

CONFLICTS OVER HERITAGE: THE CASE OF QUIAPO

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Quiapo is geographically at the center of the city of Manila. Indeed for the many new provincial arrivals in the capital city of the Philippines, Quiapo has often been regarded as the center. A substantial number of public transport routes converge in this district. The most attractive bargain shopping, both retail and wholesale, is available throughout the area until Divisoria. Many of the most traditional crafts, eating places and published materials thrive in its streets. And the most popular center of devotion is that of the *Nazareno*, the Lord of Manila.

But Quiapo also has a substantial collection of old houses, one of the greatest collections in the whole city. They are in various states of repair and disrepair, of use and abuse, of beauty and pity. However one sees them, they are key elements of the city and the country's artistic and cultural heritage. A familiarity with the personal and social history of these houses further enriches the flavor of life, art, style, history and tradition in this city. Thus the preservation of these structures is a necessity that is already widely shared, however controversial it may be. Nonetheless, one of the major issues is how preservation can be a cost-effective activity. In an era of scarce resources and increasing social demands and expectations, any issue no matter how critical and crucially desirable needs to show a measure of cost-effectiveness to emerge and endure. But also crucial is the question of whose heritage is being preserved. After all, in a district as old and as populated as Quiapo, its history is definitely multifaceted and cuts across class, gender, religious and ethnic lines, all united by the one district in which these personal and collective histories occurred.

This paper will identify competing interests in a number of proposed long-term directions in the preservation of Quiapo's heritage. At the start, it will need to first identify and analyze three major economic forces that can have a heavy bearing on the effective revitalization of

historic districts in general: the shift of investment activity, the growth of tourism and the increase in land speculation. It will then analyze the various aspects of the state of obsolescence of these buildings. Then the possible general directions of revitalization, more specifically the creation of economic value in these buildings, shall be discussed. But alongside the discussion is the identification of the competing interests of various groups that may want to have a say in these directions. Finally, specific recommendations on revitalization, on broader fiscal issues shall then be presented and discussed again in terms of these competing interests and agenda.

THE BROAD PERSPECTIVE

In the global environment, a number of factors specifically related to globalization will have direct impact on the future of historic districts. First, in developed countries, major cities have shifted from being centers of production to centers of consumption. While production activities – factories, plants and other processing centers and corporate



headquarters – had relocated to the outer suburbs, many have begun to locate in the developing countries, in specially developed export processing zones, industrial estates, or even the established cities. Many less developed countries have competed with each other to attract these forms of foreign direct investment, including the Philippines. Fortunately for historic districts, these industrial sites tend to be located outside the city centers where the real estate prices are lower and the land can still be developed to realize the latest infrastructure.

Second, tourism has become one of the

fastest growing industries in the world. Traditionally, investments in the revitalization of old buildings or in entire historic districts are justified by the expected income stream from tourism and tourism-related revenues that would be generated in the district and its vicinity. Such districts attract art galleries, curio and souvenir shops, restaurants, and other retail establishments. Aboveground, they then provide valuable rental properties for commercial, business and residential purposes. Many substantial buildings can also be reused as hotels. Moreover they eventually translate to substantial tax revenue, from sales taxes, income taxes and property taxes. In addition, they furnish the city with a signature district or landmark that can prove useful in marketing the city to tourists and investors.

Examples that come to mind are the Covent Garden district and Paternoster Square in London; SoHo and the East Village in Manhattan; Georgetown in Washington, DC; and the central district of Antwerp, Belgium. These districts have largely retrofitted old buildings for modern use. Modernist buildings can be found but the design and size harmonize with the rest of the district. These have proved to be successful public and private investment ventures. More importantly, they have kept these districts alive, dynamic and a place of pleasant human habitation, and not a mere museum district, lovely but sadly, even deathly-still, like the ruins of Pompeii. Thus to some extent, heritage can be made to pay for itself specially since tourism is one of the fastest growing global industries.

Throughout North America, Western Europe, even Japan, and among the expatriate Filipino communities, long-term trends indicate a pattern of growing incomes and higher levels of education. These comprise the major market for tourism in the future. These are the types of tourists who aim at cultural and heritage tourism. They are the types that purchase informative, illustrated and detailed guidebooks of places, complete with their political, cultural and social histories. They look for museums and art galleries, well-preserved old buildings and historic districts, characteristic landmarks and distinctive structures, souvenirs and items that bring out the flavor and character of a particular city or even a mere district.

Tourism is also multi-functional in nature. Leisure and amenities also are part of the tourist package. But those places that provide a wide range of attractions from leisure facilities, shopping opportunities, adventure opportunities, ecological sites and heritage and cultural

attractions will have a greater advantage in attracting tourists for a longer stay and a larger per capita expenditure. This would especially be the case for the East Asian countries because of the wide geographic distances. Unlike in Europe, East Asian countries are so far apart with only air travel being the feasible option to move about for a traveler. The decision to stay longer in a particular locality is more cost-effective. In Europe, the compact geography allows for easy cross-country travel over land and the ability to see several countries in a short period of time is actually rather inexpensive by comparison, especially now that a common currency will be in use among many of them.

Indeed research has shown that new travel patterns are emerging (Payumo and Aliño, 1998). Traditional tourist directions tended to be short holidays with single-activity focus, such as packaged tours to tropical islands or noted beach resorts, and separate packaged tours to cities and their noted cultural and artistic landmarks. But the new travel patterns seem to be tourists staying longer and looking for multi-activity focus: the leisure of enjoying a tropical beach resort, exploring natural landmarks such as forests and coral reefs, but also learning about a locality's history and culture. The tourist markets that are growing are those that cater to adventure tourism, ecological tourism, and cultural and heritage tourism. The more of all three that a country provides, the more it can attract tourists in the future.

Thus, for the Philippines to attract more tourists into the country, it has to diversify the range of offerings and indeed would need to develop its own unique sense of place and culture. The Philippines already has its sites for leisure tourism, adventure tourism and ecological tourism. The facilities for cultural and heritage tourism, such as museums, galleries, and historic districts, need to be developed as well. There is now the opportunity of developing them in an integrated and systematically planned manner. Alongside coral reefs, marine reservations, forest and mountain treks, old buildings and historic districts are essential elements in a locality's sense of place and unique identity.

Quiapo is an excellent model for heritage revitalization as it is in the center of Manila, the main gateway to the Philippines. Many who plan on an adventure and leisure tourism holiday can thus obtain a measure of heritage tourism before departure or upon arrival at the airport. Thus, a well-developed plan of conservation and reuse of these old structures and an

ingenious program to develop viable business activities in Quiapo will eventually generate the necessary revenues that will justify expenditures on renewing old structures. This will generate multiplier benefits on other sectors. The regeneration of a district spills over to neighboring districts. Industries that cater to the establishments in the historic district will have a new and expanding market to cater to, such as the food and beverage requirements of the restaurants and eating places, the suppliers of souvenir items and curios which are usually traditional handicrafts of the area and the like. Moreover, the restoration project itself creates a market for those skilled in the traditional crafts associated with the construction and renovation of these old structures, such as carpenters, masons, sculptors, metalcraft, furniture-makers, upholsterers, and the like. The skills of these craftspeople can then be harnessed in developing new products to cater to both tourists and the local market. They also pass on the knowledge of these crafts to future generations that might need this to recreate the lifestyle that a future middle class might wish to adopt.

But the recent history of apparent squalor and dereliction has also become part of the heritage of Quiapo. Many of the grand residences have become low-rent multiple dwelling units for the working classes. The streets are full of small shops and establishments that belong to the so-called informal sector. And although Quiapo has been the center of one of the most famous and popular devotions in the city, namely the Señor Nazareno, it is also now the site of Manila's first mosque and has created a vibrant Islamic neighborhood in the Globo de Oro area. The area is alive with the small retail establishments. Indeed, the working



class can also tell of a story of struggle and survival in the city, a part of the fabric and color of the area. For these individuals, Quiapo is not necessarily a museum for others to delight in but a place of residence and work. And they may not necessarily share any possible commercialization (or commodification) of their lifestyle that a tourism plan may suggest.

But an important issue also looms as a major threat to Quiapo, as is, or as a heritage site, and that is land speculation. Like many East Asian cities, cities in the Philippines are expected to grow rapidly in population. The population of the entire Philippines is expected to double in 35 years time with over half of the population already in urban areas. To be precise, as of the 1995 census, the population of the Philippines was set at 68,616,536, that of Metro Manila at 9,454,040. By the year 2020, the population of the Philippines will be anywhere from 98,864,348 to 110,715,179. By then, a little over half will be residing in urban areas (NEDA, 1998). This will increase the demand for urban space and efficient infrastructure.

The increased demand for urban space is the real threat to preservation of old buildings. Quiapo is superbly located for commercial and office buildings which have huge rates of return in a shorter period of time than the revenue one can get from conservation and renewal. This increased demand for urban space can fuel real estate speculation that would cause real estate prices to skyrocket even more and could make all space in the city centers excellent prey. In fact, the reason why many Quiapo residents remain in the district is attributed to its excellent access to livelihood and commercial activities. Thus, Quiapo's attraction lies more for its location, so that the increase in land speculation can then mean a greater demand for demolition of old buildings to realize the value of the real estate (Venida, 2000).

Thus the revitalization of Quiapo presents opportunities for tourism and consumption-related activities, but is also a home for many of its current inhabitants. But land speculation is a real threat. For an effective program of conservation and renewal, one therefore will need to analyze the current status of the old district. For a systematic analysis of the existing condition in this district, one can use the model of obsolescence and renewal of Tiesdell, et al. (1996).

THE ISSUE OF OBSOLESCENCE

Old buildings in an historic district have to deal with the problem of obsolescence (Tiesdell et al., 1996). Obsolescence is the decrease in the useful life of a capital good -- in this case of old buildings and of the entire district itself. Obsolescence is often the outcome of social changes - expected or unexpected, with the buildings and the district remaining fixed, as structures and location. When these structures were constructed, they, arguably had fulfilled the most advanced building principles of those days to be useful for their intended functions in the actual localities. Thus, many of the buildings of Quiapo were indeed the mansions of the high-income commercial classes then residing in one of the tonier residential districts of a colonial capital. Quiapo in fact was located right in the middle of the capital's centers of government, commerce, finance and pilgrimage. These were all scattered about San Nicolas, Binondo, Santa Cruz, Intramuros, Ermita, and San Miguel. Moreover, it was an era when transport was done both by land and water, so that many mansions were located beside esteros which were then, a major transport artery. And in common with many old districts worldwide, streets were narrow, made for light vehicular traffic, often animal-driven.

Obsolescence however sets in because of social and economic changes, but these structures remain fixed. Thus, as these buildings remained in Quiapo, Manila changed in less than a century, from being a colonial capital to the capital of the thirteenth largest nation in the world, to being in the center of one of the twenty megacities of the new century. The main centers of commerce and finance have moved elsewhere to Makati and Ortigas. The posh crowd moved elsewhere to establish their residences. The government centers have by and large dispersed all over the metropolis. What remained in Quiapo are low-income and working class retail establishments, a few old residents, but mostly migrant low-income tenant residents, vocational and educational establishments, and its one great focal point, the city's arguably, most popular devotional center. Infrastructure changes have brought vehicular traffic jams and pollution, and the *esteros* have become open sewers and reluctant storm drains. The old mansions of Quiapo are thus now obsolete as residences of the upper class.

Revitalization of old districts entails that they should be economically viable. It has to address this issue of obsolescence. To be specific, for effective preservation, one needs to identify means to extend the economic life of these buildings in particular, and of the district in general.

Obsolescence has many dimensions, some of which refer to the buildings alone and others to the district as a whole. Moreover, obsolescence is not absolute as it is relative to other available alternative uses for the building or site. For example, a power plant in the middle of the city may already be obsolete as it is a major source of air and noise pollution, but the structure itself can be adapted and transformed as an art gallery, as has happened in the case of the Tate Modern in London. Similarly, the former airport of Manila, the Neilsen's Tower, has been viable first as a posh restaurant and now as a library. Even the runways have become the major thoroughfares of the country's premier financial and business district. But these structures can also be adapted for use by the working classes. Several old structures in the working class districts of Hafsia, Tunisia and in Fez, Morocco, were all renovated as low-cost housing for the current residents (Serageldin, 1999). The same was done for some of the old buildings in Penang and Malacca, Malaysia (Villalon, 1999). Thus, old structures can be preserved and be viable but a new economic use needs to be identified. And economic uses need not be catered only to the demands of the upper-income classes.

As a first step, one will thus need to analyze the specific dimensions of obsolescence. A systematic presentation of this issue can be very instructive in approaching the economic analysis of preservation of old buildings. Moreover, this will also help identify possible feasible modes of action.

The first type of obsolescence is the most obvious, physical or structural obsolescence. Many of these old buildings are in a decrepit state and do require substantial rehabilitation. Again, not far from these decaying structures are equally old but still well-maintained and useful buildings that are models for physical and structural rehabilitation. Also, a peculiarity of a building is that it is an interdependent asset. Though privately owned, its value depends a lot on the quality, appearance, maintenance and condition of the surrounding buildings and of the infrastructure. A building is a publicly viewed structure and its very sight can be an

eyesore or a pleasure to others who just pass by or live nearby. The decay of a number of structures can be enough to impress upon viewers the degree of deterioration of the entire district.

A more problematic type of obsolescence is functional. Many of these old buildings were designed not to accommodate aspects now regarded as necessary. Many old buildings need to be designed to accommodate plumbing, electricity, telephone lines and correct location of toilet facilities. A number of factors external to the buildings can underscore this functional obsolescence, and these are mainly the infrastructure of the district. For example, the absence of substantial parking facilities, the narrowness of the streets and the lack of adequate sewerage are factors that one needs to resolve to revitalize the area. Thus a complete recreation of the old structures as they may have been is no longer feasible; a substantial degree of modification is essential to make these old buildings functionally relevant.

A broader type of obsolescence is that of image, of the public perception of the district. For a long time, inner city areas were regarded as noisy, dirty, polluted, thus, no longer attractive as residential areas or location for many types of activities. But this perception can change over time. Thus, since the 1980s, large areas of Manhattan and the East End of London have become attractive residential areas and districts for a wide range of service activities and cultural establishments. Even in Manila, Malate has undergone quite a sea change in the last decade. From a notorious red-light district to a sophisticated district of restaurants, clubs, bars, art galleries, fashion houses, and now, even as an upper middle income residential area. Incidentally, it seems Quezon Boulevard has gone in the opposite direction, accidentally perhaps.

Quiapo until the 1930s was regarded as a quiet, attractive upper-middle class residential area. Among the residents were families whose names are the history of Philippine politics, culture and business. Indeed the district still has the educational institutions that catered to this social class, San Beda, San Sebastian, La Consolacion, and Holy Spirit, among others. But this image has long disappeared. Any effort at restoration and preservation will need to develop a new image of Quiapo. The image has to be one that can attract investments and residents and still preserve the old buildings and even retain the longtime residents.



Related to image obsolescence is that of location, which is a feature of the functional activities in the district. A building is constructed in a particular location because by its original function, it is accessible in that specific location to other necessary facilities, such as transport,

market, suppliers, educational institutions, and the like. But because of changes in the overall pattern of accessibility of many of these facilities, the district has become obsolete for its original function. For example, the central business district might move elsewhere, which made buildings in central Manila, along Calle Colon in Cebu, and the warehouses and factories in SoHo and Tribeca in Manhattan obsolete as workplaces. Or a major business activity has to be relocated, as was the case of the Covent Garden fruit and vegetable market. Its relocation was necessary since it has caused massive traffic jams in its original location in the city center.

Clearly Quiapo can no longer be what it used to be as a residential district with neighborhood provisions stores, schools, churches and other facilities that make for a self-contained, posh community. Quiapo is at the bustling center of Manila, a city that is no longer the country's main business and financial district, but one that harbors the most extensive historic district in the country. It still has residents and the facilities that will make it a proper residential community. But it now houses educational establishments that cater to the technical and vocational classes, small retail establishments, a thriving and self-contained but much misunderstood Islamic community, and arguably, the most popular and commercial pilgrimage center in the country. Moreover, its infrastructure requires substantial repair: the massive traffic jams that result from the district's very centrality, the pollution mainly from vehicle exhaust, the foul *estero* and riverfront that blights the streetscapes, the

unsightly electrical and communication posts and wiring, and the roads needing even paving, and finally, curbs and sidewalks for pedestrians.

This then results in the district's economic obsolescence, namely, that capital is being invested elsewhere. The cost of investment in preservation may well be higher than investment elsewhere or investment in new structures. Quiapo can no longer be mainly a tony residential area like it used to. Given its location, Quiapo will attract investment in construction of new commercial and office buildings, but not in the preservation of the old buildings. Thus to preserve the old buildings, the district needs to develop an image that will attract investors to reuse the huge stock of old buildings to be preserved in the exact same location. Moreover the preservation has to be an area-based program. The preservation of one historic building will not be enough to attract residents, investors or patrons, precisely, because of the interdependent nature of buildings as assets. This explains for example the real threat faced by the Metropolitan Theater. Despite a lavish restoration and rehabilitation in the late 1970s, it has never attracted sufficient custom as a center for the performing arts, as the area around it has remained primarily a transport artery, without the necessary restaurants, parking areas, shops and other amenities that theater patrons would normally look for.

THE CREATION OF ECONOMIC VALUE

To create economic value, one thus needs to rehabilitate and convert not just one building but several collectively in a given area. As pointed out, buildings are an interdependent asset; the value of one is dependent on the quality of the other buildings and the infrastructure in the vicinity. It is true that the creation of one major structure can revitalize an entire district but the success stories of the Bilbao waterfront with the Guggenheim Museum and of the Covent Garden area with the Jubilee market and the Opera House underscores the fact that the area-based renewal has to be done consciously and deliberately by an organization. This seems to be happening well with Malate and the Malate association. On the other hand, the sorry state of the Metropolitan Theater does emphasize that the renewal of the district does not follow automatically from the rehabilitation of one major structure.

To effectively realize economic value in the long-term, one then needs to identify an area's competitive advantage relative to other areas, an image and economic function that can enable it to attract investments and residents the way other areas do. The image would have to focus on the economic and other human activities that the area could provide. But it is in this area where precisely competing interests will emerge. The general methods by which economic value can be created already involve substantial choices on whose interests are to be promoted or ignored.

The first method is functional restructuring which involves new uses or activities replacing the former existing ones. As examples, the former garments factories in SoHo in Manhattan have been converted into residential quarters, and the fruit and vegetable market in Covent Garden has become Jubilee market, a mini-mall of upscale restaurants, shops and a flea market. At its most extreme, a lovely already abandoned neo-Gothic Episcopal church along Seventh Avenue and the Twenties has been preserved as a discotheque; or an also abandoned Plateresque church in Alcala de Henares has become a college library. These have certainly preserved not just old buildings but entire districts. Moreover, these generally involved private investments and thus minimized on the need for actual public subsidy other than public expenditure on the area's infrastructure and some tax incentives given that rehabilitation of old buildings is more costly than construction of completely new structures.

Unfortunately, unless the buildings have already been abandoned in the first place, functional restructuring suggests displacing existing activities and along them the current residents. The very rehabilitation of buildings and the surrounding infrastructure cannot help but increase land values and rents. Thus, restructuring can also result in gentrification of a district, as has happened in London's Docklands and Manhattan's Lower East Side and SoHo so that much of the area's local color and character has been diminished with the departure of old-time residents and their memories of local history. It also gives preservation a rather bad name, especially in countries with a high incidence of poverty or income inequality or with a genuinely multicultural fabric.

A second approach is functional regeneration, which involves improving the profitability and efficiency of existing activities in the area. This approach has to address the locational

obsolescence of the district and improve the competitiveness of existing industries. By increasing the profitability of these firms and activities, the firms themselves could have the incentive in investing in the rehabilitation of the buildings themselves. In this way, current residents can remain in the area and thus maintain the local flavor and color to proffer a sense of authenticity to the district's historic character. The preservation therefore is not simply a matter of façadism which often presages gentrification. Generally speaking, functional restructuring may be more attractive an option if most of the structures are abandoned or are owner-occupied as displacement would be minimal.

The problem with this approach is that first, this will not attract the necessary external investment because as already pointed out, rehabilitation of an old building is often more expensive than construction of an entirely new one, and existing industries may not necessarily offer reasonable rates of return. Second, this will therefore suggest a much larger commitment of public funds or fiscal incentives to support the restoration, beyond the investment in basic infrastructure itself. This is specially the case if a large number of the buildings happen to be used as rental properties or residences, educational institutions and other non-profit activities. These buildings will need some subsidy for rehabilitation as the existing firms under this approach will logically invest in rehabilitating only those structures that they actually occupy. Third is that, some of the existing activities may themselves not be compatible with revitalization of historic districts, such as storage and warehousing.

A third approach is functional diversification, a compromise between the first two. This will involve maintaining and enhancing the competitiveness of existing activities but allow for a limited restructuring, to bring in investments in new activities but not to the degree of displacing residents or current businesses. This approach will try to realize the benefits of restructuring and regeneration while minimizing the costs of either. Definitely some of the existing activities may need to be displaced if they happen to further the deterioration of the building fabric, such as auto repair, storage and warehousing, or some heavy industrial activities. But all others can be enhanced especially with the entry of new activities that support and harmonize with the current ones. As an example, the rehabilitation of Madrid's Chueca and Malasaña maintained the old residents while allowing bars, cafes, art galleries, and upscale shops to locate there. As already mentioned, the old working class districts in

Tunis and Fez were all rehabilitated as low-cost housing for the low-income residents. In all these cases, government had to finance infrastructure development and the development of a number of open spaces into parks and gardens. Police presence was also stepped up to rid the area of criminal elements.

But as with all compromises, this approach could well be the most feasible yet least satisfactory to many. For one thing, hard choices need to be made with regards to which existing industries to discourage and which to attract. Public assistance will be even more crucial. Further, a committee or association will need to spend time in consultation with residents and current businesses and in monitoring of the revitalization program. The very creation of a new image for the district will be a long and tedious consultative and deliberative process which in itself involves substantial opportunity losses. Besides, the image has to be focused but still broad enough to encompass a reasonably wide range of activities as any urban district will always be multifunctional in nature. An area with a single function is not likely to survive long-term changes in the economy and society. This job could be eased if neighborhood associations are functioning and social capital is present. Otherwise, revitalization will truly be a backbreaking activity.

COMPETING INTERESTS IN QUIAPO

One can now begin to identify the competing interests in the revitalization of Quiapo as a heritage district. Quiapo still has a substantial number of residents in both owner-occupied dwellings and in tenanted establishments. Many remain in the district because of easy access to livelihood opportunities. A number are still among the old-time residents and one street organizes neighborhood activities such as street parties during the district fiesta (Zialcita, 1999). The Globo de Oro area has a close-knit, peaceful and hardworking Islamic community centered around Manila's first mosque with substantial retail activity. Diversification will thus allow Quiapo to retain much of the flavor of an established residential community whilst promoting activities that will enhance this nature.

As already pointed out, it can be expected that the center of Manila will not attract substantial investment in manufacturing activities, rather more toward consumption-related

activities. Also, the tourism opportunities are quite substantial and real. However, part of the attraction of a district is its own particular sense of place so that even a completely residential area like large sections of Greenwich Village and East Village in Manhattan still attracts tourists and a limited measure of tourism-related retail activities. Thus, the very residential nature of Quiapo needs to be retained and enhanced, and the unique sense of place and atmosphere to emerge.

Indeed, one can design a cost-effective means of rehabilitating many of the old buildings as residences of the current inhabitants. One can propose for the tenanted ones, that some form of a Community Mortgage Program (CMP) type of financing be availed of to renovate these mansions and to redesign them as multiple-dwelling units where the tenants can then purchase the units on a condominium-type basis. Many of these structures are effectively multiple-dwelling units already, and converting them into owner-occupied structures can go a long way in preserving these buildings and creating a viable neighborhood community. Since many of the current tenants are low-income, neighborhood associations will need to be developed among the residents to maintain these structures effectively. It is the formation of these associations that can create “patterns of relationships between actors or collectivities reproduced across time and space” (Giddens, 1981, 27) and ensure that the physical facilities of an area shall be maintained and operated efficiently. As for the owner-occupied houses, a similar financing package can possibly be arranged with the National Shelter Program for their rehabilitation.

However, in a recent exhibition of Quiapo arts and history at the Metropolitan Museum, a number of descendants of the original resident gentry of the district have whispered that the heritage of Quiapo remains that of the late nineteenth and early twentieth century. In other words, the heritage is exclusively the history, styles and traditions of the upper class. It was also bruited about that the Islamic community has been there only quite recently, as in the 1970s.

This is clearly the issue of whose heritage is being preserved. Indeed Quiapo was a tony residential district until the 1930s, with residents like the Ocampos, Aranetas, Nakpils, Legardas, Paternos and others who have produced important figures in national political and

economic life. But Quiapo has already had an undeniable history as a working class district since the 1940s. It has also produced a number of celebrities in sports and show business who have become part of the district's legacy.

And Quiapo is also a testament to the peaceful coexistence of Islam and Catholicism. Indeed it was the shrine of the Nazareno that made the district a famous one for the masses as the devotional center of Manila. But it already has the distinction of being the host of the first mosque of this most Catholic city. Yet a number have claimed that this latter experience has been for three decades only, and thus, is not a part of the area's heritage. Somehow, this argument misses the point that the mass devotion to the Dark Christ is also a recent one, dating from the 1930s (De Manila, 1980). Clearly both can lay claim to being part of Quiapo history.

Currently a number of educational institutions are already established in Quiapo and in the immediate surroundings. Some occupy old buildings so that some donation from a benefactor can be obtained to rehabilitate these structures. Some others can also be converted into student or faculty residences but this will need more resources for effective management and maintenance over time. Also this would mean that the ground floor of many buildings can be allocated to retail establishments for household and student requirements.

But at the same time a number have expressed that the conversion of these mansions to student residence can subject the buildings to undue deterioration. Moreover they may not preserve the flavor of genteel life that once inhabited these structures. They have expressed a desire to just restore the mansions as museums and art galleries that showcase the gentry life that first made the district famous at the turn of the twentieth century.

The infrastructure of the district, like most areas in Metro Manila, requires substantial improvement. But in addition to the basic infrastructure requirements, a number need to be identified specifically for Quiapo and other historic districts in inner cities. One is that perhaps electricity and telephone lines can be installed underground so that the vistas in these districts can be more attractive, especially to the tourist trade. It could also mean that these lines can be protected from damage in a typhoon. This will also allow for the unsightly

electric posts to be replaced by more artistically designed lightposts, like the *farolas* common in many old districts in Madrid.

It would also be attractive if a parking building would be constructed and the pedestrian lanes and sidewalks be widened and paved for easy pedestrian movement. Many of these old districts derive their charm from their very compactness and the narrowness of the streets that should make walking around a pleasure. One can even propose some mosaic paving on the sidewalks like the ones common in Brazilian cities. The parking buildings can be designed to be efficient and also visually delightful.

But again these sort of proposals, all adapted from the experience of other cities, would mean substantial public funding, one that can be recovered through the increased revenue from property and sales taxes if the district allowed for more commercial activities, especially tourism-oriented ones. Another way would be to attract high-income residents to occupy the newly rehabilitated antique mansions. This will once more threaten the continued presence of the working class residents.

All-out tourism-oriented redevelopment can also propose some rerouting of traffic of public utility vehicles in the area. Much of the soot on old buildings come from the fumes of jeepneys that use R. Hidalgo as an artery towards Barbosa and Elizondo which are the main transport terminals. The construction of a transport terminal building nearer Legarda so that these vehicles need not drive all the way down R. Hidalgo or Arlegui, can indeed relieve the area of traffic. Commuters need not be too inconvenienced if the sidewalks of these streets have been improved to make walking easier and pleasurable.

A number of streets can be closed to vehicular traffic and be the site for a more organized flea market. This will especially add character to the area and increase the attraction to the tourist trade and budget shoppers. Certainly some mechanism for an orderly assignment of slots and regular cleaning and maintenance can be developed and be a model for other street markets in the city. Also certain sections can be designated as areas for vendors of street food where these can have access to running water to improve the sanitary practices of these establishments. Reasonable user fees can be charged to pay for the cost of water and management of the flea market.

Again these proposals can convert the district into a living museum for tourists and transients, not as a livable residential area for the working classes.

Finally, one will need to consider the problem of land speculation that will affect the activities not just of the historic district but the entire city. One would now need to consider the tax system that can effectively promote such a program of functional diversification for revitalization. Specifically, one needs to propose some modifications in the property tax system especially because of its impact on land speculation and cost of rehabilitation

Local government fiscal policy will play a crucial role. The basic principle of fiscal incentive is for the market to absorb the costs of rehabilitation and land speculation and thus put a price on the value of conservation. This can be done through appropriate tax measures and zoning ordinances. A major source of local government revenue is the property tax (Llanto, 1990). Owners of property pay an annual tax which is a percentage of the property's market value or assessed value. The percent rate is usually based on the nature of use of the property. Based on the Real Property Tax Code at least before the Local Government Code of 1992, the rates on lands and their improvement were as follows:

- a. For provinces and municipalities: one-fourth of one percent (1/4 of 1%) to one-half of one percent (1/2 of 1%) of the assessed value of real properties;
- b. For cities: one-half of one percent (1/2 of 1%) to two percent (2%).

The schedule of the assessment value would be as follows:

Land-Use	Assessment Level (percent of market value)
Residential	30
Agricultural	40
Commercial and industrial	50
Building and Improvement	
Residential	15 to 80
Agricultural	40 to 80
Commercial and industrial	50 to 80

If properly administered the real property tax can diminish real estate speculation and preserve the character of many districts. Unfortunately, both in terms of design and

implementation, the property tax system can stand substantial improvement. In terms of implementation, local governments seem to have not fully tapped the potential revenue of the property tax (Llanto, 1990). Estimates from the 1980s show that local governments have been collecting about 60% only of the potential revenue from property taxes. There have not been substantial increases overall even after the Local Government Code of 1992.

There is a need to regularly update the valuation of urban properties. Ideally this should be based on current market values but often the market values used in the assessment are about eight years outdated. With such undervaluation, the amount of tax due is thus very minimal. It has been the experience of European countries that a properly collected property tax based on current market values significantly discourages land hoarding and speculation (Musgrave and Musgrave, 1989). With a huge tax due annually, land ownership does not become an attractive investment unless one actually develops it. To use an arithmetic example, if one were to apply the actual provision of the Real Property Tax Code, if one owns a 1000 square meter residential property in Quiapo, at a current market value of P80000 per square meter, one would need to pay a property tax of P240,000 ($P80,000 \times 1000 \times 0.3 \times 0.5 \times 0.02$). Either one has to sell this property and be relieved of the burden of this tax bill, or one has to develop it.

But in actual fact, few might be paying this huge amount. What if the valuation uses not current market values but the value of 1988? At land prices then of P8,000 per square meter, the tax due is P24,000. And in practice, the valuation used by government is even lower than the actual market value as available information on actual market sales are not being used. Because of the low property tax due, land then becomes an attractive investment opportunity. A substantial amount of urban land is simply being hoarded from the market to await the next highest purchase offer which often results in keeping the land idle for some time again until the next highest bidder comes along.

If the tax were to be enforced strictly using the actual current market values one attractive probable outcome is that land values might actually moderate if not even decline. This is because more lands would be made available for sale by landowners that wish to reduce their tax liabilities. This is one reason why economists as early as the middle of the 19th century

have argued for the equitable feature of a land tax. It generates substantial government revenue from the landowning classes (who are of course among the high-income classes) and makes land available for purposes more productive than mere speculation (Lacey, 1983). Strict enforcement would require prompt and accurate reporting by real estate firms of their recent sales.

But more importantly, in terms of design, the real property tax can realize an ideal land-use and zoning pattern for the city. For quite some time, the identification of the assessment rate has been based on the actual use of the property, regardless of whether this might be the best-use of it. One can develop a proposed land-use map for the city and assign the tax rates accordingly. Thus, for example, establishments in an area zoned for medium-density commercial establishments shall all be assessed the same rate regardless of actual use of the establishment at the time of implementation of the new zoning rules. Any establishment that does not follow the zoning ordinance on use and building density can be slapped a much higher sumptuary rate. Thus, all establishments will be forced to convert themselves into medium-density commercial structures. The tax rate can thus be used as an effective instrument to enforce zoning and land-use ordinances.

One can therefore propose that the land-use map recognize Quiapo as an historic district where old structures will be assigned a lower tax rate than the newer ones. In fact, an inventory has identified a substantial number of old buildings, which comprise nearly all houses and some even mansions. One can suggest that these antique houses receive a lower tax rate or a lower rate of assessment. New structures that conform to the density and architectural requirements of the district will receive a similar tax rate. Expenditures on renewal of old buildings can be granted tax relief for a certain number of years or a lower rate of assessment on improvements. Similarly, buildings that do not conform to the architectural and density requirements of the district, especially demolition of old buildings, will be slapped a higher even punitive tax rate. One can even propose that the cost of demolition not be considered as depreciation expense, and thus, not deductible from taxable amount.

It is these tax measures, zoning, and land-use mechanisms that will cause the market to value these old buildings closer to their cultural and historic values to preserve them for the future.

But it would be necessary to ensure first of all, that the property tax collection be implemented effectively. Even if old buildings do not yet receive preferential tax treatment, any mechanism to discourage land speculation will be a necessary first step in allowing these old buildings to be preserved.

These fiscal proposals now underscore another area of competing interest, mainly among the property-owners themselves. A number will clearly prefer that they realize the maximum possible gains from their property and may like the present tax system as it is. But a number will want a modification because of some sentimental attachment to the antique mansions, or the expectation that a heritage district (of whatever heritage to be promoted) would provide a larger and more satisfactory return. This is one conflict where the interests of the working class tenants are not present, yet are fully under siege.

CONCLUSIONS

The current crisis in East Asia affords one a breathing space to work for the effective conservation of these old buildings. The crisis has thus far reduced land speculation, construction, and thus demolition activity. It is thus an opportune time to plan for the long-term development of these structures and the community around them.

The old buildings can be incorporated in the land-use maps and the tax maps so that we can now negotiate for lower tax rates and some form of tax relief or subsidy on their renovation. But one must also insist and lobby for an effective program of implementation of the real property tax. This will generate the revenues of the local government and at the same time reduce land speculation that will greatly aid in the revitalization not just of Quiapo but all other historic districts in the metropolis.

Research on the architectural, artistic, social, and personal histories of these building will guide us in the process of adaptive reuse, the development of guidebooks, and the identification of other appropriate business activities that can be encouraged in the district. It will also involve continuing research in the history and tradition of the entire Quiapo. This will yield the necessary information not just for the guidebooks but also for the integrated

development plan for the district. Preservation, conservation, and revitalization of Quiapo can then be seen not as a mere beautification program but as a viable local development program that can be applied in all other historic districts not just in Manila but in the entire Philippines.

But eventually the issue will remain: whose heritage is to be preserved and adapted?

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