

## **A Heritage-Driven Economy for Post Covid-19 Economic Recovery: The Case of Intramuros Heritage Tourism**

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**Abstract:** Intramuros is one of the prime heritage tourism spots in the Philippines because of its rich culture and history which is greatly correlated to the history of the Filipinos. According to the ADB (2020), tourism was one of the fastest-growing sectors in Asia before the pandemic. Nevertheless, global tourism faced an unprecedented decline in 2020 as the world experienced the implications of the Covid-19 pandemic. Tourism is among the major driving economic and social forces in the Philippines (DOT, 2020). However, the sector suffered a huge loss projected around Php 400 billion in tourism revenues in 2020.

Through a descriptive analysis of available secondary data, this paper assesses the impact of travel and tourism restrictions on heritage tourism in Intramuros. Furthermore, the paper presents the prospects of heritage tourism and creative economy as a driver for economic growth in a post-Covid-19 scenario following the emerging paradigm of culture-oriented economic development. The findings show that once all health precautions were in place, a culture-oriented economic development paradigm can set the path for the economic recovery of the country.

**Keywords:** Intramuros; Culture-Oriented Economic Development; Heritage-driven economy; Heritage Conservation

### **Introduction**

Prior to the Covid-19 pandemic in 2020, Intramuros, Manila is one of the prime heritage tourism spots in the Philippines because of its rich history and culture. The contribution of Intramuros to the growth of tourism in the Philippines has been recognized internationally when it was voted as Asia's Leading Tourist Attraction in 2020. The historic place was recognized as well as among the 2020 World's Leading Tourist Attraction at the 27<sup>th</sup> World Travel Awards (IA, 2020).

Intramuros, Manila has become a common tourist hotspot in the Philippines because of its heritage and cultural significance to the Philippines. During the time of the Spanish invasion, Intramuros served as the political and military base of the Spaniards in Asia due to its strategic location between Manila Bay and the Pasig River. Its political significance was further emphasized as it followed the traditional town-plaza community set up commonly practiced during the Spanish colonization. The proximity of the area to the Pasig

River made it a vital component of the famous galleon trade, which made it an economic global activity center transcending national borders and international barriers.

After the Spanish occupation, economic and political activity gradually shifted outside the walls as new economic and civic functions were best served by other areas, however Intramuros was able to maintain its distinct character and composition which contributed to the nostalgic atmosphere of the area. At present, academic activities dominate the area as numerous academic institutions have found their home inside the walls. More than that, social activities were frequent as well as most open spaces were utilized for gatherings. Moreover, the historical character of the area never fails to attract the curiosity of both local and foreign tourists which makes it a natural tourist attraction.

### **Problem Statement**

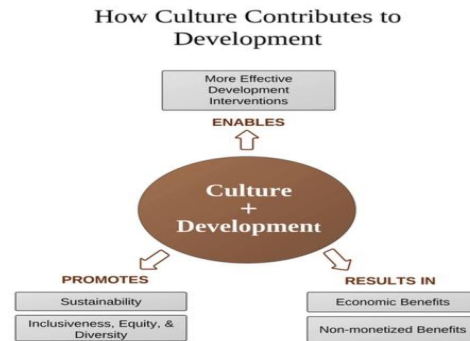
Nevertheless, the Covid-19 pandemic halted all tourism and social activities in the Philippines like in all other places in the world. Such

caused a slump to the economy of the Philippines as tourism is among the country's major driving economic and social forces accounting for 12.7 % of the its GDP in 2020, while employing a total of 5.7 million workforces (DOT, 2020). In 2020 annual report, the Department of Tourism has projected the sector's loss amounting to Php 400 billion in tourism revenues in 2020 as only 1.32 million foreign tourists were recorded to visit the country, an 83.97% decrease from 8.3 million visitors the previous year. Tourism receipts were projected at Php 81.4 billion only compared to Php 482.16 billion from the previous year, an 83.12% revenue decrease. Moreover, the June 2020 Global Economic Prospects of the World Bank (2020) projected a global economic contraction of 7 percent due to the imposition of activity lockdown that halted economic movement as a precaution to spread of Covid-19. Considering its grave economic implications, there is a need to look for possible ways to kick start the economy as restrictions gradually relax thus this paper answers the central question of "How can culture and heritage tourism serves as a tool for economic recovery in a post-Covid-19 scenario for the heritage district of *Intramuros*, Manila?".

## Methodology

Overall, this paper assesses the impact of travel and tourism restriction to heritage tourism in *Intramuros*, Manila through a descriptive analysis of available secondary data mostly provided by the Intramuros Administration spanning several months of the pre-pandemic until its peak and the fluctuating waves that follow.

Using *Intramuros*, Manila as the case-in-point, the study follows a Heritage-Driven Economic Development framework popularized by UST Center for Conservation of Cultural Property and Environment Director Eric Zerrudo as an adaptation of the Culture-Oriented Economic Development (COED) conceptualized by Van der Borg and Russo (2005). The given frameworks view culture in its three dimensions that cover (1) culture as an industry in itself characterized by the economic pattern of production and consumption; (2) culture in its creative capacity or the ability to serve as an "input" towards the production of new economic resources; and (3) culture as a structuring element that can be a configuring urban growth center and economic development. Through such approach, the contribution of cultural heritage to development is manifested as shown in Figure 1.



*Figure 1: Culture-Oriented Economic Development Framework by Russo and Van Der Borg (2005).*

Moreover, the paper presents the prospects of heritage tourism as a driver for economic recovery through a culture-based regeneration and a heritage-driven economy in a post-Covid-19 scenario.

## Discussion and Analysis

The contribution of cultural heritage to economic development, primarily through cultural tourism has been established already in some literatures (Astara, 2014; Bandarin, Hosagrahar, Albernaz, 2011; Bowitz and Ibenholt, 2009; Cruz, 2019; Henderson, 2012; Juul, 2015). Nonetheless, cultural heritage conservation has the potential to contribute to the improvements in the market value of a real estate property thus implicitly attracts tourism activities and other investments that lead to economic growth through improved income opportunities, greater social capital, and better community livability and enriched competitiveness (Balco, 2011, Chohan and Wai Ki, 2005, Ebbe, 2009; Henderson, 2012, Throsby, 2007).

Globally, the tourism industry is one of the hardest-hit sectors by the Covid-19 as travel restrictions were put in place and borders were closed. The Philippines' pandemic response is considered as among the longest lockdowns in the world thus sparring no one, not even *Intramuros*, Manila which was pronounced as the leading tourist attraction in Asia in 2020.

Using tourist statistics provided by the Intramuros Administration, the central agency in charge of the heritage area, the findings present a 38.82% decrease in tourist visitors for the month of March 2020 in comparison to the same month in 2019. On March 15, 2020, the Philippine government first imposed the highest level of

community quarantine (lockdown) in the country which lasted for 2 months until May 15, 2020 and was gradually downgraded in the subsequent months until its reimposition on March 29, 2021.

However, the lifting of travel and tourism restrictions gradually commenced in February 2021 upon the discretion of the concerned local government unit. On February 17, 2021, the Department of Tourism and the Intramuros Administration finally decided to open some of the gated attractions in the heritage area to the general public to include the Fort Santiago<sup>1</sup>, Baluarte de San Diego<sup>2</sup>, and Casa Manila<sup>3</sup> subject to certain limitations and restrictions presented in Table 1.

	<b>Fort Santiago</b>	<b>Baluarte de San Diego</b>	<b>Casa Manila</b>
<b>Hours Open</b>	Mon – Sun 12 pm – 8pm	Sat – Sun 8:00 am – 5pm	Tue – Sun 8:00 am – 5pm
<b>Admission Restrictions</b>	Only persons aged 15-65 are allowed entry, subject to the mandatory wearing of face masks and shields, hand sanitation at the entrance, and other health protocols.		
<b>Max Capacity at any Single Time</b>	100 persons	15 persons 5 per group	100 persons

Source: Intramuros Administration

<sup>1</sup>Fort Santiago is one of the most popular places visited in Intramuros. It is one of the many forts established by the Spaniards in the area to secure the Spanish community from potential threats of Filipinos and foreigner invaders alike. It has been considered as a strategic component of the Spanish line of defense as it overlooks the Pasig River, one of the major river access going to the heart of Manila. It once serves as a prison cell for Filipinos during the Spanish colonization which includes the country's national hero, Dr. Jose P. Rizal. More than that, an estimate of 600 dead bodies were buried inside the Dungeon of Fort Santiago Japanese occupation. Today, it houses the Rizal Shrine as well, a replica of the national hero's ancestral house in Calamba, Laguna.

<sup>2</sup> The Baluarte de San Diego is one of the fortifications used by the Spaniards to augment its defense

Nevertheless, the reimposition of stricter community quarantine restrictions (lockdown) on March 7, 2021, due to increasing cases of infections cut the heritage tourism program short. Despite the unanticipated hiatus, statistics from the reopening of identified heritage tourism sites in *Intramuros* manifested a positive tourism activity response. In the span of 19 days, there were 22,859 recorded visitors for the three gated sites/attractions which accounts for 47.72% of the recorded visitors of the three sites (47,896 visitors) for the previous year (March 2020) prior the imposition of the nationwide lockdown as shown in Table 2.

<b>Gated Attraction</b>	<b>March 2020 (before lockdown)</b>	<b>February 17, 2021 – March 7, 2021 Reopening</b>	<b>Percent Difference (increase/decrease)</b>
<b>Fort Santiago</b>	44,688 visitors (93%)	17,385 visitors (76%)	- 61.05 %
<b>Baluarte de San Diego</b>	1,770 visitors (4%)	3,525 visitors (15%)	+49.79 %
<b>Casa Manila</b>	1,438 visitors (3%)	1,949 visitors (9%)	+26.22 %
<b>Total</b>	47,896 visitors	22,859 visitors	-52.27 %

Source: Intramuros Administration

system as it provides a clear view of incoming ships passing through the Pasig River. It is composed of three concentric structures with eleven chambers used as Spanish quarters, water supply tank, and workshops. The structure was heavily being damaged when British forces occupied the City of Manila in 1762, as well as during the Battle of Manila in 1945. Presently, it is one popular activity/function area inside Intramuros due to its proximity to Fort Santiago.

<sup>3</sup> The Casa Manila is a depiction of how Spanish elites lived a luxurious life during their stint in the Philippines as it resembles an Antillean house type, a common Spanish colonial structure. Today it was converted into a museum showcasing the lavish life of Spaniards in the Philippines as depicted by its notable stone-wood structure and grandiose bathroom design.

Furthermore, another lockdown halted the operations of tourism activities in the area when the national government reimplemented the highest level of restriction from March 29, 2021, until May 14, 2021. After a month and a half, restrictions were de-escalated and *Intramuros* reopened to the public once more on May 17, 2021, however, only two gated attractions were opened this time, namely the Fort Santiago and the Baluarte de San Diego instead of three. Casa Manila was not included among the gated attractions that reopened in consideration of the existing public health concerns and safety protocols.

Evidently, Table 3 presents that in the span of 14 days from May 17, 2021, to May 30, 2021, the two gated attractions received a total of 8,035 visitors comprising 16.71% of the recorded visitors from the two gated attractions for the whole month of May 2019, two year ago. It should be noted that there were no data available for May 2020 as tourism activities were prohibited under the existing safety and health protocols present at that time.

<b>Gated Attraction</b>	<b>May 2019 (before lock down) (30 days)</b>	<b>May 17, 2021 – May 30, 2021 Reopening (14 days)</b>	<b>Percent Difference (increase/decrease)</b>
<b>Fort Santiago</b>	41,846 (87%)	6,743 (84%)	- 83.88 %
<b>Baluarte de San Diego</b>	6,231 (13%)	1,292 (16%)	-79.28 %
<b>Total</b>	48,077 visitors	8,035 visitors	-83.28 %

Source: Intramuros Administration

Despite the low turnout of the two gated attractions during the second reopening of *Intramuros* to public tourism, it is considered as a remarkable achievement in comparison to its pre-pandemic gate attendance. During the pre-pandemic, data in Table 4 shows that the two gated attractions received an average of 1,575 visitors per day in contrast to the 573 visitors per day that they

logged during the second reopening, nevertheless, such still comprise 36.38% percent of its previous average daily gate attendance considering the existing admission restrictions and persisting health and safety protocols.

<b>Gated Attraction</b>	<b>Pre-Pandemic Scenario</b>		<b>Pandemic Scenario</b>	
	<b>May 2019 (before lock down) (30 days)</b>	<b>March 2020 (before lock down) (30 days)</b>	<b>Feb. 17, 2021 – March 7, 2021 Re opening (19 days)</b>	<b>May 17, 2021 – May 30, 2021 Re opening (14 days)</b>
<b>Fort Santiago</b>	41,846 (87%)	44,688 visitors (96%)	17,385 visitors (83%)	6,743 (84%)
<b>Baluarte de San Diego</b>	6,231 (13%)	1,770 visitors (4%)	3,525 visitors (17%)	1,292 (16%)
<b>Total</b>	48,077 visitors	46,458 visitors	20,910 visitors	8,035 visitors
<b>Average Visitors Per Day</b>	1,602 visitors	1,548 visitors	1,100 visitors	573 visitors

Source: Intramuros Administration

The gradual reopening of the gated cultural and heritage tourism attractions in *Intramuros*, Manila reinforce the economic relationship between culture and development. The paper suggests that cultural tourism can serve as the starting point for a culture-based regeneration through creative culture and circular economy leading to economic development. The impressive tourism activity turnouts during the series of public tourism reopening is a good indication for economic recover considering the various economic activities that corresponds with heritage tourism.

In the coming months as restrictions loosen up further, it is expected that more tourism activities will take place in the heritage area. In the pre-pandemic days, students comprised the group of local tourists who frequented the area, in addition to

the foreign tourists. On a usual weekend, family trips are likewise common in the area as families take time to unwind from the usual week-long work. However, such tourists mobility has been restricted by the existing health protocols which limited the entry of foreign tourists and displaced students as schools in the area switched for an online distance learning.

Moreover, as Van der Borg and Russo (2010) recognize the capacity and capability of culture in contributing as significant factor of production, the findings recommend that such economic efforts be harnessed and properly sustained in four stages. The first stage is called exploration in which all aspects of cultural development are carefully identified and assessed concerning the sustainability and the livability of the area. The second is an enhancement which involves improvement of the area to fit the needs of the growing demand imposed by the development of culture. It may involve the development of facilities that will cater to the growing number of tourists such as parking spaces, accommodation houses, shophouse areas to hold commercial selling of commodities in place and improved technological know-how and skills development. Such leads to the third stage of diffusion, which involves tapping other innovative sectors to contribute to the dynamics of the local economy. It can involve the establishment of a partnership with civil society groups, non-governmental organizations, and private organizations to further strengthen the development gains. Until it finally reaches the fourth stage of stabilization where "conditions for the development of an innovative productive milieu are challenged by economic success" (Van der Borg and Russo, 2010).

Ever since, such has been the tourism formula that advanced tourism activities within the walls of *Intramuros*, Manila. Gradually, micro tourism activities are creeping in that begins with people going out of their houses and considers the idea of exploring tourism. Surely, micro economic activities are expected to follow as demand dictates for such need like food stalls, souvenir shops, parking attendants, as well as ambulant vendors which comprised the core of micro economic factors of heritage tourism. Nevertheless, once the process has been completed, it is expected that cultural heritage will serve as the tool for creative culture to take place leading to a circular economy that will facilitate economic recovery under a post-pandemic set up.

## Conclusion

Overall, the findings of present the possibility of economic revival through cultural heritage tourism. As proven in the study of Hao, Bai and Sun (2021), the people's willingness to travel have been significantly reduced by the pandemic. Moreover, the increasing number of gate attendance from the reopened tourist gated attractions in *Intramuros*, Manila shows the improved willingness level of the people to re-explore tourism and hurdle the health-related anxieties that co-existed with the pandemic. Such movement has been branded by the Department of Tourism as "revenge tourism" and was likewise adapted by the agency as the standing motto for economic tourism revival.

Such development can be considered as a good indication for tourism revival, nevertheless such personal-related factors should be complemented by environmental and structural-readiness factors. The stakeholders should continuously monitor the tourism trends and be vigilant to act immediately so as not to lose the already established gains of tourism, foremost is the confidence of the public that pandemic threat is slowly becoming manageable. A virus outbreak in the area can easily wipeout all the prospects of heritage tourism.

Nevertheless, the findings affirm that once all precautions were in place, a culture-oriented economic development paradigm can set the slow path for the economic recovery not just of *Intramuros* in the City of Manila but can likewise be manifested in the country.

The paradigm of a culture-oriented economic development did not only establish the prospects of cultural and heritage tourism as agents of development, but the case study of *Intramuros*, Manila showcased that heritage tourism is one of the bright spots for the country for its economic recovery in a post-Covid19 scenario. The numerous economic activities correlated with heritage tourism can kick off economic development, both micro and macro, as tourism serves as one of the biggest economic pillars of the country.

Definitely, people have been locked inside the comforts and safety of their houses for quite some time already, and in some areas, stricter community quarantine measures are continuously being put in place in an attempt to contain the overall health and economic implications of the

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pandemic. However, as Aristotle stated that humans by nature are social animals, people will surely look for ways to socialize once the threats of Covid-19 subside and restrictions gradually get loose. Naturally, people will explore what they missed thus tourism will post some gains in the form of revenge spending carried by the once deprived heritage tourism.

Moreover, future studies can consider measuring the direct economic impact of the improved tourism activities in *Intramuros*, Manila. With more relevant statistical figures made available such as the number of business establishments that opened or reopened, the number of open spaces reservation for private functions and events, the increasing presence of ambulant vendors, number of booked private tours by tour companies, as well as the increasing number of students' presence as some academic institutions in the area have resumed selected face-to-face classes, expanding the scope of this study can help establish the claims that heritage tourism can serve as a viable option for a post-pandemic economic recovery.

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