

The Political Economy of Rail-based Mass Transit System in Metro Manila: Preliminary Notes

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At present, Metro Manila, a megacity of 12 million people, is being serviced by four unintegrated rail lines. These lines carry no more than 800,000 passengers each day. Hardly a week passes by that not one of these lines suffer a technical or mechanical malfunction. The government's oversight of these rail lines, much more control, is exercised in varying degrees and sometimes by competing institutions. The main government agency for the rail lines is the Light Rail Transit Authority (LRTA), a government-owned and controlled corporation (GOCC) established in 1980. Yet LRTA has no power over the commuter service of the Philippine National Railways (PNR) that started operation in 1972. PNR is also a GOCC and has its own charter as a government corporation. LRTA owns the Manila Light Rail Transit System Line 1 (LRT 1) that started operations in 1984 but the line is operated by a private corporation, the Light Rail Manila Corporation. The Manila Metro Rail Transit System (MRT 3) that opened to the public in 1999 is owned by a private corporation, the Metro Rail Transit Corporation but is operated directly by the Department of Transportation (and not by LRTA). Only the most recent line, the Manila Light Rail Transit System Line 2 (LRT 2) that opened in 2003, is both owned and operated by LRTA. This paper is not an argument for facile centralization and heavy-handed government control. What the paper will show is how rent-seeking among competing interests, often foreign with local agents working at their behest, has created an almost dysfunctional bureaucracy for a public utility.