Gentrification and Segregation in the Process of Neoliberal Urbanization in Malabon City, Metro Manila

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ABSTRACT. While the developers of urban real estate require new, previously underinvested, in-city frontiers such as informal land in order to grow their capital, national and local governments have to look for outlying "new frontiers" to establish resettlement sites in the provinces for the urban poor. This article explores the relationship between gentrification and segregation in the process of neoliberal urbanization in Metro Manila. First, as a case study, it examines the spatial reconfigurations of Malabon City by tracing its colonial past and subsequent growth of local industries. Second, it explicates how financial capitalism has restructured the contemporary urban space and its history in Malabon causing segregation through resettlement projects. Drawing on the remaking of urban space in Malabon and the resulting resettlement project, the article identifies the relationships that paved the way for Metro Manila to become a "world class" city as well as its limitations.

KEYWORDS. gentrification · segregation · resettlement · neoliberalism · Malabon

INTRODUCTION

The age of globalization brought about many changes, among which is the restructuring of urban spaces. This restructuring deserves special consideration since spatial segregation according to social class simultaneously occurred. The twenty-first century metropolis is seen as a "chameleon," converting urban space into something drastically new (Roy 2009). In Asia, urban real estate megaprojects that have transformed urban spaces were created through state land management leading to land monetization, which creates a revenue stream from the land (Shatkin 2017). In the twenty-first century, all land, whether urban or rural, is deemed a commodity and thus a potential source of revenue for the state. The process of making these urban spaces into what

Caldeira (2000) calls "fortified enclaves" involves invoking "fear" into committing crime to privatized and enclosed land for security.

This rapid urban transformation also entails the resettlement projects done to take care of the urban poor, which also lead to segregation. As Doshi (2012, 846) argued in the case of Mumbai, India, "[n]eoliberal redevelopment policies politically enable the freeing of land for accumulation by offering the displaced the promise of improved living through resettlement." The intimate relationship between economic investment and resettlement projects is also seen in the case of slum resettlement in the highly populous Indian city Ahmedabad (Desai 2012). Such "slum gentrification" is not merely a displacement or resettlement issue, but it is also a way to erase the past (Lees et al. 2016, 169).

In the Philippines, the urban development of Metro Manila, an area composed of sixteen cities and one municipality with a population of 12,877,253 in 2015 (Philippine Statistics Authority 2015), has likewise rapidly played out. In order to allow urban developers to restructure and remake the urban space to foster a real estate boom, local and national governments addressed the issue of massive numbers of informal settlers living in "danger areas"—which include, according to Republic Act 7279, or the Urban Development and Housing Act of 1992 (UDHA), "esteros, railroad tracks, garbage dumps, riverbanks, shorelines, [and] waterways"—by relocating them to off-site, near-site, or on-site resettlements. According to statistics released by the Housing and Urban Development Coordinating Council (2015) and the National Housing Authority (NHA) (2011), 104,219 out of 584,425 informal settler families in Metro Manila were slated for resettlement under the five-year Informal Settler Families (ISFs) Program between 2011 and 2016. PHP 50 billion was allocated for the housing program and was set to be implemented over a five-year period expending PHP 10 billion per year.

This paper explores the relationship between gentrification and segregation in the process of neoliberal urbanization in Metro Manila and its limitations, taking up Malabon City as a case study. I use local and national government reports, newspapers, and interviews that I collected during the main field research from 2014 to 2015, and additional research in January 2020. In the next section, I examine the definition of gentrification in the context of the Global South and what segregation means here.

THE POLITICS OF GENTRIFICATION AND SEGREGATION

Gentrification has become a global urban strategy. This phenomenon is seen worldwide in expanding real estate investment and financial capital. Smith (1996, 32) defines gentrification as "the process . . . by which poor and working-class neighborhoods in the inner city are refurbished via an influx of private capital and middle-class homebuyers and renter-neighborhoods that had previously experienced disinvestment and a middle-class exodus." While gentrification in the Global North plays out under a well-established private property regime, the rent gap that is produced by capital devalorization and urban development invokes reinvestment by developers. This means that "[g]entrification is a structural product of the land and housing markets" (Smith 1996, 70). As the mobilization of urban real estate markets and vehicles of capital accumulation has expanded across the globe, it has simultaneously heightened gentrification causing the fundamental process of urban, economic, political, and geographical restructuring (Smith 2002). Similarly, city culture is a significant part of the gentrification process. Zukin (1995, 83) argues that "[c]ultural strategies of redevelopment are complicated representations of change and desire. Their common element is to create a 'cultural' space connecting tourism, consumption and style of life." Such an urban space refurbished by cultural strategies also removes unsuited elements such as the poor, violence, and social inequality from the newly refurbished urban space. Gentrification not only circulates capital through real estate development, but also entails an exclusive culture of aesthetics and security. At the same time, it involves spatial segregation based on income inequality, and is increasingly reinforced by the inequality of access to employment and social services in numerous expanding cities (Tonkiss 2013, 60–90).

Such a gentrification theory presupposes a well-established private property regime developed in the cities of the Global North, but we need to understand that urban experiences differ between the North and South. In particular, there is a difference in the way that displacement takes place in the wake of gentrification. As Ghertner (2014, 1558) argued, most of the world's informal settlements "are underinvested, not disinvested, areas that find incredibly productive uses of the scarce fixed capital available." Unlike urban experiences in the Global North, the South is characterized as a non-fully privatized regime, a mix of public, common, and customary land uses. Gentrification in the context of the global south also necessitates one to reflect on privatization and displacement through enclosure with violence

(Ghertner 2014, 2015), state management of the land (Shatkin 2017), the legacies of colonialism (Ortega 2016a; 2016b), and "benevolent evictions" through an inclusive mechanism that seeks to save the urban poor from floods and disasters by providing resettlement sites (Alvarez 2019). In the context of Asia's cities, they have experienced population growth and rapid economic growth fostered by foreign investment and international trade, with large condominiums and shopping malls being built, and property values surging, rather than disinvestment and depreciation (Shatkin 2017, 27). In addition to these differences, it is also necessary to pay attention to the particulars of urban change in each city.

In Metro Manila, gentrification-induced displacement has played out through public transportation projects like railway-upgrading and the privatization of urban planning (Choi 2014; Shatkin 2008). Ortega (2016a; 2016b, 285–311) calls such a large-scale displacement "neoliberal warfare against informality" and argues that it exacerbates neoliberal urbanization. It is not only transportation projects and the privatization of urban planning, but also improvements in the urban environment in terms of aesthetics and order undertaken by the Metropolitan Manila Development Authority (MMDA) which evoke the image of a globalized and cosmopolitan urbanity as seen in the high-end development called the Rockwell Center (Michel 2010). Such gentrification as experienced in Metro Manila needs increased security and causes various displacements: actual, design, and non-places[1] (Roderos 2013). Furthermore, since Tropical Storm Ondoy in 2009, which devastated much of Metro Manila, discourse on "danger zone" has been increasingly used to reinforce aesthetic governmentality, or "ordering and governing space and populations by deploying aesthetic codes based on 'self-evident facts of sense perception'" (Alvarez and Cardenas 2019, 231) along the riverfront in the name of disaster risk management (Alvarez and Cardenas 2019). In a sense, new urban developments in Metro Manila have made a shift from spaces of exception like gated communities to entirely exclusive developments for the elites (Kleibert 2018). At the same time, the land and social

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1. Regarding non-places, Roderos points out that "[a]s one enters such shopping mall, one has to be stopped and searched by security guards at the entrance. The proliferation of urban projects also coincides with the rise of these non-places. Thus, the urban elite are unaware that they too, are being displaced in their very place of residence" (Roderos 2013, 97).

housing program seen in the Community Mortgage Program (CMP), which the government initiated to provide opportunities for the urban poor, has likewise engendered gentrification based on social class (Porio and Crisol 2004).

Previous research also found that the resettlement of the urban poor in Metro Manila creates spatial segregation. Such resettlement projects in the Philippines are not entirely new. They have been taking place through the conversion of agricultural lands in the Bulacan, Cavite, and Laguna provinces surrounding Metro Manila into new resettlement sites from the 1960s onwards (Caoili 1999, 68; Dizon 2019, 110; Pinches 1994, 26–27; Veneracion 2011). It is, however, significant to note that the contemporary large-scale displacement by eviction and resettlement has played out alongside the rise of financial capitalism. Segregation occurs through resettlement projects to the outskirts which have been expanding in the process of spatial growth (Deuskar and Zhang 2015) and producing empty socialized housing based on a market-oriented housing policy (Arcilla 2018).

While I echo many of these arguments, this paper explores how gentrification has played out in a local context focusing on certain processes, i.e., the transformation of urban space to a more "legible space" and the elimination of the "informal" in the process of modern urban planning from above (Scott 1998, 103–46). The limitations entailed in these processes are also examined. I examine these processes and their limitations using land use data and field research. As a case study, I take up the urban development of Malabon City located in the northwestern part of Metro Manila, rather than central business districts or areas with rapidly ongoing urban development. In doing so, what it reveals is that gentrification is not only occurring in urban central areas, but is also becoming more ubiquitous. To support this, I first examine the spatial reconfigurations of Malabon by tracing its colonial past and the growth or expansion of its local industries. Second, I explicate how financial capitalism has restructured the contemporary urban space and its history in Malabon causing segregation through resettlement projects. Drawing on the making of urban space in Malabon and the resulting resettlement projects, this paper identifies the relationships that paved the way for Metro Manila to become a "world class" city as well as its limitations.
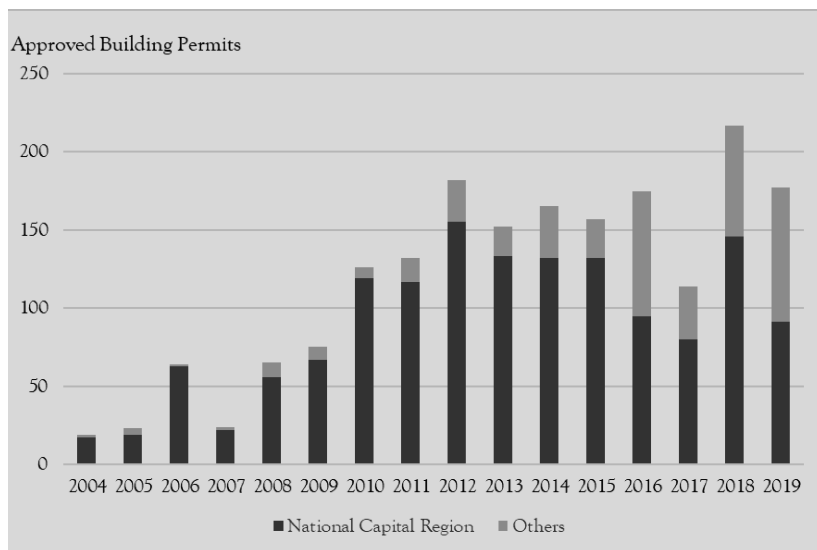
FIGURE 1. The transition in the number of approved building permits of residential condominiums in the Philippines, 2004 to 2019. *Sources:* Philippine Statistics Authority (2004–2019) data compiled by author.

TRANSFORMATION OF THE PHILIPPINE ECONOMY SINCE THE 1980S

The structural adjustments urged by the International Monetary Fund and World Bank for further liberalization, deregulation, and privatization were significant factors in the transformation of the economies of the Global South. Many countries faced with external debt as a result of political corruption, failure of economic policies, and the oil crisis of the 1970s were forced to adopt such economic policies. As Bello et al. (2009, 12) put it, "[s]tructural adjustment in the Philippines, which was initiated in 1980, sought—at least at the theoretical level—to achieve greater efficiency through thoroughgoing liberalization, deregulation, and privatization." In particular, the Ramos administration in the 1990s adopted the "Philippines 2000" program in order to dismantle the existing structure of protectionism and control, reducing import tariffs and removing a number of restrictions on foreign investment (Pinches 1996, 115-23).

It is necessary to draw attention to shifts in the Philippine economy caused by economic reforms since the 1980s that affected the economic interests and investment patterns of the business elite.

According to Raquiza (2014, 233), there was a twofold change: "Under services, investment poured into banking, real estate, retail, gaming and tourism, education, and health industries. Under industrial concerns, the big ticket investments were in construction and infrastructure, utilities, and energy development." In addition to these, the continued growth of remittances from Overseas Filipino Workers (OFWs) began to occupy center stage in the economy during the 2000s, and for many new real estate corporations, land reemerged as the cornerstone of Philippine capital's strategy (Cardenas 2014; Raquiza 2014). Some real estate corporations expanded their sales offices to a global scale in order to reach more OFWs who were potential real estate buyers (Ortega 2016b, 81–115). As such, rapid urban development in Metro Manila emerged with the transformation of the Philippine economy. As can be seen in figure 1, which shows the change in the number of approved building permits of residential condominiums per year between 2004 and 2019, a restructuring of urban space has been afoot since the 2000s. In particular, the number exceeds 100 condominiums every year since 2010. This indicates that there was a significant increase in economic investment to the real estate sector, at a time of economic growth under the Benigno Aquino administration (2010–2016).

As Porio (2009, 118) pointed out, national and local politics have very much played a significant role in mediating the insertion of capital flows such as overseas remittances and foreign direct investments into the spatial fabric and social structure of National Capital Region (NCR), and it is significant that the 1991 Local Government Code allowed local governments to take a lead role in land use planning. Thus, the transformation of NCR into a new urban space evolved through different processes in each city.

HISTORY OF LAND DEVELOPMENT AND URBAN CHANGE IN MALABON

Malabon City is a coastal town located in the northwestern part of Metro Manila. To the northeast is Valenzuela City, and to the southwest is Navotas City. Caloocan City is located southeast of Malabon. Malabon has a total land area of 1,571.40 hectares and 21 barangays.[2] In 2015, the population was 365,525 (Philippine Statistics

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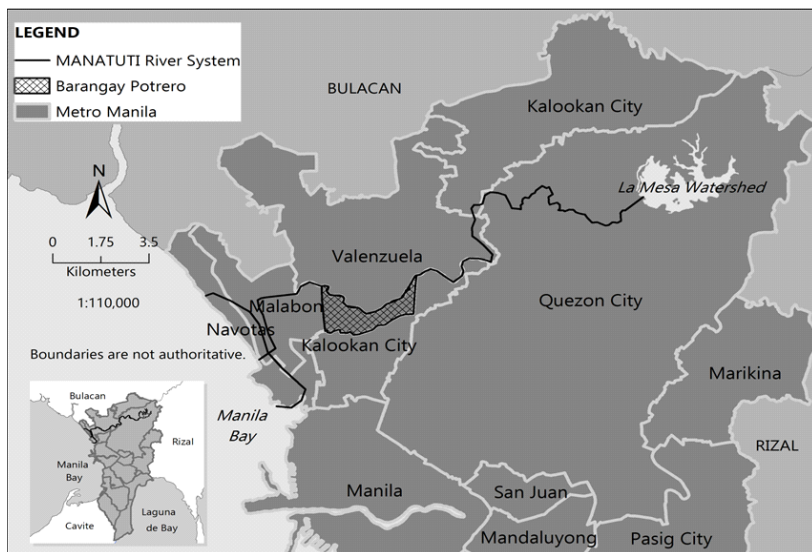2. The barangay is the smallest administrative division in the Philippines.

FIGURE 2. The location of Barangay Potrero and MANATUTI River System which includes the Tullahan River. *Source:* PhilGIS. Cartography: Mark Angelo V. Cagampan, created for author.

Authority 2015). On November 7, 1975, Malabon became part of Metro Manila through Presidential Decree No. 824 and the Municipality of Malabon became the City of Malabon through Republic Act 9019 in 2001. There are three major rivers in the city, the Malabon-Navotas, the Tullahan, and the Tinajeros (MANATUTI) rivers (figure 2). These rivers all lead to Manila Bay.

These rivers have been the sites of many colonial-era battles, and later became closely associated with industry. The Spanish government monopolized the cultivation of tobacco in the early 1800s, and there were 20,000 workers in five factories when they were in full operation (Malabon City Government 2003, 2). A local business elite in Malabon emerged as a result of the locality serving as an export-processing site for cash crops like tobacco and sugar (Magno 1993, 208). These industries relied on the waterways for irrigation and for transportation of their goods.

Historically, Malabon initially developed through the fishpond industry. As Doeppers (2016, 174) describes it, "[b]y at least the early twentieth century, Malabon had become a major place where nursery

ponds were raising fingerlings on a commercial basis." Under American colonial rule, however, what used to be public fishponds became private; the old local elite and those who collaborated with the new colonial power were integrated into the new colonial bureaucracy, and they were able to acquire properties meant to be sold to tenants or public lands (Magno 1993, 207–09). "Fishpond ownership was a traditional base of local elite power in Malabon"; several individuals with known ties to the fishponds became mayors of Malabon during the American rule and the post-war era (Magno 1993, 209). During this period, land that was formerly under the control of Augustinian friars during the Spanish colonial era, which includes a body of saltwater called Dagat-dagatan,[3] was "closed off to public fishing and subdivided into private fishponds" owned by local elites (Magno 1993, 209–10). In the late 1970s came the next most significant transformation of the area: the Dagat-dagatan Reclamation Project by Metro Manila Commission and Ministry of Human Settlements—both under First Lady Imelda Marcos during the martial law regime in the 1970s—intended to expropriate land and fishponds in order to convert those into roads and urban poor settlements for the rural migrants and the urban poor (Magno 1993, 209–14).

Malabon also developed as an industrial hinterland. Barangay Potrero (figure 2), in particular, which accounts for 302.71 hectares, representing 19.26 percent of the total land area of Malabon, has played an important role in the growth of local industries. The barangay governance report of Potrero describes the history of the industrialization attained by attracting transnational capital as follows:

> It is the cradle of manufacturing and industrial sites in Manila pioneered by early hardworking and wealthy Chinese who escaped and emigrated from China during the communist inquisition of wealthy Chinese capitalists in mainland China. These Chinese capitalists introduced plastic, steel, glass, confectionery and food manufacturing in the Philippines. During the fifties, businessmen prefer to live in Potrero due to its proximity to Divisoria and Binondo . . . . Today, industrial and business houses are the primary source of income in the Barangay. Other income sources for lower class families are working in factories (garments, sardines, paint, paper, etc), cockpit, carinderias, junk shops, sari-sari stores and

3. "Dagat" is Tagalog for sea.

TABLE 1. Comparative land use in Malabon (in hectare)

Land Use	1980[a]	1997[b]	2003–2015[c]	2017[d]
Residential	751.02	571.22	597.29	601.96[e]
Commercial	50.00	269.65	305.64	89.57
Industrial	144.27	529.56	516.99	228.78
Institutional	62.28	86.75	99.19	41.57
Agricultural/fishponds	229.52	94.19	20.00	334.62
Open spaces/parks	196.78	12.05	14.62	8.75
Vacant	—	—	—	49.64
Planned unit for development	137.53	—	—	—
Cemetery	—	7.98	17.67	6.43
Utilities	—	—	—	6.15
Roads	—	—	—	101.71
Waterways	—	—	—	102.23
Total land area	1571.40	1571.40	1571.40	1,571.41

Note: Land use data in 1980 and 1997 were collected by the state agency, not by Malabon City. Despite this, Malabon uses this land use data as its official data. There was no separate land use data for roads and waterways in 1980, 1997, and 2003; they were only classified into residential and industrial uses, and waterways were included in "other" land uses. However, the land use data in 2017 shows roads and waterways separately (Interview, City and Planning Development Department of Malabon, January 29, 2020). The total land area in 2017 was 1,571.41 hectares.
Source: Malabon City Government 2003, 14; 2019, 102, 104.
[a] Actual land use.
[b] Actual land use.
[c] Approved land use.
[d] Actual land use.
[e] Formal 506.10, informal 95.86 (in hectares).

transportation services like jeepneys, tricycles, buses and trucks. (Barangay Potrero 2014, 1)

It seems that industrial and private residential houses of businesspersons have been the primary source of income in the barangay; business families continue to live inside gated communities in the vicinity of the factories. The urban poor, some of whom once lived in informal settlements, have provided cheap labor for those businesses as well as a source of housekeepers and security guards in this area.

The 2003 Comprehensive Land Use Plan, however, envisioned a transformation of Malabon into the "Water City of Asia" in its land use development strategy, which discouraged aggressive industrial use. The Malabon local government stated in its master plan that "Malabon's vision of 'people living in harmony together with nature and the environment' will be showcased in its marine sanctuaries, mangroves and rehabilitated river banks and coastline" (Malabon City Government 2003, 97). The concept of "Water City," however, "did not materialize due to the environmental and climatological changes, which were given priority in the existing or actual land uses" (Malabon City Government 2019a, 103). It also affected the decrease of commercial land use in 2017 as well as the undeveloped proposed Central Business District in Malabon (Malabon City Government 2019a,107).

The urban spaces have been transformed into different and more contemporary spaces in this historical context. As table 1 shows, agricultural land and fishponds decreased drastically between 1980 and 1997. Furthermore, the 2003 Comprehensive Land Use Plan proposed that agricultural land and fishponds should be limited to 20 hectares and only 1.3% of the total land in order to convert more land for commercial use or mixed use by 2015. However, the plan did not materialize because fishpond owners would not cooperate and agree to convert their land. Rather, the rate in 2017 has been increasing greatly.[4] It is clear that "[t]he Comprehensive Land Use Plan, having been approved in 2003 by the Housing and Land Use Regulatory Board, has been overtaken by developments" (Malabon City Government 2019a, 102).

While the process of urban development in Malabon, particularly between 1980 and 1997, saw the expansion of commercial and

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4. This is partly because the tax on fishpond use is lower than that of commercial use (Interview, City Planning and Development of Malabon, January 29, 2020).

FIGURE 3. In the foreground is East Riverside Community land, and new condominiums built since 2008 on an industrial site along the Tullahan river in the distance on the right. October 28, 2018. Photo by author.

industrial land use, the industrial land use of Malabon has decreased between 1997 and 2017 (table 1). With a policy that discourages industrial land use in Malabon and some conversion to commercial uses, it appears that trade liberalization has all but eliminated protection for manufacturing causing this reduction in industrial land use. Although the rate of industrial use increased between 1980 and 1997, it is significant to note that foreign direct investments, mainly from Japan since the mid-1980s and against the backdrop of the Plaza Accord of 1985, were likely to have affected the reduction of the rate of industrial land use. Such a fundamental restructuring of urban space also implies that the employment of the working-class in factories might have also decreased.

As we have seen, the land in the colonial past was used for fishponds that created a local political power structure based upon this economy. Over fifty years, up to 2000 in the aftermath of the post-war period, overall land use in Malabon transformed it into an industrial hinterland achieved by attracting transnational capital. However, the contemporary reconfiguration of urban space that has emerged out of

the new urban developments in Malabon is more likely to expand residential land use rather than industrial use. Furthermore, it involves the restructuring of riparian communities of the urban poor designated as "danger zones"[5] in urban planning.

RESTRUCTURING THE "DANGER ZONE" ALONG THE TULLAHAN RIVER

There were 24,357 informal settler families in Malabon in 2012 (Malabon City Government 2019b, 8). The number of those living in hazardous zones or danger areas was estimated at 8,327; 4,181 families along waterways, 4,030 in road right of ways, and 116 in cemeteries. It should be noted that "60.63% of them are found along Tullahan River of Barangay Potrero" (Malabon City Government 2019b, 9). What local residents called the East Riverside Community (ERC) was located on public land along the Tullahan River, Barangay Potrero (figures 2 and 3). Unlike the detailed description of the history of Malabon, the history of the ERC is not formally recorded in either the office of Malabon or in Barangay Potrero due to its "informal" nature. What follows is the oral history of the ERC based on my interview with Mr. Santos[6] who served as the president of the community from 2011 to 2014. He looked back on the history of the community as follows:

> The East Riverside Community began in the 1970s. The pioneer settlers of the community were security guards from Araneta Village.[7] They worked at Araneta Village near the river. They found vacant land along the Tullahan River to build on. Technically, land up to 10 meters from the river is owned by the government. The land beyond 10 meters was private land. So, people started to live closer to the river on the government land, because there was no more private land on offer. In 1980, I and my wife moved to the East Riverside Community at the

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5. According to the Malabon City Government (2019b, 1), the definition of "danger zone" is that it "is identified as the 0-3 meter easement from the embankment, which is the priority of the ISF Program, up to ten meters of major waterways in the City."

6. I interviewed Mr. Santos (a pseudonym) in Pandi, Bulacan, on April 19, 2015. Tagalog and English were used by both interviewer and interviewee during the interview.

7. Araneta Village is next to the East Riverside Community.

suggestion of my wife's brother who was living there at that time. I was from Bicol and my wife was from Visayas. When I arrived, there were only 20 households living along the river. The people living in the East Riverside Community were mainly from Bicol, Ilocos, Visayas, and Mindanao. They worked as policemen, drivers, carpenters, dressmakers, security guards, engineers, teachers, factory workers, and so on. People generally moved to the East Riverside Community through connections with relatives, friends, brothers, or sisters. (Santos, Interview, April 19, 2015)

Mr. Santos recalls that the community began as the gated community was being built along the nearby Tullahan River. Since then, the community has played an important role in the developments in this area by providing a cheap labor force for low-wage jobs. The government, however, implemented a resettlement project for the ERC members located along the Tullahan river, following the Philippine Supreme Court's Writ of Mandamus in December 2008, which decreed an undertaking to clean-up and preserve Manila Bay and other major rivers including connecting waterways and tributaries.

This undertaking to clean-up was further justified by typhoon Ondoy which struck Metro Manila in 2009. After typhoon Ondoy, the government designated the land along the Tullahan as a "danger zone." The Arroyo administration had already ordered the relocation of the families, but it was not until the Benigno Aquino administration in 2010 that a prioritized resettlement program—the Relocation and Resettlement Action Plan, or RRAP—for those affected by Ondoy was initiated (Nicolas 2017). Republic Act 7279—which relates to actions against informal settlers[8] and was enacted to provide resettlement sites with basic needs—was the backbone of the legal bases for the creation of the RRAP.

The total number of families in Malabon who have resettled to off-city resettlement sites from "danger zones" along waterways between 2012–2017 under the RRAP was 975 and this includes 507 that resettled from the ERC (Malabon City Government 2019b). The local

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8. With regard to this point, the Interior Secretary Mar Roxas under the Aquino administration refers to Section 28 of the Republic Act no. 7279, which allows "eviction or demolition . . . when persons or entities occupy danger areas" (Calleja et al., 2013).

and national government stated that they had to confront the health risks posed by living along the riverfront from flooding. The resettlement project certainly mitigates these risks yet the local government simultaneously attempts to develop the riverfront in order to generate revenue and encourage economic investment. In fact, the City Mayor's Office of Malabon submitted the Proposed Tullahan Riverbanks Development Project to the Department of the Interior and Local Government in March 2015. While it aims to "plan for the development of the cleared areas along both embankments of the Tullahan River within the jurisdiction of Malabon City into linear parks, bike lanes, walkways and future ferry terminals with provisions for solar panel park lights," it is also "to prevent informal settlers from returning and building illegal structures" (Malabon City Government 2019b,1).

In contrast, the opposite shore, located in Barangay Marulas in Valenzuela City home to one of the biggest industrial sites in Valenzuela,[9] has seen continuous redevelopment of residential condominiums since 2008 (figure 3). In 2008, new residential condominiums rose on the site of the metal manufacturing factory opposite the ERC. The land use shifted from industrial to residential. While both Barangay Marulas and Potrero made up the biggest industrial area in northwest Metro Manila, it has been transformed into a new urban space in accordance with riverfront development and displacement. This is not only a significant transformation of space, but the new condominiums promote new urban life and security in an area where industrial sites had once been developed. The condominiums near the small to middle sized factories have a perimeter fence and security guards deployed in front of the entrance. An advertisement for the condominiums advises: "Located in downtown Valenzuela, the industrial and business hub of north Metro Manila, Fini Homes offers high quality, convenient and affordable living space that meets the demands of today's modern lifestyle" (Fini Homes, n.d.). The residential area consists of 18 condominiums on 2.3 hectares of land with security guards surrounding the perimeter of the new condominiums. As Alvarez and Cardenas (2019) argue, the aesthetics governmentality, by

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9. According to the data of City Planning and Development Office of Valenzuela (Valenzuela City Government n.d), as of 2007, Barangay Marulas accounted for 193 industrial establishments out of 1780 industrial establishments in Valenzuela, the largest number of industrial establishments.
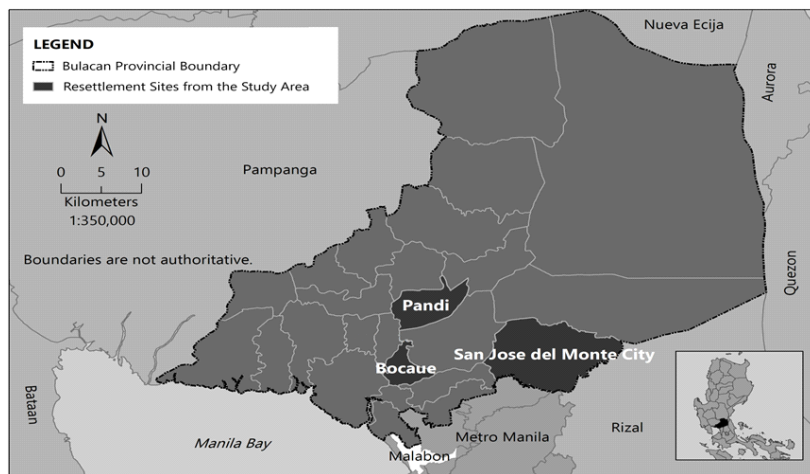
FIGURE 4. Main off-city resettlement sites from the study area. *Source:* PhilGIS. Cartography: Mark Angelo V. Cagampan, created for author.

using the discourse of "danger zone" especially since the typhoon Ondoy in 2009, have increasingly intensified dispossession of land along riverfronts in Metro Manila in the name of disaster risk management, while not questioning the flood risk generated by elite encroachment and rapidly growing infrastructure developments. Furthermore, "benevolent evictions" through inclusive mechanisms have largely fostered a depoliticization of urban dispossession and a national housing crisis in the process of resettlement projects (Alvarez 2019).

When the area that used to be a metal manufacturing plant was repurposed for new condominiums, most of the settlers along the Tullahan River were resettled to off-city resettlement sites established by the government; in-city resettlement projects in Malabon were initiated in 2018. This was effected by turning the informal land use of settlements along waterways into formal land use under state control. As Scott (1998, 103–46) puts it, it is clear that such a conversion process is meant to transform a space into a more legible form by eliminating informal uses, and this process simultaneously proceeds with the rationalization and simplification of land use in the urban planning from above. The process indicates that the urban space has been revamped, intensifying gentrification that attracts new economic

investments and new home buyers on the one hand, while the river rehabilitation projects induce the displacement and resettlement of the residents along the waterways on the other.[10] This reinforces the relationship between gentrification and segregation. It must be emphasized that the latter process done through resettlement projects not only signifies bureaucratic control over informal land use or the desire to make land more profitable, but is also deeply associated with financial capitalism that stimulates the socialized housing industry. This process, however, entails limitations.

THE DEVELOPMENT OF RESETTLEMENT SITES AND THEIR LIMITATIONS

Resettlement projects in the Philippines have been undertaken since the 1960s. Resettlement has, however, expanded in magnitude in recent years in the wake of neoliberal urbanization following the natural disaster in Metro Manila. Yet it is necessary to consider not only the core resettlement projects, but also their association with the overall economy. In fact, the informal settlements were regarded by developers as new growth areas giving rise to capital investment in the bottom of the pyramid for inclusive growth (Buban 2015). Such a process of privatization and commodification of socialized housing through public-private partnerships caused a "moral hazard" by producing empty socialized housing as well as mortgage housing (Arcilla 2018). In response to this neoliberal housing policy and demands for housing, the urban poor group KADAMAY (Kalipunan ng Damayang Mahihirap or National Alliance of Filipino Urban Poor) launched a campaign which included community consultations in August 2016 and, from March 8, 2017, continued as the Occupy Bulacan Movement to take over about 5,300 socialized housing units

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10. In addition to residential and riverfront developments, the Business Process Outsourcing (BPO) services, like call centers, are likely to intensify gentrification and segregation. In fact, Malabon City regards BPO services as "possible potential growth drivers," and "opting for BPO services will become an attractive option in the coming years within commercial areas along Mac Arthur Highway, Victoneta Avenue, Governor Pascual Avenue and C-4 road" (Malabon City Government 2019a, 14). This, along with the proposed Central Business District in Malabon, has not yet materialized but we need to pay attention to how BPO services may reconfigure urban space leading to gentrification and segregation against the backdrop of increasing foreign investment.

FIGURE 5. Resettlement site in the Municipality of Pandi, Bulacan Province, December 7, 2014. Photo by author.

set up for uniformed personnel of the government in Pandi (Dizon 2019).[11]

　　Despite their stated good intentions, resettlement projects entail limitations. The limitations are apparent in the resettlement projects initiated in the 1960s in terms of scarcity of land in the receiving local government areas and the subsequent failure of the projects. Most of the resettlement sites in Bulacan province under the Benigno Aquino

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11. As Dizon pointed out, "KADAMAY's initial campaign in Bulacan was not geared toward occupying empty houses, but, more pressingly, toward addressing the needs of the relocatees" (Dizon 2019, 113-114). In recent years, that need has changed to legitimize their occupation of the socialized housing as required under Joint Resolution No. 2 adopted in 2018. The resolution authorizes the NHA to distribute to other qualified beneficiaries the unawarded, canceled or surrendered housing units for uniformed personnel, including those once occupied by KADAMAY. In addition, Pandi Mayor Enrico Roque is willing to legalize the KADAMAY "occupiers" and provide them assurances because "a huge number of people joining the Pandi workforce would bring real economic growth to the town." In fact, the Bulacan provincial government is proceeding with the development of an economic zone and business park in Bulacan province including Pandi (Reyes-Estrope 2019).

FIGURE 6. Abandoned resettlement site in San Jose Del Monte City, Bulacan Province, March 22, 2015. Photo by author.

administration were established in municipalities further away from Metro Manila. The former mayor of San Jose del Monte City, Reynaldo San Pedro, announced that "San Jose Heights in Barangay Muzon, San Jose del Monte, would be the last community to serve as a resettlement area for Metro Manila squatters" (Reyes-Estrope 2015). As land more proximal to Metro Manila became scarce, the establishment of resettlement sites shifted from San Jose del Monte to the municipality of Pandi and other sites.[12] In fact, since 2014, most resettlement from Malabon has been to sites established in Pandi, Bulacan (Malabon City Government 2019b, see figures 4 and 5). Despite a resettlement site being established in Pandi, the failure of resettlement projects had become apparent in the abandoned houses near the new resettlement sites in San Jose Del Monte established by the Benigno Aquino administration[13] (figure 6).

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12. Chito Cruz, general manager of the NHA under the Benigno Aquino administration, stated that "the NHA was now studying whether Rizal province and the towns of Pandi and Norzagaray in Bulacan were ready to receive the next batch of informal settlers from the metropolis" (Reyes-Estrope 2015).

13. According to a resident, some relocatees left the resettlement site established by the Arroyo administration and returned to Metro Manila due to a lack of job opportunities near the resettlement site (Personal Communication, March 22, 2015).

In addition, although the resettlement projects were said to be means to protect the urban poor from floods and natural disasters, they are associated with new risks. The main resettlement sites for people living along the Tullahan River were set up in Bulacan province such as San Jose del Monte, Pandi, and Bocaue (figure 4). The RRAP of Malabon has mentioned new risks associated with the resettlement project such as joblessness, education loss, social disarticulation, food insecurity, and increased morbidity (Malabon City Government 2019b, 22–23). This signifies that while resettlement mitigates risks in "danger zones" along waterways designated by the government, it generates new risks in resettlement sites. The national and local governments have to look for new lands in the provinces in order to set up new resettlement sites that lead to segregation, which simultaneously entail internal contradictions and limitations.

CONCLUSION

This paper has examined the relationship between gentrification and segregation in the process of the neoliberal urbanization in Metro Manila. The first part of the paper traced the history of land development and urban change in Malabon, which included its colonial past and its subsequent local industrialization achieved by attracting transnational capital. Such urban space has transformed into a new urban space in the wake of gentrification. The transformation of urban space in Malabon was occasioned in both the process of local deindustrialization, and the process of modern urban planning from above as seen in the restructuring of "danger zones" along waterways. While the areas along the riverfront were designated as being "danger zones" resulting in the resettlement of the urban poor, the redevelopment of these "danger zones" enabled real estate investment and an influx of the middle class taking up the reclassified and repurposed space along the riverfront. The relationship between gentrification and segregation indicates that one paved the way for the other in the remaking of a "world class" city in Metro Manila. However, this simultaneously involved the limitations such as the rise of associated risks in resettlement sites and abandoned socialized housing. Two disparate cases of space, upmarket real estate space, and resettlement space in the age of neoliberalism entail the relationship between gentrification and segregation and their limitations.

The rapid urban development of Malabon now involves a rise in sea level that is creating a "water world" (Moya 2014). This is not only

a local issue in the wake of urban development, but also a global issue necessitating the interrogation of global capitalism on its responsibility for provoking the escalating climate crisis. Understanding how a natural disaster was used to promote the rapid urban development that paved the way for Metro Manila to become a "world class" city must also be examined in relation to the effects global capitalism has on the environment.❇

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