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Prosperity and Inequality in Metro Manila: Reflections on Housing the Poor, Climate Risk, and Governance of Cities

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Introduction

Wallerstein (1979, p. 119) posed these intellectual–moral questions more than three decades ago: 'I would phrase the intellectual questions of our time—which are the moral questions of our time—as follows: (1) Why is there hunger amidst plenty, and poverty amidst prosperity? (2) Why the many who are afflicted do not rise up against the few who are privileged, and smite them?'

But their relevance now is greater than ever before. In 2014, the World Economic Forum chief announced that 'the chronic gap between rich and poor is yawning wider, posing the biggest single risk to the world'. Further, 'income disparity and attendant social unrest' will have the big-

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gest impact on the economy during the next decade (Reuters, January 15, 2014). In the same vein, Piketty (2014) asserted that the levels of income inequality today are at their highest. Reinforcing these alarming social prognosis, Burawoy (2015, p. 1), in his presidential address before the 2014 World Congress of Sociology in Yokohama, observed that global inequality has its roots in the 'neoliberal economy that has engulfed the modern world...and has led to 'increasing forms of social exclusion and an expanding inequality of inclusion'. Therborn (2013) also describes social inequality as constituting the 'killing fields' of modern society. The persistence of poverty and inequality and its contradictions comprise some of the major challenges facing Asian cities today. And Metro Manila best illustrates these challenges and contradictions of the urban political economy.

This chapter argues that the negative consequences of neoliberal reforms, particularly in social housing and local development in Metro Manila, are further exacerbated by the weakness of the governance systems and the flooding disasters that regularly hit the metropolis. Persistent poverty and rising inequality are due in part to an economy heavily anchored in services, real estate, and commercial development and very poor industrial and agricultural growth. The democratic and decentralization reforms in the 1990s attempted to enable the social housing sector and local governments so these could be more responsive to the housing and basic services needs of the urban population, especially the poor. This chapter argues that the success of the 1990s governance reforms in social housing has been eroded by the need of the government to promote economic development through incentives and privileges to the private sector. It highlights the impacts of these processes on local development and the erosion of the housing security of urban poor communities, especially those living along the flood-prone areas of the metropolis. The chapter consists of four parts: Part I outlines the expansion of economic growth and rising income inequality in the Philippines while part II describes the urban governance reforms in the early 1990s, especially in local development and social housing. Part III illustrates the contradictions of growth, inequality, and governance reforms by highlighting two case studies of social housing programs in Metro Manila's two cities, namely (1) Marikina

City's highly successful in-city relocation program, whose gains are being threatened by the recurring flood disasters and commercial development along the river and (2) the Pansol Social Housing Site, which is undergoing rapid gentrification in Quezon City because of intense capitalist development of the neighborhood through public–private partnership schemes. Finally, the last part reflects on the contradictions of urban development, inequality, flood disasters, and governance reforms under the 'new normal' climate conditions.

Economic Growth, Urban Development, and Disaster Risk

During the past two decades or so, many Asian cities have experienced rapid growth and expansion, amid transitions in their socioeconomic systems and political ecologies. While continued economic growth and rising prosperity have led to poverty reduction, social inequality has widened within and across income groups/classes as well as compromised the integrity of ecological–environmental systems. Moreover, the local–national governments have collaborated with the private sector in mobilizing urban governance systems to implement intensive capitalist development projects which have led to the erosion of earlier social housing reform gains made by urban poor communities. Complicating the above social–economic–political challenges are the increasing climate risks and disasters, heightening in the process the failure of governance systems to address these issues. Environmental degradation and flooding disasters add another layer of complexity and difficulty to managing the uneven consequences of urban development and climate-related disasters for vulnerable and marginalized urban poor communities.

The World Trade Director General Pascal Lamy described the Asian region thus: 'Despite its rapid economic growth, Asia still remains the home to nearly a half of the world's poor. The region is facing numerous challenges, ranging from rising inequalities and disparities, limited natural resources, and vulnerability to climate change and risk of falling

into the “middle income trap”, all of which have implications for the rest of the world’ (Baldwin et al. 2015). Meanwhile, The Oxfam Report (Bernabe et al. 2015, p. 1) emphasized how income inequality increases the vulnerability of communities to natural disasters and climate change:

Asia’s high level of inequality leaves the majority of its people at great risk of death or injury, or loss of livelihood and home, in the event of a natural disaster. People in poverty often live in substandard housing or in dangerous locations, such as flood plains, riverbanks or steep slopes, and are less able to escape disaster zones. They are also less likely to have savings, insurance or other safeguards to help them recover from shocks. Rising inequality poses a dire threat to continued prosperity in Asia, where an estimated 500 million people remain trapped in extreme poverty, most of them women and girls. The huge gap between rich and poor hinders economic growth, undermines democratic institutions and can trigger conflict. A determined effort to combat discrimination, combined with improved policies on taxation and social spending, is needed now if the region is to secure a stable and prosperous future.

The above story of Asian cities is no different from that of Metro Manila, which has demonstrated an impressive economic growth during the past five years and a remarkable fight against poverty. This urban growth, however, has also led to a significant widening in the gap between the rich and the poor. This is largely seen in the growth of many high-end residential and commercial development projects alongside the proliferation of informal settlements, where most residents have no access to basic services and are highly exposed to disaster risks like floods, subsidence, and sea level rise (SLR). According to the Asian Development study (ADB 2015), ‘this deepening divide can trigger social and political tensions and conflicts’. Moreover, the Oxfam Report cites that between 1980 and 2009, Asia accounted for nearly half of all natural disasters worldwide but in 2013 alone, disasters accounted for 85 percent of people killed in the region. Other climate change impacts such as increasing temperature and rising sea levels have increased the vulnerability of marginalized groups already suffering from hunger and poverty. Climate-related disasters like floods often push people further into poverty, deepening the inequalities in access to resources and basic services.

The Global Risks Report 2015 ranked the Philippines as the third highest country at risk of critical environmental, geopolitical, economic, societal, and technological changes. Like other Asian coastal megacities, Metro Manila's environmental risks include floods, subsidence, landslides, and coastal inundation brought about by sea level rise, and the increasing intensity and irregularity of typhoons and storms urges monsoon rains. The impacts of these hazards have heightened the environmental risks faced by the residents. As mentioned earlier, compounding the effects of these natural and human-induced risks are governance-related factors like deficits in urban planning regulations and fiscal reforms, infrastructure, and delivery of social services. Ironically, the government's efforts toward enhancing the economic and social security of its cities also pose contradictory challenges to the environmental security of informal settlements and the human security needs of its most vulnerable population, the urban poor (Porio 2014).

For the past six years, several flooding disasters (e.g., 2009 Ketsana floods in Metro Manila, 2011 Bangkok floods, 2013 Haiyan Superstorm in Central Philippines, to mention a few) have resulted in severe losses and damages to infrastructure, property, agriculture, and human lives. No doubt, the challenges of rehabilitation and recovery have been a major issue for all, but those below the poverty line and highly at risk to climate disasters suffer a great deal more. This chapter then highlights the contradictory consequences of increasing prosperity and inequality, climate-related disasters, and the impacts of these on the human security of urban poor communities in the metropolis. In particular, it focuses on the erosion of the social housing gains made by these communities in the previous two decades because of the increasing intensity of capitalist development and recurring flood disasters, exacerbating the contradictory impacts of prosperity and inequality on the poor.

Socioeconomic Performance, Poverty, and Inequality

The socioeconomic and political characteristics of the Philippines, in general, and the national capital region, Metro Manila, in particular, allow us to appreciate the dynamics of the erosion of social housing gains made by

the urban poor and the challenges they are facing under the current conditions of economic expansion and rising inequality. In the last 5–6 years, the Philippine economy has been experiencing high growth rates relative to its poor economic performance in the previous decade. In 2012, the country's gross domestic product (GDP) reached 6.6 percent and a year later further rose to 7.2 percent. In the fourth quarter of 2014, despite the losses incurred from super-typhoon Haiyan (local name *Yolanda*) and other killer typhoons and floods, the economy rebounded stronger than expected, recording a 6.9 percent GDP growth rate. Thus, the Philippine economy continues to soar, beating market expectations and the Aquino administration's own target, making it among Asia's best-performing economies. But despite the country's outstanding economic performance, the government's record of reducing the poverty incidence has been quite dismal.¹ Meanwhile, the International Food Policy Research Institute's 2014 Global Nutrition Report stated that 'the Philippines is not on track to meet any of the six World Health Assembly (WHA) nutrition targets by 2025' (Ordinario 2014, p. 1).

On the November 2015 Asia Pacific Economic Forum (APEC) web site, the World Bank's country director was quoted as telling President Aquino's economic planning ministers that '[t]he Philippines is no longer the sick man of East Asia, but a rising tiger'. But the same web site also quoted the country's former planning director, Cielito Habito, as saying that his 2011 data showed that the 40 richest families on the Forbes wealth list accounted for 76 percent of the country's GDP growth. He declared that this was the highest in Asia because when the Philippines was compared to Thailand, the latter's top 40 families only accounted for 33.7 percent of wealth growth, Malaysia's was 5.6 percent and Japan's was 2.8 percent (Philippine Daily Inquirer, March 3, 2013). According to Professor Habito, about 25 million people or a quarter of the population lived on US\$1 a day or less in 2009. This has changed very little from the figures of a decade earlier according to the government's most recent

¹In September 2011, President Aquino reported before the UN-MDG Summit that his government had reduced the poverty incidence of the Philippines from 31 percent to 28 percent. But six months before that meeting, the National Census and Statistical Board redefined what constituted the poverty food basket, by eliminating meat and oil from it, in effect reducing the amount of money needed to fulfill the poverty threshold.

data. Meanwhile, Loyzaga and Porio (2015) highlighted social inequality in the Philippines: the net worth of the top 20 Filipino families is about US\$15.6 billion while 70 percent of the people subsist on less than US\$2 per day. Thus, most of these economic gains in the past five years have mainly accrued at the top income group.

Within the context of poverty and inequality, I will examine the dynamics of democratization and decentralization of urban governance in the 1990s that allowed the housing and community development gains among urban poor communities. But, as argued earlier, these gains are now being eroded both by the intensification of capitalist development through public–private partnership schemes and the flooding disasters in Metro Manila over the years.

Metro Manila: Growth, Governance, and Disaster Risk

Metro Manila or the national capital region (NCR) has a population of 13.9 million (UN Habitat 2015) but supports a daytime population of 16–18 million people. In 2015, the extended metropolitan region (EMR) comprised over 25 million people and had a population density of 18,000 per square kilometer (Loyzaga and Porio 2015). Located in three flood basins, Metro Manila enjoys urban and economic primacy over other Philippine cities. Its population is 12 times that of the next largest cities of Cebu and Davao. While the metropolis accounts for 37 percent of the GDP of the country, it is also home to about half a million informal settler families (ISFs) (Porio 2012). The former secretary-general of the National Economic Development Authority, Cielito Habito, estimates that about 50–60 percent of the urban economy is informal. Meanwhile, the World Bank (2013) found that informal workers comprise about 75 percent of total employment of the Philippine economy. Thus, informal settlements proliferate in the urban landscape.

Metro Manila is comprised of 17 local governments; thus, its governance system is highly decentralized and fragmented into 16 cities and one municipality. Rapid urbanization and weak regulatory systems have exacerbated the problems of traffic congestion, inadequate basic social

services, and flooding. The Pasig-Marikina River System partly drains into the Manila Bay and the Laguna Lake, with no outlet, while an earthquake fault runs across the whole metropolitan area. Alongside the lack of appropriate planning and development frameworks for a rapidly expanding metropolis, these factors have intensified the disastrous impacts of flooding, especially for the urban poor communities.

Sociopolitical Reforms in Urban Governance, Civil Society, and Social Housing

The 1986 EDSA People Power in the Philippines spawned major political-economic reforms in urban governance, which allowed the lower social strata of society like the urban poor to gain access to social housing. The post-martial law period saw the decentralization of local governance and democratization of civil society engagements, leading to some urban poor communities obtaining access to housing, security of tenure, and delivery of basic services (Porio 1995; Karaos and Porio 2015). The creation of the Presidential Commission for the Urban Poor (PCUP) and the unveiling of a social housing program through the Community Mortgage Program (CMP) by President Cory Aquino in 1989 marked a clear departure from the previous decade where squatting in both public and private lands was a criminal act, punishable under Marcos' Presidential Decree No. 772.² In 1992, the Philippine Congress passed two landmark legislations, namely the Local Government Code and the Urban Development and Housing Act. This was capped with the 'Social Reform Agenda', which marked President Ramos' administration from 1992 to 1998. While these legislations, alongside the Social Reform Agenda, empowered local governments to plan and develop their cities, it also devolved huge responsibilities which the latter found hard to implement because of lack of financial resources and technical resources. These responsibilities include, among others, land use planning, delivery of basic services such as water, sanitation, and health, and the provision of housing and relocation for ISF. Meanwhile, civil society organizations

² Mobilization by the NGOs and CBOs led to the decriminalization of unauthorized occupation of lands through the enactment of Republic Act 8368 of 1997, repealing PD 772.

(CSOs), particularly urban poor housing associations (UPHAs), assumed greater roles in the acquisition of housing and land tenure for the poor, with support from nongovernmental organizations (NGOs) in mobilizing both public and private resources.

As mentioned earlier the decentralization of governance in the 1990s granted local governments a range of powers from fiscal functions to local development, but there were not many resources devolved from the central government to fulfill these functions. So local officials had to create incentives for the business sector to invest in the commercial and industrial development of their cities. Public–private partnership schemes, in partnership with multilateral institutions like the World Bank, then, became the solution for cash-strapped local government units (LGUs) to jumpstart the financing of large development projects in infrastructure, public utilities, and commercialization of neighborhoods. These partnerships with the private sector become high-priority programs of the government and were therefore exempt from the usual regulations while enjoying tax privileges and the like. Such large projects often run through lands or alongside communities comprising informal settlers and, thus, collide with the aspirations of the poor for security of tenure in their housing through the government’s social housing programs. In the following section, I will highlight the coalition of interests among local officials and private sectoral actors that leads to the displacement of the poor people’s aspirations for housing and security of tenure. Compounding these displacements are the negative impacts of climate-related hazards like typhoons and floods.

The 1990s neoliberal reforms in urban governance, particularly the promotion of social housing, made great strides in providing access to housing and basic services for the CMP urban poor beneficiaries. But the gains made by local governments and CSOs in regularizing informal settlements are currently threatened by the increasing capitalist development projects and the recurring flooding disasters in Metro Manila. I illustrate this by examining the social housing and community development gains made by urban poor organizations (UPOs) with support from partner NGOs through the CMP in the 1990s–2000s. The first case study highlights Marikina City’s highly successful in-city relocation program while the second one describes an urban renewal program in Pansol, Quezon City. These two cities comprise two of Metro Manila’s 17 cities and one

municipality. Let me diverge a bit by describing the context of Metro Manila, its urban environment, and governance context.

Democratization–Decentralization of Urban Governance and the Financing of Local Development

The 1990s wave of democratization and decentralization of urban governance ushered in fiscal reforms that empowered local governments to have more control of their economic and social development (Porio 2012). Through the Urban Development and Housing Act of 1992, the urban poor sector also had more space to claim housing and other basic social services. But these gains are being eroded today by the development strategies promoted by local governments in partnership with the private sector. Public–private partnerships have leased forces that have intensified the competition of land and housing resources both by the commercial sector and the marginalized groups.

Since the 1990s, the neoliberal economy has seen the emergence of a few large companies increasingly becoming dominant in real estate and urban development, in the process defining the landscapes of Metro Manila and other Philippine cities. This has occurred alongside the privatization of public services and the widening gap between the rich and the poor in terms of access to basic services, housing, employment, and other economic opportunities. In financing urban development in Asian cities, public–private partnerships have been promoted by multilateral institutions and by many national and local governments, with the private sector increasingly becoming dominant in financing infrastructure and public services hit by financial crises. The Philippine national government and local governments are no exception. Presumably to fast-track urban development, the public–private partnership mechanisms have been propagated by both the Arroyo and Aquino administrations through overseas development assistance loans to finance large infrastructures and commercial-industrial projects. Most of these projects are regulated by the Philippine Export Zone Authority (PEZA), often by-passing local planning development authorities, or at most consulting the latter who are expected to act as rubber stamps to the decisions made by the national agency. Or the

local government negotiates as many concessions to increase its own revenue base and to finance its own elections, which perpetuate their control over the local political economy. These schemes often provide long-term state guarantees for profits to the private sector partners.

The massive infusion of capital in large commercial and infrastructural projects often ‘gentrifies’ the area and the neighborhoods surrounding it. High-end commercial and residential areas often sprout along the ‘development corridors’³ of these projects, in the process exponentially increasing land prices and services, both for long-term residents and newcomers to the area. Thus, it intensifies competition for affordable land that would otherwise have been accessible for social housing for the poor. These so-called mega projects of the government are planned and implemented with overseas development assistance (i.e., loans) and multinational companies, without proper consultations with the residents who would be affected by these projects. For example, the light rail transit from Santolan, Marikina, to Recto, Manila, was constructed with loans from development agencies and their allied construction and engineering companies.⁴ Many ISFs were displaced by the construction of the light railway system. This is just one example of the many large mega projects in Philippine cities that has displaced many urban poor residents. These large projects are central to the increasing evictions and displacement of communities living along these so-called development corridors.

Case Box 9.1 describes the urban renewal and gentrification of the Pansol Social Housing Site, located along the Katipunan Corridor in Quezon City. A beneficiary of the CMP in the 1990s, the community is located next door to the large commercial and retail center, developed under a public–private partnership between the local government, the state university landowner, and the Alran Corporation.⁵ This large project led to the second wave of gentrification of this nearby social housing site.

³ Development corridors according to the National Economic Development Authority (NEDA) is a response to the call for an innovative strategy for spatial development to support the goal of inclusive growth of the Philippine government (NEDA 2015).

⁴ For example, the Japan Bank for International Cooperation (JBIC) provided loans to the Philippine government but built in partnership with Japanese construction and engineering companies.

⁵ For privacy, I chose to disguise the name of the company.

Case Box 9.1. Urban Renewal and Gentrification of the Pansol Social Housing Site in Quezon City, Metro Manila

The community of Pansol used to be a government property, belonging to the Metro Manila Waterworks and Sewerage Agency (NAWASA), and occupied informally by the families of former employees and contractual service workers of the company. In the 1970s–1980s, they organized themselves into the Pansol Residents and Housing Association (PRHA). Through decades of community organizing the urban poor members of PRHA were able to acquire their home lot in 1992 through government's social housing program, the Community Mortgage Program. At that time, the cost of the land was at a subsidized rate of P250 per square meter (see Table 9.1). But not all beneficiaries could afford the monthly payments. About one-third of the association members sold out their housing rights to better-off outsiders: lower-middle-class salaried employees or overseas Filipino workers (OFWs) working abroad as engineers, technicians, or domestic helpers.

This selling of rights kicked off the first wave of gentrification of the social housing community, when the original urban poor beneficiaries were replaced by buyers who had higher incomes, who started renovating and improving their properties for lease or rental spaces. This process represented a leakage of the benefits of the social housing program to undeserving beneficiaries.

Since the social housing site was located near public and private universities, colleges, and high-end gated communities, the demand for rental spaces for students, employees, and informal sector workers was quite high. This gentrification process got intensified when the nearby area was developed through a public–private partnership scheme. In 2012, the Alran Corporation, a major corporation listed in the Philippine Stock Exchange, entered into a development partnership with the state university, which owned the land and the local government of Quezon City. PEZA facilitated the public–private partnership arrangement with the corporation, the state university, and the local government of Quezon City in developing the huge commercial and service centers for business process outsourcing (BPO) companies in what was previously a government school site. Several student demonstrations opposing the project resulted only in the arrest of its leaders and did not stop the development project. The competition for economic development among local governments is in part responsible for the latter giving attractive tax breaks and other incentives to the private sector.

Often these large projects do not undergo the usual community consultation process and hearing. The public–private partnership is a major strategy utilized by national-local government agencies in mobilizing capital for local investment and development in infrastructure (e.g., roads and bridges), utilities (e.g., privatization of water and energy), and mining explorations, to mention the most common ones.

Table 9.1 Land prices and associated processes in Pansol Social Housing Site (1992–2015)

Year	Key events/processes	Price of land in P/sq.m.
1980s–1990s	Mobilization of urban poor groups despite Martial law	100–200
1986	EDSA I (People Power Revolution); Dismantling of martial law	150–220
1992	Local Government Code granted local autonomy; Decentralization of functions/powers to local government	220–250
1992–2000	Pansol Housing Association granted right to buy land under the Community Mortgage Program (CMP). The regularization led to the displacement of the poorest of the poor who could not afford the monthly amortization fees, generating the first wave of gentrification in the community	250
2004	Assessment of Pansol CMP Program showed that about one-third of original beneficiaries sold out their housing rights to middle-class salaried employees, overseas Filipino workers, small retail store owners, or rental property owners who renovated their houses to 3–5 stories for students and low-income workers	5000–8000
2010–2015	Through a public–private scheme, a portion of the nearby property of the state university was leased to a major real estate developer, who turned it into a commercial mall with restaurants and building spaces for business process outsourcing (BPO) companies Meanwhile, some of the original beneficiaries sold out their houses (prices ranging from P4–5 million) and moved to the outskirts of the metropolis like Antipolo, Bulacan, Cavite, and so on. Rental prices also increased from P2000/room to P4000–6000/room making it unaffordable for low-income renters and students, forcing them to find rental spaces in faraway places and increasing their transport costs ^a	15,000–25,000

^aI am grateful to Malou Abejar, a colleague and resident of the place for collecting the land price and rental data (2010–2015). For earlier periods, refer to Porio and Crisol (2004)

The immediate impact of these huge development projects on the area is the escalation of land prices, fueled by the competition among different real estate developers and business companies. Land prices, then, become unaffordable for low-income groups, thus heightening the housing shortage for this sector. As shown in Table 9.1, land prices have increased a thousandfold since the social housing reform occurred in Pansol in 1992. A rapid gentrification is occurring with the original residents moving out to distant areas and the displacement of low-income renters by those working in the nearby BPOs and commercial centers.

The decentralization of land use planning and development has also resulted in compromises for local governments and the poor. The local government often failed to control and balance land use planning and the development of the cities and neighborhoods, especially those with high percentage of informal settlers like Quezon City. But local autonomy allowed local governments to build public–private partnership schemes that demanded re-zoning or conversion of residential, educational, and public areas for commercial use. When deemed a priority project of the government, it would often not be subjected to the usual regulations. This is what happened in the Pansol Social Housing Site, which is located adjacent to the public–private partnership development of a major commercial center along the Katipunan corridor in Quezon City, Metro Manila. The timeline below shows that while the CMP allowed security of tenure for the poor, it also displaced those in the bottom segment of the urban population.

Meanwhile, the informal settlers who had relocated along the banks of the Marikina-Pasig River Flood Basin started gaining security of housing tenure in the late 1990s. Because these lands were not highly desirable as residential places, these were the remaining areas available for relocation in the early 2000s when the Marikina local government was trying its best to make in-city relocation really work. In fact, the city got an excellence award in local governance for such an achievement. Ironically the 2009 Ketsana (local name *Ondoy*) floods devastated these relocation sites but the residents had no choice but to rebuild only to be subjected to flooding from typhoons (about ten) that regularly visit the metropolis during the monsoon season.

Case Box 9.2. A Local Government's Highly Successful In-City Relocation Eroded by Flood Disasters and Increased Commercial Development

In the mid-2000s, the local government unit (LGU) of Marikina City, Metro Manila, was recognized as having the most successful in-city relocation program—in partnership with landowners, urban poor organizations (UPOs), and the national governments' Community Mortgage Program (CMP).

Under the leadership of Mayor Bayani Fernando from 1992 to 2001, the local government unit (LGU) of Marikina City embarked on a bold urban development plan that included the in-city relocation program of its ISFs.

Through partnerships with the private sector, civil society and the national government, it was able to relocate all of its informal settlers within their city, unlike other LGUs who would 'throw' them to distant relocation sites outside the metropolis. This was possible because the 1992 Local Government Code empowered local governments to plan and develop the city according to the development needs of its population, especially those in informal settlements. Through its land use and development programs, it tackled the proliferation of informal settlements by implementing the provisions of the 1992 Urban Development and Housing Act.

In 1996, when Marikina became a chartered city, it massively relocated informal settlers along the riverine communities of Tumana, Nangka, and Malanday, among others. It also developed and restored the degraded riverbanks through the 'Save the Marikina River' program. By 2006, it had successfully relocated 30,000 ISFs, leading the Marikina City Settlement Office to get a national award for excellence in local governance from the Department of Interior and Local Government and the Galing Pook Foundation (2006) for this successful in-city relocation program. This was a feat that could hardly be duplicated by other local governments who always relocated their so-called squatter population outside the city, far from their livelihood, employment, and basic services. The CMP allowed urban poor households to acquire land at affordable price (P250–300 per square meter or about US\$6–10 at that time).

But the 2009 Ketsana floods, which inundated three-fourths of the city's land area, devastated the city's gains in social housing and the development of urban poor communities along the Marikina-Pasig River System. The resettled families along the river suffered badly, incurring great losses and damages as floodwaters rose to their ceiling and filled their houses with mud.

Since then, several flooding disasters have hit the city and the whole metropolis (e.g., 2012–2014 *Habagat* or monsoon floods, 2015 Super Typhoon Koppu/Lando floods), repeatedly flooding the relocated urban poor families along the riverlines. The severe devastation among the riverline's urban poor communities highlights how social housing reform gains in the early 1990s–2000s have been highly eroded by climate disasters and

the intense economic development of the city and the surrounding upland areas. The in-city relocation program of Marikina City also illustrates the benefits of decentralized and democratized governance through social housing provision for the poor. But by late 2009 onward, these gains got whittled down both by flooding and the escalation of commercial development along the riverbanks of the Marikina River. The rapid expansion of economic development activities has intensified the costs of land and rental along the riverbanks.

This case also illustrates that degraded and flood-prone lands along the river which should not be developed for habitation were the only ones available for resettlement of urban poor households. Yet, despite these flooding disasters, the price of land is rapidly going up. Currently, the land in this flood-prone area is pegged at P4000–5000 per square meter (about US\$80–100) or about 10 times more than the price of land when residents first acquired it through the national social housing program. Those who have defaulted on their monthly amortization payments have sold out their housing rights to better-off in-migrants. In part, the escalation of land prices along this flood zone is the result of intensified commercial development promoted by the Marikina local government down the lower part of the Marikina River. The latter includes the Riverbank Mall, SM Department Store, and other commercial-industrial development in this area, which is at high risk of flooding. The decentralization strongly pushed LGUs to raise their revenues by crafting their own development plans and attracting businesses and other urban development projects through tax incentives and privileges for the private sector.

The above experience shows the intended and unintended consequences of democratization and decentralization of urban governance. While the neoliberal reforms increased the urban poor's access to housing and basic services, the increased development of the river banks also increased the disaster risk faced by resettled urban poor families and middle-/upper-income-class residents.

The above case study highlights how urban governance reforms provided spaces for the urban poor to claim social housing benefits, with the support of civil society organizations and several local and national government agencies. But the decentralization of governance also increased the pressure on local governments to mobilize resources for financing local development. To attract business and other large development projects, it must offer incentives and privileges to the private sector, including access to choice properties, to the detriment of the claims of the poor for suit-

able residential land. Meanwhile, intensive commercial and real estate development displaced the urban poor from their communities. Coupled with the recurring flooding disasters, the intensive urban development as exemplified by large commercial and infrastructural projects has widened the gap between rich and poor families as well as ensured persistence of poverty.

Reflections and Concluding Comments

During the past decade or so, Asian cities have undergone rapid economic expansion and growth. Alongside seemingly prosperous spaces, however, are also 'brown spaces' or settlements of the poor which have inadequate access to employment, livelihood, services, and other basic necessities. In response, local and national governments have attempted to implement resettlement and social housing schemes for the poor. But these resettlement or upgraded sites, especially those in the earlier decades, have now become sites of investments by the better-off segments of the larger population, displacing those in the bottom segment of the original beneficiaries of the program. So the latter, joined by new migrants from the rural areas, have again to look for affordable space (i.e., not suitable for habitation) in the urban peripheries. And the cycle continues. In this light, it is understandable why despite the growth and expansion of our cities, the Asia-Pacific region houses 60 percent of the world's slum population.

Metro Manila clearly illustrates the above processes experienced by other cities in the region. While the earlier governance reforms allowed local governments to provide increased access to housing and basic services for the urban poor, these gains are threatened by the rapid growth and expansion of commercial and infrastructural development in their midst. It illustrates that community development gains generated by the pro-democratic movements of civil society and UPOs in partnership with local governments are being eroded by large capitalist development initiatives with the private sector. In retrospect, the gains of participatory and decentralized governance in social housing for the poor have been overtaken by the rapid increases in the cost of urban land and housing due to the large real estate, and commercial and infrastructural

development projects promoted by both local and national governments. In the process, unequal access to housing and basic services has widened and ensured that the unequal structures of power remain strongly entrenched. The gains of the urban poor from the governance reforms in the 1990s–2000s as a result of the democratization of socio-political life and the decentralization of local governance continues to be eroded by the impacts of intense capitalist development projects and climate-related disasters. The complexity of these challenges calls for innovative solutions toward inclusive growth and prosperity for the majority, especially those in the coastal cities in the Philippines and the Asia-Pacific region. Over the years, these economies have been hit by the impacts of climate change and natural disasters amid challenges of government legitimacy, accountability, and allegations of corruption. Thus, the challenges for the political and economic institutions to deliver the social goods more equitably is higher than ever.

To conclude, our cities today are faced with huge challenges ranging from the contradictions of urban growth and rising inequality, climate disasters, and loss of trust in our governance institutions to the global crisis emanating from war, drought, famine, displacement, and massive migration. With its origins and impacts seemingly having seamless boundaries, these fundamental issues appear insurmountable for our nation-state's politically and territorially bounded governance systems. Citizen mobilizations have pressured governments and the ruling elites for meaningful reforms but these have not been forthcoming. For our institutions and governance systems to reclaim the trust of the citizen or constituencies, the former must respond and demonstrate effectively with solutions that work for the majority of the population, especially those from the most vulnerable sectors (i.e., the poor, the elderly, street children, and the marginalized) of society.

List of Acronyms

CBO	Community-Based Organization
CMP	Community Mortgage Program

CSO	Civil society organization
FBO	Faith-Based Organization
GPF	Galing Pook Foundation, Inc.
ISF	Informal settler family
JBIC	Japan Bank for International Cooperation
LGA-DILG	Local Government Academy, Department of Interior and Local Government
LGC	Local Government Code of 1992
LGU	Local Government Unit
MMDA	Metro Manila Development Authority
NGO	Nongovernment organization
PCUP	Presidential Commission for the Urban Poor
PD	772 Presidential Decree Criminalizing Squatting or Unauthorized Occupation by the Landowner, issued in 1975 by President Marcos
RA	8368 Republic Act 8368 decriminalized squatting in 1997
UDHA	Urban Development and Housing Act of 1992
UN SDGs	United Nations' Sustainable Development Goals for 2030
UPHA	Urban Poor Housing Association
UPO	Urban Poor Organization

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