Mall culture and consumerism in the Philippines

– Jore-Annie Rico and Kim Robert C. de Leon
Nowhere else in the world has a population so absorbed in the shopping mall lifestyle.¹

It was a hot Saturday afternoon in October, as Dianne strolls around a popular mall in Manila, along with three of her cousins. ‘I go to this mall every weekend’, admits the 22-year old professional. Asked why she frequents the mall so often, she replies that, ‘it’s a place where I can relieve stress after a week of hard work. Mall cures boredom, too’.

Together with her family, Alyssa holds her 9-month old daughter as they dine in a luxurious buffet restaurant in a mall in Quezon City. A public school teacher, Alyssa finds shopping cathartic: ‘I buy some baby items online, like clothes. But I still prefer going to the mall to unwind’.

One cannot help but wonder why a population that is one of the poorest in Southeast Asia is so obsessed with shopping malls. Sprawling malls have transformed from being mere commercial centres into community centres complete with dining, cultural, financial, historical, religious, residential and leisure facilities.¹ As the new town plazas, malls are viewed as the refuge of choice in the context of the city’s sweltering heat, suffocating traffic and endemic poverty. With some 153 malls dotting its famous skyline, Manila’s transformation from cultural hub to concrete jungle has earned it the notorious moniker as ‘Asia’s Shopping Capital’.²

This essay offers a critical examination of the Filipino mall culture by tracing its historical roots and analyzing its interplay with economic power. It explores how shopping malls have become the symbols of structural inequality against the backdrop of widening wealth inequality and crippling poverty.

The rise (and fall) of malls

Shopping malls have an interesting history. It is not widely known that a socialist, Victor Gruen, designed the Southdale Center, regarded as the world’s first shopping mall, opened in 1956 in Edina, Minnesota. Gruen was a Viennese architect who had fled to the United States following the occupation of Austria in 1938. Famously known as the ‘father of the shopping mall’, he eventually came to despise his creation. Two years before his death in 1980, he stated, ‘I would like to disclaim paternity once and for all. I refuse to pay alimony to those bastard developments. They destroyed our cities’.³

The US automobile culture paved the way for the emergence of malls. Between 1956 and 2005, some 1,500 malls were built. The boom was short-lived, however. Between 2007 and 2009, some 400 of the biggest 2,000 malls closed down.⁴ Currently, only 1,000 malls remain in the US, and it is projected that by 2030, half of the country’s remaining malls will be replaced by community colleges, business offices, and healthcare facilities.⁵

Mall closures and bankruptcy are not just happening in the United States. The New South China Mall, said to be the world’s largest, opened in 2005 but has remained 99% vacant. Further, 138 department stores, 262 supermarkets and 6,209 sports stores closed between 2012 to 2015, according to the Beijing Technology and Business University.⁶
Some analysts associate the death of malls with oversupply and the increasing appeal of online shopping,7 while others argue that developers are merely reinventing traditional malls into something that is ‘mixed use’ – composed of outdoor shops with green spaces.8 Both perspectives, however, agree that malls are undergoing a transformation from traditional, enclosed infrastructures to vibrant community centres – to cater to the ever-changing demands of consumers.

Paradoxically, while malls across the world are undergoing a slow and painful death, in the Philippines they continue to expand. The following section discusses the factors that contribute to the country’s mall culture.

Filipino mall culture as a colonial legacy

As early as the 19th century, an account of the Philippines noted that tianguis or markets were a weekly sight in most towns. A Spanish observer even concluded that the Filipino propensity to barter and traffic in all kinds of ways was ‘universal’.9 It was, however, the combined legacies of Spanish and US colonization that led to its enduring Westernized values. What sets it apart from its neighbours is the fact that centuries of Westernization have not led to inclusive growth and development, and current economic progress has not trickled down to the poor.

The Philippines was a Spanish colony for over three centuries. Given this long history, colonial legacies remain firmly entrenched. While many would argue that transplanting Catholicism was Spain’s greatest influence, its feudal hierarchy is arguably its most lasting legacy. For one, the Spanish galleon trade led to the transformation of Negros Island from forestlands into highly prized sugar haciendas that are still owned by elites even today. These private estates encouraged hierarchical relations among owners, managers, tenants, and farm workers. The landed class, then symbolized by the friars and Filipino principales, lived and worked in sharp contrast to the cash tenants, sharecroppers, and contract labourers.10 Three hundred years of Spanish rule are clearly visible as the country retains its semi-feudal and semi-colonial character.

Despite being a US colony for only 50 years, many historians would agree that the Philippines owes the more recent colonial power many of its current institutions. The Philippines, arguably the most Westernized in Asia, patterned its educational system, form of governance, infrastructure, and popular culture on Uncle Sam’s. Today, English is a national language, in which some Filipinos find it easier to converse than in their own language. But perhaps the most crippling US legacy is consumerism and materialism.

While the US mall boom started in the 1950s, the Philippines had its own as early as 1932. It was during the US colonial period when the first enclosed shopping establishment, the Crystal Arcade, was built in Manila. The Crystal Arcade became the capital’s most modern structure, even resembling the arcades of Paris, with covered walkways, window displays and cafés and other specialty shops.11 Aside from being an architectural feat, the Crystal Arcade ushered in an era of a ‘national culture centered on commodity’.12 Although it was ravaged in the Second World War, the Crystal Arcade became the predecessor of modern malls in the country. Fifty years later, malls have become permanent fixtures in the Philippines.
Economic and political benefits of malls

The Philippines has gradually transformed itself from being the ‘Sick Man of Asia’ into ‘Asia’s Bright Spot’. Once regarded as Asia’s economic laggard, it is now one of the region’s fastest-growing economies. For the second quarter of 2016, the Philippines had a 7% gross domestic product (GDP) growth rate, outpacing China’s. In 2015, the Philippine stock market was hailed as the best in Southeast Asia. Private consumption was projected to reach 6.3% in 2016. The latest Nielsen report showed that Filipinos are the world’s most confident consumers. If current trends continue, HSBC predicts that the Philippines can leapfrog to become the 16th largest economy in the world by 2050.

The flourishing of malls is indicative of the country’s strong economic position, with the Philippines emerging as a ‘world leader and trendsetter in shopping malls’. The construction of malls cannot even keep up with the skyrocketing demand. In fact, it was projected that a record-high 724,620 m² of new retail space was to be constructed in the Philippines in 2016, according to Colliers International.

Prompted by the convenience and popularity of malls, several government agencies have installed satellite branches to provide government services to the public. By June 2016, there were 30 Robinsons Mall Lingkod Pinoy Center that host government offices such as the National Bureau of Investigation, Social Security System, Government Service Insurance System, Philippine Health Insurance Corp., Home Development Mutual Fund, Department of Foreign Affairs, Department of Tourism, Land Transportation Office, Land Registration Authority, and Professional Regulation Board, Technical Education and Skills Development Authority, Department of Labor and Employment, among others.

The Commission on Elections considered using malls as voting centres for the 9 May 2016 presidential elections, when 55 million Filipinos were eligible to vote. The plan was scrapped, however, because the law requires the transfer of precincts 45 days before elections.

Malls as symbols of inequality

Despite the rosy economic figures and creeping urbanization, poverty remains the country’s most pervasive problem. Official poverty statistics for the first semester of 2015 show that almost a third of the population remains poor, and that 12 million are living in extreme poverty. For the first quarter of 2016, some 3.1 million families experience involuntary hunger and 2.6 million individuals remain jobless.
Further worsening the country’s poverty indicators is the staggering income inequality. Mall tycoons consistently topped the list of the richest Filipinos. For instance, Henry Sy, Sr of SM Malls is the richest Filipino for the ninth consecutive year, with a 2016 net worth at $13.7 billion. He is ranked 17th richest in Asia and is also the only Filipino to reach Forbes’ list of the world’s top 100 billionaires, ranking 71st. The 92-year old self-made tycoon, whose family is from China, started by opening a shoe shop in 1958. His business has since evolved into a conglomerate composed of banks (Banco de Oro and Chinabank), real estate development and tourism (SM Prime Holdings), and hotels and conventions (SM Hotels).

Next to Sy is John Gokongwei, Jr of Robinsons Supermalls, who has a net worth of $6.8 billion. Like Sy, Gokongwei came from a Chinese family and also started from humble beginnings – he built a cornstarch plant in 1957, which has now evolved into the country’s largest food and beverage company (Universal Robina Corporation). His conglomerate includes air transport (Cebu Pacific Air), banking (Robinsons Bank), real estate (Robinsons Land), chemicals (JG Summit Petrochemicals), power (minority shares at Manila Electric Company), and telecommunications (minority shares at PLDT Inc.).

The seventh richest Filipino is Jaime Zobel de Ayala of Ayala Malls, with a net worth of $4.1 billion. The 82-year old businessman, a Spanish mestizo and a Harvard graduate, manages a conglomerate composed of real estate (Ayala Land), banking (Bank of the Philippine Islands), telecommunications (Globe Telecom), electronics manufacturing (Integrated Micro-Electronics, Inc.), water and wastewater services (Manila Water Company Inc.), business process outsourcing (Livelit Investments Ltd.), energy (AC Energy Holdings, Inc.), infrastructure (AC Infrastructure Holdings Corporation), education (Ayala Education, Inc.), and automotive (Ayala Automotive Holdings Corporation).

In contrast, a typical worker in Metro Manila earns a daily minimum wage of P491 ($10) or approximately $220 a month. This is a far cry from the 2015 National Economic and Development Authority survey, which reported that a family of four needs a gross monthly income of at least P120,000 ($2,450) to afford things they believe would make their life easier.

In a city like Manila, where the daytime temperature hits 32˚C, people flock to the malls to escape the scorching heat. Interestingly, the original Crystal Arcade was also the country’s first air-conditioned building. With the Philippines having the most expensive electricity supply in Asia, it is not surprising that 90% of the population cannot afford air-conditioning. Thus, malls have been popular hangouts.

While malls have been considered as a sign of economic progress, clearly not everyone can afford all the products and services they offer. Mary Ann, a 38-year old bureaucrat, admitted that, ‘I only go to the mall to buy groceries. I do not really enjoy going to the mall, as it somehow pressures me to buy stuff I know I cannot afford’.

As ‘cathedrals of consumption’ and the ultimate ‘image of suburban consumerism’, malls highlight the divide between the haves and the have-nots.
Malls as privatized public space

Prior to World War II, Manila was hailed as the ‘Paris of the East’. As a cultural hub, the city was a place of grandeur and glamour. Its tree-lined avenues were thriving with iconic Art Deco theatres designed by the country’s National Artists. Almost a century later, Manila’s tree-lined streets and glorious theatres are now a thing of the past, as the places where they once stood are now occupied by towering shopping malls. Emblematic of an increasingly consumerist Filipino culture is the flourishing of shopping malls as public spaces owned by private enterprises.

In the Philippines, malls outnumber parks. And it is easy to see why. The apparent lack of ‘green lungs’, especially in Manila, not only limits communal resources for relaxation, socializing, and appreciating nature but also exacerbates air pollution. The Philippines has no equivalent of Singapore’s Botanic Gardens or Thailand’s Bang Krachao. To compensate for the lack of green spaces, malls are increasingly going green through eco-friendly architecture.

For instance, some malls have introduced several eco-friendly programmes in an effort to simulate open spaces. This is noticeable in Ayala Malls, which have internal gardens and fountains, such as in Fairview Terraces and Trinoma. SM Malls also introduced programmes such as trash-to-cash, a monthly recycling market fair and the ‘My Own Bag’ movement on Wednesdays. A Robinsons mall built in San Fernando, Pampanga was described as the world’s largest solar power plant. Despite these measures, malls still leave a massive carbon footprint that cannot be easily solved by short-term efforts.

Along with limited green spaces, Manila grapples with overpopulation and informal settlements. Not only is the city the most densely populated in the world – at around 12,000 per square kilometre, twice the density of New York City – but it is also home to an estimated 544,609 informal settler families. The slum population is highest in Metro Manila, representing 10% of all residents. By 2050, it is projected to reach 9 million, half of the city’s future population.

Manila’s slums are painted in stark contrast to sprawling malls. While informal settler families live along rivers and creeks, in garbage dumps, in parks, along railway tracks, near cemeteries, under bridges and beside factories, malls occupy increasingly large spaces. For instance, SM Prime Holdings boasts 61 malls nationwide, three of which are included in the world’s ten largest and have a combined floor area of 1.4 million m². SM Malls have a total floor area of 7.54 million m² with 17,333 tenants and 79,718 parking slots. These are followed by Robinsons and Ayala, with 44 and 16 malls respectively.

The pervasiveness of malls in the Philippines has transformed the country’s urban landscape. Connell aptly comments that ‘malls and freeways are further forms of privatisation and social segregation as the city has become more fragmented and divided whilst public space diminishes’.
Malls as a cultural reflection

It has been suggested that the manner in which people spend their free time defines their culture.\textsuperscript{42} Only in the Philippines is ‘malling’ used as a verb, which implies its central importance in the daily lives of most Filipinos. Various sociocultural, economic, environmental and political factors – Western consumerist legacies, and a uniquely Filipino ‘stateside mentality’, oligarchic economy, inefficient urban planning, and weak democracy – allowed the mushrooming of malls amidst widespread poverty.

While some people dismiss the idea of malling as merely a pastime or leisure activity, it speaks much about the changing nature of the Filipino culture. Malls are not used solely for entertainment, as they also serve as avenues of escapism for most Filipinos, whose daily hardships have made them feel despondent. Malls provide a mirage of comfort, security, and affluence. Indeed, their ubiquitousness in the Philippines is proof that they have become the core of the country’s urban life.

With almost a quarter of the population identified to be poor and food-insecure, the presence of so many huge malls is a testament to the structural inequality and corporate greed in the Philippines. It cannot be denied that malls have boosted the economy by providing jobs and increasing consumption; however, they only create an illusion of development, as these economic benefits do not reach the poor.

The future of malls

Malls offer advantages and disadvantages. Aside from providing jobs and boosting the economy, malls also serve as new community centres. However, their growth has also led to the privatization of public space and become a symbol of widening inequality. The global mall boom, judged by the US and Chinese experiences, is ephemeral, if not self-destructing. As online shopping eventually replaced consumers’ fascination with indoor malls, it can be assumed that malls may be doomed.

While malls across the globe are facing a bleak future, the same cannot be said for malls in the Philippines, as the country lacks the necessary infrastructure (i.e. Internet connectivity) to sustain the e-commerce. The latest State of the Internet Report by Akamai revealed that the Philippines lags behind the rest of Asia, with an average Internet speed that is among the slowest in the world – ranking last in the Asia-Pacific region and 100\textsuperscript{th} globally. Disturbingly, despite offering the slowest connection speed, Internet fees in the Philippines are also the most expensive. Based on the estimates of software technology entrepreneur Valenice Balace, a high-speed Internet service would cost P2,793 ($57) a month, making it a ‘luxury’.\textsuperscript{43}

In the Philippines, the mall boom is an inevitable part of development that is anchored in capitalism. As mall culture sweeps the country, however, it is time to reconsider the meaning of genuine development and economic empowerment. Promoting a culture that is centred on consumerism and materialism will only lead to further widening of the income gap and the increasing concentration of power. Rather than patronizing the malls, Filipinos should support social enterprises that could help empower the poor and make economic growth more inclusive and sustainable.
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Endnotes

2. Ibid.
10. Ibid.


28. Ibid.


This essay appears in TNI’s sixth annual State of Power report. This year, it examines the cultural processes that are used by corporations, military and privileged elites to make their power seem ‘natural’ and ‘irreversible’. It also explores how social movements can harness creativity, art and cultural forces to resist and to build lasting social and ecological transformation. Visit www.tni.org/stateofpower2017 to read all the essays and contributions.