth rate of 2.25 percent per year make it the densest and fastest-growing region in the country. According to the Asian Development Bank (ADB 2006, vii), this population growth comes from the influx of large numbers of domestic
migrants in search of employment and better income opportunities. The urban region is also considered the economic capital of the Philippines because it contributes a disproportionate amount of 33 percent to the national economy (Porio 2012, 8). However, alongside the disproportionate national wealth, almost 37 percent of the city, or 4 million residents, live in slums (Ballesteros 2010). The history of the country is also a history of the urban region since Manila is the seat of political power in the Philippines; it is where the President and many national government offices are headquartered.

The city’s history is dotted with foreign influences. Manila first started as a small tribal settlement by a local Muslim leader. By 1521, the Spaniards turned it into the seat of the Catholic Church and the State for more than 300 years. By 1899, the Americans then colonized it for fifty years, interrupted by three years of Japanese occupation during the Second World War. It is only during the post-war years that the city saw reconstruction and expansion on what was then primarily farm land. There was a growth of factories and industrial areas in various parts of the urban area alongside residential villages to house an increasing population (Ragragio 2003, 2). The economic strategy after the war was “import-substitution,” which meant replacing foreign imports with domestic production, and which led to the diversification of industry and their protection by high-tariffs. Industries were established and maintained with support from the national government. But as Bello (2004, 9–11) argued, without land reform like those of Taiwan and Korea, which led to income redistribution, this strategy was unsustainable, owing the fact to the presence of a very narrow market due to massive income inequality. The Marcos era (1965–1986) saw a shift to export promotion, liberalization of trade, and foreign exchange upon prompting by multilateral agencies, such as the World Bank and the International Monetary Fund (ibid.). Another pillar of the Marcos strategy was the labor export policy which aimed to address the problem of unemployment and income-generation, owing to the lack of dynamism in the export strategy (Haggard 1990). These Overseas Foreign Workers, more popularly known as OFWS, were supposed to be a temporary solution, but became a national strategy in propping up the economy. Today, they are such a crucial part of the economy that they already account for 10 percent of the GDP, or US$21.39 billion. This is why successive administrations have upheld this strategy (BSP 2013). It was also during this time that the Marcos presidency declared martial law in 1972, and a dictatorship was installed, thus creating
a highly centralized government system. Even though technocrats were in place in key economic policy-making agencies, “the political logic of cronyism placed major obstacles in the path of serious reform” (Hutchcroft 1999, 476). This proved economically unstable for the dictatorship, and the country experienced a large debt crisis which resulted in major economic collapse. In 1986, the Marcos dictatorship was replaced by the Aquino presidency, with the wife of the slain national hero, who was one of the key figures in the peaceful revolution more popularly known as People Power. We note that under her term, the administration implemented two major policies that also saw the continued expansion of the service economy (Bello 2004; Dumol 2000; Guevara 2000).

The first major policy was the rule of limited government and the expansion of the private sector (Bello 2004; Dumol 2000), which was partly in reaction to the dictatorship through the removal of industries from the Marcos cronies, and partly because many of her council of advisers came from the private sector (ibid.). This continued liberalization reached its “apogee” under the Ramos administration, when key positions were occupied by free-market-oriented policy makers (Bello 2004). The second policy was the process of devolution or decentralization to the local government units (LGU) (Porio 2012; Guevarra 2000). According to Asanuma et al. (cited in Porio 2012), decentralization meant a way to diffuse power from the center and also to prevent another authoritarian era from happening. In 1991, the Local Government Code was legislated to institutionalize a systematic allocation of powers and responsibilities between the national government and the LGUs (Guevara 2000, 98). As for the continued expansion of the service sector, it was the only one which has recorded positive growth since the 1970s (Balisacan and Hill 2003). But they also note that “there is no clear and obvious explanation for the continuing rise in services” (ibid., 15). Regardless, we cannot discount the fact that the service sector is a key characteristic of the Philippine economy that continues up to this day.

Currently, these policies have not changed much; they paint a nuanced picture of Metro Manila. The policy of continued economic liberalization has continued with successive governments—from the privatization of the telecommunications, power, and water industry under the Ramos government (Bello 2004), to the major thrust in private-sector participation in the Public Private Partnership (PPP) program of the current Aquino (the first President Aquino’s son) government.
As evidence, this economic liberalization translated into new businesses being formed. From 1975 to 1985, only 4,500 were formed annually and increased to 6,000 by 1986 to 1990 (Connell 1999, 142; Pinches 1996, 115–19). Metro Manila was the locus of the deregulation and privatized industries. For example, when the telecommunications monopoly was abolished, the number of telephone connections quadrupled to 4.1 per 100 persons, with 45 percent of these connections located in the urban capital (Spreitzhofer 2002, 258). Another example: the biggest water privatization deal in the world during its time (Dumol 2000) took place in Metro Manila, which continues to this day. However, Hutchcroft (1999) paints a somber picture of the Philippine economy: he says it suffers from a “patrimonial oligarchic state,” more popularly known as “booty capitalism.” Booty capitalism describes a weak separation between the “official” and “private” sphere, where major power is found in the private sector. Thus, a “powerful oligarchic business class plunders the state for particularistic advantage” (ibid., 476). Metro Manila was also decentralized with the implementation of the Local Government Code in 1991. The law vastly stripped Metro Manila of a central regional urban government, with only a weakened Metropolitan Manila Development Authority (MMDA) (Naerssen et al. 1996) acting as a coordinating body for shared services, such as traffic coordination. The local autonomy of the seventeen administrative cities in Metro Manila is firmly entrenched. As a prime example of this, the MMDA fails to implement a traffic scheme called the Uniform Vehicle Volume Reduction Program. It’s a scheme which excludes cars ending in certain numbers from travelling the road on certain days. For example, on Tuesdays, cars ending in “3” or “4” are disallowed to travel from 7:00 A.M. to 7:00 P.M., save for a “window” from 10:00 A.M. to 3:00 P.M., wherein they can travel freely. The purpose of this is to decongest the already full roads of Metro Manila. However, because of decentralization, each local government implements its own specific policy. Thus, cities like Makati and Las Piñas do not follow the “window” hours between 10:00 A.M. and 3:00 P.M., while Marikina and Taguig do not follow the program at all. The urban area is now ruled by seventeen administrative cities, with their own mayors who implement their own brand of governance and policies. While some acknowledge that it has generated successes in the form of excellence awards and the sharing of best practices for LGUs (Guevarra 2004), there are others who observe that it has led to corruption, patron-client relationships, and elite-dominated structures (Porio 2012).
The continuing liberalization of market-oriented policies, a decentralized local government structure, and major contribution of the service sector fit the contemporary role of Metro Manila’s urban economy. This new urban economy involves the decisive shift to “the growth of services as the core of urban economic activity” (Amin 2000, 116). The services now cater to the urban consumers such as office-based workers, professionals, and residents. It also supports the productive economy with banking, insurance, and accountancy. The urban economy is increasingly associated with the production, exchange, and consumption of services (ibid.). The service sector not only characterizes the economy of Metro Manila, but is increasingly becoming one of the major sources of revenue for the Philippines. The statistics from the ADB and the government statistics agency (Usui 2012; National Statistical and Coordination Board 2008) show that the service economy presently contributes 55 percent to the GDP. This industry employs about 50 percent of the workforce, and these services are mainly located in Metro Manila. One prime example of this interplay of policies and the urban economy is the business process outsourcing (BPO) service sector, which performs services such as call-center activities, tele-marketing, accounting, and other back-office professional services from other countries, mostly from Western-developed nations. It is a triumph of market-oriented policy. Of the total US$2 billion investment, about 93 percent represented foreign equity participation (Yi 2012). This was done through very market-friendly policies initiated by the government’s Bureau of Investments and the Philippine Economic Zone Authority, which can grant fiscal incentives such as tax holidays, and even define the boundaries of an export processing zone to a single building (McKay 2006). A way that decentralization benefited the service economy is the way Metro Manila hosted these companies. They have actively courted these companies by espousing the labor and infrastructure that these cities hold. As an example, Quezon City, an administrative city in Metro Manila and one of the pioneers in hosting the industry, created a Quezon City BPO-ICT (Information and Communications Technology) Council whose purpose is “to attend to the needs of these businesses and prospective locators” (Quezon City 2009). This has shown success by Metro Manila hosting about 75 percent of total employees (Department of Science and Technology and Business Processing Association of the Philippines 2012). The industry has been a major player in the city’s economy that it contributes US$7.7 billion and employs about half a
million English-speaking and college-educated workers (BSP 2011). The BPO sector has not only contributed to economic growth, but also fuelled the demand for office space and residential units. A report shows one of the consequences of this expansion is that the demand for housing rose by 58 percent (Global Property Guide 2011) between 2005 to 2008. The government has acknowledged the importance of the BPO sector by naming it as a sunshine industry.

However, like most urban areas in developing countries, Metro Manila also has its share of problems. Rapid urbanization, growing population density, and the escalation of land prices have made property out of reach for many of the poor residents of the urban capital (Porio and Crisol 2004). This can be seen in the huge urban slums which dot the metropolis. Figures from the ADB show that there is a backlog of 3.76 million units of decent and affordable housing, and that there are still 726,908 informal settler families scattered over the metropolis (ADB 2006). If Metro Manila’s economic stature grows, it would need even more laborers to cater to its service-oriented urban economy. Again, we turn to the BPO sector as an example. As the BPO sector grows, so, too, do the demand and need for services to support such office-based workers. A report estimates that for every job in the industry, 2.5 jobs are created (Mitra 2011, 18) which include construction, facility maintenance, security services, and food and beverage. These services require mostly low-skilled labor and, therefore, are provided by individuals from relatively low-income households. Low-income residents often cannot afford legal housing in the urban city, especially with rising property prices, which increases the viability of informal settlements. Unfortunately, providing decent and affordable housing is not within the mandate of private capital and historically does not provide good financial returns. Thus, what is happening now is the increasing displacement of low-income urban dwellers by urban design and increasing unaffordable prices. To put it more simply, they are regarded as having “diminished rights to recognition and consideration” (Hutchison 2007, 868).

We have seen Manila’s economic growth and contribution to the national economy. The flow of capital into the city, such as the BPO sector, has increased the demand for office space, while the increasing population and level of income of urban professionals have fuelled the demand for residential units. But this preoccupation with attracting and generating more capital has also increasingly displaced low-income people. Before describing the process of gentrification in the city, we shall examine it as a framework for analysis.
The classical definition of gentrification was coined by Ruth Glass in 1964; it describes a process in London where “many of the working class quarters of London have been invaded by the middle-classes—upper and lower” (Glass 1964, xviii). However, over time and with many different developments in the city, it was clear that the residential rehabilitation defined by Glass was only one facet of the gentrification process (Lees et al. 2008, 9). This definition has expanded and encompassed into several meanings. These are: “rural gentrification” or the (re)settlement of rural areas, “new-build gentrification,” and even “super gentrification” (ibid., 129). The process of gentrification has now moved on from deindustrialization in the 1960s to where the “non-manual middle class and service employment” are now the dominant force in urban living (Butler 2007, 163). These expanded definitions have captured how the urban experience is constantly evolving, and reveal the attempts to capture it through the process of gentrification. However, these are definitions which mostly revolve around the so-called “Global North” cities—such as London, New York, and Paris—which are mostly found in Western developed countries. Most of these examples involve cases of inner-city re-investment, resulting in the displacement of the lower-income residents. Thus, simply applying the concept of this kind of gentrification on the “Global South” is irresponsible, since it ignores the nuances of historical, cultural, and national differences of urban areas. But we argue that we cannot also discount the process of gentrification as a useful tool for analysis. This is because it is too embedded in social science literature to be abandoned, and also because of the evidence that it refers to (ibid., 164). What we propose, then, is using a framework for gentrification which takes into account developing country experiences, yet also shows the unique process of gentrification happening in such cities. We examine Smith’s analysis of gentrification as a “neoliberal agenda.”

The gentrification scholar Neil Smith (1979) first argued that gentrification is an economic process driven by urban land prices and city speculation. He further develops this point by pointing out the relationship between gentrification with globalization and neoliberalism. Globalization is a term for the increasing transnational flows and integration of capital and goods among different countries. Neoliberalism is a term that refers to a market-driven approach to social and economic policies; it is descriptive shorthand for the
trends toward deregulation, decentralization, commercialization, privatization, and the general weakening of regulation by the state (Lees et al. 2008, 164). Proponents of this system argue that it will provide a stable and rapidly growing economy, and the free markets will allow the transnational flow of capital by globalization to be harnessed (Beja 2006). Smith’s (2002) first point was that the reliance on private capital has now replaced an urban policy concerned with capitalist production rather than social reproduction. This is succinctly captured in his entry for “gentrification” in the 2000 Dictionary of Human Geography: “The reinvestment of capital at the urban center, which is designed to produce space for a more affluent class of people than currently occupies that space” (Smith 2000, 294). Smith’s second point, according to Lees et al. (2008, 166), is that gentrification has evolved from an urban process seen in Western cities and is now a part of the global urban strategy. Cities found in the Global South are being shaped and shifted by the investment of capital into industries such as outsourcing. This transformation is being done systematically with large parts of the city reconstructed into a global image. However, we draw the line in Smith’s argument that this is a form of neo-colonialism, since the author defines it less. This global pattern that Smith argues is sometimes dismissed by the point that it hegemonizes the concept (from a Western-developed context), and thus there is no universal application. We argue, though, that there remain useful elements of Smith’s generalization of gentrification, because globalization and neoliberalism is further accelerating the process of gentrification in Manila. As we shall see in paper, the decentralized local government structure (Porio 2012) and power of the private sector (Hutchcroft 1999) have provided capital with new areas to invest in—but with adverse consequences. In addition, we further describe who these gentrifiers are in the local context. In the literature of gentrification and globalization, the global gentrifiers are seen as emissaries of capital (Lees et al. 2008, 169). Rofe (2003, 2512) further develops this point by saying that this gentrifying class is seen in prominent cities, lending this group a global geography. These are global managers who are hypermobile, unfixed, transnational, and dislocated from any point of time. This is in contrast to Butler and Lees (2006), who profess that there should be a further classification of these gentrifiers into super gentrifiers who are not as mobile and fixed in a neighborhood. In this context, global gentrifiers would certainly not flock to a city such as Manila. But we see that these global elite and the local gentrifiers in
the country have both striking similarities with one another. They are highly educated, affluent, and have high-status professions, and are considered white-collar professionals (Lees et al. 2008, 170). In Manila, these can be seen as the emerging professionals benefitting from the flow of capital, such as the growth of the BPO sector.

In sum, we use the framework of gentrification, particularly Smith’s argument that the process of gentrification is a globalizing and neoliberal agenda. While Smith advances this idea as neo-colonialism (Smith 2002), we do not take this into account since this is less than a clear-cut definition. We shall focus, however, on the interplay of neoliberalism and gentrification with the displacing effects on Metro Manila’s residents—by actual displacement, by design, and by using the concept of non-places. No matter the different mutations of gentrification, Clark’s definition of gentrification reminds us that the essential meaning is that the gentrifiers are of a higher socio-economic status than the previous ones, and “any process of change fitting this description is, to my understanding, gentrification” (Clark 2005, 258). In the next section, we begin to describe the gentrification process of Metro Manila.

**METRO MANILA’S PECULIAR SITUATION**

Globalization and a liberal economy have created both opportunities and threats for developing countries. On the one hand, those who are able to take advantage of the increasing flow of capital between borders reap much benefit. Some studies have shown that it has reduced economic barriers and enhanced mobility and growth, with Metro Manila disproportionately gaining from this (Clausen 2010). Metro Manila is witnessing the expansion of salaried professionals in the service economy, the establishment of multi-national companies, and the amount of capital the city has attracted. On the other hand, the system also penalizes those who cannot participate, such as the low-skilled and low-educated urban poor who are excluded from economic growth (Bello 2004). In fact, high inequality remains to be a characteristic problem in the Philippines (Balisacan et al. 2010, 32).

Several scholars have cast a critical eye on the economic progress of the capital city. Tadiar (2004) chronicled how the “flyovers” of Metro Manila were considered as physical dividers of the informal economy, represented by the poor, and those of the formal economy.
But such flyovers are the very symbols of the market-orientatedness of Metro Manila. They are the avenues which Metro Manila’s urban elite use to ferry themselves to their shopping malls and offices, bypassing the roads which many public transportation vehicles use. Thus, these flyovers serve as channels for “consumption to corporate-owned spaces and goods, and integrating its managerial class” (Tadiar 1995, 293). In addition, Connell (1999) also aptly described the economic growth of Metro Manila—in the forms of private spaces such as exclusive suburbs, shopping malls, freeways, and flyovers—as further fragmenting and dividing the capital. This echoes Harvey’s work (2005, 156) where he argues that “neoliberalisation, the process rather than the theory, has been a huge success from the standpoint of the upper classes.” We argue that this is what is happening in Metro Manila. A neoliberal economy and decentralized government has allowed the private sector to take advantage of the situation. With the quest for global city status through a more liberal economy and through the amount of capital flowing into the city, we see that the government and the private sector have built freeways and flyovers which crisscross the realm of the public city to connect their own developments. Decentralization has also contributed to this peculiar situation with the private sector capturing local governments by developing their own projects without regard to the overall plan of the city. In fact, Porio (2012, 8) states that this decentralization has further strengthened the mayors’ stronghold on local politics and, to a certain extent, “this particular decentralised set-up allows local elite families to continue to dominate political leadership in these cities.” Thus, we see that each administrative city in Metro Manila tries to compete globally by enticing consumers with private developments in their own areas. The highly decentralized structure of the local governments leads to a scenario where there is no over-arching coordination from a central regional government. We elaborate this situation further by utilizing Shatkin’s (2008) term as the “privatization of planning.” He defines this phenomenon as “the transfer of power over and responsibility for the visioning of urban futures and the exercise of social action for urban change from public to private actors” (ibid., 388). This model is consistent with Metro Manila’s situation where a liberal economy has allowed the flourishing of large private-sector developers, and decentralization has allowed their local government partners to allow the flourishing of enclaves owned by the private sector. Shatkin (ibid., 387–88) notes that there are four major actors prevalent in building a city in the
Southeast Asian context: 1) the government, which provides legal and policy frameworks; 2) private developers, who market themselves as innovative and build cozy relationships with government officials; 3) the consumer class, or the economic “winners” in the city, made up of a blend of culture-specific preference, such as ownership of real estate as a sign of progress and exposure to Western preferences through globalization and the media; and 4) foreign planners and architects, to whom private developers look for their models of urbanization, which primarily cater to the consumer class. He argues that the process is not just to look at Western models but to commodify the urban experience. The whole interplay between the four actors has resulted in the “privatization of planning.”

For government, central planning has not been a particular strong suit because of the decentralized structure of Metro Manila. Private developers are able to take advantage of this situation by constantly marketing themselves as “cutting-edge” and putting their own brand on the city. On the other hand, consumers are willing to buy real estate from these large projects as a way to show progress and upward mobility—notice that the names of some projects such as “Uptown Ritz” or “The Venice” (Megaworld 2013) evoke mostly Western standards. And lastly private-developers have turned to foreign planners. Bonifacio Global City, a former military property, was planned by Helmut, Obatat, and Kassabaum (Shatkin 2008, 390) which is one of the largest US-based architecture and design firms. What we see is a Metro Manila which is a combination of Hutchroft’s (1999) booty capitalism, where the private-sector captures the public sphere, and Harvey’s (2003a) accumulation by dispossession, where there is a centralization of power by the few and the wealthy by denying access to public resources such as land. Essentially, it is a city captured by the elites. The effect of this overlay of urban forms is twofold: it excludes those who cannot properly participate, and it excludes also those who can participate. For the former, we mean to say that it is designed exclusively for the wealthier residents of the city, while for the latter, we use Augé’s (1995) concept of non-places.

**GENTRIFICATION AND DISPLACEMENT**

Because of Manila’s distinctive form of development, where the private-sector has virtual dominance, we see that the city is experiencing the
process of gentrification in a much larger and overt scale. Whole urban chunks are being built in the city by private developers. Bonifacio Global City, Rockwell Center, Eastwood City, Ayala Alabang, and Ortigas Center are but some of the notable projects in Metro Manila where private developers have conceived their own spaces. Rockwell Center, for example, boasts that it is a “city within a city” (Rockwell Center 2013). These projects occupy a cumulative area of about 1040 ha of land in the capital. Figure 3 shows another project, Eastwood City, which has not only successfully attracted international firms such as IBM and Citi to locate their BPO services, but also constructed residential units for a self-contained and mixed use development.

These urban projects evoke a sense of “islands of affluence” (Connell 1999, 435), where freeways and flyovers connect them to other similar islands. The result of all these projects has been a “splintering” of urban development, where “there is the uneven overlaying and retrofitting of new, high performance urban infrastructures onto the apparently immanent, universal, and (usually) public monopoly networks” (Graham 2000, 185). We argue that these gentrifying urban regions have three kinds of displacement effects: actual displacement, design displacement, and non-places displacement.
The first effect is actual displacement where gentrification’s impact is felt in the removal of people either on the site itself or the “right of way” for the infrastructure to connect these urban projects. The kinds of displacement that these residents experience are exclusionary displacement and displacement pressure (Marcuse 1985, 208). Exclusionary displacement refers to residents who cannot access housing as it has already been gentrified. Displacement pressure, on the other hand, refers to dispossession suffered during the transformation of the neighborhoods where they live. Exclusionary displacement is seen in low-income residents who are increasingly being priced out. For example, the already high rental average for a condominium unit at Rockwell Center, one of the islands of affluence, costs P18,400 (US$422.50) for a 25 m² property (Global Property Guide 2011). This is way above most low-income households where the minimum monthly wage is P7,600 (US$180). While some may regard this example as extreme, especially since the Rockwell Center is on the luxury segment of the market, we argue that it only serves to highlight how unreachable property is in Metro Manila to the general populace. Displacement pressure is seen in the planned evictions in the numerous projects made by private developers. They are not just concerned with building the communities itself, but also with the necessary infrastructure—such as roads, flyovers, and trains—for access to these communities. These new spaces for production and consumption are what Shatkin (2008) terms as a “bypass-implement” system. They have increased the facilitation of the flow of capital by “bypassing the congested arteries of the ‘public city’ and implanting new spaces for capital accumulation that are designed for consumerism and export-oriented production” (Shatkin 2008, 388). Estimates put the scale of planned evictions from these projects at 305,000 households. Below is a table of such planned evictions (see Figure 4).¹

Most, if not all, of these planned evictions are informal settlers, who have illegally squatted in public or private lands in the decades of rapid urbanization of Metro Manila. The debate, then, is if they have the right to reside there in the first place, since they are illegally squatting. But on the other hand, displacing them would deprive them of shelter and livelihood, since their survival hinges on their locations being near to their livelihood, which is essentially the low-skilled service that the city is currently depending on. Relocating them far away is essentially depriving them of jobs (Payne 2002, 152). We argue that what we essentially see in these projects is the gentrification process
(Clark 2005), where displacement occurs by capital, represented by the projects of private developers, and a higher socioeconomic class is replacing the low-income households. We see that whole urban chunks of Metro Manila are being reshaped by private developers.

The second displacement effect is design displacement. Urban projects in Metro Manila are typically associated with foreign planners, since consumers have more “modern” preferences. These preferences are shaped by their international travels and the consumption of Western media which are landscapes of consumption (Pinches 1999). These are designed in such a way that only those with the right amount of capital—the urban elite—are able to participate. One example is Megaworld’s “Eastwood City,” seen in figure 3, which literally stands out amidst its surrounding metropolis. In the center, there is a small public space resembling a garden. This cannot be seen from the outside because the residential and office towers encircling it resemble giant fences encircling the small garden. This has both the purpose of keeping outsiders from entering and contributes to the feeling of residents that they are entering a private space of their own. Furthermore, jeepneys, the ubiquitous public transport of the masses, are not allowed inside to use its roads. So those who use it have to alight from outside and walk inside. Only private cars and cabs are allowed inside. This has the purpose of severely limiting access to low-income urban residents, some of whom contribute to the service economy as maintenance workers, food service providers, security, and other service-type professions.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Planned Evictions (Number of Families)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of R-10 Road</td>
<td>10,000</td>
</tr>
<tr>
<td>Cleaning of Esteros (Canals)</td>
<td>6,000</td>
</tr>
<tr>
<td>North Rail</td>
<td>40,000</td>
</tr>
<tr>
<td>South Rail</td>
<td>43,000</td>
</tr>
<tr>
<td>Pasig River Rehabilitation Program</td>
<td>21,000</td>
</tr>
<tr>
<td>Fort Bonifacio Global City</td>
<td>15,000</td>
</tr>
<tr>
<td>Laguna de Bay Ring Road</td>
<td>72,000</td>
</tr>
<tr>
<td>MRT-3</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>206,000</strong></td>
</tr>
</tbody>
</table>

Figure 4. Planned evictions (Urban Poor Associates, cited in Shatkin 2008).
This exclusive design also brings us to the third kind of displacement: *non-places displacement*. We draw upon Augé’s concept of non-places. He describes these non-places as anonymous areas where an individual is alone even in a crowd (Augé 1995). He identified these as infrastructures which are necessary to the circulation of people and capital, such as gas stations, airports, cars, airplanes, and the big hotels and supermarkets. Not only do we find these in Metro Manila, but the addition of shopping malls to the list, which are often the centerpieces of urban projects, add to the growing list of non-places. Augé’s point being that they “are are only meant to interact with texts stated by legal entities or institutions” (cited in Aubert-Gamet and Cova 1998, 37–45). Such displacement is not just limited to the urban poor, these non-places also exclude the very people for whom such urban projects are designed. To enter these places, one must give up the identity at the entrance barrier. These non-places fit in perfectly with an urban form designed exclusively by the private sector. As one enters such shopping malls, one has to be stopped and searched by security guards at the entrance. The proliferation of urban projects also coincides with the rise of these non-places. Thus, the urban elites are unaware that they, too, are being displaced in their very place of residence.

The gentrification process that is transforming the landscape of Metro Manila according to the elites reflects how the urban elites have claimed the city for their own. The city has been wrapped in the rhetoric of global competitiveness and the imperative to achieve a higher economic status (Shatkin 2008, 397). It has prioritized facilitating the flow of capital flowing into the city and catering exclusively to the consumer class who pays for it. These two are seen as the most important constituents found in the city.

Some of the government’s response of relocation and financing has been inadequate at best. On relocation, the state moves the residents to regions outside Metro Manila. But these have been met with opposition, often violent, since most of the displaced residents’ livelihood is within the city. And to the person with an average daily wage of P56 (US$1.37) who has to have all the basic necessities—such as housing, water, food, education, and transportation—relocating is simply unaffordable (Steinberg and Lindfield 2011, 64). Programs which simply relocate with minimal support would mean essentially depriving them of their income. Thus, we witness violent clashes as the government attempts to evict the urban poor. One notable case involved low-income residents being displaced from a 29-ha area to
be developed by a private developer (GMA Network 2010). The sense of irony is prevalent as this was touted as a case for urban renewal and regeneration, but with the consequences of massive displacement for over 3,600 households. On the side of financing, the government has had more limited success. The Community Mortgage Program is a housing finance program which allows low-income families, specifically those living informally on public or private lands without security of tenure, to have access to affordable housing. Its defining feature is dispensing the need for collateral as long as they coordinate payments with a recognized local NGO. The program has assisted 106,273 poor households in securing housing and land tenure in 854 communities (Porio et al. 2001, 54–57). Despite the perceived success of the program, long-term financing has been pulled by the government because of its precarious financial position, and chiefly because the financial viability of the program was put into question. With a growing economy and only a limited supply of land, the urban poor face an impossibly expensive housing market (Shatkin 2004, 2481).

But this is the paradox: to remain competitive and continue its quest to a global city, Metro Manila has to increasingly rely on the service economy. However, to be able to afford this, this must be maintained at a cheap price. Thus, some say that the urban poor are not an inconsistency in Metro Manila’s progress, but the very result of it. “The dual city is not simply the urban social structure resulting from the juxtaposition of the rich and the poor, the yuppies and the homeless, but the result of simultaneous and articulated process of growth and decline” (Castells 1989, 206). Perhaps it is Harvey (2003b) who is the most ardent critics of this kind of city, as seen in his essay on “The Right to the City.” He refutes that the two absolute rights to the city are inalienable property rights and a profit-oriented framework. He suggests that the true right to the city is “the right to remake ourselves by creating a qualitatively different kind of urban sociality” (ibid., 939). He further argues that endless capital accumulation only produces “inequality, alienation and injustice” (ibid., 941). He points that the only way to combat this is active democratic participation by its citizens.
CONCLUSION:
A CAUTIOUS PROGRESS

We have seen how the city of Metro Manila is achieving economic progress. It has been doing so through a neoliberal approach, with an emphasis on deregulation, decentralization, and privatization. These, in turn, have led to the virtual dominance of the private sector in planning and building communities in the city. Utilizing a gentrification framework derived from Smith, we argue that this approach to neoliberalism has resulted in the process of gentrification on a large scale, with massive urban chunks of the city being transformed into islands of affluence. This phenomenon has three detrimental effects of displacement on the urban residents. The first is actual displacement, where urban poor residents are physically removed from an area. The second is design displacement, which limits access to the urban elite. And lastly, non-places displacement, where such urban projects connote non-significance. We argue that the private sector has essentially captured the metropolis, and its priorities are the flow of capital into the city and only consumers who are able to afford it can participate.

While it is out of the scope of this paper to discuss alternatives, we present the problems identified in Metro Manila as a challenge to the policy makers. There must be coordinated and strategic efforts for inclusive growth to be achieved. As an area of further research, Metro Manila can possibly explore ways to reform its highly decentralized structure. Unfortunately, until we truly heed Harvey’s (ibid.) “right to the city” and put the necessary democratic structures in place, we put forth that inequality will only worsen in Metro Manila.

NOTES

1 We acknowledge that the data is already five years old. But it is also quite revealing that a government central database on the number of evicted households stemming from urban projects is sorely lacking.
REFERENCES


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