Introduction

In the Philippines, jeepneys are the most popular motorized land transport mode used by commuters. Although considered a paratransit, jeepneys are the backbone of transportation in both urban and rural areas (Romero et al. 2014; Mettke, Guillen, and Villaraza 2016; Boquet 2017; Mateo-Babiano et al. 2020). In Philippine urban areas, public transportation constitutes 80 percent of the overall ridership and trips, of which 40 percent are served by jeepneys. According to Pante (2016), one in five Metro Manila commuters rely on jeepneys for their daily transportation needs.

Informality in transportation, which includes paratransit, is not a deliberate policy choice. Rather, it is a result of unfulfilled public demand, which is not met by existing formalized supply (Cervero 2000). Jeepneys fill in gaps in public transportation supply (Mendoza 2021) “either as a feeder mode complementing other types of public transport, or supplement the lack of transport service provision in an area” (Mateo-Babiano 2015, 9). For commuters, jeepneys provide affordable, accessible, convenient, and versatile public transportation.

- **Affordable.** It is easily one of the cheapest modes of public transport in the country. Jeepney fares are easily affordable; before the pandemic, a trip of four kilometers costed PhP 8–10.
- **Accessible.** Prior to the pandemic, there were around 300,000 jeepneys in the country (Mendoza 2021). Among these jeepneys, 73,000 were in Metro Manila. The 685 jeepney routes in Metro Manila allowed commuters to secure a ride within 500 meters (Mettke, Guillen, and Villaraza 2016).
- **Convenient.** Jeepneys provide point-to-point transportation services, allowing passengers to embark and disembark at any point along a fixed route (Otsuka 1986). Furthermore, the convenience offered by jeepneys
is considered a valuable attribute, particularly given the country’s tropical climate (Mateo-Babiano et al. 2020).

- **Versatile.** Mendoza (2021) also notes that jeepneys play a crucial role in transporting agricultural produce and fisheries, and supporting numerous small businesses.

As Mettke, Guillen, and Villaraza note:

> Jeepney operation is a major source of jobs and income. It provides income to a large number of drivers, “barkers,” mechanics, and workers through its supporting businesses, including assembly plants, repair shops, and filling stations. (2016, 18)

From their roots as leftover American military jeeps that were transformed to paratransit, jeepneys are undoubtedly a product of Filipino ingenuity, resourcefulness, and resilience. Local companies such as Sarao Motors and Francisco Motors pioneered this development after World War II (Mendoza 2021). In addition to addressing gaps in public transport, jeepneys have evolved to be an important symbol of Philippine culture (Romero et al. 2014; Mateo-Babiano 2015).

**“Reducing” Carbon Emissions, Scrapping Traditional Jeepneys**

The Paris Agreement in 2015 introduced the decarbonization policy, which compels governments to undertake national measures to tackle the climate crisis through their Intended Nationally Determined Contributions (INDC). In 2017, the Philippine government ratified the Paris Agreement, cementing its place in the country’s national policy. Although the Philippines’ INDC lacks specific and detailed implementation plans (CEED 2018), a government measure to reduce carbon emissions and achieve the country’s climate goals is the Public Utility Vehicle Modernization Program (PUVMP) introduced by the Department of Transportation (DOTr) through Department Order No. 2017-011 or the Omnibus Franchising Guidelines (OFG). Spearheaded in 2017 by the Department of Transportation (DOTr) with the Land Transportation Franchising Regulatory Board (LTFRB) and the Land Transportation Office (LTO), the PUVMP aims to improve the currently unsafe, unhealthy, unreliable, and uncomfortable public transportation system. The PUVMP seeks to replace it with a more comfortable and environmentally sustainable system, which can provide a more pleasant commuting experience (DOTr 2017).

Although the PUVMP covers all public utility vehicles (PUVs) that have been in operation for at least 15 years, the government singled-out traditional jeepneys. Their reason is that 90 percent of them fall into this category (DOTr 2017), with the justification that jeepneys are major contributors to road traffic and carbon emissions, and they likewise pose public health and safety risks (Mendoza 2021). Under the PUVMP program, traditional jeepneys with internal combustion engines will be phased out and replaced with modern jeepneys equipped with engines that conform to the emission requirements specified by the Department of Environment and Natural Resources (DENR) (Mateo-Babiano et al. 2020; Mendoza 2021).

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2 It is important to note that the number of jeepneys (270,000) is only a fraction of the total number of vehicles in the country (12.25 million) (Agaton et al. 2020). According to De Torres (2021), there are significantly more private vehicles than public utility vehicles—which includes jeepneys—with a 25:1 ratio in Metro Manila. Jeepneys constitute only 2 percent of all registered vehicles.

The latest Annual Average Daily Traffic (AADT) released by the Metro Manila Development Authority (MMDA) in 2021 shows that jeepneys only contributed 2.30 percent to the total annual average daily traffic, while private cars accounted for 43.75 percent.

The International Labour Organization (ILO) (2014) also notes that even with their reputation as smoke belchers, the jeepney’s high carrying capacity makes it an efficient mode of transportation that can help reduce traffic, fuel costs, greenhouse gas emissions, and air pollution. As Mendoza (2021) and Velasco (2023) emphasize, it is unreasonable to single out jeepneys for the traffic jams, road accidents, air pollution, and carbon emissions in the country.
Transfer of Burden to the Transport Workers and Commuters

Modern jeepneys, which cost around PhP 2.8 million as of 2023 (Ramos 2023), will have to be shouldered by jeepney drivers and operators. Even though they will be assembled locally, modern jeepneys are priced high due to the use of imported parts and equipment sourced from huge corporations abroad (e.g., Isuzu, Hyundai, Hino Motors, Mahindra, Foton, etc.). In fact, costs significantly increased from PhP 1.4–1.6 million in 2018 to PhP 2.5–2.6 million in 2020. In 2023, costs have risen to an estimated PhP 2.8 million (Mendoza 2021; Ramos 2023). A traditional jeepney, in contrast, ranges from only PhP 200,000 to PhP 400,000.

A jeepney operator, on average, earns a daily gross income of PhP 2,500 to PhP 3,000. Expenses—fuel, maintenance, and payments for the jeepney driver (typically at PHP 500)—reduce that income. The cost of a modern jeepney is well beyond the price of a traditional jeepney, and greatly exceeds the financial capacity of jeepney drivers and operators.

Although the PUVMP has structured loan programs through the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP), given the economic realities of jeepney drivers and operators, these programs are insufficient. Subsidies offered to the jeepney drivers and operators start at PhP 80,000 and later increases to PhP 160,000. These subsidies only cover around 5 percent of the total cost of a modern jeepney in 2023 (DOTr 2020). Access to these programs are restricted to cooperatives who have obtained a franchise from the LTFRB.

According to the OFG of the PUVMP, for jeepney drivers and operators to be registered with the LTFRB and eventually acquire the aforementioned loan programs, they must first surrender their individual franchise or provisional authority and consolidate them into a single franchise by registering with the Cooperative Development Authority (CDA), and getting accreditation from the Office of Cooperatives (OTC). The cooperative or corporations under the PUVMP are required to have a minimum number of 15 modern jeepneys operating on a particular route. Only then can they be qualified or awarded a franchise by the LTFRB to access the loans.

Jeepney drivers and operators face significant challenges in gaining access to the loan programs due to the consolidated franchise being a critical prerequisite. Before the LTFRB can issue a franchise, requirements include:

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3 Modern jeepneys are also required to have air conditioning; free internet connection; automated fare collection system; closed-circuit television (CCTV); global position system (GPS) sensors; dashboard cameras; speed limiter; automatic braking system; and accessibility features for persons with disabilities (PWDs).

4 Kumar, Zimmerman, and Arroyo-Arroyo (2021, 100) note that in Metro Manila, nearly 80 percent of jeepney operators only own one unit, while less than one percent have ten or more jeepneys.

5 Loan terms are as follows: a minimum of 5 percent equity from the cooperative with the loan value at 95 percent of the cost of modernized jeepneys, a 6 percent interest per annum, and a 7-year repayment period (DBP n.d.; LBP n.d.).
Cooperatives must acquire their own garage. This requirement presents challenges, as they must locate and purchase the garage independently. The process of finding and buying a garage is arduous, without any form of assistance from the government. Moreover, noncircular routes must secure garages at both ends of the route. The garages should have the following: a maintenance bay, a check-up bay, refueling and/or clearing bays, restrooms, and a waiting and resting area.

A Local Public Transport Route Plan (LPTRP). Both the preparation by the LGUs and approval of LPTRPs by the LTFRB and DOTr have previously been delayed. Subsequent steps, such as franchise issuance and loan acquisition, were thus stalled (Move as One Coalition 2021). As of November 2021, only 65 LGUs have approved LPTRPs (Pontawe 2022), against a total of 1,715 LGUs in the country (DILG 2022).

Cooperatives also incur additional expenses through franchise consolidation fees required by the OTC. These fees amount to PhP 300,000 for their consolidation, plus an additional charge of PhP 20,000 per modern jeepney unit (Mateo-Babiano 2020; Bendana 2023).

The forced surrendering of individual franchises and mandatory franchise consolidation is widely viewed by jeepney drivers and operators as a massive confiscation of their individual franchises. These, in particular, pose a grave threat to the survival of jeepney drivers and operators. For them, their individual franchises are their “lifeline” (Mendoza 2021, 38) that allow them to continue their livelihood as transport workers, and earn and sustain themselves and their families. The jeepney drivers’ and operators’ fear of losing their livelihood is shared by the thousands of other workers whose livelihood is similarly tied to the jeepney industry.

Moreover, in the process of forcibly replacing traditional jeepneys with modern ones, they will be overwhelmed by unmanageable costs, potentially leading to insurmountable debt.

FIGURE 2 ▶ Jeepney drivers and operators show calls condemning the phaseout of jeepneys, and demand public transportation that favors the masses.

Source: PISTON

Similarly, commuters will bear the costs of “modernizing” jeepneys, since cooperatives will need to generate higher daily earnings to cover the high acquisition costs of the modern jeepney. Cooperatives also have to shoulder the additional expenses associated with the PUVMP, including land purchase, garage construction, consolidation fees, and repair and maintenance expenses.

For a modern jeepney that is valued at PhP 2.5 million, a daily income of PhP 6,899 is necessary to offset the cost of modern jeepneys. In order to cover the acquisition costs, fares may reach as high as PhP 34 for a modern jeepney with 200 passengers a day (Mendoza 2021). In 2023, modern

According to the DOTr (2017, 6), the LPTRP is “a plan detailing the route network, mode, and required number of units per mode for delivering public land transport services.”
jeepneys plying the Cubao-Silangan route in Metro Manila already have a PhP 7,000 daily quota. According to Mendoza (2021), higher transport fares may have a ripple effect, leading to increased transportation costs for food and other goods, ultimately resulting in a rise in the cost of living for millions of households.

The assembly of modern jeepneys’ parts and equipments within the Philippines “is very low and slow,” with “only 1,000 units per year” ready for service. Therefore, “it will take 70 years” for all traditional jeepneys to be “replaced” in Metro Manila, and “270 years” for the whole country (Mendoza 2021, 18–19). The phaseout of jeepneys, coupled with the lack of a viable alternative, may exacerbate the transportation crisis and create a significant gap in the country’s transportation supply. Nonetheless, for Mendoza (2021, 39), the PUVMP is a “big business opportunity for [local] assemblers and [foreign] manufacturers.”

The PUVMP’s provisions and mandated conditions provide a window of opportunity for the corporate takeover of small-capacity public transportation in the Philippines through (1) forced confiscation and forfeiture of individual franchises (see next section); and (2) inaccessibility and inadequacy of financial programs. Corporations may take charge of routes previously serviced by jeepney drivers and operators who could not “modernize,” or by cooperatives bankrupted by loans for the acquisition of modern jeepneys. Only large corporations possess the financial capacity and resources to complete the requirements of the program without significant financial strain. This may lead to the further marginalization of jeepney drivers and operators, and the concentration of market control in the hands of corporate entities. Business magnates Manny Pangilinan and Manny Villar have already started to venture into transport services, through their investments in Byahe and MetroExpress Connect Inc, respectively (Moto PH 2018; Rosales 2022).

The privatization of public transport frequently leads to higher fares for commuters (Guzman 2020) and poorer service, as observed in the case of the privatization of the country’s train system (IBON 2015).

**Heightened Marginalization Amidst the Pandemic**

Thousands of transport workers in the jeepney industry have lost their livelihood and source of income since the pandemic-related restrictions were imposed in March 2020. The limited assistance from the government has been extremely insufficient, forcing many drivers to resort to begging on the streets for money and food (De Torres 2021; Aggabao, Belarmino, and Velasco 2022).

Although subsequent transitions were made to allow mobility, the process of normalizing the operations of public transport has been “prolonged, painstakingly slow, and uncertain” (Aggabao, Belarmino, and Velasco 2022, 23). The LTFRB has yet to open numerous jeepney routes, forcing drivers out of work in search of other means of earning a living. From 300,000 traditional jeepneys operating before the pandemic, numbers significant dropped to around 180,000.

Passenger capacity limits were also imposed to follow health protocols during the height of the lockdowns, leading to lower daily earnings for jeepney drivers (Aggabao, Belarmino, and Velasco 2022).

The government’s insistence in implementing the PUVMP has significantly impacted the drivers and operators of traditional jeepneys. Already struggling to survive amidst the looming threat of the jeepney phaseout, drivers and operators also had to cope with the pandemic (Aggabao, Belarmino, and Velasco 2022).

Since the pandemic in 2020, LTFRB has ceased to accept new and renewal applications for franchises (of traditional jeepneys and other public utility vehicles)
and has only issued provisional authorities in place of such.\(^7\)

Jeepney and PUV operators who refuse and are unable to consolidate their individual franchises are permitted to operate only until the deadline set by the LTFRB. The former perceive this arrangement as a scheme to gradually dispossess them of their individual franchises, since failure to comply with the consolidation requirement will lead to the revocation of their franchises. The National Union of Peoples’ Lawyers Panay Chapter (2023) notes this as an abuse of state power and a violation of the constitutional rights to freedom of association and rights to due process. Jeepney and PUV drivers’ and operators’ (1) have the right to refuse to form or join a cooperative or organization; and (2) have not violated any law.

### The Need for a Worker-Led, Pro-People Just Transition

Since 2017, transport groups have strongly opposed the PUVMP. Transport groups emphasize that the program has resulted in the displacement of current workers in public transportation, particularly those in the informal and small-capacity transport sectors, as well as the exacerbation of already precarious living conditions. The program has also opened the public transport service to privatization and monopoly of huge corporations, which eventually may reduce commuter access to affordable public transport. In March 2023, transport groups organized a strike to demand the repeal of the OFG and a comprehensive reform of the PUVMP. Commuter and biker groups also expressed their support for the transport groups by participating in the strike.

\(^7\) All PUVs are entitled to certificates of public convenience (CPC) also known as franchises as a form of authorization for their operation as a public service (RA No. 4136; RA No. 11659). A PUV franchise can be renewed every 5 years. According to LTFRB Memorandum Circular No. 2020-027 and 2020-084, a provisional authority is merely a ‘special permit’ granted by the LTFRB to any person who intends to operate their PUV while their franchises or CPC applications are pending with the agency. The expiration of a provisional authority depends on the issuances of the LTFRB in implementing the OFG.
participation of the stakeholders, especially of the marginalized, is essential.

2. **Promote genuine cooperativization.** Uphold the transport workers’ right to freedom of association and the right to organize.

   Genuine cooperativization enables the government to assume responsibility for public transport by collaborating with drivers and small operator cooperatives for collective bargaining, management, and operation of the industry. This approach can facilitate the eventual nationalization of public transit, whereby the government assumes full responsibility for managing and running the industry. To achieve this, the government must respect the transport workers’ right to freedom of association and right to organize.

   In contrast to the cooperative model mandated in the OFG and PUVMP, which requires drivers and small operators to relinquish their individual franchises through the consolidation requirement when forming or joining cooperatives, a truly cooperative model allows for independent control by each operator over their individual franchises.

3. **Rehabilitate existing modes of public transportation.**

   Rather than solely focusing on modernizing jeepneys, the government can explore alternative solutions to reduce carbon emissions without burdening transport workers and commuters. The government can provide greater subsidies and finances to transport workers in rehabilitating traditional jeepneys. Similarly, they can provide other incentives (e.g., capacity strengthening, livelihood support), rather than phasing out traditional jeepneys in favor of expensive imported vehicles.

4. **Recognize public transport as a public good.**

   The government should reverse its privatization policies in public transport and establish a fare-setting policy that is “founded on the principle that public transportation is a service that has to be reliable, safe, and affordable to commuters” (Balangue 2017). This acknowledges that public transport is a public good that should not be handed over to huge corporations and their profit interests.

5. **Invest in the local transport industry.**

   There should be public investment in the local transport industry—from manufacturing, assembly, and repair. This will enable engines, vehicle parts, and other technologies to be procured domestically and used for public transportation. This will likewise allow the creation of humane and regular employment opportunities, especially for those unemployed or are in precarious employment.

6. **Develop and implement a comprehensive national transportation plan anchored on national industrialization and economic growth.**

   The public transport modernization program should be guided by a comprehensive national transportation plan that promotes national industrialization, economic growth, and rural development.

   Key features of these plans may include the development of both high-capacity and small-capacity public mass transport systems; the promotion of active transport; the construction

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8 Broadly, the Just Transition approach is widely acknowledged as a means of shifting away from an unsustainable and unjust economic system characterized by the unchecked exploitation of natural and human resources to benefit a privileged minority. It calls for transitioning towards an economy that recognizes ecological limitations and fosters inclusive and equitable development, particularly for marginalized sectors of society. Although Just Transition’s primary focus is the climate crisis, it remains firmly rooted in the interests of workers and the labor movement (CEED 2018).
of necessary infrastructure for road-sharing and green open spaces; and the provision of other sustainable modes of public transport. To avoid displacement, it is important to incorporate participatory mapping with marginalized communities and involve them in the planning and development of onsite and/or in-city housing.

The International Transport Workers’ Federation (2022, 19) emphasizes that “[c]hanges towards low-carbon urban transport systems need to move beyond technological fixes and incorporate the needs of urban transport workers and [affected] communities as a priority in planning, design, and implementation.” A worker-led, pro-people, and just transition in public transport goes beyond trying to lower carbon emissions from urban transport systems. It incorporates the voices and needs of transport workers, and other affected and marginalized sectors, in responding to the climate crisis, achieving both climate and socioeconomic justice (ITF 2022).

References


blind-side-of-the-governments-jeepney-modernization-program/


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