

## **Lessons from Jeepney Industry in the Philippines**

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*This paper reports on the empirical investigation of the perspective of jeepney industry based on their actual experiences in the Philippines. These viewpoints were elicited during face to face, structured interviews lasting between 1.5 to 3 hours. The industry are experiencing great uncertainty with respect to long-term goals especially if what is currently happening is unstable, uncertainties about the magnitude of jeepneys in the market, the cost and benefits, but stakeholders are willing to be involved in promoting the industry to its maximum potentials. There appear to be few articulated and carefully thought-out development strategies nor is there much evidence of internal business processes being reengineered to accommodate the requirements of jeepney presence. The objective of the study is to examine what are the problems, benefits and what might be done to alleviate the jeepney industry in the country.*

**Field of Study:** Business, Entrepreneurship, Jeepney Industry and Transport

### **1. Introduction**

The jeepney culture that remains alive for five decades are no longer tenable. The ending of the age of the jeepney undoubtedly marks a significant turning point in the Philippines historical development. Jeepney industry was considered inappropriate to advanced technological systems, they were even regarded as an obstacle to growth. For a variety of reasons jeepney industry have not received as much attention from policy-makers and researchers. Through times, it witnessed the rehabilitation of the jeepney businesses in terms of their perceived role in stimulating innovation, creating wealth and generating employment. This study offer different perspectives on, and approaches to, the investigation of jeepney industry with the following objectives:

1. Taking into the consideration of the decline of jeepney industry in the Philippines, what are the causes?
2. To develop policies to enhance jeepney businesses which will better meet the enhancement of Filipino ingenuity.

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This paper examined jeepney industry conditions and problems from the viewpoint of jeepney makers, associations, drivers, and users because of the limited literature on the topic to be analyzed, heavy reliance had to be placed on direct interviews. In the light of the analysis of the various issues concerning the jeepney industry, it should be noted that there is a need to improve the level of understanding of urban transport issues both decision makers and the general public hoping this study can contribute to.

## **2. Literature Reviews and Findings**

### **2.1 Jeepney Industry**

From downtown city of the Philippines famously overcrowded public utility vehicles headed by the legendary jeepney riding the waves of the city commuter to the narrow street rolling to the countryside day by day, nowhere in the world except in the Philippines, can a jeepney be found. It will take you where you need to go. They will stop anywhere for you as long as you are within sight.

In the past Filipino started with an ox/horse cart as a means of transportation, it served as people carrier, baggage loader, business mover, and tourist. When the rise of population and the demand for the fast transport emerged, drivers and makers had to create a substitute to satisfy the demand of a five-foot or so Filipino commuters. This is where the jeepney industry began coming from the US army surplus Jeeps that are left the island by the American servicemen waiting to be disposed after the war damage.

Being entrepreneurial Filipino with limited financial resources, they reconditioned and convert into enterprising machine complete with colorful paintings decorated in Pop-Baroque style, lavish ornaments from banners, and figurines to blinding lights. Each jeepney is a testimony to the artistic ability of the Filipino.

### **2.2 Visible Benefits of Jeepney Industry**

Jeepney as an informal sector (Silock, 1981) with its flexibility and dynamism, and unhampered by the regulations that govern the formal sector offers a new concept in development without having to face the hurdles that are inherent in the organized sector. This creates space for a rapidly increasing class of entrepreneurs with limited resources who find the unofficial system of functioning related to their own methods. The informal Jeepney industry is often described as a low productivity backwater "sponge" absorbing those who cannot find productive employment in formal urban activities but in reality it generates more jobs and income per vehicle.

The social role of Jeepney businesses is the setting-up of a Micro, Small and Medium sized (MSM) enterprise offers an outlet for those individuals who for whatever reason have been unable to find work in, or have been forced to withdraw from the formal labor market. And MSM enterprise is the natural route for the talents of all artists to find their expression. The Jeepney business provides a productive outlet for the energies of that large group of enterprising and independent people who set great store by economic independence and many of whom are antipathetic or less suited to employment in any organization but who have something to contribute to the vitality of the economy.

Jeepneys can be produced with skills and limited resources that are locally available, making them an appropriate and sustainable form of technology. It is more than just a mover of people and goods. It is a major provider of jobs and income. Large numbers of people are employed or self-employed as drivers, conductors, mechanics, traffic policemen, and transport administrators while in addition, there is a host of transport-related businesses: assembly plants, repair workshops, filling stations, warehouses, and motor insurance companies. Jeepney factories are important employers of skilled labor (engineering, craftsmen) and many, as a result of their labor intensity, may help to maintain a skilled labor base in an area or in an industry while larger routine semi and unskilled work is being provided in large companies. In a period of economic depression many unemployed people may go into self-employment to tide themselves over until new employment opportunities develop.

Jeepney industry is capable of contributing to the formation of material capital. In doing so, it taps sources of capital which would not be tapped by large companies or by any means other than independent entrepreneurship. These sources include the proprietor's own funds, re-invested earnings, or borrowings from relatives and friends. Some of these funds come from commercial income and from land revenues of the proprietor, his family and his friends. Some are built up by the extra hard work and the abstinence which a personal, independent enterprise very often motivates. Jeepney industry forms various inter-linkages, they enter into with local suppliers and traders, which they share a common social and cultural background that helps to strengthen the local sense of community. Sustainability can be defined as a state wherein all sectors concerned or affected by the Jeepney industry can continue to receive positive benefits from it (Grava, 1972):

*Users: Net benefit = (Better service, comfortability, safety, etc.) – fare*  
*Drivers: Net Income = Revenue- (Boundary Fee + Operating cost + Fuel)*  
*Operators: Net Income = Boundary Fee – (Fixed cost + Maintenance cost)*  
*Factories: Net Income = Price – Production Cost*

Jeepney attributes as a public transport vehicle: (1) Speed - the ability to convey the user to the destination within a reasonable time; (2) Load Carrying Capacity - the capability to carry the user and all his loads; (3) Reliability – the ready availability at

whatever time and place required; and (4) Cost – the capability to render required services with reasonably low total (initial and operating) costs. A large number of routes directly link origins and destinations to provide almost door to door services that were made possible due to the intermediate size capacities of the Jeepneys (Iwata, 1983). It make poor neighborhoods more accessible – those who are too poor, disabled, young or old to own or drive a car are effectively left out many of the society's offerings, curb-to-curb service, passenger in all walks of life can enjoy a low fare, and 24/7 public transport system which operate even late at night, when nothing else will take a drunk man home are among the next best thing.

Poverty limits access to transport, and this greatly increases the burden in time and effort of the poor to acquire their everyday needs. Time taken up in transporting basic necessities in turn reduces the effort that could be put into more productive activities. Jeepney as a means of transport can therefore bring substantial benefits to the poor by giving them opportunity to become more productive and by removing some of the restrictions on economic development. There are, therefore, many opportunities to improve transport for the poor by introducing Jeepney (basic technologies) into regions where they are at present not found and improving and adapting them in other areas where they are not used effectively.

For many products and processes there are positive advantages of Jeepney business existence, among them is flexibility in adapting to the buyers' wants, more personal relations with workers and customers, less need for a complex organization and for the highly trained manpower required to run such organizations, and lower overhead costs. Some of these factors that weigh on the side of small scale units are particularly important in newly developing countries, where the cultural environment is not yet as well suited to impersonal, complexly organized activities as in the countries with longer experience of industry.

Jeepney is a symbol of Filipino ingenuity (Torres, 1979) that's why it made the Philippines unique from others, it builds its own identity. So Jeepneys are known by foreigners and tourist as truly Filipino expression. So Filipino should be proud of the machine that truly changed the Philippines in the eyes of a stranger. It is the loader of anyone and anything, and always available anytime and anywhere. For other kind of transport system, do they allow what the Jeepney does like loading live pigs, chicken, fresh meats, wet market products, coco lumber, cements, steel pipe tubing, bulk of vegetables and fruits, sacks of rice etc. and do they allow cargoes and passengers on the roof top or hanging on the sides. Nothing can beat the practical usefulness of the Jeepneys in the Philippine's livelihood and their willingness to operate even late at night.

### **2.3 Small Jeepney Business is it Beautiful**

“The atmosphere during the heat of jeepney making enterprises never was a man's

hand allowed to stand idle. Many a time, before the business open or after the working time, there came a knock on the door and asked for a jeepney design. I just swallowed my bread, zip my coffee, and go to attend my prospective client with much enthusiasm. It meant working the full round the clock during the boom, but this time around it left my workers idle for the whole weekdays and orders will come ones in a blue moon,” as stated by Pedro Hayag of Hayag Motors (2006).

Historically, Philippines was known as the jeepney nation. The nucleus of the jeepney industry, therefore, was one of small units owned by men of limited means. After the World War, small-scale jeepney business diffused industrialization of the Philippines with an extraordinary success. Employment for technicians, mechanics, and drivers has grown dramatically and the country geared up towards motorization. In National Capital Region<sup>1</sup> (NCR) specifically, the jeepney industry with little capital and only modest dollops of technology has improved the quality of low-cost motor vehicles, and the demand/supply of transport become more flexible and more attuned to the local masses.

The economic rationality of the jeepney entrepreneurs derives first from their position as small producers within a highly unstable marketplace. They are specialized in an industry that has served as the first passage to development for virtually industrialized country. Given the constraints of an under-capitalized small enterprise, a highly competitive market, rapidly fluctuating demand, and constant changes in the product supply chain, the seeming inefficiency and opportunism evident in the daily activities of local entrepreneurs can be construed as a rational adaptation to the business environment in which they work. Almost all jeepney entrepreneurs have resisted the institutionalization of their enterprises through installation of a management structure; and thus, they tend to live by their wits and to persevere, at times, by sheer gall. Eventually, however, fatigue affects even the most protean among them, and they may then retire or go out of business before they in fact fail.

Despite five decades of jeepney’s industrialization success, there is disquieting signs that the jeepney industry has entered a period of decline. Typical jeepney business size has been dropping since 1998 and two pioneers of the industry namely Francisco Motors Corp. and Sarao Motors had announced idle plants, employment decline, and rehabilitation. The remaining makers continue in making jeepney modestly even garnering significant short-term profits, but are finding the business environment increasingly unpredictable. The domestic market on which they rely and made it into motorization nation has matured – has proved difficulties, hit or miss sales (see Table 1), and target of never-ending scrutiny of motoring journalist, government agencies, politicians, affluent, and portion of the public they have served. The petty entrepreneurial capitalism that the jeepney makers had created as constituted is in trouble, and that “small is beautiful” may not be forever.

**Table 1**  
**Jeepney Factory's Output – Production and Sales**

| Jeppney Enterprise    | Armak Motors                                 | Double AA Motor Works                                 | EM Motors                              | Francisco Motors Corporation  | Hayag Motor Works                    | JD Motors                               | Pasajero Motors Corp. | S. Montreal Motors                                 |
|-----------------------|--|---|--|-------------------------------|--------------------------------------|---|-----------------------|--|
| <b>per Month</b>      | from 30 and above units to 8 – 10 at present | from 10, 5 to present of 2-3 units                    | from 4-5 to 2 units per 7 months       | from 200 to 3 units per month | from 30 units to 10 units at present | from 5-6, 3-4 then 1-2 units at present | 100 units per month   | from 4-5 to 1 units per month at present           |
| <b>per Year</b>       | from 360 units to 96 – 120 units             | from 120, 60 to present 36 units at 3 units per month | from 48 to 60 to 4 to 5 units per year | 2,400 units                   | from 360 units to 120 units          | from 60-72 units to 12-24 units         | 1,200 units           | from 48 to 60 units to less than 12 units per year |
| <b>Average Annual</b> | from 360 units to 96 – 120 units             | from 120, 60 to 36 at 3 units per month               | from 48 to 60 to 4 to 5 units per year | 2,400 units                   | from 360 units to 120 units          | from 60-72 units to 12-24 units         | 1,200 units           | from 48 to 60 units to less than 12 units per year |

### 3. Methodology

The study is based on field interview data obtained in July to August 2006. A total of thirty-six informants were interviewed. Twenty of these were transport users, drivers and operators, eight were jeepney makers, and the remaining are government agencies and jeepney associations who were interviewed lasting between 1.5 to 3 hours accompanied with a detailed questionnaire. The interview data were complemented by field observations, and information from desk research, news articles, unpublished researchers made by people in the academe.

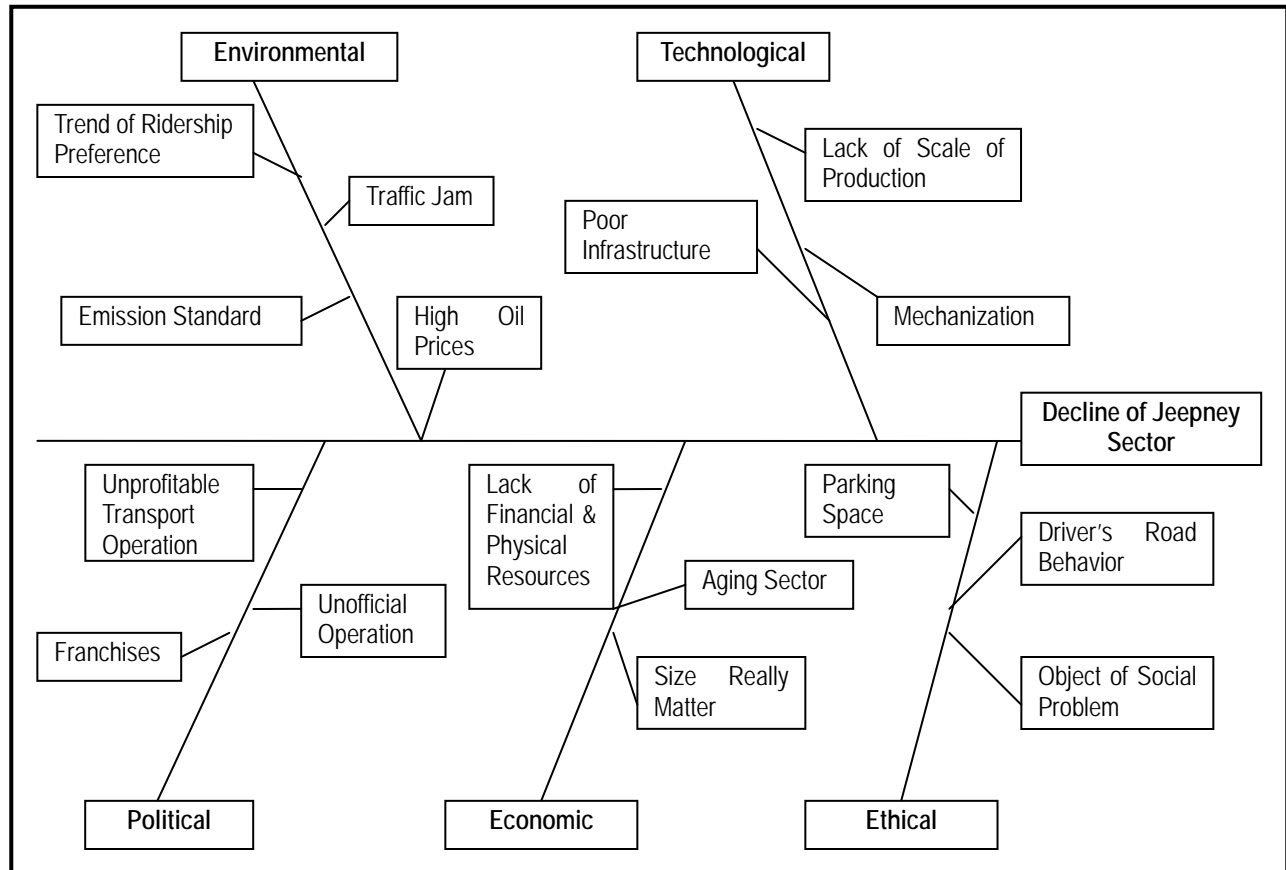
### 4. Empirical Results and Analysis

In this chapter, the causes of the decline of the automobile industry have been combined it all together in analysis using the Fishbone/Ishikawa diagram (Ishikawa, 1985). Using the model, the author find it appropriate for analyzing the material that have been investigated in order to keep the focus on the data analyzed.

A Fishbone diagram helps to investigate a specific problem and recognize the main areas of fault that can lead to the problem. For each area of fault, the causes can be identified. The major purpose of the diagram is to act as a first step in problem solving by generating a comprehensive list of possible causes. It can lead to immediate identification of major causes and point to the potential remedial actions or, failing this, it may indicate the best potential areas for further exploration and analysis. At a minimum, preparing the diagram will lead to greater understanding of the problem or it get to the heart of most problems. The causes are forces originating from outside of the industry and the business environment, and most are beyond the control of the industry itself. These causes can influence the course of events in the decline of the industry. Each sectors in the Philippine automobile has

its own similarities with its set of category, however, they have different causes under its categories as shown in Figure 1.

**Figure 1**  
**Fishbone Diagram for Jeepney Sector**



#### 4.1 Environmental

##### 4.1.1 Emission standard

In Asian countries like the Philippines, motorization is strongly pushed by the use of over aged vehicles with particularly low environment. Makers use second-hand Japanese engines, reconditioned or overhauled and fitted to the newly assembled PUJ body. The common perception that a Jeepney is old, inefficient and notorious smoke belchers and older vehicles burn more fuel, which carries the risk of increasing air pollution due to exhaust gas (Kirby, Tagell and Ogden 1986a; Kirby, Sayeg and Fehon 1986b). Emission is also a major issue raised by environmental NGO on the removal of Jeepneys such as non-compliance on removal of thermostat and emission gas recycling (EGR) in late model engines (Diaz 2002; Susan, 2003).

#### **4.1.2 Traffic Jam**

High population density, low passenger car ownership and high use of public transportation make the Philippines look environmental friendly. Filipino perceive traffic congestion as their number one problem, the primary cause of which is the PUJ. They are often regarded PUJ as a symbol of an uncivil society, stopped abruptly in front of passengers, dropped passengers anywhere they requested, creating instant bottleneck of every crossing by their roach-like numbers, low cruising speeds, low acceleration rates, and forced its way back into traffic (Palmiano et. al, 2003). According to Metro Manila Planning Transportation Study, the urban traffic situation to which the ever-increasing PUJ contributes is becoming worse.

#### **4.1.3 Trend of Ridership Preference**

With the introduction of Asian Utility Vehicle (AUV) such as Mega Taxi franchise vis-à-vis the fall of PUJ franchise in Metro Manila. AUV, there were vehicles, similar to the PUJ, whose low technology and absence of frills made them suitable for standardization. An alternative transport vehicle which is a multi-purpose, reasonably priced vehicle designed specifically for the Asian market to transport people and cargo, and it also explained the growth in the taxi-shuttle service business.

#### **4.1.4 High Oil Prices**

The recent escalation in oil prices is threatening the viability of the land transport sector which is heavily dependent on fuels. Since the government will not be able to grant direct subsidies may have to be worked out to keep the PUJs running. The policies governing the Philippine oil industry are not only ridden with loopholes, it is a clear example that deregulation has failed in the Philippines.

### **4.2 Technological**

#### **4.2.1 Mechanization**

An ideology of development that acquaints modernization with mechanization and transformation with the replacement of things new which required complex technological processes and large units of production. PUJ have little place in this ideology. There are inevitably seen as low, old-fashioned, primitive and un-productive, the remnants of a period that Philippine is in a hurry to leave behind, rather than as urban based asset in need of improvement.



**Table 2**  
**Enterprising Jeepney Business in the Philippines**

| Business Name                | Armak Motors          | Double AA Motor Works                             | EM Motors             | Francisco Motors Corp.                     | Hayag Motor Works   | JD Motors             | Pasajero Motors Corp.   | S. Montreal Motors    |
|------------------------------|-----------------------|---|-----------------------|--|---|-----------------------|---|-----------------------|
| Ownership                    | Single Proprietorship | Single Proprietorship                             | Single Proprietorship | Corporation                                | Single Proprietorship                                       | Single Proprietorship | Corporation   | Single Proprietorship |
| Size of the Business         | Medium – sized        | Micro – sized                                     | Micro – sized         | Large – sized                              | Small – sized   | Micro – sized         | Large – sized   | Micro – sized         |
| Any Tie-up Business Relation | Independent           | Independent                                       | Independent           | Former Mazda Motor at present Isuzu Motors | Independent   | Independent           | Daeyang Heavy Industrial Corp, Hino Motors, Scandanavian Motors | Independent           |
| Years of Establishment       | 1979                  | 1998  | 1998                  | 1947                                       | 1972  | 1998                  | 1984  | 1999                  |
| Years in the Business        | 27 years              | 8 years   | 8 years               | 59 years                                   | 34 years  | 8 years               | 22 years  | 7 years               |
| Total Number of Employees    | 60 employees          | 8 just add employees if there's a number of order | 20 employees          | Former 700 employees to 150 at present     | 50 employees at present, it started with 1 employee in 1972 | 30 employees          | 373 employees   | 10 employees          |

Note: Classification of Business Size – Based on Department of Trade and Industry (DTI) as of January 2004.:

- Micro (Capitalization of 1 to 3 Million Pesos) (\$19,231 to \$57,692).
- Small (Capitalization of 3,000,001 to 15 Million Pesos) (\$19,231 to \$57,692)
- Medium (Capitalization of 15,000,001 to 100 Million Pesos) (\$288,462++ to \$1,923,077)
- Large (Capitalization of 100,000,001 Pesos and above) (\$1,923,077++ and above)

#### 4.2.2 Poor Infrastructure

Minimal traffic signs and few signals in operation, and that are in places so potholed that a moonlike landscape is created (Fujino et. al 2005). An adequate number of policemen or officers who will remain in their posts even when it rains are lacking. Serious flooding problems are experienced over large city districts or on flat streets that have clogged-up drainage inlets. Streets are further reduced in usable width by uncollected piles of garbage or business activities and pedestrians spilling over the sidewalks; they are constricted by illegal parked cars. The major cause is the claim that the government is poor.

#### 4.2.3 Lack of Scale of Production

Typically, established platforms and older technology are used for these local markets, with some modification for different conditions. They lack independent industrial base in which they can demonstrate fundamental technological capabilities. Economic development and industrialization has been achieved by providing a wealth of low-cost labor; and encouraging the assembly sector, with its

weak technology base. They lack the required scale of production that would justify cost-saving technology transfers.

### **4.3 Political**

#### **4.3.1 Franchises**

Sales of PUJ units plunged because the Land Transportation Franchising and Regulatory Board (LTFRB) cancelled the issuance of franchises to PUJ lines as well as offering incentives to transfer units to others, but let other public transportation vehicles get incentives.

#### **4.3.2 Unprofitable Transport Operation**

Public transport fares have become an important political issues and it is not surprising that efforts are made by government to keep public transport fares low. The Jeepneys still manage to make a profit, but with the rise of oil price more than doubled, it eating-up the income of operators and drivers.

#### **4.3.3 No Government Support and Program**

PUJ sector have been totally left-out of the government's planning with much concentration on the brand New Car makers and somewhat imported used car trading with much investment in the economy. The current budgetary constraints of the government severely limit the type of assistance it can extend to the land transport sector (Alshuler et. al 1981). Since they have not been helped earlier, they seem to think that the government cannot do much to assist them. Similarly, in regard to the problems of inadequate skills and training, 100 percent do not think that the government can help.

The political climate of the Philippines, however, a number of policies that could positively affect industrial change for the PUJ sector simply have no chance of implementation. Ironically, much of the skepticism that Filipino express about the role of government could take in industrial adjustment stems precisely from disappointment over past government failures at propping up standardized industries. Government and academics keep studying and doing research but the problem is when the study is already finished, there is no funding to make the project visible. The budgetary are going nowhere. The symptoms of this problem are many: there is no strategy for the sector with priorities on what to do, how, when, where is a patchy system of maintenance.

#### **4.3.4 Unofficial Operation**

The number of PUJs actually operating is considered to be far more than those officially registered. In addition, many of the existing routes are different from those

in the Land Transportation Office (LTO) list. This implies that: many PUJs are not officially registered at LTO. These vehicles which operate as if they have permits are called 'colorum' or illegal vehicles or illegal operated vehicles (Kurukawa & Iwata, 1984).

## **4.4 Economic**

### **4.4.1 Aging Sector**

PUJ represent the older sector tend to show a retardation in output and employment growth and its aging stage eroded its competitiveness, in logic sense they are losing the economic race. A plan of the government to phase-out PUJ operation by the year 2010 in which it will only promote PUJ as a tourist vehicle roaming around tourist places in Metro Manila (LTFRB, 2006).

### **4.4.2 Size really matters**

Neglect of small businesses stems from modernization preoccupations with 'big is beautiful' concept that stressed the economies of scale available to large companies in industrial sectors where mass production was prevalent (Armstrong, 1993). Certainly, this argument has much truth in automobile industries where large firms can compete. The PUJ for number of decades tends not to graduate from the size category with an exception of few companies with international tie-up.

### **4.4.3 Lack of Financial and Physical Resources**

In spite of being a positive force in the development process in terms of employment generations, the PUJ sector has been faced with numerous problems. An important one has been lack of physical and financial resources usually referred to as lack of credit facilities for product expansion or more emphasis on lack of human resources for quality and managerial improvements necessary to enhance technical efficiency, which will enable very small firms to survive stiff competition and to advance forward into the formal sector (Barwell et. al, 1985).

## **4.5 Ethical**

### **4.5.1 Object of Social Problem**

Prejudice blame PUJ for many social problems as well. Mass-migration to the cities and the growth of urban slums. Outlying slums and squatter settlements contain practically no jobs, so that survival depends on making a trip into the city to find work (Hayashi et. al, 2004). People fortunate enough to have worked in the city must depend on packed PUJs.

#### **4.5.2 Drivers' Road Behavior**

Metro Manila drivers are generally known to be aggressive. This is observed to be even more conspicuous near PUJ stops where there are more tendencies for both transit vehicles and other vehicles to perform aggressive lane changing and swerving. This behavior results in frequent unavoidable braking and affects lane utilization (Regidor, Okura & Nakamura, 1999). Thus, it can be said that such phenomenon results to shift of users' choice.

#### **4.5.3 Parking Space**

A major existing physical deficiency of the PUJ service in Manila is almost complete absence of parking and waiting space at trip terminal points (Palmiano 2000; Palmiano et.al 2003). These locations, where large volume of passengers and vehicles congregate to find each other occur at ordinary street crossings within the suburban areas.

### **5. Implication towards Development Approach of Jeepney Industry**

The development approach offered for the guidance of policymakers for the citizen to get the most economic and social benefit for the Philippines from the existence and potential of jeepney industry:

#### **5.1 Preserving Filipino Ingenuity**

The Philippines is well-known for the ingenuity of its people. This is nowhere reflected than in the diversity of transport vehicle available. Jeepney which is a testimony to the craftsmanship of the Filipino. An enterprising vehicle that continues to provide livelihood for the Filipinos, cheap transportation for the poor, employment for the unemployed, vocation for the uneducated, recognition for the unknown artist, and manifestation of entrepreneurial spirit of the Filipinos. Jeepney makers made no effort to make it into Western style bringing to bear the resources of modern science and technology, not by exact imitation of the latest methods used in industrialize advanced countries but by selective adaptation, they make every effort to push its image as far as it can go, seeing to it that nobody ever mistake them for somebody else's (Torres, 1979).

#### **5.2 Promotion of Growth and Development**

Modernization of business and management were most small industry like the jeepney lags behind all aspect but with a commitment to promote marketing, personnel relations and training, financial planning, and the other elements in

efficient conduct of a manufacturing enterprise. The object of small industry policy is not to keep industry small but to help worthy small industry to grow. Encouragement and help should be provided to stimulate the growth of jeepney makers in terms of capacities, skills and responsibilities, of those entrepreneurs and artisans, who demonstrate outstanding ability.

### **5.3 Adaptation of Technology to Local Condition**

Jeepney industry need to be brought in touch with the best production methods which are the most appropriate for their circumstances. Methods used in the highly industrialized countries have to be adapted to fit such conditions to small and more isolated markets, scarcer and more expensive capital, more abundant and cheaper labor, and differences in climate and physical resources.

### **5.4 Management Improvement**

This is the key to development of efficient manufacturing. In many newly industrializing countries the low technology factories, indigenously managed factories lag very far behind the large, foreign-managed ones in knowledge and application of effective management methods. Often this is more important than mere size in determining ability to compete and grow.

### **5.5 Financial Assistance**

Financial institutions or government bodies should promote financial assistance which offer loans on terms favorable than those given to large-scale industries and tax incentives for small and medium-sized jeepney enterprises and for jeepney makers export-oriented activities.

Instead of planning of abolishing the jeepneys, people should look at the brighter side. Jeepneys are going to be with us for the rest of our lives, so the only solution is to learn to live with them and make the best of them.

## **6. Conclusion**

This study points the way to transformations required in old forms of jeepney industry, toward new and more promising forms that are in keeping with the needs of nations moving from a traditional to a modern economy. It is a mistake, in most industrialization programs, too little attention has been paid to the benefits to be gained by helping existing small industry to modernize and by stimulating the growth of new, modern small factories. It has been neglected.

There was every reason to believe, that the Philippine jeepney industry will continue to be made in volume for sometime to come and few makers will radically improve

their work over the years ahead. However, it faced basic dilemmas: the rise of automakers industrial modernization, spread of imported used car traders, unsupportive government, public critics, fuel-efficiency vehicles, and emigration of the young educated in the city are among likely the future trends, which the jeepney industry is being squeezed more and more by those forces that have come to dominate the Philippine economic system which is probably will end without life support. For the near term, success or failure of each jeepney maker as informal industry probably depends as much on the secular trends of its product, domestic competition, and the vagaries of people perception towards true Filipino ingenuity of craftsmanship.

The exceptionally ambitious jeepney artisan seeing small enterprises that have managed to find a place in the industrial scene is encouraged to set up his own independent shop or factory. A few will be successful and their ventures will grow. Even though many such attempts fail, the fact that it is possible for a man to try, and to have a reasonable chance of succeeding especially where a small industry development program offers him helpful advice and makes financial and other services available is a significant factor in creating an open economy where people see that there are many avenues of advancement.

## Endnotes

1. The National Capital Region (NCR) or known as Metropolitan Manila is the capital of the Philippines and among the world's thirty most populous metropolitan areas.
2. Acknowledgement: Faith flourishes in the garden of gratitude to all respondents whom the researcher is indebted to their cooperation and open arms, to my advisers Prof. Hiromi Shioji D. Econ. and Asst. Prof. Junko Watanabe for continues guidance, to Mr. Henry L. Tan and Prof. Emmanuel Torres for their constructive criticisms and suggestions to the development of this research, and special thanks to Mr. Sherwin C. Tan.

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