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NEDA Development Advocacy Factsheet

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Decongesting Metro Manila:

Establishing New Centers of Government

Shacks of squatters. Piles of garbage. Traffic jams. Poisoned air. Overcrowded schools and hospitals.

When Metro Manila or the National Capital Region (NCR) was formed in 1975, Imelda Marcos called it "the city of man". It was supposed to mean a humane city. Almost thirty years later, Metro Manila – now overpopulated and overdeveloped – threatens to explode with chaos and anarchy.

Furthermore, the disparities in levels of development have widened between Metro Manila and the rest of the country. From 1975 to 2003, it accounted for about one third of the country's economic outputs. Aside from being the center of trade and commerce, Metro Manila is the seat of government with almost all central offices of national agencies located here.

With a land area of just 0.3 percent of the country, Metro Manila has the highest population density of 15,600 persons per square kilometer or 60 times the national average in 2000. The concentration of population here can be attributed to high migration rates particularly from Southern Tagalog, Central Luzon, Ilocos, Eastern and Western Visayas and Bicol. This is triggered mainly by the lack of employment opportunities in these regions.

Amidst such a scenario, the challenge now is to spread development and provide new opportunities for growth to other regions.

Scenes of children playing in crowded and dirty spaces are a common sight in Metro Manila's slums.

Indeed, the government has long realized the need to decongest Metro Manila to abate its growing urban problems. One strategy considered was to transfer the capital to another region. Moving the international airport to Central Luzon is another.

Fidel V. Ramos once thought it might be a good idea to transfer the administrative capital to the Fort Bonifacio complex. Ferdinand E. Marcos expressed preference for Tagaytay and its suburbs, while Joseph Estrada considered a moveable center of power, holding office four months in Mindanao, four in the Visayas and four in Luzon.

MTPDP 2004-2010 Options

The basic task of the Medium Term Philippine Development Plan (MTPDP) 2004 – 2010, is to fight poverty and build prosperity for the greatest number of Filipinos.

In line with this, a major thrust in the 10-point agenda of the Arroyo administration is to decongest Metro Manila by establishing new centers of government outside the metropolis. Through this strategy, it is envisioned that economic activity will spread and grow in these new centers of in Luzon, Visayas and Mindanao.

This process will be accompanied by decentralization moves in other areas. Thus, by 2010, the following would have been achieved, among others:

- The network of transport and digital infrastructure on which the Arroyo government embarked in 2002 will have linked the entire country;
- Power and water will have been regularly provided to the entire country;
- Economic activity should spread to new-centers of government, business and community in Luzon, in the Visayas, and in Mindanao; and
- The Subic-Clark corridor shall have been the most competitive international service and logistics center in the Southeast Asian region.

Makeshift homes built on someone else's property is a manifestation of overcrowding in Metro Manila.

The establishment of new centers of government is likely to spur new activities in business and housing. This will also involve additional infrastructures that will open up the arteries for new economic activities in areas outside Metro Manila. A transport logistics system is expected to ensure efficient linkages between these centers and the nearby provinces.

The transfer and establishment of new government centers outside Metro Manila to the regions involve the following: (a) Department of Agriculture will move to Mindanao; (b) Department of Tourism to Cebu; (c) Department of Agrarian Reform to Iloilo; and (d) Department of Transportation to Clark, Pampanga.

These new centers shall serve as catalysts to growth by facilitating the entry of investments and other economic activities and eventually create new hubs for business and housing as countermagnets to NCR. To facilitate the transfer of the concerned departments to these new centers, the President has issued Executive Order No. 352, creating the Office of the Presidential Adviser for New Government Centers.

The transfer of DOTC to Clark will strengthen the role of the Subic-Clark area as the country's multimodal distribution and regional logistics center and major transshipment point of goods and services for domestic and international distribution. It is directly linked to major destinations in Asia and the rest of the world with world-class seaport and airport facilities.

The transfer of the DOT to Cebu will further boost tourism particularly focusing on "beach tourism" within the Cebu-Bohol link which has been identified as a primary tourist hub of the country. Tourism shall be complemented by the development of the sea transportation industry, with 80 percent of the shipping lines based in the area.

The transfer of DA to Mindanao shall further enhance the comparative advantage of Mindanao in food production. Lastly, the transfer of DAR to Western Visayas will fast track the implementation of the CARP in the area where a large percentage of CARPable lands are still to be distributed. ■