

# Port Contribution to the Calapan City Development in the Province of Oriental Mindoro, Philippines

Asia Pacific Journal of  
Multidisciplinary Research  
Vol. 4 No.4, 64-69  
November 2016 Part II  
P-ISSN 2350-7756  
E-ISSN 2350-8442  
www.apjmr.com

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*Date Received: October 1, 2016; Date Revised: November 10, 2016*

**Abstract** – *The study assessed the extent of port contribution to the Calapan City development in the province of Oriental Mindoro, Philippines. It used descriptive research designed and involved 20 arrastre and PPA personnel, 5 ship managers, 10 truckers and 15 passengers who were purposively selected, came from Calapan City, represented significant contribution specifically using the port and could give knowledgeable information on port activities. It also utilized open-ended questionnaire and unstructured interviews. The study found out that Calapan City Port contributed to the development of the city in terms of agriculture and trade and industry to a very high extent. However, Calapan Port only contributed to the development of Calapan City in terms of tourism, education, health finance and power/energy and telecommunication only to a high extent. An accounted data on inbound and outbound of products, commodities and people who make use of the port for socio-economic functions should be presented with due concern to the city government of Calapan so that a combined effort for further improvements of key areas should be undertaken jointly by Philippines Port Authority and the city's concerned agencies. A further and deeper study with due consideration of other Philippines Port Authority (PPA) - managed ports in Oriental Mindoro which cover various variables as contributions of local government units to port development, needed services by port users and PPA's organizational climate and culture should be undertaken by future researchers.*

**Keywords** – *port contribution, socio-economic development, port users, descriptive research and qualitative analysis*

## INTRODUCTION

Economic development principally serves as the government's core basis in policy formulation. Strategic and comprehensive economic development plan sets the meeting of requirements of key areas to ensure that such an effort purports maximum benefits, that is economic sustainability. Infrastructure, an investment, is a physical agent that helps determine how far and well the pursuit for development could go. Road network, irrigation airport and port facilities offer much assurance. However, there remain some aspects of development that need to be critically examined, not the physical manifestation of it but rather the elements that bring analysis of development on the perspective of macro-economics.

There is now a greater understanding of the profound interaction between international to national factors in the development process and an increasing emphasis on human beings and human potentials as the

basis, the means and the ultimate purpose of the development effort [1].

In a dynamic environment, change is unavoidable. The pace change has become so rapid that it is difficult to compensate for one change before another is necessary. The technological, social and economic environment is rapidly changing, and an organization will be able to survive if it can effectively responds to these changing demands [2].

This trend leads to the emergence of the theory of structural change that focuses on the mechanism by which underdeveloped economies transform their domestic economic structures from a heavy emphasis on traditional subsistence agriculture to more modern, more urbanized and more industrially diversified manufacturing and service economy. These structural changes involve virtually all economic functions including the transformation of production and changes in the composition of computer demands, international trade and resource use as well as changes in socio-

economic factors such as urbanization and the growth and distribution of country's population.

Economic growth has been clearly recognized by economists to have involved more than economic variables. Changing technology has much to do with both economic growth and people's experience of it. While the process of modernization involves change in technology, in social systems, in political and economic institutions, it also involves change in attitude and behavior of people. Whether such changes in people are the cause or effect of technological modernization, it remains a fact that they are important because the beliefs and attitudes of people play a significant role in determining how readily modernizing trends will spread.

Modernization which results from economic development and technological innovation is a process which may specify changes denoting "rapidly widening control over nature through closer cooperation among men."

It includes all other specific changes such as industrialization, rationalization, secularization and bureaucratization. It also is a process by which historically evolved institutions are adopted to the rapidly changing functions that reflect the unprecedented increase in man's knowledge, permitting control over his environment, the accompanied scientific revolution reduced to simple terms, it involves revolutionary changes in general aspects - intellectual, political, economic, social and psychological [3].

Development cannot be seen as an economic affair but rather an overall process which is dependent upon the outcome of men's effort to deal with their environment. It must be seen as a total process which includes economic, political and cultural aspects. [4]

In the Philippines today, development efforts of the national government is oriented towards the attainment and sustenance of an improved quality of life of every Filipino as integrated in the interrelated development goals [5].

The development agenda address concerns pertinent to economic development, productivity and growth, equitable distribution of opportunities, income and wealth including the means of production and poverty alleviation. Towards this end, the centerpiece of the development strategy shall be one that is employment-centered, rural based and one which maximizes the complementary between agriculture and industry .

This notion of development which is anchored on the magical powers of complementing agriculture and industry prompted the Philippine government to provide for the organization of port administration and operations functions. Ports, conceived to be of utmost contribution to agricultural and industrial development, were given prime value by then President Ferdinand E. Marcos through the creation of Philippine Ports Authority (PPA) as incorporated under PD No. 857 (1974) and concurrently amended by Executive Order No. 159 (1987).

Such landmark legislation recognizes the need to integrate and coordinate port planning development, control and operations at the national level and at the same time promote the growth of regional port bodies responsive to the needs of their individual localities. The same decree mandated that harbors and tributary areas have their own peculiar potentialities to be considered in port planning and development.

Aimed at providing the Philippine Ports Authority (PPA) with substantial powers to exercise all the proper powers and functions of a port authority to better carry out the development objectives, Executive No. 159 was executed. The order puts ends to the traditional port administration functions such as revenue collection, harbor maintenance and cargo handling to the exclusion of the port's further utilization and development as a spur for regional growth.

PPA's mandated powers over port development had increased the opportunities of local governments to spur similar program on their own. Calapan Port which started its organization on August 1, 1977 has significantly made noteworthy achievements. It focused on the organization building takeover development of basic management system and the related start up activities. Operating systems were exhausted and several requirements were instituted. Even the capability for undertaking the planning and engineering aspects of the port development was established along with the maintenance, dredging and rehabilitation projects. This development undertakings were conceived as the first Port Development Program for Calapan by the Miescor, supervised by the Philippine-IBRD Fourth Project. Before the initial pace of port development, Calapan's port was considered as a marginal wharf with only 104.5 m. long, a dock area of 2,112 sq. m. or reinforced concrete piles. Other amenities which comprised the old Calapan Port were a 576 sq. m. terminal shed, a 351 sq. m. administrative building and

a 33,400 sq. m. back up area. The project also completed and constructed the passenger pier, RO-RO ramps, rehabilitation of additional back up area with shore protection, dredging, conversion of existing transit shed into a passenger terminal, office space and other structures and facilities, installation of power, water and drainage system and fencing, and concrete paving of parking and open storage areas. The result of which was: reclamation of back up areas with shore protection, passenger terminal, expanded marshaling areas of cargo vehicles, improved ro-ro ramps, complete lighting system and water system, transit shed and dredged berthing places of big vessels.

Closely related to the present research study is that of Theory of Social Change by Durkheim [6] who says that economic development only occurs in the community if the need is perceived by the people who depend on the social, economic and political agenda of a nation. Calapan City Port is said to have contributed to the development of Calapan City. The same thing is true that social and economic activities have become complicated that undoubtedly introduced developments of many kinds. The port is also acknowledged to have improved government service that brings comfort and convenience to the populace. Finally, the port is hailed for increasing the quality of life of Calapeños because of the delivery of basic services for health, education, trade and industry finance, agriculture, power and energy and transportation and communication.

Durkheim expanded this theory by saying that the beneficiaries of economic changes are bonded by common outlooks, values, ideas and life principles wherein development evolves from simple to highly beneficial ones. The organizations, states and entities delivering economic benefits, in particular, accompany social advancements and political awakening as chain reaction wrought by the program.

In view of the above premises, the researcher feel very inspired to investigate the extent of contribution of port development of Calapan City, Oriental Mindoro, Philippines. This research study is undertaken in Calapan City where the arrastre and PPA personnel, ship owners, truckers and passengers were particularly involved covering the fiscal year 2016.

#### **OBJECTIVES OF THE STUDY**

This study determined the port contribution to the Calapan City development in the province of Oriental

Mindoro, Philippines in terms of trade and industry, agriculture, tourism, education, health, finance and power/energy and transportation/communication.

#### **METHODS**

The study utilized the descriptive research designed and involved 20 arrastre and PPA personnel, 5 ship managers, 10 truckers and 15 passengers. The respondents purposively selected in this study were categorized as those coming from Calapan City, Oriental Mindoro, Philippines those who could represent a significant contribution, specifically using the port and those who could give knowledgeable information on port activities. Aside from open-ended questionnaire, the researcher also conducted unstructured interviews to gather more insights from the respondents. Qualitative discussions were presented and analyzed in order to arrive at meaningful conclusions and recommendations.

#### **RESULTS AND DISCUSSION**

The port users assessed that the port contribution to the Calapan City Development determined by trade and industry is very high. This simply means trading and industry has been significantly improved because Calapan City Port serves as the mode by which business activities take place. Specifically, the port users revealed that Calapan City Port enabled businessmen and traders to expand and deal with clients inside and outside the city to a very high extent. To a very high extent, the port has also facilitated business transactions and provided employment opportunities. To a very high extent, the port contributed to smooth completion of tie-ups and investment agreements among businessmen. The port has lured investors to a very high extent. Finally, there is a very high extent dramatic increase of goods and commodities brought in and out of the city.

Calapan City Port has better served the interest of traders and businessmen because it helps facilitate transactions. Port, as an economic infrastructure, could be a spur for economic development. This could be attributed to the port's current condition where both fast craft vessel and ro-ro ships ply Calapan-Batangas route with a minimal travelling time consumed. This implies that business people are easily attracted to Calapan City. The fact that Calapan City Government is prepared to making itself a conducive place for business, Calapan City Port will ultimately be of great contribution to this end. Philippines Port Authority

management will then be able to realize that the port's further development ensures full development and growth of the local economy.

To a very high extent, Calapan City Port has contributed to the development of the city as determined by agriculture. The port users admitted that capitalists of agricultural product could easily get back their cash outlays because fast decaying commodities are promptly transported via Calapan Port. To a very high extent, agriculture is made as an alternative source of livelihood, back loads and products easily carried inside the city and transport products outside Calapan City.

Calapan City port has significantly contributed to the improvement of the city's economic condition considering agriculture as determining factor. Subsequent development of the agriculture sector could be accounted for by the fast return on investment of farmers due to facilitated transportation of farm goods and other agricultural products, including livestock. This trend is a direct result of rapid introduction of fast crafts that limits loading of passenger via roro vessels which have almost become exclusive for cargo handling. Thus, waiting time for loading/unloading and the cargo owners' inconvenience are substantially reduced. Today's development at Calapan City Port may be conceived as the springboard of all these changes that have occurred.

To a high extent, Calapan City Port has made significant development in tourism industry of Calapan City. Calapan City Port serves as a showcase of attractive economic development they described to a high extent. To a high extent, the port users indicated that Calapan City Port serves as an effective means for tourists' fast and convenient travel. In the same manner, the port users perceived Calapan City Port to have served as entry point of tourist who travel to local destinations, as contributory factor to Department of Transportation and Communication's eco-tourism development program and as venue to create revenues from tourism.

Calapan City Port has provided tourists the access to reach local destinations in the city and in the province. Calapan City Port has significantly helped promote tourism industry development which concurrently lures investors to put capital on development of possible tourist centers and destinations.

The contribution of Calapan City port to the development of education is described to a high extent. The port has helped facilitate travel of students involved in educational tours they described to a very high extent. This points out that the presence of fast craft vessels offering round trip tour in Calapan City - Batangas City route has made educational institutions interested with educational tours. Such has become very easy to do that enhances student's learning. To a high extent, the port serves as carrier of educational/instructional materials used by students. Access to study advance graduate programs outside Calapan City has been provided to a high extent. Finally, the port has also increased students' opportunities to be abreast with technologies used in educational process to a high extent.

Calapan City port is very instrumental in the high extent of development of education in Calapan City. Educational institutions and members of the academe greatly appreciate the contribution of Calapan City Port by valuing its importance in educational development. Students on particular become interested to pursue graduate studies in Manila because they know they could comfortably travel back and forth anytime. The delivery of all educational materials has been made very easy. With these educational advances occurring in Calapan City, the port is conceived to have made a very significant contribution.

The effect in the development of health has been described to a high extent. It means that all technological advances are directly attributed to the proper operations of Calapan City Port by the Philippines Port Authority. The port helped transport medicines, medical equipment and medical goods and provided access for travel of patients under emergencies. This means that medication of patients under critical conditions has become quite easy nowadays due to Calapan City Port. While the province is said to be still lagging behind in medical science, the port helps people avail of the advance and reliable medical services outside the city. To a high extent, the port users opined that Calapan City port has facilitated entry of medical/dental missions and allowed tie-up of the city hospitals with those in the nearby cities. The contribution of Calapan City Port is not only limited to some areas of the city's agriculture and tourism but also of health.

Available means of transportation which medical practitioners find possible through Calapan City port

makes them choose Calapan City as beneficiary of medical/dental projects. The same also goes through with other areas of medical services in the province done through medical tie-up program. One thing that provides proof to this observation is that Calapan City has become very reachable because of port where fast craft ferries ply from and to. In this sense, the people, particularly the poor, will be much benefited by medical services they desire as hospitals in the province could now afford to offer services comparable to those outside the city. All these are attributed to the presence of Calapan City port.

The effects and contribution of the port to the development of the city is described to a high extent. It means the field of finance has greatly contributed to the aspired development of the city. The port has induced investment described to a high extent. To a high extent, tax earnings of the city has increased, completed financial transactions of businessmen, increased job opportunities and also developed business in the city.

Calapan City Port has been highly instrumental in creating Calapan City a favorable environment for business in terms of finance that lures businessmen, capitalists and investors. This goes parallel with the idea of businessmen that one factor and amenity important in investment is the presence of means of transportation. Calapan City port could ensure investors of an easy return on their capital because the community is conducive for business operations, be it capital or labor intensive.

Generally, Calapan City port has spontaneously transformed the city into a viable investment hub which could be proven by the increasing number of large scale, medium-scale and small scale business entities

Calapan City could directly owe its present economic development from the presence of Calapan City port. This trend would continue provided Calapan City port maintains functioning better and fulfilling its purpose.

Power, energy and telecommunication has contributed to the development of Calapan City through its port. The port has served as means in carrying communication equipment of telephone companies, to a high extent. Calapan City port is also perceived to have improved power and energy because equipment for electrification are transported through it and at times it has served as a mooring facility of power barge, to a high extent. Finally, Calapan City port has also been credited as

instrumental in developing telecommunication and transportation facilities in the province that is described to a high extent.

Calapan City Port plays a vital role in the felt improvement of transportation, communication and power and energy in the entire province. The presence of roro vessels is, in fact, the reason why all these developments are currently taking place. In the area of telecommunication, this is evidenced by the booming telephone business operations in the city. Meanwhile, in the area of power and energy, electrification program becomes apparently improving insofar as installation of transmission lines and service drops are at their height, done by the Oriental Mindoro Electric Cooperative (ORMECO).

Calapan City is fast growing and developing in terms of the mentioned indicators above due mainly to the presence of Calapan City Port. This goes to prove that a locality's port is greatly contributory to the aspired economic and social development of Calapan City where its people are the beneficiaries. In this event, port, as an economic infrastructure serves many ultimate purposes to realize development because it provides the most viable access to the city.

As a show window of Calapan City, its port becomes principal attraction for businessmen and investors and as means of transportation of agricultural producers, traders and industry owners which both help uplift the economic status of the city, making this a very conducive and lucrative environment to host businesses.

## **CONCLUSION AND RECOMMENDATION**

Calapan City Port contributed to the development of the city in terms of agriculture and trade and industry to a very high extent because agriculture based businessmen, traders and industry owners make use of the port which proves Calapan City remains dependent on agro-industry. However, Calapan Port only contributed to the development of Calapan City in terms of tourism, education, health finance and power/energy and telecommunication only to a high extent. Calapan City proves to be quite growing fast because of a marked improvement in these factors.

An accounted data on inbound and outbound of products, commodities and people who make use of the port for socio-economic functions should be presented with due concern to the city government of Calapan so that a combined effort for further

improvements of key areas should be undertaken jointly by Philippines Port Authority and the city's concerned agencies. A further and deeper study with due consideration of other Philippines Port Authority (PPA) - managed ports in Oriental Mindoro which cover various variables as contributions of local government units to port development, needed services by port users and PPA's organizational climate and culture should be undertaken by future researchers.

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