

Manasan, Rosario G.; Mercado, Ruben G.

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Philippine Institute for Development Studies

## Governance and Urban Development: Case Study of Metro Manila

*Rosario G. Manasan and Ruben G. Mercado*

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For comments, suggestions or further inquiries please contact:

**The Research Information Staff**, Philippine Institute for Development Studies

3rd Floor, NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City, Philippines

Tel Nos: 8924059 and 8935705; Fax No: 8939589; E-mail: [publications@pidsnet.pids.gov.ph](mailto:publications@pidsnet.pids.gov.ph)

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# **GOVERNANCE AND URBAN DEVELOPMENT: CASE STUDY OF METRO MANILA**

*Rosario G. Manasan, Ph.D.*  
*Ruben G. Mercado*

**January 1999**

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## **EXECUTIVE SUMMARY**

Metropolitan Manila has become an experimental laboratory of various governance systems for the last twenty years. This is mainly the result of the country's transformation from an overly centralized administration during the Marcos regime to a more decentralized management structure and system from the Aquino government in 1986 to the present .

This paper explains the evolution of the metropolitan organizations that have been established to oversee the development of Metro Manila, provides a survey of their responsibilities, authorities, organizational structure, financing, institutional relationships as well as briefly assess their strengths and weaknesses. It then discusses the major management challenges in Metro Manila at present and how they are being addressed under the current set-up.

Under the present decentralized framework, governance of Metro Manila becomes more challenging as cities and municipalities that compose it have political legitimacy and significant powers and authorities relative to the Metropolitan organization. However, the paper has emphasized that with proper allocation of powers, authorities and financing, the metropolitan body can take on a more important role in terms of actual delivery of metro-wide services. While the present metropolitan body appears to have taken on more responsibilities in the delivery of services transcending local boundaries, still a large part of these metro-wide services still remain with the national government agencies. This is primarily explained by the fact that while the national government has continuously provided subsidies to the metropolitan body, it still allocates a sizeable portion of the budget for metro-wide services to the national government agencies. These agencies, being line departments, are inherently concerned with their own sectoral priorities rather than serving the needs of the metropolis per se. Consequently, the metropolitan body is left with the very difficult task of having to orchestrate the sectoral programs of various national government agencies, including metro-wide services. This situation not only makes government effort almost intractable but also increases costs in terms of both manpower and financial costs.

The advantage of metropolitan governance under a decentralized framework is that it allows the local government units within the metropolis to respond directly to the priority needs of their respective constituents by seeking creative means to deliver urban services. This is attested to by the innovative programs and projects some cities in Metro Manila have implemented which have been included in this paper under the discussion of models of good city governance.

## 1. INTRODUCTION

In 1990, Metro Manila, with 7.9 million population, ranked 18<sup>th</sup> among the largest urban agglomeration in the world. By the turn of the century, it is expected to reach 11.8 million and will rank 20<sup>th</sup> of the 28 identified megalopolises or megacities in the world.<sup>1</sup> (UNU, 1994).

Metro Manila or the National Capital Region is the smallest of the 16 regions of the Philippines in terms of land area (636 square kilometers) but is the prime financial, commercial, social, cultural and educational center and the seat of the national government. Its cumulative development through centuries has built a solid foundation for it to become the premier metropolis in the country and which new metropolises will find difficult to outdo or outrank. However, Metro Manila needs to speed up its effort to be competitive with the world-class cities in Asia and in the West.

The rapid growth in public expenditure needed to meet the social and physical infrastructure requirements of the expanding metropolis has been a constant challenge and is more highlighted in recent years. Efficient transportation leaves much to be desired. Basic utilities in terms of water, power and communication facilities have yet to reach a hundred percent accessibility. The current emphasis on making premier cities globally competitive or world class further pressures the country to seek creative means to fund capital intensive programs. Alongside these challenges are institutional dilemma which have taken root from the country's colonial past and the political turmoil that plagued post-war national leaderships.

The present paper aims to provide a brief sketch of the demographic, economic and spatial development of Metro Manila at present and likely scenario towards the next millenium. The study will also explain and assess the various governance systems, structures and processes that have evolved in Metro Manila from the post-World War II era to the present. It will also highlight the challenges and issues confronting the metropolis by evaluating specific sectors or services that are critical to its better functioning. These include transport and traffic management, flood control, solid waste management, housing provision and urban poverty alleviation. The study will also feature some cities in Metro Manila whose programs and their execution can serve as models of good city governance. The paper shall conclude with some policy directions that will have to be considered in the medium and long term.

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<sup>1</sup> Recently, the emergence of big metropolises in the world has prompted the United Nations to classify certain metropolises as megalopolises which pertain to cities or metropolises having a population of 8 million and over (ADB, 1994).



## 2. BACKGROUND

Metro Manila has had a long history. For 250 years before the Spanish arrived, Manila has been a prosperous city engaged in trading with neighboring China, Vietnam, Indonesia, Malaysia, Borneo and Kampuchea and with Acapulco as well. Because it was a progressive city with rich agricultural hinterland, Manila became the Spanish and, then later, America's colonial capital. Aside from being the direct link between the Philippines and its colonial rulers, Manila through its port served as the gateway for the export of agricultural products and raw materials to Europe and the United States and for import of British and American manufactured goods. During the Spanish and the American rule, colonial policies promoted the development of Manila as a primate city. In this sense, the countryside was "economically exploited to support the colonial bureaucracy in Manila" (Caoili, 1985 based on Cushner, 1971 and Regidor and Mason, 1905/1925). After World War II, economic policies have contributed further to the uneven development between Manila and the rest of the country. Manila was the favored location of industrial establishments because of its developed infrastructure and its being the country's principal port and financial and commercial center. This, together with political unrest and underdevelopment in the other regions, have encouraged rural migration to Manila and accelerated the urbanization process in the area.

### 2.1. Geography

Metropolitan Manila (or the National Capital Region, NCR) is located in the southwestern portion of Luzon, directly below Central Luzon. It lies along the flat alluvial lands extending from the mouth of the Pasig River in the west to the higher rugged lands of Marikina Valley in the east. It is bounded by the province of Bulacan in the north, the Sierra Madre mountains and Laguna de Bay in the east, Manila Bay in the west, and the provinces of Cavite and Laguna in the south.

Metro Manila is comprised of the cities of Manila, Caloocan, Las Pinas, Mandaluyong, Makati, Marikina, Muntinlupa, Paranaque, Pasay, Pasig, and Quezon, as well as the municipalities of Malabon, Navotas, Pateros, San Juan, Taguig, and Valenzuela. With a land area of 636 sq. km., it may be subdivided it into 4 zones: the Coastal Margin (including the reclaimed area in Manila Bay), the Guadalupe Plateau, the Marikina Valley, and the Laguna Lowlands (MMDA 1996). The Coastal Margin is located along Manila Bay and possesses resources for offshore fisheries and fishpond development. The various reclamation projects in the Coastal Margin are meant for mixed used urban development activities. The Guadalupe Plateau actually contains most of the Metro Manila jurisdictions. This plateau is most adaptable to urban development activities not only because of its solid geological foundations but also because the existing infrastructure links with the rest of the Luzon. On the other hand, the Marikina Valley has fertile land suitable for crop cultivation while the Marikina River provides water for industrial uses and discharge. Lastly, the Laguna Lowlands, another fertile but less expansive area, borders the Laguna de Bay making it suitable not only for agriculture and aqua-culture but also for industrial activity (**Figure 1**).

## 2.2. Demography

In 1995, total population of Metro Manila reached 9.5 million, accounting for 13.8 percent of the total population and some 25.1 percent of the total urban population (**Table 1**). The primacy of Metro Manila has been declining continuously after reaching a peak of 34 percent in 1970. The diminishing primacy of the metropolis is partly attributed to the deceleration of the rate of growth of its population from a peak of 4.9 percent annually in the 1960s to 3.0 percent in the 1980s (Pernia and Israel 1994). However, the population growth rate of Metro Manila rose to 3.3 percent yearly in 1990-1995, almost 50 percent higher than the national average of 2.3 percent. Still another factor that helps explain primacy reversal is the decline in the contribution of net migration to the growth of the metropolis. To wit, the proportion of migrants in Metro Manila's population in 1975-1980 was 18.2 percent compared to only 11.5 percent in 1985-1990.

The population density of Metro Manila in 1995 is estimated at 14,865 persons per sq. km., 65 times the national average of 229 persons per sq. km.. Congestion in Metro Manila is more glaring if one looks at the individual cities and municipalities in the region. Congestion, as measured by population density, is more evident in Manila, Makati, Pasay, Navotas, Pasig and Caloocan. Although population growth in the first 3 LGUs has slowed down in 1990-1995, the same cannot be said for the last 3 LGUs (**Table 2**).

The population is young and a substantial portion is at the peak of their productive years. While the metropolitan population is not as young as that of the entire country with only 43 percent of its population below 20 years of age compared to the entire country's 49 percent, the proportion of the population between 20 and 35 years of age is higher in Metro Manila (30.7 percent) than in the rest of the country (24.6 percent).

## 2.3. Economic Development

**GDP.** The Gross Domestic Product (GDP) of the National Capital Region reached P835.6 billion (US\$28.4 billion) in 1997. The share of Metropolitan Manila in the total economy's GDP initially went down from 30.1 percent in 1980 to 28.3 percent in 1985 before recovering to 34.5 percent in 1997 (**Table 3**). Thus, it appears that although the NCR was more badly affected by the economic crisis that confronted the Philippines in 1983-1985, it was also the major beneficiary of the turnaround in the economy in the late 1980s and the 1990s. In more specific terms, the annual rate of growth of NCR's real GDP declined from 6.3 percent in 1975-1980 (compared to the Philippines' real GDP growth rate of 6.2 percent) to negative 1.9 percent in 1980-1985 (compared to the national average of negative 0.5 percent) but bounced back to 3.9 percent in 1985-1997 (compared to the national average of 3.2 percent). Consequently, the region re-established its hold on economic primacy (in contrast to urban primacy) in 1986-1997.

The resurgent economic primacy of the NCR is largely driven by the recovery of

the services sector (especially the finance and housing sub-sector). In contrast, NCR's industrial sector (including the manufacturing and the construction sub-sectors) lagged behind the rest of the regions'. In particular, NCR's gross value added (GVA) in the services sector grew by 5.2 percent yearly on the average in 1985-1997 (compared to the national average of 3.7 percent), NCR's GVA in construction and manufacturing increased by 3.5 and 2.2 percent, respectively (compared to the national average of 6.3 and 3.4 percent, respectively).

Consequently, the services sector became the most dominant sector in the NCR starting in 1988 in terms of GVA shares. Prior to this year, the industrial sector contributed the majority of regional GDP. The relative contraction of the industrial sector in the NCR is largely attributed to the declining share of the manufacturing sub-sector in the said period. In turn, this development may be traced in part to the deconcentration of manufacturing activity from the NCR to Southern Tagalog and Central Luzon in the late 1980s although the encroachment of the peripheral regions appeared to have waned in the 1990s. However, the manufacturing sub-sector which accounted for over 40 percent of total NCR GDP in 1985 exhibited a less vibrant performance in the 1990s.

***Per capita GDP.*** In 1997, per capita GDP in Metro Manila stood at P82,832 (US\$2,811). Although there has been some diminution in the relative well-being of the NCR, as measured by per capita GDP in 1975-1985, this trend was reversed in 1985-1997. However, the improvement in Metro Manila's per capita GDP in the latter period was not enough to bring it back to the position it enjoyed (relative to the other regions) in 1975. Nonetheless, the metropolitan region continues to dominate all the other regions with a per capita income that is 2.5 times the national per capita GDP of P33,722 (US\$1,144), 2.1 times the per capita GDP of the second richest region, Cordillera, and 7.7 times the per capita GDP of poorest region, Muslim Mindanao (**Table 4**).

***Poverty.*** The sterling performance of Metro Manila in terms of improvements in per capita GDP is mirrored in the trend in poverty reduction. Of the 2.0 million households living in the metropolis, 8.0 percent live below the 1997 poverty line of P71,800 per year for a family of 5. This compares favorably with the national poverty incidence of 32.1 percent. It also represents a marked improvement in poverty reduction as the 1985 poverty incidence in the region was almost 3 times higher at 23.0 percent (**Table 5**).

***Income Disparity.*** Although income inequality (measured in terms of the Gini concentration ratio) in the NCR is consistently lower than that in the entire country in 1985-1997, **Table 6** indicates that incomes are becoming more unequal over time in the region, particularly in the 1994-1997 period.

***Unemployment Rate.*** On the average, the total working age population grew by 3.0 percent yearly between 1988-1997. In 1997, the working age population in Metro

Manila reached 6.5 million people, 4.1 million people of which are in the labor force. In

turn, 14.5 percent of the labor were unemployed (**Table 7**). The unemployment rate in 1997 is higher than that in 1996 but still slightly lower than the average for the boom years of 1993-1996 despite the onset of the Asian currency crisis in 1997.

It is also notable unemployment is more prevalent in the NCR than in the rest of the country. NCR's unemployment rate was almost twice high as the national average in 1988-1997.

The distribution of employment across industries closely follow the distribution of GVA across sectors. From the 1980s onwards, the share of the service sectors in total employment ballooned. In 1997, almost three-quarters of total employment in the NCR is contributed by the services sector. This dramatic expansion in services sector employment in Metro Manila came largely at the expense of manufacturing employment, whose share shrank 27 percent in 1975 to 18 percent in 1997.

***Inflation.*** In the late 1970s and early 1980s, Metro Manila's inflation rate was lower than the national average. However, the situation was reversed in the late 1980s and early 1990s.

Because of the economic crisis in 1983-1985, the inflation rate in Metro Manila almost doubled from an annual average of 11.5 percent in 1975-1980 to 20.0 percent in 1980-1985. Following the macroeconomic stabilization measures undertaken by the government in the late 1980s and 1990s, inflation in Metro Manila stabilized at 11.3 percent in 1988-1997. Moreover, the inflation rate in the region has been maintained at the single digit level since 1992 (**Table 8**).

## **2.4. Spatial Development**

The composition of Metro Manila has not changed since its formation in 1975 under Presidential Decree 824 to the current legal geopolitical composition under RA 7924. The only change has been the recent reclassification of some municipalities into cities, namely Makati, Muntinlupa, Mandaluyong, Pasig, Marikina, Las Pinas and Paranaque.

Metro Manila has been geographically subdivided by previous planning documents into an inner core and intermediate core. This subdivision has been largely based on the circumferential road boundaries (**Figure 2**). The inner core is composed of the cities of Manila, Pasay, Caloocan, Quezon, Makati and Mandaluyong and the municipalities of San Juan, Navotas and Malabon. The intermediate core consists of the cities of Pasig, Paranaque, Muntinlupa, Marikina, Las Pinas and the municipalities of Valenzuela, Taguig and Pateros.

In the immediate post-war period, urban development radiated from the city of Manila, which has been the administrative, economic, educational and social center since the colonial period, northwards to Caloocan City, and southwards to Pasay City.

Meanwhile, the development of government housing projects in Quezon City and private sector development of Makati as a financial, commercial and residential center in the late 1950s and the 1960s completed the filling up of the inner core between Manila Bay and EDSA (or C-4). Industrial and residential development intensified in Navotas, Malabon and Valenzuela in the late 1960s and in Marikina, Pasig , Paranaque, Las Pinas, and Muntinlupa in the 1960s and the 1970s (League 1993). By 1975, the distinction between inner and outer core has been obliterated as infrastructure and economic links have virtually made all these local units a unified core and have spatially merged them into a metropolitan area that was then loosely referred to a Greater Manila Area (**Figure 2**).

Related to this, the Physical Framework Development Plan for Metro Manila (MMDA, 1996) identified an outer core consisting of municipalities beyond the originally identified intermediate core and located in the neighboring regions particularly in the provinces of Rizal, Cavite, Laguna and Bulacan. These areas are outside the legal composition of Metro Manila but are included as part of the planning region of Metro Manila .

The development of Metro Manila beyond its present legal boundaries has been more pronounced in recent years than it was twenty years ago. Aside from the above cited planning framework for Metro Manila, the Philippine National Development Plan for the 21<sup>st</sup> Century or Plan 21 (NEDA, 1998) has made explicit its recognition of Metro Manila's spatial development by referring to a Metropolitan Manila Growth Network that includes the industrial areas of the neighboring regions, namely, Southern Tagalog Region (Cavite-Laguna-Batangas-Rizal Quezon or CALABARZON and the Manila-Rizal-Laguna-Quezon or MARILAQUE areas) and the Central Luzon Region (areas linking Manila with the Subic and Clark Special Economic Zones). Refer to **Figure 3**.

Corpuz (1995) in his analysis of the growth directions of Metro Manila using centrography has shown parts of the provinces of Cavite, Bulacan, Rizal and Laguna as areas where growth and development are occurring and would continue to take place as Metro Manila continues to experience fast growth at its periphery.

### **3. METROPOLITAN GOVERNANCE**

#### **3.1. Overall Governance Framework**

The Philippines has a unitary form of government with a multi-tiered structure. It is a presidential republic with a bi-cameral legislature (composed of the Senate with 24 members and a House of Representatives with at most 250 members).

At the top is the central government operating through some 20 departments/agencies. Administratively, the country is divided into 16 administrative regions and most departments maintain regional offices. It should be emphasized that the regions (with the exception of the Autonomous Region of Muslim Mindanao) are just

administrative sub-divisions and not regional governments with elected regional officials.

The second tier of government is composed of local government units (LGUs). The local government structure is composed of three layers. The first layer is composed of the provinces. In turn, the province is divided into municipalities and component cities, each of which is further subdivided into barangays, the smallest political unit. At the same time, highly urbanized cities exist at the same level as the provinces, i.e., they share the same functions and authorities. However, highly urbanized cities are partitioned directly into barangays (**Figure 4**).

Provinces are headed by a Governor and Vice-Governor; cities and municipalities are headed by Mayors and Vice-Mayors. Each level of local government have their own legislative bodies called *Sanggunians*. Members of the *Sanggunians* are called Board members in the case of provinces and councilors in the case of cities and municipalities. Local chief executives, local vice-chief executives and *Sanggunian* members are all elected in popular elections.

### **3.2. Early Antecedents of Metropolitan Organization**

In the 1950s and the 1960s, rapid and uncontrolled population growth, resulting from a high rate of natural increase and significant internal migration, contributed to the economic growth of Manila but brought countless problems in the process. These problems include poverty and housing shortage exemplified by the proliferation of slums and squatter settlements, inadequate public transportation system, traffic, deteriorating health and sanitation condition due to lack of potable water and unsanitary disposal of waste, lack of drainage and sewage system, pollution (air, water and noise) and worsening peace and order situation. Caoili (1985) argues that the failure to address the problems of Metro Manila during the immediate post-war period up to the 1960s stem from the piecemeal and uncoordinated solutions employed by local governments due to party politics and jurisdictional disputes over responsibility for service delivery. Also, there was a highly uneven distribution of financial resources among local units resulting in wide disparities in the availability and quality of public services.<sup>2</sup>

The need to consolidate service efforts in view of urban services that transcend local jurisdictions in Metro Manila became more obvious in time. Thus, ad-hoc bodies or local government arrangements were established to address specific problems or needs. These included the United Intelligence Operations Group (tasked to implement cooperative laws among the cities and municipalities), Fire Protection Organization,

Metropolitan Health Council, Inter-Police Coordinating Council and the Metropolitan

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<sup>2</sup> Caoili (1985) cites that “...in fiscal year 1974-75, per capita revenue among MMA units ranged from P16 in Pateros to P223 in Manila. Per capita expenditures during the same year varied from P19 in Pateros to 243 in Makati. In calendar year 1980, per capita revenue among MMA units ranged from P34 in Pateros to P412 in Makati. Per capita expenditures during the same year varied from P28 in Pateros to P351 in Makati”.

Mayors Coordinating Council. Nonetheless, these ad-hoc arrangements were found to be inadequate in addressing the complex problems of the metropolis.

At about this time also, the needs of Metro Manila became a priority concern of the national leadership. This concern was hinged on two major considerations. The first centered on the need to improve public services in the areas geographically embracing the center of government. Inefficient and uncoordinated services in the metropolis in the face of rapid urbanization caught the attention of the Marcos leadership. The second stemmed from the need to develop a region that will serve as the showcase of the country's modernization thrusts. Given these considerations, Memorandum Order No. 314 (dated November 10, 1972) was issued creating the Inter-Agency Committee on Metro Manila.

The Inter-Agency Committee was tasked “to study the system of municipal/city government in Metropolitan Manila and to recommend whatever measures of coordination and integration are deemed appropriate and to study the functions and responsibilities of the National Government in the metropolitan area, and to recommend whatever changes in structure and interrelation with municipal governments are deemed appropriate”. The committee proposed for the creation of a Metropolitan Manila Authority under the Office of the President through a promulgation of a Presidential Decree.

### **3.3. Metro Manila Commission, 1975-1989**

A referendum was called for to get the people's support for the new jurisdictional delineation of Metro Manila and to give the President the authority to create a new administrative structure for the National Capital Region (NCR). Eventually, Presidential Decree 824, creating the Metro Manila Commission (MMC), was issued in 1975. Moreover, PD 824 delineated the territorial jurisdiction of the MMC to include the 17 LGUs enumerated earlier. The important features of the MMC are summarized in **Table 9**.

**Responsibilities.** The MMC was tasked to take primary responsibility in the delivery of garbage collection and disposal, transport and traffic services and fire control services. It was also mandated to coordinate and monitor government and private activities pertaining to the delivery of essential services like water supply and sanitation, flood control, health, social welfare, housing, and park development. More important, the Commission was ordained to develop a comprehensive social, economic and physical plan for the region.

**Authorities.** PD 824 enabled the MMC to act as a central government to establish and administer programs and provide services common to the area. The MMC was also vested with legislative powers; it can enact and approve ordinances and resolutions. In addition, the MMC was also authorized to levy and collect taxes and fees, expend and borrow money, issue bonds and others instruments of indebtedness. Moreover, it was empowered to review, amend, revise or repeal all ordinances and resolutions of the different LGUs within its jurisdictions including their annual budgets.

**Organizational structure.** The MMC was composed primarily of the Governor, Vice-Governor, and three Commissioners, one each for Operations, Finance and Planning. All of these officials were appointed by the President of the Philippines.

The Governor and Vice-Governor also assumed the position of General Manager and Deputy General Manager. As such, they were responsible for the implementation of the MMC's policies, programs and regulations. At its peak, the MMC's personnel numbered 35,000, majority of whom were in Operations.

**Finance.** The MMC had access to the following revenue sources: (1) IRA share; (2) central government subsidies; (3) contribution from the member LGUs; (4) share in proceeds of specified taxes imposed by member LGUs; and (5) own collection of taxes and fees. Effectively, the MMC was treated much like a provincial level government in terms of share in the Internal Revenue Allotment<sup>3</sup> and taxing powers. Specifically, the MMC received 45 percent of the proceeds from the municipal collections of real property tax. It was also entitled to varying proportions from the collection of other taxes and fees imposed by member LGUs like the corporate residence tax, excavation fees, building and sanitary permit fees, parking fees and the like (Metropolitan Manila Management Study or MMMS 1993). Moreover, the MMC also imposed and collected the following taxes/fees: cinema tax, franchise tax, delivery van tax, peddlers tax, tax on transfer of real property and traffic violation fees. Lastly, member LGUs were ordained to contribute 20 percent of their regular income to the MMC.

In 1988-1989, yearly MMC revenues amounted to P1,037 million on the average in 1992 prices. Statutory contributions of member LGUs was the single biggest source of revenue for the MMC. Its share in total MMC income was 34.7 percent on the average during this period. Over of 30 percent of total MMC income came from its share in the real property tax, 13.1 percent from other taxes, 11.1 percent from fees and charges (non-tax revenues), 5.4 percent from the IRA and 5.6 percent from subsidies from the central government (**Table 10**).

**MMC-LGU relations.** PD 824 effectively emasculated its member LGUs. It abolished the legislative councils of the member LGUs and vested the power to enact ordinances on the MMC itself. In principle, the city/municipal mayors retained the powers and functions assigned to them prior to the issuance of PD 824. However, they

were also tasked to execute MMC approved programs in their respective jurisdictions. Thus, they became area administrators/managers.

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<sup>3</sup> The IRA is the mandated share of LGUs in internal revenue collections of the Bureau of Internal Revenue (BIR). Prior to 1991, total IRA was at the maximum equal to 20 percent of BIR collections three years prior to the current year. The IRA is allocated to the different levels of local government and to specific LGUs within each level according to a pre-determined formula that is based on population, land area and equal sharing.



***Linkages with national government agencies.*** As earlier stated, the MMC was mandated to coordinate and monitor key sectoral services. Largely, because of the political clout of the First Lady (Imelda Marcos) who was Governor/General Manager of the MMC for 10 years, the MCC exercised more than a coordinative function over said services (League 1993). Senior officials of key national government agencies (like the Department of Public Works and Highways, Department of Health Department of Education) were appointed as Action Officers of the MMC. Through this arrangement, the MMC formalize its influence over national government line agencies in terms of ensuring budget support to metropolitan projects.

***Assessment.*** League (1993) noted that because of the unique situation brought about by the appointment of the First Lady as Governor of Metro Manila while being the head of the powerful Ministry of Human Settlements (MHS), the MMC enjoyed a position of primacy in the metropolis. While no formal evaluation of the performance effectiveness has been undertaken, there is some agreement that the MMC was effective in more ways than one (MMMS, 1993; League, 1993; Cabanilla, 1998). For instance, the squatter problem was reportedly better controlled; traffic and public transport were better managed; the environment was cleaner and greener. Moreover, the MMC was able to generate strict compliance from LGUs with respect to the remittance of their mandated contributions. The MMC was able to prepare the first metropolitan land use and zoning plan which was enforced through a zoning ordinance. Much of this success was dependent of the personality/individuality of the First Lady who was able to generate the greater support and cooperation of LGUs and national government agencies than would have been possible if any other person were appointed Governor (MMMS 1993).

In spite of the MMC's enormous power and influence, it did not evolve into a real metropolitan institution. The MMC actually performed a rather limited range of normal metropolitan services. For most services, it was unduly dependent on national government agencies.

**Table 11** shows that in 1988-1989 the MMC spent 84.3 percent of its budget on operations. In turn, 91.9 percent of this amount was expended on solid waste management. On the other hand, **Table 12** documents MMC's reliance on central government agencies. In 1988-1989, MMC's expenditures accounted for a low 7.5 percent of total general government expenditures in Metro Manila. The bulk (62.2 percent) of total general government expenditures in the region was expended by central government agencies. In comparison, member LGUs contributed a sizable portion (30.3 percent) of total general government expenditures. The latter were allocated to largely local concerns.

League (1993) further noted that without a NEDA<sup>4</sup> Regional Office in the NCR,

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<sup>4</sup> National Economic and Development Authority (NEDA) is a constitutional body mandated to provide

there was no Regional Development Plan to guide the development of the metropolis in an integrated fashion with its neighboring regions and with national priorities. Consequently, the MMC had a tendency to concentrate on “high visibility impact projects....reactions to specific problems or showcase projects which were not sustainable”. It was not until the 1980’s when the Commissioner for Planning (within the MMC structure) was appointed to take on the functions and responsibilities similar to those of a NEDA Regional Director. However, the MMC was shortlived with the ouster of the Marcos government following the People’s Power/EDSA Revolution in February 1986.

### **3.4. Metropolitan Manila Authority, 1990-1995**

The collapse of the Marcos administration in 1986 and the adoption of a new Constitution (which passed on to Congress the task of determining the appropriate institutional mechanism for metropolitan management) placed Metro Manila in institutional limbo, with an ambiguous structure and leadership. The growing problems of Metro Manila, most especially with respect to traffic and garbage, triggered then President Corazon Aquino to issue Executive Order (EO) 392 in 1990 which created the Metro Manila Authority (MMA) as an interim body pending the creation of a more permanent metropolitan organization for the region in a manner that is consistent with the provisions of the 1987 Constitution.

The MMA is considered by many as a weaker version of its predecessor (the MMC) in terms of both executive and revenue powers. Moreover, the passage of the new Local Government Code in 1991, which enhanced the autonomy of local government units, further debilitated the MMA. The more important features of the MMC under the more decentralized framework are presented in **Table 9**.

**Responsibilities.** The MMA was given jurisdiction over the delivery of basic urban services requiring coordination. These basic services included among others: land use, planning and zoning; traffic management; urban development and renewal; disaster management; and sanitation and waste management.

**Authorities.** The MMA had no legislative authority. Prior to the passage of the Local Government Code (or LGC), the MMA had the authority to collect taxes which were accruing to it 100 percent. This was no longer true in the post-LGC period.

**Organizational structure.** The MMA was governed by the Metro Manila Council which was composed of the mayors of the member LGUs. The Chairman of the Council was elected from among its mayor-members for a six-month term and performs a largely titular (e.g. preside over meetings) and recommendatory function. The Secretaries of the

Department of Transportation and Communication (DOTC), Department of Public Works and Highways (DPWH), and Department of Budget and Management (DBM) attended the meetings of the Council as non-voting members. The Council was responsible for the

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over-all leadership in economic and social development planning and policy formulation.

formulation of policies on the delivery of services and the promulgation of resolutions of metro-wide application. However, EO 392 provided that a General Manager, appointed by the President of the Philippines, was to be in charge of day-to-day operations.

***Finance.*** EO 392 reduced mandatory LGU contributions to the MMA from 20 percent to 15 percent of LGU regular income. With the implementation of the Local Government Code in 1991, the share of the MMA in the real property tax was also reduced from 45 percent to 35 percent. Moreover, provincial taxes which were previously accruing to the MMA prior to the LGC were withdrawn and assigned to member LGUs. Also, the Implementing Rules and Regulations (IRR) of the LGC provided that cities and municipalities were no longer required to make contributions to the MMA, causing the member LGUs not to remit any contributions at all. However, the LGC provided for higher aggregate IRA levels. In sum, the MMA, post-LGC, had to content itself with the following sources of revenue: (1) higher IRA share; (2) reduced/voluntary LGU contributions; (3) reduced share in some taxes levied by member LGUs; and (4) central government subsidies.

**Table 10** highlights the diminution of MMA income with the implementation of the LGC. Effectively, MMA income (expressed in 1992 prices) was reduced by more than 50 percent in spite of larger central government subsidies during the period. Expressed as a proportion of GDP, MMA declined from 0.3 percent of GDP in 1991 to 0.1 percent of GDP in 1992/1993.

At the same time, there was a dramatic shift in the composition of MMA income. The IRA emerged to be the most important revenue source. Its share in total MMA income rose from 12.2 percent in 1991 to 50.8 percent in 1993. The share of central governments subsidies also rose dramatically from 0.6 percent to 18.2 percent. In contrast, the share of tax revenues dropped from 44.2 percent to 12.5 percent.

***MMA-LGU relations.*** LGU legislative bodies were re-constituted with the implementation of the LGC. As earlier noted, mayors of member LGUs are voting members of the Metro Manila Council. While the MMA was given the primary responsibility over metro-wide services, LGUs were assigned locality-specific services. In the post-LGC period, LGUs refuse to remit their contributions to the MMA.

***Linkages with national government agencies.*** The MMA coordinated with sectoral national government agencies the program implementation. The venue for this was essentially the participation of selected Secretaries in the Metro Manila Council.

***Assessment.*** Institutional ambiguity, the reduced revenue generating powers as a result of the passage of the Local Government Code combined to constrict and hamper MMA's provision of public services in the metropolis. Given its very limited funding, the MMA has had to rely more on its coordinative role. However, in practice, neither the MMA Chairman or General Manager may not have sufficient clout to be effective in coordinating with national government agencies or with the member LGUs themselves.

Moreover, the very short term of office of the Chairman of the MMA did not promote continuity in policy formulation and program implementation. As such, the focus of policies and programs changes with every turnover in the chairmanship. Also,

Concomitant with the dramatic decline in MMA income with the implementation of the Local Government Code, MMA expenditures also contracted from 0.3 percent of GDP in 1991 to 0.1 percent of GDP in 1993. However, the composition of MMA expenditures did not change that much. In 1991-1993, 86.3 percent of MMA expenditures went into operations. Of this amount, 91.3 percent was allocated to solid waste management (**Table 11**).

During this period, LGUs gained increasing prominence as their share in total general government expenditures rose from 31.5 percent in 1991 to 42.6 percent in 1993 (**Table 12**). This occurred as the expenditures of both the MMA and central government agencies declined in terms of 1992 prices and when expressed as a proportion of GDP. Note that many health and social welfare functions previously discharged by the central government were devolved to LGUs during this period. In like manner, LGUs took over some of the services in solid waste management that the MMC used to provide.

### **3.5. Metropolitan Manila Development Authority, 1995 to the Present**

Mounting metropolitan problems continued to haunt Metro Manila and the clamor for a better and stronger metropolitan body became stronger. It was not until 1995 that the Lower House and the Senate were able to reach a compromise bill and enacted Republic Act 7924 . RA 7924 reaffirms the compositional definition of Metro Manila constituting it into a “special development and administrative region” subject to direct supervision of the President of the Philippines. The law also provided for the creation of the Metropolitan Manila Development Authority (MMDA). In general terms, the MMDA shall perform planning, monitoring, coordinative, regulatory, and supervisory authority over the delivery of metro-wide services within Metro Manila without diminution of the autonomy of LGUs concerning purely local matters. RA 7924 grants a more permanent term for the MMDA Chairman. A feature of RA 7924 which is not found in previous legislation is the prescription for the MMDA to work closely with non-government organizations (NGOs), peoples’ organizations (POs) and the private sector.

**Responsibilities.** RA 7924 mandates the MMDA to (1) formulate, coordinate, and regulate the implementation of medium- and long-term plans and programs, including investment programs, for the delivery of metro-wide services, land use, and physical development; (2) undertake and manage on its own metro-wide programs and projects for the delivery of specific services under its jurisdiction; (3) set policies concerning traffic in Metro Manila; and (f) install and administer a single ticketing system, fix, impose and collect fines and penalties for all kinds of traffic violations.

RA 7924 defines the scope of MMDA’s functions to include services “which have metro-wide impact and transcend local political boundaries or entail huge expenditures

such that it would not be viable for said services to be provided by the individual local government units comprising Metro Manila”. These services include development planning, transport and traffic management, flood control and sewerage management, urban renewal, zoning and shelter services, health and sanitation, urban protection and pollution control and public safety.

**Authorities.** The MMDA, like the MMA, has no legislative powers. Neither can it levy and collect taxes.

**Organizational structure.** The MMDA structure is almost identical with that of the MMA. It has a Chairman, a General Manager (GM), and three Assistant General Managers (AGMs), one each for Planning, Operations, and Finance and Administration (**Figure 5**). The Chairman is given executive functions, which he shares with the General Manager. The Chairman is appointed by the President of the Philippines, holds the rank of a Cabinet member and holds office at the discretion of the President. The GM and AGMs are also appointed by the President.

The Metro Manila Council remains the policy-making body. The membership of the Metro Manila Council is expanded to include the president of the Metro Manila Vice-Mayors League, and the president of the Metro Manila Councilors League, the heads of the Department of Tourism (DOT), Housing and Urban Development and Coordinating Council (HUDCC), and the Philippine National Police (PNP) in addition to all the mayors of member LGUs and the heads of the DOTC, DPWH, DBM.

MMDA has 10,820 personnel service positions, 70 percent of which are filled as of April 1998. About 90 percent of the total plantilla positions are allocated to the Environmental Sanitation Center (ESC) which are mainly composed of *Metro Hardinero* or street-sweepers. There is a realization that the MMDA should no longer hire street sweepers in as much as the LGUs hire their own in their respective localities. The current proposal to correct the lopsided distribution of manpower complement in the whole organizational structure has been submitted by MMDA to the DBM for consideration and study. The proposal basically reduces the number of ESC personnel while beefing up personnel complement in the technical departments especially in the office of planning, operations and administration.

**Finance.** RA 7924 prescribes the following sources of revenue for the MMDA: (1) its own IRA share; (2) subsidies from the national government; (3) contribution of member LGUs set equal to 5 percent of their total annual gross revenue of the preceding year, net of IRA; and (4) fines and fees the MMDA may impose and collect for services rendered. As such, the MMDA is highly dependent on central government subsidies. In 1996-1998, central government subsidies accounted for 48.9 percent of total MMDA

income (**Table 10**). In comparison, the share of mandatory contributions from member LGUs was 25.3 percent while that of the IRA was 18.9 percent during the period.

***MMDA-LGU relations.*** Policy coordination with the LGUs is done within the MMDA structure through the Metro Manila Council. However, operational coordination with respect to area-wide services such as traffic and transport management, solid waste management, disaster management as well as planning functions such as physical framework, socio-economic and land use planning are coordinated with individual LGUs.

***Linkages with national government agencies, NGOs/POs and private sector.*** Several sectoral national government agencies and government corporations are undertaking various programs and projects in Metro Manila. These include the DPWH responsible for roads, bridges, flood control and drainage as well as traffic engineering, the DOTC and its various bureaus<sup>5</sup> dealing with transport and traffic management, the National Housing Authority (NHA) on housing, Housing and Land Use Regulatory Board (HLURB) for subdivision plans, Metropolitan Waterworks and Sewerage System (MWSS) for water supply, the Department of Environment and Natural Resources (DENR) on environmental management, the Laguna Lake Development Authority (LLDA) for the management of the Laguna de Bay region encompassing the five cities in Metro Manila, the Department of Interior and Local Government (DILG) exercising oversight function over the LGUs as well as in police assistance, the National Economic and Development Authority (NEDA) on planning, monitoring and evaluation of plans and projects and the Department of Health (DOH) on health and sanitation. On top of these government agencies are ad-hoc commissions or task forces created by the President including the Presidential Task Force on Solid Waste Management, the Presidential Task Force on Traffic Improvement and Management (TRAFIMM), the Philippine Council for Sustainable Development and the Cabinet Officer for Regional Development (CORD)<sup>6</sup> for NCR who is the HUDCC Chairman serving as the link of Metro Manila to the President.

MMDA coordinates its interregional concerns basically through the NEDA. This is with respect to the formulation of its regional development plan and physical framework which takes into account the spatial development of the metropolis in the neighboring regions of Region III (Central Luzon) and Region IV (Southern Tagalog). However, MMDA needs to improve its linkage with institutions responsible for translating the interregional framework to actual plans and programs. For instance, at

present, there is no involvement of MMDA in the MARILAQUE Commission established by the President to plan for and develop the growth corridor from NCR to the provinces of Rizal, Laguna and Quezon. Neither is MMDA involved with efforts relative to CALABARZON development.

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<sup>5</sup> These include the Transportation Planning Service of the DOTC Central for overall formulation of transportation policies, Land Transportation Office (LTO) for vehicle registration, vehicle inspection and issuance of drivers' license and the Land Transportation Franchising and Regulatory Board (LTFRB) for issuance of franchises to motorized road based modes of public transport services.

<sup>6</sup> The CORD system was introduced by the Aquino administration and was carried over by the Ramos administration. Each of the 15 regions is assigned a CORD coming from the members of the Executive Cabinet. It is not yet known whether this system will be continued by the Estrada administration.

The MMDA is mandated to enhance institution-building and effective people's participation in governance through (1) private sector/NGO involvement in MMDA programs and projects; (2) improved transparency through the provision of better private sector access to information on government activities; and (3) promotion of private sector initiatives in urban development.

**Assessment.** The relatively stable term of office of the Chairman of the MMDA enhances institutional focus and sharpens its vision. Although the scope of its mandate over metro-wide services has been expanded to include more services, it continues to perform a largely coordinative role because its revenue raising powers are still rather limited.

The expenditures of the metropolitan entity (expressed in terms of either 1992 prices or a proportion of GDP) doubled with the establishment of the MMDA. But what is perhaps more significant is the fact that the MMDA effectively expanded its ambit to include more metro-wide responsibilities. While the operations budgets of both the MMC and the MMA were spent almost solely on solid waste management, that of the MMDA's is now allocating sizable amounts for traffic and infrastructure development (**Table 11**).

However, the majority of total general government expenditures in Metro Manila still comes from central government agencies. At the same time, LGUs continued to expand in 1996-1997 (**Table 12**).

#### **4. MAJOR METROPOLITAN GOVERNANCE CHALLENGES**

In a nutshell, the problems in metropolitan governance in Metro Manila manifest themselves in the inefficient and inadequate delivery of metro-wide services. Largely, this lack stems from the rather unwieldy institutional set-up. The following discussion on the important management challenges in Metro Manila provides a more detailed explanation of these problems.

##### **4.1. Transport and Traffic Management**

As in many big cities in the world, traffic management dominates Metro Manila's development challenge. The deterioration of transport and traffic condition has afflicted Metro Manila since the 1950s. Simply put, traffic woes in Metro Manila stem primarily from an insufficient road system, the rapid increase in car ownership, the lack of quality public transportation services, poor enforcement of traffic regulations and lack of discipline on the part of both motorists and pedestrians. These problems are again validated in the initial findings of the Metro Manila Urban Transportation Integration Study (MMUTIS 1997).<sup>7</sup> In addition, there is a problem of overlapping of functions and

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<sup>7</sup> The MMUTIS Project was launched in March 1996 with technical assistance from the Japan International Cooperation Agency (JICA). The Project, jointly undertaken by the Department of Transportation and Communication (DOTC), Metro Manila Development Authority (MMDA), National

duplication of services in view of the multiplicity of players involved in transport and traffic management in the metropolis.

***Insufficient Road System.*** Major roads in Metro Manila are no longer sufficient to accommodate the rapidly rising traffic volume which have increased by more than 50 percent on the average during the last 15 years (**Table 13**). Private cars and trucks dominate traffic volume even in bus and jeepney-dominated major routes such as EDSA (C4) and Shaw Boulevard (R5).

***Accelerated Increase in Car Ownership.*** The number of registered vehicles in Metro Manila more than doubled during the period 1980 to 1995, growing at an average rate of 6 percent annually (**Table 14**). The increase has been more evident during the 90s. During this period, personal incomes have improved significantly concomitant with the economic recovery. At the same time, liquidity in the banking system was relatively relaxed and credit access (for car financing) easy.

At present, more than 40 percent of all registered vehicles in the country are plying in Metro Manila. This represents 1.1 million private and “for-hire” vehicles. Of these, almost half are privately-owned cars and utility vehicles. Household car ownership doubled from 9.5 percent in 1980 to 19.7 percent in 1996 (**Table 15**). The percentage of households with more than one car has also risen. A similar trend is also evident in areas adjoining Metro Manila.

The increase in household car ownership has been found to be positively correlated with household income. Thus, MMUTIS (1997) projected car ownership to increase by 2 percent annually from 1996 to 2015 as population and income levels continue to rise. Car ownership in the adjoining areas was projected to increase at an even higher rate of 5.1 percent.

***Increased Demand for Quality Public Transport Services.*** Public transportation services are mainly provided by buses, jeepneys, taxis and tricycles. While the supply of these services had increased dramatically through the years (**Table 16**), traffic congestion has decreased the quality of service of these transport modes in terms of travel speed, riding comfort and in-vehicle air-quality. Although air-conditioned bus units have

increased in terms of both the number of units and routes, in-vehicle crowding is still evident and only a few are well-maintained to provide comfort to the riding public. To satisfy the demand for better transport services, the number of Tamaraw FX or shared taxi on fixed route has increased rapidly since 1995. On the one hand, the addition of these

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Economic and Development Authority (NEDA) and the University of the Philippines (UP), is based at the UP National Center for Transportation Studies (NCTS). The long-term objective of the Project is to establish and update transportation database that will aid in the formulation of a transportation master plan for Metro Manila to year 2015. The short-term objective is to prepare feasibility studies on priority projects that can be implemented within the present time to year 2005. The Project is expected to terminate in March 1999.



utility vehicles provided an alternative mode of transport for passengers willing to pay a higher than the normal fare for efficiency and travel comfort. On the other hand, it contributed further to the increase in the already high traffic volume and to the further worsening of the traffic situation in the metropolis.

Urban rail transport services are still limited. At present, only the LRT Line 1 and the PNR provide rail transport services. But with the projected completion of the LRT lines 2 and 3 in 1999/2000, urban rail transit will take on a more important role in transport service in the metropolis by the turn of the century.

***Need for Institutional Integration and Coordination With a Metropolitan Perspective.*** A well-integrated and coordinated traffic management has always been a challenge in Metro Manila in view of the many players involved in the sector. **Table 17** presents the various institutions in transport and traffic management at the national, metropolitan and local levels, including the private sector.

Prior to the creation of the MMDA, institutional integration was approached by creating the Metro Manila Land Transportation Coordinating Council (MMLTCC). The MMLTCC was created in 1989 and then redefined in 1994 under Executive Order No. 170. It was tasked to be the policymaking body on all matters pertaining to traffic management in Metro Manila. Chaired by the MMA, its members include the CORD for NCR, the Secretaries of DOTC, DPWH, DILG, DECS and the General Manager of MMA as ex-officio member. While the composition of the MMLTCC included the major agencies involved in traffic management, there has been little actual coordination in policy and program formulation since the Council failed to formulate a unified and adequate transportation policy which impacts on a more coordinated and consistent (vs. contradictory) implementation of the various programs and projects of the agencies represented. Despite the MMLTCC, some major projects of the national agencies (e.g., projects which are in the department's list of priority activities or projects which are foreign funded with committed deadlines to spend the funds) are implemented without consultation with MMA or within the member agencies of the MMLTCC. For instance, the construction by DPWH of a fly-over along a section of Circumferential Road 4 (C-4) which favor private vehicles conflicted with the DOTC's long-term plan to construct a public-oriented rail transit system within the same corridor. The presence of the fly-over led to complications in the construction of the on-going Metro Rail Transit thereby increasing construction and engineering cost, prolonging the construction, and further aggravating traffic congestion in the area.

In the initial phase of the MRT project, there has been a serious clamor from private citizens and the business sector to address the traffic problem in the metropolis which has already reached a crisis stage. Then President Ramos issued Administrative Order No. 351 in August 1997 creating the Presidential Task Force on Traffic Improvement and Management (TRAFIMM) to be the integrating, coordinating and directing authority on traffic management nationwide, particularly in Metro Manila and other urban centers. The TRAFIMM in Metro Manila is headed by the Secretary of the

Department of Transportation and Communications with a representative from the private sector appointed by the President as co-chairman. The members include the Secretaries of the DPWH, the Department of Interior and Local Government (DILG) and the Department of National Defense (DND), the Chief of the PNP, the Chief of the Armed Forces of the Philippines, the MMDA Chairman, concerned local chief executives, and three representatives from the private sector appointed by the Chairman of the Task Force. While the TRAFIMM has made a significant effort in easing traffic condition in Metro Manila through the enforcement of new rules and regulations for land transportation, the Task Force is faced with certain constraints. It does not have the policy formulation mandate and review and approving authority over programs and projects of the various agencies that would have direct or indirect impact to the transport situation in the whole metropolis. Moreover, TRAFIMM's area of intervention is only limited to the national highways of the metropolis. The management of traffic in the rest of the road network remains the responsibility the LGUs concerned. The traffic management in Metro Manila., thus, reflects weakened metropolitan planning and policymaking vis-a-vis the national government and local government policy processes.

#### **4.2. Flood Control**

The occurrence of both big and isolated flash floods is one of the biggest problems facing the metropolis. The reasons for flooding are multitudinous. They include the overflow of major river systems during intense rain or storm, poor local drainage due to inadequate capacity and maintenance of the system, and illegal encroachment on river and other natural channels by squatters, business establishments and residential houses (MMDA, HUDCC, LOGODEF, 1995). Coordination problems between DPWH, MMDA and LGUs have also caused delayed response to flooding and hindered a more proactive approach to solve or to mitigate flooding in known flood-prone areas like the KAMANAVA area (Kalookan, Malabon, Navotas, Valenzuela), Central Metro Manila (Tondo, Sta. Cruz, Sampaloc, Sta. Mesa, San Andres, Balon-Bato, Talayan-Tatalon and San Juan-Mandaluyong), Upper Marikina area, and North Laguna Lakeshore (Manggahan and Taguig-Pateros). Moreover, there is an inadequate regulatory framework with respect to subdivision and housing development, particularly that related to the provision of sound and sufficient drainage facilities.

Flood control in Metro Manila is the concern of a number of national and local government instrumentalities. The DPWH is the major implementor of all flood control and drainage projects. The NCR Office of the DPWH provides administrative and technical supervision over the operation and maintenance of completed flood control and drainage projects. With the establishment of the MMDA, this responsibility including the operation and maintenance of pumping stations and floodgates, is transferred to the MMDA within a transition period of about two years. At present, the turnover of DPWH functions and facilities to MMDA relative to flood control has yet to be formalized. The acquisition of the necessary technical and management capabilities of the MMDA from the DPWH is yet to be determined and evaluated before a turnover shall be effected.

The nature of the flooding problem in the metropolis is multidimensional as it does not only require infrastructure improvement but also institutional approaches and regulatory policies. Thus, program and policy coordination may have to be tightened by rationalizing the functions of the various agencies that have roles to play in flood mitigation, including the Environment and Management Bureau of the Department of Environment and Natural Resources (DENR/EMB), the Housing Land Use and Regulatory Board (HLURB), the Metropolitan Water Supply and Sanitation System (MWSS), the DND, NEDA, the Laguna Lake and Development Authority (LLDA), and the LGUs.

#### **4.3. Solid Waste Management**

Three major challenges face Metro Manila with respect to solid waste management. The first concerns the need to improve waste collection. The second is the need to address the problem of final disposal. The third concerns an institutional dilemma.

**Waste Collection.** Figure 6 shows the waste flow in Metro Manila. Out of the 5,350 tons per day waste generated in Metro Manila, about 75 percent are collected while the rest are illegally dumped in open spaces or thrown in metropolitan waterways (JICA 1998).

Under the current metropolitan arrangement, LGUs are responsible for waste collection while MMDA is primarily responsible for final disposal of waste collected. Collection coverage for 1997 among the 17 LGUs range from a low of 40 percent in the case of Navotas to a high of 98 percent in the case of Makati City. The disparity may be attributed to the fiscal capacity of the respective LGUs. LGUs which have high collection coverage performance are those which have fully or partly consigned waste collection and haulage to private companies. JICA (1998) has projected collection coverage of LGUs in the metropolis to increase or approximate full coverage with greater privatization of collection and haulage services during the next decade.

**Waste Disposal.** One of the biggest challenges in solid waste management in Metro Manila is the identification and maintenance of final disposal sites. At present, there are four available sites for final waste disposal in the metropolis: the two open dumpsites in Payatas and Catmon and the two landfill sites in San Mateo and Carmona. The Payatas and Catmon sites have been closed because of health and environmental risks. Carmona site was also closed due to complaints from the nearby residents and the municipal government. The San Mateo landfill will reach its full capacity by 2004 but with the closure of the other sites its full capacity will be reached before the turn of the century. In this regard, the identification and development of a new landfill site will be a critical concern in the immediate term. The recently prepared study/master plan for solid waste management in Metro Manila by JICA (JICA,1998) has identified and made a technical evaluation of candidate disposal sites. Five sites were identified and ranked: Pintong, Bocaue (Rizal), sea landfill in the Navotas offshore area, Kalawakan (Bulacan),

Maragondon (Cavite) and Bacolor, Pampanga. The development of any of these sites will be critical given the circumstances plaguing the existing disposal sites.

***Institutional Problem.*** Pardo (1996) in his analysis of solid waste management in Metro Manila highlighted the absence of a single agency that has overall responsibility for all aspects of solid waste management from collection, transport and transfer, recycling and final disposal. MMDA, the LGUs and the various units of the DENR and DPWH take on various functions, jurisdictions and SWM responsibilities. However, none orchestrates all these activities so that they will be complementary and not conflicting. Such coordinating entity can also develop mechanisms to improve financing arrangement in the delivery of this important urban service.

#### **4.4. Land Use, Housing and Urban Poverty**

***Land Use.*** Rapid urbanization over almost 30 years has altered Metro Manila's landscape as can be gleaned from the changes in the land use mix from 1972 to 1991 (**Table 18**). Residential land use currently predominate land use activity in the metropolis. Three decades ago, open space was the predominant land use. Recreation land uses including parks and sports area comprise only one percent of total land area in 1991 compared to 20 percent in 1980. A large percentage of these lands for open spaces and for other purposes have been used for housing.

In spite of this large tract of land currently allocated for residential use, housing lack is still a major problem as manifested by the increased demand for rental housing, the concomitant rise in rental rates, and the increased number of squatter households. High land prices and the low income capacity of many families in the metropolis hinder many households to participate in government and private housing projects. Thus, about half of NCR households do not own the land they occupy. The number of squatter families has been rising as many opt to build substandard dwellings in private and public lands within the metropolis so as not to be too distant from their employment or livelihood source.

***Institutional Arrangements.*** Housing programs for the poor and low-income had been the purview of national government and LGUs rather than of the metropolitan body. The HUDCC is the national agency tasked with coordination of all government and private housing programs. It provides guidelines to implement Republic Act 7279 which is the basic law for a comprehensive and continuing housing program of which national agencies, LGUs, NGOs and the private sector participate. The National Housing Authority (NHA) is the sole agency engaged in direct shelter production. The Unified Home Lending Program (UHLP) supports the financing requirements of the Social Security System (SSS), Government Service Insurance System (GSIS) and the Home Development Mutual Fund (HDMF), otherwise known as the PAG-IBIG Fund. The 1991 Local Government Code empowered LGUs to assume greater responsibilities in delivering and financing basic infrastructure and urban services.

***Squatting Problem.*** In Metro Manila, the biggest task of LGUs is how to deal

with the many squatters that occupy danger areas such as riverbanks, esteros, railroad tracks, garbage dumps, shorelines, waterways and other public places such as sidewalks, roads, parks and playground. There are also those who are threatened with eviction by private landowners. The law allows for the eviction and demolition under these circumstances. However, LGUs and the MHA are given the responsibility to provide a relocation or resettlement site “with basic services and facilities and access to employment and livelihood opportunities sufficient to meet the basic needs of the affected families”.

There are not many LGUs in Metro Manila which have been successful in resettling squatters not only because of the political repercussions but also due to the operational and financial cost, especially when the LGU does not own the available land for such relocation. Two cities, however, have successfully done so as will be discussed later in the section on model city programs. One is Marikina City which, as part of its river management effort, facilitated the relocation of families from the riverbanks through the Community Mortgage Program (CMP). The CMP is an innovative concept of low-income home financing program of the National Home Mortgage Finance Corporation (NHMFC), the government corporation which administers the UHLP, whereby an undivided tract of land may be acquired by several beneficiaries through community ownership. Marikina City took effort in convincing families of the dangers of residing along the riverbanks and the benefits of eventually owning their own house with very minimal financial cost. Muntinlupa City also availed of the CMP program and enjoined an NGO to provide interim financing and assistance in negotiations with private landowners. There is no denying, however, that some LGUs have tolerated squatting for political advancement. The tales of these two cities, Marikina and Muntinlupa, provide lessons for the other LGUs in the metropolis in dealing with the squatting problem.

***Squatting Problem as a Metropolitan Governance Challenge.*** While LGUs are given the biggest responsibility in dealing with the squatting problem, the issue takes on a metropolitan dimension in the following situations: (1) when LGUs are constrained with the absence of land for relocation; (2) when the constraint for relocation is the inaccessibility of people to their place of work due to poor transport system; (3) when squatting becomes a major factor in the clogging of waterways and sewerage and river systems causing flooding and aggravating the traffic condition in the metropolis; and (4) when the sub-standard living environment becomes the breeding ground for infectious diseases and viruses causing illnesses and deaths in the metropolis (e.g. dengue fever). It becomes a national issue when taken in totality as squatting is the glaring symptom of urban poverty which have to be dealt with by improving not only the macroeconomic condition but also by providing employment opportunities in the other regions to curtail further in-migration to the metropolis. The current administration has put forward poverty alleviation as its major focus. In terms of housing for the urban poor, the newly installed leadership underscored the need for government intervention in housing production which forms part of its pro-poor program and addressing the current crisis in the government’s housing finance.

## **5. MODELS OF GOOD GOVERNANCE IN METRO MANILA**

The advantage of metropolitan governance under a decentralized framework is that it allows the local government units within the metropolis to respond directly to the priority needs of their respective constituents and by seeking creative means to deliver urban services within their jurisdictions.

There are a number of successful and innovative programs undertaken by some cities in Metro Manila. These best practice cases demonstrate that LGUs can be effective in public service provision when they involve various stakeholders (local institutions and people) and when they are able to break free from financial constraints through the adoption of various creative funding schemes. Program sustainability is also achieved when it is undertaken within an integrated, intersectoral development strategy that attempts to capture the synergy from program interdependencies.

### **5.1. Marikina City: River Park Management**

The success of the Marikina River Development Program or what has been more popularly known as the Save the Marikina River Project provides fresh perspective and valuable lessons on river rehabilitation and river park management in the metropolis. The program, which started in 1992, has received numerous citations and awards from regional and national bodies and has been an inspiration to the current efforts to rehabilitate the Pasig River of which the Marikina River is a tributary. The city's project also drew popularity with the holding of the Philippine Earth Day Festival in April 1996 and the World Earth Day Festival in April 1997 where major activities took place in the river park.

The current features of the river park were far more ambitious than what were originally conceived. The simple objective of the city leadership is just to revive the river and its traditional use as a people's park, the way it has been prior to the 1970s before the squatters settled along the river banks. The task is to simply relocate the squatters and to clean the 22-kilometer stretch, plant shade trees, carve out jogging, biking and walking paths along both banks, set-up park benches and put park lights. To date, about 12 kilometer stretch has been paved with the following features: a skating rink, picnic and camping grounds, water fountains, a Roman Garden, gazebos, a floating restaurant (a small ship turned into a restaurant) and a floating stage (used for public performances). The fountains and the ship are lighted to enhance the view at nighttime.

The river park project is one of the major programs of the city to address a broader city concern which is to improve the living environment and conditions of the Marikina residents. It should be mentioned that about a third of the people are living in depressed areas many of them settling in disaster-prone places such as those located in the river banks. Flooding is one of the biggest problems of the city. Being situated in a valley, the city has the geographical disadvantage of being vulnerable to flooding. Excess flow of the Marikina River is not only caused by heavy rains but exacerbated by its being a repository of garbage largely coming from factories and homes mired in the waters

especially squatter shanties along the river area.

A successful resettlement program, would be a prerequisite to the implementation of a more focused river rehabilitation and park development. While in-city resettlement was opted instead of relocating people outside the city, surprisingly, resettlement effort was not as easy as it was thought it would be. After a year of discussion which necessitated the hiring of community development experts and sociologists, the squatter families finally were convinced to resettle in Malanday and Tumana areas. Inasmuch as the land is privately-owned, the city government helped the families to organize themselves and facilitated their enrollment in the Community Mortgage Program (CMP) so that they will eventually own the land and house they will occupy. One of the major factors that led the people to cooperate was the city government's effort to ensure that the resettlement sites have the basic facilities such as water, electricity and sewerage.

After the resettlement, the city government issued an ordinance that would penalize garbage dumping into the river. A fine of P2000 was set for violators. The ordinance is strictly enforced and those who cannot pay the amount of fine are given the option to pay the equivalent amount in the form of community service. The construction of the 5-kilometer biking, jogging and walking lanes passing through 11 of the town's 14 barangays then proceeded. Electric lights were installed and park benches put up along the river stretch. In cooperation with DENR, eight hundred ornamental trees were initially planted along the river banks. Fish seeding (carp, plapla and tilapia) were also undertaken which at present continue to thrive in the river. Marikina river prides itself as the only biologically living river in the whole Metro Manila. The rise of numerous structures along the river followed. Included here are the playgrounds, picnic groves, camping grounds, basketball courts, skating rink a floating restaurant and water fountains. From 1993 to 1997, the city government has spent about P34.7 million or an average of P6.9 million per year. The city has received about P1.6 million from various national government entities including funding support from the Countrywide Development Fund (CDF) of two senators. Donations in kind were given by the city's private sector. The Chinese Chamber of Commerce built the Chinese Pagoda and the Marikina Zonta Club designed a Roman garden.

The Marikina River Park Authority (MRPA) under Office of the Mayor was created to oversee the whole river park program. It is presently an attached agency of the city government manned by about 50 personnel. MRPA coordinates with the City Engineering Office, City Settlements Office, City Health Office and City Public Safety and Security Office and the barangays. The program is also now being supported through the city's radio broadcast facility, DZBF, which airs public service programs and information about city programs daily from 6:00 in the morning to 7:30 in the evening. Marikina City is the only local government unit in Metro Manila adopting this form of communication service to its constituents.

The whole program has achieved more than its basic objective. It caused the recovery of valuable land for public use. It helped restore the people's confidence in the

local government since the river now provides townsfolk a source of pride and recreation. Dredging activities currently being undertaken to alleviate the effects of *La Nina* can now be undertaken with less difficulty as big equipment can easily move around the river park. Lastly, Marikina City's experience provided hope and a tested model for rehabilitating waterways in the other parts of the metropolis.

## **5.2. Las Pinas City: Urban Renewal and Redesign**

A creative way to improve the city's environment is to introduce changes in the built structures of the city so that it will project a unified architectural theme. This strategy which aligns itself with the city's tourism master plan is exemplified by Las Pinas City's Historical Corridor Project.

Las Pinas, which has recently been declared a city (from a municipality status), is one of the cleanest and greenest places in Metro Manila. More especially, the city takes pride in having the Las Pinas (St. Joseph's Parish) Church and Bamboo Organ that have gained world-wide fame and which regularly draw local and foreign tourists into the area. This has triggered the realization that the city can develop further its tourism potentials by restoring its historical and cultural sites and artifacts.

The vision that has been laid down by the city in cooperation with the Congressional district office is to develop a 3.4 kilometer stretch of the city into a historical corridor bringing back and showcasing picturesque aspects of Spanish colonial heritage. This covers the old district of Father Diego Cera Avenue stretching from Barangay Manuyo, Daniel Fajardo, E. Aldana, Ilaya, Pulang Lupa towards Zapote. The idea is to restore public historical buildings and to allow privately-owned structures within the coverage area to conform to an architectural master plan which is essentially a Philippine-Spanish colonial architecture. A prominent architect was commissioned to draw the city's architectural design. The architectural standards and guidelines include not only the design of buildings but also specifications on the design for sidewalks, lamp posts, walls, park benches, street signs, waiting sheds, pot planters and garbage bins.

The project kicked off in 1995 with the signing into law of Republic Act No. 8003 declaring the following as priority tourist spots: Las Pinas Church and Bamboo Organ, Las Pinas Bridge, Asinan Area, the Father Cera Bridge and the Old District Hospital and

mandating the Department of Tourism to incorporate these spots in its overall development program starting 1996.

The city passed an ordinance in this regard (City Ordinance No. 275-96) which was enacted in March 1997 entitled "*An Ordinance Regulating Construction, Renovation, Alteration or Repair of Properties and Establishments or Infrastructure Works Undertaken Within the Tourism Development Zone of Las Pinas, Requiring the Conformity of Whatever Works in Zone With the Philippine-Spanish Colonial Design*".



The ordinance has included other structures not covered under RA 8003 as priority areas for development, as follows: Plaza Quezon, Zapote Hall, Public Library, Fire Station, and the Gabaldon Hall in the Las Pinas Elementary School. The Countrywide Development Fund has been used to start restoration and reconstruction work of some public buildings including the Old District Hospital, Manpower School and most recently the Daniel Fajardo Public Library.

The project has received support from residents, private groups and business clubs. Some even gave donations and offered free services to support the project. The Federation of Las Pinas Homeowners Association (FOLPHA) expressed no hesitation in fully supporting and endorsing the project. The Las Pinas Chamber of Commerce and Industry has organized a fund-raising activity for the project. The Las Pinas Garden Club offered their services of propagating plants, flowers and trees that grace old Filipino homes. The Zonta Club of Las Pinas donated P5000 for the purchase of two lamp posts. The Philippine Dental Association-Las Pinas Chapter donated P1000 as a sign of support. The Las Pinas Lions Club pledged for the construction of a Spanish-design waiting shed. The Philippine Tourism Authority has fielded a Technical Team to estimate project cost for the improvement of the Bamboo Organ and the Church.

To date, the city is discussing more detailed policies and guidelines particularly on Section 6 of the City ordinance concerning incentives and financial grants for the development of private properties to comply with the required design. The use of tax incentives is being considered as a possible scheme to effect support and compliance to the program.

### **5.3. Mandaluyong City: Financing Public Infrastructure through Build-Operate-Transfer (BOT) Program**

Mandaluyong City's successful Build-Operate-Transfer (BOT) program<sup>8</sup> provided a paradigm shift in reorienting LGUs from being the major infrastructure provider to being a coordinator and facilitator. It also proved that government-private sector partnership can be an effective strategy and mechanism to finance and manage public infrastructure.

Fire destroyed the city's public market in 1990. As a temporary remedy, the city officials allowed areas along roads and sidewalks to preserve the livelihood of some five hundred displaced market vendors. This temporary public market caused traffic and sanitation problems in the city and thus, rebuilding the market became more immediate. Moreover, the absence of a public market translates into income loss for the city as the market is an important revenue source.

Considering the strategic location and high land value of the area occupied by the

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<sup>8</sup> The Mandaluyong Marketplace was one of the early successful BOT projects in the world along with the North-South Expressway of Malaysia, the Hub-River Power Projects of Pakistan and the Euro-Tunnel Link Projects in Europe.

public market, the city officials thought that what can be more profitable than just rebuilding the public market is to transform the site as a prime commercial complex. Financially constrained, the city ventured on a recently passed BOT Law (Republic Act 6957)<sup>9</sup> which enjoins private sector financing of public infrastructure projects. A master plan was formulated for a brand new market cum commercial complex. The same was presented to several of the city government's prospective business partners. The Macro Funders and Developers (MFD) Corporation emerged as the winning bidder.

Mandaluyong City adopted the BT and DOT schemes in the public market construction and maintenance. The following were agreed upon between the city government and MFD under these BOT arrangements. Under the BT concept, (1) MFD builds the public market and transfers it immediately to the city government; (2) the city government constructs half of the number of stalls inside the market, while the rest are constructed by the stallholders themselves; (3) the city government collects the stall fees which are then deposited in a bank; and (4) MFD handles maintenance and security. Under the DOT concept, (1) MFD is allowed the construction of a 6-storey commercial complex above the public market in exchange for putting up the latter facility for the city government; (2) MFD manages the commercial complex and transfers it to the city government after 40 years; (3) the city government allows MFD the use of the land on which facilities have been constructed, free of rent; and (4) the city government does not collect any dues from MFD for the operation of the commercial complex.

The new seven-storey commercial complex houses a modern public market, four movie houses, an amusement plaza including a bowling center, a fast food place, shopping facilities and two-level parking area. The construction of the commercial complex has also solved constant flooding in the vicinity with the construction of a box

culvert from the main road to the San Juan River. The complex is also provided with a modern garbage collection and waste water pollution control system.

The benefits of the new commercial complex are wide-ranging. Aside from keeping the livelihood of the original vendors of the public market, about six hundred new jobs were created. It also benefitted from the escalation in the land value on which the new complex is constructed which is estimated to have doubled its value from P10,000 to P20,000 per square meter.

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<sup>9</sup> The BOT program is considered one of the first multisectoral, integrated infrastructure privatization in the world. In the Philippines, the BOT scheme was made into a law (Republic Act 6957) in 1991 in response to an emergency situation in the power sector. Three years after, the law was amended (RA 7718) to make it more flexible and responsive to private investors. Under the BOT program, the private sector undertakes the construction including its financing, operation and maintenance and then operates the facility over a fixed term and then transfers the facility to the government after a term not exceeding 50 years. Among the acceptable variants of the BOT include Build-Transfer (BT), Build-Own-Operate (BOO), Build-Lease-Transfer (BLT), Build-Transfer-Operate (BTO), Contract Add-Operate (CAO) and for rehabilitation projects, Develop-Operate-Transfer (DOT), Rehabilitate-Operate-Transfer (ROT) and Rehabilitate-Own-Operate (ROO).

Above all, the city program has proven the BOT scheme to be practicable and successful alternative method of financing urban facilities. Other LGUs within Metro Manila and from other regions in the country have shown interest in the program and requested the city more information on how to replicate the program to address their specific needs and requirements.

#### **5.4. Muntinlupa City: Housing Program Efforts through Tripartite Partnership**

Housing program takes center stage in Muntinlupa City's priority programs as nearly half of its 400,000 residents belong to the urban poor sector. These large urban poor population are occupying 87 blighted communities scattered throughout the city's nine barangays.

The first successful housing program was undertaken in 1988 when the city government assisted the Putatan Urban Poor Association composed of 219 members to purchase a piece of property in Barangay Putatan through the Community Mortgage Program (CMP). The success of this effort made the government realize the importance of a strong partnership between people's organization and the city government. In its succeeding programs, however, a tripartite partnership was forged. The government realized that it needs the help of a third sector, a Non-Government Organization (NGO) to assist in financing and in providing community organizing interventions. These interventions include assistance in negotiating and working for land acquisition as well as the establishment of systems for collection of dues and contributions among the beneficiaries.

In 1991, the city started to collaborate work with an NGO called the Muntinlupa Development Foundation (MDF). Prior to this, the MDF has been active in helping communities in land acquisition and community strengthening. It has helped a group of 27 families which called themselves *Samahang Magkakapitbahay ng Purok 6, Tunasan* (SMP-6) acquire the land they occupy. With MDF's guidance, they were able to raise P 300,000 which was then used as advance payment to the landowners. The group also secured from the Muntinlupa City government P50,000 to pay for the capital gains tax. Another group it helped was the *Putatan Hillside Neighborhood Association* (PHNA) composed of 150 members which was facing an eviction case. MDF helped PHNA close a contract with the landowners of the resettlement site. PHNA was able to advance

P718,000 to the landowners through MDF's financial assistance of P200,000 and about P300,000 from the local government.

With the success of these two projects, the city government formally employed the assistance of MDF in its housing program for the urban poor. A P17 million fund was set aside for this program for interim financing of community associations organized by the MDF. Three urban poor organizations were helped through the program. The first was a

group called *Samahan ng Nagkakaisang Magkakapitbahay ng Medina Compound* composed of 89 members which were resettled outside the city. The second was the *Samahan ng Nagkakaisang Magkakapitbahay ng 7-A Extension, Alabang* comprising 364 members who were victims of fire that razed their houses in 1994. The third was called the *Samahang Magkakapitbahay ng Cabazas Compound*, an urban poor group in Barangay Cupang composed of 56 families. Aside from funds coming from the city government and MDF, the beneficiaries have also raised an aggregate amount of P2.2 million for interim financing. The interim financing coming from the city government and MDF are considered loans to the beneficiaries. To ensure high repayment, a compulsory savings scheme was installed and which MDF closely monitors.

The program has given the city residents land tenure security and instilled in them greater responsibility and value of hard work. Through the MDF and assistance from the city government, the various groups have been more active in formulating and implementing plans to improve water system, drainage, flood control and sanitation in their respective communities.

## **6. FUTURE CHALLENGES AND DIRECTIONS**

Addressing the challenges of Metro Manila over the medium and long-term would entail pursuing three development directions: regional development dispersal, institutional strengthening of the metropolitan body and setting up of a more unified and coordinated mechanism for the various key players involved in the management of Metro Manila.

History tells us that the problems of Metro Manila have to be dealt with at its roots: addressing the uneven development between geographic regions. Developing the metropolis should be done simultaneously with the other equally promising cities in the country as well as promoting growth in the countryside. This would contribute to minimizing further pressure on the already strained metropolitan environment and would invariably help in managing the continued growth of Metro Manila. Furthermore, the development of Metro Manila should always take into account the development of its immediate regions and spillover areas. In this respect, interregional efforts taken through the MARILAQUE Commission should be continued. The same effort should be extended with respect to developments in the CALABARZON area so that it will not conflict with and instead contribute to realizing the metropolitan vision.

On the other hand, a sound and respectable metropolitan institution, politically and technically armed to address the problems and needs of the metropolis is critical if success is to be achieved. Metro Manila's management experience under three governance regimes over the past three decades has highlighted the importance of finding the optimal mix of powers, functions and responsibilities amongst the national government agencies, local government units and the metropolitan body in managing the metropolis. What is evident is that the local government units can singly handle local concerns effectively and efficiently depending on the leadership, the administrative capability and the financial

capacity of the LGU concerned as shown by the model cities presented. On the other hand, international experience indicates that the metropolitan body plays a distinct and critical role in addressing concerns which transcend local boundaries and which are characterized by economies of scale and externalities.

A number of challenges and opportunities are evident in the need to strengthen the MMDA. First, although it may still be relatively premature to evaluate the effectiveness of the existing organization in tackling metropolitan issues, there is a perception among the local government units in Metro Manila at present of the MMDA's incapability to command respect and authority over them. The appointment of the MMDA Chairman should always be given serious thought – the same fervency as appointing a major cabinet post. The MMDA leadership must be able to put political and national government leaders together while making the organization more credible to earn the command and respect from the LGUs it coordinates.

Second, in the medium-term, the national government has to seriously examine MMDA's proposed reorganization plan so that it will be enabled to improve its capacity to fulfill its roles and functions both from the standpoint of effectiveness and efficiency. Of greatest importance is the need for the metropolitan body to revitalize the development planning function that has not been adequately carried out of late. MMDA should provide the planning leadership in the pursuit of area-wide functions and in inspiring LGUs to attain a common vision for the metropolis. Such planning function cannot be carried out effectively if human resource availability and professional expertise are not improved.

Third, the review of the performance of the different metropolitan arrangements in Metro Manila in the past indicates that a common thread that runs through the various experiments is the very limited role the metropolitan body has actually played in terms of actual delivery of metro-wide services. The MMC, MMA and MMDA have all relied for the most part on national government agencies in ensuring that metro-wide services are made available to Metro Manila residents. To a large extent, all three metropolitan bodies have exercised their coordinative function more than their service delivery function. While the MMDA appears to have taken on more responsibilities in the delivery of metro-wide services, a hefty proportion of metro-wide services still remains with national government agencies. This development is primarily explained by the fact that although the national government has continuously provided subsidies to the metropolitan body, it still allocates a sizable portion of the budget for metro-wide services to national government agencies. Thus, funding support for metro-wide services is principally retained in the budgets of national government agencies. (In contrast, funding support given to the metropolitan body (whether in terms of revenue raising powers or direct budget support) has never been commensurate with its expenditure assignment.) These agencies, being line departments, are inherently concerned with their own sectoral priorities rather than with the serving the needs of the metropolis per se. Consequently, the metropolitan body is left with the very difficult task of having to orchestrate the sectoral programs of various national government agencies, including metro-wide services. This situation not only makes government effort almost intractable but also increases costs in terms of both

manpower and financial costs.

The recently installed national leadership has recognized the problems of urbanization, in general, and Metro Manila, in particular. A Presidential Commission or Task Force on Urbanization has just been formed to review and fine tune policies and institutions to effectively and efficiently address urban issues in the country, specially Metro Manila. The present study which attempts to digest some of the lessons learned from the experimental laboratory that Metro Manila has become in the recent past should help provide needed inputs in moving the metropolis onwards to the next millenium.

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**Table 1**  
**Demographic Facts About Metro Manila**

	1948	1960	1970	1980	1990	1995	1998 <sup>a/</sup>
<i>Total Metro Manila Population (in 000)</i>	1,569	2,462	3,967	5,926	7,948	9,454	10,012
<i>Urban Metro Manila Population</i>	1,526	2,427	3,967	5,926	7,948	9,454	10,012
<i>Level of Urbanization - Total Metro Manila</i>	97.3	98.6	100.0	100.0	100.0	100.0	100.0
<i>Level of Urbanization - Total Philippines</i>	27.0	29.8	31.8	37.1	47.0	55.0	
<i>Metro Manila Primacy</i>	29.4	30.1	34.0	33.2	27.8	25.1	
<i>Metro Manila Popn as % of Total Philippine Popn</i>	7.9	9.0	10.8	12.3	13.1	13.8	13.7
<i>Growth Rate of Total Metro Manila Popn</i>		3.8	4.9	4.1	3.0	3.3	1.9
<i>Growth Rate of Total Philippine Popn</i>		2.9	3.1	2.7	2.4	2.3	2.1
<i>Growth Rate of Urban Metro Manila Popn</i>		3.9	5.0	4.1	3.0	3.3	1.9
<i>Growth Rate of Urban Philippine Popn</i>		3.8	3.8	4.3	4.8	5.7	
<i>Total Philippine Popn (in 000)</i>	19,234	27,088	36,684	48,098	60,703	68,617	73,131

*a/ - 1998 figures are based on NSO medium assumption projections*

**Table 2**  
**Population Density**

	Land Area (sq km)	Density (persons/sq km)		Growth Rate
		1995	1990	
<b>National Capital Region</b>	636.0	14,864.8	12,497.5	3.30
<i>Manila</i>	38.3	43,205.2	41,807.7	0.62
<i>Mandaluyong</i>	26.0	11,033.5	9,544.0	2.75
<i>Marikina</i>	38.9	9,183.3	7,975.0	2.68
<i>Pasig</i>	13.0	36,236.5	30,590.7	3.22
<i>Quezon</i>	166.2	11,970.0	10,046.8	3.34
<i>San Juan</i>	10.4	11,941.1	12,197.5	-0.40
<i>Kalookan</i>	55.8	18,336.2	13,681.3	5.64
<i>Malabon</i>	23.4	14,849.7	11,967.0	4.13
<i>Navotas</i>	2.6	88,091.9	72,107.3	3.82
<i>Valenzuela</i>	47.0	9,301.4	7,238.9	4.81
<i>Las Pinas</i>	41.5	9,953.9	7,159.1	6.37
<i>Makati</i>	29.9	16,193.2	15,156.2	1.25
<i>Muntinlupa</i>	46.7	8,562.0	5,961.7	7.02
<i>Paranaque</i>	38.3	10,216.6	8,047.9	4.57
<i>Pasay</i>	13.9	29,396.4	26,501.2	1.96
<i>Pateros</i>	10.4	5,316.0	4,943.2	1.37
<i>Taguig</i>	33.7	11,316.0	7,912.1	6.93

Source : *Philippine Statistical Yearbook*

**Table 3**  
**Gross Domestic Product Structure**

	1975	1980	1985	1990	1992	1997	Ave 1985-1997
<b>Metro Manila Share in National Gross Domestic Product (GDP)/Gross Value Added (GVA)</b>							
<b><i>GDP</i></b>	28.99	30.16	28.35	32.27	32.39	32.74	34.48
<b><i>GVA in Industry Sector</i></b>	44.18	40.94	42.97	38.82	38.30	38.41	38.71
<b><i>GVA in Manufacturing</i></b>	47.86	48.02	45.80	42.97	42.03	43.26	43.82
<b><i>GVA in Construction</i></b>	38.40	32.84	40.97	36.49	34.09	30.08	30.46
<b><i>GVA in Service Sector</i></b>	37.84	37.89	35.06	43.29	43.69	44.09	44.81
<b>Rate of Growth (in Constant Prices)</b>							
<b><i>MM GDP</i></b>		6.28	(1.88)	5.01	(1.43)	5.04	3.92
<b><i>MM GVA in Industry Sector</i></b>		6.84	(2.20)	2.16	(3.68)	5.16	2.39
<b><i>MM GVA in Manufacturing</i></b>		6.45	(2.00)	2.13	(3.51)	4.63	2.19
<b><i>MM GVA in Construction</i></b>		9.16	(6.37)	5.72	(10.13)	7.10	3.45
<b><i>MM GVA in Service Sector</i></b>		5.69	(1.52)	7.54	0.26	4.96	5.22
<b><i>Phil GDP</i></b>		6.21	(0.54)	3.30	(0.12)	4.43	3.19
<b><i>Phil GVA in Industry Sector</i></b>		7.34	(2.82)	4.97	(1.61)	5.33	3.99
<b><i>Phil GVA in Manufacturing</i></b>		5.82	(1.42)	4.09	(1.09)	4.45	3.36
<b><i>Phil GVA in Construction</i></b>		12.54	(9.83)	8.76	(6.93)	9.59	6.31
<b><i>Phil GVA in Service Sector</i></b>		5.76	(0.40)	4.05	0.59	4.71	3.74

Source: National Income Accounts, National Statistical and Coordination Board (NIA, NSCB)

**Table 4**  
**Regional GDP Per Capita**

	1975	1980	1985	1990	1992	1995	1997
Regional Per Capita Product							
NCR METRO MANILA	6,690.74	13,470.54	25,019.63	43,248.94	51,037.53	65,997.11	82,832.38
CAR CORDILLERA				17,580.16	20,102.59	30,643.55	39,028.29
I ILOCOS REGION	1,432.22	3,023.31	7,033.52	9,114.20	10,138.93	15,460.37	19,214.84
II CAGAYAN VALLEY	1,576.38	3,414.78	6,633.67	10,082.73	11,000.61	15,920.29	19,000.68
III CENTRAL LUZON	2,493.54	5,091.92	10,752.08	14,725.86	18,157.82	23,070.69	28,033.37
IV SOUTHERN TAGALOG	3,240.44	6,412.99	13,077.57	18,639.03	22,897.88	27,514.33	32,059.18
V BICOL REGION	1,301.04	2,535.45	5,352.01	8,113.76	9,693.97	12,920.43	15,551.18
VI WESTERN VISAYAS	2,625.57	4,388.56	8,380.95	13,968.60	17,148.19	22,868.79	27,336.57
VII CENTRAL VISAYAS	2,261.58	4,957.55	9,814.93	15,315.41	18,605.89	24,217.04	30,451.17
VIII EASTERN VISAYAS	1,230.54	2,193.47	5,377.63	9,197.60	10,879.48	14,213.02	17,195.30
IX WESTERN MINDANAO	1,470.85	3,499.57	7,515.23	9,795.78	11,691.13	18,930.41	20,774.61
X NORTHERN MINDANAO	2,194.16	4,730.41	10,339.12	13,816.78	16,557.61	22,070.15	24,716.30
XI SOUTHERN MINDANAO	3,050.11	5,320.13	11,735.76	18,474.67	21,206.58	28,062.74	32,031.06
XII CENTRAL MINDANAO	1,957.35	4,212.76	8,727.88	11,828.27	13,768.27	23,217.11	26,402.07
ARMM MUSLIM MINDANO						9,397.12	10,699.74
PHILIPPINES	2,726.30	5,502.34	11,207.01	17,611.42	21,107.53	27,778.00	33,722.49
Ratio of Regional Per Capita Product to National Per Capita Product (%)							
NCR METRO MANILA	245.41	244.81	223.25	245.57	241.80	237.59	245.63
CAR CORDILLERA				99.82	95.24	110.32	115.73
I ILOCOS REGION	52.53	54.95	62.76	51.75	48.03	55.66	56.98
II CAGAYAN VALLEY	57.82	62.06	59.19	57.25	52.12	57.31	56.34
III CENTRAL LUZON	91.46	92.54	95.94	83.62	86.03	83.05	83.13
IV SOUTHERN TAGALOG	118.86	116.55	116.69	105.83	108.48	99.05	95.07
V BICOL REGION	47.72	46.08	47.76	46.07	45.93	46.51	46.12
VI WESTERN VISAYAS	96.31	79.76	74.78	79.32	81.24	82.33	81.06
VII CENTRAL VISAYAS	82.95	90.10	87.58	86.96	88.15	87.18	90.30
VIII EASTERN VISAYAS	45.14	39.86	47.98	52.23	51.54	51.17	50.99
IX WESTERN MINDANAO	53.95	63.60	67.06	55.62	55.39	68.15	61.60
X NORTHERN MINDANAO	80.48	85.97	92.26	78.45	78.44	79.45	73.29
XI SOUTHERN MINDANAO	111.88	96.69	104.72	104.90	100.47	101.03	94.98
XII CENTRAL MINDANAO	71.79	76.56	77.88	67.16	65.23	83.58	78.29
ARMM MUSLIM MINDANO						33.83	31.73
PHILIPPINES	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Annual Rates of Change (%), at Constant Prices							
	1975-1980	1980-1985	1985-1990	1990-1992	1992-1997	1985-1997	
NCR METRO MANILA	2.60	(4.93)	1.98	(4.58)	1.68	0.73	
CAR CORDILLERA				(1.53)	5.62		
I ILOCOS REGION	2.94	0.76	(2.70)	(4.79)	4.63	(0.07)	
II CAGAYAN VALLEY	4.66	(4.37)	(0.08)	(6.61)	3.85	0.40	
III CENTRAL LUZON	3.31	(2.46)	0.34	(0.31)	2.01	0.92	
IV SOUTHERN TAGALOG	2.58	(2.73)	0.03	(1.65)	0.61	(0.01)	
V BICOL REGION	3.74	(2.54)	0.59	(1.39)	1.37	0.58	
VI WESTERN VISAYAS	1.62	(5.01)	2.26	1.20	2.04	1.99	
VII CENTRAL VISAYAS	5.57	(3.64)	0.80	(1.73)	2.79	1.20	
VIII EASTERN VISAYAS	2.07	(1.54)	0.94	(2.47)	1.99	0.80	
IX WESTERN MINDANAO	7.04	(1.27)	(2.45)	(2.21)	4.43	0.40	
X NORTHERN MINDANAO	5.38	(1.24)	(2.10)	(1.73)	1.35	(0.61)	
XI SOUTHERN MINDANAO	0.69	(0.91)	1.09	(3.67)	1.00	0.24	
XII CENTRAL MINDANAO	6.65	(2.87)	(2.20)	(3.41)	5.76	0.83	
ARMM MUSLIM MINDANO							
PHILIPPINES	3.41	(3.06)	1.01	(2.38)	2.05	0.86	

Source: Basic data from NIA, NSCB

**Table 5**  
**Poverty Incidence of Families, By Region and Urbanity, 1985-1997**

Region	1985	1988	1991	1994	1997 p/	Reduction	
						1985-1994	1985-1997
<b>Philippines</b>	44.2	40.2	39.9	35.5	32.1	8.7	12.1
<b>NCR</b>	23.0	21.6	13.2	8.0	7.1	15.0	15.9
<b>Areas Outside NCR</b>	47.5	43.1	44.2	39.9	36.2	7.6	11.3
<b>CAR</b>	--	41.9	48.8	51.0	42.3	--	--
<b><i>I ILOCOS REGION</i></b>	37.5	44.9	48.4	47.9	37.6	(10.4)	(0.1)
<b><i>II CAGAYAN VALLEY</i></b>	37.8	40.4	43.3	35.5	31.6	2.3	6.2
<b><i>III CENTRAL LUZON</i></b>	27.7	29.3	31.1	25.2	16.8	2.5	10.9
<b><i>IV SOUTHERN TAGALOG</i></b>	40.3	41.1	37.9	29.7	25.7	10.6	14.6
<b><i>V BICOL REGION</i></b>	60.5	54.5	55.0	55.1	50.1	5.4	10.4
<b><i>VI WESTERN VISAYAS</i></b>	59.9	49.4	45.3	43.0	41.6	16.9	18.3
<b><i>VII CENTRAL VISAYAS</i></b>	57.4	46.8	41.7	32.7	34.2	24.7	23.2
<b><i>VIII EASTERN VISAYAS</i></b>	59.0	48.9	40.1	37.9	40.7	21.1	18.3
<b><i>IX WESTERN MINDANAO</i></b>	54.3	38.7	49.7	44.7	39.8	9.6	14.5
<b><i>X NORTHERN MINDANAO</i></b>	53.1	46.1	53.0	49.2	46.8	3.9	6.3
<b><i>XI SOUTHERN MINDANAO</i></b>	43.9	43.1	46.2	40.3	37.9	3.6	6.0
<b><i>XII CENTRAL MINDANAO</i></b>	51.7	36.1	57.0	54.7	49.1	(3.0)	2.6
<b>ARMM MUSLIM MINDANO</b>	--	--	50.7	60.0	58.6	--	--

p - preliminary results of the 1997 FIES

Source: Economic and Social Statistics Office, NSCB

**Table 6**  
**Gini Concentration Ratios By Region**  
**1985, 1988, 1991, 1994 and 1997**

Region	1985	1988	1991	1994	1997 p/
<b>Philippines</b>	0.4466	0.4446	0.4680	0.4507	0.4960
<b>NCR METRO MANILA</b>	0.4146	0.4258	0.4282	0.3967	0.4713
<b>CAR CORDILLERA</b> <sup>a/</sup>		0.3741	0.4372	0.4100	0.4631
<b>I ILOCOS REGION</b> <sup>b/</sup>	0.4011	0.3743	0.4039	0.3814	0.4249
<b>II CAGAYAN VALLEY</b> <sup>c/</sup>	0.3856	0.3962	0.4172	0.4056	0.4122
<b>III CENTRAL LUZON</b>	0.3992	0.3861	0.3986	0.3630	0.3675
<b>IV SOUTHERN TAGALOG</b>	0.4058	0.4034	0.4236	0.4016	0.4258
<b>V BICOL REGION</b>	0.3798	0.3876	0.3910	0.4116	0.4370
<b>VI WESTERN VISAYAS</b>	0.4499	0.4080	0.4031	0.4063	0.4414
<b>VII CENTRAL VISAYAS</b>	0.4537	0.4602	0.4604	0.4417	0.4758
<b>VIII EASTERN VISAYAS</b>	0.3904	0.4041	0.4149	0.4198	0.4483
<b>IX WESTERN MINDANAO</b>	0.3947	0.4087	0.4057	0.3861	0.4775
<b>X NORTHERN MINDANAO</b>	0.4539	0.4424	0.4380	0.4157	0.4965
<b>XI SOUTHERN MINDANAO</b>	0.3932	0.4019	0.4348	0.4114	0.4452
<b>XII CENTRAL MINDANAO</b>	0.3709	0.3583	0.4050	0.4280	0.4638
<b>ARMM MUSLIM MINDANO</b>			0.3197	0.3125	0.3441
<b>CARAGA</b>					0.4411

a - Not yet generated in 1985

b - In 1985, includes CAR provinces

c - In 1987, includes Sultan Kudarat

p - preliminary results

Source: FIES, NSO

**Table 7**  
**Household Population 15 Years Old and Over By Employment Status**

Employment Status	Year	Philippines	Metro Manila
<b>Projected HH Population, 15 yrs. Old and over (000)</b>			
	1988	35,865	5,005
	1989	36,916	5,148
	1990	37,999	5,296
	1991	39,114	5,447
	1992	40,265	5,609
	1993	41,453	5,781
	1994	42,670	5,969
	1995	42,770	6,164
	1996	45,034	6,338
	1997	46,214	6,516
<b>Percent in the Labor Force</b>			
	1988	65.4	60.2
	1989	64.6	58.5
	1990	64.5	59.8
	1991	64.5	61.6
	1992	65.0	61.5
	1993	64.7	59.5
	1994	64.4	60.1
	1995	65.6	60.0
	1996	65.8	62.5
	1997	65.5	63.4
<b>Unemployment Rate</b>			
	1988	8.3	17.2
	1989	8.4	15.9
	1990	8.1	14.1
	1991	9.0	15.4
	1992	8.6	15.7
	1993	8.9	16.1
	1994	8.4	16.2
	1995	8.4	15.8
	1996	7.4	11.6
	1997	7.9	14.5

Source : 1998 Philippine Statistical Yearbook

**Table 8**  
**Inflation by Region**

	AVERAGE			1990	1991	1992	1993	1994	1995	1996	1997
	1975-1980	1980-1985	1988-1997								
<i>NCR METRO MANILA</i>	11.45	19.99	11.3	16.15	20.66	12.17	10.50	10.19	8.10	8.33	6.59
<i>CAR CORDILLERA</i>			9.5	12.33	15.69	6.55	7.65	11.01	7.97	7.29	2.08
<i>I ILOCOS REGION</i>	12.29	20.84	9.9	13.02	16.19	7.43	10.91	8.43	8.40	8.94	2.94
<i>II CAGAYAN VALLEY</i>	11.71	18.54	9.4	15.25	15.51	10.85	7.83	5.67	6.49	9.12	3.79
<i>III CENTRAL LUZON</i>	12.54	22.42	9.6	12.26	20.64	7.46	5.58	9.98	6.62	7.96	5.98
<i>IV SOUTHERN TAGALOG</i>	12.21	19.98	10.0	13.35	18.67	7.77	5.88	8.98	7.87	8.61	5.78
<i>V BICOL REGION</i>	14.13	19.50	10.2	16.07	16.40	7.11	7.54	8.25	10.68	9.93	2.39
<i>VI WESTERN VISAYAS</i>	12.04	21.31	10.0	14.70	19.03	6.11	8.34	7.09	9.16	7.58	4.01
<i>VII CENTRAL VISAYAS</i>	11.46	21.03	10.5	19.45	21.86	8.05	6.38	8.01	6.98	7.53	5.13
<i>VIII EASTERN VISAYAS</i>	12.55	19.26	9.8	9.49	18.22	9.22	6.78	9.35	9.87	9.65	1.62
<i>IX WESTERN MINDANAO</i>	11.10	21.00	9.8	14.12	18.02	6.95	6.80	9.24	7.14	10.83	2.74
<i>X NORTHERN MINDANAO</i>	14.45	19.80	9.3	11.67	15.52	9.12	5.65	9.27	7.94	7.86	4.21
<i>XI SOUTHERN MINDANAO</i>	13.23	20.02	8.5	9.84	14.43	9.28	4.71	8.68	8.10	7.49	4.16
<i>XII CENTRAL MINDANAO</i>	13.45	20.74	9.5	13.68	18.21	9.01	5.99	7.85	5.29	7.66	4.90
<i>ARMM MUSLIM MINDANO</i>										9.25	7.83
<i>PHILIPPINES</i>	12.38	20.48	10.2	14.17	18.66	8.95	7.61	9.03	8.08	8.43	5.01

Source: Basic data from NSCB



**Table 9**  
**Comparative Overview of Metro Manila Commission (P.D. 824), Metro Manila Authority (E.O. 392),**  
**and Metro Manila Development Authority (R.A. 7924)**

Metrowide Institutions	Legislative Powers	Executive Structure	Major Functions	Intergovernmental Relations	Sources of Revenue	Other Characteristics
Metropolitan Manila Commission (MMC)	Metro Manila Commission itself had legislative powers	Governor Vice Governor Commission for a) Planning b) Operations c) Finance  All appointed by President	1. Delivery of metro-wide services  2. Coordination of other services  3. Development planning	1. Local legislative councils abolished  2. City and municipal mayors also act as area managers  3. Sectoral Departments coordinated by Metro Governor of National government	1. Even taxes  2. Share in proceeds of LGU taxes (e.g. 45% of RPT)  3. IRA  4. Central government subsidies  5. LGU constructions - 20% of all regular revenue	1. Personality centered  2. Single tier legislative council
Metropolitan Manila Authority (MMA)	None	Chairman of Council - elected by member - mayors  General Manager - appointed by President	1. MMA gives jurisdiction over delivery of basic urban services requiring coordination; but de facto MMA was limited to coordination  2. Development planning	1. Local legislative councils retained  2. City and municipal mayors sit in the metro council  3. Sectoral departments coordinate programs implementation with MMA	1. Share in proceeds of LGU taxes (e.g. 35% of RPT)  2. IRA  3. Central government subsidies  4. Lower LGU contribution - 15 % of all regular revenue; but unable to collect after LGC implementation	1. Basically weak-legally and institutionally
Metropolitan Manila Development Authority (MMDA)	None	Chairman - appointed by President with cabinet rank  General Manager - appointed by President	1. Delivery of metro-wide services  2. Coordination of other services  3. Development planning	1. Local legislative councils retained  2. City and municipal mayors sit in the metro council  3. Sectoral departments coordinate programs implementation with MMA	1. IRA  2. Central government subsidies  3. Lower LGU contribution - 5 % of all regular revenue net of IRA	1. Stronger than MMA but weaker than MMC

Source: MMC/MMA entries adapted from MMMS 1993

**Table 10**  
**Comparative Revenue Sources of Metropolitan Organization**

I. Metro Manila Commission 1988-1990												
Source	Level in Current Prices (P million)			Level in 1992 Prices (P million)			% Shares					
	1988	1989	Average	1988	1989	Average	1988	1989	Average			
1. Tax Revenues	268.75	336.37	302.56	416.20	477.78	446.99	44.25	42.16	43.20			
A. Real Property Tax	192.37	228.17	210.27	297.91	324.09	311.00	31.67	28.60	30.13			
B. Business Taxes	45.26	55.29	50.28	70.09	78.53	74.31	7.45	6.93	7.19			
C. Other Taxes	31.12	52.91	42.02	48.19	75.15	61.67	5.12	6.63	5.88			
2. Non-Tax Revenues	62.13	94.64	78.39	96.22	134.43	115.32	10.23	11.86	11.05			
3. Other Income (Receipts)	276.5	366.91	321.71	428.20	521.15	474.68	45.52	45.98	45.75			
A. Statutory Contributions	198.28	293.15	245.72	307.07	416.39	361.73	32.65	36.74	34.69			
B. Internal Revenue Allotment	26.01	52.61	39.31	40.28	74.73	57.50	4.28	6.59	5.44			
C. Capital Revenue	0.08	0.33	0.21	0.12	0.47	0.30	0.01	0.04	0.03			
D. Grants & Aids	52.13	20.82	36.48	80.73	29.57	55.15	8.58	2.61	5.60			
Total Income	607.38	797.92	702.65	940.62	1133.36	1036.99	100.00	100.00	100.00			
% of GDP				24.18	26.72	25.51						
II. Metro Manila Authority 1991-1993												
	Level in Current Prices (P million)				Level in 1992 Prices (P million)				% Shares			
	1991	1992	1993	Average	1991	1992	1993	Average	1991	1992	1993	Average
1. Tax Revenues	464.87	167.08	79.14	237.03	501.62	167.08	74.16	247.62	41.01	28.57	13.35	27.64
A. Real Property Tax	355.31	149.13	79.14	194.53	383.40	149.13	74.16	202.23	31.35	25.50	13.35	23.40
B. Business Taxes	62.85	10.67	0.00	24.51	67.82	10.67	0.00	26.16	5.54	1.82	0.00	2.46
C. Other Taxes	46.71	7.28	0.00	18.00	50.40	7.28	0.00	19.23	4.12	1.24	0.00	1.79
2. Non-Tax Revenues	112.02	85.46	77.42	91.63	120.88	85.46	72.55	92.96	9.88	14.61	13.06	12.52
3. Other Income (Receipts)	556.64	332.27	436.25	441.72	600.64	332.27	408.82	447.25	49.11	56.82	73.59	59.84
A. Statutory Contributions	422.26	0.00	0.00	140.75	455.64	0.00	0.00	151.88	37.25	0.00	0.00	12.42
B. Internal Revenue Allotment	128.36	184.45	321.28	211.36	138.51	184.45	301.08	208.01	11.32	31.54	54.20	32.35
C. Capital Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Grants & Aids	6.02	147.82	114.97	89.60	6.50	147.82	107.74	87.35	0.53	25.28	19.39	15.07
Total Income	1133.53	584.81	592.81	770.38	1223.14	584.81	555.54	787.83	100.00	100.00	100.00	100.00
% of GDP					27.66	13.36	12.34	17.79				
III. Metro Manila Development Authority 1996-1998												
	Level in Current Prices (P million)				Level in 1992 Prices (P million)				% Shares			
	1996	1997	1998	Average	1996	1997	1998	Average	1996	1997	1998	Average
1. Tax Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Real Property Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Business Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Other Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Non-Tax Revenues	120.51	111.73	122.50	118.25	87.55	76.41	76.16	80.04	7.68	6.11	6.77	6.85
3. Other Income (Receipts)	1448.28	1716.24	1687.61	1617.38	1052.18	1173.72	1049.21	1091.70	92.32	93.89	93.23	93.15
A. Statutory Contributions	372.96	471.62	476.99	440.52	270.96	322.54	296.55	296.68	23.77	25.80	26.35	25.31
B. Internal Revenue Allotment	307.89	313.16	361.80	327.62	223.68	214.17	224.94	220.93	19.63	17.13	19.99	18.92
C. Capital Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Grants & Aids	767.43	931.46	848.82	849.23	557.53	637.01	527.73	574.09	48.92	50.96	46.89	48.92
Total Income	1568.80	1827.97	1810.11	1735.62	1139.73	1250.13	1125.38	1171.74	100.00	100.00	100.00	100.00
% of GDP					21.78	21.88	19.59	21.06				

Source: Data for MMC and MMA from MMMS 1993; Data for MMDA from MMDA

**Table 11**  
**Expenditure Pattern of Metropolitan Body**

Levels (in million Pesos)								% distribution		
I. MMC	1988	1989	Average		1988	1989	Average			
Administrative Office	53.41	97.17	102.00		10.99	13.59	12.09			
Operations	417.46	587.64	711.28		85.89	82.22	84.33			
of which;										
solid waste	383.23	540.63	653.54		78.85	75.64	77.49			
others	34.23	47.01	57.74		7.04	6.58	6.85			
Other Purposes	15.18	29.94	30.15		3.12	4.19	3.57			
Total	486.05	714.75	843.43		100.00	100.00	100.00			
Levels (in million Pesos)								% distribution		
II. MMA	1991	1992	1993	Average	1991	1992	1993	Average		
Administrative Office	80.16	72.06	73.48	225.70	7.29	8.97	10.37	8.64		
Operations	888.70	720.97	625.82	2,235.49	80.77	89.79	88.32	85.59		
of which;										
solid waste	822.94	658.97	561.99	2,043.89	74.79	82.07	79.31	78.26		
others	65.76	62.00	63.83	191.60	5.98	7.72	9.01	7.34		
Other Purposes	131.42	9.91	9.29	150.62	11.94	1.23	1.31	5.77		
Total	1,100.28	802.94	708.59	2,611.81	100.00	100.00	100.00	100.00		
Levels (in million Pesos)								% distribution		
III. MMDA	1996	1997	Average		1996	1997	Average			
Administrative Office	124,920.85	128,125.38	188,983.54		8.05	7.27	7.77			
Operations	1,247,011.37	1,377,775.76	1,935,899.25		80.34	78.20	79.57			
of which;										
solid waste	1,041,997.15	1,188,062.01	1,636,028.15		67.13	67.43	67.24			
traffic	119,523.79	125,132.01	182,089.80		7.70	7.10	7.48			
infrastructure dev't.	57,070.44	36,661.87	75,401.37		3.68	2.08	3.10			
pollution control	7,288.19	6,098.17	10,337.27		0.47	0.35	0.42			
others	21,131.81	21,821.69	32,042.65		1.36	1.24	1.32			
Other Purposes	180,246.01	255,936.17	308,214.09		11.61	14.53	12.67			
Total	1,552,178.22	1,761,837.31	2,433,096.88		100.00	100.00	100.00			

Source: Data for MMC and MMA from MMMS (1993); Data for MMDA from MMDA

**Table 12**  
**Total General Government Expenditures in Metro Manila, 1989-1997**

	in current prices				in 1992 prices				percent distribution				percent to GDP			
	Metro- Body	LGUs	NGAs a/	Total	Metro- Body	LGUs	NGAs	Total	Metro- Body	LGUs	NGAs	Total	Metro- Body	LGUs	NGAs	Total
I. MMC																
1988	486.1	2255.9	3561.6	6303.5	752.7	3493.6	5515.7	9762.0	7.7	35.8	56.5	100.0	0.2	0.9	1.4	2.5
1989	714.8	2416.3	6606.2	9737.2	1015.2	3432.0	9383.4	13830.7	7.3	24.8	67.8	100.0	0.2	0.8	2.2	3.3
Ave. 88-89	600.4	2336.1	5083.9	8020.4	884.0	3462.8	7449.5	11796.3	7.5	30.3	62.2	100.0	0.2	0.9	1.8	2.9
II. MMA																
1991	1100.3	5204.7	10230.0	16535.0	1187.3	5616.2	11038.7	17842.1	6.7	31.5	61.9	100.0	0.3	1.3	2.5	4.0
1992	803.0	4893.7	10519.0	16215.7	803.0	4893.7	10519.0	16215.7	5.0	30.2	64.9	100.0	0.2	1.1	2.4	3.7
1993	708.6	7469.3	9360.0	17537.9	664.0	6999.7	8771.5	16435.2	4.0	42.6	53.4	100.0	0.1	1.6	1.9	3.7
Ave. 91-93	870.6	5855.9	10036.3	16762.8	884.8	5836.5	10109.7	16831.0	5.3	34.7	60.1	100.0	0.2	1.3	2.3	3.8
III. MMDA																
1996	1568.8	15085.1	17669.5	34323.4	1139.7	10959.3	12836.9	24935.9	4.6	43.9	51.5	100.0	0.2	2.1	2.5	4.8
1997	1828.0	21391.7	22873.8	46093.4	1250.1	14629.5	15643.1	31522.8	4.0	46.4	49.6	100.0	0.2	2.6	2.7	5.5
Ave. 96-97	1698.4	18238.4	20271.6	40208.4	1194.9	12794.4	14240.0	28229.3	4.2	45.3	50.4	100.0	0.2	2.3	2.6	5.2

a/ NGAs refer to national government agencies

Source: Data for MMC and MMA from MMMS (1993); Data for MMDA from MMDA; Data for LGUs from Commission on Audit; Data for NGAs from Department of Budget and Finance

**Table 13**  
**Traffic Volume on Major Roads, 1980 and 1995**  
**(Vehicles/Day)**

Road (Location)	1980 Total Count	1995 Total Count	Car/ Truck	Jeepney/ Bus	Ratio of Total Count 1995/1980
1. EDSA (bet. Guadalupe & Buendia)	99,900	172,500	154,700	17,800	1.7
South Super Highway (int. Pres. Quirino Avenue)	72,900	113,700	111,300	2,400	1.6
2. Quezon Avenue (nr. Espana Rotonda)	53,300	102,500	68,400	34,100	2.0
3. Roxas Blvd. (intersecting P. Burgos)	67,800	82,300	74,100	8,200	1.2
4. Ortigas Avenue (intersecting Santolan)	51,500	76,300	72,900	3,400	1.5
5. Shaw Boulevard (intersecting Acacia Lane)	37,300	43,500	27,800	15,700	1.2

Source: 1990 JUMSUT and 1995 DPWH-Traffic Engineering Center (TEC); in JICA/MMUTIS, 1997

**Table 14**  
**Number of Registered Vehicles in Metro Manila, 1980, 1990, 1995**

Type	1980	1990	1995	1980-1995	
				Ratio	% / Yr.
<b>Private</b>					
Motorcycles	36,854	50,159	73,014	2.0	4.7
Cars	218,964	297,094	410,814	1.9	4.3
Utility Vehicles	36,770	223,976	368,002	10.0	16.6
Buses	-	918	491	-	-
Trucks/Trailers	97,590	51,351	76,060	7.1	10.3
Sub Total	391,178	623,498	928,381	2.4	5.9
<b>For Hire</b>					
Motorcycles	4,801	16,418	34,478	7.2	14.0
Taxis	10,125	1,715	21,702	2.1	5.2
Cars	1,461	8,150	5,601	3.8	9.4
Utility Vehicles	27,202	27,659	53,362	2.0	4.6
Buses	3,578	4,329	7,824	2.2	5.4
Trucks/Trailers	8,797	3,009	4,344	0.9	-12.5
Sub Total	55,964	61,280	127,331	2.3	5.6
<b>TOTAL, MM</b>	446,142	684,778	1,055,692	2.4	5.9

Source of Basic Data: JICA/MMUTIS, 1997; Land Transportation Office (LTO)

**Table 15****Car Ownership Structure, 1980 and 1996**

	<b>Metro Manila</b>		<b>Adjoining Areas</b>
	<b>1980</b>	<b>1996</b>	
% of Car-Ownning Households	9.5	19.7	16.9
Average No. of Cars Per Car-Ownning Household	1.4	1.3	1.2
% of Multiple Car-Ownning Household	19.0	20.1	13.3

Source: JICA/MMUTIS (1997); MMUTIS Person Trip Survey

**Table 16****Public Transportation Supply****Estimated No. Operating Units, 1983 and 1996**

<b>Mode</b>	<b>Service Area</b>	<b>1983</b>	<b>1996</b>	<b>1996/1983</b>
Bus	Intra-city	4,400	9,600	2.18
		1,500	3,300	2.20
		5,900	12,900	2.19
	Inter-city			
	TOTAL			
Jeepney	Intra-city	29,300	57,400	1.96
		6,300	12,300	1.95
		35,500	69,700	1.96
	Inter-city			
	TOTAL			
Tricycle	Inside M. Manila	17,000	60,700	3.57
		N.I.	56,600	N.I.
		N.I.	117,300	N.I.
	Adjoining Areas			
	TOTAL			

Source of Basic Data: JICA/MMUTIS (1997)

**Table 17****Transport and Traffic Management in Metro Manila**

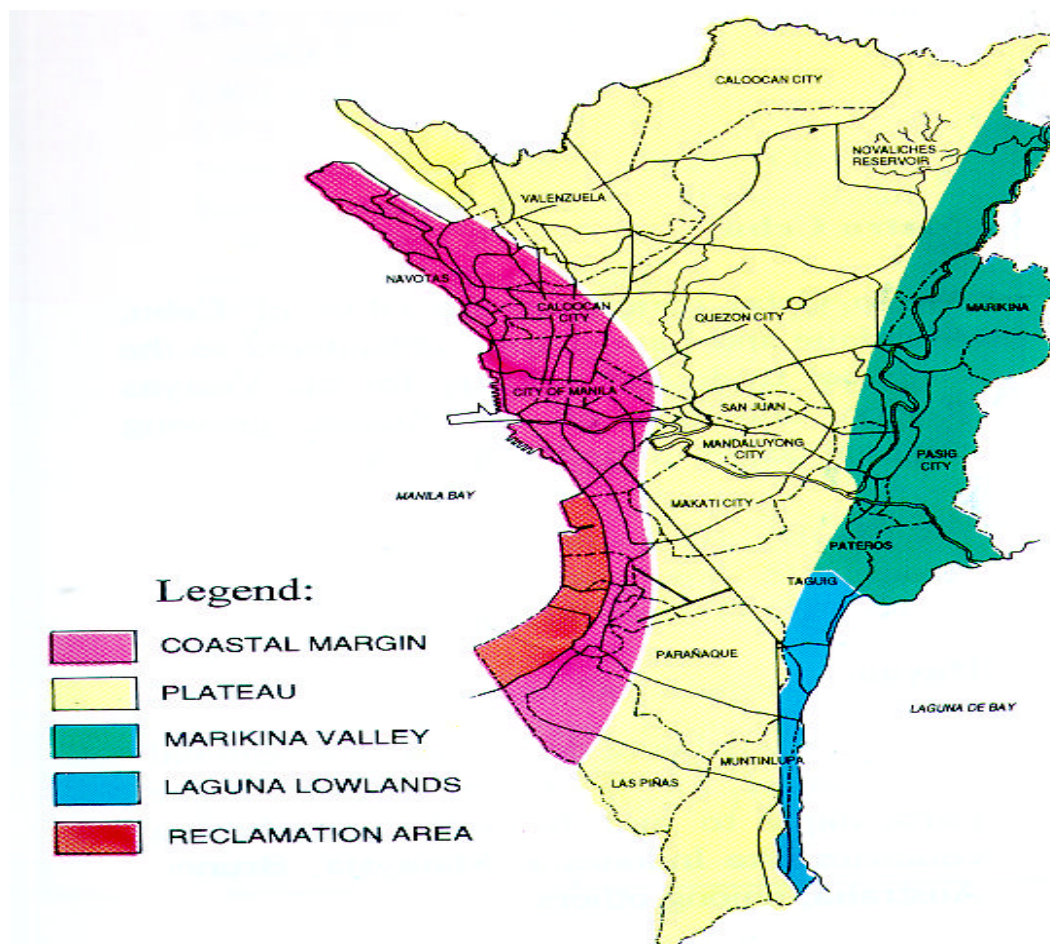
<b>Governance Activity</b>	<b>NATIONAL</b>	<b>METRO</b>	<b>LOCAL</b>	<b>OTHERS</b>
Policy Formulation	OP DOTC (Central, LTO, LTFRB) DPWH (Central, DPWH-NCR) DILG (PNP) TRAFFIM	MMDA	LGUs (Traffic Management Units, Local Traffic Ordinances)	
Transport Planning	DOTC (Central, LTFRB, LRTA, PNR)	MMDA	LGUs BCDA (Fort Bonifacio) PEA (Manila Bay Area)	Developers and Operators of business complexes
Transport Services				
Rail	DOTC (PNR, LRTA)			
Bus	DOTC (LTFRB) MMTC			Private Companies
Jeepneys	DOTC (Office of Transport Cooperatives, LTFRB)			
Tricycles and Pedicabs			LGUs	
Shuttle Services				Private Companies

**Table 18**  
**Land Use Classification in Metro Manila**

Land Use	1972		1980		1991	
	(Has.)	%	(Has.)	%	(Has.)	%
Residential	13,750	<b>28.0</b>	18,948	<b>29.4</b>	41,405	<b>65.0</b>
Commercial	530	<b>1.0</b>	2,573	<b>4.0</b>	1,911	<b>3.0</b>
Industrial	1,365	<b>3.0</b>	3,077	<b>4.7</b>	2,548	<b>4.0</b>
Institutional	1,800	<b>4.0</b>	2,892	<b>4.5</b>	3,185	<b>5.0</b>
Utilities			890	<b>1.4</b>	637	<b>1.0</b>
Open Space	30,980*	<b>64.0</b>	14,380	<b>22.3</b>	5,096	<b>8.0</b>
Agricultural			7,806	<b>12.1</b>	5,733	<b>9.0</b>
Cemetery/Memorial Parks					637	<b>1.0</b>
Recreation/Parks/Sports			13,012	<b>20.2</b>	637	<b>1.0</b>
Rivers/Waterways					1,911	<b>3.0</b>
Reclamation			671	<b>1.0</b>		
Agro-Industrial			236	<b>0.4</b>		
<b>TOTAL</b>	<b>48,425</b>	<b>100.0</b>	<b>64,445</b>	<b>100.0</b>	<b>63,700</b>	<b>100.0</b>
* open space and others						
Basic Sources: 1972 figures from Manosa (1974) NEDA Journal of Development, Vol 1/2 1981 figures from Metro Manila Commission (1983) 1991 figures from NCR Regional Development Plan (1993-1998)						



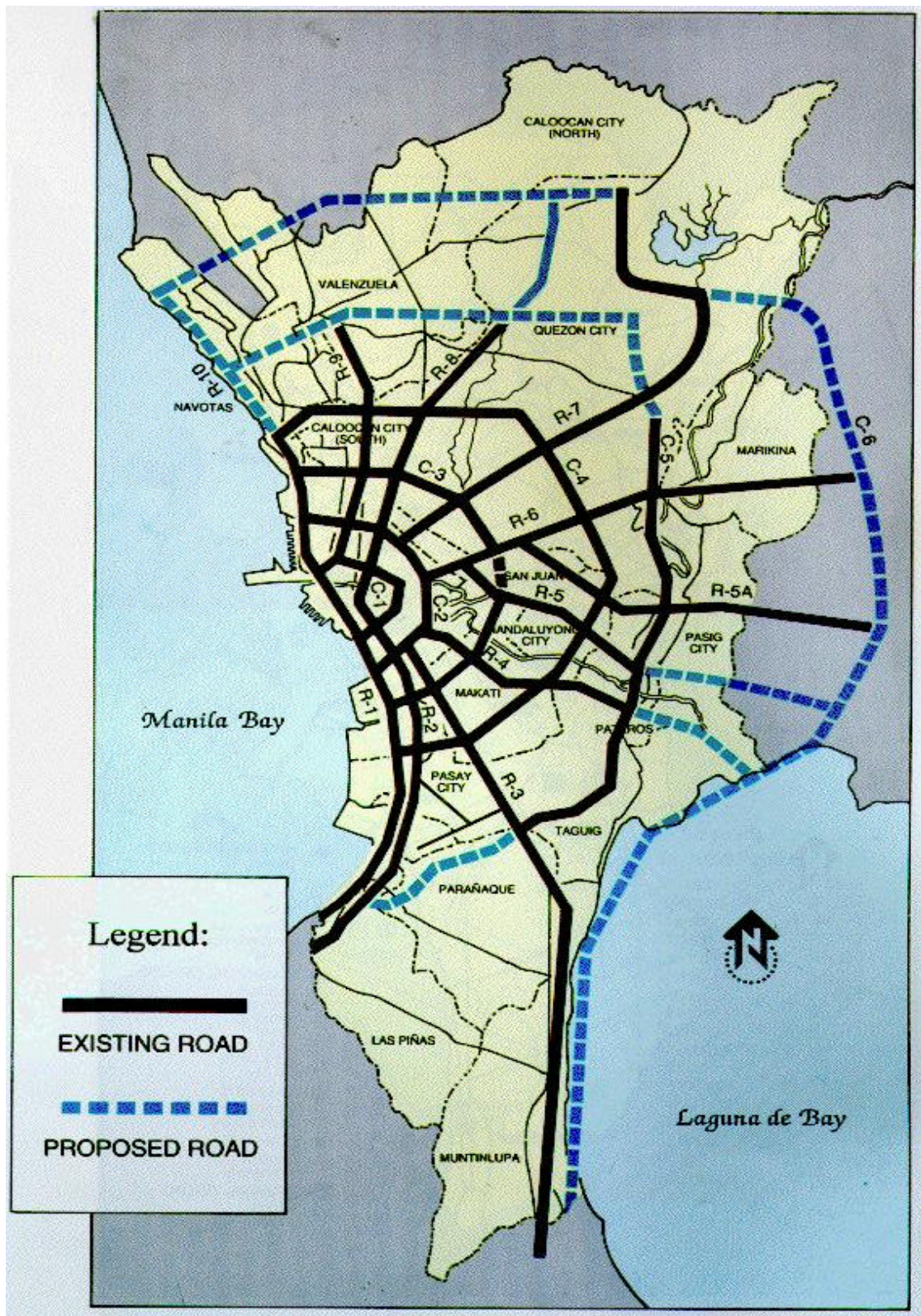
**Figure1**  
Map of Philippines / Metro Manila





Source: MMDA (1996)

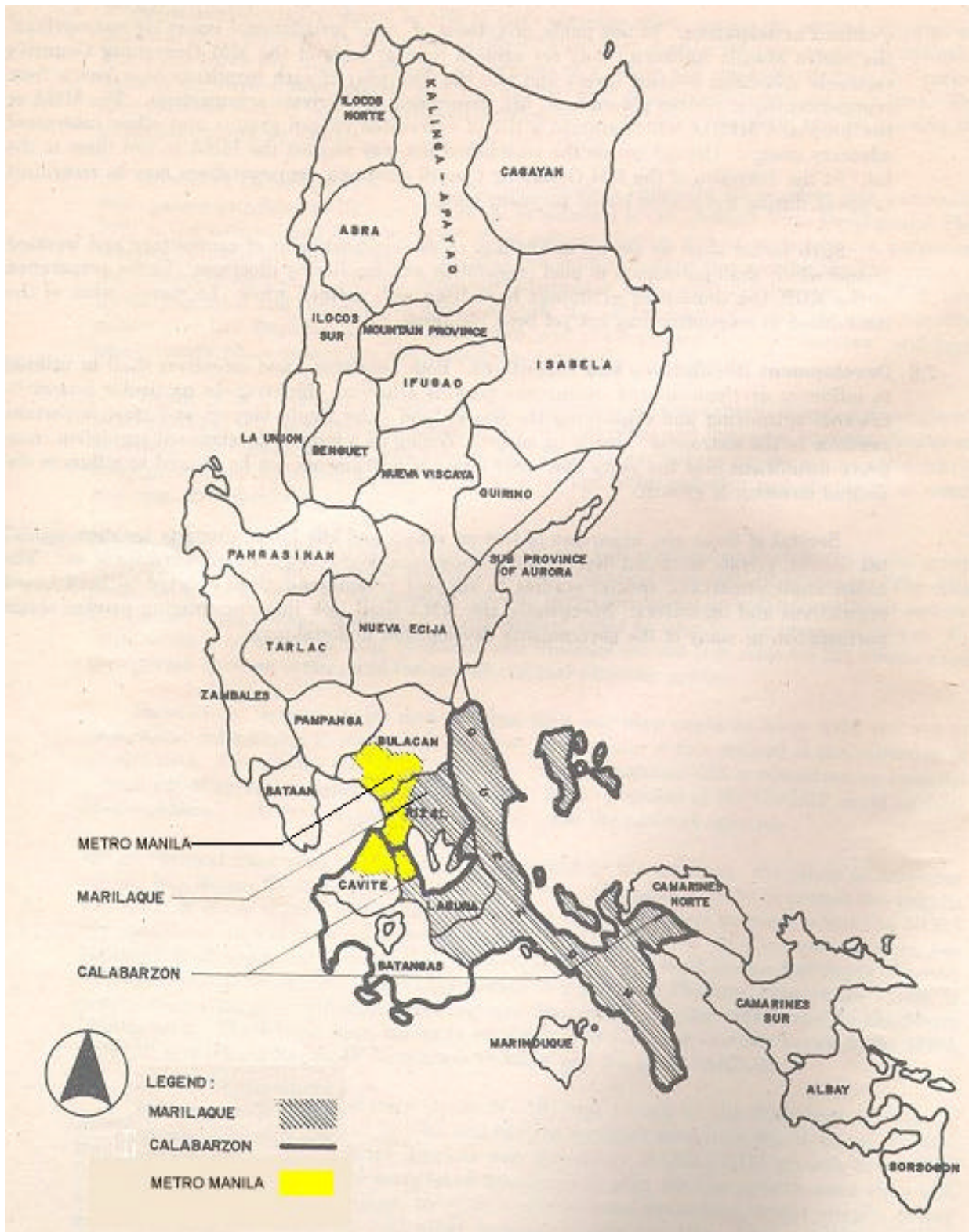
**Figure 2**  
**MAJOR ROAD NETWORK OF METRO MANILA**



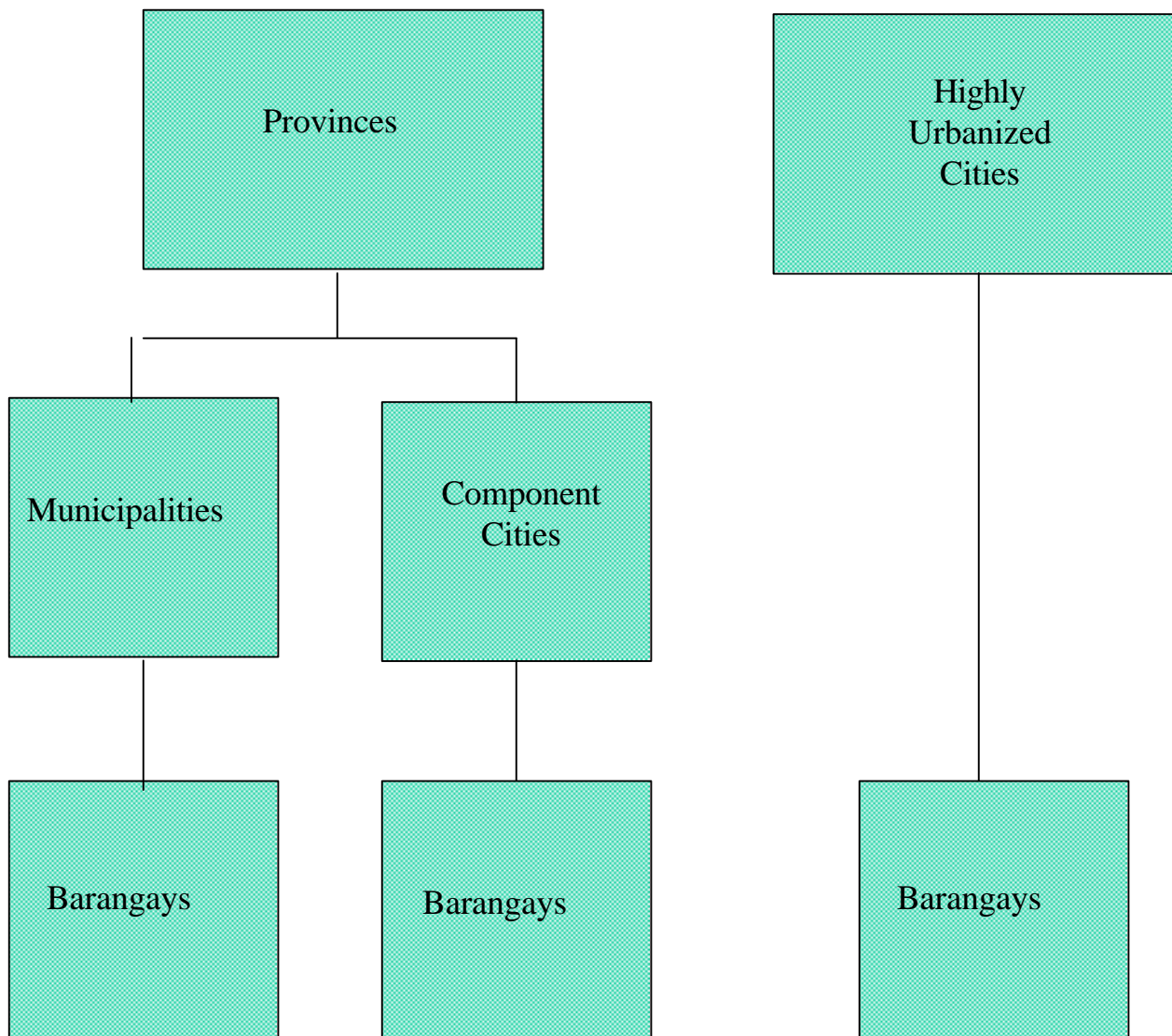
Source: MMDA (1996)



**Figure 3**  
**METRO MANILA, CALABARZON and MARILAQUE**

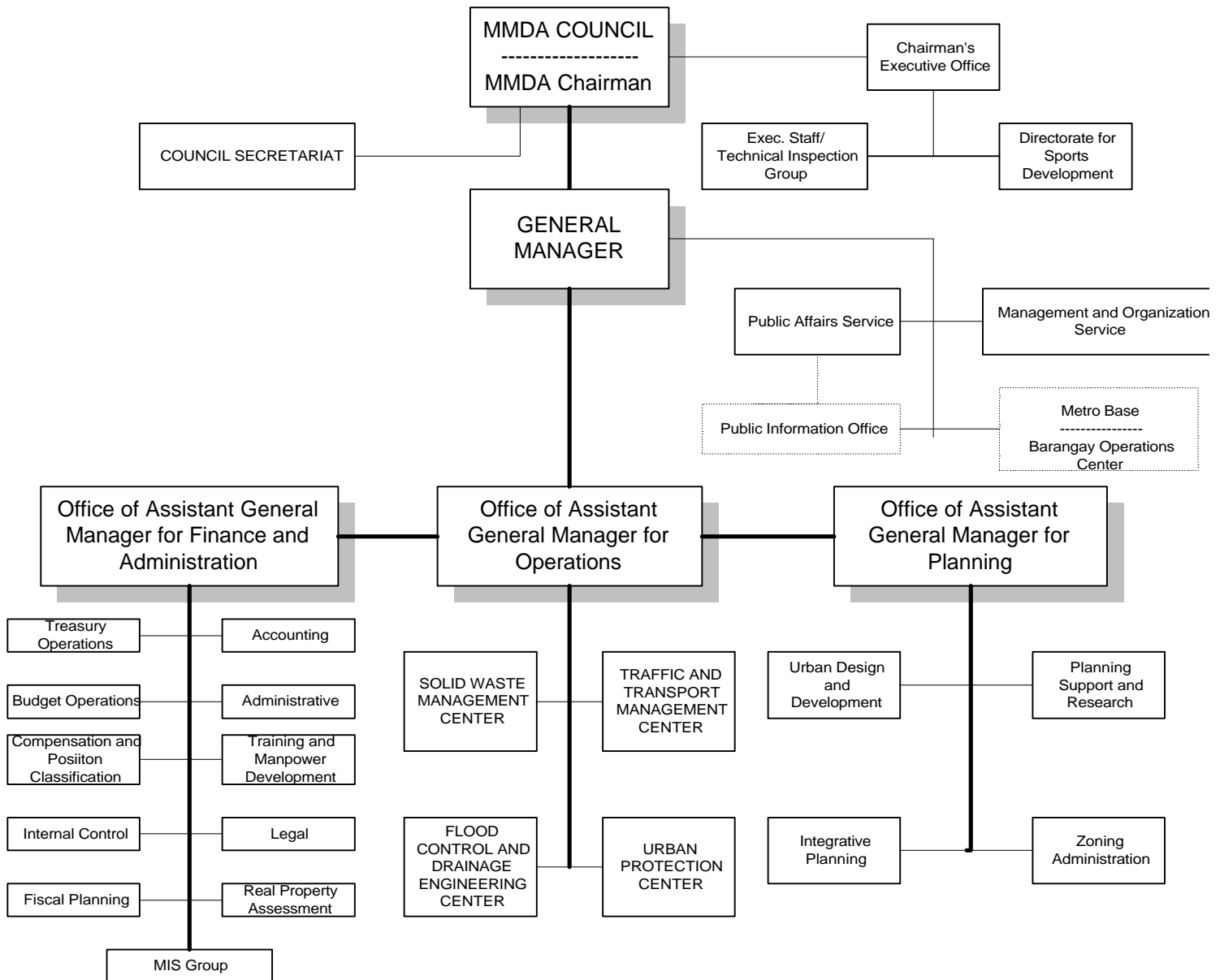


**Figure 4**  
**Structure of Philippine Local Government Units**



**Figure 5**

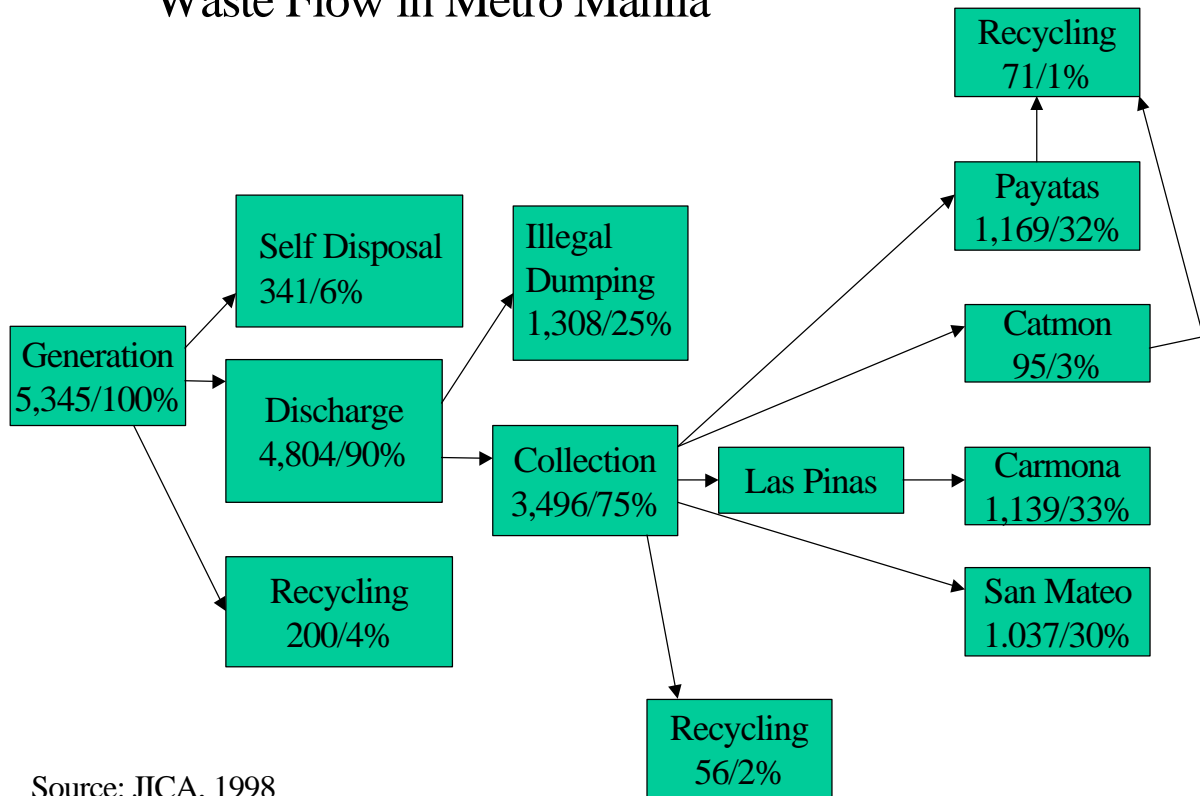
**METROPOLITAN MANILA DEVELOPMENT AUTHORITY  
Organizational Structure**



Source: MMDA

**Figure 6**

## Waste Flow in Metro Manila



Source: JICA, 1998  
Unit:ton/day