

**Public-Interest Incorporated foundation
Research Institute for High-Life
Japan-Asia Collaborative Research Project
Study report "The New Trends in Asian Urban Lifestyle"**

"The New Trends in Urban Lifestyle in Manila" (serial in 4 parts)

Part3 : Development of Metro Manila and lifestyles of the new middle class



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(see reference page for details)

Introduction

Called the “Pearl of the Orient, economically advanced Manila was the most beautiful city in Southeast Asia in the 1960s. However, that was followed by a period of stagnation fraught with policy failures. In the past three or four years however, the GDP increase of 5-6% annually has put Manila back on the track of development. Metro Manila’s development has been led by conglomerates; urbanization is rapid because of advances in business and manpower from within and from abroad. And with the emerging middle class, a new consumer market is flourishing. This third report is about the history and current situation of Manila’s development, the lifestyles of the middle and upper classes living in new areas, and future development prospects for Manila as a city.

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1. Development of Metro Manila

The National Capital Region (commonly called Metro Manila) is located in the Mid-west of Luzon island, and consists of 17 cities and towns, including the capital Manila, Quezon City and Makati City. At 638 km², it is slightly larger than the 23 wards of Tokyo, and if the population around Metro Manila is included, it totals around 21 million, making it the 6th most heavily populated metropolis in the world. It is the center of politics, economy, and culture of the Philippines, home to most of the middle and upper class. In recent years, the emerging middle class has increased, forming an active consumer market and producing new urban lifestyles.

Table 1. Urban area and population estimate (Demographia, 2103)

Rank	Urban Area	Population Estimate	Area (Km ²)	Density
1	Tokyo-Yokohama (Japan)	37,239,000	8,547	4,400
2	Jakarta (Indonesia)	26,746,000	2,784	9,600
3	Seoul-Incheon (SouthKorea)	22,868,000	2,163	10,600
4	Delhi,DL-HR-UP (India)	22,826,000	1,943	11,800
5	Shanghai,SHG (China)	21,766,000	3,497	6,200
6	Manila (Philippines)	21,241,000	1,437	14,800
7	Karachi (Pakistan)	20,877,000	803	26,000
8	NewYork,NY-NJ-CT (USA)	20,673,000	11,642	1,800
9	SaoPaulo (Brazil)	20,568,000	3,173	6,500
10	MexicoCity (Mexico)	20,032,000	2,046	9,800

Source : Demographia World Urban Areas & Population Projections

1) History and development of Metro Manila

A large community had been in existence in the Tondo¹ area at the mouth of the Pasig river for a long period, nourished by trade with China and the Malay world. In the late 16th century, Spain set its sights on Asia and colonized the Philippines, building the walled city of Intramuros² (Manila) as a port for the galleon trade with Acapulco in Mexico, and as a base for colonial rule. In 1867, the Spanish Government created the Province of Manila, composed of the Province of Tondo to the south and the isolated territories of Nueva Ecija to the north. The capital of the Province was Intramuros, which was also called Manila. With the rise of the United States and the defeat of Spain in the Spanish-American war, independence was declared in 1898, with the first republic consisting of Manila and 8 surrounding provinces.

However, the Philippines lost the battle with the United States and became its colony in 1901. And in 1903, Manila City was established, consisting of Intramuros and the area around it. The City of Manila was developed with urban planning from the United States, and the political system and culture of the United States was also introduced. As a result, the consumer culture and values of the United States were set in the then-wealthy city of Manila, which had started to become a vibrant colonial city.

In 1941, with the onset of World War II, President Manuel L. Quezon created the City of Greater Manila as an emergency measure, merging the city and municipal governments of Manila, Quezon City, San Juan del Monte, Caloocan, and others. However, the City of Greater Manila was abolished by the Japanese with the formation of the Philippine Executive Commission to govern the occupied regions of the country. As an administrative concept, however, the City of Greater Manila served as a model for Metro Manila.

After the defeat of Japan, the Philippines was under the United States again, but independence was declared in 1946. In the 50's and 60's, it became a leading production and assembly base for products like consumer electronics in the United States, and was on the road to becoming an industrialized nation in Asia. With the evaluation of this economic development, Manila was chosen as the site of the Asian Development Bank's headquarters in 1966, beating out Tokyo and Tehran in the competition. In the 70s,

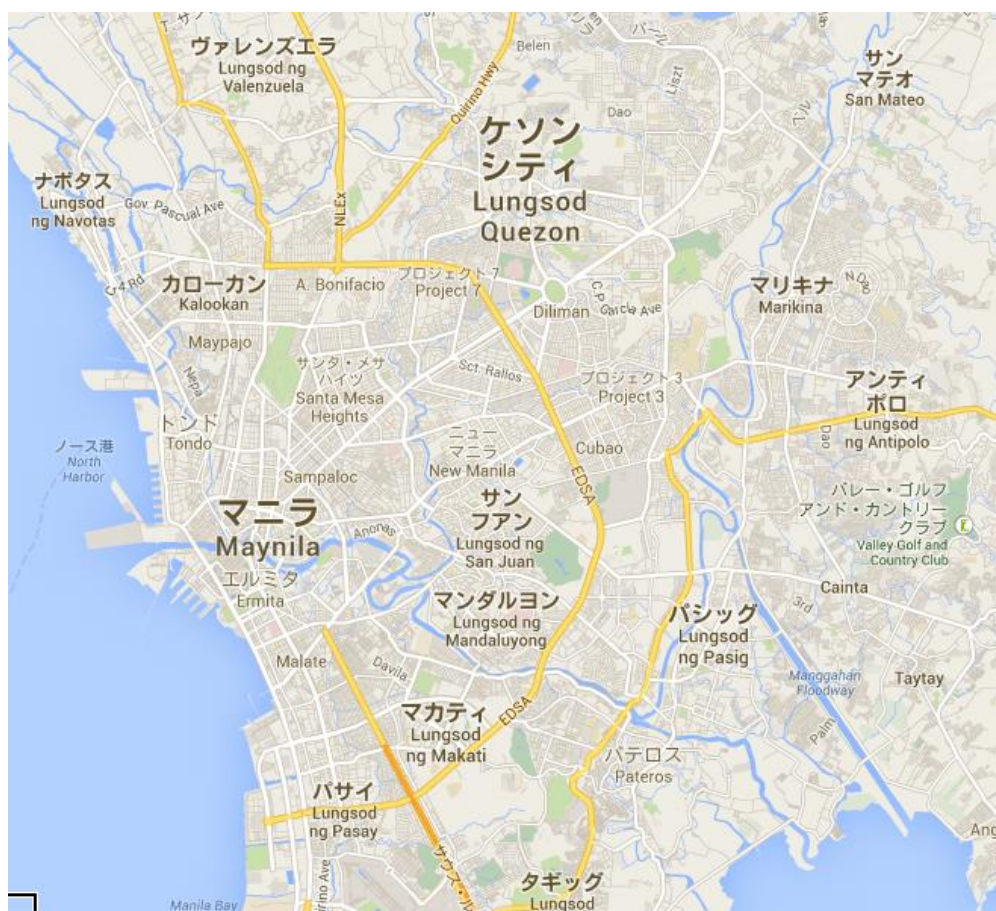
¹ Tondo: At the mouth of the Pasig river, near Manila Bay. The name is derived from Chinese (Dongdu), and the Laguna copperplate inscription written around 900 CE contains records of this settlement.

² Intramuros: taking control of the territory from the Malay Muslims in 1571, Spain began construction of the walled city. It was a European style fort city; a center of trade and colonial management which contained government offices, a cathedral, and exclusive residences.

industrialization and economic progress in Manila caused an inflow of people from rural areas in search of work. However, with underdeveloped housing and social infrastructure came over urbanization. To cope with such a situation, the government banned the construction of new factories within 50 kilometers of the metropolitan area, but this ceased due to strong opposition from the land owners and from the United States.

In 1975, President Ferdinand Marcos issued Presidential Decree No. 824 and the Metropolitan Manila Commission was established to handle the affairs of Metro Manila. Marcos then appointed his wife Imelda as governor of Metro Manila. It was during this time that the term “Metro Manila” started becoming widely used. In 1986, after a major government reorganization, President Corazon Aquino issued Executive Order No. 392 and changed the structure of the Metropolitan Manila Commission and renamed it to the Metropolitan Manila Authority.

Map of Metro Manila



Source: Google Maps

2) Large-scale urban development in Metro Manila

Unlike Kuala Lumpur and other cities which followed the British format, Metro Manila has zoning regulations of the United States, same as Japan. In the same manner as the United States, the public sector leads urban development but in reality some from the private sector, with a lot of capital and ties with the administration (conglomerates in the case of the Philippines), are behind the development. Examples of these conglomerates in the Philippines are the Ayala, Araneta, and Ortigas groups.

One feature of development is the self-contained aspects of business and lifestyle, integrating office buildings, condominiums, and high-end housing with shopping areas, churches and other entertainment venues. Focus on the service industry is in order to attract large local and foreign companies, and the target market for residential areas within these self-contained development areas are the wealthy and middle-class as well as foreigners working for international companies. As such, products and services necessary for a comfortable urban lifestyle for these residents are provided.

One example of urban development typical of Metro Manila is Makati City, which is adjacent to Manila. The Ayala group acquired the rights to develop land formerly used as an airfield by the U.S. military from around 40 years ago. At present, economic and financial functions are integrated, business is booming, with multinational corporations and large companies having transferred their headquarters. Targeting the wealthy and the emerging middle-class, high end residential areas like Forbes Park and Urdaneta Village were built, as well as commercial facilities like Greenbelt. In 1999, an elevated railway was opened, and the Ayala station was connected to the shopping mall Glorietta in response to the strong consumer demand of the upper and middle classes. Makati City, has become a new urban center of Metro Manila.

Ortigas center has also become a very important business district, second only to Makati, and is located at the edges of Pasig City, Quezon City, and Mandaluyong City. Initially part of land owned by the Augustinians, Francisco Ortigas and his associates, including the first President Manuel L. Quezon acquired the land in 1931 under the company "Ortigas & Company" and started developing it as mixed-use industrial, commercial and residential area. It is currently home to the headquarters of several major Philippine companies such as San Miguel Corporation, Jollibee Foods Corporation, Banco de Oro (owned by S.M. tycoon Henry Sy) and Meralco (power distributor), and has many shopping malls and hotels. The Asian Development Bank's headquarters (1966) and the Philippine Stock Exchange's trading floor can also be found here. Currently, the Ortigas area is managed by the Ortigas Center Association, Inc. In response to demand,

Shopping malls, hotels, and condominiums have all been built to enhance the lifestyles of people living and working in the area.



*Greenbelt in Makati, bustling with visitors City



*Elevated walkways connecting Makati

3) Educational facilities in newly developed areas and middle-upper class residents

In Metro Manila, new urban development is ongoing, in response to the emerging new middle class. In Taguig City, the U.S. military base Fort McKinley was turned over to the Philippine Military in 1957. In recent years the Bases Conversion and Development Authority, has made it possible for the Armed Forces of the Philippines to sell parts of Fort Bonifacio to private developers. The largest portion, around 240 hectares is now called Bonifacio Global City or BGC, and was developed by the consortium of Bonifacio Land Development Corporation or BLDC (under Metro Pacific Investments Corporation), and Ayala Land Inc., and Evergreen Holdings, Inc. Commercial facilities, shopping malls, luxury residential condominiums and office buildings are all laid out according to careful urban planning. Educational environment is enriched, there are international schools, as well as the Manila Japanese School. This district has become the hottest area in Metro Manila, as was discussed in the first article.

Opened in 1997, Eastwood City is a commercial and residential area located in Libis, Quezon City. It is managed and developed by Megaworld Corporation. Eastwood city has an area known as Cyberpark, which has numerous BPO offices, such as the call centers for CitiBank, IBM Global Services, Accenture, Dell, and many others. Non-BPO offices of companies such as McCormik, Canon, Toei Animation, Fonterra, and others are also in Eastwood City. At the center is Eastwood City Mall, which has numerous restaurants and shops. There are also high-rise residential condominiums around the area. Also, schools such as Ateneo de Manila University, the University of the Philippines, and Miriam College are located nearby. In the Philippines, where educational background

can spell the difference between wealth and poverty, access to a proper educational environment with good schools is very important to middle and upper class families.



*office buildings in a row in Bonifacio Global City



*Shuttle bus for office workers and residents

4) Development of CALABARZON area and numerous middle-lower class residents.

Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon provinces), at the periphery of Metro Manila, is a region where a number of industrial parks have been developed, along with residential areas for those in the low-income and middle class. Development in Cavite started in 1980, and in the 90s, many Japanese companies such as Toyota have started operations. In Cavite province alone, new jobs for up to 150,000 people have been made since the 1990s, this has contributed greatly to the development of the economy and job growth in the Philippines.

One characteristic of workers in the area is that they are originally from another region, and have at least completed secondary education. In addition, these are the ones who have been selected out of numerous applicants to various foreign companies.

A native person from the region, the characteristics of workers in the region, have received secondary education rather than the less educated many of them. Moreover, there are applications for dozens of times and the adoption of foreign companies, it is the people who survived. Starting salary is relatively high, in a country where only 10% of the population are high and middle-income brackets, and the rest are low-income or in poverty. Of course, for singles, part of the money is still sent to their families.

With the residents of these areas in mind, air conditioned shopping malls have been developed one after the other, and are popular for leisure and shopping among families. Unlike in the metropolis, population growth rate is still high in the area.



*Metro Manila and Calabarzon
Source: Wikipedia



* Calabarzon' s sari-sari stores

2. Problems from over-urbanization and the need for balanced wide-scale development

1) Issue of over-urbanization and role of the government

Currently, Metro Manila is being over-urbanized due to the accumulation of service-industry related work and the influx of people from other areas.

One major problem is traffic jams and heavy traffic. Public transport is grossly insufficient, the Light Rail Transit only has 2 lines, and the Metro Rail Transit only has 1. Jeepneys, where passengers are free to get on and off freely for around 8 pesos per ride, are also one cause of traffic congestion, as well as air pollution. Major traffic jams can occur during evenings, particularly when there is rain. As motorization increases, the situation is expected to become even worse. In order to cope with such a situation, main roads, rail networks, and highway construction is a pressing issue. Furthermore, even if new public transport systems are developed, an important issue is the re-employment of those working in existing public transport like jeepney and tricycle drivers.

There is also a problem in the development of public infrastructure such as housing, water supply and sewerage, electricity, and IT networks. In order to live comfortably infrastructure development is essential. Rather than rely solely on PPP(1) approach by the private sector, public infrastructure should be a high priority, a balanced approach by the government is needed.

The expansion of slums is also a big problem. Looking at the situation in Metro Manila, the new middle-class in the southern areas are becoming more prosperous, but in areas

like Payatas in Quezon city where there is a large landfill, informal settlers have made a large slum. The gap between the wealthy and the poor continues to increase. An estimated 2.5 million people now live in the slums in Calabarzon, Successive administrations have listed housing for the poor as part of their policy, but this has yet to be effectively realized.

And there is even more of a problem related to economic disparity. In urban development led by conglomerates, driven by profit, the poor are excluded. In Bonifacio Global City, in order to enhance the profitability of the city, the poor are excluded, creating a sophisticated cultural city targeted at emerging middle class, the wealthy, and foreigners. This is the kind of urban development that is private sector-led. Social community interaction among the various income-brackets has been severed. Even though tolerance and diversity is said to be part of the temperament of Filipinos, it is surprising that the wealthy do not even attempt to interact with the poor. New urban planning is creating a hierarchical society with less mobility.

Despite NGOs and the Church, doing various activities for the less fortunate, the role of government in the distribution of social capital and promotion of public interest remains large. Regardless of income brackets, improvement and maintenance of living conditions, social infrastructure and residential environments for citizens, health, education, safety, and social security is the responsibility of the government.



*Constant traffic jams in Makati



*Informal settlers' homes

2) Aiming for harmonious development, tax-related disputes between adjacent cities

With the speedy development of Bonifacio Global City as a business hub, the issue of which city has jurisdiction over the fort has become the subject of a lot of conflict. During the Marcos administration, jurisdiction over Fort Bonifacio (formerly under Taguig), was transferred to Makati City. However, in 1993 Taguig was able to get back jurisdiction over Fort Bonifacio after filing a case against Makati in the Pasig Regional Trial court. Makati city made an appeal, but as of 2011 the Pasig Regional Trial Court

still sided with Taguig City.

Makati City then asked the Court of Appeals (CA) to review the case, and this year, the Pasig Regional Trial Court's decision was overturned by the CA, passing jurisdiction back to Makati. Taguig recently filed a Motion for Reconsideration at the CA, but this is still being processed.

According to a report on GMA news network:

Makati Mayor Jejomar Binay Jr. offered to let Taguig continue collecting revenues from BGC for a certain period of time while Makati takes over the area.

Binay made the offer during his visit to Taguig Mayor Lani Cayetano, where he also reiterated an earlier proposal for a revenue sharing scheme with Taguig.

The report said Cayetano did not immediately accept Binay's offer as the city legal team will have to study the proposal first.

The report quoted Cayetano as saying that Taguig will be on the losing side with the proposal as half of the city's P4 billion annual income comes from the revenue it gets from BGC. She said Makati can earn P11 billion a year even without BGC

The dispute has also led to conflict between members of the Makati Police force and the Taguig Public Safety and Order Office.

Properly, issues like this should be handled by the Metro Manila Development Authority, but it lacks the power to do so. In order to properly develop Metro Manila, development should not be led by private sector and conglomerates, but instead a balanced development should be aimed for by city governments with the proper policies.

3 . New life styles in newly developed areas

Most residents of newly developed areas work in large corporations or for foreign companies, have high income and are highly educated. The next section shows the lifestyle of the new middle class through the daily life of women in BPO companies.

1) Daily life of a single woman office worker

A woman, 24 years old, works in a call center in Eastwood. She graduated from a college in Cavite. Her monthly income is 15000-20000 pesos, higher than factory workers who usually only finish until high school. Call center work is popular in Manila where low salary and high unemployment rates are the norm. Her parents live in Las Pinas City, and she shares a condominium unit in Katipunan avenue with four other

women working in Eastwood. Rent is as high as 15000 pesos monthly, including furniture appliances and utilities, but it is manageable since there are 5 of them sharing the unit.

Breakfast is usually a sandwich or a banana from a nearby convenience store, usually eaten at the office. On mornings where there is no time, she often skips breakfast. Commuting to work involves riding a jeepney, but on days where she wakes up late she takes a taxi. For her, the taxi fare is not really a problem. Her shift varies according to what is assigned by the company; call centers have 3 shifts to provide 24 hour service.

Lunch is typically at a nearby fastfood (Jollibee, KFC, or McDonalds). She often goes to Starbucks and has a 100-peso cup of coffee, but she also goes to the office cafeteria. Sometimes, she prepares sandwiches at home so she can have them for lunch at work. On day shifts, she has a short afternoon break at around 3pm where she has a snack of crackers and juice, and chats with her colleagues. During late night shifts, she buys food from a nearby convenience store. While convenience stores may be more expensive than sari sari stores, she often buys from them because of their accessibility.

When she gets back to her shared condominium, she enjoys eating and chatting with her roommates. Food is usually prepared in turns by the roommates. After eating, they spend time watching Filipino, Korean, or Spanish/Mexican soap operas on television. On weekends, she sometimes has work, but on free days she watches movies and meets with friends. In Manila, movies are cheap and popular, with tickets ranging from 100 to 200 pesos. Options such as snacks and comfortable chairs are also available for those willing to spend more. On Sundays, she goes to Church, and oftentimes goes to the mall for window shopping and so on.

Living frugally daily, she sends most of her income to her family. However, on fiestas and occasional parties and karaoke, she dresses up fashionably and enjoys herself. In the Philippines where many people are good at singing, karaoke parties are a popular form of entertainment.



*Food and other items at a convenience stores



*Sari sari stores for the masses

2) Career advancement of young elite, working couples

Among the younger middle-class, upper and elite, aspiration for a high salary is stronger than aspiration for a good job, and shifting from job to job is not uncommon. Among businessmen with a good educational background, taking an MBA or studying languages like Chinese are ways of improving one's marketability. If successful, they can look forward to promotions, or transfer to an overseas office. Others look for jobs more appropriate for their qualifications overseas. With the unemployment rate so high however, for many people, just having a job is blessing enough; studying until late at night, aiming for a better job with higher pay is not so common. For some, looking for a well-off marriage partner and making a family with them is also one way of ensuring a happy future.

Recently however, along with urbanization, lifestyles have also started changing. Highly educated women are marrying later and later, with many getting married into their 30s. In addition, many continue on with their careers even after getting married and giving birth. Although the birth rate for the Philippines is at 3.1, among younger couples living in urban areas, having just 1 or 2 children is the norm.

Among married couples of the same socioeconomic bracket, if both of them work, a monthly income of around 50,000 to 100,000 pesos is common, and they can hire maids to take care of household chores. Hiring a driver is also possible. Activities such as visiting parents who live nearby, eating out or going out of town for a trip on weekends are also more doable. In the Philippines today, motorization is increasing and with the increasing ownership of automobiles by the middle class, more and more lifestyle changes can be expected.

3) Upper class lifestyle, hiring maids and drivers

Among wealthy men in the Philippines, work is a matter of course, but they enjoy their hobbies and spending time with family and friends socializing or playing sports like golf. At home, they employ a driver and maid, and leave the housework and chores to them, freeing up more time for their own interests. Maid's salaries can run anywhere from 2000 to 6000 or more, and drivers earn around 8000 pesos. Just as in the United States where lawsuits are part of traffic accidents, many well-off Filipinos employ drivers in order to avoid violent accidents in Metro Manila, known for its horrible traffic conditions.

For those who can afford them, maids are hired to do housework and other chores like taking care of the children. However, trouble between the employers and the maids is not uncommon. Reasons may vary, but in cases where the relationship between the employer and the maids is not ideal, maids sometimes do their duties haphazardly, or

even end up stealing from their employers. Of course, abusive employers are also a risk that maids have to take. Sometimes, maids and drivers end up bringing their family problems to work. For instance, when a drivers' child is sick, he may suddenly not show up for work. In the Philippines, finding a good maid and driver is a concern among the middle and upper income brackets.

Among wealthy ladies, many of course have careers, but some are also actively involved in volunteer work through the Church or other groups. Of course, they also value their family life. On Sundays, after going to church, they often eat out with their families. Among these ladies, spending for themselves is also a matter of course, and purchasing their favorite branded items through stores or online is common.

In the Philippines, where educational background is important, education for the children in middle and upper socioeconomic brackets is a big concern. Getting into good universities like the University of the Philippines, Ateneo, and La Salle ensure better prospects for them after graduation. Hiring tutors or going to review centers for entrance examinations is common for those who can afford it. For those who cannot, such as many who go to public schools, either the parents help the kids study, or the children themselves do the reviewing on their own.

Among the wealthy, going overseas for graduate studies is also common. Of course, networking for business contacts for their family businesses is also a common objective in going overseas to study.

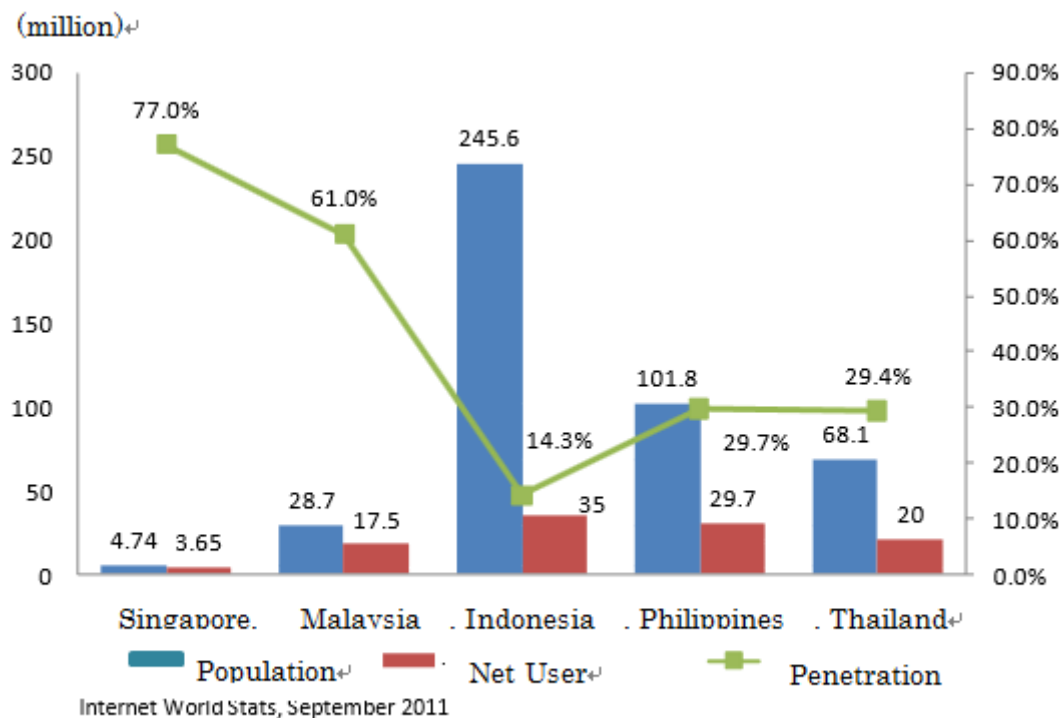
4 . The internet and how it significantly changes communication styles

1) Spread of the internet

Internet penetration in the Philippines was about 9% in 2009, but in 2012 is reached 36% and is still rapidly increasing. In Makati City and other areas, IT infrastructure development has progressed, most middle-class and above are using the internet. In shopping malls and cafes, Wifi is widespread, but the connection and speed is not always reliable. Internet used in offices is good, but from time to time service problems also occur. Internet for home use varies depending on how much the user is willing to pay, but compared to other technologically advanced countries the service is still pretty far behind.

As the Philippines is an archipelago of over 7000 islands, landline use outside of urban areas is not overly high, but cellphones are very popular; even minimum wage workers have 1 or 2 cellphones. It is a very effective tool for communication. Recently, smartphones have become popular, and internet access from smartphones has spread. In particular, the iPhone is popular, and many young people buy it to the extent of borrowing money from their parents.

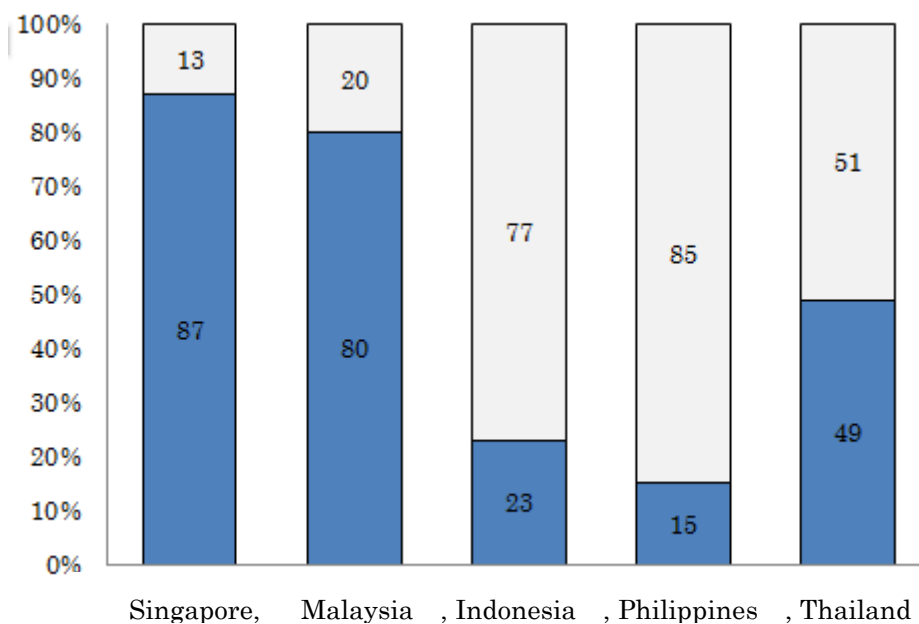
Graph 1. Internet use diffusion in Southeast Asia (In ten thousands)



Blue – population, Red – Internet users, Green – rate of spread

JETRO 「Internet Diffusion and SMS survey in Southeast Asia」 2011

Graph 2 : Smart Phone Rate of Spread (in%)



Source: Nielsen Smartphone Insight (2013)

2) SNS expansion and the evolution of communication

With the spread of the Internet, lifestyles and work styles have changed greatly, following the explosive growth of work and lifestyle related information being made available. Online communities built on mutual interests and values are expanding, connecting more and more friends. In addition, with English as the official language, language is not a barrier to information acquisition regarding things such as studying abroad, business and products in the English-speaking world. In particular, with the increase of internet penetration, the influence and empathy with American culture, such as consumer culture, present from post-war is being reinforced.

SNS is often used on a daily basis, second only to Singapore (within Asia) in terms of use. Facebook users number 34 million (Japan had 22 million as of August 2013), and 90% of internet users make use of the site.

SNS's popularity in the Philippines is due to the tendency to bring to the internet world the nature of the relationship of real friends and families or small groups, who communicate intimately and often. Also as a convenient means of communication with relatives in Japan and about 10 million migrant workers overseas, SNS such as Facebook, Skype and others have been utilized. As long as the user is connected to the internet, these can be used anywhere in the world free of charge. More recently, (300 million users as of November 2013) LINE also has become popular. In the case of many low-income earners, having a constant SNS connection on their mobile phones takes a lot of money, so a charge-per-use system has been developed.

In Manila, it is more common to shop from actual stores or malls rather than shop online. . However, for products highly rated in the United States, a high rating in the Philippines often follows, so in the future, net shopping in conjunction with sites in the United States becoming a trend is expected.

5 . Housing styles of the middle and upper classes

1) Downtown condominiums popular among the middle class

The real estate market, such as office buildings and condos in Metro Manila, has remained steady since 2007. An increase in demand for IT Office buildings by BPO companies and FDI has brought a corresponding increase in the demand for housing for employees. In Bonifacio, a 25-storey office JP Morgan office building is occupied just by call centers. In addition, the huge amount of remittance (about \$24 billion annually) from migrant workers (OFW) is used not just for daily necessities, but for durable consumer goods and housing such as condominiums. And there is also the presence of foreign investors who invest in the real estate business in Manila.

In recent years, work and lifestyle related needs have increased. Singles and working couples in the emerging middle class want shorter commuting times and easier access

to office buildings, shopping malls, and so condominiums need to be near to their work and leisure areas. In particular, for singles, sharing a condominium with others makes this otherwise inaccessible lifestyle affordable.

If you look at luxury condominiums in the city, the conglomerates who developed them have integrated employment, housing, and business. These conglomerates also have planning capabilities that enable them to partner with brands and designers worldwide in order to appeal to customers. For example, partnerships with Versace, or with Paris Hilton for the design and furniture, as well as providing concierge services and other facilities at par with luxury hotels.

2) Luxury residential areas “villages” and middle-class single family homes

Looking at the characteristics of houses, the differences between homes depending on income and lifestyle are evident. Exclusive gated subdivisions for the wealthy such as Salcedo and Bel-air in Makati have high walls 24 hour security. Some houses have pools, and several expensive cars. These are for the owners and their families, to get around the number-coding scheme which prohibits vehicles with plate numbers of a certain ending from being operated on certain days of the week. Some of the very wealthy even have helicopters.

Even the very wealthy often go to Church on Sundays, and spend time to eat and chat with their families back at their lavish homes, with the maids and drivers taking care of all of the preparations. Some families gather as clans, and some go out of town to resorts, or even overseas during the weekends. All of these activities serve to reinforce ties between the members of the family.

On the other hand, the emerging middle class live in less fancy condominiums or houses. Houses are made of stacked concrete blocks, not as durable as the high income multi-storey rebar high income homes. The most impoverished live along creeks and other cramped areas, often in large families, in homes roofed with tin with cardboard or wooden walls, scant protection against strong winds and rain.

As a feature of Metro Manila, residential areas are divided into a mosaic by income bracket,; they do not intersect. As housing policy, the government has enforced a law for real estate development firms to provide housing for low-income earners, but so far no progress is visible. The current Aquino administration has set a target to build houses of 400-500 thousand units by 2016.



*A low-rise luxury condominium in Makati



* A typical home for the masses

3) Real estate boom

In Makati City, base condominium prices are around 15-20 thousand pesos per square meter, (about 2.3 yen 1 peso) and about 3.5 to 4.5 million pesos for a 30m² 1 bedroom unit, and about 12-14 million for a 3 bedroom 65m² unit. And the past few years, real estate prices have been rising. A feature of the sales of condominiums here is to pre-sell at a lower price during construction, which reduces the minimum capital risk for the real estate development company, and involves capital gains for the buyer too upon completion.

Per capita nominal GDP of Makati city is said to be around \$7700 dollars (\$ 2,600 Philippine average, 2012), but the really high income earners which do not appear in the statistics have increased, and with them the demand for high-quality condos. In the case of OFWs, there is also the aspect of investment as well as being the dream of owning a house in the city; they get information from relatives in the Philippines about the property.

Even though the real estate market is enjoying favorable conditions, the grade, location and the developer are all major factors which make a difference. Developers basic strategy may to create a condominium and office buildings to give added value to the land it already owns, and it operates at a higher return. The high-grade offices and condominiums by major developers feature concierges, luxurious common areas, uninterrupted power supply, IT fixtures, and high security; sales are strong and leases are hard to come by. On the other hand, low-grade properties are suffering the opposite.

As long as a currency collapse does not happen, the continued trend in real estate for the wealthy and for foreigners is expected. And in order for the market to expand more, the middle-income segment will be the key determinant.



*A building which has halted construction



*Large scale condominium

6 . Metro Manila – aiming for a global city

A project to reclaim land from Manila Bay was pioneered by former First Lady Imelda Marcos back in 1977. By the end of the Marcos Administration, more than 600 hectares of land had been reclaimed, including the areas where the Cultural Center of the Philippines, Film Center, Hotel Sofitel, Star City Amusement Park, Boom na Boom amusement park, and others are now located.

In more recent years, the reclamation project was under the Philippine Amusement and Gaming Corporation (PAGCOR), which allowed investors to build on the reclaimed area now known as Bay City. The Bay City includes the SM Mall of Asia, SM Convention Center, and SM offices, and the newly opened Solaire Resort and Casino, which is the first establishment in the part of Bay City known as “Entertainment City”. With a total of 500 rooms, it opened in March 2013. The customer base is composed of wealthy foreign and locals, with many Chinese coming in families. Women also play at the casino tables, and children play in the pool facing Manila bay. Other resorts and casinos are expected to open in Entertainment City in the coming years.

Scheduled for 2016, the Entertainment City is a large-scale casino and resort tourist destination for Southeast Asia. Three large casino complexes and tourist entertainment facilities, which, once completed, will compose a total of about 5000 hotel rooms, 1950 casino tables, and 11500 slot machines. It is expected to surpass Singapore’s income of 5.6 billion dollars from casinos with 6.1 billion. From Manila Bay, it is anticipated to outshine Singapore and Macao’s MICE (Meeting, Incentive tour, Convention and Exhibition) and casino and resort sites, with business and leisure clients from all over the world.

Even while facing various problems such as underdeveloped social infrastructure, environmental issues, and economic gap, Metro Manila has continued with its large

scale development. However, cities of the future are required to improve quality of life, and not just profitability. In order to ensure the well-being of citizens, the government and the Metro Manila Development Authority should not rely on conglomerates for social infrastructure and development, but instead should focus and develop policies to improve “city power” voluntarily.



* Manila Bay’s new casino resort hotel



*SM Mall of Asia, crowded with locals

Next time, we will report on Metro Manila’s food culture, media and entertainment, and motorization.

From A Japanese Researcher

Mosaic City

Greenbelt is a huge shopping mall complex developed by Ayala corporation in downtown Makati. It is numbered from 1-5 in a continuous area, but shoppers can find everything from daily necessities to luxury brands, cuisine from all over the world including Japan, cinemas, a museum, a church, and all sorts of other things. The entire complex targets both the masses and the wealthy, but the newest area is affluent, with large trees in the courtyard, fountains and ponds. In this sophisticated space, tourists and locals gather for business and pleasure every day of the week. There are also luxury hotels on the periphery, it is possible to see the wealthy side of the Philippines. There is no problem with security because guards who check visitors and their bags are posted at the entrances.

Upon leaving greenbelt and walking just a few blocks within the same Makati city, it is possible to see the developing country that many Japanese imagine when talking about the Philippines. The poor side of Manila, with squatters as its symbol. Squatters are people who illegally settle in land which has not been developed, and there are many slums like this all over Metro Manila. It is said that 1/3 of Metro Manila’s

population is accounted for by squatters. According to surveys by Boston Consulting and Nielsen, there are variations in the survey data, but people with a monthly income of ten thousand pesos or less accounts for half of the Philippines, but most of these people are squatters. For a more detailed view on the lifestyle of these people, see Mr. Ishioka's site below. There, see the village as a living community, lending and borrowing of things including cutlery, mutual aid, and every corner of life in the narrow living space.

In this squatter's area, in a tiny space, canned goods, seasonings, daily necessities, beverages and so on are sold in tiny Sari sari stores. These stores sell commodities in tiny increments, so that things like Ajinomoto can be bought in tiny packets at 2 pesos (4-5 yen). Even cigarettes are sold by the piece. Stores like this support the lives of the people in these slums, but it is only because there are so many make do on a day-to-day basis with what little cash they have. It is said that the monthly salary in the Philippines is paid in increments, but it is also interesting that there is a mentality among Filipinos that would have otherwise spent the whole amount all at once without thinking of the consequences. It has been said until now that the inability to get a full time job is one of the main reasons behind the widespread poverty.

Moving around within Manila, you will find that squatters are scattered into every nook and cranny of the city. Even in Makati City, it is interesting to see that a lot of squatters are present, even around the high walls of some wealthy communities. Many drivers and housekeepers of the wealthy live in such areas. The boundaries are clear, they are independent and do not interfere with each other, as if of different worlds. In the midst of the recent economic growth, deportation of these squatters is a problem; as the presence of these groups side by side with the very rich, without mingling, makes for a mosaic like city.

When asked about a very Filipino food, one can answer "Halo halo". Halo halo is a famous dessert of shaved ice mixed with ice cream, fruits, sweetened beans and tubers, tapioca, nata de coco and other toppings. In Tagalog, halo halo means to mix, but no matter how one mixes the ingredients they remain distinct, just sticking to each other. This is reminiscent of one characteristic among Metro Manila residents, an inability or unwillingness to mingle with those from a different bracket, and antipathy towards this fact.

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