The Cultural Heritage-Oriented Approach to Economic Development in the Philippines: A Comparative Study of Vigan, Ilocos Sur and Escolta, Manila

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Abstract: Goal 11 of the 2015 Sustainable Development Goals prescribes that culture matters. However, the case of Escolta, Manila presents otherwise. This paper investigates the ways how cultural heritage can be a driver for economic development in the Philippines following the Van Der Borg and Russo’s (2005) Culture-Oriented Economic Development (COED) framework. It stresses the interrelationship of inner cultural cluster dynamics, economic impacts, and socio-environmental impacts which provides for a cycle composed of culture promoting development and in return development fostering culture, then leading to development. The case of Escolta, Manila was compared to the case of Vigan, Ilocos Sur using the one-off initiative framework provided by UNESCO World Heritage Centre for heritage conservation. The results revealed that it is the lack of interest of property owners in Escolta, Manila as the principal shareholders that makes built-heritage conservation unmanageable. Since most built heritages are privately owned and have not been granted heritage status by the National Historical Commission of the Philippines (NHCP), efforts to revive Escolta face significant threats. Thus there is a need for concrete legislative frameworks to address such apathy. Interestingly, the results corroborated the findings of Palaña (2015) explaining why it is easy for owners to sell the property or leave it to deteriorate than be burdened by its preservation costs without any definite return of investment. The thrust of Vigan’s development framework was anchored on cultural heritage conservation leading to people emancipation as local guardians of cultural heritage resulting to direct and indirect economic benefits. If such framework can be replicated in the revitalization of Escolta, Manila, the Queen of Streets of Manila will rise back, pronouncing once more that cultural heritage can be the driver of economic development and that cultural heritage conservation is not always an obstacle to urban development in the Philippines.

Key Words: cultural heritage; culture development; heritage conservation; adaptive re-use; culture-oriented economic development

1. INTRODUCTION
1.1 Introduction

Culture Matters – This is what goal 11 of the 2015 Sustainable Development Goals prescribes. That is to make cities inclusive, safe, resilient and sustainable, which includes among its targets the strengthening of efforts to protect and safeguard the world’s cultural and natural heritage in the midst of declining infrastructure brought by urban congestion.

As society attempts to find the balance between the limited resources and unlimited wants, economic development has taken varying forms. Before, the community is composed of unpaved roads, grasslands and bushes, empty lots and spaces but today, it has been characterized by the proliferation of commercial centers, residential properties, shopping malls, theme parks, and high-rise properties. Society has undergone rapid change. However, such urban development did not occur without constraints. Usually, such developments created problems for cultural heritage.

Development has been characterized as the advancement of traditional forms of practices, hence modernization theory practitioners look on culture as an obstacle to development, something that hinders change and stops growth and progress (Willis, 2005; Zerrudo, 2008). They see cultural heritage as something without use or value and has no return of investment. Chohan and Wai Ki (2005) and Nijkamp (2012) both support this argument suggesting that in every phase of development, particularly, urban development does not only affect the structure of the city but it also destroys the traditional physical composition, the built environment, social and cultural values and collective memory of habitants. Thus in the process of urban development, cultural heritage is given the least importance. Apparently, cultural heritage is not given significance for national development unless its relationship with economic activities has been clearly established (Ruoss and Alfarè, 2013).

In the Philippines, many heritage sites and ancestral houses were demolished, adapted as local warehouses or converted to high-rise condominiums in the sake of modernization and development, or just being left out to deteriorate. The Metropolitan Theatre in Manila is one case in point. It used to be the hub of international performances but suddenly was left out in the dark until the National Commission for the Culture and Arts finally took hold of the property in 2015 to facilitate its rehabilitation. Just as the same, the Rizal Monument in Luneta, Manila has been at the center of controversy with the construction of a 46-story residential building which visually impairs the sightline of the Philippine nation’s hero’s monument. Furthermore, the “walled city” locally known as Intramuros, used to be the seat and power of the Spanish forces in the country is now filled with commercial complex, shanties and urban dwellers. What used to be a “No Indio Zone” during the Spanish era has now become the refuge for informal settlers.

Likewise, heritage buildings in Calle de la Escolta, Manila are being demolished one after another to be replaced with modern architectures serving new functions and purposes. It started with the El Hogar Filipino Building that was built in 1914 that was reportedly sold by the original owners to Chinese-Filipino real estate developers and planning to demolish the structure to turn it to a condominium. The old Philippine National Bank Building constructed in 1962 was also reportedly set for demolition last January 2016 under the orders of the local government of Manila.

As such, this paper looks at the ways of how cultural heritage can be a driver for economic development in the Philippines. Furthermore, this paper attempts to find collaboration between urban development and built heritage conservation particularly in the Philippine society where there is always a dilemma of which will be given priority, urban development or cultural heritage conservation. Given the fact that both national and local governments have budget constraints, most likely priority is given to urban development that can produce substantial improvement to the community-dwellers. Also, the private sector would not want to consider investing in cultural heritage conservation without any guarantee on returns of investment. The local community shows no concern as well. Thus there is the impetus to destroy cultural built heritage structures in favor of urbanization. It is the aim of this paper to answer the following questions:

1. How can cultural heritage be the driver of economic development in the Philippines?
2. How to pursue urban development without impinging on cultural heritage in the Philippines?
3. Why is cultural heritage given the least importance in terms of economic development in the Philippines?
1.2 Review of Related Literature

1.2.1 Culture or Development?
Modernization theory views the linear path to development involving a transition from agricultural economy to industrialization through technical diffusion and spread of market relations (Pieterse, 2010). As the Philippine economy advances forward in accordance to such linear model of growth, demands for improvement of community structures, buildings, and facilities have led to the utmost chase for urban development. With the Philippine population doing its fair share in the projected 75 million people added to the world’s population every year, demands for more social infrastructures such as housing and commercial facilities were on the rise. Most often if not, the response to such demands comes at the expense of cultural heritage conservation. Due to poor urban planning and zoning regulations implementation, in addition to the scarcity of available spaces, one foreseen viable option is the displacement of built heritages such as national monuments and landmarks, historical parks, and ancestral houses. Such structures are replaced with high-rise infrastructures such as residential condominiums, shopping malls, theme parks, and commercial centers that ruin the original design and built of such cultural treasures. Thus, Katrinka Ebbe (2009) sees rapid urban expansion posing a significant risk to irreplaceable cultural and natural resources.

According to the United Nations, threats to culture and heritage have increased significantly all over the world in the last 20 years (United Nations Task Force on Habitat III, 2015). Joan Henderson (2012) supported such assessment reiterating that urban development is an offshoot of globalization or the undying aspiration of cities to be international business centers and financial hubs, hence has often been accompanied by serious social and environmental problems. Thus any resemblance of the backward past is seen as an unproductive use of scarce resources.

1.2.2 Cultural Heritage
In the Philippines, Republic Act No. 10066 (R.A. 10066) otherwise known as the National Cultural Heritage Act of 2009 sets down the parameters for cultural heritage based on the instruments provided by the UNESCO. The legislation considers cultural heritage referring to the totality of cultural property preserved and developed through time and passed on to posterity (Art II, Section 3). Thus, a cultural property refers to all products of human creativity by which a people and a nation reveal their identity. It also includes traditions or living expressions that are often shared, learned, symbolic, adaptive and integrated, inherited from ancestors and passed down to the next generation (Baleo, 2011; Radzuan and Ahmad, 2015; UNESCO, 2011).

The World Heritage Convention classified heritage under two categories: first is cultural heritage which includes monuments, group of buildings or site of historical, aesthetic, archaeological, scientific, ethnological, and anthropological value; and second is natural heritage which includes outstanding physical, biological and geographical features of different kinds of plants and animal species and areas with significant scientific or aesthetic value deemed for conservation (UNESCO, 1972).

Radzuan and Ahmad (2015) perceived cultural heritage in its broader sense as movable and immovable assets of artistic, literary, architectural, historical, archaeological, ethnological, scientific or technological values that embody the essence of a nation. Alternatively, cultural heritage has been considered as a fundamental aspects underpinning a country’s national identity and sovereignty. Thus, it can serve as a bridge between different generations with their ancestors providing a source of social attachment and sense of belongingness (Ghafar Ahmad, 2006; Henderson, 2012; Chohan and Wai ki; 2005).

Moreover, cultural heritage is also classified either as tangible or intangible. On one hand, tangible cultural heritage refers to a cultural property with historical, archival, anthropological, archaeological, artistic and architectural value. On the other hand, intangible cultural heritage refers to the practices, representations, expressions, knowledge and skills recognizable within a particular set of cultural or social values that communities recognize as part of their cultural heritage (Radzuan and Ahmad, 2015: UNESCO, 1972).

The UNESCO (1972) further classified tangible cultural heritage into three categories: (1) underwater, (2) movable, and (3) immovable. Underwater heritage includes shipwrecks, ancient cities, and structures presumed to be submerge into water. While movable heritage includes paintings, sculptures, coins, manuscripts, historical records, and documents. Whereas Immovable heritage, otherwise considered as built heritage:
1.2.3 Heritage Conservation in the Context of Economic Development and Urbanization

As societies advance towards urban development, urban decay has been the common problem for cultural heritage conservation thus conservation faces a huge threat. Hence, cultural heritages cannot just be simply set aside but should be well preserved as national treasures (Balco, 2011; Radzuan and Ahmad, 2015).

Since heritage is non-renewable in nature, Chohan and Wai Ki (2005) considers heritage conservation at a sustainable level by implying an approach to conservation that preserves the heritage without imposing insupportable costs and without altering the symmetry between conservation and change. Veldpaus et al. (2013) supported such argument suggesting a landscape-based approach that identifies conservation as reducing the adverse impacts of socioeconomic development by integrating urban development and heritage management.

Apparently, cultural heritage conservation rests on the different types of value attached to it. Aside from the usual aesthetic and emotional value attributed to it by cultural advocates, it also incorporates values seen from an economic perspective such as the culture capital identified by Throsby (2007) considering both the direct use value and indirect non-use value of the cultural heritage.

On one hand, the so-called use value pertains to the value assigned to heritage properties that produces concrete results such as profits and earnings from cultural heritage activities. This includes heritage structure used for housing that yield higher rents than other buildings by virtue of its heritage status or the improved value of remote users when they benefit from the view provided by the heritage property or due to its proximity to the heritage property. On the other hand, non-use value refers to the indirect use value or the less tangible benefits of cultural heritage such as the deep affection and appreciation one can get from a certain cultural object or historical site; or spiritual and social satisfaction which cannot be measured in concrete terms such as profits, revenues, or number of jobs and businesses it generated (Throsby, 2007).

As such, cultural heritage advocates provided varied approach in heritage conservation without impinging urban development. One common approach features adaptive re-use of historic buildings. The R.A. 10066 and the Singapore Legislative Council Secretariat (2008) considers adaptive re-use or the utilization of built structures and sites of value for purposes other than that for which they were originally intended in order to conserve the site while considering its engineering integrity and design authenticity. It is where redundant buildings and structures are transformed into commercial spaces or anything with present value to accommodate new uses while incorporating its former value.

Another conservation strategy endorsed by the council was the “old-and-new” approach. Under this approach, new infrastructure developments are allowed to locate between old and conserved buildings to allow the regeneration of the under-used property or building by allowing new structures to be built but takes into consideration its relationship to adjacent structures (Legislative Council Secretariat 2008).

Moreover, Peter Roberts and Hugh Sykes (2000) presented an alternative idea to urban development in the context of cultural heritage conservation calling it urban regeneration, a community response to the opportunities and challenges presented by urban degeneration. They further classified urban regeneration into four typologies: urban reconstruction, rehabilitation, revitalization, and redevelopment.

Urban Reconstruction

Urban reconstruction is presented as a comprehensive action plan to address the decline in urban areas with cultural heritage value, which will provide improvements in the economic, physical, cultural, social and environmental condition of an area. It aims a holistic adaptation of the physical fabric, social structures, economic base and environmental condition of the area through the participation and cooperation of all stakeholders and concerned social actors (Roberts and Sykes, 2000; Chohan and Wai Ki, 2005). Nevertheless, Tsenkova (2002) added that urban reconstruction moves beyond simple urban renewal but incorporates social, cultural and environmental considerations as well. Elnokaly and Elseragy (2013) called such action plan as sustainable cultural heritage and urban development that aims to bring the social actors together, weaving the parts of the city into a cohesive whole.
Urban Revitalization

Urban revitalization at one point entails the physical rejuvenation of an area that provides solutions to urban problems with lasting improvement in the economic, physical, cultural and environmental condition of the subject area through preservation and conservation of historical and cultural structures in terms of economic activities (Roberts and Sykes, 2000). Wannasilpa Peerapun (2012) calls this urban conservation and regeneration, which includes economic, cultural and social dimension in urban conservation planning thus reflecting an integrative planning.

Urban Renewal

Urban renewal on one hand aspires to address the deterioration of the revitalized and reconstructed cultural heritage sites including a portion of the peripheral neighborhood. This is usually done through retrofitting of the cultural heritage site. Moreover, urban renewal programs do not encompass a comprehensive strategy formulation. It is usually reactive rather than proactive, thus only addresses present issues (Roberts and Sykes, 2000).

Urban Redevelopment

Urban redevelopment on the other hand focuses mostly on making an area economically viable such that improvements are geared towards capital accumulation in order to adapt to the changing business environment and trends so as not to lead to demolition of the cultural heritage property (Roberts and Sykes, 2000; Fainstein et al., 1983).

Re-urbanization and Gentrification

However, Meliton Juanico (2013) provided a different perspective calling it re-urbanization which presents a four-stage cycle within an individual agglomeration starting off with the first phase called urbanization, suburbanization for the second phase, then followed by counter-urbanization, lastly dis-urbanization. The transition from one stage to another is an outcome of the continued migration of people to the center causing an outward movement to the peripherals. Thus, re-urbanization efforts are geared towards the revitalization of the aging and decaying parts of the city, particularly cultural heritage sites.

Crisostomo (2003) sees it in the form of gentrification, a more comprehensive approach in addressing urban issues giving less priority to socio-cultural, economic and environmental issues. Gentrification became popular during the 1970s, as old families moved towards renovation or redevelopment of their properties in the old and run-down parts of the city. But such move caters only to the welfare and demand of higher-income groups at the expense of cultural heritage conservation (Juanico, 2013).

Nevertheless, Eduardo Rojas (2002) suggested that urban heritage conservation is more likely if three conditions are met. First, if all social actors are involved so that there will be wider scope and support for conservation efforts making it sustainable. Second, if the cultural heritage properties are income-producing or serve a definite social need that enhances the possibility of being preserved over a long period. Third, if there is a comprehensive approach to conservation that encompasses both the structure and their environment.

In relation to this, public-private partnership for heritage conservation were developed in which the private sector is encourage to support conservation efforts that can enhance the attractiveness of the area in exchange of some incentives. Such strategy constitutes a powerful mechanism for sustainable conservation because it combines the best that each sector can offer. The public sector contributes the long-term commitment to the heritage conservation process, while civil society groups provide the political support required by the public sector to spend taxpayers’ money on heritage conservation, and real estate investors offer their expertise and capabilities to take on a broader spectrum of conservation activities based on market demand, and private philanthropies contribute by providing private resources used for investments that do not yield direct and tangible return of investment (Rojas, 2002).

1.2.4 Cultural Heritage Conservation as a Tool for Economic and Urban Development

Cultural heritage advocates believe that cultural heritage can serve as an avenue for cultural tourism thus can provide a boost to the economy. According to the findings of a forum organized by the Asian Institute of Management’s Dr. Andre L. Tan Center for Tourism in 2004 as well as the generalizations made in a summit organized by the Heritage Conservation Society (Philippines) in 2013, preserving heritage structures and cultural resources can contribute to the market value of real estate properties thus significantly boosting
tourism activities and facilitating economic growth in the area and correcting the misconception that heritage conservation will cause financial and opportunity losses to property owners (Flores, 2013).

Accordingly, conservation of heritage is not only keeping a resemblance of the backward past for its historic significance, but also for its potential to increase income-earning opportunities, city livability, and competitiveness (Ebbe, 2009); hence significantly maintaining social capital and generating economic produce (Chohan and Wai Ki, 2005). Bryan Balco (2011) further concludes that:

“Cultural heritage or the historic built environment has a big part to play “in promoting economic growth” and as such, it can help "boost the local and national economy and create jobs by attracting tourists and investments, and providing leisure, recreation, and educational facilities”” (p. 6).

Hiyari (2012) likewise suggested that heritage conservation leads to employment creation and stimulating commerce and further pointed that rehabilitation cost less than constructing new ones. Thus, it can be argued that income can also be generated from heritage as further explained by Henderson (2012) pointing at cultural tourism as a whole contributes to urban development and provides an avenue for sustainable development by making communities more attractive destinations for tourism and investments.

Moreover, cultural heritage has been one of the core thrusts of tourism in the Philippines, giving birth to the branding “cultural heritage tourism”. Ivan Henares of the Heritage Conservation Society (Philippines) suggested that heritage structures are good anchors for cultural tourism because they provide a complete package of attractions to the general public.

According to the World Travel and Tourism Council, the travel and tourism industry as a whole contributed 10.6% to the country's gross domestic product by providing a total of Php 1.43 trillion in 2015. Particularly, the industry's direct contribution to GDP provided Php 569 billion while investments related to travel and tourism amounted to Php 76 billion. Furthermore, this generated Php 294.4 billion in visitor exports and has supported 1.3 million jobs as well (Remo, 2016).

Alongside the economic benefits are the psychological benefits of heritage conservation. Consequently, cultural heritage presents the community's identity and history hence illustrates the community's development that forms its pride, honor, and understanding of oneself (Chohan and Wai Ki, 2005; Hiyari, 2012). The UNESCO (2012) also noted the non-monetized benefits such as social inclusiveness and rootedness, resilience, innovation, creativity and entrepreneurship in the use of local resources, skills and knowledge.

Many nations have already ventured to heritage conservation as an avenue for economic and urban development. In Thailand, the community was able to preserve wats or ancient temple and structures, which now serves as famous tourist attractions that not only draws tourists but was also able to generate employment and entrepreneurship opportunities. Indonesia was also able to preserve their rice terraces not only ensuring rice sufficiency but also provided great tourist attractions that corresponded to income-generating opportunities. Malaysia was also able to conserve their tallest skyscrapers, the Petronas Twin Towers, not only providing commercial and office spaces but also served as a famous landmark that is worth noting. Singapore was also able to make profit in preserving their historic shophouses and buildings.

Furthermore, in 2002 the Macedonian’s urban heritage investment project focused on investments in heritage and infrastructure works which resulted to the revival of economic activity brought about by the rise in handicraft production, increase in workers’ wages, and growth of tourists visits and expenditures. Overall, heritage revitalization resulted to economic development (Throsby, 2012).

In the Philippines, the case of Vigan, Ilocus Sur is a demonstration of such development. The city capitalized on its rich history and culture, embarking on cultural heritage conservation and through heritage tourism the city was able to developed from being a 2nd class municipality to a 1st class municipality in 1995 (Medina, 2009). In 2012, the town of Vigan was recognized by the UNESCO World Heritage Center citing it for best conservation management of world heritage properties.

These were just few of the indications that establish the link between cultural heritage conservation and economic development. Such culture-led development has been supported by the UNESCO underscoring the sector's contribution to the economy through cultural and creative industries, sustainable cultural tourism, and cultural infrastructure taking advantage of the country’s rich cultural heritage and substantial labor force (Ruoss and Alfarè, 2013).
Through this, the paper looks on bridging the gap on how to pursue economic development without impinging on cultural heritage in the Philippines. Specifically, the paper presents Escolta, Manila as another case in point in comparison to the best practices of Vigan, Ilocos Sur in terms of cultural heritage as a driver for economic development. This presents how Escolta, Manila can embarked on cultural heritage-oriented economic development.

1.3 Theoretical Framework

Economic development has been considered not as an end in itself but instead as a catalyst for other social aspects of growth. Likewise, Gunnar Myrdal (1968) considered non-economic conditions and societal conditions as factors affecting total production and income. Thus it is in this perspective that cultural heritage is seen as another form of development.

Hence this paper follows the framework provided by the UNESCO suggesting that cultural heritage contributes to development. The framework was expounded by Van Der Borg and Russo (2005) in a model of economic development called Culture-Oriented Economic Development (COED), that rests on three assumptions: (1) the development of the cultural sector serves as the leverage for the development of a widespread creative production sector; (2) a creative economy improves the competitiveness of the urban environment; and (3) a culture-oriented urban economy is sustainable if spatial balance, social permeability, and cultural identity are preserved in the growth process.

Logically, cultural heritage constitute an essential tool for economic development since it provides possibility for employment generation and household income, city center revitalization, heritage tourism, stimulates enterprise development, rural development, property value improvement and small business incubation (Baycan and Girard, 2011). Graham et al. (2000) argued the same reiterating three economic dimensions of cultural heritage namely: (1) cultural heritage as an economic industry in itself due to the economic functions it generates; (2) a crucial factor in the economic development due to its capacity to attract economic activities; and (3) as an instrument in the management of economies at various spatial scales.

Accordingly, cultural heritage promotes sustainability through cultural tourism, cultural and creative industries, and culture-based urban revitalization not only fosters growth inclusiveness but also results in economic benefits thru employment generation, local development stimulation, and entrepreneurship. Moreover, it contributes non-monetized benefits as well such as fostering social values and cultural capital development (UNESCO 2012).
The framework also supports the idea developed by Bandarin et al. (2011), suggesting a cycle composed of culture promoting development and in return development fostering culture, then leading to development. The principle is anchored on the idea that the two variables do not necessarily impinge on one another. It has been established by UNESCO that culture contributes directly to development such that World Heritage Sites are powerful drivers of incentives to economic growth, both directly as sources of employment and revenues for communities and indirectly through spin off income from sales of cultural products (Bandarin et al., 2011). Joan Henderson (2012) further insisted that cultural tourism as a whole contributes to urban development and provides an avenue for sustainable development. The strategy is to provide a balance between the aspects of built heritage conservation in the course of urban development.

2. METHODOLOGY

This paper presents a comparative analysis between Vigan, Ilocos Sur and Escolta, Manila using the one-off initiative framework provided by UNESCO World Heritage Centre for heritage conservation (November 2012). The primary source used for Vigan, Ilocos Sur was the application form that the local government submitted to UNESCO, while for Escolta, Manila the Manila Comprehensive Land Use, Planning and Zoning Ordinance and the Manila Chinatown-Binondo Urban Rehabilitation Plan were utilized. Secondary resources were likewise considered such as government publications and articles.

The paper finds Vigan, Ilocos Sur and Escolta, Manila someway similar. The city of Vigan, the capital of the province of Ilocos Sur is composed of 39 barangays with a land area of 25.12km² (9.70 sq mi) has likewise been the settlement of Chinese merchants and traders. Meanwhile Escolta is among the streets comprising the district of Binondo, Manila with a land area of approximately less than 0.66km² (0.26 sq mi). Though just part of Manila, it has been the center of business and commerce in the area. Though both are geographically small, both areas take pride in their history. Both were configured in the same way, composed of contiguous streets and blocks providing a glimpse of the Old Spanish colonial settlement. Similarly, both suffered economic decline as an offshoot of political and social instability.

3. RESULTS AND DISCUSSION

3.1 The History of the Heritage City of Vigan

After the Spaniards have conquered the islands of Cebu and Bohol in 1571, the Governor General ordered Capt. Juan de Salcedo to sail to the north to look for a shorter route to Mexico for the Galleon Trade. In 1572, Salcedo conquered the islands of Ylocos later on called Ciudad Fernandina de Bigan. The town followed the standard urban planning patterns implemented by the Spaniards that radiates from a central park surrounded by a church, government building, and other Spanish structures. It became the center of political, religious, social and cultural activities in the north. In 2000, Vigan was formally classified as a city through Republic Act No. 8988, which validated the city creation by virtue of the Royal Decree issued by the King of Spain in 1757.

In 1999, the City of Vigan was inscribed in the prestigious UNESCO’s World Heritage List of Sites and Monuments. In 2012, the City of Vigan was recognized by the UNESCO World Heritage Center for best conservation management of world heritage properties. In 2015, Vigan was officially inaugurated as a New7Wonders City. But such success did not come without any challenge. Vigan started off as a 2nd class municipality with annual revenue of Php 27 million or 800,000 dollars and population of 42,067 in 1995.

In the aftermath of the Manila-Acapulco Galleon Trade, the significance of Vigan as center for trade and industry started to decline as an offshoot of political instability that led to the massive migration of local businessmen outside of the city. Thus to regain the lost glory, the city of Vigan capitalized on their rich historical and cultural heritage potential as a major tool for development with the mission of “to conserve our heritage and deliver effective services for an improved quality of life.”

In 1995, the local government of Vigan reengineered governance through “the Vigan Conservation Program as a Tool for Development” that had four objectives (Medina, 2009):

1. To fortify the sense of identity and pride of the community on their historic city.
2. To institutionalize local protective measures and development plans to ensure continuity of programs and involvement of stakeholders.
3. To forge local and international linkages.
4. To develop Vigan as a tourist destination where tourism programs enrich and conserve the people's core values and traditions, as well as sustain livelihood and employment for Bigueños (Vigan locals).

The Vigan Conservation Program aims to spearhead economic development through cultural heritage conservation. The city's consultant on Heritage Conservation, Eric Zerrudo (2008), embarked on a four-phase model of cultural heritage-oriented development leading to sustainable development. It starts with awareness, appreciation, protection, and utilization.

As such, the city started the awareness phase through cultural heritage mapping or the identification of heritage resources for purposes of conservation and development. To facilitate cultural awareness, the city government initiated a massive information campaign through brochures, videos, e-books, newsletters, postal stamps and coloring workbooks highlighting the city's traditions, arts, and culture thus enriching cultural heritage appreciation.

To further improve cultural heritage appreciation, tourism and heritage-related economic activities including cultural and historical tours were also organized. Museum tours, the Ilocos Culinary Tour, kalesa rides were among the common tour attractions, as well as the Vigan Heritage River Cruise to name a few. Capacity-building seminars and workshops were also organized which led to the reorganization of existing people's organization and encouraged the creation of new ones.

To institutionalize the conservation program, legislative measures were undertaken, which includes (1) defining the boundaries of the protected historic district; (2) providing the Vigan Conservation Guidelines that stipulates the guidelines on restoration works on historic structures including ancestral houses; (3) creating a multi-sectoral Vigan Conservation Council which monitors conservation and development plans involving the historic district; and (4) authorizing the annual allotment of one percent of the city's internal revenue allotment for arts, culture and tourism.

Finally, to make the most of the cultural conservation program, the city government promoted the use of their rich cultural heritage to address contemporary needs relevant to the stakeholders to further strengthen their conservation program. Through the cultural heritage conservation efforts, the city government was able to produce economic value in the form of heritage-based tourism that generated livelihood and employment. Ancestral houses along the main historic street of Calle Crisologo and other historical buildings were considered for adaptive re-use as office space, hotels, shophouses and restaurants without destroying its original historical and cultural structure. New structures were also built following the Old Spanish architectural design.

Moving forward, the city began to initiate partnerships with other organizations that led to the collaboration with the Spanish government in the formulation of the Vigan master plan and granting of financial and technical assistance to keep the program sustainable.

The cultural heritage conservation program of Vigan led to the economic development of the city from having an annual income of 800,000 dollars in 1995 to 4.2 million dollars in 2009. Such initiative led to the recognition of UNESCO in 2012 citing the city as an example of best conservation management of world heritage properties:

"Vigan represents a unique fusion of Asian building design and construction with European colonial architecture and planning". Furthermore, "Vigan is an exceptionally intact and well preserved example of a European trading town in East and East Asia."

Moreover, through its cultural heritage conservation program as a tool for development, the city has been recognized as well as a Galing Pook Awardee for the Vigan's Heritage Conservation Program as Best Practice on Local Governance, Cleanest and Greenest City in Northern Luzon, Most Child Friendly Component City of the Philippines, Best Performing Local Government unit with the least number of constituents below the poverty threshold in the Ilocos Region.

Such recognitions also provided non-monetized benefits such as boosting the pride and empowering of the people of Vigan to be guardians of their own cultural heritage that led to the preparation of the heritage homeowner's preservation manual and the organization of the Save Vigan Ancestral Homeowners Association, Incorporated.

3.2 The History of the Queen of Streets of Manila, Escolta
Manila was among the first cities established by the Spaniards in 1571. Like in a traditional Spanish town called barrio, the set up is composed of a plaza and its appurtenant landmarks such as church, town hall, school, adjacent to it is the public market, surrounded by the ancestral houses (Juanico, 2013).

Among the communities established by the Spaniards in Manila is now known as Calle de la Escolta, created in 1594. Escolta came from the Spanish word “escoltar” standing by its name that means escort. Accordingly, the extent of Calle Escolta was the designated area for the escorts of the governor general every time the official will go around the town such that it become the common passageway for the governor general and other government officials on their way to Intramuros. But during the golden days of the Manila-Acapulco Galleon Trade, the area became the concentration of merchants mostly Chinese who took part in the luxurious trading, thus setting a mark as the “Queen of Streets of Manila”. Thus Calle Escolta became the premier central business district of Manila.

But the conservation of such built heritages became problematic as they lost their original value and worth due to urban decay. In the aftermath of World War II, much of the structures in Calle Escolta were heavily damaged by the war that led to most of the merchants to move to nearby suburban areas with better access to transportation and communication facilities. Only a few original owners remained in the area with most of their structures left to deteriorate or converted to warehouses or most likely to be sold to developers.

Apparently, there were nine built heritages in Escolta that deserves to be given consideration (Coconuts Manila, 2014). On top of the list is the El Hogar Filipino Building located at Juan Luna Street in Binondo, across Escolta. The structure was built in 1914, which was said to be among the remaining structures established during the American era today. Second is the Capitol Theater that was built in the 1930s and designed by Juan Nakpil. The structure showcased an Egyptian inspired step-pyramid and was the first air-conditioned theater in Manila. Third on the list is the Uy Chaco building in Binondo that was constructed in 1910 as a general hardware for a Chinese businessman. It was considered as Manila’s first skyscraper and now serves as branch of Philtrust Bank. Fourth is the Ides O’Racca that was inaugurated in 1935 as a cold storage in Binondo, Manila. The structure remains standing tall despite being ravaged by countless fires and earthquakes. It was said that during the Japanese invasion of Manila, the Japanese took over the building and erected machine guns on the roof because of its strategic location. Fifth is the old HSBC building right across Juan Luna Street in Binondo. The building was built in 1922 and it used to house the main office of the Hong Kong and Shanghai Bank. Sixth is the Pacific Commercial Building presently called as the Juan Luna E-Services Building along Juan Luna Street. The building was designed by national artist Leandro Locsin in 1922 and used to be the office of the First National Bank of New York, presently known as Citibank. Seventh is the Don Roman Santos building built in 1894 which is currently known as the BPI Plaza Sta. Cruz branch. Monte de Piedad Savings Bank, the first savings bank in the Philippines established in 1938 formerly occupied the building. The structure was greatly damaged by the liberation of Manila in 1945. Eight is the Manuel F. Tiaqui building in Sta. Cruz, Manila. The edifice is said to be the first pinned-wall building in the Philippines. Ninth on the list is the Regina Building, formerly known as the Roxas Building as it was owned by the Roxas family established in 1934 and followed a Neoclassical and Beaux Arts style.

The list was expanded to include the First United Building built in 1928 which used to house the Manila Post Office, later on became the site of the famous Berg’s Department Store; the Burke Building built in 1919 which was the first elevator-operated building in the Philippines; the Natividad Building built in 1920s now known as the Teoff Center; the Calvo Building built in 1938 which formerly housed the news radio station DZBB; the Philippine National Bank Building built in 1965, and the Original Savory Restaurant in 1950s. Likewise, along Binondo are other heritage buildings such as the Insular Life Building built in 1930.

Generally, the good old days of Escolta are already a thing of the past. Escolta has been quite a ghost town for the longest time. The first ever elevator-operated buildings and the busy commercial centers and streets are already missing, and only few small-medium Chinese entrepreneurs can be found that comprised the Escolta Commercial Association, Incorporated. As of 2010, the estimated population of the downtown district is 900 in contrasts to 1.7 million for the entire city of Manila.

3.3 The Escolta Cultural Heritage-Oriented Economic Development

Apparently, there have been renewed calls for the revival of the once proclaimed Queen of Streets of Manila. Over the years, campaigns to revive Escolta were gaining momentum. Finally the efforts of local
organizations such as the Heritage Conservation Society and the Escolta Commercial Association, Incorporated started to gain attention when the Metro Manila Development Authority expressed their interest in the revitalization of Escolta proposing for the creation of an administrative body, the Escolta Redevelopment Administration, to assist the city of Manila in reviving the area as transport, tourism, business and culinary heritage hub. Since then, various activities have been initiated such as the Cultural Walking Tour facilitated by the acclaimed tour guide Mr. Carlos Celdran and the monthly flea market organized by the Escolta-based artists studio 98B. There have been petitions for the National Historical Commission of the Philippines (NHCP) to declare the area as heritage so as to be given government subsidy and protection by virtue of the National Cultural Heritage Act.

With the renewed calls for the revival of Escolta, one recognizable factor is the lack of interest by the principal shareholders, the property owners. Since most of the built heritages are privately owned and the area has not yet been granted heritage status by the NHCP, efforts to revive Escolta face significant threats. That explains the reason why it is easy for owners to rather sell the property or leave it to deteriorate than be burdened by its preservation costs without any definite return of investment.

The cultural heritage conservation framework followed by the city of Vigan can serve as the foundation for the Escolta revival program. Although the local government of Manila already recognized the potential of the idea, still not much has been done. Everything is just in the planning and exploratory stage as presented under the Manila Chinatown-Binondo Urban Revitalization Plan as a component of the Manila Comprehensive Land Use, Planning and Zoning Ordinance.

Table 1: Comparative Analysis between Vigan and Escolta

<table>
<thead>
<tr>
<th></th>
<th>Vigan, Ilocos Sur</th>
<th>Escolta, Manila</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment Date</td>
<td>1572</td>
<td>1594</td>
</tr>
<tr>
<td>Heritage Title</td>
<td>Heritage City</td>
<td>Queen of Streets of Manila</td>
</tr>
<tr>
<td>Economic Description</td>
<td>Center of political, religious, social and cultural activities in the north</td>
<td>Premiere Central Business District</td>
</tr>
<tr>
<td>Local Government Classification</td>
<td>City</td>
<td>Barangay (street)</td>
</tr>
<tr>
<td>Est. Population (2010)</td>
<td>45,000</td>
<td>900</td>
</tr>
<tr>
<td>Innovative Management Strategies for Cultural Heritage Conservation</td>
<td>“Vigan Conservation Program as a Tool for Development”</td>
<td>Manila Comprehensive Land Use, Planning and Zoning Ordinance</td>
</tr>
<tr>
<td>Local Stakeholders Active Participation</td>
<td>Save Vigan Ancestral Homeowners Association, Incorporated</td>
<td>Escolta Commercial Association, Incorporated</td>
</tr>
<tr>
<td>Legal Frameworks Adopted for Cultural Heritage Conservation</td>
<td>Delineating boundaries and allowable uses of the historic core and buffer zones</td>
<td>None</td>
</tr>
<tr>
<td>Innovative Ways in Dealing with the Boundaries of the Property</td>
<td>Vigan Heritage Management Office to strictly monitor compliance to legislative ordinances</td>
<td>None</td>
</tr>
<tr>
<td>Strategies for Adequate and Sustainable Financial Resources</td>
<td>Periodic allocation of Development Fund for Heritage Conservation</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>1% allocation from IRA to tourism and culture fund</td>
<td></td>
</tr>
<tr>
<td>Staffing Training and Development Programs</td>
<td>Heritage Conservation Division to ensure all physical interventions are carried out</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Institutional and human capacity building training for Disaster Risk Management for</td>
<td></td>
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</tbody>
</table>
Heritage Sites

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<tr>
<th>Sustainable Development Practices</th>
<th>Crafting of Ecological Waste and Pollution Management Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of two-stroke cycle engine to minimize air pollution</td>
<td>Crafting of Heritage Tourism Development Plan Formulation of Business and Investment Development Plan</td>
</tr>
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<tr>
<th>Education and Interpretation Programs</th>
<th>Crafting of Heritage Tourism Development Plan Formulation of Business and Investment Development Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual festivals and cultural events</td>
<td>Promotion of Histo-Cultural Heritage Consciousness</td>
</tr>
</tbody>
</table>

| Tourism and Interpretation | Proper waste management program to sustain economic development | Banning of motorized vehicle on Calle Crisologo | Pasig River and Estero Clean-up Drive |

Source: Local government of Vigan’s self assessment as part of the application for World Heritage Cities Programme best practice recognition and the Manila Chinatown-Binondo Urban Revitalization Plan.

Instead what can be initiated is the cultural heritage-oriented economic development of Van Der Borg and Russo (2005). The model provides for the development of the cultural sector that in turn will develop creative economy and promoting sustainability that results in direct and indirect economic benefits. It can be operationalized through the four-phase model advocated by Zerrudo (2008) that corresponds to awareness, appreciation, protection, and utilization.

Significant progress has been done in promoting awareness about the cultural value of Escolta. Various initiatives in different platforms were undertaken which includes online petition, walking tour expositions, showcasing of adaptive re-use of old structures for new purposes, and cultural orientation to name a few. The Escolta kalesa ride has been in the works as well.

Likewise, there is already a good manifestation of appreciation on the part of the community such that many are willing to volunteer for the movement and various local organizations and a number of property owners have expressed support as well.

Nevertheless, what is still lacking is the concrete legislative framework and master plan that will provide protection to such cultural heritage. Though the local government has already included in the zoning ordinance the revitalization of Escolta as part of the Planned Unit Development, moreover what is needed is a legislative framework that will encourage and motivate the stakeholders to be active participants in the conservation process. The local government of Silay, Bacolod have already manifested such initiative by enacting a landmark heritage ordinance giving 100-percent tax exemption to owners of heritage structures that properly maintains and apply adaptive re-use of their properties. The local government of Pampanga and Iloilo through a city ordinance also offered 50-percent tax exemption.

Any losses from the tax incentives should be viewed as an investment by the local government that will generate direct and indirect economic benefits. Nevertheless, through cultural heritage tourism, livelihood and employment will be generated that can compensate for such financial losses. It will initiate a two-pronged approach towards economic development. Not only local stakeholders will be interested in conserving the local cultural heritage, it will also result to a return of investment either by leasing the properties for adaptive re-use such as commercial or office space or through tourism-oriented activities such as the monthly flea market at the old First United Building and the conceptualized business process outsourcing hub at the old First National City Bank Building now known as the Juan Luna E-Services Building.

Rather than destroying built heritage due to urban decay, adaptive re-use can be employed. Such cultural heritage utilization can soon translate to significant economic activities that will sustain the Escolta’s conservation initiatives, sustaining development in the process as well. Such renewed economic gains will result to renewed stakeholders’ sense of cultural identity and pride making them local guardians of their own cultural heritage.
Apparentlly, the pervasive cultural apathy that prevails in the country was brought by the perception that cultural heritage has no use and implies no return of investment. Instead, investment in cultural heritage is seen as a dead end with insurmountable costs than benefits.

To address such presumption, there is a need for a legal framework that will aid the National Cultural Heritage Act of 2009 in encouraging civic participation to cultural heritage conservation. Hence, a Heritage Conservation Incentive Bill is being lobbied that will grant tax incentives and exemptions for those who will undertake heritage conservation, such as real estate tax exemptions or discounts since most of the properties are in an idle state thus doesn’t provide formal income to their owners. Furthermore, exemption from inheritance taxes for families that participate in heritage conservation should also be considered. The usual problem is when heritage properties are passed on from one generation to another the heirs are deciding to put the properties on sale so they can have the money to settle the inheritance tax just like the case of the El Hogar Filipino Building in Escolta, Manila. There should be tax incentives as well for businesses and entrepreneurs who will choose to locate their business in heritage buildings or properties thus incorporating adaptive reuse of such properties, further stressing that what is good for business is good for the community, vice-versa (Palaña, 2015). In the mean time, the local council of Manila can adapt a city ordinance that grants such tax incentives as patterned after the local ordinance of Silay, Pampanga and Iloilo.

Aside for incentives, Mark Evidente (2013) proposed an alternative that explores the possibility of utilizing “transfer development rights” (TDR) in relation to the existing height and zoning regulations implemented by local government units as a way of promoting heritage preservation. Accordingly, if a height and zoning regulation implements a five-storey structure limit but a certain structure is only two-storey high, legally the owner still has the right over a three-storey extension that the owner can either maximize or transfer to another. Thus it is under this premise that the idea of TDR as a heritage conservation strategy can be optimized. Since most of the heritage structures in the Philippines are about two or three storeys tall, development rights can still be exercised by either trading it or selling it to developers or conservation enthusiast in which the proceeds can be utilized in maintaining the heritage structure. However for such strategy to work, the cultural heritage value of the property needs to be properly considered.

Moreover, while the local government unit is having difficulties in the implementation of a concrete action plan that will serve as the Escolta revitalization master plan, the assistance of the national government in the idea of creating an Escolta Redevelopment Administration patterned after the Intramuros Administration will help in immediately addressing the pressing needs of Escolta.

4. CONCLUSION

As societies advance towards development, any resemblance of the backward past is perceived as obstacles to growth such that built heritages serve as the usual casualty to modernization. Apparently, heritage destruction is not only the viable option. The story of Vigan’s best conservation management of world heritage properties has proven that cultural heritage can contribute to development. What made the story Vigan inspiring is they started with cultural apathy from rags to riches, from nothing to something, and now they have everything.

More than that, active stakeholder participation was the key in the success of the city of Vigan and for the sustainability of any heritage conservation program. Efforts initiated by various organizations were complimented with workable government action plans resulting to tremendous economic benefits.

The thrust of Vigan’s development framework was anchored on cultural heritage conservation leading to people emancipation as local guardians of cultural heritage resulting to direct and indirect economic benefits. If such framework can be applied to other culture-rich communities in the country and in the revitalization of Escolta in particular, the Queen of Streets of Manila will rise back, pronouncing once more that cultural heritage can be the driver of economic development and that cultural heritage conservation is not always an obstacle to urban development in the Philippines.

5. REFERENCES


