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Governance in Cebu City  
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**CEBU CITY IN THE GLOBAL ARENA:  
Its governance and urban development policy<sup>1</sup>**

Revised version of the papers presented at the 7th International Conference on Philippine Studies (ICOPHIL), Leiden, The Netherlands, June 16-19, 2004, and the symposium on Urban and Rural Development in Cebu and its Hinterlands, the University of San Carlos, Cebu, The Philippines, July 16, 2004.

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**Keywords:** globalization, space of flows, network society, global cities, urban governance, inclusion and exclusion.

**Abstract:** In this paper the urban governance of Cebu City will be considered against the background of theories on globalization and cities. Cebu City's economic and socio-political development of the past two decades can be explained by its integration into the global network. The integration takes place at several levels: at the economic level, through its export processing zones and international tourist services where in Cebu City has been drawn into the new international division of labor. Socially, dynamic processes of inclusion and exclusion are manifest. And finally, at the level of policy making, traditional policies next to governance principles as spread by UNDP and World Bank can be observed. The focus of this paper concern urban planning and urban poor organizations.

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# **CEBU CITY IN THE GLOBAL ARENA: Its governance and urban development policy**

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In this paper I will focus on the governance of Cebu City as a Global City. The paper is part of an ongoing research, which started in 1999 when I visited Cebu City for the first time. In 2000 and 2001 I was visiting guest researcher of the University of San Carlos (USC) respectively for 3 and 4 weeks. In the beginning of 2002 I was two weeks in Cebu, mainly for supervising two Dutch students who carried out research in urban poor areas. In July 2004 I updated this paper and presented it in a symposium at the USC<sup>2</sup>. This, I feel, is altogether far too short, to get accustomed to and to obtain an insight in such a complicated matter as urban governance. Therefore, the aim of this paper is not to suggest solutions but to raise some questions and ideas. I am particularly interested in the way municipal governance is related to: (a) issues regarding the urban poor, and (b) the status of Cebu City as a Global City.

The paper is based on talks and interviews with representatives of the civil society in Cebu City, in particular the local NGO's; written sources including newspapers, personal observations, and student researches. In the year 2000, key persons of the local government and major NGO's were interviewed on governance issues. I was a regular visitor of some of these NGO's<sup>3</sup>. Aside, from these, a number of students of the Human Geography Department of the Nijmegen University carried out research on subjects such as tourism, people's participation in low-income areas and livelihood strategies in the rural part of Cebu City. In the first section of this paper, I will introduce the concepts of the network society, global cities and urban governance. In section two I will focus on the topic of governance and the urban poor in Cebu City. In the third section I will pay attention to Cebu City's urban development policy at large. This section will also include the results of the survey held in 2000. Finally, I will draw some preliminary conclusions.

## **1. Cities in the Global Arena**

### **1.1. Globalization and the network society**

Globalization is the on-going process (or, if one wishes, a series of interrelated processes) of increasing interaction between different parts of the world. Thanks to new technologies in communication and transport, physical distances are becoming less significant thus creating more opportunities for international interaction. Globalization is not a complete new phenomenon. It started with the spread of mercantile capitalism in the 16th century and continued in the phase of industrial capitalism and colonialism. It has been argued that during the decades before the First World War the world was more globalized than today because the relative level of free flow of capital and commodities was higher then (Hirst and Thompson

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<sup>2</sup> I have to thank the audience of this symposium with whom the draft paper has been discussed. On the basis of their questions and suggestions the paper has been improved. Especially I want to thank Ms. Jesica Maglunob for correcting the final draft.

<sup>3</sup> I am grateful to many NGO representatives who kindly received me and did not hesitate to provide me with useful information. In particular I would like to mention the Center for Participatory Governance (CPAC); the Fellowship for Organizing Endeavors (FORGE); Justice, Peace, Integrity and Creation (JPIC) and the Women Resource Center Cebu (WRCC).

1996). In this paper however, globalization refers to the current period that started three decades ago, since new phenomena entered the world stage that changed our lives. Globalization entails processes that occur at the levels of economy, demography, policy and culture. It is, of course, not a spontaneous process, but one created by human interaction. A free market ideology reinforces the coming into existence of a global economy.

In the economic sense, globalization accompanied the Industrial Revolution and caused a spatial division of work on a global scale, whereby developing countries acted as suppliers of raw materials on behalf of the manufacturing industries in the colonial countries. Today a *new spatial division of labor* exists with the South as a major supplier of cheap labor to cope for the needs of the North. In particular, labor intensive manufacturing industry has been shifted to countries of the South (Dicken 1999). International labor migration should be seen within this perspective as well. The new division of work meant capital investments in the South, particularly direct foreign investment in export-oriented industry/services and portfolio investments in state enterprises, banking and building. The phenomenal growth and power of financial markets implies that capital moves around the globe, at times to the detriment of the stability of national economies as demonstrated by the financial crises in Britain, Mexico, East Asian economies, Brazil and Russia during the last decade of the 20<sup>th</sup> century. More recently, Argentina was hit by a severe financial crisis.

Globalization also implies that new cultural and political identities are being constructed. At the political level, globalization severely affects and changes the function of the national states. Hence, the debate on the relevance of supra-national configurations such as the EU, NAFTA and ASEAN on the one hand, and the development of sub-national regions within countries on the other hand. It is within the framework of the neo-liberal ideology, which stresses autonomy from the national state, that we must consider policy matters such as decentralization, governance and civil society. At the level of culture there are on-going debates on the emergence of a homogeneous world culture versus cultural differentiation processes, multi-cultural societies, hybridization and localization. Globalization is closely associated to ideas of postmodernism, especially the culture of difference as opposite to ideologies with universal claims.

In 'The Age of Information' (1996-1998), a three volume work, the Spanish urban sociologist Manuel Castells places these more or less accepted wisdoms in a comprehensive framework. According to him, after the stage of industrial capitalism we are now entering the phase of *informational capitalism*, a system where information technology is the key to economic growth. Globalization and information technology have contributed to a new experience of time and place in what Castells calls the *network society* of the 'age of information'. Of particular importance is the control of the finance capital and, since this capital moves around the globe, it implies the control of these movements. In his words: characteristic for contemporary times is the existence of a *space of flows*: capital, goods, people, information, ideas, and innovations. This is the reason why the meaning of space in our perceptions and experiences has changed. Besides, technological changes occur fast, contributing to another experience and perception of time. According to Castells, the new technologies do not only serve the interests of the established, dominant social groups or the global elites. Social movements, such as the feminist movement and the environmental movement, will also use the network structure and with its help contribute to social change. In other words, whatever the aims of organized social groups and their institutions, the network provides opportunities and threats as well. In the case of culture, it is true that one can speak of a dominantly propagated consumer society, but information and communication technologies (ICT's) provide the opportunity to be connected with cultural

expressions of all parts of the world. But whatever the case, both the speed of technological change and the space of flows require new forms of organization--- flexible, open organizations, similar networks, instead of a hierarchical, vertically structured, pyramid- like organizations; hence, the network society.

## 1.2. Cities in the era of globalization

Cities constitute crucial nodes in this worldwide network of flows. Cities are points of transmission that link the local and regional with the global. Traditionally, urban geographers were accustomed to analyze cities within national urban systems. For example, when we say that Manila is a primate city we refer to the scale of the national state. Nowadays, in a world of a space of flows, cities are, or become increasingly, connected to a global network, and the frame of reference becomes the world. Cities are *global cities*<sup>4</sup> and they have to be analyzed within the global system. There are, of course, different types of global cities. To start with, global cities in the North differ from global cities in the South. Global cities in the South occupy different positions within the global system. Their integration in the global economy is on a different level, since it occurs within the new international division of labor where developing countries and regions are placed in a subordinate position.

### *The economic development of Cebu City*

*Cebu City is at the heart of Metro Cebu, an agglomeration of the three cities of Cebu, Mandaue and Lapu-Lapu, and seven municipalities of Compostela, Liloan, Consolacion, Cordoba, Talisay, Minglanilla and Naga. Metro Cebu accounts for about 1.7 million people, of which one million live in Cebu City. The city comprises about half of the land area of Metro Cebu (37,000 has.), of which 30 per cent covers the coastal area and 70 percent is mountainous hinterland. Cebu City is now considered as the center – commercial, industrial, and educational – in Central Philippines.*

*It seems that already before Spanish colonial times, ‘Zubu’ had a reputation as a port trading with China (Bernaldez 1997: 46) but apparently later its position declined in importance. According to Fenner (1985) “In 1760 the port of Cebu was still a commercially depressed backwater, which played an insignificant role in both internal and external trade.” (1985: 64). This changed in the second half of the 18th century with the expansion of sugar production on the island of Cebu and the rise in international trade. Some decades later Cebu City became a*

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<sup>4</sup> In this paper, however, I will use this expression as a *species*, in the same way as colonial cities or post-modern cities. I am well aware of the concept of *world cities*, as originally conceived by John Friedmann (1986) and defined as major nodal points in the global system.. World cities are the major sites for the concentration and accumulation of international capital, where the headquarters of the transnational companies and the major financial markets are located. There is a hierarchy in the global urban system. Friedman distinguishes several tiers of cities: New York, London and Tokyo are at the top. The second tier consists of cities with a large influence over macro-regions, such as the European Union or Pacific Asia: examples are Frankfurt, Amsterdam, San Francisco and Singapore. A third tier consists of cities with specialized international functions: Milan, Detroit and Mexico City etc. After Friedmann, Sassen (1991) defined global cities as centers of power in the global arena. The definition of world cities and global cities in this sense more or less forced researchers to focus their attention to cities in the North (‘where the action takes place’). They are thereby overlooking the fact that the world’s population growth will be absorbed in cities in the South that will tremendously grow in the coming decades. There is definitely a Northern bias in studies about global cities . Most of the existing studies on global cities deal with cities in the developed countries of the North. Moreover, it is often denied that global cities exist in the developing countries of the South. Fortunately, a change can be noticed as proved by Scott et al. (2001) and Sassen (2002) who pay attention to global cities in the South. Hence, there is a need for research regarding the precise position of the global cities of the South within the global urban network and for studies of individual global cities in the South, their economy, culture and policy.

*collection point of copra from the southern Philippines. So Cebu City continued its history of inclusion into the world economy when, after the fall of President Marcos (1986), its integration into the new spatial division of labor started. It then underwent the transformation of a Third World regional commercial center into a global city with export-oriented manufacture and tourism as engines for economic growth.*

*In 1979, the Philippine government established the Mactan Export Processing Zone (MEPZ) on Mactan Island, near to Cebu City. The close proximity of both a port and an airport were major assets of the MEPZ. However, due to the weak political position of Cebu during the Marcos era and in a more general way, the national political instability which characterized this period, only a few investors were attracted: in 1986 there were only 6 establishments. The change in regime meant new opportunities for Cebu, and the number of establishments, most of them from Japan, rose from 34 in 1990 to 100 in 2001. In 1997 a second EPZ was set up, MEPZ II, adding 40 has. to the previous 120 has., on which 30 companies were located. All in all, the MEPZ's provide employment to 35,000 people (Beerepoot and Van Westen 2000). More recently, Metro Cebu succeeded to attract a number of investors for call centers.*

*Cebu's economic growth has been explained by its geography, history, culture and recent policies (Law 1997; Sajor 2003). Metro Cebu is strategically located in the central region of the Philippines. The Cebuano people have a trading tradition. They are 'psychologically independent' of Manila (Churchill 1993). Lito Osmeña, governor of the province of Cebu 1988-1992 and thereafter presidential advisor (of Ramos) and his cousin Tommy Osmeña, mayor of Cebu City 1988-1995 and 2001-to date, were, and still are interested in developing business and the economy of Cebu.*

*Cebu gained an international reputation, as summarized in the following citation: 'While the rest of the Philippines is troubled by corruption, terrorism and bouts of political upheaval, the palm-fringed island of Cebu has prospered, attracting multinationals with its investor-friendly initiatives. It offers a model for independent cities elsewhere in Asia' (Far Eastern Economic Review, October 16, 2003)*

Its integration into the global economy characterizes Cebu City as a global city, which has important consequences:

(1) Cebu City has to meet the requirements of global capital if it wants to seize the global opportunities for economic growth. It positions itself as part of the greater Metro Cebu. As such, it is the center of an urban economy that includes export-processing zones and international oriented beach resorts. To this end, good infrastructure facilities (international airport, port, six lanes roads etc.) and tourist services (hotels, golf courses, night life entertainment places) have been established. In Cebu City, as in other global cities of the South, major changes in the labor market have taken place. The importance of employment in the private sector, particularly in the secondary sector, has increased relative to the public sector employment. Women have entered the labor market in great numbers, carrying out unskilled work in manufacturing industry and tourism and entertainment industry. Low wage levels and political stability, including a low level of trade union activity, belong to the requirements of world capital.

(2) Global cities need to compete with other cities. Global cities are involved in a permanent process of restructuring of their physical infrastructure, labor markets and social institutions. Policy makers have to be aware that trends in the global economy can change fast and they have to be prepared to cope with these changes. This is the reason why one of their major tasks is to

manage new forms of organizations and networks and, among others, to transform them into (permanent) *learning institutions*. As for city marketing, it is worthwhile to notice that Metro City represents itself as another urban center in Southeast Asia that offers facilities for international capital. On the other hand, its policy makers (including urban development planners) have to make it clear that the city and its region are different from the rest of the Philippines<sup>5</sup>. This might be one of the reasons why currently, a new identity is constituted around regionalism in the Visayas with Cebu City as its core. It stresses security, stability and the diligence of the *Cebuanos*<sup>6</sup>.

(3) In terms of gross regional income per capita, global cities are relatively better off than cities that are not or weakly integrated into the world economy. However, socio-economic disparities can be striking. Cities all over the world have to cope with increasing social polarization and imbalances, including urban violence. For Erhard Berner (2001), the keywords for understanding these processes are *inclusion* and *exclusion*. Who will gain from globalization processes, who will lose? Symbolic is the coming into existence of gated communities where lifestyles meet the requirements for global interactions. Another striking example concerns the environmental problems in global cities. The provision of safe water and sanitation facilities is usually a major problem. The urban poor, who usually live in slum and squatter areas without proper facilities and near polluted rivers and waste dumps, are the main victims. Their health status is considerably worse than that of the people who live in the richer residential areas.

Integration, competition, and social inclusion/exclusion processes are the urban challenges that call for an integrated or holistic approach. Urban development need to address the economic, social and health aspects of human development. It is precisely because of this need for an integrated approach and the fast changes in the global society that an open network structure for urban development is preferred to a hierarchical closed structure.

### **1.3 The logic of urban governance**

I need this rather long introduction to explain the logic of the concept of urban governance. During the past decades a new policy paradigm emerged to support the creation of network structures in policy making. The new paradigm comprises three interrelated notions: urban governance, community participation and decentralization. The UNDP defines *governance* as the exercise of political, economic and administrative authority to manage a society's affairs. It is the sharing of decision-making between local state structures, the private sector and the actors of the *civil society*. The latter defends the interests of the non-partisan groups and marginalized sectors of the population. Thus there are three major groups of actors in the development process: the state with its governmental agencies; the private business sector; and the civil society represented by non-governmental organizations (NGO's) and community-based organizations/peoples' organizations (CBO's/PO's).

It is this inclusion and sharing in decision making that allow for flexibility in urban development planning. The emergence of a new global urban paradigm is strongly related to the spread of democracy within a neo-liberal framework. In this respect one notices a tendency to global homogenization. However, for the time being, different political systems and national

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<sup>5</sup> Compare Ohmea's idea regarding the rise of regional economies detached from the national economies (1996) and Scott et al. book on city regions (2001).

<sup>6</sup> This is not to say that regionalism and regional identities did not exist in Cebu and the Visayas before. But similar to cultures there is both continuity and change in regional identities, and the argument here is that changes occur due to the status of Cebu City as a global city.

ideologies will continue to exist, which implies that there will be several representations of the same paradigm. Besides that, it would be naive to overlook the reality of the struggle for scarce resources in the cities of the South, including the limited government budgets at the disposal of local political elites. Governance is part of the neo-liberal agenda of the Washington consensus. It needs governance since according to this agenda the state should retreat from the public domains which increasingly become privatized. This is true, but it is only one side of the coin.

The other side is that the democracy that urban governance in global cities imply, will allow for greater space for poor communities to participate in urban development processes. By way of participation they can initiate interventions to improve their conditions. Hence, *community participation*, which comprises both the organizations of urban communities and access to decision-making institutions, is another key notion of current urban policies. Although the notion of participation is broadly accepted, in practice it is often limited to consulting 'the target-groups' of the urban poor. Participation, however, is more than instrumental alone (Abbott 1996). Real participation demands a political process to get people involved, to mobilize their resources (including social capital) and to strengthen their capacity to participate. This process has to occur at several levels, since the organizational capacity of urban community groups depends on the democratic quality of the national and local governments. They shape the social environment wherein the existence and action of independent CBO's and supportive NGO's can be encouraged. Participatory processes are difficult to realize in a political climate where democracy is still in its infancy.

A third concept of urban development policies concerns *decentralization*. Today, there is a clear tendency to decentralize decision-making and finance from the national to the regional and local - municipal or district levels. Decentralization is more than a technical or administrative matter. It not only implies the creation of a local state structure with new, relatively more independent functions. For community initiatives, a decentralized system provides for new opportunities. It can be expected that bureaucracies are more accessible at the local level, so it is at this level that dialogues between governmental agencies and urban poor communities will start.

#### 1.4

Five aspects are important in analyzing urban governance:

- its forms
- the strategies of the partners
- the results of the partnership
- the impact of the partnership
- processes of inclusion and exclusion:

(Baud 2004). I will particularly focus on the last one, since this aspect concerns the openness of governance. Moreover, I will limit myself to civil society involvement in urban development

## 2. Governance and the urban poor<sup>7</sup>

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<sup>7</sup> To a considerable degree, this section is based on publications of Felisa Etemadi who also generously informed me during personal conversations. During my visits in 1999-2000 I was also a regular visitor of NGO's (see footnote 1). With the help of CPAC and JPIC, two Dutch students of the Department of Geography, University of Nijmegen, carried out research in urban poor areas of Cebu City.

Thanks to the work of Etemadi (2000; 2004) we are relatively well-informed about the relationship between the city government and NGO's concerning urban poor policies in Cebu City. In her articles she analyses the forms and strategies of NGO's that are part of the NGO coalition Kaabag sa Sugbo. In a recent article, called 'The politics of engagement: gains and challenges of the NGO coalition in Cebu City' (2004), she summarizes the results of more than 15 years interaction between local NGO's and Cebu City government. The results of the coalition's work for and with the urban poor should not be underestimated.

### ***Kaabag sa Sugbo: the NGO coalition of Cebu City***

*Twelve NGO's founded this coalition in 1992. Currently, nine of them are still members, while five new NGO's joined the coalition and seven others participate regularly in the activities. There are five key concerns: housing, livelihood, governance, children and women, that reflect the diversity in aims and professional skills of the members. The Pagtambayong Foundation, for example, has a long experience in social housing and initiated the Community Mortgage Programme (CMP) of the Philippines that attracted international attention. Lihok-Pilipina is engaged in women's issues both in the field of organizing and advocacy. The Center for Participatory Governance (CPAC) is training barangay leaders to be involved in barangay planning.*

*The foundation of the NGO coalition was laid in 1988 during the first local elections. NGO's and PO's held several rallies and presented a seven-point urban poor agenda, called People's Alternative to the mayoralty candidates. They then decided to support Tomas Osmeña who promised to implement the urban poor agenda. He did, to a certain extent and, after losing his office in 1995-2001, again in 2001. In other words, the strategy of Kaabag is to organize the poor and to use their voting power as a lever to enter City Hall. Then, to represent the urban poor in the local institutions, as allowed by the Local Government Act (LGU), to lobby for reforms and to obtain contracts for working on social issues such as urban poor organizing and social housing.*

*Among others, the results of Kaabag's work are: the creation of a City Commission for the Urban Poor (CCUP), later Department of Welfare for the Urban Poor (DWP); relocation and social housing programs; a policy of 'maximum tolerance' towards street vendors; and the representation of NGO leaders and development workers in city frontline offices as well as in Cebu's City Development Council.*

*(Source: Etemadi 2004)*

The experiences of Kaabag sa Sugbo show that 'good governance' needs:

- (1) A firm national institutional base to allow for civil society participation in local governance. In the case of the Philippines, a new constitution created after the fall of dictator President Marcos (1986) provides the opportunities for civil society organizations. The constitution explicitly recognizes the role of NGO's and PO's (CBO's) and their participation at all levels of policy-making. Moreover, local autonomy is founded in the 1991 Local Government Code (LGC) and encourages popular participation in local governance, both at the level of municipality and neighborhood.
- (2) A change in attitudes of NGO's vis-à-vis the city authorities, which Etemadi characterizes as a paradigm shift in strategy from 'expose-oppose' to 'expose-oppose-propose'. This needs the willingness to listen, to negotiate, to accept refusals, to compromise in order to gain. This

is part of the democratic process inherent to the governance idea. 'Critical collaboration', the slogan of some of the NGO's participating in Kaabag, represents the attitude of the coalition.

(3) NGO leaders who work consistently during many years, building up experience, and keeping an open mind to innovative approaches. Kaabag has showed to work as a learning institution. It is sufficiently flexible to pick up new issues, such as training of neighborhood leaders for barangay planning and street-vending.

A crucial matter concerns processes of inclusion and exclusion. There are several kinds of exclusion. In the first place, exclusion will occur because of the limited capacity of civil society actors. It has been estimated that Kaabag reaches about 20 per cent of the urban poor population of Cebu City, which implies that 80 percent is excluded. The figures vary by sector. For example, in the issue regarding street children: Kaabag claims to include nearly all street children. In this sector several NGO's are active and apparently sufficient capacity exists to cover Cebu City (Etemadi 2004). On the other hand, the training of barangay councils and captains to develop barangay plans is a specific activity of one NGO, the CPAC, which has a limited capacity and it can't be avoided that the majority of barangays in Cebu City are excluded.

In the second place, exclusion is inherent to the discourse involved. The expose-oppose-propose strategy of Kaabag by definition implies that NGO's and PO's that are inclined to the strategy of expose-oppose will be excluded from local governance. The relevant questions that should be asked here are: how broad is the strategy? Which PO's and development NGO's that work for and with the urban poor are included or excluded, and for what reasons? An answer for these questions leads us to the risks of the associational policy of Kaabag.

In Cebu, the local political context is, as not unusual in the Philippines, dominated by local families, personalities and personal relationships (Lacaba 1995; Mujares 1994). In Cebu City, for more than fifteen years, Tomas Osmeña and Alvin Garcia have dominated the local politics. During the period 1988 – 1995 they formed a tandem, with Tomas as mayor and Alvin as vice-mayor. In 1995, Alvin became mayor with the support of Tomas but soon their relationship became problematic and conflicts between the two arose. The two became feuding political opponents. Garcia was re-elected in 1998 but after that, lost the elections in 2001 and 2004. Both in 1988 and 2001, a crucial factor in the election of Tomas Osmeña was the active support of some key NGO leaders and related organized urban poor groups. It is well known that personal relationship between a NGO leader and Tomas Osmeña was instrumental in obtaining the support of the NGO's (Clamor 1993). In this sense, one could say that Kaabag became drawn into traditional personal politics. In return for the votes Kaabag could realize a part of their agenda, which among others, includes the establishment of a Department of Welfare for the Urban Poor (DWUP), contracts for consultancy and projects. In the Philippine context this might be unavoidable. Nevertheless, the question arises whether we can still speak of urban governance when consultation and participation of civil society takes place within vertical patron-client relationships. For example, will the elected mayor support urban poor initiatives in barangays that did not support him during the elections or will he exclude particular neighborhoods? In the longer term the results of Kaabag work has to be out-weighed against the risks of being too much associated with one personality and/or party. It remains, of course, to be seen whether the self-proclaimed 'critical distance' would be sufficient guarantee to maintain the institutions created in favor of the urban poor when a new leader or party will rise to power.

Against this background of inclusion and exclusion, I would like to refer to a violent demolition that took place in the Cebu City neighborhood of Carreta in 1999, and the local government institutions were not able to cope with the situation. If one considers governance as an institution for negotiation to prevent conflicts, the only conclusion is that it failed. The inhabitants apparently thought that they could rely on the more traditional, personal oriented, mechanisms (mayor, bishop) but these did not work as well. It also strikes that established NGO's did not intervene. 'Outsider NGO's were involved, such as Supak that used traditional channels (a senator, the president) for mediation, and a more radical one, related to Bayan, that fiercely opposed relocation.

### ***The 1999 demolition in Carreta*** <sup>8</sup>

*The case concerns a 52,100 sq.m. piece of land over which one of the longest battles involving land ownership in the country took place. The case was filed October 1965. The Supreme Court decided favorably for the land claimants implying that some 200 households had to leave in 1984. This was suspended due to a restraining order in 1987, which was lifted in 1994. In 1995 32 lot owners entered into a MOA with City Hall and the residents, concerning the donation of 789 sq.m. for a condominium. Meanwhile, the Regional Trial Court branch ordered occupants to remove their structures but this did not happen. The residents' organization Carreta Neighbourhood Organisation still claimed the land to be friar land. Finally, based on the decision of the High Court, the Regional Court issued a demolition order in 1998, and demolition took place March 1999.*

*The case is interesting because a lot of people and several organizations got involved before final demolition occurred. The acting mayor Garcia intervened and did his best to postpone the demolition and offered alternatives, namely: buying the land, moving to a relocation site, or transferring to a City Hall condominium (SUN STAR 15-12-98; 6-01-99). The PCUP commissioner expressed his willingness to assist the residents but the residents' organization declined, referring to earlier cases <sup>9</sup>. The councilor-chairman of the Committee on Social Services and Urban development pointed out that the city was working on a relocation plan through the Department for the Welfare of the Urban Poor (DWUP) but people refused to be transferred (SUN STAR 27-1-99). However, three weeks later DWUP announced that 54 families have signified their plan to relocate (SUN STAR 12-02-99).*

*In February 1999, the chairman of the NGO Supak together with Senator John "Sonny" Osmeña and the regional branch of the National Housing Authority (NHA) launched the plan to expropriate a lot for the affected families. As a result, President Estrada ordered the NHA to proceed with the expropriation in order to allow the families to own a piece of land (total costs estimated at P8 million). But the spokesman of a Bayan- supported NGO, claiming to speak on behalf of the residents said that the residents had the right to occupy the land and didn't want to be used for politicking (SUN STAR 21-02-99). On the other hand, a city councilor, after talking to Barangay Carreta residents, said the settlers welcome the possibility of lot expropriation (22-*

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<sup>8</sup> In 1999 I learned about this case and visited the area. During later visits I went through the files of the library of the newspaper Sun Star in 1999/2000, and had the opportunity to interview one of the people who was directly involved in the 2000 demolition. The 1999 Carreta demolition belongs to the collective memory of Cebu City's civil society.

<sup>9</sup> 'But Jun Mabuti (leader of the residents organization, TvN).... said he will not ask for Ligas' intervention as he believes the PCUP commissioner has not done anything to help the urban poor, especially on the demolition of houses near the Butuanon River' (Sun Star 31-12-1998)

02-99). But, according to the Bayan-supported NGO, the residents don't want to be used for politicking and did not welcome the idea (SUN STAR 21-02-99; 26-02-1999). Finally, amidst this confusing situation, in March 1999, after some failed attempts, demolition took place.

This case raises some relevant issues, especially with regard to the current situation in urban poor areas along the South Reclamation Project (SRP). The project, with which we will deal more extensively in the next section, has affected the livelihood of many families along the former coastline. For some years now their relocation has been on the urban agenda of Cebu City. It is also in the interest of the project donor from Japan to have smooth relocation processes established. Pushed by what mayor Osmeña calls 'leftist Japanese groups' the donor urges the Cebu City government to take action. It is not an easy matter to solve. On the contrary, there are many difficult issues at stake and pitfalls to avoid. Nevertheless, here lies a challenge and an excellent opportunity for governance action. The City government, people organizations, development NGO's and private business could develop joint initiatives and actions the costs of which are relatively low compared to total project costs. Up to now, however, there are not many signs that the SRP relocation will be included in the governance system.

### **3. Governance and urban development**

In urban planning, the transformation from an industrial capitalist to an informational network structured society is expressed by the death of so-called blueprint planning and the rise of process planning. In blueprint planning the land-use and physical form of cities is fixed in an image of the future of say 10 or 25 years. For reasons we explained earlier, this kind of urban planning is now outdated. Process planning, actor-oriented planning, strategic planning, adaptive planning or flexible planning is currently on the agenda. Broad outlines of the future and adaptations in the plan on the basis of continuous consultation between all parties concerned regarding urban processes are core features of this kind of planning.

Against this background it is striking that Cebu City apparently has no suitable institutional framework to deal with strategic urban planning. The case in point is the process Cebu City strategic master plan study, of which the final draft was presented December 2000. The plan is indeed an example of old-fashioned urban planning, with only a few remarks about the urban actors who are considered as assets in the development of Cebu City but there are no proposals to include to them in planning<sup>10</sup>. After the presentation of the first draft, NGO's criticized the plan, both the contents of the plan and the procedures. They had not been consulted during the planning process and the plan did not take the problems and interests of Cebu City's urban poor population sufficiently into consideration. The then acting mayor Garcia took some initiatives to revise the plan but his successor Tommy Osmeña up to now does not show an interest in an overall urban plan of Cebu City, let alone to draw the civil society into some process of overall urban planning.

Civil society is interested to be involved in city planning. An indication is the result of a research on civil society involvement in urban planning in Cebu City by Rick Heikoop and me during the

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<sup>10</sup> <sup>10</sup>One of the subsections in the Masterplan is called 'Cebu City barangays to be energized', and I expected that it would deal with empowerment of barangay population. Unfortunately, this was not the case; rather, the section consists of some lines and figures and mentions five barangays that will benefit from power development projects in three years.

month of September 2000. We interviewed 22 people, 11 from the NGO world (five of them members of Kaabag sa Sugbo) and 11 from the administration, including 3 councillors<sup>11</sup>. The research was carried out by way of a survey questionnaire but we aimed for an atmosphere loose enough to have semi-structured talks around the questionnaire. The questionnaire comprised three sections, respectively barangay planning, city planning and ‘best practice’ experience of cooperation between city government with civil society. The duration of the interviews varied from 30 minutes to three hours. The research did not pretend to be representative. For example, the NGO’s chosen were all development NGO’s (and not welfare NGO’s), and the councilors were selected because of their known sympathy for and cooperation with the civil society. Besides, there were many ‘socially desirable answers’, as the tables below show<sup>12</sup>. There is hardly any difference between the opinions of NGO representatives and the administrators, which could be explained by the socially desirability of replies of city administrators.

*Table 1: What NGO’s/CBO’s participation in city planning implies.*

	NGO’s (N=10)*	Administrators (N=11)
NGO’s/CBO’s will be consulted before planning starts	10	10
NGO’s/CBO’s will be involved in plan formulation	10	9
NGO’s/CBO’s will co-define criteria for plan evaluation	10	9
NGO’s/CBO’s will participate in plan implementation	9	9
NGO’s/CBO’s will be co-manage plan implementation	10	8
NGO’s/CBO’s will participate in evaluation	10	9

\* One non-response of a NGO respondent who declared to have no opinion about planning at the city level.

*Table 2: Role of NGO’s/CBO’s in city planning*

Question: NGO’s/CBO’s can strengthen city planning by supporting city government through:

	NGO’s (N=11)	Administrators (N=11)
providing information	10	9
training programs	8	8
technical skills	8	9
designing plans	10	7
participation in evaluation	10	10

\* One non-response of a NGO respondent who declared to have no opinion about planning at the city level.

To a certain extent the matter of co-management (table 1), which in the opinion given by some administrators apparently would lead to delays in the implementation process, and the design of

<sup>11</sup> In the presentation of the draft paper in Cebu I included 3 more representatives of NGO’s. Two are left out because of over representation of the NGO concerned. One was mistakenly considered as NGO representative and added to the list administrators. Some other accuracy errors were made because of the haste in preparing the presentation.

<sup>12</sup> Two of the NGO respondents remarked that we shouldn’t be naive in our research, which is true but as a research strategy the questionnaire gave us an excellent entrance to elaborate on some specific issues.

city plans (table 2) are exceptions<sup>13</sup>. As for the latter, the argument for non-involvement of NGO's is the technicalities of designing, which require professionally trained people.

NGO's give the following arguments why they want to be involved:

'As of now there is practically no systematic involvement in city planning and I think this is very important because NGO's have a lot to offer to the government in terms of making more successful programs'.

'NGO's are strong in community organizing. These people are the beneficiaries and should be involved. They know what is good for them';

'Consultation is not enough. Transparency is needed and for this reason people should be included in the process'.

Among the NGO's some pessimism exists with regard to their chances to be involved in city planning: 'the local government is not keen to involve NGO's and CBO's in city planning'. One of the respondents elaborates: 'this is because private interests are involved and the lack of competence and patience in local government'. On the other hand, NGOs acknowledge their current lack of manpower and technical knowledge. One respondent explains: '[at current] we can input our ideas and concerns during the initial planning stage and to check if the project is implemented according to the final plans'

NGO representatives and administrators agree on the priority areas for co-operation in city planning. The most interesting aspect in table 3 is that both did not prioritize urban economic sectors such as manufacturing industry; urban agriculture/fishery and tourism. The explanation could be that NGO's in Cebu City have more experience in social sector work and lack the capacity to deal with economic sectors. Nevertheless, economics are the backbone of city development and, by consequence, of city planning.

*Table 3: 'Priority areas for co-operation in city planning'*

NGO's (N=10)*	Administrators (N=11)
housing (9)	housing (8)
urban services (7)	health (8)
health (7)	education (7)
education (6)	urban services (6)
informal sector (5)	pollution (6)
pollution (3)	informal sector (4)

\* One non-response of a NGO respondent who declared to have no opinion about planning at the city level.

The lack of tradition and capacity in the 'expose-oppose and propose' discourse to deal with the urban economy is demonstrated by the silence of the civil society regarding the land use of the

<sup>13</sup> To a certain extent, since a qualitative analysis of the interviews I made suggests that probably only one administrator was really interested in having NGO's involved in participation and co-managing plan implementation instead of respectively 9 and 8 as mentioned in table 1.

most prestigious project of Cebu City during the past decade: the South Reclamation Project (SRP).

*Case Study : South Reclamation Project<sup>14</sup>.*

*The SRP is one of the major pet projects of Mayor Tommy Osmeña during the first period of his mayor ship (1988-1995). He started lobbying for the project in 1989. The agreement was signed three months after the end of his second term.*

*The SRP consists of two components:*

- A land reclamation of about 300 has from sea by filling sand (originally nearly 9 million m<sup>3</sup> had been needed). It is isolated from the mainland by a canal along the natural foreshore.*
- The South Coastal Road, a 6 lane road that includes an elevated viaduct of 2.4 km. leading to the Central Business District(CBD) of Cebu City.*

*The justifications for the project were both the need for anew industrial land and a short cut connection to the CBD.*

*The reclamation was paid by a loan of 12,315 million yen (equivalent to 2.8 billion PhP at the time of the signing) by the Japanese Bank of International Cooperation (JBIC) granted to the Cebu City Government. Signing of the Loan Agreement took place August 31, 1995 with 26 December 1995 as date of effectively and 26 December 2002 as closing date. The maturity period was fixed for 30 years and the grace period for 10 years. Viaduct and causeway were paid by the National Government of the Philippines.*

*The project started in 1998. Delays occurred, among others, because of difficulties with the filling material. Mid- 2000, according to the SRP manager, 80 percent of the work had been done (SUN STAR 17-5-00) but this was a too optimistic assessment. In reality the project implementation took some more time and it was only in May 2004 that the project was completed and the size of the reclaimed land was around 220 hectares.*

One crucial aspect that needs public discussion is the land use aspect. The SRP provides for 220 has. commercial and industrial land use. Originally it was launched to become Cebu's major industrial estate, a huge export processing zone, eventually creating 40,000 jobs or even 80,000 (Mayor Osmeña in SUN STAR 24-01-99). More recently it was named as an 'integrated commercial and entertainment complex' for which Cebu City wants a P.2.5 billion loan from the Japan Bank for International Cooperation (JBIC) (The Freeman 19-05-04). Recently, the Cebu Investment and Promotion Center (CIPC) Director revealed that an area of at least 50 has. will be destined as a Tourism Economic Zone (TEZ).

Two other aspects that need public discussion and civil society involvement are the costs of the project and the relocation of communities affected by the project<sup>15</sup>. At the time of writing, a major policy issue is whether the payment of the SRP goes beyond the financial capacity of the

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<sup>14</sup> I had the opportunity to visit affected fisherfolk communities the area in 1999 and 2004. In 1999 I had a talk with one of the barangay captains concerned and in 2000 I had the opportunity to interview the SRP Project Manager. The files of the library of the Sun Star proved to be useful in 1999, 2000 and 2004 as well.

<sup>15</sup> In the beginning of 2003 the neighboring municipality of Talisay claimed some 60 hectares of the reclaimed land (later 40 has). This issue has yet to be solved but I won't deal with it since civil society involvement does not seem an urgent issue in this case.

city's resources or not. When Cebu City obtained the JBIC loan it was the equivalent of 2.8 billion pesos. Due to the depreciation of the peso towards the yen it is now 4.2 billion PhP. It has been estimated that one m<sup>2</sup> of land would be worth P10,000 while the actual cost per one m<sup>2</sup> is only P 1,000. Is this a realistic estimation? Will the land be sold within a foreseeable period? In short, can the city bear the costs of the SRP? And if so, who will pay for it? Another complicated matter concerns the displacement of at least a few thousands of fisher folk and poor families of the communities affected by the project. Already from the start of the SRP their relocation has been discussed but it has not been decided yet how many families will be involved, where the relocation areas are situated and what the families can expect. All these show that there are sufficient reasons why this large project requires the involvement of the civil society. However, up to now an adequate mechanism for governance of the SRP does not exist.

#### 4. Conclusions

1. Global cities are nodes in a global network. Connected to the space of flows and confronted with fast changes in global processes, these cities are involved in a continuing process of changing their infrastructure, their labor market and social organization. This, in turn, requires a flexible, open network of urban policy institutions which, incidentally, can contribute to strengthen the development of a new identity in Cebu City and the Central Visayas.
2. Local politicians and businessmen who connected Cebu to the global economy initiated the Cebu-boom of the eighties and mid-90's. In the social aspects of city planning, a relatively strong relationship exists between the city government, NGO's and the urban poor. The Cebu City Development Council could be a major institution for a tripartite form of governance in urban development planning. Its governance functioning in matters of economic development remains to be seen.
3. The current good relationship between city government and part of the civil society is linked to traditional, vertically structured politics in Cebu City. These provide opportunities but also threats, in the sense that groups of people and issues are excluded which endanger the good personal relationships with the ones in power.
4. Apparently there are limits to governance. These limits concern city planning at large, sectors of economic development and large infrastructure projects. In general, the civil society is excluded from governance in crucial aspects of urban development planning.

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