

# PHILIPPINE PLANNING JOURNAL



INSTITUTE OF PLANNING

● VOLUME IV NUMBER 2 APRIL 1973 ●  
● VOLUME V NUMBERS 1 & 2 OCTOBER 1973 - APRIL 1974 ●



● QUEZON CITY: CINDERELLA CAPITAL OF THE PHILIPPINES ●  
● THE POVERTY EXPLOSION: POPULATION GROWTH AND INCOME  
DECLINE IN DAVAO CITY, 1972 ● □ ● PLANNING MORE POVERTY:  
COST AND CONSEQUENCES OF SQUATTER REMOVAL IN LANANG  
DISTRICT, DAVAO CITY ● □ ● URBAN PLANNING: A CURBSIDE  
VIEW ● □ ● GOVERNMENT REORGANIZATION AND REGIONAL  
PLANNING ● □ ● THE ELEMENTS OF DEVELOPMENT PLANNING ●  
● URBANIZATION AND AGRARIAN REFORM: SELECTIVE DECEN-  
TRALIZATION ● □ ● RURAL PEOPLE AND CHANGE: A DISSENTING  
VIEW ● □ ● THE GOVERNMENT WELFARE PROGRAM AND POVERTY  
IN THE PHILIPPINES ● □ ● PLANNING NEWS ● □ ● ● □ ●

# PHILIPPINE PLANNING JOURNAL

**INSTITUTE OF PLANNING • UNIVERSITY OF THE PHILIPPINES • Volume Four Number 2 April 1973  
Volume Five Number 1 October 1973  
Volume Five Number 2 April 1974**

## **BOARD OF EDITORS**

Raymond J. Apthorpe  
Benjamin V. Cariño  
Tito C. Firmalino  
Asteya M. Santiago  
Lourdes F. Mencias  
Eli M. Remolona

## **MANAGING EDITOR**

Natividad Ma. P. Reyes

## **PHOTO AND ART EDITOR**

Marcelino T. Mañozca

## C O N T E N T S

- 9 Quezon City: Cinderella Capital of the Philippines  
*Salvador P. Lopez*
- 15 The Poverty Explosion: Population Growth and Income  
Decline in Davao City, 1972  
*Robert Hackenberg*
- 45 Planning More Poverty: Costs and Consequences of  
Squatter Removal in Lanang District, Davao City  
*Beverly Hackenberg*
- 65 Urban Planning: A Curbside View  
*Mary Racelis Hollnsteiner*
- 73 Government Reorganization and Regional Planning  
*Tito C. Firmalino and Adrienne Agpalza*
- 85 The Elements of Development Planning  
*Jesus P. Estanislao*
- 97 Urbanization and Agrarian Reform  
*Asteya M. Santiago and Gerardo S. Calabia*
- 115 Planning News
- 120 Index of Articles in the Philippine Planning Journal
- CRITIQUE :**
- 121 Rural People and Change: A Dissenting View  
*Eli Remolona*
- 127 The Government Welfare Program and Poverty in the  
Philippines  
*Elnora M. de Guzman*

*The faculty and staff of the  
Institute of Planning,  
The University of the Philippines System  
express their profound sorrow over  
the untimely death of  
Prof. JAGDISH PRASAD SAH  
who selflessly served the Institute as  
Visiting Professor and UNDP Consultant  
for three years*

*and*

*whose warm and genuine  
friendship left in everyone  
a lasting impression.*

To his memory this special issue of the  
Philippine Planning Journal is dedicated.



# EDITORIAL

## COMPREHENSIVE IS MULTI-SECTORAL AND MULTI-LEVEL PLANNING

Since the Institute of Planning, University of the Philippines System (IPUPS) started operations in 1966 its work has developed from 'physical' planning somewhat narrowly conceived to 'urban and regional' planning in a broader sense. To this extent 'environmental' is no longer the best term to describe the kind of planning in which the Institute is principally engaged now in its teaching, research and consultancy alike. The contents of this triple issue of the Journal illustrate something of the wide range of cross-disciplinary concerns currently in the forefront of IPUPS projects. It is, however, with deep sadness that first of all we have to record the death of our colleague, Jagdish Prasad Sah. Asian town and country planning studies have suffered a great loss in his premature passing after an illness, the IPUPS and the projects associated with it particularly. We dedicate this issue to his memory.

One of the great strengths-in-diversity of educational and research organizations in the Philippines lies in their multiplicity. If it could justly be said that, in some situations this multiplicity has sometimes over-multiplied, with confusion and non-communication burgeoning as a result, this must not blind us to the advantages of organizational independence in other contexts. There is a very strong tradition of social science and public policy analysis in the country as a whole and happily it has taken many forms. The contributions to this issue have been drawn from some of the most productive of the leading educational and research institutions throughout the entire archipelago.

Our first article, partly based on some material which the Institute was invited to provide, is a powerful plea for national capital planning by the President of the University of the Philippines System, Salvador P. Lopez. It was first delivered in the form of a speech before the Quezon City Rotary Club, 29 October 1973. We hope very much that its publication here will help revive what lately has become a somewhat flagging initiative in urban development planning at a time when the future governmental and administrative structure of the entire primate metropolitan region in the Philippines is under review. The planning problems for a capital should of course be approached in the light of this urban-regional considerations. Also to be taken into account are the plans, to which the IPUPS has contributed extensively, to concentrate all government regional offices in each Region into a Regional Capital. The dialogical relationship of 'regional' to 'national' is important at all levels as in all sectors.

Next there are companion pieces on urban planning and poverty in Davao City by Robert and Beverly Hackenberg, of the University of Colorado's Institute of Behavioural Studies. They have spent several periods over a number of years researching in Mindanao with the Davao Action Information Centre. The results of their work, which was financially supported locally by the Philippine Business for Social Progress, already amount to a major contribution to Asian secondary or non-metropolitan urbanization. And there are more yet to come.

Given that the stated main objectives of national development planning in the country stress equity and social development, the findings of this Davao research are of nothing less than shattering significance. While neither the authors individually nor this Journal would argue that wrong physical planning alone is the only factor worsening urban poverty rather than alleviating it, it has now been shown unmistakably that certainly physical planning can be an important contributory factor. The findings of this Davao research, taken in the context of Philippine urban policies and planning as a whole, suggest in effect that all urban planning in the entire country should pause and reflect for a moment, long and hard, on what damage it may be doing to the

realization of the stated national goals of socio-economic development.

As this goes to press it has been announced that a City Planning Board is being set up in Davao City, on which citizen representation would be effected through the Coordinating Council of Davao Organizations. It is a condition of all financial support for research provided by the Philippine Business for Social Progress that it should from the outset be organized in such a way that its results could be fed into action programmes. The decision to set up this City Planning Board was a result of the PBSP seminar specially held in Davao in July to review the Action Centre's findings.

Primary urbanization studies are represented in the next contribution, by the Director of the Institute of Philippine Culture, Ateneo de Manila University, Mrs. Mary Hollnsteiner. It was read originally at the SEADAG urban development Panel at Bali this year. It is but one of a series of papers by her deriving principally from experience with urban frontier settlements in the Tondo district of Manila. Currently both the IPC and the IPUPS are assisting in research and planning for Tondo Foreshore development project in an attempt to improve channels of both information and action alike. There is still, however, a great deal to be achieved in development concepts for this as for other urban areas where conflicts of planning standards can reach even higher intensities than elsewhere. The increasing corpus of Tondo studies, to which the Tondo Foreshore Development Project and associated work assisted by the Presidential Task Force on Human Settlements as well as other bodies is at present making a further most useful contribution, is ripe now for an overall synthesis.

Next there is a review of regional planning organizations in the country contributed by two IPUPS staff members, Tito C. Firmalino and Adrienne A. Agpalza. They provide us with a useful brief introduction to this relatively new development in Philippine planning. As new initiatives are still being explored actively in the public sector, they ask us to say that an addendum may be necessary very soon.

Without regional planning, there can be no national planning which could be meaningful in

other than merely abstract terms. Unfortunately, central has been confused with national planning. Integrated or comprehensive planning must be inter-level, as well as inter-sectoral. Some of the present concerns in the Philippines with regional planning are beginning now to understand this perfectly. Over the past year especially many of the special seminars which have been organized by the Institute up and down the country in association with other bodies have laid emphasis on an approach to regional planning which, while it is contextually oriented by central planning, is not treated simply as just derivative from it.

The next contribution is a philosophical reflection on some basic principles of planning, by the Executive Director of the Centre for Research and Communication, Manila, Jesus P. Estanislao. It is based on part of a series of study sessions on national administration for development held at the Centre this year in honour of Armand Fabella of which the complete record is available (in mimeo) as Economic Policy Series, Monograph 1 of the Centre, entitled "The next five years: issues and prospects for the Philippine economy." Cooperation between the IPUPS and the CRC has been established principally in the National Framework Plan (formerly the National Physical Planning Strategy) in which the Department of Public Works, Transportation and Communications and the Development Academy of the Philippines have also collaborated.

The final article is based on the work of an IPUPS research team specially composed to undertake a study jointly with the Department of Agrarian Reform of the Government of the Philippines. Its full report (in mimeo) submitted in two volumes earlier this year 'A study of growth centers and areas for future urban expansion in land reform areas', comprises a great deal of data and analysis. Only part of its concluding chapter, written by Asteya M. Santiago and Gerardo S. Calabia in the main, is published here. Being specifically addressed to areas of competing claims between rural land transfer and urban growth and the resolution of such conflicts it is a pioneer work of pivotal importance in Asian urban and regional planning.

Then follows a new department in this journal, Critique, devoted to the creative art form of the book, plan or project review that would be nothing if not provocative. In due course, we would be pleased if the authors of the works reviewed, whether as spirits possessed or dispossessed or in another mood, would respond in like manner. We would aim at a critical exchange of ideas with personalism left as far behind as possible.

To begin with a bang this new department starts in this issue with two contributions, by Eli M. Remolona and Nora M. de Guzman, two of the 1974 IPUPS graduates. Their essays were originally prepared (in the courses conducted by Professors Apthorpe, Cariño and Rañoa) towards the requirements of the IPUPS Master in Environmental Planning. That both are concerned primarily with social aspects of development planning only goes to show the importance these have in the Philippines at the present time and the extent to which this is seen as crucial by the new planners particularly.

Finally, our Planning News. In this issue this is comprised principally by a short record of the main IPUPS activities over the year 1973-74. It is followed by a list of the contents of all previous issues of this Journal. In preparation for our next issue is a complete list of the projects of the IPUPS since its inception on which reports are currently available either for consultation in the library of the Institute or for purchase. Also in the next issue of the Journal there will be an announcement of the far-reaching curriculum changes that have been decided upon in pursuit of an even more comprehensive approach than the Institute has attempted thus far.

—R.J.A.

# JAGDISH PRASAD SAH

TOWN AND COUNTRY PLANNER

1929-1974

Asian planning studies suffered a great loss with the death in May of the town and country planner, Jagdish Prasad Sah, U.N.D.P. Expert on Metropolitan Regional Planning and Visiting Professorial Lecturer at the IPUPS since his arrival in the Philippines in August 1971.

His schooling began in his hometown, Nainital, Uhar, Pradesh, India. His higher education was at Lucknow University where he obtained a bachelors degree in law, his masters degree in economics, and a diploma in public administration. He was a member of the Indian Economic Service serving finally as Economic Planner and Chief of the Economic Division in Town and Country Planning in the Ministry of Works and Planning. During his last 20 years, he served several Government of India organizations including the Taxation Enquiry Commission, 1953-55 and the Planning Commission, 1955-58. As associate planner and chief from 1958-60 of the Fiscal Planning Section of the Town Planning Organization of the Ministry of Health, he collaborated in the preparation of the Master Plan for Delhi. He has also been a consultant to ECAFE and the United Nations Centre for Housing, Building and Planning on urban land economics and housing and a

member of a top level UN Expert Working Group on Urban Land Policies.

No one had achieved more professional expertise than he in his chosen field of special interest in urban land policy in the continental context of all Asia. Happily he lived long enough to see his achievement begin to win the recognition it so much deserved. At the time of his death, he was advising the Government of the Philippines on Metropolitan land development in the course of his work with the Manila Bay project and the Presidential Task Force on Human Settlements at the Development Academy of the Philippines and the Department of Public Works, Transportation and Communications. His crowning work, *Urban land policies and land use control measures in Asia and the Far East* was published by the United Nations shortly before his illness.

His wife, Usha, his inspiration and life's partner, and his sons, Rakesh, Sameer and Rohit, have suffered the heaviest loss of all that it is possible to suffer. But all his friends and colleagues at the IPUPS/UNDP, and the Metro-Manila Planning Project, have their own adjustments to make also to their work without him.

## A BIBLIOGRAPHY

Studies prepared by him (\*) or with which he was one of those most actively associated (\*\*)  
other than his Philippine studies include the following:

- |   |   |
|---|---|
| Urban Land Policies and<br>Land Use Control Measures<br>Volume II, Asia and the Far East*           | United Nations, New York, 1973<br>Document No. ST/ECA/167/Add. 1.<br>Sales No. E73.IV.6   |
| Control and Planned Development of<br>Urban Land:<br>Urban Land Use Control Measures*               | United Nations<br>Document No. ESA/HBP/ACS/7 dated 11 August 1971<br>Also reproduced in the Philippine Planning Journal,<br>Vol. III, No. 2, April 1972   |
| Land Policies for Urban<br>and Regional Development*  | United Nations, New York, 1971<br>Document No. E/CN11/1003, Sales No. E.72.II.F.11  |
| A Note on Urban Land Policy*  | Prepared for the Ministry of Health,<br>Government of India, New Delhi, 1961  |
| Land Use Patterns of India's<br>Cities and Towns**  | Town and Country Planning Organization<br>Government of India, New Delhi, 1966<br>Also published in "Rural and Urban Planning Thought"<br>Journal of the School of Planning and Architecture,<br>New Delhi, (India).          |
| Report of the Committee on<br>Urban Land Policy**   | Ministry of Health,<br>Government of India, New Delhi.  |
| A Survey of Urban Land Values in<br>Selected Cities and Towns of India**                            | Town and Country Planning Organization<br>Ministry of Works and Housing,<br>Government of India, 1965   |
| Master Plan for Delhi**   | Delhi Development Authority   |
| Population Trends in the<br>ECAFE Region*   | United Nations, New York, 1971<br>Document No. E/CN.11/1003, Sales No. E.72.II.F.11   |
| Economic Development<br>and Spatial Planning in India*  | A paper contributed to the<br>Symposium on Collaboration of<br>Africa and Asia for the Promotion and<br>Utilization of Science and Technology,<br>New Delhi, April 25 to May 2, 1966.<br>(Also published in EKISTICS, Athens) |
| A Direction for the Future<br>(Policy Frame for Urban Development<br>in the Fourth Five Year Plan)* | The Design, New Delhi<br>October 1964   |
| Five Year Plans for our<br>Cities and Towns*  | Journal of the Institute of Town Planners (India),<br>March 1964, No. 38.   |

Municipal Government and  
National Planning in India\*

Working Paper on Law  
and Urbanization in India\*

Report of the Committee on the  
Development of Small Town in  
Hill and Border Areas\*\*

The Squatters of Delhi\*\*

Municipal Government in Goa –  
Some Basic Issues in  
Evolving A New Set-Up\*\*

Problems of Housing Finance and  
Investment with Special Reference to  
India\*

Revolving Fund – A Technique for  
Financing Public Housing Programmes\*

Finance of Housing and  
Urban Development\*

Planning Programming &  
Budgeting System in  
British Regional Planning\*

Administrative and Financial  
Implications of  
City Development Plans\*

Interim General Plan for  
Pondicherry\*\*

First Report of T.C.P.O.  
Panel on Development Plan for  
Greater Bombay\*\*

City Development Programme for  
Aurangabad\*\*

Institute of Public Administration  
Lucknow University, Lucknow

Law and Urbanization in India  
The Law Institute of India, New Delhi, 1970

Ministry of Health,  
Government of India, New Delhi

An Interim Report of a  
Sample Survey of Delhi's Squatters.  
Town and Country Planning Organization,  
Government of India, New Delhi, 1970.

Report of an *Ad Hoc* Expert Group,  
Town and Country Planning Organization,  
Ministry of Health, Government of India, 1965.

A discussion paper submitted to the  
National Buildings Organization and  
ECAFE Regional Housing Centre,  
New Delhi, June 1964.

Published in SELECTED PAPERS FROM  
SYMPOSIUM ON HOUSING FINANCE,  
National Buildings Organization and  
U.N. Regional Housing Centre (ECAFE)  
New Delhi, 1966.

South and Southeast Asia Urban Affairs Annuals,  
Volume II (in Press)

Paper prepared for and submitted to the  
Regional Office of the Ministry of Housing and  
Local Government, Birmingham, U.K., 1969

Indian Institute of Public Administration,  
1965

Town and Country Planning Organization,  
Ministry of Works, Housing and Urban Development.  
Government of India,

Town and Country Planning Organization  
Ministry of Works, Housing and Urban Development  
Government of India,

Town and Country Planning Organization,  
Ministry of Works, Housing and Urban Development  
Government of India,

City Development Programme for Jaipur, (Jaipur)\*\*

Town and Country Planning Organization  
Ministry of Works, Housing and Urban Development  
Government of India,

A Note on Local Taxation\*

Submitted to the Taxation Enquiry Commission,  
Government of India, 1953

Municipal Revenues in India –  
A Perspective\*

Paper contributed to  
the Seminar on Municipal Government,  
Department of Public Administration,  
Punjab University, Chandigarh (India) 1964-65.

Some Aspects of Financial  
Administration of Local Bodies in  
India\*

Paper contributed to  
the Seminar on Municipal Government,  
Department of Public Administration,  
Punjab University, Chandigarh (India) 1964-65

Financial Structure of  
the Nainital Municipality\*

M.A. Thesis, Lucknow, University,  
Lucknow, 1951

Municipal Finance in Delhi –  
A Historical Survey (1947-57)\*\*

Town Planning Organization,  
Ministry of Health,  
Government of India, 1960.

On Grants-In-Aid\*

Papers No. 2 to 9, Financing the Plan Series,  
Town Planning Organization,  
Ministry of Health,  
Government of India, New Delhi, 1958-61

Shared Revenues –  
The Motor Vehicles Tax\*

Shared Revenues –  
The Entertainment and Betting Tax\*

Taxation of Floating Population –  
A New Source of Local Revenue\*

Fees and Fines as  
a Source of Municipal Revenue in  
Delhi\*\*

Papers No. 2 to 9, Financing the Plan Series,  
Town Planning Organization,  
Ministry of Health,  
Government of India, New Delhi, 1958-61

Municipal Taxes on  
Arrivals and Vehicles in Delhi\*\*

Rents and Prices as  
a Source of Municipal Revenue  
in Delhi\*\*

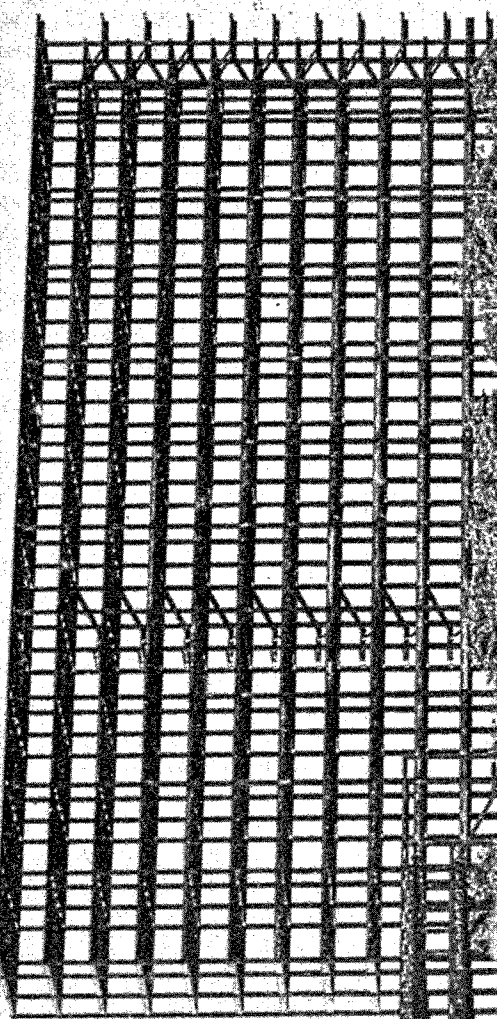
Some Aspects of  
Municipal Water Supply Services in  
a Few Cities and Towns of India\*\*

Central Regional and Urban Planning Organization,  
Ministry of Health  
Government of India,

Third Plan Programme for  
Municipal Medical Services in  
Delhi and its Financial Implications\*\*

Town Planning Organization,  
Ministry of Health  
Government of India,







# QUEZON CITY: CINDERELLA CAPITAL OF THE PHILIPPINES<sup>1</sup>

SALVADOR P. LOPEZ  
President,  
University of the Philippines System

On October 12, 1973, Quezon City celebrated the 44th anniversary of its foundation with a mass at the city hall quadrangle and a parade of movie stars. Such an observance is just about what one might expect to see in a typical chartered city of our country. Quezon City, however, is not an ordinary chartered city; it is, to quote Republic Act No. 333 approved on July 17, 1948, the "*capital of the Philippines and the permanent seat of the national government.*" Accordingly, the anniversary program might well have included in lieu of the parade of movie stars a candid speech by the Mayor on the frustrations and missed opportunities of the past twenty-five years, and in the mass a special prayer that Quezon City would begin fulfilling its promise and mission as the capital of the Republic.

Republic Act No. 333 laid down the initial steps to make Quezon City the premier city of the Philippines. First, a commission was created to prepare a general development plan of the new capital city. Secondly, the President of the Philippines was authorized to issue bonds in an amount not exceeding ₱20 million for the acquisition of private estates, the subdivision of the area and to finance the construction of municipal improvements including streets, waterworks, sewerage, etc. And finally, the geographical area of Quezon City was enlarged tenfold — from 1,572 hectares to 15,660 hectares — so as to provide enough publicly-owned land for the new government center.

<sup>1</sup>Speech delivered before the Quezon City Rotary Club, October 29, 1973.

The Capital City Planning Commission was given a clear and specific mandate:

The general plan, the proper zoning and subdivision of the Capital City of the Philippines . . . shall have as their general purposes to guide and accomplish a coordinated, adjusted, harmonious construction and future development . . . which will, in accordance with present and future needs, best promote health, safety, morals, order, convenience, prosperity, and general welfare as well as efficiency and economy in the process of development; including, among other things:

- adequate provisions for light and air;
- the promotion of healthful and convenient distribution of population;
- the promotion of good civic design and arrangement;
- economic, wise, efficient and equitable expenditure of public funds; and
- the adequate provision of public utilities and other public improvements.

## Vision of 1949

The Commission was composed of Juan M. Arellano as chairman, Salvador Araneta, Ponciano A. Bernardo, Manuel Mañosa, Pio Joven, Jose Paez and Ernesto D. Rufino as members, and Cesar H. Concio as executive secretary. The Commission solicited the professional advice of Dr. Jose Feliciano, then Chairman of the U.P. Department of Geology and Geography, regarding the choice of Quezon City as the site of

the new government center. His advice was that the rock formation of the Quezon City and Novaliches region was more stable than the present alluvial and delta deposits of Manila.

What were the main outlines of the 1949 vision of Quezon City? Let me quote a few lines from the report of the Arellano Commission:

In planning the new Capital City, the Commission took into initial account the role that the city is destined to play; politically, as the seat of the national government; aesthetically, as the show place of the nation, a place that thousands of people will come to visit as an epitome of the culture and spirit of the country; socially, as a dignified concentration of human life, aspirations, endeavor and achievement and economically, as a productive self-contained community.

In the new Capital City, the Commission sees not only the beautiful seat of our country's government, but more important, a site on which 200,000 families will have the chance they could not have otherwise, of owning their homes; of leading useful, healthy and happy lives.

This new Capital City where our constitutional offices will function in an atmosphere of dignity, freedom and human happiness will rise as the citadel of democracy in the Orient.

### Basic Recommendations

This grand vision could only be realized, the Commission emphasized, if the following were to be done:

First, transform the Commission into an agency with executive authority.

Second, acquire without delay privately-owned land needed for roads and other essential public services as well as land for housing projects at prices prevailing at that time. (Prophetically, the Commissioner warned: "Delay in getting such lands will result in grief later.")

Third, transfer land-use control from the city authorities to the Commission, including the levying and collection of special assessments on privately-owned land whose values were sure to rise tremendously because of government expenditures for roads, etc.

As is well known, nothing came of the well-conceived master plan of the Arellano Commission.

### A Melancholy Memorial

Today, a quarter of a century later, it is a sad experience to ride around the Elliptical Road in front of Quezon City Hall, along the grand curving axis of Commonwealth Avenue towards the site of the national capitol. The first sight that greets the eye is: the broad expanse of untended lawn around the Quezon monument, the only central park of a capital city in the civilized world I know that is surrounded by a wire fence in order to prevent people from entering and enjoying it — a park completely untended, unlighted, undeveloped, abandoned to the weeds, where the only visible improvement is a psychedelic multicolored fountain that sometimes works. It is a melancholy memorial to the great man it is supposed to honor, and his ghost, from the vantage point of the nondescript monument erected to immortalize him, must glower in Quezonian wrath as it contemplates, beyond the confines of the neglected park:

:a city hall complex of indeterminate architectural style compounded of meaningless form and pretentious bombast;

:a cluster of pedestrian government buildings that have become obsolete and no doubt inadequate in only twenty years;

:a Cubao area that exemplifies all the worst features of urban blight, a modern replica of the Quiapo area, except that it is perhaps just a little more shabby, disorderly and chaotic;

:colonies of squatter shanties mushrooming in all directions, excelling those of Tondo and San Nicolas in squalor, their endless proliferation encouraged by a policy of permissiveness;

:pot-holed, unpaved and unlighted streets, with open sewers and without sidewalks, for the most part bare of vegetation except for a few withered or dying coconut trees; and

:to the northeast, at the capitol site, the lugubrious skeleton of the new Legislative

Building and the unfinished Commission of Audits.

All these remind us of a dream city that has so far remained a dream because of irresponsibility, improvidence and the Filipino trait of *ningas kugon*.

### Washington, Brasilia and Canberra

If Quezon City today is the capital city of the Philippines only in name, the explanation may well be that it makes no sense to transfer the nation's capital from one city to another that rivals in filth, ugliness and squalor. There would be no profit in that. But, rather than indulge in these frustrating thoughts, we might more usefully consider what other countries have done to establish a new national capital. What accounts for the successful planning and development that made Washington, D.C., Brasilia, Ottawa, Canberra, New Delhi, and Chandigarh such attractive focal points of national endeavor and aspiration?

The origins of Washington, D.C. are associated with Presidents George Washington and Thomas Jefferson, as well as with Major Pierre Charles L'Enfant, the French military engineer who drew the first comprehensive plan for the federal city. Between 1802, when it was incorporated by the U.S. Congress, and 1871, Washington was governed by a mayor and an elected local assembly. Since 1873, however, with the merger of Georgetown and Washington into the District of Columbia, a three-man commission has administered the capital city with the U.S. Congress exercising sole legislative power.

We find a similar situation in the case of Brasilia, capital of Brazil. Under the first Republican Constitution of February 24, 1891, a 5,560 square-mile area in the central highlands was declared as state property whereon a new national capital would be built. On September 18, 1946, the Chamber of Deputies decided to move the nation's capital from Rio de Janeiro to Brasilia. Work on the final location and start of construction really made headway when President Getulio Vargas used the authority of his office to effect the transfer of the national capitol. To this end, NOVACAP

(Nova Capital) was created in 1956 by the Brazilian Congress. It forthwith announced a national competition open only to Brazilian architects, engineers and urbanists for a general design for the new capital. Thus, in a record time of only three-and-a-half years, Brasilia was built along the lines of the original design submitted by the architect and urbanist Lucio Costa. The major buildings in Brasilia, however, were designed by Oscar Niemeyer.

As in Brasilia, where the Brazilian nation owns all the lands of the federal capital, we find a similar situation in Canberra, the federal capital of Australia. Although the present site was selected and the boundaries fixed in 1906, the rapid development of Canberra occurred only after World War II when a National Capital Development Commission was created and given the responsibility for the "planning, development and construction of Canberra as the National Capital of the Commonwealth." Unlike Brasilia, however, the master plan of Canberra was prepared by not a national but an American landscape architect, Walter Burley Griffin, who won over other international competitors in 1911.

### Chandigarh – an Asian Miracle

Some will say that it is not fair to compare Quezon City with Washington, D.C., Canberra and Ottawa, which are the capitals of three affluent countries. On the other hand, Brasilia and New Delhi are the capitals of two large countries that are as poor and underdeveloped as our own. Then, of course, there is the highly instructive and pertinent example of Chandigarh, the capital of the province of Punjab in India. Let me quote what one student of Chandigarh has written about it:

The creation of such a city represents an enterprise of unusual daring and magnitude for a relatively undeveloped country. Chandigarh was conceived in a time of crisis. India, newly independent, had just been partitioned amid violence and confusion, and was torn within by political conflict. It was in the face of this crisis that the new city was planned as a symbol of the creative strength of the new republic. The city as realized represents to a large extent the determined vision of two men, Pandit Nehru, who as Prime Minister of India

placed his political power behind the project, and the architect Le Corbusier, who found perhaps the culmination of his career in the creation of the master plan of the city and the design of the monumental government buildings in the capital complex.<sup>2</sup>

Norma Evenson in her study wrote that "Although much freedom was given by the Indian officials to Le Corbusier at Chandigarh, the design of the project was subject to three stringent disciplines — money, technology and climate . . . Le Corbusier once remarked that: 'India has the treasures of a proud culture; but her coffers are empty,' and throughout the project, the desire for grandness was hampered by the need for strict economy."

Considering India's poverty, was Chandigarh worth building at all? Miss Evenson's concluding observation deserve serious thought:

At present, the most successful aspect of the city is to be found in Le Corbusier's monumental government complex, for it would appear that Chandigarh, whatever its faults, has succeeded in giving the modern world its most powerful conception of civic architecture . . . The government buildings of Chandigarh represent one of those rare instances in which an architect has been given precisely the right commission for his particular talents, and . . . what might appear a forcefully extravagant gesture for a provincial could be justified by the peculiar circumstances of India. In a country newly independent and in the process of organizing a functioning democratic government of its own, attaching a powerful symbolism of government buildings would not be inappropriate . . .

Moreover, it must be remembered that India comprises a society in which a true civic sense (and a strong sense of national consciousness) is only now being developed intensively . . . For this reason, it is important that the functions of government be surrounded by whatever symbolic grandeur and pageantry can be achieved. It must be remembered that, as many Indians are illiterate, physical symbol must do the work of verbal communication, and as the cathedral of the Middle Ages served to communicate a conception of strength and permanence of the Church, so the civic buildings of Chandigarh may convey something of the importance and dignity of government and of the continuity of the state.

<sup>2</sup>Evenson, Norma. *Chandigarh*. Berkeley: University of California Press, 1966, p. 4.

I visited Chandigarh about two years ago. Although I spent most of my time in the University of Punjab, as shinningly new as the city itself, I had a chance to go viewing the monuments and public buildings, traversing the broad and uncluttered avenues, and inspecting the commercial and residential areas. Le Corbusier's zoning philosophy, based on the principle of cluster-communities, was largely carried out in spite of the constraints mentioned by Miss Evenson. The result is a "dream city" by any standard. But in the context of one of the poorest, most over-crowded and tradition-bound societies of Asia, the achievement of Chandigarh is almost magical — the modern equivalent of a wondrous trick performed by the genie of Aladdin's lamp.

### The Failure of Quezon City

What went wrong with Quezon City? Let's concede the obvious point that we could not have built Quezon City on the pattern of Washington, D.C., Canberra or Brasilia. But it can hardly be said that Chandigarh or even New Delhi, counted with greater material resources than Quezon City. What made the difference in favor of Chandigarh, indeed, what made up for the lack of sufficient resources was the unflagging vision and enterprise that lay behind the building of Chandigarh — the fortunate circumstances that the resolute idealist named Pandit Nehru governed India at this particular point in time, and that he did not allow the politicians, the real estate men and the property-owners to tamper with the blueprint of the city.

What happened to Quezon City is a perfect example of what should *not* happen in city planning. I quote from the *Encyclopedia of the Social Sciences* a brief paragraph from the entry on "City and Town Planning," which is an accurate summary of what has actually happened to Quezon City during the past twenty-five years:

The chief pitfalls in planning probably lie in two directions. The first of these is that of making city planning a mere branch of the real estate business and of seeking the stability of real estate values as its main objective. Much zoning is defective and lacks permanence because it is designed on

the basis of what the owner of property wants and not with regard to what is best for the welfare of the community. The second pitfall is the expenditure of money on extravagant improvements and on schemes of ornamentation of physical features of the city while the appropriation of adequate funds for the conservation of public health and amelioration of living conditions is neglected.

From the experience of the other countries referred to, we note that there are certain common elements which seem to be necessary in order to build a national capital. These are:

1. an earnest commitment on the part of the highest official of the land, who is prepared to use the power of his office and to devote all available resources to achieve this end;

2. creation of a national planning and development authority or corporation to oversee the design and construction of the new city as well as the provision of urban services to inhabitants and visitors (a function normally performed by a municipal corporation);

3. state ownership of land and control of land-use by the Capital Development Authority in the new city; and

4. an imaginative and dedicated urban planner or architect who is a specialist in civic architecture.

### **Making a New Start**

In order that the key elements just enumerated will achieve maximum effect in the establishment of a new capital city, they must also converge at a given propitious time in the history of a particular country. I wish to submit that now is the propitious time to revive the movement to convert Quezon City into the capital city of the Philippines. Certain events occurring in the last few months are converging towards this goal. The first of these was the creation of an inter-agency committee in November 1972 to "study the systems of municipal/city government in metropolitan Manila and to recommend whatever measures of coordination and integration are deemed appropriate." This Committee was headed by Dean Carlos P. Ramos of the Philippine Executive Academy of the University of the Philippines. The main recommendation of this Committee, I understand, is the creation of a Metropolitan Manila Authority, directly under

the Office of the President of the Philippines, to harmonize and strengthen the public services rendered by both the national government and the local governments in the area. In short, the main focus of the inter-agency committee on Metro Manila is the improvement of the quality of selected urban services in the metropolitan region.

More recently, still another inter-agency committee was established, also by the Executive Secretary, to "prepare for and hasten the establishment of the National Government in Quezon City." The main task of this Committee is to select the most suitable site within Quezon City for the national government center, to prepare a plan therefore together with estimates of the funding requirements.

Finally, the recently created Presidential Task Force on Human Settlements headed by Dr. Onofre D. Corpuz is working on a general development plan not only for the country as a whole but more specifically and immediately for the Metro Manila region where the national capital city is located.

I revert once more to the example of Chandigarh at this point only to say that the parallelism is far too eloquent and pointed to be missed. The New Society needs a powerful physical symbol. What would be more appropriate than to make Quezon City truly the capital city of the Republic? As a first step towards the realization of this 25-year old dream, a new National Capital Planning and Development Authority should be created, and its first task should be to pick up from where the 1949 Commission left off.

True, there is no way to wipe off the tragic errors of the past quarter of a century and to begin all over again, as it were, on a clean sheet of paper. But there is still time to save the sheet of paper by covering up past errors or making neat erasures so that these will hardly show.

But the time to do this is now. It's five minutes before midnight, and Cinderella's time is almost up. If Quezon City does not soon find her Prince Charming, she will forever remain the poorest and shabbiest among the sisters, destined to be the maidservant of Manila, Mandaluyong and Makati.





# THE POVERTY EXPLOSION: POPULATION GROWTH AND INCOME DAVAO CITY, 1972<sup>1</sup>

ROBERT A. HACKENBERG  
Davao Action Information Center  
Davao Research and Planning Foundation  
Davao City, Philippines

## Introduction

The growing poverty of rural areas in Southeast Asia is partly the result of unrestricted population increase. An inevitable consequence has been accelerated urban migration involving displaced villagers in search of higher living standards. Since the economic utility of children disappears when families move to the city, it has been expected that urban migration will be associated with declining rates of population growth.

Within the city itself, it is often assumed that upward social mobility will promote reductions in fertility. Low income households,

unable to provide opportunities for their children, may have little motivation to limit their numbers. But middle class families, by restricting reproduction, may generate savings sufficient to either purchase consumer goods or to educate their children, or both.

While the relationship between improving income and declining population growth is frequently assumed, it is seldom measured. Berelson (1969), Davis (1967) and Hauser (1967) argue that urbanization, either alone or in combination with family planning, will have a depressant effect on fertility. Empirical evidence for the association between urban migration, upward social mobility and declining fertility has been presented for Brazil (Hutchinson 1961; Rosen and Simmons 1971) but not for Southeast Asia.

The rapid growth of Southeast Asian cities, if accompanied by industrial progress and improvements in living standards, can provide one facet of the solution to the population problems of this troubled region. Within the Philippines, a secondary urban center such as Davao

<sup>1</sup>Financial support for the Davao Action Information Center is provided in part by a grant from Philippine Business for Social Progress to the Davao Research and Planning Foundation. Participation of Robert A. and Beverly H. Hackenberg has been made possible by Contract No. 72-2797, Center for Population Research, U.S. National Institute for Child Health and Human Development. The author is a Research Associate of the Institute of Philippine Culture, Ateneo de Manila.

City provides ideal circumstances for investigating the relationship between social mobility and fertility under conditions of rapid economic growth. This topic, and the special needs and problems associated with it, is being studied by the Davao Research and Planning Foundation.

With the establishment of the Davao Action Information Center in February, 1972, DRPF began the first of what is to become a series of cross-sectional surveys of Davao City. When extended over a sufficient interval, these studies will begin to disclose trends in social, economic and demographic characteristics of the community. The following pages contain the results of the first survey, for which interviewing was conducted between August and November, 1972.

### **Survey Procedure**

The substance of the report is based upon 999 household interviews, comprising a stratified random sample of three major subdivisions of Davao City:

1. The Poblacion, or Davao City Proper, containing 125 enumeration districts mapped by the Bureau of the Census and Statistics with a 1970 population of 118,995 persons.

2. Selected portions of Buhangin District to the north, including Agdao, Buhangin, Pampanga and Sasa barrios. These areas contained 30 BCS enumeration districts with a 1970 population of 42,688 persons.

3. Selected portions of Talomo District to the south including Ma-a, Matina Crossing, Matina Aplaya, Bucana and Talomo barrios. These areas contained 25 BCS enumeration districts with a 1970 census total of 33,879 persons.

This selection of BCS enumeration districts contained 50% of the population of the entire city in 1970, or 195,562 persons.

The sample included all persons within or adjacent to the Poblacion, i.e., all residents of high density or core areas of the city. Davao,

with justification, claims to be the "largest city in the world," But only in terms of incorporated area. The majority of its hectares represent rural village and open country settlement. While the agricultural portion of the community is included in the BCS totals for Davao City in 1970, it has been omitted from the present survey which is concerned exclusively with urban phenomena.

The following entire districts have been excluded from the universe from which the sample was drawn: Bunawan (30,905), Calinan (31,433), Paquibato (11,710), Toril (47,182), Tugbok (26,147), and Baguio (22,917). The high density enumeration districts selected for inclusion were divided into strata by size as follows: 0-499; 500-999; 1000-1499; 1500 plus. The frequency of the enumeration districts in each stratum was determined, and approximately 10% drawn at random for the first stage sample.

The second stage sample required that all households in each of the 23 enumeration districts comprising the first stage be mapped in the field. Following this, 25% of all mapped households were drawn with the aid of a table of random numbers. The sampling fraction thus obtained is equal to .025 of the households in the universe. The final sample contained 1,005 households from which six were eliminated at random to reduce the total below 1,000 for convenience in tabulation.

### **Summary and Conclusions**

The baseline study results fail to support the conclusion that rapid upward social mobility through expanded economic opportunity will bring about immediate reductions in fertility in Davao. The basic findings are summarized in two statements below:

#### *The population situation.*

The Population Council considers that a growth rate of 3% per year is explosive. At this rate a population needs only 23 years to double in size. It is almost impossible for economic development to improve living standards under these conditions.



*The net annual population increase in Davao during 1960-1970 was 5.5% per year.*

At this rate, the city's population will double in 12.5 years. From 390,000 in 1970, it will reach 1,000,000 by 1988.

#### *The income situation.*

In his address to the World Bank Group in Nairobi on September 24, 1973, Robert McNamara described absolute poverty: "a condition of life so degraded by disease, illiteracy, malnutrition and squalor as to deny its victims basic human necessities. Absolute poverty is the life of some 800 million individuals who must survive on incomes estimated (in U.S. purchasing power) at 30 cents per day."

*The median income of ₱343 received by a 6-person household in Davao is equal to ₱1.88 per person or 28 cents (U.S.) per day.*

The present situation regarding population and income is this: the population of Davao City is increasing at nearly twice the rate defined as *explosive growth* and 50% of its people are already living in *absolute poverty*.

The bad situation of today is sure to become worse tomorrow because the nature of present population growth and economic trends insures that per capita income will decline in the immediate future. The reasons are simple:

1. The most explosive population growth is taking place among the lower class which makes up 3/8 of the households surveyed. The lower class birth rate is 41 per thousand; these households earn only ₱269 (median) per month, or 78% of the city-wide median. They are mostly supported by industrial and business employees earning fixed wages based on the ₱8 per day minimum. Living far from the center of the city, they have few opportunities to supplement their income either from business sidelines or part-time employment by other household members.

2. A moderate population growth rate is taking place among the middle class which makes up 1/3 of the household surveyed. The middle class birth rate is 34 per thousand; these households earn a median income of ₱343 per month which is the same as that of the entire city. They are often supported by self-employment in trading and service occupations. Living within the *Poblacion*, their income is based on access to a dense population of consumers and on their business skills. Wives and household members have access to part-time work which supplements household income.

3. A very low population growth rate is taking place among the upper class which makes up 1/4 of the households surveyed. The upper class birth rate is 20 per thousand; these households earn a median income of ₱558, which is 163% of the city-wide median. Household heads are frequently supported by highly paid wage work for government and similar institutions. Living within the central city portion of the *Poblacion*, they have many opportunities for business sidelines. Wives and husbands are well-educated and frequently practice the same profession, e.g. teaching.

Maximum population growth appears among that part of the population which is already largest and poorest. Since it is supported by wages which are low and fixed, its per capita income will rapidly decline as its children increase. Since these households already make up the industrial labor force, economic development will do little to improve their position. Advancement opportunities within factory employment have been very limited, and growth of industry and western enterprises means growth of poverty. The usual wage paid by large corporations, ₱240 per month, is already ₱100 below the city-wide median which provides only 28 cents (U.S.) per day to each household member.

A moderate decline in population growth is taking place among the middle class households, despite the rather modest income advantage they possess over the poor. This conclusion is supported by worldwide evidence that advancement to middle class status is

associated with the desire to limit family size and to provide better educations and living conditions for smaller numbers of children.

But middle class income is based on the pre-industrial side of the city's economy. It is derived from the street trade in basic commodities in and around the city markets where countless small businesses offer services and home manufactures from the combined store-and-residence units which congest the downtown area. This traditional form of business activity is threatened by plans to "modernize" the central business district by improving the flow of traffic, decentralizing market facilities, and most importantly, removing squatters and low income tenants from valuable business property.

An unintended consequence will be a reduction in opportunities for middle class small businessmen to earn a living. The middle class in Davao is already small and financially weak. But its function as an instrument for reducing population growth is very important. Any basic modification in the residence and business pattern of the central city will destroy the few opportunities for lower income people to become middle income people which now exist.

A substantial change in that residence pattern is already taking place without either government interference or urban renewal planning. Until recent years, the upper class households of Davao were clustered in the area immediately surrounding (and often within) the central business district. The greatest proportion of upper income households interviewed in this study was found there. The presence of a high concentration of purchasing power in the central business district in the recent past has stimulated the sales and service enterprises from which middle class incomes were derived.

But today upper class households are moving to suburban homes in new high income subdivisions on the edge of the city. There were 1,161 new homes constructed in GSIS Heights alone during 1971-72. This was sufficient to provide a new house for one-thirtieth of the households represented in this study. At the same time, there is an increasing tendency for

the poor to cluster in "industrial suburbs" springing up, often as squatter communities, in Matina, Sasa, Panacan, and elsewhere in very remote parts of the city.

The withdrawal of the upper class from the central city and the establishment of the poor beyond the urban fringe is rapidly polarizing the city into two discrete social areas: one of affluence and one of extreme poverty. The presence of both rich and poor within the central business district gave the lower income households access to the purchasing power of the upper class through the vehicle of the street trade, known to economists as the bazaar market (Geertz 1963).

Through this access, the lower income group had a chance to rise to middle class status. In the new polarized two-class residential division of Davao, the purchasing power of the upper class is going to western-style firms, service centers, supermarkets and similar enterprises which are owned by other members of their own group. This tendency, not far advanced at present, will accelerate rapidly in the near future. If unchecked, opportunities for upward mobility will disappear and with them, the most effective vehicle for promoting population control.

The wealth presently earned by the households in the study is sufficient to support a strong middle class element, which could be a much more significant factor in population reduction. However, the *distribution* of that wealth is so unequal at the present time that less than 1/3 (31.7%) of the households receive one-half of the monthly income which is distributed; the other half is divided among more than 2/3 (68.3%) of the middle and lower income households.

If all the earnings of the households in the study were divided equally among them, each would receive ₱523 per month which is the mean for the entire city. But this is neither possible nor desirable. In a normal distribution of income, such as might be found in a city with a strong middle class, it would be reasonable to expect that 2/3 of the households would receive incomes between ₱250 and ₱800 per month; in other words, they would be clustered around the mean. One-sixth of the house-

holds would still be very poor (below ₱250) and 1/6 would be relatively affluent (above ₱800).

The difference between the present income distribution in Davao and the normal distribution which would exist with a strong middle class receiving 68% of the income is illustrated in Figure 1. The shaded portion of the figure at the left indicates the excessive numbers of the poor whose income must be improved to achieve a substantial number of middle class households. Their incomes presently cluster around ₱225 per month. The shaded portion at the right indicates the excess of affluent households, clustered around ₱1,500 per month, whose income would be reduced to create a substantial middle class.

The purpose of this illustration is to explain the absence of the middle class, and the prevalence of poverty in the city. It is the present relationship between the income distribution and the reproductive pattern which has produced the poverty explosion.

The discovery of the extent and rapid growth of poverty in Davao is the primary finding of this study. The documentation of reductions in population growth rates among the middle class is the second most important conclusion. Two recommendations follow from these:

1. Any proposals to assist the poor to improve their living standards and achieve middle class status will bring rewards in the form of population limitation for the entire community.
2. Any actions which interfere with the residential areas and business activities which presently provide the lower class with opportunities to achieve middle class status will accelerate population growth to the detriment of the entire community.

Monthly household incomes revealed two patterns. The first of these was the tendency for the great proportion of households to cluster near the bottom of the distribution

Table 1. MONTHLY HOUSEHOLD INCOMES, DAVAO CITY

INCOME	HOUSEHOLDS	% OF ALL HH'S	CUMULATIVE %
No Income	19	1.9	1.9
₱ 1- 49	9	.9	2.8
50- 99	30	3.0	5.8
100- 149	40	4.0	9.8
150- 199	55	5.5	15.3
200- 249	173	17.3	32.6
250- 299	87	8.7	41.3
300- 349	100	10.0	51.3
350- 399	43	4.3	55.6
400- 449	54	5.4	61.0
450- 499	42	4.2	65.2
500- 549	63	6.3	71.5
550- 599	30	3.0	74.5
600- 649	42	4.2	78.7
650- 699	21	2.1	80.8
700- 749	22	2.2	83.0
750- 799	14	1.4	84.4
800- 849	16	1.6	86.0
850- 899	9	.9	86.9
900- 999	21	2.1	89.0
1000- 1999	87	8.7	97.7
2000- 2999	18	1.8	99.5
3000- 3999	2	.2	99.7
4000- 4999	0	0.0	99.7
5000-	2	.3	100.0
TOTALS	999	100.0%	100.0%

(Table 1). One-third of the households earn less than ₱250 per month, which is equal to ₱1.37 per person per day for a 6-person household (21 cents U.S. purchasing power). Two-thirds of the households fall below ₱500 per month. At the top, however, 10% of the households earn more than ₱1000 per month. The data from this table were used to construct the frequency polygon appearing as Figure 1.

The second pattern revealed that upper, middle and lower incomes tended to be concentrated in different parts of the city. The 23 districts making up the sample ranged in median income from a high of ₱706 per month (Bolton area, near City Hall) to a low of ₱245 (Matina Crossing in Talomo, and Agdao Creek in Buhangin). Separation of central, northern and southern districts disclosed that incomes are higher in the center and lower toward the edges of the community:

1. The first 13 districts ranked in order of median income fall within the Poblacion. They have a group median of ₱475 and a mean of ₱651 per month.

2. The six northern Buhangin districts have a group median of only ₱284 and a mean of ₱374 per month.

3. The four southern Talomo districts, the poorest in the city, have a median of ₱261 and a mean of ₱334 per month.

On the basis of income similarity, the 23 enumeration districts were then regrouped into three class levels (upper, medium, and lower) with the following characteristics:

**Table 2. ECONOMIC CLASSES AND INCOME CHARACTERISTIC**

**1. LOWER CLASS: 38% of the Population**

Median Monthly Income	=	₱269
Mean Monthly Income	=	335
Standard Deviation	=	267
Sample households	=	380
Sample Population	=	2,310
Persons per HH	=	6.08

**Districts Included** 8

- 115 Agdao Creek-Interior
- 117 Agdao-Lapu-Lapu Ext.
- 118 Assumption College
- 177 Sasa
- 242 Matina Aplaya
- 243 Matina Crossing
- 252 Talomo Beach
- 253 Ulas-Calinan Crossing

**2. MIDDLE CLASS: 33.5% of the Population**

Median Monthly Income	=	₱ 342
Mean Monthly Income	=	491
Standard Deviation	=	505
Sample Households	=	335
Sample Population	=	1,974
Persons per HH	=	5.89

**Districts Included** = 6

- 014 Quezon-Piapi
- 052 Datu Bago-Bankerohan
- 061 J. P. Laurel-Inigo
- 066 Guerrero-Luna
- 119 Del Pilar-Hizon
- 152 Buhangin

**3. UPPER CLASS: 28.5% of the Population**

Median Monthly Income	=	₱ 558
Mean Monthly Income	=	812
Standard Deviation	=	657
Sample Households	=	284
Sample Population	=	1,775
Persons per HH	=	6.25

**Districts Included** = 9

- 007 Bolton
- 023 Quezon-Roxas
- 032 Claro Recto-Bonifacio
- 034 Anda-Rizal
- 057 Davao High School
- 069 Jacinto-Fatima
- 084 Magsaysay-D. Suazo
- 095 Trade School
- 097 Barrio Obrero

**4. TOTAL POPULATION**

Median Monthly Income	=	₱ 343
Mean Monthly Income	=	523
Standard Deviation	=	522
Sample Households	=	999
Sample Population	=	6,059
Persons per HH	=	6.06

The grouping of enumeration districts into the three economic classes described in Table 2 confirms the generalization that the further you live from City Hall, the lower your income will be. All upper class districts are within the Poblacion, and the majority (007, 023, 032, 034, 069) are within or at the edge of the central business district. The middle class districts are divided between the Poblacion (014, 052, 061, 066) and Buhangin (119, 152) with a tendency to appear further from the center of the city. All lower income districts are outside the Poblacion in Buhangin and Talomo and five of them (177, 242, 243, 252, 253) are as much as ten kilometers from the center of town.

If the division of 23 enumeration districts into lower, middle and upper income classes described in Table 2 actually separates the households within them, then it should be possible to draw three graphs similar to Figure 1, one for each income class. We would expect that each graph would contain one separate section of the total income distribution from Figure 1. The three separate graphs have been prepared as Figure 2 below. They support two conclusions:

1. The upper income and lower income districts have precisely opposite income distributions. Each is the mirror image of the other. Where 22% of lower class households are found clustered around ₱225 per month, the same proportion of the upper class households is clustered around ₱1,500 per month.
2. The income distribution of middle class households is only slightly better than that of the lower class which it closely resembles.

The evidence supports the notion that there are only two *patterns* of income distribution within the city – one of affluence and the other of poverty. However, between the lower and middle income districts which fall within the bottom half of the city-wide distribution, there are significant differences in purchasing power. The monthly per capita income data presented in Table 3 show that, in terms of real purchasing power, middle class households enjoy a 51.2% improvement over the lower class. The upper class, in turn,

possesses an income gain equal to 55.9% of the middle class enumeration districts.

Table 3. MONTHLY PER CAPITA INCOMES FOR THREE INCOME CLUSTERS IN DAVAO CITY

	INCOME PER CAPITA
Lower Income Cluster (8 Enumeration Districts)	₱ 55.11
Middle Income Cluster (6 Enumeration Districts)	₱ 83.33
Upper Income Cluster (9 Enumeration Districts)	₱ 129.92

Within the 999 households measured in the study, there were 1,555 persons employed, or 1.56 occupations per household. Single incomes paid to household heads are apparently insufficient for the support of the entire household. The reason for this is revealed in Table 4 below, which compares the distributions of individual and household incomes across the entire city.

Incomes earned by individuals are much *lower*, in general, than the total incomes of the households in which they reside. One-half the individual incomes fall below ₱250 per month, compared with 1/3 of the household incomes (Table 1). These figures explain the observation that it takes 1.56 individual incomes to produce the average household income in Davao.

Ascending the socioeconomic scale, it is apparent that the divergence between median individual and median household income becomes much greater. Median individual income as a proportion of median household income equals 81% for the lower class, 69% for the middle class, and only 57% for the upper class. The inference suggested is that the *number of incomes per households* is more important in explaining the differences in household income received by each class level than the wages paid to the individual worker.

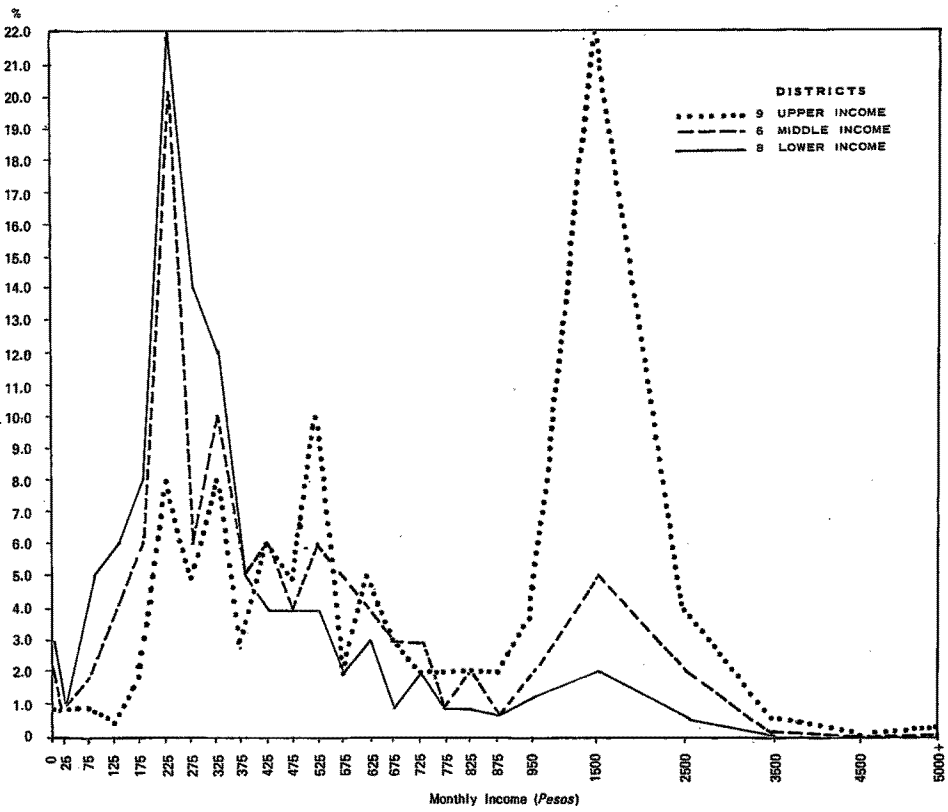


Figure 1. NORMAL AND ACTUAL DISTRIBUTION OF HOUSEHOLD INCOME

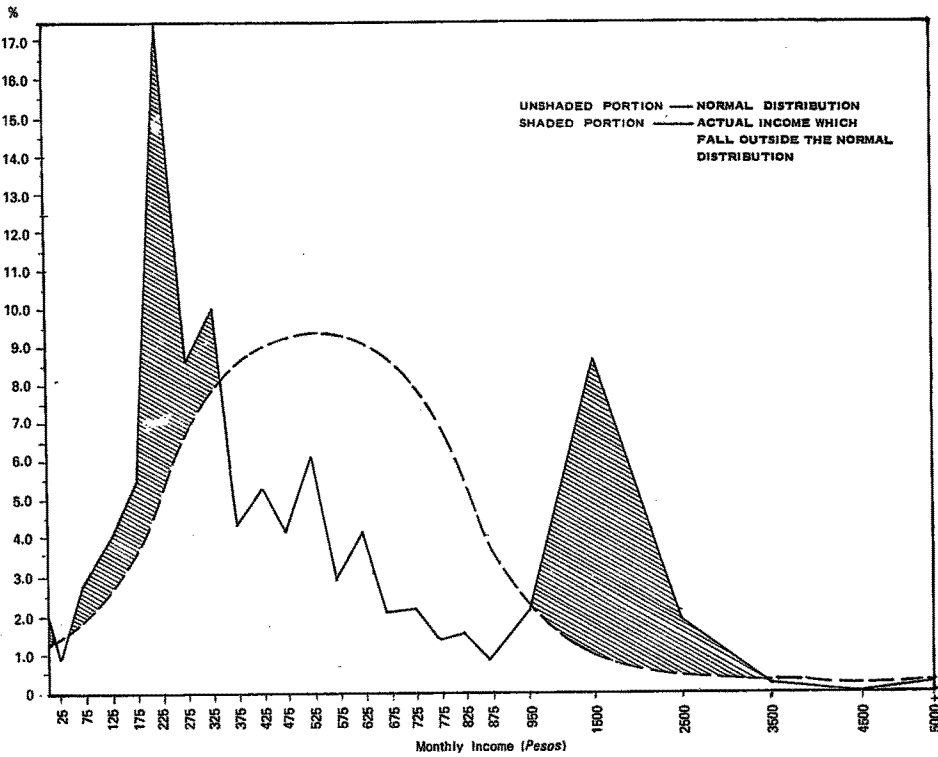


Figure 2. HOUSEHOLD INCOME BY MAJOR ECONOMIC CLASS

**Table 4. INDIVIDUAL MONTHLY INCOMES,  
DAVAO CITY**

INCOME	INDIVIDUALS	%	CUMULATIVE %
No income	25	1.6	1.6
₱ 1- 49	54	3.5	5.1
50- 99	111	7.1	12.2
100- 149	133	8.6	20.8
150- 199	121	7.8	28.6
200- 249	389	25.0	53.6
250- 299	145	9.3	62.9
300- 349	224	14.4	77.3
350- 399	74	4.8	82.1
400- 449	53	3.4	85.5
450- 499	22	1.4	86.9
500- 549	56	3.6	90.5
550- 599	8	.5	91.0
600- 649	34	2.2	93.2
650- 699	7	.5	93.7
700- 749	10	.6	94.3
750- 799	7	.5	94.8
800- 849	13	.8	95.6
850- 899	4	.2	95.8
900- 999	12	.8	96.6
1,000- 1,999	43	2.8	99.4
2,000- 2,999	9	.6	100.0
5,000-	<u>1</u>	<u>0.0</u>	<u>100.0</u>
<b>TOTAL</b>	<b>1,555</b>	<b>100.0%</b>	<b>100.0%</b>

**Table 5. HOUSEHOLD AND INDIVIDUAL INCOME DATA BY ECONOMIC CLASS**

ECONOMIC CLASS	INDIVIDUAL INCOMES	HOUSEHOLD INCOMES	INCOMES PER HOUSEHOLD
<b>LOWER CLASS</b>			
Median	₱ 219	₱269	
Mean	231	335	
Number of Cases	549	380	1.447
<b>MIDDLE CLASS</b>			
Median	₱ 236	₱342	
Mean	303	491	
Number of Cases	509	335	1.519
<b>UPPER CLASS</b>			
Median	₱ 316	₱558	
Mean	436	812	
Number of Cases	497	284	1.750
<b>TOTAL POPULATION</b>			
Median	₱ 243	₱343	
Mean	321	523	
Number of Cases	1555	999	1.556

It can be demonstrated (Table 6) that number of incomes per household, when multiplied by the mean individual income, provides

an accurate estimate of the actual mean household income for each class.

Table 6. INCOMES PER HOUSEHOLD AS THE SOURCE OF HOUSEHOLD INCOME VARIANCE

ECONOMIC CLASS	INCOMES PER HOUSEHOLD	X	MEAN INDIVIDUAL INCOME	=	ESTIMATED HH INCOME	ACTUAL MEAN HH INCOME
LOWER CLASS	1.447		₱231		₱334	₱335
MIDDLE CLASS	1.519		₱303		₱460	₱491
UPPER CLASS	1.750		₱436		₱763	₱812
TOTAL POPULATION	1.556		₱321		₱500	₱523

The estimated mean is quite close to the actual mean household income at all three levels.

It is inaccurate to contend that incomes-per-household will explain *all* the variance in income between lower and upper class households. More precisely, the increase in number of incomes per household *multiplies* the difference between average salaries paid to workers at different class levels. The number of incomes, therefore, explains *more* of the variance between class levels than does the difference in mean individual incomes alone.

Tables in this section permit the following conclusions:

1. Household income is unequally distributed.
2. High incomes are found at the center of the city; low incomes are found at the edge.
3. There is a middle class group of households with 50% more purchasing power than the lower class, although its income distribution resembles that of the lower class districts.
4. Individual wages are so low that 1.56 incomes are needed to support the average household.
5. Individual incomes are much lower than

household incomes, confirming that the *wage* structure is less differentiated than the *class* structure.

6. The primary factor explaining class differences in income is that upper class households have more workers than lower class households.

#### Population Patterns in Davao

Between 1960-1970, Davao recorded an annual rate of increase slightly in excess of 5.5%, and the population grew from 225,712 to 389,312 persons. At the present growth rates, which have been remarkably constant since 1948, the city will reach 758,000 by 1980, and will pass one million in 1988. This spectacular growth is not evenly distributed across the city. To permit 1960 census data to be compared with 1970, the district classification from the earlier (1960) census must be employed.

Table 7. DAVAO CITY INTERCENSAL GROWTH COMPARISON 1960-1970

	1960	1970
Poblacion	82,720	119,808
Bunawan (including Buhangin)	29,612	97,188
Toril (including Talomo)	47,301	85,845
Tugbok	29,462	31,416
Calinan	36,617	55,055
DAVAO CITY	225,712	389,312



The proportionate growth of each of the five districts is presented in Table 8 below:

Table 8. 1960-1970 INCREASE AS PERCENTAGE OF 1960 BASE

	NET INCREASE	% OF 1960 BASE
Poblacion	37,088	44.8%
Bunawan (including Buhangin)	67,576	228.2%
Toril (including Talomo)	38,544	81.5%
Tugbok	1,954	6.6%
Calinan	18,438	50.4%
DAVAO CITY	163,600	75%

The districts which were designated as Bunawan and Toril in the 1960 census contain the lower class households of Buhangin and Talomo (described in discussion of Table 2); these districts outdistanced all others in intercensal growth. Bunawan, the district containing the Buhangin portion of the sample, experienced growth at a rate *five times faster* than that of the Poblacion. The next highest sectoral growth rate was posted by Toril district, containing the low income households of Talomo. Clearly, poverty grows faster than affluence in Davao City.

The explanation for differential growth rates, and also for income differences between classes, will be found in demographic patterns. The first significant difference appears in the *ages* of the separate economic classes:

Table 9. MEDIAN AGE BY ECONOMIC CLASS

	MEDIAN AGE
Lower Income Class	16.9
Middle Income Class	17.9
Upper Income Class	19.9
TOTAL POPULATION	18.2

The median age of the poor is three years younger than that of the upper class.

The significance of this difference is disclosed in the comparison of dependent and productive population segments in Table 10.

Table 10. DEPENDENT AND PRODUCTIVE POPULATION SEGMENTS BY ECONOMIC CLASS

	DEPENDENT POPULATION (0-14)	PRODUCTIVE POPULATION (15-34)
Lower Income Class	45.7%	33.7%
Middle Income Class	42.9	38.1
Upper Income Class	34.3	45.2

The lower median age and larger number of dependents per productive member of the household adds to the burdens of the poor. Upper income districts have more adult members, which contribute to their excess of employed persons per household.

The unequal distribution of young persons suggests that population increase is taking place more rapidly among the poor. A set of fertility measures obtained from the survey data support this conclusion, beginning with crude birth rates (Table 11).

Table 11. TOTAL CRUDE BIRTH RATE AND BIRTH RATE BY ECONOMIC CLASS

	1971 BIRTHS POPULATION	=	CRUDE BIRTH RATE
Total Population	195/6041	=	32.28
Lower Class	94/2297	=	40.92
Middle Class	66/1969	=	33.51
Upper Class	35/1775	=	19.72

Because this study included only the "most urban" half of Davao City's population, the overall rate for the *entire* city is believed to be higher. The excluded portion of the city consists, almost entirely of lower class barrios. If that portion of the city were included, and if its birth rate were the same as that recorded for the lower class sample barrios (41 per thousand), then the estimated birth rate rises to 36.7 per thousand population. It is entirely possible, of course, that the birth rate of the excluded portion of the city could be *higher* than that of the Talomo and Buhangin sample households which provide the basis for the estimate. If so, the actual rate would be *greater* than the estimate provided here.

If the estimated birth rate (36.7) for 1971 is combined with the death rate of 6.5 provided by the Davao City Health Department for 1972, the annual net population growth from natural increase would be 3.2%. It is probable that the death rate is an underestimate, but it is unlikely that the actual death rate is greater than 13. If the "high" death rate is employed, the annual growth from natural increase declines to 2.4% per year. The difference between these figures and the true population growth rate of 5.5% per year (1960-1970) should be attributed to migration, which emerges as a substantial factor in either case.

The most significant finding concerns the differences between class-specific birth rates. The lower class rate is more than double that of the upper class. The middle class rate is substantially below that of the lower class. Since the income differential between lower and middle class enumeration districts is not large, small increments of income appear to yield substantial declines in fertility.

Population increase is partly determined by (1) the proportion of women engaged in child-bearing, and (2) the rate at which married women give birth. Proportions of married women by economic class are quoted below:

Table 12.<sup>2</sup> PERCENT MARRIED  
BY AGE GROUP AND ECONOMIC CLASS

AGES	ALL DAVAO	LOWER CLASS	MIDDLE CLASS	UPPER CLASS
15-19	1.8	3.0	1.5	1.1
20-24	37.1	53.3	45.4	15.0
25-29	70.6	73.0	77.0	61.0
30-34	85.6	93.7	81.0	82.8
35-39	91.2	93.7	93.2	85.0
40-44	92.5	89.8	97.7	90.2

It is apparent that younger (20-24) lower class women are much more apt to be married and actively engaged in childbearing than women in higher class households.

<sup>2</sup>This and subsequent fertility tables are based on 1,530 women aged 15-44, of whom 742 were married. Respective figures by class are as follows: lower class 504 women (288 married); middle class 489 women (257 married); upper class 537 women (197 married).

Compared to data from other areas, the marriage rate of 480 per thousand women aged 15-44 for Davao City may be considered low. Davao rates are approximately 10% below those quoted by Flieger from the 1968 National Demographic Survey for age groups 15-19, 20-24, and 25-29. Above age 30, marriage rates in Davao are approximately the same as those throughout the Philippines in 1968.

The overall marriage rate of 480 conceals a remarkable range of variation among classes, however, the lower class rate of 570 per thousand greatly exceeds the upper class rate of 370 per thousand. Because the excess marriages among the lower class are concentrated in women 20-24, they should be associated with a substantial interclass reproductive differential which would be reflected in the class-specific general fertility rates<sup>3</sup> for 1971.

Table 13. GENERAL FERTILITY RATES,  
DAVAO, 1971

ALL WOMEN AND MARRIED WOMEN BY  
ECONOMIC CLASS

	ALL WOMEN 15-44	MARRIED WOMEN 15-44
All Davao	127	262
Lower Class	187	326
Middle Class	135	257
Upper Class	65	178

As expected, the lower class general fertility rate for all women 15-44 is 46% above that for all Davao women; the upper class general fertility rate for all women 15-44 is 49% below that for all Davao women. The differential marriage pattern disclosed in Table 12 surely accounts for a portion of this variance. But, the *marital* general fertility rates presented in the right hand column reveal that there are

<sup>3</sup>The general fertility rate represents the number of births to all women 15-44 in a given population during a particular year, per thousand women.

real fertility differences between married women by class also. The lower class marital rate is 24% above that for all Davao, while the upper class rate is 32% below that for all Davao married women.

The marital general fertility rate also discloses that more than 1/4 of all married women (15-44) gave birth in Davao during 1971. However, this fraction increased to 1/3 among lower class women, and dropped to 1/6 among the upper class. The age-specific fertility rates below provide more data on the precise location of variations in reproductive performance within the population.

**Table 14. AGE SPECIFIC FERTILITY RATES, DAVAO, 1971:**  
ALL WOMEN AND MARRIED WOMEN BY ECONOMIC CLASS  
(Children Born Per Thousand Women)

	ALL WOMEN	MARRIED WOMEN
1. All Davao		
15-19	7	375
20-24	176	474
25-29	261	369
30-34	218	254
35-39	122	134
40-44	30	32
2. Lower Class		
15-19	8	375 <sup>4</sup>
20-24	290	544
25-29	382	523
30-34	254	271
35-39	159	169
40-44	41	45
3. Middle Class		
15-19	15	375 <sup>4</sup>
20-24	200	441
25-29	181	232
30-34	246	304
35-39	159	171
40-44	23	23
4. Upper Class		
15-19	00	375 <sup>4</sup>
20-24	55	368
25-29	195	319
30-34	157	190
35-39	25	29
40-44	24	27

<sup>4</sup>To eliminate gross irregularities due to small numbers of married women in each class, the All Davao rate has been substituted for the class-specific rate for women 15-19.

These figures confirm that children were born during 1971 to nearly 1/2 the married women 20-24, 1/3 of those 25-29, and 1/4 of the married women 30-34. For married women over age 35, the proportion drops to 1/8 or less. For all married women 20-29, the 1971 fertility rate was 416 per thousand.

These rates were greatly exceeded by the performance of lower class women. The combined rate for lower class women aged 20-29 in 1971 was 532 per thousand, or slightly more than one child born per woman every two years in this age bracket. In the middle class, the combined rate dropped to 339 per thousand, and remained nearly the same, 333 per thousand, for the upper class.

If the age-specific fertility rates for all women surveyed in 1972 were applied to a cohort of 1000 girls entering their reproductive years at this time, the number of children they will have by age 45 can be predicted. The statistic for this purpose, called the total fertility rate, is provided in Table 15 below. The number of children to be expected by young women in Davao now reaching marriage age is 4.1. This figure compares with 5.7 for the entire Philippines as measured by the National Demographic Survey in 1968 (Flieger, 1972); however, the NDS observations are primarily derived from rural areas which have higher fertility rates than large cities.

**Table 15.<sup>5</sup> TOTAL FERTILITY RATES, DAVAO, 1971**  
ALL WOMEN BY ECONOMIC CLASS  
(Rates Per Thousand Women)

	TFR
All Davao	4075
Lower Class	5675
Middle Class	4125
Upper Class	2285

<sup>5</sup>The total fertility rate is the sum of age-specific fertility rates for each 5-year age group of women between the ages of 15 and 45. Data for this table are from the All Women rates in Table 14.

It is rather distressing to discover that the lower class TFR for Davao is the same (5.68) as that registered for the entire Philippines in 1968. It represents a persistently "rural" level of reproductive behavior within a metropolitan environment. The suggested inference is that economic level may be a more important determinant of fertility decline than urban life style. Certainly the TFR's for middle and upper class Davao women are far below the rate for the country as a whole.

High and continuing rates of population increase, especially among the poor, are unmistakably indicated. Yet, family planning appears to have made significant gains among the young women of Davao.

**Table 16. FAMILY PLANNING ACCEPTORS BY ECONOMIC CLASS**

(Per Cent)

AGES	LOWER CLASS	MIDDLE CLASS	UPPER CLASS
15-19	0.0	0.0	0.0
20-24	25.0	19.0	22.2
25-29	32.3	30.4	37.0
30-34	19.6	26.8	28.6
35-39	32.2	14.6	26.5
40-44	18.2	7.0	21.6
TOTAL	25.5%	20.3%	24.4%

A substantial proportion of young women among the poor are already employing family planning. Furthermore, 76% of all clients of family planning agencies are using either the IUD or pills — the most effective forms of contraception available. We may suppose that fertility rates would be much higher if it were not for the level of acceptors reached by medical personnel.

Every indication from the foregoing data is that Davao's 1960-1970 intercensal annual

growth rate of 5.5% will continue unrelieved through much of the present decade. Approximately 3% of this annual increase appears to be due to natural increase, and the balance to immigration. If both sources of growth persist, the population in the city will double every 12.5 years, and the bulk of this growth will be among the poor.

Tables in this section permit the following conclusions:

1. The sections of the city which contain the lower class households are growing much more rapidly than the city as a whole.
2. The lower class districts have a younger population, and a larger dependent population, than the remainder of the city.
3. Reproductive rates confirm the conclusions based on comparisons of 1960 and 1970 census data concerning high growth rates among the poor.
4. Middle class growth rates are significantly lower than those of the lower class on every measure.

#### Household Composition and Characteristics

Substantial class differences in population and income have been documented. These should be reflected in divergent patterns of household composition which contain some causes, and some consequences, of the income and fertility measures. Household membership distinctions may be seen in Table 17 below.

Nine-tenths of all the households in the community are "normal" in having both male head and spouse present. Household size shows little variance by economic class. The

**Table 17. HOUSEHOLD MEMBERSHIP BY ECONOMIC CLASS**

	MALE HH HEAD AND SPOUSE (PER CENT)	NUMBER HH MBRS. (MEAN)	OWN CHILDREN (MEAN)	OTHER ADULTS IN THE HH (MEAN)
Lower Class	90.0	6.08	3.47	.69
Middle Class	91.9	5.89	3.29	.74
Upper Class	86.6	6.25	2.85	1.54
Total	89.7	6.06	3.20	.93

excess of children in lower class households, and of adults in the households of the upper class, are the most important features of household composition. The poor have more dependents, and the affluent households have more workers available.

There is a difference not only in the number of children found among the lower class households, but also in their ages and activities (Table 18).

**Table 18. ACTIVITIES OF CHILDREN BY ECONOMIC CLASS**  
FREQUENCIES PER 100 HOUSEHOLDS

	PRESCHOOL CHILDREN	OUT-OF-SCHOOL CHILDREN	IN SCHOOL UNEMPLOYED
Lower Class	152.4	149.5	41.8
Middle Class	135.5	162.4	34.9
Upper Class	104.6	208.1	30.3
Total	133.1	170.5	36.2

The children of the poor are the youngest in the community; those of pre-school age outnumber those presently attending school.

The upper class has few preschool children, but many more attending school. The city-wide rate of 36.2 children unemployed and not attending school per hundred households is alarming. Since there are 60,000 households in Davao City, the total number of young persons unemployed exceeds 21,000. Here, once more, the poor are at a disadvantage for their rate of unemployed youth is 1/6 higher than that of the city as a whole, and 1/3 greater than that of the upper class.

Differences in household composition relate to patterns of economic activity which hold back growth of income among the poor and stimulate increased earnings among affluent households (Table 19).

The middle class advantage in earning capacity consists of a 5% gain in employed household heads and a 7% increase in employment of spouses over the lower class; this is partly offset by a larger number of working adults in the households of the poor. The upper class advantage in employment is apparent in every category of household member reported in Table 19.

**Table 19. EMPLOYMENT OF HOUSEHOLD MEMBERS BY ECONOMIC CLASS**  
FREQUENCIES PER 100 HOUSEHOLDS

	MALE HH HEAD EMPLOYED	SPOUSE EMPLOYED	CHILDREN EMPLOYED	OTHERS IN HH EMPLOYED	TOTAL EMPLOYED MEMBERS
Lower Class	89.9	17.4	23.2	15.8	145
Middle Class	94.9	23.9	20.3	11.6	152
Upper Class	95.1	30.6	27.8	22.5	175
Total	93.0	23.3	23.5	16.3	156

It was disclosed in Table 6 that the mean individual income earned by lower class workers was only 1/2 that of the upper class employee. One of the reasons for the wage differential is disclosed in Table 20. The heavy concentration of college graduates in the upper class enumeration districts, and the relative absence of elementary school graduates is immediately apparent. The reverse of this pattern appears among the lower and middle income districts.

One of the most revealing features of Table 20 concerns the education of middle class household heads. While slightly better than that

of the lower class, differences are hardly sufficient to account for the 50% gain in per capita income enjoyed by the middle class over the poor. Education alone is not adequate to explain the failure of more lower class households to attain middle class status.

The educational disadvantage experienced by lower class household heads is being transmitted to their children, as may be documented by reference to the numbers of children out of school and unemployed (Table 18). Further proof is provided in Table 21, which gives estimates of school attendance by economic class.

Table 20. EDUCATION OF HOUSEHOLD HEAD BY ECONOMIC CLASS  
PER CENT BY CLASS

	COLL. GRAD.	SOME COLL.	VOC. SCH.	H.S. GRAD.	SOME H.S.	ELEM. GRAD.	SOME ELEM.	NONE
Lower Class	6.8	8.7	.5	16.8	18.4	36.3	8.7	3.7
Middle Class	13.1	9.3	.3	19.1	16.4	32.5	6.0	3.3
Upper Class	40.1	13.4	.7	15.5	12.0	13.7	2.5	1.7
TOTAL	18.4	10.2	.5	17.2	15.9	28.7	6.0	3.0

Table 21. ESTIMATED SCHOOL  
ATTENDANCE BY ECONOMIC CLASS  
(Figures are percentages of estimated  
school age population actually attending  
school)

	ELEMENTARY	HIGH SCHOOL	COLLEGE
Lower Class	93.2%	63.7%	22.0%
Middle Class	94.9	78.8	44.4
Upper Class	92.0	90.4	78.5
TOTAL	93.6	76.6	49.3

It is worth noting that, although the educational differences between lower and middle class household heads are quite modest, the children of middle class homes are receiving a much better education than their lower class peers. Class differences are quite apparent in both high school and college attendance.

The preponderance of preschool children among the lower class (Table 18) suggested the desirability of estimating increases in elementary school enrollment between 1972 and 1978 (Table 22).

Table 22. ESTIMATED ELEMENTARY  
SCHOOL ENROLLMENT FIGURES FOR 1978

	ESTIMATED %INCREASE OVER 1972 ENROLLMENT
Lower Class	49.4%
Middle Class	44.3
Upper Class	26.1
Total Population	41.8

Not unexpectedly, the pattern of population growth in school enrollment reflects the class-specific fertility rates already presented.

In urban environments which provide a number of opportunities for upward mobility, it is customary to find that the lower class consists of more recent arrivals. Length of stay in the city is associated with improvement in household income. This hypothesis is disproved by Table 23, which demonstrates that there is no difference between class levels in time of arrival in Davao.

Table 23. HOUSEHOLD HEADS  
ARRIVAL YEAR BY ECONOMIC LEVEL

ARRIVAL YEAR	LOWER INCOME		MIDDLE INCOME		UPPER INCOME		TOTAL	
	N	%	N	%	N	%	N	%
Before 1940	71	18.7	57	17.0	51	18.0	179	17.9
1940-49	83	21.8	65	19.4	70	24.6	218	21.8
1950-59	91	23.9	78	23.3	55	19.4	224	22.4
1960-69	90	23.7	97	28.9	76	26.8	263	26.3
1970 +	29	7.6	19	5.7	21	7.4	69	6.9
ND	16	4.2	19	5.7	11	3.9	46	4.6

Table 23 also provides some enlightenment on the rate of new arrivals to the city. For the period 1970-1972, new households arrived at a rate equal to 2.5% of the 1972 population each year, or approximately 1,500 new migrant households (9,000 persons) per year throughout the city. The birth rate of 36.7 per thousand provides an additional 14,000 new births per year. The total of 23,000 is equal to 5.9% of the 1970 population of 390,000 for the entire city, which confirms the figure of 5.5% per year provided earlier from the 1960-1970 intercensal data.

Tables in this section permit the following conclusions:

1. Lower class households have fewer adults and more children – especially, preschool children.
2. Lower class households have more children out of school and unemployed.
3. Lower class economic disadvantages in earning capacity include a larger number of unemployed spouses and a smaller number of employed adults.
4. Lower class household heads are poorly educated, and their children are less well educated than those of the middle class.
5. Elementary school enrollment in lower income districts will increase by 50% over the next six years.
6. Almost 40% of the city's annual growth is due to immigration of new households.

### Jobs and Employers

The economically active portion of Davao's population is 25.7% of the total. They are found in the occupations described in Table 24 below, and the distribution of workers casts serious doubt upon the degree of modernization of the urban economy.

Sales and services, the two leading occupational groups, contain 43% of the economically active. Manufacturing, construction, transportation and shipping, taken together, may be considered the "industrial group" of occupations; it represents less than 30% of all workers. The best example of the level of backwardness is that the "market vendor" group outnumbers the factory workers by a slight margin (178 to 174).

The composition of the sales and services group is also unfavorable to modernization. The majority of the occupations included are pre-industrial in character. Bazaar market personnel comprise the largest single working class with 11.5% of all employed. Many persons listed as small business owners (6.3%) are producing prepared foods and handicrafts. Clothing makers (4.2%), security guards (3%), personal service workers (3.6%) and food service workers (2.5%) are all in traditional occupations. Together, these account for 3/4 of the sales and

services groups. The modern 1/4 includes department store salespersons, sales representatives, and auto mechanics.

Clerical and professional workers (23%) also exceed the manufacturing and construction employees by a comfortable margin. The two major components of this class (office workers and teachers) represent government employment to a large extent. This association, likewise, is reminiscent of preindustrial urban organization.

In table 25 below, the occupational groups of Table 24 have been separated according to economic class.

**Table 24. OCCUPATIONS  
CLASSIFIED BY INDUSTRY, TRADE, AND  
PROFESSION**

(Arranged in Rank Order by Industry)

RANK	INDUSTRY	NO.	PER CENT	SUBTOTAL BY INDUSTRY (%)
<b>1. Sales</b>				
	Market Vendors, Peddlers, Buy and Sell Merchants, Sari-Sari Storekeepers	178	11.5	
	Owner Small or Medium Business	96	6.3	
	Sales Representatives	39	2.5	
	Salesperson (Department Store)	29	1.9	
	Business Managers	19	1.2	
	Collectors	5	.3	
		<u>366</u>		23.7
<b>2. Services</b>				
	Mechanic/Automotive	79	5.1	
	Tailor/Dressmaker	64	4.2	
	Maintenance/Security	63	4.1	
	Personal Service	59	3.8	
	Food Service	39	2.5	
		<u>304</u>		19.7
<b>3. Manufacturing/Construction</b>				
	Factory Workers	174	11.3	
	Building Trades	98	6.4	
	Foremen/Contractors	20	1.3	
		<u>292</u>		19.0
<b>4. Clerical</b>				
	Office Workers	134	8.7	
	Accountants/Auditors	44	2.9	
	Office Superintendents	13	.9	
		<u>191</u>		12.5

<b>5. Professional and Technical</b>		
Education	97	6.3
Engineers	11	.7
Lawyers	9	.6
Clergymen	7	.5
Medical Technicians	6	.4
Doctors	5	.3
Executives	4	.3
	<u>139</u>	<u>9.1</u>

<b>6. Transportation/Communications</b>		
Transportation (Truck and A/C. Driver)	115	7.5
Communications and Graphics	13	.8
	<u>128</u>	<u>8.3</u>

<b>7. Agriculture and Fishing</b>		
Agriculture	49	3.2
Fishing	13	.8
	<u>62</u>	<u>4.0</u>

<b>8. Shipping</b>		
Stevedore	27	1.8
Sailor	2	.1
	<u>29</u>	<u>1.9</u>

<b>9. Unclassified</b>		
	<u>27</u>	<u>1.8</u>
<b>TOTAL</b>	<b>1,538</b>	<b>100.0%</b>

In table 25 below, the occupational groups of Table 24 have been separated according to economic class.

**Table 25. OCCUPATIONAL GROUPS BY ECONOMIC CLASS**

OCCUPATIONAL GROUP	LOWER CLASS		MIDDLE CLASS		UPPER CLASS		TOTAL	
	N	%	N	%	N	%	N	%
Agriculture	32	2.1	17	1.1	13	.8	62	4.0
Sales	95	6.2	150	9.8	126	8.2	371	24.2
Service	112	7.3	123	8.0	79	5.1	314	20.4
Mfgr/Constrct	153	10.0	97	6.3	47	3.1	297	19.3
Clerical/Mngmnt	46	3.0	51	3.3	99	6.4	196	12.8
Trans/Comm/Ship	78	5.1	46	3.0	31	2.0	155	10.1
Professional	20	1.3	25	1.6	95	6.3	140	9.2
<b>TOTALS</b>	<b>536</b>	<b>35.0</b>	<b>509</b>	<b>33.1</b>	<b>490</b>	<b>31.9</b>	<b>1535</b>	<b>100.0</b>

The class containing the greatest number of workers in each group in Table 25 has been underlined. Professional, clerical and management activities are concentrated within the upper class enumeration districts near the center of the city. The larger number of sales and service workers appears in the middle income areas which border the central business district. The industrial labor force is found within the low income districts at the edge of the city.

The association of middle income with sales and service jobs, and of low income with the industrial sector, reveals that the pre-

industrial forms of employment contain greater promise of upward mobility. Jobs associated with industry have sharply reduced frequencies among the middle and upper class.

Further insight into the occupational pattern and its relationship to social class may be perceived from the distribution of skills throughout the labor force (Table 26). There is a large concentration of employed in the semi-skilled category, but more than half of these are in sales and services, and less than 1/3 are in the industrial group. Even worse, only 1/4 of the skilled workers are engaged in industrial employment. Twice that number fall

**Table 26. SKILL LEVELS BY ECONOMIC CLASS**

SKILL LEVEL	LOWER CLASS		MIDDLE CLASS		UPPER CLASS		TOTAL	
	N	%	N	%	N	%	N	%
Agriculture	32	2.1	17	1.1	13	.8	62	4.0
Unskilled	237	15.3	164	10.6	114	7.4	515	33.3
Semiskilled	208	13.4	252	16.3	195	12.6	655	42.3
Skilled	42	2.7	50	3.2	84	5.5	176	11.4
Professional	20	1.2	25	1.6	95	6.2	140	9.0
<b>TOTALS</b>	<b>539</b>	<b>34.7</b>	<b>508</b>	<b>32.8</b>	<b>501</b>	<b>32.5</b>	<b>1548</b>	<b>100.0</b>



within the clerical and office manager category. Production jobs, once more, appear to be the unskilled sector of the economy.

The economic class containing the greatest number of workers at each skill level has been

underlined. Agricultural and unskilled workers predominate in low income enumeration districts, the semiskilled appear in excessive numbers among the middle class, and skilled and professional workers are found in the upper class enumeration districts.

Table 27. EMPLOYER TYPE BY ECONOMIC CLASS

EMPLOYER TYPE	LOWER CLASS		MIDDLE CLASS		UPPER CLASS		TOTAL	
	N	%	N	%	N	%	N	%
Self-employed	149	9.9%	201	13.3	127	8.4	477	31.6
Pvt. Employer	31	2.1	64	4.2	43	2.9	138	9.2
Employer, Non-gov't.	297	19.7	161	10.7	211	14.0	669	44.4
Employer, Gov't.	49	3.2	68	4.5	107	7.1	224	14.8
TOTALS	526	34.9	494	32.7	488	32.4	1508	100.0

In a modernizing economy, it might be expected that employment in business and industry (non-government employees) would predominate. But Table 27 discloses that this proportion of the labor force (44%) is approximately equal to the proportion supported by self and private employment.

The class containing the greatest proportion of workers in each category has been

underlined once more. Non-government employees are found among the lower class, reflecting the concentration of wage workers in the industrial group of occupations. The self-employed are located in the middle class districts containing the sales and services group; the privately employed (mostly drivers) are also middle class members. One-half of the government workers are found in upper class households.

Table 28. SCALE OF EMPLOYMENT BY ECONOMIC LEVEL  
Excludes Self and Privately Employed

SCALE OF EMPLOYMENT	LOWER CLASS		MIDDLE CLASS		UPPER CLASS		TOTAL	
	N	%	N	%	N	%	N	%
Plantations	18	2.1	7	.8	6	.7	31	3.6
Sm. Business (2-19 workers)	57	6.8	55	6.6	47	5.6	159	19.0
Med. Business (20-49 workers)	68	8.1	26	3.1	35	4.2	129	15.3
Lg. Business (50-99 workers)	32	3.8	23	2.7	23	2.7	78	9.3
Industry (100+ workers)	89	10.6	44	5.2	41	4.9	174	20.7
Institutions <sup>6</sup>	55	6.5	71	8.5	144	17.1	270	32.1
TOTALS	319	37.9	226	26.9	296	35.2	841	100.0

<sup>6</sup>Institutions include churches, private schools and all levels of government.

The largest scale employers in Davao have the greatest number of employees, but these are institutions rather than industries. The industrial employers' share of salaried workers is no

greater than that of small business. Enterprises with approximately 50 workers represent the midpoint in the scale of employment: 30% of the workers in business and industry fall above

that point, and 34% fall below it. The self-employed and privately employed have been eliminated from Table 28.

The class containing the greatest number of workers of each type has been underlined. The majority of the labor force of the plantations, medium and large businesses and industry is drawn from the lower class. Small business is evenly divided between lower and middle classes. The institutional wage-earners are more heavily concentrated at one class level than any other group; they are residents of upper districts.

The conclusions from Tables 25-28 may be combined in a set of generalizations, each applicable to one of the three major class levels into which the city has been divided. The summary pays particular attention to the question of middle class growth and its relationship to the community's industrial development.

#### **Lower Class Occupations and Mobility.**

Among the lower class, four characteristics are closely associated:

1. *Highest rate of employment in industrial occupations.* Jobs which have been identified with the "industrial group" (manufacturing, construction, transportation, communications and shipping) provide more than 2/5 of the jobs held by the poor.
2. *Highest proportion of unskilled workers.* More than 2/5 of the economically active poor are unskilled.
3. *Highest rate of employment in private enterprises.* More than half the jobs filled by the poor are made up of wage-paying positions in business or industry, *not* self or government employment.
4. *Highest rate of employment in large scale enterprises.* Among those receiving wages from business or industry, more than 2/5 are employed by enterprises hiring more than 50 workers.

The unfortunate conclusion is that those features of the urban economy which were expected to accelerate upward mobility are associated with poverty instead.

Industrial occupations, private enterprise and large scale employment are the essential features of the developing city sector of the economy. But instead of generating middle class living standards, they are firmly associated with the lowest level of poverty found amidst the urban population. Instead of helping to create a skilled labor force, they are the major consumers of unskilled labor. Because of the low wages received by the industrial labor force and the limited opportunities for advancement, it has become the focus of misery and stagnation rather than developmental change.

#### **Middle Class Occupations and Mobility.**

Among the middle class, four characteristics are also closely associated:

1. *Highest rate of employment in sales and service occupations.* Over half the economically active among the middle class enumeration districts are engaged in sales and service activities.
2. *Highest proportion of semiskilled workers.* One-half of the workers residing in middle class districts are semiskilled.
3. *Highest proportion of self-employment.* More than 2/5 of the economically active members of the middle class are self-employed.
4. *Highest proportion of wage-earners in small business.* Of those middle class residents receiving wages, 1/4 are employed in small business enterprises.

The unexpected conclusion is that those features of the urban economy which are effective accelerators of upward mobility are those most obviously associated with the pre-industrial sector.

The primary upward mobility advantage separating the middle class from the lower class households is the *choice of a preindustrial occupation* in the sales and services group. These tasks are best performed either by a self-employed single household engaged in trading or by a small business enterprise performing a

semi-skilled activity such as tailoring and dressmaking.

**Upper Class Occupations and Mobility.** Among the upper income residents, once more, there are four closely associated characteristics:

1. *Highest rate of employment in professional, clerical and management occupations.* These highly paid occupations include 2/5 of all workers in the upper income districts.

2. *Highest proportion of workers classified as skilled.* More than 1/3 of the workers in these upper class areas fall into the two highest skill classifications.

3. *Highest proportion of wage-earners in government jobs.* More than 1/3 of all salaried workers among the upper class are employed by the government.

4. *Highest proportion of wage-earners in institutional employment.* Almost 1/2 of the upper class salaried workers are in institutional jobs provided by government, churches or schools.

The heavy reliance of upper income recipients on institutional positions for their salaries is a negative indicator in terms of mobility based upon industrial growth.

Social critics in western nations have argued in recent years that government must act as the "employer of last resort." It is the duty of the government to provide work for those who cannot find jobs within the private sector. The assumption behind this argument is that those who must be employed by the government are those unfit or unskilled persons making up the lowest social stratum — the least desirable segment of the labor force.

However, in Davao the government appears to be the employer of *first* resort, since it secures a disproportionate share of the cream of the labor force. There is one government job for every 2.6 households among the upper class, but only one for every 7.8 households among the lower income districts. These observations seem to confirm the absence of highly paid business and industrial employment, and also

reflect adversely on wages paid by the private sector.

The answer to one of the underlying questions of this study has been provided by this section. There is an expanding urban middle class but it has little to do with the growth of a large industrial labor force except indirectly. The explosive growth of the lowest social stratum in Davao City has provided expanded markets for the petty trader, buy-and-sell merchant, *pakyao* craftsmen, and others among the self-employed who can cater to the limited purchasing power of the poor.

Middle class status, and the upward mobility implicit within it, seems to be derived from expanding the traditional bazaar economy to meet the needs of "peasant-become-proletarians." The dilemma of development implicit in these conclusions is obvious: the western future is not only failing to replace the eastern past, it is providing traditional forms of social organization and income distribution with new vitality.

Tables in this section permit the following conclusions:

1. Despite its industrial appearance, the major occupational area within the city is sales and services, mostly allocated to traditional or preindustrial forms of employment.

2. The majority of workers in Davao are semiskilled, but the bulk of industrial employees are unskilled.

3. Self-employment and private employment is approximately equal to non-government employment in business and industry.

4. Largest scale employers in Davao are institutions rather than industries. The industrial employer's share of the labor force is no greater than that of small business.

5. The upward mobility opportunities of the middle class are rooted in self-employment of the type which characterizes the bazaar market.

6. Modern business and industry provides employment for lower class households.

7. The major source of employment for the upper class is the government, and similar institutions.

### Property and Poverty

The relationship between income and population determines purchasing power, and this in turn determines property ownership. Since the majority of households in the community have very little disposable income, the critical question is not one of consumer preferences but survival. Through analysis of expenditures on housing, selected personal property items, and ownership of business and income property the survival strategy employed by households at different class levels will be examined.

The assumption behind this discussion is that, given the scarcity of purchasing power, two choices are available:

1. At the lowest income level, the problem is to obtain the basic necessities. Food is the primary requirement and the household may be expected to practice *income conservation* reducing all other forms of expenditure in order to maximize its food budget.

2. At higher class levels, earnings are adequate for basic necessities but insufficient for indulging in comforts and amenities. Households at this level should use purchasing power to engage in further *income production*. Extra income should be used as investment capital while consumer purchases are kept to a minimum.

The largest consumer durable item in most household budgets is housing. No effect has been made by either government or private sources to provide for the housing requirements of the lower 2/3 of the city's population (those earning less than ₱500 per month). Mortgage credit or installment purchase of building materials is not available to them. Housing is a problem which the people must solve for themselves, and the "peoples solution" often includes land seizure and squatting. Structures

erected are practical but not esthetically pleasing. The new urbanites in developing cities have no interest in gardens or greenbelts. They build instant slums.

In Table 29, home ownership and rental is examined for each of the three classes. "Administered" homes are those in which the occupant is a rent-free caretaker of the property — usually a relative of the owner.

Table 29. HOME OCCUPANCY BY ECONOMIC CLASS (Per Cent)

ECONOMIC CLASS	OWNER OCCUPIED	RENTED	ADMINISTERED	OTHER
Lower Income	50.7	34.5	7.4	7.4
Middle Income	43.6	44.2	9.0	3.3
Upper Income	30.2	53.9	13.7	2.1
TOTAL	42.5	43.2	9.7	4.5

Among the upper income households, less than 1/3 own their homes while more than 1/2 are renters. These proportions are reversed among the lower class. For 2/3 of the low income households, the monthly cost of shelter has been eliminated through home ownership or administration. This permits more substantial allocations of income to be made for food and transportation, the essential minima to survive, to reach the place of employment and to keep children in school.

Only the upper class pays rental sufficient to permit application for home loans. If the middle and lower class rent payments represent the maximum sums available for housing within their budgets, then they are effectively excluded from the housing market. However, the proportions of mean monthly income spent on rental disclose that residential expenses are kept low at *all* socio-economic levels in Davao. Improvements in housing would require substantial rebudgeting at all levels in Davao.

The mean number of rooms available in housing presently occupied is 3.69, and the mean number of persons per room is 1.64. Class

Table 30. MEAN AND MEDIAN RENTALS BY ECONOMIC CLASS, AND MEAN RENTAL AS PROPORTION OF MEAN MONTHLY HOUSEHOLD INCOME

ECONOMIC CLASS	MEDIAN MONTHLY RENTAL	MEAN MONTHLY RENTAL	MEAN MONTHLY HH INCOME	RENTAL AS % OF MONTHLY HH INCOME	% OF ALL HOUSEHOLDS PAYING RENT
Lower Class	₱23.30	₱26.47	₱335	7.9%	34.5%
Middle Class	33.08	43.66	491	8.9%	44.2%
Upper Class	67.42	82.91	812	10.2%	53.9%
TOTAL	37.65	52.40	523	10.0%	43.2%

differences in home size are minimal, ranging from 3.32 room (lower class mean) to 4.59 rooms (upper class mean). The extreme crowding so often commented upon in Asian urban centers has not yet become a problem in Davao. It is also apparent that the houses *rented* by the upper class are more adequate than the houses *constructed* by the lower class.

Since 50% of all households have resided in their present homes for three years or less, the entire urban population is characterized by

extreme mobility. More than 1/4 of all households changed locations during the year before the study. There is no evidence from this table that renters change residence more frequently than homeowners, although this is a conventional belief. In response to a survey question 22% of the households expressed their intention to seek another house in the future. The most frequent reason verbalized for wishing to obtain another dwelling was to *seek cheaper rent*. This decision is compatible with income conservation efforts.

Table 31. YEARS OF RESIDENCE IN PRESENT HOUSE BY ECONOMIC CLASS

YEARS	LOWER CLASS		MIDDLE CLASS		UPPER CLASS		TOTAL	
	N	%	N	%	N	%	N	%
1	109	28.7	90	26.9	76	26.8	275	27.5
2	39	10.3	39	11.6	32	11.3	110	11.0
3	47	12.4	35	10.4	30	10.6	112	11.2
4	23	6.0	28	8.4	27	9.5	78	7.8
5	23	6.0	21	6.3	10	3.5	54	5.4
6	9	2.4	16	4.8	10	3.5	35	3.5
7	25	6.6	16	4.8	11	3.9	52	5.2
8	14	3.7	13	3.9	8	2.8	35	3.5
9	6	1.6	5	1.5	3	1.0	14	1.4
10+	83	21.8	69	20.6	73	25.7	225	22.5
ND	2	.5	3	.8	4	1.4	9	1.0
Total	380	100.0%	335	100.0%	284	100.0%	999	100.0%

In addition to housing, purchases of electricity and appliances provide an indication of life style difference. Those whose utilization is restricted to one or more single light bulbs are identified in the following table as "lights only." If the household owns a radio, electric fan, or an iron, it has been listed under the heading "small appliances." If, in addition, the

household owns a refrigerator, electric cooking stove or television set, it has been classified under "large appliances."

More than half the households in the community have no electricity or lights only. One in four households possesses large appliances, and 56% of these are in upper class

enumeration districts. The severe limitation on effective demand for appliances suggests that expenditure strategies employed by households at all class levels emphasize avoidance of expensive consumer purchases. Absence of purchasing patterns involving consumer durables implies that the economy has not yet entered the take-off stage into self-sustained growth.

**Table 32. ELECTRICAL APPLIANCES BY ECONOMIC LEVEL**  
(Per Cent)

	NO ELECTRICITY	LIGHTS ONLY	APPLIANCE	
			SMALL	LARGE
Lower Income	26.3	48.7	13.9	11.1
Middle Income	11.9	40.9	27.2	20.0
Upper Income	2.5	20.1	28.9	48.6
<b>TOTALS</b>	<b>14.7</b>	<b>37.9</b>	<b>22.7</b>	<b>24.7</b>

Only 12% of the households in the community have a vehicle of any sort — approximately 1/2 the number owning heavy appliances. Slightly more than half the vehicles in service have commercial value (jeeps or trucks) and might better be considered as capital rather than consumer items. Upper class households own more motorcycles, jeeps and autos than the other classes combined, but the lower and middle classes own more trucks.

The paucity of consumer purchases (as indicated by housing, appliances and vehicle expenditures), despite the presence of substantial incomes among the upper third of the households in the study, indicates that purchasing power is being diverted into other areas. Business ownership (Table 33) is one of these, and the ratio of business to households is 1:5.

In the foregoing table, "other businesses" are the second most frequent category. The 64 enterprises which fall into this class include 31 involving the rental of property, rooms or bed space to tenants; there are 11 light industry enterprises (6 involving food preparation) and 17 engaged in retail sales. Remaining business activities include 5 firms engaged in printing and photocopying.

**Table 33. OWNERSHIP OF BUSINESS ENTERPRISES BY TYPE AND ECONOMIC CLASS**

TYPE OF BUSINESS	LOWER CLASS	MIDDLE CLASS	UPPER CLASS	TOTAL	
	N	N	N	N	%
Sari-Sari Store	25	35	27	87	39.0
Barber/Beauty Shop	9	8	1	18	8.1
Carenderia	2	6	1	9	4.0
Clothing	8	9	8	25	11.2
Machine Shop	2	2	6	10	4.5
Fruit/Fish Stand	1	6	0	7	3.1
Repair Shop	0	1	2	3	1.3
Other	7	23	34	64	28.8
<b>TOTAL</b>	<b>54</b>	<b>90</b>	<b>79</b>	<b>223</b>	<b>100.0</b>

**PER CENT OF HH'S OWNING  
BUSINESSES**      14.2      26.9      27.8      22.3

While they were not well represented in appliance and vehicle ownership, the middle class emerges as the owner of the largest number of business enterprises in the community. The preference of middle income households for capital investment over purchase of consumer goods is apparent; there are 36% more middle class households owning businesses than large appliances. The ubiquitous sari-sari store leads all others in frequency. The ratio of sari-sari stores to Davao households is an incredible 1:11.5. The ratio of tailor-dressmaker shops to households is 1:40, and the ratio of barber-beauty shops is 1:55. These businesses which account for 3/5 of the total, are all preindustrial in character. They exemplify the capacity of self-employment to endlessly expand by serving a distributive rather than a production function.

Of the 223 enterprises owned, only 51 (22.8%) are concerned with "making something." The other 172 (77.2%) are concerned with "selling something" (either a commodity or a service). More than 3/4 of these small businesses, then, are adding nothing to the stock of goods in circulation. Self-sustained growth depends upon the simultaneous creation of both consumer goods and the purchasing power needed to place these goods in circulation. Investment in sari-sari stores and tailor-dressmaker establishments is a retrogressive step from the standpoint of the economy as a whole, yet it helps the middle and upper classes to meet their goal of additional income-production.

Property is largely a prerogative of the upper class, probably because capital requirements are more substantial than those of small business. Real estate is the primary choice in investment property, and agricultural land is the most desirable form of real estate. Farm land alone accounts for 3/5 of all property owned by urban households. This type of investment deprives the industrial sector of capital which might be otherwise employed for production of goods and creation of jobs.

At the present stage of urban economic growth, income is sufficiently limited, even at upper class levels, that a selected goal can only be reached by limitation of other expenditures:

1. The *income conservation* strategy of the lower class rests on underconsumption of all durable goods. Lower class families eliminate housing costs from their budgets, do without electric appliances, and purchase no property.

**Table 34. PROPERTY OWNED BY HOUSEHOLD HEAD AND SPOUSE BY ECONOMIC CLASS**

TYPE OF PROPERTY	LOWER CLASS	MIDDLE CLASS	UPPER CLASS	TOTAL	
				N	%
Unoccupied or Undeveloped land	5	3	3	11	6.7
Agricultural land, new cultivated	16	18	53	87	53.0
House lots or home sites	3	3	15	21	12.8
Houses for sale or rent	19	12	8	39	23.8
Commercial property, stores etc.	2	1	3	6	3.7
<b>TOTALS</b>	<b>45</b>	<b>37</b>	<b>82</b>	<b>164</b>	<b>100.0</b>
<b>PER CENT OF ALL HH'S WITH PROPERTY</b>	<b>11.8%</b>	<b>11.0%</b>	<b>28.9%</b>	<b>16.4%</b>	

2. The *income production* strategy of the middle and upper classes is similar, but with a shift in emphasis.

A. Middle income districts pay twice as much for housing as the poor but

they are underconsumers of appliances and vehicles. Savings thus obtained may be applied to the purchase of small businesses, but not real estate.

B. Upper income districts forego home purchases and spend only a slightly larger proportion of income for housing than the poor. By underconsumption of housing, more substantial savings may be applied to both (1) purchase of small businesses proportionately equal to those of the middle class; (2) plus an equal number of investment properties of much greater value.

The discovery of income-conserving and income-producing strategies provokes some serious concern for the future of the community. It has become clear that lower class households have nothing to invest, while upper income households make investments which are essentially non-productive. Private capital is doing nothing to alleviate the problems or improve the potentials of the city.

The relationship between (1) the non-productive investments of the upper class, and (2) the proliferation of equally non-productive self-employment among the larger part of the labor force should now become clear. Since capital is not invested in productive enterprise, workers must create jobs for themselves. This is most easily accomplished in the streetside trade in commodities and services, in other words, the preindustrial sector.

Tables in this section permit the following conclusions:

1. Two-thirds of low income households pay nothing for housing.
2. For all households in the city, the mean monthly housing expenditure is ₱50, or 10% of income.
3. More than 1/4 of all households have lived in present housing for less than one year.
4. More than 1/2 the households in the city own no electric appliances although only 1/6 have no electricity.
5. More than 1/5 of all households in the city own a business; the proportion

rises to 1/4 among the middle and upper class households.

6. One-sixth of all households in the city own property; the proportion rises to 1/4 among the upper class.
7. Low income households appear to have no disposable income for consumer goods or investment; middle income households invest in business and upper class households buy property.

### Living Costs

The income available each day for meeting the living costs of the median household in Davao City is ₱1.88. For most of Davao's households, income is barely sufficient to provide the necessities. Among these must be counted food, water, fuel, transportation and health care. The major budget item is food, and

the major source of food for most households is the city market (either Bankerohan or Agdao); 62% of all households make their purchases at Bankerohan, the central city market. Another 25% visit Agdao, a secondary market constructed since the war to serve the rapidly expanding north side area. The remaining 1/8 of the households patronize one of seven smaller city markets.

Table 35 confirms that 2/3 of the households in the city are spending more than 1/2 their gross income on market purchases, and over 40% of all earned income is finding its way into the city market. This is a much larger proportion than would be expected from western experience with household budgets. The reduction in market expenditures among the upper class, when compared with middle class households, may be the result of farm products received from agricultural lands.

**Table 35. MARKET EXPENDITURES AND TRIPS TO MARKET PER MONTH BY ECONOMIC CLASS WITH ESTIMATES OF AVERAGE MONTHLY EXPENDITURES**

	MEAN NUMBER TRIPS PER MONTH	MEAN EXPENDI- TURE PER TRIP	ESTIMATED MONTH- LY EXPENDITURE	%MEAN HH INCOME
Lower Class	11.8	₱14.51	₱171.22	51%
Middle Class	17.8	15.20	270.56	55%
Upper Class	13.1	18.46	241.83	30%
TOTAL	13.7	16.12	220.84	42.2

The per capita market expenditure of ₱28.54 per month among the lower class could not purchase a nutritionally adequate diet, especially for growing children. The middle class per capita expenditure of ₱45.09 per month probably represents the minimum requirement for a balanced diet. However, the lower class households would find it necessary to spend 81% of their mean monthly income on food in order to provide it.

The average annual purchase per household from the city market is ₱2,640, and the 999 households surveyed make annual market purchases of ₱2,637,360. If this figure is expanded for the 60,000 households in Davao

City, it becomes ₱158,241,600 per year. This figure contains the explanation of the importance of the preindustrial sector of the urban economy, and underscores the role of the bazaar trade in providing upward mobility opportunities for the middle class.

This demonstration of the importance of the city market in the urban economy illustrates a further problem of development. More than 2/5 of the total earnings of urban households are being channeled through the city markets into the hands of producers of unprocessed foods. Urban income is subsidizing the agricultural economy of the surrounding farm area rather than industrial productivity.



**Table 36. SOURCES OF DOMESTIC WATER BY ECONOMIC CLASS**

(Per Cent)

SOURCE	LOWER INCOME	MIDDLE INCOME	UPPER INCOME	TOTAL
Surface Flow	11.6	0.0	0.0	4.4
Public Well	4.2	0.0	1.1	1.9
Street Peddler	.8	3.0	.7	1.5
Private Well	5.3	2.7	3.5	3.9
NAWASA	8.7	3.3	4.2	5.6
Roof Tanks	66.8	74.6	79.9	73.1
Tank Truck	2.6	16.4	10.2	9.4

The domestic water supply has been a constant source of discontent in Davao City because of the inadequacy of the city water system which serves only the central business district. Roof tanks are employed to catch rain water by three-fourths of the households in the community. Tanks must be purchased and pipes must be installed. Two-thirds of lower income households have made this investment, and it is consistent with their income-conserving strategy. The alternative is to make

periodic water purchases from street peddlers or from tank trucks.

More than 2/3 of low income households use wood as fuel, at an average cost of ₱10-15 per month for those who must purchase it. However, the local wood industries inadvertently subsidize fuel requirements as well as the housing market with scrap lumber. Only 1/3 of the lower class households using wood for fuel purchase it from a dealer; the others are able to make collections of scrap from local sawmills. Income conserving behavior with respect to fuel can also be seen in the middle class statistics. Only upper income households use modern stoves and cooking fuels in a substantial majority of kitchens.

Of the city's 389,000 inhabitants, 120,000 live within the Poblacion which contains most commercial facilities and employment opportunities. The remainder of the population is widely dispersed and because of its substantial size, even Poblacion residents must use public transportation.

**Table 37. COOKING FUEL USED BY ECONOMIC CLASS**

	WOOD	CHARCOAL	BUTANE	KEROSENE	ELECTRIC	OTHER
Lower Income	68.4	4.7	12.1	14.2	.3	.3
Middle Income	45.0	1.8	23.3	27.5	.6	1.8
Upper Income	19.7	1.4	47.2	24.6	5.3	1.8
TOTAL	46.7	2.8	25.8	21.6	1.8	1.3

**Table 38. USE OF TRANSPORTATION BY ECONOMIC CLASS**

(Number of Trips per Household per Day)

	DESTINATION			TOTAL
	WORK	SCHOOL	MARKET	
Lower Class	.842	.521	.600	1.96
Middle Class	.887	1.04	.573	2.50
Upper Class	1.05	.986	.901	2.94

Despite their nearness to markets, schools and places of work, upper class households are the heaviest consumers of public transportation. This suggests that transportation use is a function of purchasing power rather than distance. The poor high school attendance of lower class children is reflected in the small number of trips to school. All low income districts are separated from public high schools by considerable distances.

Despite differences in number of trips per day, the cost of transportation is quite similar for all three classes. Average expenditures are ₱1.12 for the lower class, ₱1.08 for the middle class and ₱1.17 for the upper class household. For lower income households, the item of ₱33.60 per month for transportation absorbs more than 10% of mean income.

The source of medical care relied upon by different sectors of the population is a good index of their poverty status. Indigent medical

care is available in Davao City through the Davao City Health Department and the Regional Hospital. Those who utilize these resources are generally unable to pay for medical care. The level of medical indigence in Davao (34% who use the public clinic) is approximately equal to the 38% of the households which we identified with poverty earlier in this report. The high proportion of medical indigence among middle income households (1/3 of the group) is rather surprising.

**Table 39. SOURCE OF MEDICAL CARE BY ECONOMIC CLASS**  
(Per Cent)

SOURCE	LOWER INCOME	MIDDLE INCOME	UPPER INCOME	TOTAL
None	2.4	2.4	1.4	1.1
Folk Medicine	.5	2.4	1.4	.7
Public Clinic	46.3	31.7	20.1	34.0
Private Clinic	12.1	19.8	37.8	22.0
Company Clinic	2.1	1.5	2.1	1.9
Private Physician	33.7	42.0	36.7	37.4
Other	0.0	.3	.5	.8

The mean income received by the 38% of the households designated as lower class in the study is ₱335 per month. Cost figures for various household budget items may be assembled to account for the major part of that amount.

**Table 40. MONTHLY BUDGET FOR LOW INCOME HOUSEHOLDS**

Market Purchases	₱170
Transportation	34
Rental	25
Fuel	10
Water	5
Electricity	5
<b>TOTAL</b>	<b>₱249</b>

These rather nominal items estimated at minimum cost account for 74% of the mean lower class monthly wage. Clothing, school expenses, and casual food purchases (lunches and snacks) must be obtained with the ₱96 per household which remains. The inadequacy of

market purchases (₱170) alone suggests that the larger part of the remainder is used for cooked food purchases from street vendors. The poor are their most frequent customers.

Tables in this section support an important policy conclusion:

1. Two-thirds of all households in the city trade at the central market (Bankerohan).
2. Two-thirds of the city's households spend more than 50% of their income on market purchases.
3. More than 40% of all earned income in the city is channeled through the city market into consumption of unprocessed foods. Thus, urban income tends to subsidize agriculture rather than provide support for industrialization.
4. The entrepreneurial role in central market operations provides a substantial economic platform for the middle class because of (a) centralization of purchasing; (b) the volume of market operations; (c)

the market's share of consumer purchasing power.

5. It follows that any program or policy which attacks centralization, volume or purchasing power in marketing attacks the middle class.

6. Lower class purchasing patterns regarding fuel, water and medical care are intended to conserve income.

7. Transportation consumes 10% of the mean monthly income presently received by the lower class.

8. Food and transportation alone account for 2/3 of the purchasing power in the lower class budget.

### Perpetuation of Poverty

The lower class in the community today appears to suffer a number of structural and situational disadvantages which both contribute to their minimal living standard, and determine that they shall be unable to escape from it through their own efforts. The interlocking character of these disadvantages reinforces the potential for poverty to perpetuate itself.

The excessive numbers of children produced by the poor when matched with lack of skills and fixed wages, determines that the lower class must follow a survival strategy of allocating the household budget for food. Lack of resources for purchase of housing determines that they occupy the cheapest real estate on the urban fringe. These areas are remote from secondary schools and opportunities for part-time employment, which, in turn determines that children will have no better education than their parents and, after leaving school, will remain unemployed.

To break the cycle of population and poverty, upward mobility opportunities must come within the reach of the poor. If these opportunities are not available through industrial promotions and pay increases, they must be sought in the bazaar market from which the present middle income group draws its support. The absorptive capacity of the

streetside trade is fixed, however. Further intrusions of new vendors and artisans and tradesmen may only diminish the shares available to each.

More important, the role of streetside trade in producing an urban middle class is functionally related to the presence of a central city market, residence of higher income households within the central business district, and access to nearby locations where combined store-and-living-quarters structures may be erected. Without these, the only existing channel of upward mobility will cease to exist.

All three of these essentials are part of the preindustrial business and residential pattern of urban organization known as the *plaza complex*. Within the past twenty years, two of the instruments of modernization have intervened to speed the demolition of this preindustrial order: the factory and the real estate subdivision. Industrialization and high-price residential development are tending to segregate and suburbanize the two extremes of the class structure.

Since 1971, 1,161 homes have been constructed in GSIS Heights in the Matina district south of town. Prices of homes range from ₱16,000 to ₱25,000; minimum monthly income requirements are ₱540 to ₱1,132. The greatest demand has been for the 3-bedroom unit which requires a minimum monthly payment of ₱215.

At the opposite end of the social scale, the creation of industrial estates in remote coastal locations to the north and south like Sasa and Bangkal has meant the settlement of working class suburbs adjacent to them. These blue collar suburbs, sometimes established through the activity of squatter associations, represent the heaviest concentration of unrelieved low income in the city. These are the "outer city" slums.

Both types of suburban growth result from the rejection of the central city as a place of work combined with residence. And both tend to increase the distance between the social classes as urban growth continues. Differentiated residential zones are being created, each of which will contain similar families with undifferentiated socioeconomic status.

Factories and suburbs provide the mask of modernization behind which the traditional institutions of the bazaar economy — little changed since the days of Srivijaya — continue to absorb new workers and provide for upward mobility in this Southeast Asian sea port. But they also contain the threat which may destroy it. The central market and the streetside trade appear to depend upon the plaza complex type of city. Differentiation of residential areas and decentralization of purchasing power create a new environment to which it is not adapted.

If the social mobility and labor absorption capacities of the bazaar economy are crippled by the joint forces of population growth the suburbanization, the worst features of Asian urban society will be rapidly accelerated. Maldistribution of income will be intensified, population will continue to increase, and chances for achievement of middle class status will be blighted. The separation into a two-class society will be completed and one more Asian city will be on the road to Calcutta.

#### Acknowledgments

The original manuscript has been much improved through discussion with Peter C. Smith, Population Institute, University of the Philippines. Readiness of the Sponsors, Davao Research and Planning Foundation and Philippine Business for Social Progress, to accept sometimes unpalatable conclusions and to pledge additional support for further studies by the Davao Action Information Center has been a constant source of encouragement to the author. Tolerance of the Center for Population Research toward unexplained delays in submission of reports has eased the burden imposed by the need to complete this analysis under field conditions, i.e., by manual tabulation of survey schedules.

The survey was conducted under the direction of Lilia Solidor, deputy director, Davao Action Information Center. Field supervision was provided by Lirio Patriarca, Nicanor Abad and Rene Jutic of the DAIC staff. Clerical assistance was contributed by Nora Academia, Alice Baguio and Mariano de la Paz. Sampling information was generously provided by Mr.

E.A. Capareda, regional director, Bureau of the Census and Statistics, and by the supervisors who verified the boundaries of sample enumeration districts in the field.

The analysis and the opinions expressed are those of the author and do not imply endorsement by either the sponsoring agencies, the survey staff, or others consulted in the course of the research.

#### References

- Berelson, Bernard  
1969 *Beyond Family Planning. Studies in Family Planning*, No. 38, Population Council. New York.
- Davis, Kingsley  
1967 *Population Policy: Will Current Programs Succeed?* *Science*, Vol 158, 10 November, pp. 730-739.
- Flieger, Wilhelm  
1972 *Fertility Levels and Fertility Trends in the Philippines*. Paper presented at a meeting of the Population Seminar, Southeast Asia Development Advisory Group, Belmont, Maryland.
- Geertz, Clifford  
1963 *Peddlers and Princes: Social Development Economic Change in Two Indonesian Towns*. University of Chicago Press. Chicago.
- Hauser, Philip  
1967 *Family Planning and Population Programs: A Book Review Article. Demography*, Vol. 4, No. 1, pp. 397-413.
- Hutchinson, Bertman  
1961 *Fertility, Social Mobility and Urban Migration in Brazil. Population Studies*, Vol. 20, pp. 182-189.
- Rosen, Bernard C. and Alan B. Simmons  
1971 *Industrialization, Family and Fertility: A Structural Psychological Analysis of the Brazilian Case. Demography*, Vol. 8, pp. 49-69.

# PLANNING MORE POVERTY: COST AND CONSEQUENCES OF SQUATTER REMOVAL IN LANANG DISTRICT, DAVAO CITY<sup>1</sup>

BEVERLY H. HACKENBERG  
Davao Action Information Center  
301 Francisco Building  
Davao City

## Planning more Poverty

Recent studies of the economic organization of Davao City resulted in the classification of 38% of the community's households as "low income."<sup>2</sup> It was also concluded that the substantial number of low income households resulted from *severe maldistribution of income*, rather than from absence of wealth in the city. Distribution of income, in turn, proved to be directly associated with *unequal access* to the income opportunities which are available.

The primary determinant of income in Davao City is the *number of persons employed* in each household; the average number is 1.56. Among upper income households close to the

center of the city, it rises to 1.75; among the lower income households at the edge of the city it drops to 1.45.

The secondary determinant of income in Davao City proves to be the type of employment in which a household is engaged. Middle and low income household heads show few differences in education or skill levels; the primary difference between them is their choice of economic activity. Middle income households are self-employed for profit in the market trade in commodities and services. Low income households are primarily industrial employees receiving fixed wages (usually the minimum of ₱8 per day).

Because middle income households reside closer to the center of the community, they have access to *both* wage-paying jobs in business and clerical work and to self-employment in the street and market trade. It follows that middle income households have more persons per household employed, and greater diversification in their sources of income.

<sup>1</sup>Publication Number 154 of the Institute of Behavioural Science, University of Colorado.

<sup>2</sup>Hackenberg, Robert A. "THE POVERTY EXPLOSION: *Population Increase and Income Decline in Davao City, 1972* 52 pages. Davao Action Information Center, Davao City. November 28, 1973.

Because low income households reside further from the center of the community, they have reduced access to both trading opportunities in the central city markets, and to the large volume of potential customers found in high density areas of the city. It follows that lower income households have fewer persons per household employed, and more concentrated dependence upon a single source of income — the factory job.

The important conclusion from this review is that maldistribution of income results from unequal access to sources of earnings. The more income sources available, the greater will be the number of employees per household, and the larger the probability that lower income people will be able to rise to middle income status, financial security, and a more acceptable way of life. Finally, *it is clear that access depends on location of residence*, rather than upon education, superior skills, or other determinants.

Two considerations make this a fact of primary importance for development planners, city and national officials, civic and church leaders and all others in positions which make them responsible for the future of the community:

1. The urban poor who have the least access to diversified income opportunities because of their present residences at the edges of the high density areas are the most *rapidly increasing* sector of the city's population, with a general fertility rate 25% higher than that of the entire city. Since they are already 2/5 of the urban population, it will not be long before, at present rates of reproduction, they become the majority.
2. Present plans for squatter removal, which may affect as many as 17,000 households or 28% of the city's population will have the immediate result of *drastically reducing* the opportunities for access to diversified employment which are presently possessed by more than 2/3 of the poor who make up the bulk of the squatter population. The reason for this is that, while the lower income

households included in the survey which is the basis of this discussion were living within 7.5 kilometers of the city *plaza*, present removal plans have given consideration *only* to resettlement areas 12.5 kilometers from the center of the city.

The obvious conclusion is that planners, by initiating squatter removal, will create an exploding population of households living at a depth of squalor and misery far worse than anything the poor have been able to achieve for themselves.

Because planning for squatter removal is restricted at present to the type of site which can be obtained from the government at little or no cost to the City of Davao, all sites under consideration have been beyond the 12.5 kilometer radius (Mandug, Panacan, Mintal, etc.). All sites are undeveloped and none has any special advantages with regard to access to schools, churches, markets, transportation, or public utilities. In fact, the location of all such sites are rural, not urban, and present uses are agricultural. The implementation of plans to remove a substantial number of people to any of these locations would result in the *ruralization* of as much as one-fourth of the urban community.

Perhaps the worse feature of the imposition of squatter removal upon the poor is that, utilizing the limited resources which present locations place at their disposal, they have been able to achieve substantial improvements in (1) their own living conditions; (2) the prospects for a better way of life among their children; (3) the possibilities for immediate future reduction in their rates of population growth. All three of these hopeful indications would be reversed if they are evicted and relocated to rural areas. Plans such as these can only produce more poverty of a worse degree than presently exists.

While information has been gathered on low income households from a city-wide sample survey conducted by Davao Research and Planning Foundation, and data on urban squatting has been generated by the Action Coordinating Team of the City of Davao, there are no current reports which deal directly with low income

squatter communities. Descriptive data on one of several such communities in Lanang District (hereafter referred to as the Village) was collected by the author in several surveys conducted in March, 1970, and August, 1971.

The following data from the two surveys are presented under three headings:

- (1) characteristics of the Village;
- (2) consequences of squatter removal;
- (3) conclusions concerning the place of resettlement in developing cities.

They are intended to present both a prediction of what may happen if present plans to remove the residents of the village to a remote barrio are implemented, and also to suggest some alternatives which may build upon present positive tendencies within the community.

#### Characteristics of the Village

There is no need to review a mass of historical data on the origin of the community, the dubious legal status of the ground it occupies, and the efforts of the association of homeseekers to secure legal title to the property. Thus far, they have failed and the money they have expended has been wasted, except to provide additional evidence of the depth of their desire to remain in the Village, regardless of the costs.

In view of the threat of immediate removal hanging over them, it will be more useful to review (1) the growth characteristics of the community, since it represents the main stream of recent immigration to Davao City, and (2) the functions which the location of the Village serves in meeting the necessities of life for the present, and providing for a more abundant future. Each major conclusion of importance about the Village will be stated first, followed by the evidence which supports it.

1. *The Village has posted a growth rate higher than the fastest growing portions of Davao during 1960-70.* Like other low income portions of Davao City, the Village lies outside the Poblacion in a region which, since 1960, has grown at an average annual rate of 13.9% per

year. This rate, which is *twice* the pace at which the entire city is expanding, is *exceeded* by the current growth rate of the Village which averaged 16% per year for the past three years, as described in Table 1.

Table 1. HOUSEHOLD ARRIVAL  
YEAR IN THE VILLAGE:  
ALL HOUSEHOLDS PRESENT IN JULY, 1971.

ARRIVAL YEAR	HOUSEHOLDS	
	N	%
1961	2	.6
1962	1	.3
1963	8	2.5
1964	36	11.4
1965	38	12.0
1966	27	8.6
1967	31	9.8
1968	17	5.4
1969	46	14.6
1970	56	17.7
1971	52	16.5
ND	2	.6
	<hr/> 316	<hr/> 100.0

The popularity of the area is related to the recent establishment of the plywood and sawmill industries. The settlement of Lanang is related to the growth of industry, and its households are primarily dependent upon factory work as their major source of employment.

2. *Part of this growth may be attributed to recent changes in city migration patterns which bring increasing numbers of migrants directly to the village.* The households are 84% rural in origin, but until 1960, the majority of residents went first to the central city before settling in Lanang. After 1965, the majority of arrivals came *directly* to the village for several reasons: diminishing access to residences in the Piapi area which had reached its maximum density, and increasing access to employment and home sites in Lanang.

**Table 2. POINT OF ENTRY INTO DAVAO CITY  
MALE HOUSEHOLD HEADS**

ENTRY DATES	NORTHERN PERIPHERAL SQUATTER AREA		CENTRAL CITY SLUM		OTHERS	
	N	%	N	%	N	%
-1949	16	32.7	28	57.1	5	10.2
1950-1959	28	37.8	35	47.9	11	14.9
1960-1964	43	52.4	30	36.6	9	11.0
1965-1969	49	69.0	14	19.7	8	11.3
1970+	12	85.7	2	14.3	0	

The city-wide sample survey disclosed that, each year since 1948, the migration stream brings approximately 2.5% more people into Davao. While the rate of arrival remains relatively constant, the preference for first destination has shifted from the central city to more remote areas. The residents of the Village exemplify the living standards established by the rural poor who are presently adjusting to city life – most of them for the first time.

Because of the background they come from and the group they represent, Villagers are a strategic element in deciding the fate of the city's future. It is often suggested that incoming rural migrants will drown the city in poverty and ignorance and contribute to a general decline in welfare. The truth of this statement depends upon the fate of the people like the Villagers and their children and the conditions for adaptation to urban life which are imposed upon them.

3. *Part of the Village growth rate is also due to the youth of the residents, and to their fertility which is the highest ever measured in the city.* The median age of the Village residents, who include 1,877 persons in 316 households is given below, and compared with that of other groups within the city.

The village people are the youngest population group in Davao City, having a median age almost four years below that of the entire city, and 2.4 years below that of other lower class districts. The disproportionately large number of the very young is displayed in the

**Table 3. MEDIAN AGE AND  
HOUSEHOLD MEMBERSHIP:  
VILLAGE AND DAVAO CITY**

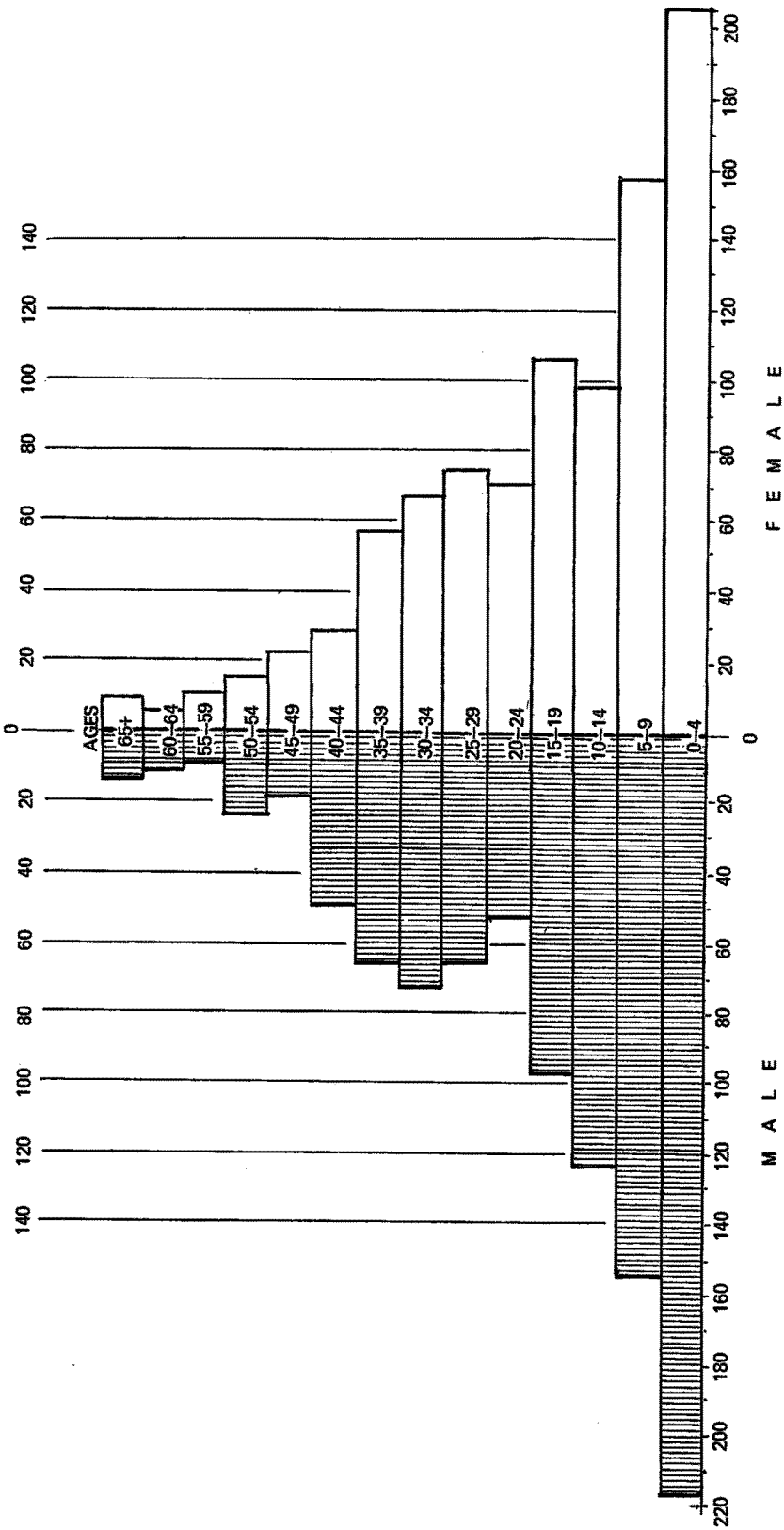
	MEDIAN AGE	HOUSEHOLD MEMBERS (MEAN)
The Village	14.5 years	5.94
Lower Class Davao City	16.9	6.08
Middle Class Davao City	17.9	5.89
Upper Class Davao City	19.9	6.25
Total Population Davao City	18.2	6.06

population pyramid opposite (Figure 1). But, in spite of its youth, the Village household size is almost identical with that of the entire city.

This implies that the population of the Village includes a much larger number of dependent children than the rest of the community, and this is demonstrated below.



**VILLAGE  
POPULATION PYRAMID**



**Figure 1. VILLAGE POPULATION STRUCTURE: NUMBER OF PERSONS BY SEX AND AGE**

Table 4. DEPENDENT SEGMENT  
OF THE POPULATION:  
VILLAGE AND DAVAO CITY

	DEPENDENT POPULATION (% AGE 0-14)
The Village	51.0
Lower Class Davao City	45.7
Middle Class Davao City	42.9
Upper Class Davao City	34.3
Total Population Davao City	41.5

The economic burden on the parents of the Village is extremely severe since they have an excessive number of children who are school-age, and few who are old enough to contribute to household income.

Confirmation of the problem of dependency may be seen in the comparative absence of adults other than the head and spouse in the households of which the village is composed, as set forth in Table 5 below.

It will be demonstrated in the subsequent discussion of income and employment that the number of incomes per households, rather than the amount of wages paid to a single worker, is the critical factor in determining household income. Because 3/4 of the Village households have no adult members other than the head and spouse, it is quite difficult for them to tap additional sources of income even if they were in a location where access to employment were more favorable.

The low median age, large household size, and small number of other adults present in the Village is evidence of explosive pop-

Table 5. HOUSEHOLDS LACKING  
OTHER ADULT MEMBERS:  
VILLAGE AND DAVAO CITY

	HOUSEHOLDS WITH NO ADULT MEMBERS OTHER THAN HEAD AND SPOUSE (%)
The Village	72.1
Lower Class Davao City	61.8
Middle Class Davao City	59.4
Upper Class Davao City	35.9
Total Population Davao City	53.6

ulation growth. More direct proof is provided in the fertility data assembled in Table 6 below. The Village birth rate of 55.9 per thousand is 19.2 (or 52%) higher than the estimated rate of 36.7 for the entire city. If the Davao City Health Department death rate of 6.5 per thousand for 1972 is accepted, the annual growth rate in the Village from natural increase alone is over 4.9% per year. At this rate, the population of the Village will double in size every 14 years even if there is no further immigration.

The timing and volume of fertility in the Village contrasts sharply with that for both the lower class and the total population of Davao. The combined marital fertility rate of 451 for Village women 20-29 is significantly less than that of 532 for the Davao lower class; however, the marital fertility rate of 383 posted by Village women aged 30-39 is significantly greater than that of 220 for lower class women throughout the city.

The impact of these rather dramatic differences on total fertility for women of the Village in comparison with the other parts of Davao is presented in Table 7 below.

**Table 6. CRUDE BIRTH RATES AND AGE-SPECIFIC MARITAL FERTILITY RATES:  
VILLAGE (1970) AND DAVAO CITY (1971)**

	CRUDE BIRTH RATES	AGE-SPECIFIC MARITAL FERTILITY RATES					
		15-19	0-24	25-29	30-34	35-39	40-44
The Village	55.9	714	452	449	413	351	154
Lower Class Davao City	40.9	375	544	523	271	169	45
Middle Class Davao City	33.5	375	441	232	304	171	23
Upper Class Davao City	19.7	375	368	319	190	29	27
Total Population Davao City	32.3	375	474	369	254	134	32

**Table 7. GENERAL AND TOTAL FERTILITY RATES:  
ALL WOMEN AND MARRIED WOMEN IN THE VILLAGE (1970) AND ALL DAVAO (1971)  
(PER THOUSAND WOMEN)**

	GENERAL FERTILITY RATES		TOTAL FERTILITY RATES
	ALL WOMEN 15-44	MARRIED WOMEN 15-44	ALL WOMEN 15-44
The Village	258	398	7990
Lower Class Davao City	187	326	5675
Middle Class Davao City	135	257	4125
Upper Class Davao City	65	178	2285
All Davao	127	262	4075

The number of births per year which occur to all women 15-44 in the Village is 38% higher than that sustained by lower class women elsewhere in Davao, and *slightly more than 100%* above that occurring to all women aged 15-44 in the entire city.

If the age-specific fertility rates for Village women aged 15-44 in 1970 are applied to a cohort of 1000 young women entering their reproductive years at this time, the total number of children they would produce is predicted by the total fertility rate. The expected total of 7,990 (8 births per woman) is

41% higher than the total of 5,675 (5.7 births per woman) expected for all lower class women, and 96% higher than the total of 4,075 (4.1 births per woman) expected for all women in Davao City.

The difference between the fertility demonstrated by Village women and that of other lower class women in Davao is quite important. The reproductive pattern of women in the Village who reach moderately high fertility during the early years of marriage (20-24) and maintain it beyond their fortieth year is similar to that of primitive societies.

Having a greater number of children during the early years of marriage and reducing reproduction after 30 is a pattern associated with modernization.

The rural pattern of family formation, which resembles the pattern found in the Village, results in a larger total number of children per married woman than the typical urban-industrial pattern found among the remainder of the lower class in Davao.

In addition to the fertility of married women, total reproduction is affected by the proportion of women married within the community. Village households are composed primarily of recent arrivals and the majority of adults come into the area as married couples; this insures that an unusually high proportion of adult females in the community are married. As Table 8 below reveals, there is a higher proportion of married women at every age level in the Village than elsewhere in Davao.

Table 8. NUPTIALITY: VILLAGE WOMEN AND DAVAO CITY  
PER CENT MARRIED

	VILLAGE WOMEN	LOW INCOME DAVAO CITY	MIDDLE INCOME DAVAO CITY	UPPER INCOME DAVAO CITY	ALL DAVAO
15-19	6.5%	3.0%	1.5%	1.1%	1.8%
20-24	60.0	53.3	45.4	15.0	37.1
25-29	93.2	73.0	77.0	61.0	70.6
30-34	94.0	93.7	81.0	82.8	85.6
35-39	96.6	93.7	93.2	85.0	91.2
40-44	86.7	89.8	97.7	90.2	92.5

The marriage rate for all women between the ages of 15 and 44 in the Village is 649 per thousand, compared with that of 570 for lower class women in Davao, and with 480 for the entire city. In the peak reproductive years between ages 20 and 39, Village women are much more frequently married than those of low income district elsewhere in the city. The excess of 20% among women 25-29 is particularly significant in explaining differences in general and total fertility rates (Table 7).

It may be expected that the next generation of young women produced within the Village will be less inclined to marry at an early age than their mothers, most of whom grew to majority in rural surroundings where neither educational nor occupational opportunities were available. This expectation, of course, depends upon continued access to higher education by Village households and possession of income sufficient to send daughters to school.

4. *Since family planning services are gaining acceptance among the women of the Village, fertility rates may be expected to decline in the*

*immediate future; but only if adequate care is available.* Contraception services are widely spread through the combined resources of AID and POPCOM, but not equally available to all. The Village is seven kilometers from the Davao City Health Department's downtown office which was until recently, the closest point of service. Within the past year, a satellite clinic has been opened much nearer to the Village on the main access road. Also, family planning services are provided to the families of employees by Alcantara and Sons, a major employer of Village household heads.

Since the date at which these survey data were collected, contraceptive use and acceptance has greatly increased among the women of the Village. The data in Table 9, while now somewhat obsolete, reveal that even in 1971 family planning was accepted by 1/5 of all women in the age range 15-44.

The 5% lag which separates women of the Village from other lower class members may be attributed in part to the more recent date of the information obtained on the latter group.

**Table 9. FAMILY PLANNING ACCEPTORS:  
VILLAGE AND DAVAO CITY LOWER CLASS**

	VILLAGE (%)	LOWER CLASS (%)
15-19	14.3%	00.0
20-29	23.4	28.9
30-39	22.5	26.1
40-44	12.0	18.2
All women 15-44	20.5	25.5%

The data reviewed in Table 6 provide a key to the problem. The comparative data on the lower, middle and upper income groups in Davao City document the decline that occurs in fertility as income increases. The relationship between diminishing population growth and higher income is one of the best established facts in the literature on world population problems. Table 10 below provides evidence that within the Village, women from higher income households are more apt to have accepted family planning.

**Table 10. CONTRACEPTION, INCOME AND EDUCATION AMONG MARRIED VILLAGE WOMEN (AGES 15-44)**

	MEDIAN EDUCATION	MEDIAN HOUSEHOLD INCOME PER MONTH
Village Women Using Contraception N = 54	High School 3rd Year	₱306
Village Women Not Using Contraception N = 196	Elementary Grade 7	₱261

It is encouraging to learn that among the women of the Village the hope for a better life for a smaller number of children which comes with increased education and earning capacity can be utilized to solve the population problem. The implication of these findings is that efforts made to improve the living standards of the Villagers will be repaid with evidence of more responsible parenthood.

5. *While the education of parents in the Village is no better than that of other lower class members, the education being provided to children is distinctly superior.* The class status of a household is very often fixed by the educational level of the household head. If his education is limited, then the income of the household will be restricted. Table 11 below reveals that the education of household heads in the Village is identical with that of other lower income households in Davao City.

**Table 11. EDUCATION OF HOUSEHOLD HEAD:  
VILLAGE AND LOWER INCOME HOUSEHOLDS**

	VILLAGE HOUSEHOLD HEADS	LOWER INCOME HOUSEHOLD HEADS
College Graduate	7.2%	6.8%
Some College	8.9	8.7
Vocational School	0.0	.5
High School Graduate	17.0	16.8
Some High School	23.6	18.4
Elementary School Graduate	28.9	36.3
Some Elementary School	12.8	8.7
No Education	1.3	3.7

Despite their generally poor educational attainment, the parents of the Village are determined to get better opportunities for their

children than they had for themselves. Current school attendance data, presented in Table 12 below, offers convincing evidence.

**Table 12. ESTIMATED SCHOOL ATTENDANCE: VILLAGE AND LOWER CLASS DAVAO**  
 (FIGURES ARE PERCENTAGES OF ESTIMATED SCHOOL AGE POPULATION ACTUALLY ATTENDING SCHOOL)  
 CHILDREN OF THE VILLAGE      LOWER CLASS DAVAO CHILDREN

Elementary School	100.0%	93.2%
High School	82.8	63.7
College	22.2	22.0

The difference at the high school level is particularly impressive. Less than 60% of household heads attended high school, while more than 80% of children of high school age are already enrolled! When educational performance of villagers is compared with that of other low income districts in the city, the advantage at the high school level is once more apparent. Over 4/5 of Village children are attending high school, compared with 3/5 of the other lower class areas. Since there is no school close to the Village, parents must sacrifice both for transportation and expenses in order to maintain these students and provide for them from very meager incomes. It may be expected that when the present high school students reach the age of graduation, college

enrollment will increase also.

6. *Despite high employment levels, the Village represents the densest concentration of low income households discovered in Davao City.* As an income-producing community, the Village has some built-in disadvantages. It has the largest number of dependent children and the smallest number of employable adults to be found anywhere in Davao City. In spite of this, the employment record of Village households is surprisingly high, as disclosed in Table 13 below.

The households of the Village have *much less unemployment* among household heads, spouses and out-of-school children than all other lower class districts. Village rates are about the same as those of the middle class on these measures. The most surprising facts in Table 13, considering the very young composition of the Village population, is the large number of both spouses and children who are employed. Spokesmen for the Villagers often comment on the absence of delinquency within their community; evidence of this is provided by the lowest rate of unemployment among children out of school to be found in the entire city.

**Table 13. EMPLOYMENT STATUS: VILLAGE POPULATION AND DAVAO CITY**  
 (FREQUENCIES PER 100 HOUSEHOLDS)

	TOTAL NUMBER EMPLOYED	HH HEADS EMPLOYED	SPOUSES EMPLOYED	OTHER ADULTS EMPLOYED	CHILDREN EMPLOYED	CHILDREN OUT OF SCHOOL UNEMPLOYED
The Village	144	94.0	23.1	8.2	18.7	8.2
Lower Class Davao City	145	89.9	17.4	15.8	23.2	41.8
Middle Class Davao City	152	94.9	23.9	11.6	20.3	34.9
Upper Class Davao City	175	95.1	30.6	22.5	27.8	30.3
All Davao	156	93.0	23.3	16.3	23.5	36.2

While the employment data present an unblemished picture of industriousness, the people of the Village are unable to rise above the income level of the lower class. The comparative position of Village households and those of other sectors of Davao City may be examined in Table 14 below.

The difference between the Village and other low income districts in Davao is quite significant. Although perhaps not immediately apparent. The two groups have identical *medians* (₱270 and ₱269) which indicates that 50% of the households in each group fall *below* that figure, and 50% are about it. However,

Table 14. MEASURES OF MONTHLY INCOME:  
VILLAGE AND DAVAO CITY  
(PER HOUSEHOLD)

	MEDIAN	MEAN	STANDARD DEVIATION	VARIANCE
The Village	₱270	₱297	51	.17
Lower Income Davao City	269	335	267	.80
Middle Income Davao City	342	491	505	1.03
Upper Income Davao City	558	812	657	.81
All Davao	343	523	522	1.00

when the *means* are examined, the low income household figure is significantly higher than that of the Village. There are more high incomes to be found among the lower class households than in the Village.

Table 15. DISTRIBUTION OF  
MONTHLY INCOME:  
VILLAGE LOWER INCOME AND  
ALL DAVAO

HOUSEHOLD MONTHLY INCOME ₱	PBSP DAVAO CITY SAMPLE			
	VILLAGE HOUSEHOLDS N	VILLAGE % %	LOWER INCOME %	TOTAL DAVAO CITY %
0	3	1.0	2.9	1.9
1- 99	19	6.0	6.4	3.9
100- 199	49	15.5	13.9	9.5
200- 299	124	39.2	35.3	26.0
300- 399	59	18.7	16.6	14.3
400- 499	24	7.6	7.9	9.6
500- 599	21	6.6	6.6	9.3
600- 599	11	3.5	4.2	6.3
700- 699	3	1.0	2.7	3.6
800- 899	2	.6	1.3	2.5
900- 999			.8	2.1
1000-1999			1.8	8.7
2000-2999			.2	1.8
3000-3999				.2
4000-4999				0.0
5000 +				.2
	316	100.0	100.0	99.9

The outstanding characteristic of incomes in the Village is that they have very little variance. The tight clustering of all incomes around ₱250 per month is disclosed by Figure 1, which compares the Village income distribution with those of the lower class and of all

Davao City. Further statistical evidence is given in Table 15 below, from which the data in Figure 1 are taken.

Within the Village, 4/5 of all households receive incomes below ₱399, compared with 3/4 of the lower income group and slightly more than 1/2 of the entire city. In the Village, no one receives more than ₱899 per month, compared with 2.8% of the lower class households and 13% of all Davao City.

The best evidence of poverty in the Village is contained in the actual amount of income available per person for essential expenditures. When *per capita* income within the Village is compared with that of other groups within the city, a very significant discrepancy (Table 16) is revealed. The lower class in Davao has ₱8 per person available for each ₱7 per person which may be spent within the Village.

Table 16. PER CAPITA INCOME  
PER MONTH:  
VILLAGE AND DAVAO CITY

	MONTHLY INCOME PER CAPITA
Village	₱ 48.32
Lower Class Davao City	55.11
Middle Class Davao City	83.33
Upper Class Davao City	129.92

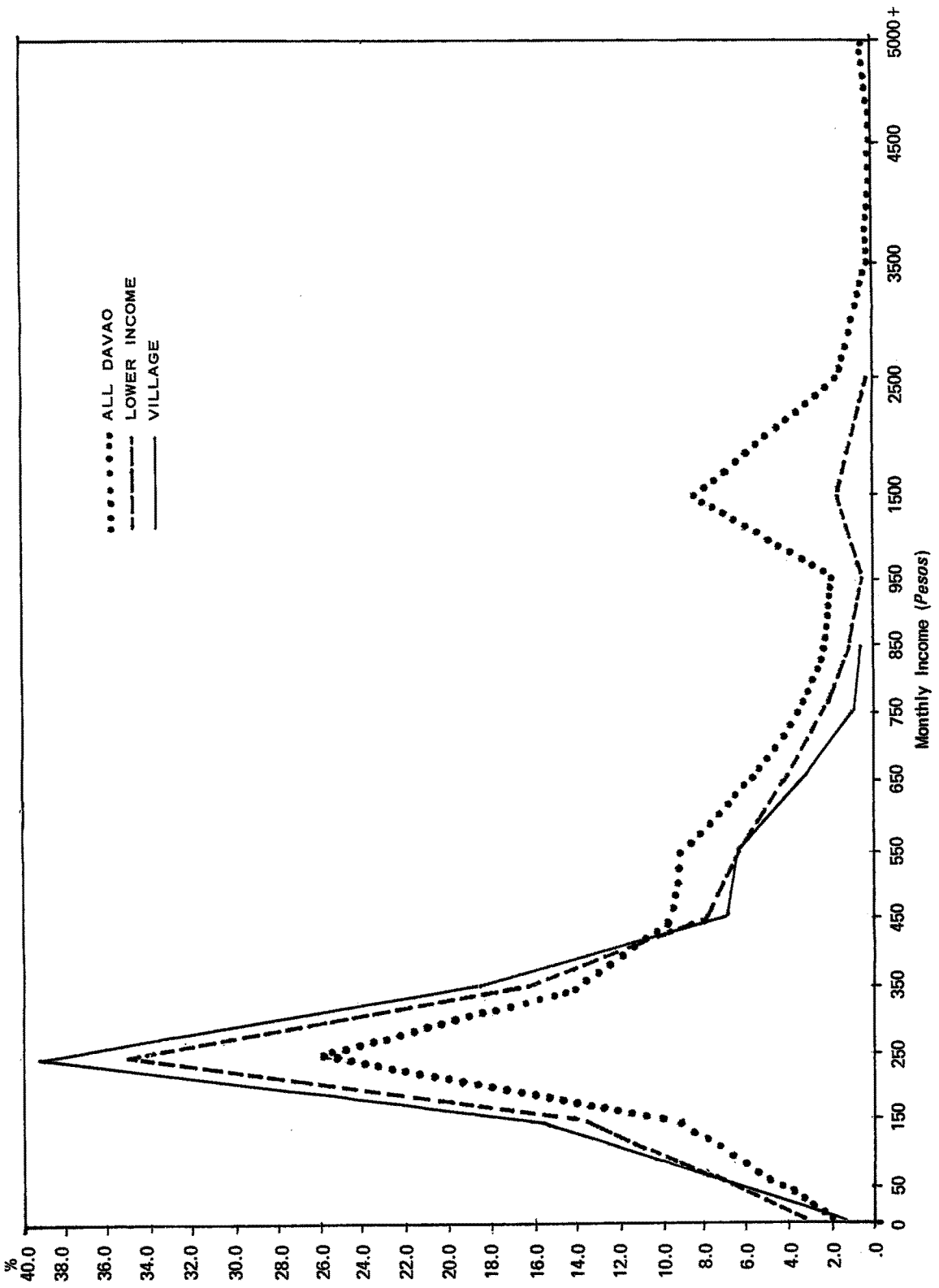


Figure 2. VILLAGE, MONTHLY, HOUSEHOLD, INCOME.



7. The explanation for Village poverty, despite high employment, is to be found in the minimum wages earned by household heads and the limited opportunities for working wives. The majority of household heads in the Village earn the minimum wage of ₱240 per month prescribed for industrial workers by the Philippine

government. But this wage, by itself would provide only 5/6 of the per capita income expended by Village residents; hence it is necessary for other persons within the households to seek employment. This explains the average of 1.44 persons at work for each household in the Village.

Table 17. INDIVIDUAL EARNINGS OF HOUSEHOLD MEMBERS IN THE VILLAGE

	MEDIAN MONTHLY EARNINGS	MEAN MONTHLY EARNINGS	NUMBER EMPLOYED
Male Household Head	₱247.33	₱246.36	304
Spouse	83.72	122.22	73
Children	140.90	150.00	59
Other Adults	178.57	169.00	26

Table 17 supports the conclusion concerning the minimum wage paid to male household heads. But it also explains why additional working members of the household are able to add so little to total household earnings. The greatest number of supplemental workers in the Village are *wives*, and they receive the lowest earnings per person reported in the table. Other adults, who make up the smallest number of supplemental workers receive the highest incomes.

The explanation for the limitation lies in types of occupations available to women in the

Village. More than 1/2 of the wives who are economically active (57.3%) are keepers of sari-sari stores. The distribution of earnings for this group, and all other employed spouses in the community, is set forth in Table 18 below.

The income added to the Village households by all supplemental wage earners (wives, children and other adults) is 18.8% of the total received each month. This extra 1/5 of available purchasing power supplies the survival margin for large houses overburdened with school age children who must be classified as consumers rather than producers.

Table 18. MONTHLY INCOME FROM WORKING WIVES IN THE VILLAGE

Monthly Sari-Sari Store Income			
PESO INCOME	NUMBER EARNING		
₱ 5	1		
10	3		
15	4		
20	7	School Teachers	Self-Employed ( <i>dressmakers, beauticians, tailors, peddlers</i> )
25	1	Mean — ₱271.00	Mean — ₱114.62
30	11	N — 9	N — 13
40	3	Resort Hotel Waitresses	Total Income ₱1750
50	7	Mean — ₱330.00	Mean Income ₱40.70
60	1	N — 3	
80	1	Super Market Cashiers	
100	1	Mean — ₱180.00	
150	1	N — 2	
		Industrial Labor	TOTAL EMPLOYED
		Mean — ₱231.67	Mean — ₱122.22
	43	N — 3	N — 73

8. *The workers of the Village represent the largest proportion of industrial employees found in the city, and display a high degree of job stability.* The male household heads of the Village have an average length of employment of 6.6 years in their present positions, refuting

the idea that squatters represent a casual labor force drifting from job to job. The major occupational categories to which the workers of the Village belong are presented in Table 19 below.

Table 19. MAJOR OCCUPATIONAL CATEGORIES:  
VILLAGE AND DAVAO CITY

	VILLAGE		DAVAO CITY	CITY	RANK ORDER VILLAGE
	N	%	% ONLY		
Sales	75	16.5	23.7	1	3
Services	86	18.9	19.7	2	2
Manufacturing/Construction	167	36.7	19.0	3	1
Clerical	26	5.7	12.5	4	5
Transportation/Shipping	55	12.1	10.2	5	4
Professional	15	3.3	9.1	6	6
Agriculture	26	5.7	4.0	7	5
Other	5	1.1	1.8	8	7
TOTAL	455	100.0	100.0		

In Table 19, the rank order of occupational importance within the Village is compared with that of Davao City. The order of importance of the first three categories in the city is reversed among the workers of the Village. Where sales outranks all other occupations in Davao, manufacturing and construction is the major source of employment in the Village. The proportion of Village workers who are industrial employees is almost twice that of the entire city.

As might be expected from the large number of factory workers, the proportion of skilled employees among the Villagers is slightly higher than among other low income districts of Davao. The comparison of employees by skill level is presented in Table 20 below.

Table 20. SKILL LEVELS OF EMPLOYEES:  
VILLAGE AND DAVAO CITY

EMPLOYMENT	VILLAGE	DAVAO CITY			TOTAL
		LOW INCOME	MIDDLE INCOME	HIGH INCOME	
Agr. and Fishing	5.71	5.95	3.35	2.65	4.04
Unskilled	40.66	44.42	32.28	22.86	33.53
Semi-skilled	42.20	38.10	49.61	37.55	41.73
Skilled	8.13	7.81	9.84	17.5	11.59
Professional	3.30	3.72	4.92	19.39	9.11
	100.00	100.00	100.00	100.00	100.00

Both semi-skilled and skilled labor is more heavily concentrated in the Village than among other lower class urban areas. Conversely, there

is a smaller number of unskilled workers in the Village.

9. *The households of the Village have the highest rate of owner-occupied homes in Davao City.* It is often asserted that squatter areas are commercial ventures in which land is seized and then rented to others for profit by a handful of "organizers." Of the 316 households in the Village, only 30 own one house in addition to the one which they are occupying. The Village has the highest rate of owner-occupancy found in Davao City.

**Table 21. HOME OCCUPANCY BY OWNER OR RENTER: VILLAGE AND DAVAO CITY**

	OWNER OCCUPIED	RENTED	ADMINIS TERED	OTHER
The Village	64.6%	21.5%	13.9%	0.0
Lower Class Davao City	50.7	34.5	7.4	7.4
Middle Class Davao City	43.6	44.2	9.0	3.3
Upper Class Davao City	30.2	53.9	13.7	2.1
Total Population Davao City	42.5	43.2	9.7	4.5

For the 22% of the households renting dwelling units in the Village, rentals are extremely cheap; since these units are among the poorest in the community, the small amounts paid for them are not surprising. The range of rentals is only ₱5 to ₱40, and the Village figures compare unfavorably with those for other urban lower class areas.

**Table 22. RENT PAYMENTS: VILLAGE AND DAVAO CITY LOWER CLASS**

	MEDIAN RENTAL	MEAN RENTAL	% HOUSES PAYING RENT
The Village	₱13.79	₱16.92	21.5
Lower Class Davao City	23.30	26.47	34.5

The extremely high rate of owner-occupancy by Village households is further evidence of the stability of the community. Individual home owners have made substantial investments in improvements, and both the appearance and the value of homes in the Village has tended to improve with age. To try to compute the replacement value of the houses in the Village, estimated sale prices of the homes in their present condition were obtained, and the data are presented in Table 23 below.

The median sale price for a house in the Village is ₱2,264.71. This is approximately 70% of the annual income of the average household in the community. However, the estimated sale price does not necessarily reflect the amount of cash paid by the present occupant. Much of the home construction in the Village was made possible through the collection of scrap lumber and purchase of used materials from adjacent saw mills.

**Table 23. ESTIMATED SALE PRICE OF HOUSES AND LOTS IN THE VILLAGE**

PESO VALUE	N	%
₱ 1- 1000	94	29.7
1001- 2000	31	9.8
2001- 3000	34	10.8
3001- 4000	38	12.1
4001- 5000	8	2.5
5001- 6000	10	3.2
6001- 7000	8	2.5
7001- 8000	12	3.8
8001- 9000	7	2.2
9001- 10,000	6	1.9
10,000- 20,000	16	5.1
20,000 +	1	.3
	265	
No Data	51	16.1
	316	100.0

Because of their insufficient household incomes, cost-cutting strategies of all kinds are employed by the Villagers. Although electricity is available to all homes in the community, each occupant must pay the installation fee of ₱25 to ₱50 and a monthly service charge of at least ₱2.50. The data presented in Table 24 below reveal that Villagers are much less able and

willing to pay these costs than are occupants of other low income areas in the city.

**Table 24. ELECTRICITY AND APPLIANCE OWNERSHIP: VILLAGE AND DAVAO CITY**

	NO ELECTRICITY	LIGHTS ONLY	APPLIANCES SMALL	APPLIANCES LARGE
The Village	49.4%	29.8%	13.6	7.2
Lower Class Davao City	26.3	48.7	13.9	11.1
Middle Class Davao City	11.9	40.9	27.2	20.0
Upper Class Davao City	2.5	20.1	28.9	48.6

More than twice as many Villagers are without electricity than are found in other lower class districts of Davao.

#### Consequences of Squatter Removal

The occupants of the Village are recent arrivals in Davao City and the handicaps which hamper their adjustments to urban life are mostly consequences of the rural environments in which they grew to maturity: poverty, poor education, low skill levels, early and frequent marriage, and high fertility. Despite their inadequate preparation and minimal resources,

the Village occupants are moving rapidly toward solutions of many of the problems confronting them and their children.

Elements of these solutions include:

1. Access to and utilization of family planning.
2. High rates of secondary school attendance.
3. High and continuous rates of employment among household heads and other family members.
4. Desire for home ownership and investment in home improvements.
5. Achievement of a level of income nearly equal to (but no greater than) that of other lower class districts in the community which are much older.

In the description of the characteristics of the Village, it was frequently noted that it suffers a number of disadvantages far worse than those found among other poor households in the city. The most severe of these is a *lack of manpower*. The irony of this situation, in the midst of the most explosive population growth in Davao City, need not be underlined.

It is *adult* manpower to augment household income which is lacking of course. As the following table discloses, the difference between the mean incomes paid to *individuals* is much less than the income received by *households* in Davao. Consequently, multiple incomes per household is the key to survival.

**Table 25. INCOMES PER HOUSE AS THE SOURCE OF CLASS DIFFERENCES**

	INCOMES PER HOUSEHOLD	MEAN INDIVIDUAL INCOME	MEAN HH INCOME	INDIVIDUAL INCOME AS % OF HOUSEHOLD INCOME
The Village	1.44	₱223	₱297	75.1
Lower Class Davao	1.45	231	335	68.9
Middle Class Davao City	1.52	303	491	61.7
Upper Class Davao City	1.75	436	812	53.7
All Households Davao City	1.56	321	523	61.4

Table 25 confirms the argument by making two points about the relationship between individual and household income:

1. In upper class households, individual income is a *smaller proportion* of total household income than among the lower class.
2. In upper class households, a *larger proportion* of household members are employed than among the lower class.

One of the causes of the need for multiple incomes per household to achieve present living standards is the generally low wage structure found throughout the community.

In trying to meet the requirement for multiple incomes, Village households suffer from the following disadvantages:

1. The median age of their population is 2.4 years below that of other lower class districts (Table 3).
2. The dependent portion of their population is 5.3% higher than that of other low class income households (Table 4).
3. The number of Village households lacking adult members other than household head and spouse is 10% higher than in other low class districts (Table 5).
4. The birth rate among Villagers is 15 per thousand greater than among the lower class.

In spite of this, *the employment rate per household in the Village is equal to that found in other low income areas of Davao City.*

The explanation of the Villagers' ability to overcome their special problems and to avoid depths of poverty and deprivation which could be worse than any found elsewhere in the city is quite simple. *It is contained in the advantages which are built into the location which they occupy.*

To understand this, it is important to recognize the nature of the survival strategy employed by low income households within the community. The average lower class household

in the city has ₱1.80 per person per day available for all expenditures; among Villagers, this figure drops to ₱1.60. Of this amount, a separate study of household budget indicates that at least ₱1 per person must be spent daily for food. This leaves 60-80 centavos per day for meeting all other household expenditures: housing, fuel, domestic water, transportation, clothing, school expenses, collections and assessments, and incidentals.

While all these categories of expenditure are necessities, cash is not available to pay for them. The lower class household must employ an income-conserving strategy, therefore, which makes it possible to *eliminate* some of these items from the household budget while *minimizing* others. It is in the opportunities available for conserving income that the location of the village becomes important.

1. Because the land was unoccupied and its title was contested at the time the present households built their homes upon it, payments for homesites were minimal.
2. Because of the availability of sawdust fill from adjacent lumber mills, improvement of the site for residential use was accomplished without the usual expenditures.
3. Because of access to wood scraps and rejected pieces of lumber at reduced prices, substantial building materials were available at very low cost for home construction.

To provide amenities lacking in many slum residential areas, the Villagers paid for site survey and divided it into tracts of 210 square meters, providing for blocks of homesites separated by an orderly pattern of access roads. While the resulting community resembles the layout of a suburban subdivision, the cost of home construction and maintenance is next to nothing.

Housing costs have been eliminated from the budgets of 2/3 of the households residing in owner-occupied units, and this is the major feature of income conservation in the Village. But there are many others. Because of reliance upon woodburning stoves and access to scrap materials, Village homes pay nothing for fuel.

While an investment of several hundred pesos is initially required for roof tanks, almost all homes in the Village have purchased them in order to collect rain water for domestic use; the domestic water items has also been eliminated from the household budget. Three-fourths of Village homeowners either do without electricity, or use only light bulbs for illuminations.

In addition to avoidance of housing and fuel expenses, location is of primary importance in reduction of transportation costs. Over 50% of household heads in the Village walk to work because the community is situated among the industries employing them. Students may attend high school for 60 centavos per day in jeepney fare, and Agdao market can be reached for a 30-centavo pedicab charge. Even with these advantages, the transportation budget for the average household consumes ₱1.20, or 20 centavos per person per day. It is the second largest item (next to food) which must be met regularly from cash resources.

Location is the basis for the Villager's income conservation strategy which eliminates housing and fuel expense from the budget and keeps transportation costs at a minimum. It is also essential in finding employment for the additional household members who must work if the requirement for 1.44 incomes per household is to be maintained.

The most important class of supplementary workers in Village households are wives, who make up 48% of all economically active persons other than household heads. The most important source of supplementary income in Davao is *self-employment*, primarily in sales and service occupations. Within the Village, 76.6% of all working women are self-employed, earning an average of ₱122 per month.

Since self-employment consists of offering commodities (usually food items) and services (dressmaking, tailoring, beautician, etc.) for sale, it involves streetside trade and depends upon a large volume of potential customers for success. The present location of the Village, which occupies both sides of a major transportation artery, is very advantageous for business opportunities of this type.

The relationship between location and self-employment for working wives becomes especially important when the fertility of the Villagers is recalled. Over 75% of all women under the age of 45 in the community have children less than three years of age. These mothers could not take advantage of job opportunities which made it necessary for them to leave home. Employment in streetside trade permits them to earn while caring for children at the same time.

Locational advantages permit Villagers to conserve income and maintain high levels of employment. With the savings obtained, they are able to keep an exceptionally large number of children in school, to steadily improve the appearance of their community, and to avoid the creation of delinquency, crime and social problems associated with poverty.

The significance of this for Davao City should be obvious. The people of the Village are coping with the worst example of excessive population growth encountered within the city. And they are doing this within the rather severe limits of their own resources. They are accepting family planning and raising children who will be motivated to seek a better way of life; better still, the children will possess the skills and opportunities to achieve goals which were denied to their uneducated parents.

Worldwide experience with problems of population and poverty indicates that these children will more rigidly restrict the size of their own families as their incomes increase and middle class status comes within their reach. The comparison of lower class and middle class fertility in Davao at the present time (see Table 6) supports this point of view. World experience also indicates that the trend may be reversed, however.

If the delicate economic balance of the Village is destroyed, its people could be plunged into far worse living conditions and the despair generated by such a harmful act would destroy the motivation for population control which is presently growing among them. This would almost certainly be the result of removing the members of the Village to a remote and rural area in the name of "squatter relocation."

The consequences of squatter removal are obvious in terms of the survival strategy presently employed by Villagers. Their pattern of income conservation would be destroyed. Even at remote sites presently being discussed, which the City would obtain at no charge from the national government, the occupants would be expected to pay amortization. They would have access to neither free fuel nor building materials. Their transportation costs would increase to approximately ₱6 per day for the same number of trips to work, to school and to market.

Their pattern of supplementary work for wives, which depends upon self-employment, would also be destroyed. Neither the volume of traffic nor access to consumer purchasing power would be found in the new locations amid rural surroundings and declining income. Worse yet, since they would be unable to pay increased costs for high school attendance, a growing number of adolescent children would become dropouts, standbys and potential delinquents.

#### **Alternatives to Squatter Relocation in Developing Cities**

The primary forces for squatter relocation in developing cities are the government and private land owners. Primary opposition comes from the squatter associations and their political allies. Satisfactory alternatives to relocations, if they can be found, must satisfy the interests of all three contending parties.

Perhaps it should first be recognized that squatting by rural newcomers to urban areas is an ancient component of the process of city-building; it was first documented by the Greeks, centuries before the growth of the Roman empire. The basis of the growing populations of medieval market towns and early industrial centers in Europe was illegal occupation of temporary-dwellings by those who came to the city to improve their living standards.

But in the successful development of a new urban center, squatting is a *transitional phase*. It is no more desirable to the occupants as a permanent life style than it is to the city fathers

or to the landowners who are the victims of squatter invasions. It provides recent arrivals with a bridgehead located amidst an opportunity structure which offers the promise of rapid self-improvement.

As this promise is fulfilled, the squatters themselves will seek more attractive homes, more substantial dwellings and more amenities of life. Davao City is a very recent urban center. Its entire growth phase has occupied less than a quarter century, and has been marked by inability of the city government to provide facilities and services at a rate equal to its exploding expansion.

As a result, the new occupants — most of whom have characteristics similar to those of the Villagers — have found it necessary to provide for themselves. Today's squatters, given a chance to adjust to city life and obtain adequate sources of income, are tomorrow's purchasers of middle-income homes in new real estate subdivisions. But they must have that chance, and to keep it they must occupy a favorable position with access to the economic life of the community for the *present*.

From the standpoint of city government, squatter communities are unsightly embarrassments which interfere with plans for beautification and transportation efficiency. However, until the city commands sufficient revenue to provide utilities, transportation and communications, health, education and welfare services to a *dispersed* population, much more thinly scattered over a much larger area than at present, squatter relocation to rural sites is a bad investment.

Everything they need will cost more. Since their incomes will be reduced in the process of transfer to remote places, their potential tax yield and consumer purchases will be much less. The orderly growth of the city according to a logical and efficient plan is greatly desired by all. But such a vision of Davao belongs to the future.

The city of the future will have parks and playgrounds, beautiful beach fronts, high-rise condominiums, limited access roads for fast-moving traffic, and all the other desirable features of rational planning. *But such a com-*

*munity is a city of middle-class residents. At present, Davao is a city of the poor and lower middle class. It has neither the tax base nor the purchasing power to support this pattern of planned development.*

Present evidence concerning the rate of upward mobility among the poor indicates that Davao can expect to become a middle class city over the next several decades, if the income-producing opportunities of lower class families are not destroyed. This requires caution and restraint in dealing with the squatter communities which make up more than one-fourth of the city population at the present time.

The position of the landowners of squatter-occupied sites provides more immediate problems. They must pay taxes and other expenses on property which they are prevented from using. Solutions must be explored which will provide income to the landlord while permitting the squatters to remain as temporary occupants of the site. Since squatter occupancy is usually high density occupancy, collection of rentals for the use of homesites is one possibility which provides substantial revenue. Agreements could be worked out for a period of ten years for example, which would provide for the departure of the occupants at the end of that time.

The landlord would be secure in his title, the value of the land would continue to increase and to produce income, and the owner could obtain his sale price at the end of the period. Meanwhile, two more classes of squatter children would have had the chance to attend high school while their parents increased their earnings.

This is a temporary solution, but if we are correct in our diagnosis, the squatter problem is also temporary. The evidence available suggests that the amount of time required for the poor to solve their own problems may not be excessive. However, both government and private business leaders must work together if the time is to be provided.

In the past, the squatters were in a better position to provide time for themselves. Their associations have created effective local government and social control in their settlements,

but they were originally organized to fight for possession of the land. The lawyers retained by the associations did not often succeed in winning cases for their clients. But while they contested title to the property in the courts, squatters were protected from eviction.

This protection no longer exists. Presidential directives issued during the past year make it possible to evict squatters from both private and government land without negotiation or further delay. The future of the Villagers is no longer in their own hands. It must be expected that those who will make the decisions that may change their future will take into account the delicate balance between poverty and progress which presently exists among them.

Not only their hopes, but those of the city itself depend upon it.

#### Acknowledgments

This project could not have been initiated without the approval and support of the officers and members of the Lanang Home-seekers Association, especially Domingo Patayan and Marcelo Guillen, past and present association presidents, and Margarita Bersa, member of the Council.

It could not have been completed without the assistance of students from the Ateneo de Davao who participated in the initial survey. Later data were compiled by staff members of the Davao Action Information Center under the capable supervision of Lilia Solidor, deputy director. Special thanks are due to Rene Jutic of the DAIC staff who mapped the entire community. Assistance in the final survey was also provided by the following Village members: Alice Alarde, Princesita Barnes and Floripes Salines.

The research upon which this paper is based was motivated by the hope that it might provide the basis for more enlightened and considerate decisions on the part of those administrators and planners who control the lands now occupied by the Villagers of Lanang, and several millions of others like them elsewhere in the Philippines.



# URBAN PLANNING: A CURBSIDE VIEW\*

MARY RACELIS HOLLNSTEINER  
Institute of Philippine Culture and  
Department of Sociology and Anthropology  
Ateneo de Manila University

## Introduction

"Everyone talks about the weather, but no one does anything about it!" once remarked an astute observer of the passing scene. Taking a few liberties from Mark Twain, we might paraphrase with, "Everyone talks about people-participation in planning, but no one does anything about it!" Exceptions to this statement exist all over the world, of course, but it is safe to say that they are few and far between.

This presentation aims to explore some of the reasons behind the gap between planner and people, especially in the urban low-income neighborhood context. While "people" refers to everyone in a society, we shall focus here on the majority, which in Southeast Asia means the masses of ordinary poor folk in village, plantation, town, and city. In particular, we will look at the urban masses, this being the sector of the populace with which I have had the most experience. By investigating differential perceptions between planners, on the

one hand, and the ordinary man in the street, on the other, we may come to understand why convergence remains difficult to achieve. Why does the planner (broadly defined as policy maker, administrator, and physical or social planner) generally fail to consult the people in serious planning efforts affecting their lives? Further, why are the people often so alienated from the planner's outlook?

As a sociologist who has been observing and participating for some years both in the neighborhood activities of low-income urbanites and in the deliberations of government urban planning and action agencies, I have come to realize that part of the problem lies in divergent assumptions, priorities and operational procedures. Because the poor rarely articulate their thoughts to higher-level personages unless asked, let me attempt to communicate some of their concerns as derived from research data and my general acquaintance with Manila slum and squatter life. If we can formulate a clearer picture of the perceptual and situational differences between planner and people, perhaps we can move closer to the "renewed sense of accountability" advocated for all planners by the SEADAG Savannah Urban Development Panel (1973:23), and to more satisfying human settlements.

\*This is the slightly revised version of a paper read at the SEADAG Urban Development Panel Seminar on "Urban and Regional Planning: Southeast Asian Experience," at Bali, Indonesia, April 15-18, 1974. The seminar was sponsored by the *Southeast Asia Development Advisory Group of the Asia Society*, New York.

## DIFFERENTIAL PERCEPTIONS

### *Perception 1: Who should plan?*

**The planner's view:** Given the planner's high education levels and specialized training, he can best formulate the needs of society. Ordinary people, in contrast, cannot articulate their wants or specify them in sufficiently unified, rational, or universalistic terms for efficient planning use.

**The people's view:** The government should initiate improvement programs for us. Top-level government personnel are well-educated and can handle our problems if they really want to. Although we know what we want, the higher-ups do not solicit our opinions, and we in turn do not offer them. Anyway, we have little time for community involvement as we are poor people working hard to make a living. If the planners' decisions cause hardships for us, then we try to cope with the changes. If we cannot, we may decide to move elsewhere. (This outlook reflects the view of the unorganized, unpoliticized poor. Their organized counterparts exhibit a much stronger sense of efficacy, adopting a much more militant stance about projecting their views into the decision-making process.)

As every country in this region strives to reach that elusive "take-off" point, or soar higher having achieved it, the technocrat-planner has come to occupy a position of singular importance on the national scene. He may bewail political intrigues, and the failure to implement or fund his schemes, but he nonetheless occupies a position of power and importance. In a society where the majority are barely literate, he exudes an aura of self-confidence and expertise that endows him with a high-prestige status.

Not so the urban poor. Although slum and squatter residents can articulate their wants when asked by sympathetic listeners, rarely do they *initiate* dialogues geared to communicating their needs and aspirations to higher status officials. It is safer and more traditional to go about this business of struggling for a better life

and letting the government do things for them in the neighborhood. Their limited resources further reinforce this position. If local elections have not been cancelled, politicians try (the cynic might say pretend) to formulate the people's desires for them, with promises of obtaining these aims if the votes come their way. Alternatively, when pent-up frustrations break out into the open and direct confrontation over disagreements occur with higher-level decision makers, the poor run the risk of arousing suspicions of civil disobedience. Since to compensate for their lack of individual power they must make their protests in large groups, such a massing may be interpreted by government figures as potentially dangerous, or perhaps downright subversive and worthy of physical suppression and incarceration.

Thus, while basically planners and unorganized, unpoliticized people share the belief that the "experts" should devise plans, they do so for different reasons. The planner does not believe that people can participate effectively given the opportunity; even if he did have more faith in them, he would not know how to go about the consultation and joint decision-making process. As for the people, never having had the chance to try, they too assume they have no role to play in the process; yet they can and do articulate their needs if asked, or when in the privacy of their own circles, as any community worker can testify.

One important variant appears in the community planner who actively solicits local interest and involvement and gets it — but only from an articulate, educated middle-class component. Too often, the latter project their own class biases, like order, beauty, cleanliness, and business opportunities, and remain oblivious of or outright opposed to the needs of the poor. They fail to consider the different set of priorities applicable to the lower class populace in their midst, namely, unskilled or semi-skilled employment opportunities, piped water, electricity, garbage and sewage disposal, cheap and convenient transportation, schooling, and housing. The result is a kind of elitist planning process which further alienates the mass populace from those allegedly enhancing their lot.

In a sense, one can hardly blame the planner for failing to consult the poor when the

latter hesitate to speak out in the presence of the more educated, affluent community members; for the *tao* is used to being told what is good for him. Middle- and upper-class people may ask lower class people about their views, but if these do not coincide with their own categories of thought, they often ignore them or rework them into a framework alien to the original statement. An observation of a Tondo community meeting between planner-implementors and a well-organized group of squatters in 1972 will illustrate this.

Called through the intercession of a local Bishop sympathetic to the plight of the urban poor, the meeting was attended by key officials at the bureau level and even ministerial level. In response to the people's pleas that they finally be awarded the long-promised titles to their land, the government officials kept describing the advantages of moving to an out-of-town relocation site where they would have their own piece of land, or of becoming apartment dwellers in four to six-storey government tenements to be constructed for that purpose. The people, on the other hand, kept reiterating their desire to remain right where they were in a community of people they knew and which was near their source of income. Since this wish did not fit in with the planners' urban development intentions, they refused to pursue the issue and would not delve deeper into the people's residential aspirations. Instead, the planner-implementors began conversing among themselves, consulting with one another, and looking at maps instead of listening intently to the people as various representatives tried to communicate their views more persuasively or forcefully.

The meeting ended in mutual frustration once more. The planners felt the people could not comprehend broader urban issues; the people felt the planners were not really open to any deviations from their preconceived ideas and therefore not interested in alleviating the plight of the poor in ways meaningful to the low-income family. While one could argue that from the planner's viewpoint the people were also being unreasonable, it is well to remember that planners are supposed to be catering to the interests of people, and not the other way around.

### *Perspective 2: What kind of time frame and scope are needed in planning?*

**The planner's view:** A long-range perspective and a comprehensive plan delineating the interrelations of the various parts according to a larger master plan are necessary before implementation can begin. On the other hand, once actual physical plans and site preparation are underway, work teams must proceed as quickly as possible with the construction process whether or not people approve.

**The people's view:** We need neighborhood improvement *now*. We do not want to have to wait for the plans of an entire metropolitan area to be defined before work can begin in our place. On the other hand, we do not want to be displaced with unnecessary haste because of any planner's crash programs. We have lived this way for many years. A few more months to give us time to accommodate to the construction phase, now that it is really going through, should not make much difference. It will help us make the necessary adjustments with regard to our jobs, the children's schooling, and temporary relocation.

To the outsider, planners are an ambivalent lot where action is concerned. Ordinarily, they take years to evolve a plan and begin its implementation. Meanwhile, the prospective beneficiaries have to contend with much talk and publicity but no apparent results. Planning in itself is not regarded as action, partly because the process occurs in offices far removed from the daily observation of the people. Yet, when high-level government officials decide that a plan must be devised and carried out quickly, the planner-implementors embark on a frenzied course totally inconsistent with the previous painstakingly slow pace.

To cite one example, when the decision was made in 1963 to evict squatters from a central Manila site and transport them to a government relocation area outside the metropolis, implementation was so swift that virtually overnight hundreds of families found themselves and the remnants of their former

shacks dumped on a piece of land they learned would be theirs eventually. But the new community had no schools, no health facilities to speak of, no means of livelihood, insufficient transportation for urban commuters, poor roads, and only a few wells for water in centralized sites. The same process was repeated more recently in relation to two other relocation centers. Some of the needed infrastructure has been added over the years, but one wonders — was it really necessary to inflict so great a strain on an already marginally subsistent populace because of a middle-upper class urge to clean up the city and get rid of the shanty-towns that prove so embarrassing to the more affluent sectors? While clean and beautiful cities are certainly worth developing, when this is done at the expense of the majority populace, the poor, who are given no really viable alternatives upon eviction, one should certainly question the scale of values reflected by such a policy. Surely, intermediate measures can be devised, if planners were more open-minded, to satisfy both beautification and livelihood ends. And if the two ends must clash, then sheer humanity dictates that livelihood rather than beautification should take precedence.

Meanwhile, low-income urbanites on the Tondo foreshore have for years seen laws passed and rescinded alterately turning over to them their land at low cost and taking away that right. Government figures with plans for Tondo urban renewal come and go, each time proclaiming to all that "the Tondo problem will be solved once and for all." Yet, when local leaders try to find out what the plans call for, they are shunted from one government office to another, made to wait, or even scolded for appearing to question administrative decisions concerning their area. Sometimes a bureaucrat sympathizes with the people's concern or apprehension, but does not occupy a strategically high enough position in the agency hierarchy to know the details of the plans and give them out to the public. Or, there may not yet be sufficient coordination between government agencies to allow the announcement of a clearcut decision. And so, back and forth the people go, led by this rumor or that press release, hoping to glean from some knowledgeable official sufficiently reliable data for them to assess their future. Little wonder that

the people have adopted a rather cynical attitude toward government planning efforts on the community level.

The most recent effort currently underway in Tondo has elicited a cautious wait-and-see attitude, even though for the first time the planning team is really sitting down with the people and taking their views seriously. This shift has been achieved largely because the planning team: (1) is composed of idealistic and concerned young men and women reared in the student activist era and basically sympathetic to the needs of the poor; (2) has its office right in the middle of the squatter community of 26,000 families and, through daily interaction with the people in their own territory is coming to understand their frames of reference; and (3) the planning team is an interdisciplinary one composed of architect-planners, engineers, economists, sociologists and anthropologists, and community relations personnel. In a series of meetings, at which a genuine dialogue has occurred, the planners and the people keep threshing out their differences. Despite occasional setbacks, the prospects look hopeful as the mutual education process moves along. The planners have learned to listen; as the people realize this, they are more willing to entrust the evolution of a community plan to the team so long as their own participation continues. Active cooperation is evidenced in that the people themselves are carrying out a community census of land and housing tenure rights in coordination with the team. The still unresolved problem is whether higher-level officials will accept the people-oriented concepts worked out by the planning team.

To summarize, the planner's commitment to long-range planning on a comprehensive scale encompassed by a master plan often places him in direct conflict with the ordinary populace, which seeks immediate or short-range, limited-scope improvements. What to the planner is his work and accomplishment, namely, the process by which the plan is devised, to the people represents a remote, time-wasting limbo period of inaction and non-accomplishment. However, the latest Tondo urban renewal team is signaling a shift in traditional planner attitudes and techniques. Since the people themselves are directly involved in the planning process and have first-hand contact with it as it moves

along, they see that something is being done and are slowly coming to trust and respect the planners. The latter have reciprocated by considering the people's views seriously and building them into their plan. Whether the emerging plan that combines modern technical expertise with people's aspirations will gain the support of top level policy makers still remains to be seen.

*Perspective 3: What standards are to be applied in physical planning?*

**The planner's view:** Minimum standards devised by planners must be followed in physical planning; anything less should not be tolerated.

**The people's view:** We build what we can afford according to the situation. We will start with a shanty crowded together with others if necessary so as to have a covering over our heads and some shelter from the elements immediately. If we can improve it later on, we will.

In a laudable attempt to define a minimum level of living for all through legislation, planners ignore the fact that a majority of urban residents cannot possibly conform to these often Western-society derived criteria. Many refuse to compromise with local realities even on a temporary, transitional basis. Hence, deviant structures, as in squatter areas, are deemed unworthy of existence and certainly not to be encouraged by offering any ameliorative facilities. Hence, what started out as a positive concern to protect the populace turns out to perform that function only for the middle and upper classes. For those who, largely through no fault of their own, are forced to ignore building codes and the like, minimum standards become a punitive measure that justifies the demolition of their meager housing with no feasible substitutes offered. Surely, when a majority of the populace has no alternative but to violate legal prescriptions, perhaps administrators should review the laws as being out of step, or indeed the structure of society itself, rather than blame the people.

*Perspective 4: What strategies are best for improving the socioeconomic life of the masses?*

**The planner's view:** Development and growth on a national and regional level will rebound to the benefit of all and eventually have trickle-down effects for the low-income populace. Employment promotion is essential.

**The people's view:** We are concerned about not being able to find employment or a better kind of employment than what we have now. Our main problems are insufficient money, food, and clothing; we want our children to go to school, and family harmony to prevail. Hence, we will go wherever opportunities lie and will take on any decent work that will give us a living.

In perceiving the problems of underdevelopment, educated planners look for root causes while ordinary people focus on the immediate symptoms of maldevelopment. Each responds accordingly. The planner works on large-scale employment programs involving rural electrification, industrial dispersal and the like; meanwhile the urban poor create their own sources of employment in the service sector. They earn on a day-to-day basis by hawking everything from lottery tickets to sliced pineapple to cigarettes to sleeping mats. Others turn to scavenging, or rag-picking, collecting discarded cans, scrap iron, paper, and plastic, and reselling them each day to dealers who in turn pass them on to manufacturers for reprocessing. Still others hang around construction sites in hopes of being hired to carry loads and engage in manual activities.

In an attempt to make a go of it in the city, since as yet the rural hometown offers little or no corresponding opportunity, all members of the family join the collective work effort. The women launder or sew for better-off urbanites, or engage in cottage industries, while the children help in the scavenging or vending or cottage-industry activity. Ironically, city-planner administrators depreciate such efforts as unworthy of modern urban life. Hence, hawkers are frequently arrested for peddling without a license or for violating city or-

dinances. Scavengers receive similar treatment for littering the streets. Their carts may be confiscated and their storage sites demolished. A recent occurrence of this nature in the Sampaloc district of Manila resulted in almost 100 families left without a means of livelihood. Since their earnings for the day go to buy their evening meal and the first two meals of the following day, many did not eat for two days until friends or relatives or private and government welfare agencies were mobilized to come to their assistance. By harrasing these non-modern workers and simultaneously failing to create other mechanisms for survival, planner-administrators are again establishing dubious priorities. Once more they were adopting the unrealistic standards of developed societies instead of facing the fact of mass poverty and helping the poor cope with it in ways they best know how. In purging the city of these non-modern, subsistence activities because they do not conform to desired (and realistic) standards, planner-administrators turn striving, self-supporting, achievement-oriented entrepreneurs into a helpless and destitute welfare population.

### Reconciling Differential Perspectives

The four sets of views presented above by no means exhaust the potential list of perceptual and situational gaps between planner and people. But they represent some of the more important points for consideration. What can be done to promote more convergence?

1. *Devise an effective grassroots organizational scheme and a social research program for eliciting the views of ordinary community residents.*

Fostering effective neighborhood organizations assumes, of course, that the planner will have been sufficiently reeducated into accepting the ordinary lower-status man in the street as his equal in terms of possessing the same basic rights in society as his. If he does, then he will have less difficulty listening, understanding and translating what he hears and sees into a plan reflective of the needs of

the poor. Just because a person is a squatter and *ipso facto* a law violator so far as land occupancy is concerned, for example, this does not mean he has no rights as a citizen of his society, especially when his low status is virtually imposed by that society. When the poor far outnumber the rich, planners need to move away from their heretofore near-exclusive support of middle- and upper-class outlooks and interests in favor of a broader perspective that encompasses concern for the mass welfare.

Further, the planner needs to take a more scientific attitude toward the social factors in planning. Strangely enough, however, he tends to assume that somehow social problems arising out of implemented plans will magically resolve themselves. Instead of investigating them more systematically and therefore anticipating them, he takes the uncharacteristically fatalistic attitude that they constitute simply the unpredictable unknowns to which he must resign himself for now. He still needs to learn that just as he analyzes soil composition or terrain diagrams, so too can sociologists, anthropologists, and psychologists investigate whether the people whose lives he is attempting to change will move in the directions he seeks. Having these data may mean the difference between a successful or unsuccessful relocation effort, urban renewal project, or housing design scheme. If there are not enough behavioral scientists to gather the data or conceptualize the problem, then start training them.

In short, patterns of human behavior and thought can be studied and analyzed and incorporated into any plan involving people. But social research is not enough. A committant strategy for actively involving ordinary people in the planning activity is necessary to encourage their genuine participation and more successful end results.

2. *Inject greater flexibility and short- and middle-range action components into the comprehensive, long-range plan.*

While few would deny planners their future orientation, a desperate need also exists for shorter range projects built into the overall scheme. These projects can get underway in 1974 or '78 or '85 while the planners are still

pondering over predictions and linkages for the year 2000. This will help take the stigma of inaction away from the planner and bring more immediate benefits to needy people here and now. Instead of waiting for a total community plan to be completed, for example, a better, if partial, water system can be installed sooner so that people need not spend two hours a day queuing by the pumps. Or, rather than bulldoze a whole community, renew it in sections with minimal disruption to the residents.

3. *Reevaluate the minimum standards concept in the light of socioeconomic realities.*

One approach to enhancing the physical conditions of the poor is to study their own strategies of self-improvement and simulate them. Notice, for example, the squatter who in 1965 could only afford a cardboard and rusty-iron-sheet hovel but who has by 1974 managed to construct a reasonably decent house. He has done so bit by bit, putting in a concrete floor this year, one wooden wall the next, and a door and louvered window the year after that. Planners can devise a scheme of loans for housing materials on a gradual self-help basis and prepare various easily understood design suggestions as to how this can be done most efficiently and cheaply.

Some two years ago, a young Filipino architect spent a few months living in the Tondo foreshore and watching the natural process of evolution for squatter houses there. He then designed a cheap house that could be put together in the same manner (and easily dismantled in the event of eviction), and had a group of residents build it themselves. The family of a local leader lives there today, giving proof of its viability. It may not meet the normal minimum standards so dear to the architect-planners, but it certainly comes closer as an intermediate type of technology.

In discussing minimum standards for Asians, one cannot avoid a reference to the other extreme — maximum standards. Again, in poor societies where the urban masses are becoming more conscious of their impoverished state vis-a-vis others higher up in their society, some regulation of over-extravagant consumption would seem called for in this socio-

economic milieu. The more million-peso houses that continue to be built even as the houses of the poor are conveniently hidden away from the public — especially tourist — eye by government-constructed walls or fences, the greater the prospects of the poor seeing themselves as relatively deprived and therefore dissatisfied.

When the first generation migrants establish themselves in squatter locations in the city, their frame of reference remains the province for a while; relative to life there, they feel they are better off. But the next generation of children born in the city will have shifted perspectives to the urban social setting and perhaps realize all too clearly that they are at the bottom of the social scale. Moreover, unlike the rural situation in which poor though a family may be, they can rely on a wealthy patron to see them through hard times, such cross-class personalized linkages form far less frequently in the city. Hence, a real class alienation encouraged by the sense of relative deprivation can develop. The greater the obvious disparities in consumption, the more serious the political repercussions are likely to be. Just as the energy crisis brought home the realization that resources are limited and affluence cannot long be monopolized by the few without adverse reactions from the many, so too in a more microcosmic sense is it incumbent upon us apply this thinking to individual Asian societies and the great socioeconomic imbalances they so conspicuously display. This does not necessarily mean the absolute equalization of all citizens. Rather it suggests the emergence of a conscious decision to regulate voluntarily or otherwise overly-wide socioeconomic and power disparities. Maximum standards should worry planners as much as minimum standards do — perhaps more.

4. *Until the economy can provide better substitutes, accommodate the techniques of the traditional sector of the urban economy legitimately into the urban mainstream.*

Hawkers, scavengers, pedicab drivers, and the like are intrinsic to Asian cities at least so long as their societies remain poor. If planners can restrain their strong impulse to prove that



Asian cities can be as modern if not better than Western ones, again adopting a Western-developed-society frame of reference; if instead of repressing the income sources of the poor, they would search for ways of bolstering the latter's coping mechanisms, then they will surely better fulfill their mission in society today. Again, this is not to deny that Asian cities should have modern sectors symbolized by the sophisticated advertiser, banker, or architect. It is merely to say that planners can more assiduously apply the same expertise that creates modern financial mechanisms to institutionalizing traditional urban occupations that serve the populace and the city more effectively without losing their essential character. Singapore has attempted this by building hawkers' parks where sanitation facilities and the availability of running water give a modern dimension to the very traditional practice of having a meal at a sidewalk noodle stand.

In conclusion, what we are advocating here is not merely a change in planning techniques, but a radical shift in outlook and conviction. We are asking that Asian planners take stock of themselves in relation to their total social setting. This examination of conscience will probably reveal that until now they have fostered the interests of the few often to the detriment of the many. They have overconfidently and unrealistically applied middle- and upper-class viewpoints to the very different needs of the poor. This is the age of the common man in Asia, and the sooner planners recognize this, the healthier will be the societies they are striving to build.





# GOVERNMENT REORGANIZATION AND REGIONAL PLANNING

TITO C. FIRMALINO AND ADRIENNE A. AGPALZA

Institute of Planning  
University of the Philippines System

## Introduction

Regional Planning in the Philippines has a relatively short history. This could be due primarily to the country's highly centralized form of government. The local governments and the field units of the national agencies were dependent upon the central authorities for funds, policies and even for certain administrative decisions. Moreover, there was no significant body or entity that could effectively coordinate the development activities of the different agencies and government units at the regional level.

It is not, therefore, surprising that in the Philippines, national planning came very much ahead of regional planning. The National Economic Council (NEC) which was created in 1935 and revitalized during the 1950's performed as the chief planning agency, formulating national economic policies and preparing broad economic as well as social development programs. The NEC was charged with the responsibility of studying the country's needs and financial resources and of establishing development priorities and goals for public and private investments.

Assisting the NEC in implementing the nation's economic policies and programs were the Presidential Economic Staff (PES) under the Office of the President and the Board of Investments (BOI). The PES translated the NEC policies into workable programs and projects while the BOI prepared annual investment priorities plans which generally indicated what industries the government would support.

However, the activities of the agencies mentioned were mainly oriented to the achieve-

ment of gross economic gains for the whole country with little reference to the development of specific geographic regions or areas. These economic gains were often measured in terms of yearly increases in gross national product or per capita income and sometimes in terms of total investments or export earnings along sectoral lines — agriculture, mining, cottage industries and other productive and lucrative ventures.

The national plans which failed to consider the diverse elements in the local areas naturally became less realistic. Consequently, a wide gap existed between the desired objectives and the implementation of the programs. As one economist stated, due to the lack of "knowledge or plans to disperse industries in economic locations," the industries conglomerated in one area which is Metropolitan Manila.<sup>1</sup>

Implementation of national plans, likewise, suffered difficulties caused by built-in administrative bottlenecks. Existing defects in the government machinery found semi-autonomous agencies performing related services in uncoordinated fashion. And in the absence of project standards, claimed a former NEC chairman, projects of doubtful economic benefits had been approved largely on the basis of their "political demonstration effect."<sup>2</sup>

<sup>1</sup>Vicente R. Jayme, "The Mindanao Development Authority: A New Concept in Philippine Economic Development," *Philippine Journal of Public Administration*, Vol. 5, No. 4 (Manila, October, 1961), p. 323.

<sup>2</sup>Sixto K. Roxas, "The Problems of Public Administration for Economic Development," *Philippine Journal of Public Administration*, Vol. IX, No. 1 (Manila, January, 1965), p. 6.

In the 1960's, the top policy-makers of the nation became obsessed with the idea of obtaining a "more diffused rate of growth which was concluded to be overly centered in the Manila area."<sup>3</sup> This thinking led to the introduction of an intermediate structure for planning and development between the national departments and the local political units. This structure consisted of regional authorities, the first of which was the Mindanao Development Authority (MDA) established in 1961. The creation of the MDA was inspired by the success of the Tennessee Valley Authority (TVA),<sup>4</sup> but, unlike the TVA wherein the river system with well-defined boundaries was the integrating factor for regional development, the MDA aimed at the development of the entire island of Mindanao, including the islands of Sulu and Palawan.

The establishment of the MDA triggered the enactment of similar laws creating other development authorities. Within a short span of time, barely a decade, the organization of some 18 development authorities and regional planning boards with separate geographical jurisdictions were authorized either by Congress or by the President. Although the MDA law became the model for the structural and functional framework of many of the later authorities, variations were introduced. For instance, three authorities were primarily concerned with the development of ports and another three were geared towards the development of tourist areas.

It is sad to note, however, that only five development authorities and one regional planning board were actually funded and organized. These are the MDA, the Central Luzon-Cagayan Valley Authority, the Mountain Province Development Authority, the Bicol Development Company, the Laguna Lake Development Authority and the Bicol Development Planning Board. The rest remained as authorities on paper.<sup>5</sup>

<sup>3</sup>Hermenigildo F. Granados, "The Problem of Regional Development," *The Researcher* (Samar: University Town, February, 1967), p. 34.

<sup>4</sup>See Abelardo G. Samonte's "Regional Development Authorities: Role, Structure and Feasibility," A reprint from the *Philippine Journal of Public Administration*, Vol. XII, No. 2 (April, 1963), pp. 110-125.

<sup>5</sup>*Ibid.*, p. 116.

Since the organization of the aforementioned authorities, their activities have been largely confined to the undertaking of preliminary surveys of the regions' resources, to administering feasibility studies for particular projects and to formulating project proposals of specific socio-economic interests. In no case had an integrated framework plan been pursued. Attempts of the MDA, the BIDECON and the LLDA at developing project plans have been mainly limited to socio-economic growth in their respective regions. Moreover, actual operation on proposed projects has been very minimal.

For instance, the MDA had completed several feasibility studies directed towards the amplification of agricultural and industrial activities in the area. Likewise, it had started operating a number of projects the more important of which are the Zamboanga Ice Plant and Cold Storage and the Pacific Cement Company, and had organized subsidiary companies which include the Mindanao Refrigeration Industries, the Palawan Cannery and Fishery Development Corporation and the Mindeva Agro Industrial Corporation, aside from spearheading two pilot rice production programs.<sup>6</sup>

The Central Luzon-Cagayan Valley Authority which had been simultaneously organized with the MDA had concentrated its activities on water resource projects and studies. Aside from collecting basic data on the region, the CLCVA had assisted Japanese and French technical experts in reconnaissance surveys on the Cagayan and Pampanga river basins and had formulated plans for the two aforementioned river basins.<sup>7</sup> It had also designed provisional studies on irrigation systems and damsites, particularly the Magat River Multi-Purpose Study.

Another water development authority, the LLDA had, since its inception, engaged the technical expertise and advice of the United Nations Development Programme team and with the assistance of the local experts from

<sup>6</sup>Asteya M. Santiago, *Regional Development Authorities and Local Planning Organizations* (March 15, 1973), Mimeo. 5.

<sup>7</sup>Samonte, *op. cit.*, p. 113.

both the national and local governments, had embarked on a feasibility and design study aimed at the hydraulic control of the lake for agricultural, industrial and transport pursuits. It had also conducted pilot demonstration projects in hog management in Laguna province and in fish culture in Rizal Province.<sup>8</sup> On the other hand, the Mountain Province Development Authority had only been able to draw an economic report of the province and had undertaken several project studies one of which was directly linked to the vegetable industry in the region.<sup>9</sup>

The BIDECON which was created in 1966 by an Act of Congress began with a series of notable programs; however, most of them have not been realized. Aside from an economic survey of the region and a rice crash program which were both administered in 1967, its ongoing projects have been restricted to the Bicol Sugar Development Company (BISUDECO), some fishing projects, a survey of the Tiwi geothermal deposits and the abaca industry.<sup>10</sup> Meanwhile, the Bicol Development Planning Board (BDPB)<sup>11</sup> had not gone beyond data collection, completion of several feasibility studies and provisional programming of agricultural and infrastructural projects.

The activities of these agencies have been studied by researchers, public administration specialists, and the conclusion, it seems, is that the authorities were generally a failure.<sup>12</sup> Among the important reasons advanced for the apparent failure of the authorities as regional planning bodies are the following: (1) the authorities were inadequately funded; (2) they were created without sufficient study of the "varied conditions, needs and problems" of the different planning regions;<sup>13</sup> and (3) some key personnel of the authorities were not promptly appointed simply because funds were not readily available.

<sup>8</sup>Santiago, *op. cit.*, p. 6.

<sup>9</sup>Samonte, *op. cit.*, p. 115.

<sup>10</sup>Santiago, *loc. cit.*

<sup>11</sup>The BDPB is a voluntary planning agency formed by the mayors and governors of the region.

<sup>12</sup>See, for instance, Samonte's and Santiago's previously mentioned articles.

<sup>13</sup>Samonte, *op. cit.*, p. 116.

## Changes in Government Structure Affecting Planning

Among the first official acts of President Ferdinand E. Marcos after declaring martial law in September 1972 was to issue a decree which adopted the Integrated Reorganization Plan (reorganization planning had been started as early as 1969). The integrated reorganization plan was one of the priority measures pending in Congress before the declaration of martial law.

In this measure, the national government declares its policy of promoting "simplicity, economy and efficiency in the government to enable it to pursue programs consistent with national goals for accelerated social and economic development and to improve the service in the transaction of the public business."<sup>14</sup>

### National Planning

One of the essential features of the reorganization plan is the particular stress it gives to integrated planning which, if applied, is expected to achieve optimal use of government resources. The necessity of involving the highest officials of the land in plan formulation and implementation is given due recognition with the establishment of the National Economic and Development Authority (NEDA). The NEDA which replaces the NEC as the primary planning body of the country is composed of a Policy Board, the Office of the Director General and its appurtenant units, the Planning and Policy Office, and the Programs and Projects Office.<sup>15</sup>

The Director General is the chief executive officer of the NEDA and as such he exercises general supervision and control over all offices and units placed under this agency.<sup>16</sup> The responsibility of preparing and updating the integrated long-term development plans and

<sup>14</sup>*The Reorganization of the Executive Branch of the Philippine Government* (Manila, 1973), p. 1.

<sup>15</sup>Two new offices have been added, namely, the Operations Office and the Statistics Office.

<sup>16</sup>All information on the NEDA have been derived from the President's Decree No. 1-A dated November 1, 1972, as amended by P.D. 107 dated January 24, 1973. Note: P.D. 1 is on "Reorganizing the Executive Branch of the National Government."

annual development programs belongs to the Planning and Policy Office. A unit of the Planning and Policy Office called the Regional Development Staff provides the needed link between national planning and planning at the local level. Among its functions are:

1. To provide guidelines for regional development based on and consistent with the long-term development plans and annual development programs prepared by the NEDA;
2. To coordinate the planning and implementation of approved regional development plans and programs;
3. To extend assistance to the regional development authorities in formulation of their respective plans and programs;
4. To collect, process and evaluate economic data and information to form the basis for determining priority development areas and indicated revisions in regional policy framework, and for evaluating development efforts at the regional level.
5. To maintain liaison and coordinate with the Department of Local Government and Community Development in the area of local and regional plan formulation and development; and
6. To perform such other functions as may be provided by law.<sup>17</sup>

A number of agencies, financial institutions and development authorities have been attached to or placed under the NEDA for administration or supervision. These include the Board of Investments, Reparations Commission, Development Bank of the Philippines, the Government Service Insurance System, Home Financing Commission, Philippine National Bank, Philippine Veterans Bank, Social Security System, the Bicol Development Company, Laguna Lake Development

Authority, Mindanao Development Authority, Mountain Province Development Authority, and the Tariff Commission.

As one will note from the above list of agencies and entities, not all of the development authorities are attached to the NEDA. The regional planning boards were abolished while the rest of the authorities were attached to certain departments like the Department of Public Works, Transportation and Communications and the Department of Tourism.

### *Regional Planning*

Insofar as regional planning is concerned, the most significant changes in the government structure being effected under the reorganization plan are the following: (1) the division of the country into eleven administrative and planning regions, each with a designated regional center or capital; (2) the introduction of a new pattern in the distribution of the field offices of national departments and agencies to coincide with the established regions; and (3) the institution of the Regional Development Council (RDC) in each region.

Based on some selected criteria to achieve a more rational delineation of administrative regions in which the field offices of national departments and agencies are distributed, the country has been divided into eleven regions.<sup>18</sup> The regions and their respective member provinces, cities, and regional centers are listed below:

<sup>18</sup>Criteria used include contiguity and geographical features, political and administrative boundaries of government units, transportation and communication facilities, cultural and language groupings, land area and population, existing regional centers commonly adopted by several agencies, current socio-economic development projects started by government agencies in the region, etc. The Commission on Reorganization had established ten (10) regional administrative districts; the PPDO presented three alternatives, one of which (no. 3) was selected and approved by the government. The only modification is the incorporation of Pangasinan province to Region I instead of to Region III as previously prescribed. Cf. Commission on Reorganization, *Regional and Community Development*, Report of Reorganization Panel No. 5, (October, 1970), p. 17; PPDO, *Physical Planning Strategy for the Philippines*, Interim Report No. 1 (1972), Presidential Decree No. 244, June 22, 1973.

<sup>17</sup>Letter of Implementation No. 22, December 31, 1972.

<b>REGIONS</b>	<b>PROVINCES</b>	<b>CITIES</b>	<b>REGIONAL CENTERS</b>
I. ILOCOS	Abra, Benguet, Ilocos Norte, Ilocos Sur, La Union, Mt. Province, and Pangasinan	Baguio, Dagupan, Laoag, and San Carlos	San Fernando, La Union
II. CAGAYAN VALLEY	Batanes, Cagayan, Ifugao, Isabela, Kalinga-Apayao, Nueva Vizcaya, and Quirino	None	Tuguegarao, Cagayan
III. CENTRAL LUZON	Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales	Angeles, Cabanatuan, Olongapo, Palayan, and San Jose	San Fernando, Pampanga
IV. SOUTHERN TAGALOG	Aurora (sub-province), Batangas, Cavite, Laguna, Marinduque, Occ. Mindoro, Or. Mindoro, Palawan, Quezon, Rizal and Romblon	Batangas, Caloocan, Cavite, Lipa, Lucena, Manila, Pasay, Puerto Princesa, Quezon, San Pablo, Tagaytay, and Trece Martires	Greater Manila
V. BICOL	Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate, and Sorsogon.	Iriga, Legazpi, and Naga	Legazpi City
VI. WESTERN VISAYAS	Aklan, Antique, Capiz, Guimaras (sub-province), Iloilo, and Negros Occidental.	Bacolod, Bago, Cadiz, Iloilo, La Carlota, Roxas, San Carlos, and Silay	Iloilo City
VII. CENTRAL VISAYAS	Bohol, Cebu, Negros Oriental, and Siquijor (sub-province)	Bais, Canloan, Cebu, Danao, Dumaguete, Lapu-Lapu, Mandaue, Tagbilaran, and Toledo	Cebu City

REGIONS	PROVINCES	CITIES	REGIONAL CENTERS.
VIII. EASTERN VISAYAS	Biliran (sub-province), Leyte, Southern Leyte, Eastern Samar, Northern Samar, and Western Samar	Calbayog, Ormoc, and Tacloban	Tacloban City
IX. WESTERN MINDANAO	Sulu, Zamboanga del Norte, Zamboanga del Sur, and Tawi-Tawi	Basilan, Dapitan, Dipolog, Pagadian, and Zamboanga	Zamboanga City
X. NORTHERN MINDANAO	Agusan del Norte, Agusan del Sur, Bukidnon, Camiguin, Lanao del Norte, Lanao del Sur, Misamis Occidental, Misamis Oriental, Surigao del Norte, and Surigao del Sur	Butuan, Cagayan de Oro, Gingoog, Iligan, Marawi, Oroquieta, Ozamis, Surigao, and Tangub	Cagayan de Oro
XI. SOUTHERN MINDANAO	Cotabato, Davao del Norte, Davao Oriental, Davao del Sur, South Cotabato, Sultan Kudarat, and Maguindanao	Cotabato, Davao, and General Santos City	Davao City

Under the new setup, most, if not all, of the regional offices of the departments and agencies will be located in the regional centers. This arrangement will facilitate the coordination of activities of the different agencies in the implementation of regional plans and projects particularly those involving the participation of more than one department. The regional directors of the national departments can confer readily among themselves if they hold office within the same locality. It will also be economical and convenient for a citizen to transact business with more than one agency if he has to go to only one center.<sup>19</sup>

<sup>19</sup>In the past, field offices of national agencies had divergent operational areas and regional centers. This created the problem of coordination and cooperation among agencies. See Raul P. de Guzman and Associates, "Administrative Field Organization," in *Perspectives in Government Reorganization*, Jose V. Abueva, ed. (Manila, U.P. College of Public Administration, 1969), p. 268.

As mentioned earlier, the RDC is the planning body of the region. Considered as the extension of the NEDA, it is composed of: (1) the governors of the provinces and mayors of chartered cities comprising the region; (2) the regional directors of five departments (Labor, Health, Social Welfare, Education and Culture, and Local Government and Community Development), of four bureaus (Agriculture Extension, Plant Industry, Public Works, and Public Highways), and of the NEDA; and (3) the general manager of the regional or sub-regional development authority existing in the region.

The chairman is elected from among the governors and city mayors while the NEDA regional director automatically serves as the vice chairman.

The RDC shall undertake a "comprehensive and detailed survey of the resources and

potentialities of the region" and on the basis of the said survey shall "prepare long-range and annual plans for the region within the guidelines set by the NEDA.<sup>20</sup> Such plans together with the RDC's programs of action shall reflect the national economic goals in terms of specific regional objectives.

In addition, the RDC shall "consider and adopt an annual regional economic report" which shall be transmitted to the NEDA. It has to coordinate all planning activities of the field offices of the national departments — those that relate to the similar efforts of the local governments. Since the RDC will be provided with a technical staff by the NEDA, it shall be in a position to fulfill its additional function: that of extending planning assistance to sectoral departments of the national government and to the local governments as well as private entities.

A working committee that will most likely serve as a "bridge" between the RDC proper and the technical staff is the Executive Committee whose chairman shall be the regional director of the NEDA. The membership of the Committee includes the regional directors of the Bureau of Public Highways, the Bureau of Public Works, the Bureau of Plant Industry, and the Department of Local Government and Community Development; two representatives of the elective members of the RDC; and the general manager of the regional or sub-regional development authority existing in the region. The Executive Committee shall provide guidelines for the operations and activities of the technical staff and shall review the reports, plans, programs, etc., before these are submitted to the RDC for consideration and adoption.

#### Initial Tasks

With the exception, perhaps, of Region VI or Western Visayas, the initiative in organizing the RDC's generally originates from the NEDA itself.<sup>21</sup> A NEDA team consisting of some

<sup>20</sup>Letter of Implementation No. 22, December 31, 1972.

<sup>21</sup>The elective officials of Panay and Negros Occidental had organized themselves before the NEDA could go into the region to implement Letter Order No. 22.

three staff members of the Regional Development Staff would visit the regional center to discuss with the resident provincial governor or city mayor the need for the immediate formation of the council to adopt and implement the integrated and comprehensive approach to regional planning and development.<sup>22</sup> If the resident official agrees, he may then host a general conference of the regional directors of the national agencies in the region together with the elective officials who are prospective members of the council. The Director General of the NEDA or his representative usually attends this conference.

Among the topics discussed in the conference are the organizational framework and functions of the council and its relationship with the NEDA. The election of the RDC chairman follows afterwards and the elected chairman would then designate the two elective members of the Executive Committee.

Thus far, only five regions, namely: Region V, Bicol; Region VI, Western Visayas; Region VII, Central Visayas; Region X, Northern Mindanao; and Region XI, Southern Mindanao, have formed their RDCs, two others have appointed at least fifty percent of their technical staff.<sup>23</sup> In each of these regions, the NEDA has fielded its regional director.

Short training programs to develop the planning skills of selected personnel of local and regional offices have been conducted in four of the above-mentioned regions, consisting of a month-long seminar-workshop with planning experts from Manila and from the regions acting as resource speakers. The results of these seminars in the form of new plans have, in most cases, been worthy of consideration by the RDCs.

One might ask why up to now the RDCs in the remaining six regions have not been organized. The Regional Development Staff of the NEDA has this explanation: the filling up of positions in the technical staff of each region

<sup>22</sup>Other elective officials are likewise invited to participate in the discussion.

<sup>23</sup>Most of the information on the RDC were gathered from the Regional Development Staff headed by Dr. Jose M. Lawas.

is given first priority. Unfortunately, not so many qualified persons are readily available in the regions.

Nevertheless, the Regional Development Staff follows its own program of work concerning its activities in every region. This program, more or less, establishes the guidelines and schedule for the different phases of its work. The sequential arrangement of activities to be observed within a specified time as outlined in the program takes this form: (1) the organization of the technical staff and of the RDC to cover the first three months, (2) the holding of a short training program to last for about a month, (3) undertaking of research and feasibility studies and formulating the regional development plan which will both require a period of about two years, and (4) plan implementation to include the setting up of a monitoring and control system.

#### Other Regional Planning Activities

Prior to the institution of the RDCs, efforts at an integrated approach to planning at the national and regional levels have been effected by the government through the Planning and Project Development Office, the Manila Bay Region Study Team, the Mindanao Regional Development Study Group and more recently, the Task Force on Human Settlements. The first three bodies are directly under the supervision of the Department of Public Works, Transportation and Communications, while the last agency is attached to the Development Academy of the Philippines.

The most notable among the development projects undertaken revolves around the formulation of a national framework plan with special emphasis on the physical and spatial aspects of development. Formerly known as the Physical Planning Strategy for the Philippines and now the National Framework Plan, conducted by the Planning and Project Development Office of the DPWTC and the Institute of Planning, U.P.S. with the assistance and support of the United Nations Development Programme. Briefly, the project, aside from its principal task of formulating a physical framework plan for the entire country, seeks to undertake the following: (1) to prepare guide-

lines and national policies geared towards a nation-wide regional, metropolitan, and local planning as well as to introduce new regional planning and development studies; (2) to define and identify priorities for future planning, infrastructural and development projects; (3) to undertake in cooperation with other local agencies as well as foreign assistance projects, researches and studies related to planning; (4) to enlarge and improve the collection of data and other information relevant to planning; and (5) to help strengthen the government's counterpart arrangements in order to maintain an effective and continuous plan preparation and implementation.<sup>24</sup>

Remarkable accomplishments have been reported by the PPDO in connection with the project. Since it started operations four years ago, several studies have already been carried out. Ad interim reports\* have furthermore been submitted for implementation. These particularly concern the definition of leading tourist areas, land reform priority areas, selected principal seaports and airports, and regional profile reports of the 11 administrative regions, among others. An on-going study is specifically related to the evolution of a long-range plan for the entire country for the years 1970-1990.

Similarly, the UNDP-assisted DPWTC and IPUPS planning teams are also engaged in the development of strategic plans for the Manila Bay Area and the Mindanao Region. While the objectives of both projects are similar to those of the Physical Planning Strategy for the Philippines study, these are being treated at a smaller scale.

The Manila Bay Metropolitan Region Study is mainly divided into nine basic groups consisting of the following: (1) population analysis and projections; (2) economic base studies; (3) land use studies; (4) transport analysis; (5) infrastructure development; (6) a survey of community facilities; (7) housing sites and services; (8) metropolitan finance and

<sup>24</sup>National Economic and Development Authority, *Regional Development Projects, A Supplement to the Four-Year Development Plan, FY 1974-1977* (Manila, 1973), p. 9.

\*See Planning News in this issue. *Ed.*



finally, (9) an analysis of organization and administration for regional and metropolitan planning. Although the project is still in its early stages, completed studies have led to the laying down of basic project proposals relevant to flood control and highway development, land utilization in the Manila South Harbor as well as the land and air rights of the Philippine National Railways.<sup>25</sup>

The Mindanao Regional Development Study has completed surveys and analysis on basic developmental factors such as population, employment, agriculture and forestry, industry, mining, water resources, land use, urban studies, transportation and communication and others. Findings from such have developed initial project proposals centering on population, secondary road improvement and development, irrigation projects and the selection of highly potential agricultural areas.<sup>26</sup>

Governmental concern for the human life and welfare has been recognized and stressed with the creation on September 19, 1973 of a Task Force on Human Settlements.<sup>27</sup> This planning body is principally assigned to pursue a comprehensive and integrated framework plan on human settlements for the entire nation. To achieve this major objective, the Task Force engages in activities of research and in-depth studies of existing human settlements, identifies priority areas for such projects, develops a national housing program and lays down policies and guidelines in the implementation of the program.

Composing the Task Force are the Executive Director of the DAP as chairman and 16 other members drawn from the various governmental agencies. These are the NEDA Deputy Director-General, the Directors of the Environmental Planning Center, the Bureau of Lands, the Bureau of Forest Development, the Bureau of Public Works, the Bureau of Public Highways, the National Manpower and Youth Development Center, the General Managers of the Metropolitan Waterworks and Sewerage

System, the Government Service Insurance System, the People's Homesite and Housing Corporation and the National Housing Corporation, the Undersecretaries for Tourism and Social Welfare, the SSS Administrator, the DBP Chairman, the Dean of the UP Institute of Planning and finally, the Commissioner of National Water and Air Pollution Control Commission.

### Prospects

Much of the success of regional planning in the Philippines as conceived in the reorganization plan will depend on a number of factors, among these are: (1) a well-organized and continued technical assistance to the RDC from the NEDA; (2) the type of leadership that will be provided in the council; (3) availability of funds for proposed regional projects; (4) smooth inter-agency coordination in the different stages of the planning process; (5) planning skills available at the provincial, city and municipal levels; and (6) widespread understanding of what planning can do for the region and for the communities.

The first suggests that it is the major responsibility of the NEDA to employ competent persons in the technical staff of each region to conduct research in the various sectors of development and to analyze and to project growth trends. There is an urgent need for employing trained regional and urban planners to design development and sectoral plans and to formulate policies and guidelines necessary for the effective implementation of adopted plans. Under the present setup, the RDC has no budgetary fund which it can allocate for the hiring of technical specialists and planners. Until such fund becomes available, the RDC will, to a large extent, depend on the NEDA for all its requirements concerning technical and other related services.

In the past, the local officials often selected government projects on the basis of a particularistic or parochial interest. This practice has been greatly minimized under the current administration, because of cultural resistance to change, it may still hold true in certain areas of the country. If this practice prevails in a region, it would be difficult to

<sup>25</sup>*Ibid.*, p. 37.

<sup>26</sup>*Ibid.*, p. 40.

<sup>27</sup>*Executive Order No. 419*, September 19, 1973.

arrive at a consensus or at a common decision in setting project priorities, or in the approval of plans. Faced with such difficulty, the RDC chairman should be able to exercise a type of leadership that is both dynamic and persuasive so that he can convince his colleagues in the council to view development on a broader perspective or at a much higher plane.

As stated above, the RDC has no fund of its own for financing regional projects. Certainly, the provinces and cities can pool their resources to finance projects approved by the RDC but many of the local government units, for lack of funds, cannot even raise the standard of existing community services. At best, the RDC can furnish the NEDA with a list of priority projects for which national financial assistance may be sought.

A system should be evolved whereby a regional development fund can be created for use of the RDC in plan implementation. Unless such a fund is clearly defined in a statute or decree, the RDC members, in the long run, may lose interest in planning. Or, they may tend towards recommending and approving very ambitious and unrealistic regional plans.

The importance of inter-agency cooperation and coordination at every stage of the planning process cannot be overemphasized. The failure of many programs can sometimes be traced to inter-agency rivalries. Sometimes, conflict may occur when two agencies perform similar or identical activities in the same region or city without previous understanding or communication about what each one is doing.

Ideally, every local government unit in the region should have its own planning staff with personnel trained in comprehensive planning. Aside from preparing detailed plans for smaller areas, such planning specialists if around, can guide the local policy-makers in their decisions especially in fields affecting the development of the region. It must be understood that the RDC itself as a body has no implementing powers. Therefore, the implementation of any regional plan or parts of it, will be through the individual municipalities, cities and provinces and through the national agencies in the region.

Finally, the private sector should be kept informed of planning decisions that will affect the ordinary citizen. In fact, popular or citizen participation at some stages of the planning process should be encouraged in order that the implementation of plans can be facilitated. Private investors should be aware of what industries are being promoted in the plans and of what policies the decision-makers will adopt to carry out planning objectives. Above all, there should be widespread acceptance of planning as means of attaining most of what the citizens aspire for in their communities and environment.

### Conclusion

What makes regional planning an effective instrument in program implementation is the fact that it offers a vantage point from which national projects and local projects could be integrated, projected (along a space-time continuum) and translated into attaining a common goal. This has been commonly referred to as the disaggregation of national plans into the regional plan and the aggregation of local plans into the regional framework as well. To this role, Weissman adds the following: (1) regional planning can order the implementation of particular projects and find inter-relationships among these within a given geographic area over a specific period of time; (2) it can assist in maintaining a balance among development programs introduced at the various hierarchical levels of the government through a process of eliminations and projections on land use and location requirements; and (3) it can pinpoint appropriate alternatives in the program plans and help in the implementation of such.<sup>28</sup>

The concept of space as a function of time and place has largely governed current regional development theories and programs especially in relation to project planning. This has been primarily influenced by the economic location theory advocated by Weber and developed by Isard, Losch, Alonso, Ullman, Greenhut and several others. The classical theory is primarily

<sup>28</sup>Ernest Weissman, "Regional Development Planning," *Philippine Planning Journal*, Vol. 1, No. 2 (April, 1970), p. 33.

based on the fixed location of the firm, along with other competing industries to minimize aggregate transport costs (Weber's agglomeration economies). Isard, on the other hand, conceived of substitution in transport inputs and included other elements such as market and supply areas, agricultural location, among others. Losch developed a theory of market networks in terms of market sizes and boundaries and their implications for transportation and urban development. Alonso presented a basic location theory concentrating on the principle of median location, competition along a line, transportation, market areas, market boundaries and production costs differentials. The influence of non-economic factors on industrial location has been widely discussed by Greenhut who stressed the impact of personal factors in the locational selection of diverse types of industries; by Ullman who considered the effect of climate and various amenities and by Chisholm who talked of environmental determinants to industrial location choices.

Perhaps location theory as applied to regional planning can best be seen in the location of industries, a field in which regional planning widely operates. Part of the regional planning programs involves the decentralization or deconcentration of appropriate industries in the different geographical sectors of the country. This process of dispersal has been recognized of late as a necessary factor to a modern and balanced social and economic development. Many benefits can be derived from such operation. To begin with, it has been argued that by decentralizing certain industries consistently and efficiently not only can an equitable distribution of income and wealth be achieved but increased labor participation among a larger population can be spurred as well.

Several factors come into play in the decentralization of industries, the more important of which include the size of plant, the proximity of plant site to source of raw materials as well as to market sizes (linkages), transportation facilities, labor supply, power facilities, availability of minerals and other resources and the presence of service industries.

In the Philippines, the absence of national policies in support of decentralizing and deconcentrating industries has greatly hampered a

balanced economic development. Despite the Investment Incentives Act, the Export Incentives Act and even the Four-Year Development Plan which all touch on a policy of regional relocation of industries, the regional distribution of industries is highly inconsistent. It will be recalled that since the end of World War II, industries have been predominantly concentrated in the large towns; particularly in and around the greater Manila area. This situation can be attributed to the much larger dependence among many industries on imported materials from abroad rather than on domestic produce. Naturally, such concentration resulted in the unequal distribution and sharing of investments among regions. It will also be noted that the majority of those industries are exclusively in the hands of a small group of families thus denying others of the opportunities to which they may be entitled, let alone to an equal distribution of personal income and wealth. Besides these economic effects, the confluence of industries contributed greatly to the depopulation of certain areas and to the perpetual problems of overpopulation and congestion in the greater Manila sector.

As development expands, rationalization of the location of industries is imperative. This poses the question: what particular industries should be decentralized or dispersed to the various regions?

In the Manila area, there has been a tendency among the larger establishments to relocate in the outlying regions of the city. Other manufacturing establishments move their plants to the periphery but keep administrative and showroom offices in the inner zones. The majority of the smaller establishments are still located within this city proper.

The BOI has taken steps to extend the benefits of economic development throughout the country. It has prepared the Investment Priorities Plan (IPP) which contains a list of strategic industries conducive to economic growth. Criteria used in the selection include commercial viability, social desirability and their potentials for regional advancement. A part of the IPP plan is its support of small and medium-scale industries which are economically feasible for regional distribution. As such, feasibility studies for potential projects like

feed grains, feed mills, poultry-raising, etc. have been conducted. In the 5th IPP, the advocacy of the industrial regional distribution policy has been magnified by BOI's campaign against new investments in the greater Manila area. For instance, meat processing industries are encouraged to locate outside the greater Manila area, feed yeast plants should be established in the sugar cane producing regions, activated carbon projects should be organized close to coconut plantations and poultry-raising should be stimulated in the regions 55 kms. south of Manila.<sup>29</sup> In the outer regions, consultations have been carried out with local businessmen in connection with investment priorities and the existing problems of the regions.<sup>30</sup>

<sup>29</sup>"Fifth Investment Priorities Plan," *Philippine Progress*, Vol. VI, (2nd Quarter, 1972), pp. 2-4.

<sup>30</sup>*Ibid.*

The establishment of the RDCs in each of the eleven administrative regions of the archipelago is a step-up move towards regional planning. In them lie the responsibility of formulating and administering vast programs for their respective regions and for the nation as a whole. What is necessary now is the development of a comprehensive plan which has to take into account goals, targets and policies representative of the increasing and diversified activities and needs of the region. With the RDCs, it is hoped that an ideal atmosphere will ensure where "comprehensive regional planning will assume... a more dynamic role of identifying development possibilities and stimulating and controlling development in harmony with national goals."<sup>31</sup> This will rest largely on the manner by which the RDCs will play their role.

<sup>31</sup>Weissman, *Ibid.*, p. 33.

# THE ELEMENTS OF DEVELOPMENT PLANNING

JESUS P. ESTANISLAO  
Center for Research and Communication

## **Economic Development is a Social Process**

After almost a generation, when economic development has become a nearly universal goal, we are confronted with a sobering reality. The goals appear to be almost always too high relative to performance, the means and resources too few, and the results too meager. Before such relative failure emerges the humbling realization that economic development deals with a process which is far wider than being strictly economic — and it is in this fusion of economic and non-economic elements in the social process where part of the weakness and failure of economic development efforts lies.

Development deals not only with the here and now. It takes time, and indeed it requires a great deal of time. As one stretches forward in the time horizon of a nation, the more the

non-economic elements predominate, and the more incompetent purely economic means and approaches become.

When it comes to such economic variables as credit and money, taxes and the government budget, foreign exchange rates and prices, there are known and tested economic means to handle them. These are the turf of economists, and it is perhaps here where they are most comfortable. Although the grass may appear greener on some of the institutional and sectoral production programs, it is here where goals almost always seem to be in disconcerting disagreement with eventual results. And it is here where non-economic realities get to be more important — and they can be baffling to any purely economic devices. Even more baffling is the field of social principles which are at the foundation of society and the economy. It has been the traditional practice of economists to dismiss these with a wave of the

hand, since these were of no professional moment to economics as a field of specialized thought and practice; but alas, in fact, these principles insist on being as important, if not more so, as the economic elements in influencing the long-term course of national and social events.

The clear differentiation between variables, structures and foundations highlights the limitations of the economic approach to development. It points to the sources of relative failure, and suggests some considerations for "planning" the economic development of nations.

### **Economics is Limited**

After all is said and done, economists can do little, and the immediate effects of what they do are limited. While the goals and coverage of economic planning are high and wide, still the elements that are subject to control and those that can be used directly for purposes of helping to achieve those goals are so few — and the longer the time stretch considered, the fewer they become. Indeed, problems arising from structural aspects of the economy and of society cannot be solved by economic approaches alone. It would be silly to hope that through a favorable change in credit policy, we can achieve self-sufficiency in rice. It is also not very fair to expect that a structural problem can be solved by creating a "task force" or putting up a new institution — and this instantaneously or after a short span of time. Structural problems take time to solve, and the institutions designed to meet them also take a long time to be truly effective.

In the past, perhaps, economic planning tried to do too much with too little. Development cannot be done by economic means alone, and certainly not by economists alone. Dealing with economic variables, economic approaches have proven their worth. Addressing themselves to structural problems, they have proven to be rather insufficient and requiring of more time and patience. The foundational and ideological issues, which are the very assumptions at the bottom of the functioning of any socio-economic system are proving to be a preserve from which economic considerations, and therefore, economists cannot be excluded.

But they have to enter this field with a different disposition from what they sport when they are in their own area of specialization, playing their own game.

### **The Contributions of Economic Analysis**

It has been the continuing hope among those involved in efforts aimed at development that the proper management of economic variables over time can itself lend to a healthy improvement in economic structure and, in the process, contribute towards the strengthening of the foundations of society and the economic system.

Such a hope has conceptual support. Economic elements are so inter-related with one another that the changes effected in one of them have an influence upon the others. Growth in one can bring about pressures for growth in the others, and given differences in circumstances and interlinkages, it is able that over time a few elements gain more importance relative to the others. Granting that the fastest growth areas, sectors and elements are the most desirable in the economy, as the relative composition of the economy changes, not only is there a change, but also an improvement in its structure.

This brings up the task of analysis. It throws light upon interrelationships. It answers the general question: if I do this, what will happen? It is an intellectual play on the economic means, wishing to find out what the end results of each move shall most likely be. It is a "pure" exercise in that all the other factors are assumed to remain the same, so that the economic means are made to act their way through up to the end, unimpeded by offsetting and external forces. This is why it can afford to be strictly quantitative, easily submissive to the inexorable force and dynamics of numbers alone.

Analysis can be that intellectually satisfying, but in the practical dimensions of development and against the demands of planning, it can never be enough. Indeed, it is only the first step. It helps as a situationer, where we are, and to where the trends are leading us. It also presents various alternatives as to means,



telling us to where each one would lead us. However, by itself, it is blind as to ends.

### *The Task of Policy*

This is where policy comes in. It throws light upon ends. It answers the general question: If this is what I want to happen, what should I do? It is a practical search for means, guided by the ends which are clear in view. It is a messy exercise in that the ends can conflict, the means are a set of probabilities, and so many forces seem to be running in all sorts of directions. Thus, this is essentially a task of decision-making, with a heavily qualitative flavor, spiced by one's subjective preferences, and judgment.

### *Interaction of Analysis and Policy*

Policy can be an exciting field for the pragmatic decision-maker, but it has to be exercised with the guidance of analysis. While policy sets the goals, analysis can present the alternatives from among which policy can then choose, and on the basis of such a choice, specific action programs can be designed.

There is then a happy complementarity between analysis and policy. Analysis gives light to inter-relationships and means, but is quite blind to ends and decisions. Policy on the other hand gives light to ends and makes decisions, but does not quite concern itself with inter-relationships and means. Indeed, one is limited without the other. Too much analysis, with its subsequent output of quantitative models, all too soon becomes too academic and irrelevant, being an ivory tower exercise having little to do with the dust and sweat that go with the complexity of reality. This has been the bane of much of economic planning in the past. However, decision-making runs the danger of becoming an exercise of shooting from the hip, of running from one action to another, of punching too many holes with a threadless needle — a frenzy lacking in direction, thereby losing effectiveness and developmental punch.

Planning, to be true to its task, must have both. And it is not sufficient that both are considered as essential activities that have to be

performed with planning. Rather, they are integral to the unified activity, which insists that no policy is taken without analysis and that analysis must lead to the identification of alternatives from which policy must choose. Such an integration may lead planning to take better care of both economic and non-economic elements. In the same way that economic and non-economic elements are all fused together in the social process which planning must develop, so is it necessary for analysis — which gives more stress to the economic — and for policy — which renders to the non-economic elements their due — to be fused together in planning for development.

### **The Optimum Mix in Planning**

It often happens that concepts which are clear and distinct at the abstract level can be fused together — and indeed they must be, at the operational level. This is true of such concepts as theory and practice or analysis and policy when applied to actual planning. Similarly, the seemingly irreconcilable conflict between such concepts as control and free enterprise dissolves into some obvious combinations in the context of reality.

### *The Case for Controls*

The case for controls is tightened by as many imperfections of the market as one can mention. Where social calculations differ from private profit maximization; where the time horizon of an investment decision is very long such that the risks get to be too big for private parties; where the scale of projects is too big to accommodate the refined analytical preconditions of marginal analysis; where the financial markets operate imperfectly such that built-in advantages are working heavily in favor of those who are already big and profitable. In all these general cases, the market mechanism fails in its task and some intervention in the form of active direction and controls is usually held up as a possible solution.

### *Leave the Efficient Market Alone*

However, the case for leaving the market alone as an efficient allocator that answers all

the demands of distribution is conceptually persuasive. The market gets away from the inefficiency of bureaucracy and red tape that generally go with controls. An efficient market distributes goods to those willing and able to pay for them; it allocates the production among those goods which are really wanted; it distributes the factors of production among various production processes, determining for each how much of labor and how much of capital are to be used; and finally it determines the income that should go to the different factors of production.

Beyond all these, the market has some dynamic functions, to wit: (a) just because consumers know there are goods available for their purchase, they can get motivated to work more; and (b) just because investors know that market opportunities exist, they are motivated to save and then exploit the opportunities for profit available to them.

The statement of the cases for control and free enterprise are, at best, only academic. As one looks at actual planning, it becomes clear from a listing of the different parts of the economy that for greater effectiveness, there is need for both.

### *The Relative Effectiveness of Control*

The nation as a whole has been the object of attention on the part of those advocating control. From the experience that is available, attempts at exercising control over national economic aggregates are easy on paper but ineffective in practice. One can easily state that investment targets should be set at a particularly high level, but it is an altogether different proposition as to how to actually achieve these.

As one goes down the economic hierarchy, he finds out that controls exercised at the industry level can be particularly potent. A strategic industry is told that it cannot raise prices; another is told that it has to pay a given level of wages; still another is told that it has to adopt certain guidelines for itself so that the process of its rapid development within the country is programmed. Further down the hierarchy, controls can be fearfully potent. A corporate project can become viable only be-

cause some guarantees for financing are given, incentives in the form of tax exemptions and tariff protection are effectively provided, etc. Hence, one notices that controls can be applied in concept at all levels of the economic hierarchy. In practice, however, applied to the national level alone, they lack teeth; but also as soon as one goes down from the purely national, aggregative level, controls increasingly assume effectiveness.

### *Where Free Enterprise Can Work*

With free enterprise, the story is quite different. At the broadest national level, its liberal application can lead to the rather messy situations which we created for ourselves in the last decade. Where private parties were only going after themselves, really taking self-interest as the criterion for business and economic decisions, there was a rather heavy deterioration in general purposiveness and perhaps in the over-all quality of economic perspectives. The same might be said about its application to the industry level, which relates the industry to other industries. The inter-linkages are easily forgotten and not easily taken advantage of, and the orientation of industry groupings simply becomes different from that made imperative by inter-industry and cross-industry developments.

As observed, at the level of industry, where the industry is related to its component firms, the application of free enterprise can be very healthy and economically stimulating. Provided that the industry direction is clear, and that the guidelines are also clear, the constitutive firms of an industry can be free to compete with one another. Rather than constrain them, they can be left to their initiative within the broad specifications of the industry guidelines given. At the lowest level, which is the management of the business enterprise, the operations can be so specific and detailed that these are best left to the free discretion of the managers running them.

Free enterprise then can easily lead to dead-ends and stupefying results when applied to the highest levels of the economic hierarchy. Here, all the arguments of the case for controls hold firm. However, as one steps down and gets



closer to the level of the firm, then free enterprise can be stimulating, and the arguments for the case of the relative efficiency of the market begin to assume more force.

### *The Fusion of Controls and Free Enterprise*

From the above, we are presented with the possibility of fusing controls and free enterprise in the planning process. At those levels where the relative strength of either controls or free enterprise is greater, there they are to be applied individually. At the national and broad industrial levels, where free enterprise can lead to a rather messy lack of direction, more controls have to be exercised. At the more specific industry level, after the general guidelines have been clarified and the mechanism for safeguarding their observance has been set, there can be as much free enterprise and healthy competition among the firms that make up each specific industry.

Control at the top and freedom below is not a new concept. But its application into the Philippine economic scene is a relatively new phenomenon. It is increasingly being realized that planning cannot proceed on the basis of the old dogmas and the ideological positions in the past. There is a more pragmatic spirit which pervades the planning process. It just so happens that conceptually controls are easy if done at the top, provided it is backed up by free enterprise below. The fortunate happenstance is that this seems to work also in practice.

### *The Need for Interrelating the Top and the Bottom*

The practice of this planning concept is contrary to the sterile technical exercise done at the top on one side and to the blind activism and frenzied project implementation at the bottom on the other. Instead, there is insistence that the essence and the heart of effective planning lie in inter-relating the technical exercise which can provide guidance to global controls, and active project implementation.

This imposes a set of requirements. For one, the individuals who have to work at the top, those who have to deal with the national

aggregates, must constantly strive to relate the matters of their concern to at least the sectors, the regions and the broad industrial groupings existing in the economy. They cannot be satisfied with the mathematical rigor nor with the consistency with which their national aggregates are made to relate to one another. Rather, they have to move on further, and see how these are affected by regional, sectoral, broad industrial developments and vice versa. The results may be more messy and may lead to rather inelegant and uncomfortable analytical situations, but probably they can become more realistic.

On the other hand, they project people, the action officers at the level of firm operations, must keep on trying to relate themselves to the nation as well as to the other global considerations. Indeed, much profit, both social and private, can be derived from continuing efforts to discern, understand, conform to and complement the more general directions suggested by the bigger aggregative business and economic trends. Again, this can be a complication which few may have the practice or the technical competence to undertake, but it can lessen surprises and the environmental risks.

What those requirements really stress is the need, on the part of truly effective planning, and in a market that is still developing, for strengthening the inter-relations which must exist among various elements in the economic hierarchy. The inter-relations between firms and the industry to which they belong; the inter-relations between industries with one another; the inter-relations between industries and the sectors they are in; and finally the inter-relations between the sectors or regions and the national economy and business system — all these must be added to, strengthened, and definitely expanded.

### *Developing the Free Market*

This is a thoroughly important task for planning, especially in a market that is being developed. What is lacking in a relatively backward economic and business system is precisely the spread of such sets of inter-relationships. A set of firms operate very much by themselves without relating too much to the

industries to which they belong. Thus, there can be either a gross lack of industrial capacity in some lines or an overcrowding in others.

Furthermore, industries can be operating very much by themselves without relating enough with the other industries from which they can buy raw materials or to which they can sell some semi-finished manufactured goods. Thus, there has been a tendency to depend too much on imports, even of those goods for which some industrial capacity can be put up according to economic scale. Where some industrial capacity already exists, this may suffer from under-utilization because of competing imports.

Such an important task has got to be integrally incorporated into the planning process. This can be done by precisely deriving the sectoral and regional implications from the broad national aggregates that have been worked upon. From the sectoral dimensions, implications for broad industrial groups can then be derived, and finally also those for specific industries. It is here where projects and private sector information can be given due recognition. The impact that projects and private sector intentions may have on specific industries can be estimated, and perhaps impact-tracing can be extended into the broader industry groupings, then the sectors and finally the nation.

What often happens is that there is gross inconsistency between one set of numbers derived from the top and the second set of numbers which are derived from the bottom. Partly because of such inconsistencies, and partly because of the need for communicating the preliminary controlling totals in order to provide guidelines for re-thinking at the project level, the process of deriving implications from the top and of building the impact consequences from projects at the bottom can be repeated a few times more. This is the iterative process, which can be systematized and which is the core of planning itself.

#### *Planning Must be Continuing*

This brings up the urgency for doing planning on a continuing basis. It must not be a

one-shot affair, which requires feverish activity for some two or three months and involves sitting it out for the next few years just waiting for results to hopefully confirm the plans. Rather, the iterative procedure demands that there must be a great deal of communication between the projects people in the field, the businessmen in operations on one hand and the planning coordinators and technicians at their desks. The latter groups have to feed information and be fed by as much information as possible.

All this leads to a continuing review, which can suggest flexible adjustments as trends and new events dictate. Done in this manner, planning truly becomes an integration between two extremes and a rich collage which is both productive of results and meaningfully suggestive of direction.

#### **The Effective Planning Organization**

At the level of concepts, there is the tendency to contrapose the public and the private sectors in the question of who should bear the main brunt of the planning process. In practice, however, this has become a moot question since, obviously, government bodies have assumed the major responsibility for planning.

#### *Why the Government has to be Responsible for Planning*

The practical reasons for having the government become the sector mainly responsible for planning are many. For one, there is always the need for information and data to be able to do any planning. It is only the government that shows great interest in obtaining information coming from the diverse segments of the economy and it has the power to obtain the information it wants. The private sector, on the other hand, has been notorious for keeping information to itself, with each one holding on to one's own data resulting in a general fragmentation of business information.

Furthermore, planning has to incorporate national goals, community interests, national scale items and projects which constitute the

proper task for the government to undertake. For example, foreign exchange balances are the responsibility of the state; defense capability build-up, public works projects, management of rice supply — all these are tasks that have to be performed at the national level.

Reserving for government the main responsibility of planning, because of the fact that it is already exercising it, is a matter of practical expediency. However, it can hide certain requirements which have to be met if planning is to become more meaningful and effective.

### *Planning as Coordination*

These requirements stem from the concept of planning as coordination. The different directions and the diverse dimensions for decision-making and action in the entire economy have to be wielded together for greater effectiveness towards the common good. It follows that if planning is coordination, the many initiatives and the diverse thrusts that must be coordinated are presupposed. In other words, for coordination to be possible, the elements that must be coordinated have to be present. Thus, even if coordination were to be done by the government, it is absolutely essential for the proper and meaningful exercise of its coordinating function, that the richness and wide diversity of private sector intentions and actions be tapped.

Furthermore, coordination is not a passive role, involving simply waiting for initiatives to come from the private sector. Especially in a market that has yet to be developed, which normally means that the activism in business operations and private investment decisions has to be coached, nurtured, encouraged, aided, guided (and even coerced), planning coordination has to spew forth a healthy dynamism.

It involves any activity on the part of the planners to make things begin to happen in the private sector. It demands giving some direction on what might be possible, what would be preferred, what might be socially desirable and at the same time acceptably profitable. When things have begun to happen, and the private sector is thus conditioned to exercise many initiatives, then there can be another type of

direction which may involve modifying some elements of projects proposed, adding some dimensions to the business activities and expanding projects that are programmed.

Planning as coordination can have a variety of meanings and degrees of activity. In a very backward market system, where the private sector is grossly undeveloped, in all probability the government has to assume a more active role. Its responsibilities may well be wider, its tasks heavier, and the reach of its control further. However, as soon as the private sector begins to develop and to assume its role in initiating projects, in suggesting business possibilities and in programming its own investment activities in many fields, the government can concentrate more on coordination, and in giving direction which more and more assumes the form of responses to private sector activism.

### *Business Can Play an Active Role*

What needs stress in our own business environment is the very active role that the private sector can now play in the planning process. Rather than wait for the government, it has to begin thinking, analyzing alternative possibilities and suggesting specific lines of action. In doing all these, it always has to keep an eye on the general orientation that the over-all planners are giving to the economy and to incorporate the economic directions set into its own programs. If more and more of this is done in as diligent and intelligent a fashion as is demanded by such a serious responsibility, more business flesh can be grafted into planning by government more guarantees can be given to the realization of plans, and the less "authoritarian" the tone of planning becomes.

### *The Final Responsibility for Planning*

Planning, understood as active coordination exercised by the government over the many healthy initiatives of private business, brings up another question of who in government should be given the final responsibility for planning. Thrown in for good measure as a side-question is: whether planning is to be left to the technicians or to be "tampered with" by the more politically minded.

The matter above is once again a good case for academe; however, it seems artificial if one must consider planning as essentially a decision-making process. It is a process which requires some forecasting, the setting of aims, and finally decision-making over policy means. Forecasting can be a "purely" technical exercise, requiring the gathering of information, analyzing them, and sifting through them for leads on the magnitude of the problems and the prospects that face the nation.

But the setting of goals has to be a combination of economic expertise and political art. The technicians cannot be presumptuous to think that they can do this alone for they have no special competence to do so effectively. There are many elements in society and, above all in the national psychology, which are simply beyond technical considerations, but which can be very important — if not the most relevant — to the process of setting aims for the nation.

On the other hand, the technicians cannot be passive in this process. They cannot let their positivism take over them such that after they have done their job in problem identification, they simply fold their hands and consider their tasks ended. Having analyzed the problems and situations of the economy, they have something vital to contribute towards quantifying the aims and even suggesting them. In this process, provided that the technicians shed off their arrogance and truly become one of several groups that have to define aims, they can be as active as their commitment to the national interest would suggest them to be. They may have to call attention to certain aims that may be glossed over, but which may really be important for the development process from the economic standpoint; and they have to be prepared to argue and lose in the argument.

Choosing from alternative policy means in order to achieve the pre-set aims is essentially a political task. The technicians have to remind themselves that they are not the ones in control, and that they are not at the center of everything. It is the President and Chief Executive who is the one on top, and who therefore is in the best position to know all the complex

forces and myriad pressures that are pushing and pulling the nation. It is he who has the ultimate executive responsibility — and he is the one who should know how far the nation can go in one direction and along a given road, what the operational capabilities are of the different departments that have to oversee the implementation of policies that may be chosen.

It is logical, therefore, to have the top authority in government be the chief planner for the nation, and to reserve to such an authority the final decisions over policy means. But it is foolhardy to expect that such final decisions are taken from out of the blue all the time. Rather, there is a ground swell of activity, government, more guarantees can be given to would lead to various suggestions on what those decisions should be. Furthermore, in the process of executing the decisions, given the dynamism of the nation and of the world, many changes may have to be introduced. After all, plan execution is not role-playing a la Canute.

It is responding to trends not being followed, to events not anticipated and to contingencies that simply drop into the national scene. The technicians and planners must learn how to hustle, to try to stay on top of all surprises, to master happenings, and even to exploit them towards the aims that have been set.

### *The Needs of an Effective Planning Organization*

Such a need for continuing hustle demands that planning in practice cannot be a "staff" activity. The bulk of it is operational and entails that some "line" functions may have to be assumed. Although in some cases, planning means only having to take note of the different activities in the various departments of government and in the many sectors and industries of private business, in most cases it means having to cooperate with others in seeing that certain things happen and certain tasks are done; in a few instances, it means having to take a lead in undertaking a specific activity; and in all instances, it also means having a say in the disbursement of government operating funds and in the granting of government-controlled loan funds.

The dimension of activities connected with planning can be so wide that the planning organization must husband its resources properly. To be effective, the planning organization must learn how to plan itself and its activities well. To be operational, it has to learn how to streamline its organizational structure thoroughly.

It would do well to apply the concept of division of labor to its own organizations. A few could take care of the national aggregates: how they are expected to move, and then monitoring their actual movements; how the targets can be converted into operational annual and even quarterly guidelines; and how these are supposed to relate to regional and sectoral developments.

Then, a slightly greater number can take care of the few broad sectors and regions of the economy; and they must have the responsibility of seeking inter-relations and of expanding as well as strengthening their links with industry developments. A bigger number can assume planning responsibilities over industries, seeking ways to develop them, trying out means to orient the responsible major corporations which constitute an industry towards the problems and prospects of their own industry's progressive development.

The biggest number of all can be the ad-hoc hustlers who can be working in teams, trying to fight fires, meeting contingencies and over-seeing specific projects.

All the men and women in the planning organization would soon find out that they cannot accomplish things all by themselves. The concept of working together with others, of disappearing from one project scene as soon as this is feasible, of encouraging others to assume as many responsibilities as they effectively can — all these may have to be engraved as obsessions of each and every one of them. This is true in their work with other people in the government. This is even more vitally true in their work with people in private business. Indeed, they have to keep very open windows to the private sector, learning to delegate as much of the thinking and preliminary planning to as many people from private business as are able and willing to do their share for their own

industry or even for the sector their industries may belong to or may be affected by.

Finally, planning is a process of instituting order in the many elements of the economic and business process. It is important therefore that the planning organization should be an example of order and schedule. This means having to institute systems and procedures into the many facets of its own work; having to institutionalize external relations with other organizations within government as well as with industry associations and sectoral groupings; having to specify and implement mechanics for distributing work, for encouraging others to take initiatives, for listening to suggestions, for coordinating and giving direction.

### The Scope of Planning

There are those among us who have a fear of government, and who entertain serious misgivings about the continuous extension of government control over more and more areas of business and economic life. But then there is an increasing number, who have viewed our experience in the recent past, who see little alternative to government controls simply because free-wheeling actuations and decisions by so many have led us into a mess.

Indeed, there is a whole range of opinions and convictions regarding the extent of government intervention in business life. The cases for the extreme points of such a range can be better expressed by the advocates of complete free enterprise on one hand and of total, complete, absolute controls on the other. Fortunately, for the Philippines, we have already graduated from having to consider only the extremes, and we are trying to find the place most appropriate to our condition, within the range delineated by the extremes.

### *Controls: A Must in Some Areas*

There appears to be a general agreement, both here and abroad, that some planning and control would be called for in the really critical areas. The question of what really are the critical areas can be answered differently, depending upon one's preferences and intellectual

tendencies. However, conceptually, they include: those areas which are really basic production sectors mainly because of size and consequent relative importance to the economy; those that are in scarce supply and whose products are used by many other sectors of the economy; those that are specifically problematic given the nation's priorities and structural conditions; those that bear significant long-term consequences. Such a conceptual listing is far from neat. The items described can cut across the same product. However, in the Philippine context, almost certainly rice, sugar, coconut and copper may have to be included; energy such as oil and electricity, transport and financial supply may have to be counted in; rice again and possibly wood products would have to be considered; and finally investment expenditures and big dollar uses cannot be neglected.

#### *Planning of Public Investments Not Enough*

The list of items to include can be expanded or trimmed down depending upon the nation's mood and needs as well as upon the administration's will and energy. In the past, the conventional wisdom was to intervene very actively in public investment activities, specifically the public works programs. This was because the big remainder of the government budget went to committed expenditure items over which there was very little choice but to provide for them. Indeed, after education, government administration, defense and social welfare have been allotted even their minimum level amounts, so little was left for almost anything else. If government current expenditures were hard to influence and subject to planning control, how much more difficult would private expenditures, both current and capital, be.

This was low profile planning, and it led to rather frustrating results. The item that was the object of planning, the public works budget, was the most volatile, because it depended upon government tax intake (which was never enough) and upon the need for expanded government current expenditures (which were always increasing fast). Furthermore, reaching out into the private sector was an ideal to speak about but a practice too difficult and un-

promising of immediate results to even begin thinking about.

#### *A Higher Planning Profile Necessary*

Since the results were unacceptably below standards, a higher more activist profile had to be assumed. Indeed, planning should not be seen only as a lever that can be turned high or low. If it seeks to build inter-relations among the different parts of the system, it cannot sit still and simply use the old existing relationships; it may have to create new ones, or modify the old ones. Also, if it aims to provide direction and a consistency of thrusts between sectors, it cannot be satisfied with touching one, key vital segment such as public investment; it may have to intervene in other areas either to bring them back to line or to energize them into action or a specific desired direction.

The role of planning is much wider, with varying degrees depending upon the field and upon the need. Always, its main task is simply to provide the general healthy environment where private enterprise and a variety of initiatives can thrive and move fast towards development. It only seeks to allow things to happen. It provides the general directives, which then exercise a far, indirect influence over specific corporate operations and investment expansion programs. While somewhat far removed and seemingly passive, this is a most important responsibility, which can be exercised improperly or completely shirked only at tremendous cost to the entire economy. This happens to be the prime responsibility of planning, which has to be done first and foremost, with the highest priority, before planning can assume a more active role.

#### *The More Active Roles of Planning*

In a developing country planning has to assume a more active role. It could make things happen, by giving certain incentives or generally by making certain desirable activities more attractive and other less desirable areas much less attractive than the market mechanism would make them out to be. The influence is intermediate, which is best exercised if the private business sector responds to such in-

centives or interferences. An example of this would be the Industrial Priorities Program of the Board of Investments, which in the final analysis entails making the list of priorities and waiting for projects to be submitted for consideration under the incentives program.

An even more active role is to force such projects to be initiated. Rather than wait until private business has formulated projects, planning can issue very specific guidelines which outline a general development strategy for an industry and require that projects implementing such a strategy be initiated in blue print and in the site. This approach actively seeks to get things to happen. It has a direct influence on corporate expansion programs or even on such a basic matter as the continued existence of the corporation with operations and marketing activities in the country. An example of this is the Progressive Car Manufacturing Program. The technique is now being extended into other industries on a gradual basis.

The most active role that planning can assume is to do things, and in effect to make the happening. This calls for direct action, and is resorted to only when the three previous approaches still fail to be productive of the desired results in those areas that are considered critical. This is the action of last resort, a role which planning would wish to assume in a limited duration, in such cases.

Such an attitude is dictated by the realities of planning itself. It must seek to activate, use and depend upon the many initiatives of private business. The more enterprising private business can be made to become, the more successful planning can be. Furthermore, planning is a complicated operation, which has to use policy instruments, whose impacts have to be analyzed, whose effects have to be traced, and whose consequences have to be coordinated. Consequently, the more areas planning is forced to direct actively and in which it has to be thoroughly involved, the more the tasks accumulate, and the more difficult the task of coordination becomes. Very soon, the demand for planning responsibilities runs far ahead of the capabilities of the planning organization. The result is disorganization, disorder and a real disservice to the nation's development.

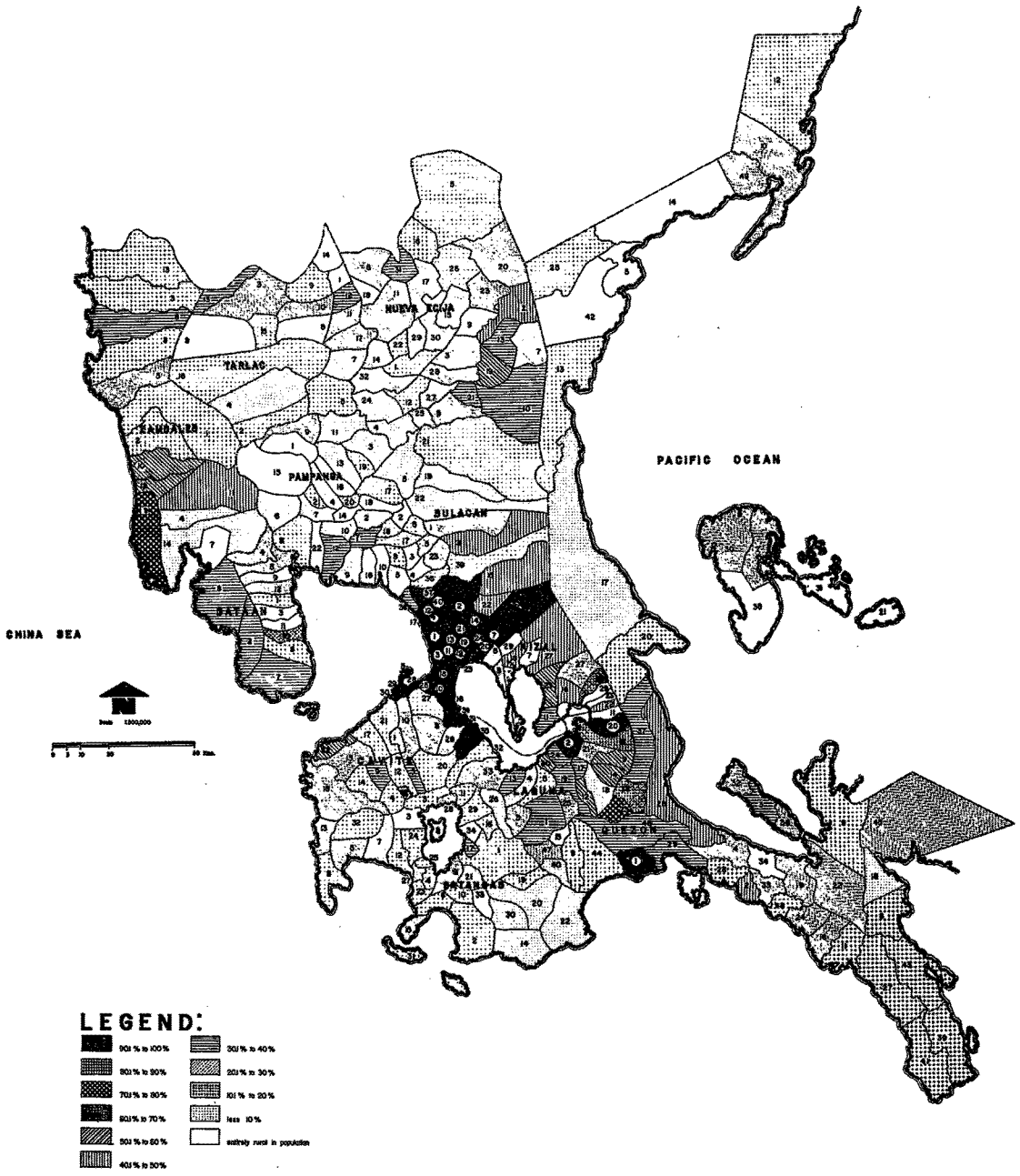
### *The Danger of Being Spread too Thin*

While it is naive to think that once the general policies are set, the whole economy would simply move to the optimum path of development according to the best traditions of free enterprise, it would be grossly imprudent to spread direct planning too thin. Planning has different roles at different levels. For the most part, its responsibility is environmental for development. It has to acquire a more activist posture and a higher profile only because certain vital activities are not undertaken by private business, or if they are, they are not run properly or managed according to the general requirements of over-all national development.

If private business is expected to bear the main brunt of the economic process, it must obtain clear directions on what to do on broad terms from planning. Indeed, there is a common wish, repeated so often in the private sector, that the guidelines from government should be clear and fixed. Once the ground rules are agreed upon and definite landmarks have been set, private business hopes that it should then be left to its devices provided it respects such rules. Such hopes are only fair and their fulfillment are necessary, because private sector planning becomes impossible with so many uncertainties and so many unnecessary changes. If the situation becomes so fluid and volatile that it changes from week to week, then there can be no ground for planning ahead.

Such hopes are indisputable. Stated as they are, they cannot be truer. But then there is the trickery of concepts which are beyond dispute when stated. But in the complexity of actual business life, the abstract purity and truth of concepts have to give way to the expanded nuances provided by reality.





**PERCENT URBAN POPULATION BY MUNICIPALITY AND CITY FOR PROVINCES OF REGIONS III AND IV IN 1970**



# URBANIZATION AND AGRARIAN REFORM: SELECTIVE DECENTRALIZATION<sup>1</sup>

ASTEYA M. SANTIAGO AND GERARDO S. CALABIA  
Institute of Planning  
University of the Philippines System

## Introduction

### *Terms of Reference*

The need to determine and regulate the direction of growth and expansion of urban areas in the Philippines acquires great urgency in the face of recent developments in the country today. Agrarian reforms have been given full impetus by the issuance of Presidential Decree No. 2 proclaiming the entire country as a land reform area, and Presidential Decree No. 27 decreeing the transfer to the farmer of the ownership of the land he is tilling. Hand in hand with these agrarian reforms, housing and land development activities of both the public and the private sectors have intensified. Urbanization is proceeding at a rate faster than population growth, and industrialization efforts have gained momentum, having furthermore acquired locational significance.

Against this background, President Ferdinand E. Marcos issued on December 7, 1972, Letter of Instruction No. 46 which laid down some guidelines in the implementation of the land reform program of the government. The

<sup>1</sup>This is an excerpt from a larger study, "Study of Growth Centers and Areas for Future Expansion in Land Reform Areas." This Study is a product of the joint efforts of the following, under the leadership of its Project Director, Dean Leandro A. Vilorio: Project Coordinator, Prof. Asteya M. Santiago; Regional Coordinators, Miss Yolanda M. Exconde and Mrs. Cynthia D. Turiñgan; Regional Planner, Prof. Gerardo S. Calabia; Economist, Prof. Ma. Eloisa F. Litonjua; Economist-Demographer, Dr. Milagros R. Rañoa; Researchers, Mr. Eulogio N. Abella, Misses Adrienne A. Appalza, Susan S. Cayco, Evangeline S. Esperanza, Mrs. Erlinda S. Hocson, Mr. Pedro M. Gonzales and Mrs. Natividad Ma. P. Reyes.

President urged the implementing agency, the Department of Agrarian Reform (DAR) to take appropriate measures so as not to overlook the needs of the farmers for home lots. Furthermore, he referred in the same Letter of Instruction to the equally important need "for the Government at this time to pinpoint the areas needed for the expansion of urban communities, for housing, and for industrial establishments."

To implement Letter of Instruction No. 46, the Department of Agrarian Reform entered into a contract with the University of the Philippines through its Institute of Planning to undertake the "Study of Growth Centers and Areas for Future Urban Expansion in Land Reform Areas," with the end in view of integrating the country's land reform program with the equally important industrialization and urbanization programs of the government.

## Urbanization Problems in Central Luzon and Southern Tagalog

Urban expansion as it is occurring in the country today is characterized by lack of planned direction — it tends to be haphazard and uncontrolled. Of the problems brought about by this, it will suffice here to point out three outstanding ones: 1) absence or inadequacy of services and facilities essential for urban life; 2) inefficient allocation of human and technical resources and 3) the untimely and wasteful conversion of productive agricultural lands to urban uses.

These unfortunate consequences of urbanization can be traced to the absence in the

country of comprehensive urban and regional planning as a strategy for development planning.<sup>2</sup> Economic plans remain to be translated into regional and urban plans which would embody urbanization and industrial location policies. Urbanization policies would, among others, indicate the desired ratio of urban and rural population and the pattern of population distribution among areas of various sizes, taking into consideration their capacity to absorb increases in population with its corresponding needs for services and facilities, industries and infrastructure. Industrial location policies, on the other hand, would lay down the criteria and factors for the most efficient location of industries, from the viewpoints of economic, physical and social benefits.

In the Philippines, as in many other developing countries, agricultural land reforms have proceeded independently of, and isolated from, the industrialization and urbanization efforts of the government. Policies affecting rural and agricultural lands have been formulated without attempts being made to integrate them with urban development and industrial location policies in order to promote a more integrated settlement pattern. Unplanned urbanization and industrialization have led to urban sprawl — unwarranted encroachment on agricultural lands, ribbon development along the highway which chokes traffic, and premature spot development which is mostly substandard because essential services do not exist and cannot be made available by the authorities.<sup>3</sup>

Focusing on the study regions, there is no doubt that the major problems that these areas face in the next 10 to 15 years is the prevention of haphazard urban expansion and development. Increasing land prices and deteriorating housing conditions are pushing urban development further outside Manila. The com-

pletion of the Pan Philippine Highway system running through the entire length of the two regions will induce and enforce the already existing linear development pattern along major transportation areas; and the realization of the productivity objectives of the land reform program will free more farm population to seek livelihood in the urban sector. The inevitable consequence is that more people will face the problems attendant to unplanned urban areas — slums and squatter housing, pollution, traffic jams, inadequate public facilities and breakdown of traditional structure.

### **Devising a Regional Development Strategy**

The immediate need, it is obvious, is for the formulation of a comprehensive urban and regional development planning strategy for the two regions which shall integrate as far as practicable the land reform program of the government with its programs for urban development and industrialization and thus achieve the most efficient utilization of land resources and evolve a desirable pattern and quality of settlements.

The choice of a comprehensive urban and regional development strategy to apply to the study regions will depend on the present and projected development of the area. Based on a study of existing conditions in the regions, and projecting possible developments, the following pattern and direction of urban development could be discerned.

#### *Developments at the Capital Region*

At the level of the capital region, which is Metropolitan Manila, the main urban core is formed by Manila, Quezon City, Makati, Caloocan City, Pasig, Marikina, Mandaluyong, Pasay City, Malabon and San Juan. Metropolitan Manila is expected to take a more urban character as more of the vacant land areas are developed, particularly the areas encompassing Manila, Quezon City and Makati which are projected to have over 4 million inhabitants. However, between these and the outer limit of the capital region are sparsely settled agricultural areas which may be better left in their

<sup>2</sup>A Physical Planning Strategy for the Philippines is being prepared jointly by the National Economic and Development Authority (NEDA), the Department of Public Works, Transportation and Communications (DPWTC), Institute of Planning U.P.S. (IPUP) and the United Nations Development Program (UNDP).

<sup>3</sup>J. P. Sah. "Land Policies for Urban and Regional Development." *Planning for Urban and Regional Development in Asia and the Far East* (United Nations: N.Y., 1971) p. 160.

present state for environmental purposes and for intensive agricultural production (truck farming). Specifically, the areas include the plains of Laguna extending from San Pedro to Calamba and portions of Cavite and Bulacan which are all encompassed in the Metropolitan Manila definition. These areas are suitable for truck gardening and intensive rice and sugarcane cultivation. One large area, Canlubang (Laguna), comprising of nearly 13,000 hectares is presently devoted to intensive sugar production for both local and export markets.

As the Manila Metropolitan area becomes more urbanized, the role of traditional provincial centers along its fringes which are not yet included in the metropolitan area will tend to become less defined. Their orientation will be primarily towards that of Metropolitan Manila. South of Manila, the Metropolitan Manila boundary may extend from Calamba to Los Baños, and to the North, from Meycauayan to Malolos. Outside of Metropolitan Manila, Tarlac may coalesce with Angeles City/San Fernando to form the Tarlac/Angeles City/San Fernando urban corridor with its center at Angeles City.

However, the traditional role of such places like Los Baños and Pagsanjan which are resort-recreational areas will become more significant to Manila's population. Similarly, sub-regional centers which can develop strong interdependence with Manila will tend to develop faster.

#### *Development Outside the Capital Region*

Some complementarities can be observed between neighboring cities and municipalities in the region. The most significant appear to be the following:

City of Manila/Manila Metropolitan Communities ("Satellites")  
Cabanatuan City/San Jose City  
Tarlac/Concepcion  
Angeles City/San Fernando  
Olongapo City/San Antonio  
Batangas City/Lipa City  
San Pablo City/Tiaong  
Sta. Cruz/Paete  
Lucena City/Sariaya

These municipalities and cities may benefit from their geographical proximity with one another, and also from the influence of their main centers since in the long term they may coalesce with them to form urban sub-regions.

Calamba at the outer periphery of the Metropolitan Manila functions just like the other listed primary and secondary subregional centers, partly as local growth poles and mainly as service centers for its immediate rural environs. Cavite City, located at the outer limits of Metropolitan Manila on the side of the province of Cavite, and Malolos which is close to the Metropolitan Manila boundary on the side of Bulacan, also perform as local growth poles and service centers functions for their immediate environs. Malolos has another unique feature in that it forms an intervening center between Metropolitan Manila and the possible future Angeles City/San Fernando urban corridor.

Towards the south, Lucena City which is presently classified as secondary sub-regional center because of its location with respect to the major transport routes and its proximity to the sea may have possibility to graduate to primary sub-regional center role with Sariaya and Candelaria as its main "satellites." On the other hand, Sta. Cruz will serve as the main urban core of the Pagsanjan/Caliraya recreational and tourist area.

Olongapo City, because of geographical barriers that separate it physically from the heartland of Luzon, may develop its own unique pattern of interdependence with communities along the coasts of Zambales and Bataan. Its strategic location favors the continuance of its present specialized function as a defense base.

On the other hand, Cabanatuan City/San Jose City will tend to assume wider function in the regional urban network than its present function as rural centers, which is providing limited services to their immediate agricultural and rural population. The multi-purpose hydroelectric development there, and the fact that the city is situated along the main route of the Pan Philippine Highway System, may provide impetus for limited industrialization of the area.

Assuming that Batangas City's port potential is explored to cater to excess port traffic in Manila, this may provide incentive for the further development of that City. The proximity of Batangas City with Lipa City and Rosario, which are provincial population centers in themselves, may pave the way for the development of Batangas City/Lipa City/Rosario urban corridor. This corridor will tend to assume a transitional urban character because of its generally rural configuration.

San Pablo City's role as a center hinges so much on its coconut and coconut by-product processing plants. Favorable prices of desiccated coconut and coconut oil, as well as new discoveries in the use of coconut by-products, such as coir fiber, may provide impetus for further development of the traditional industries of that city. This development is likely to favor the neighboring municipalities which are mainly dependent on coconut farming and which in the long term may form strong interdependence with San Pablo City. Already, strong links exist between San Pablo City, Tiaong and Alaminos which may lead to the formation of a San Pablo City/Alaminos/Tiaong Urban Corridor, with the center at San Pablo City. This corridor will tend to remain semi-rural in character.

Another possible center in Laguna is the Sta. Cruz/Paete urban corridor and tourist belt. Paete is noted for wood handicrafts, an activity which complements well with tourism in Pagsanjan and Caliraya lake area. Sta. Cruz and Paete are considered primarily urbanized. However, their combined population including those of neighboring municipalities is still small (less than 100,000 people). This center will tend to be semi-rural in character which is compatible with its main function as a resort-recreation and tourist area.

In the Quezon Province Area, the centers which have been conceived based on the analysis of projected population are Lucena City/Sariaya/Candelaria Urban Corridor, with center at Lucena City and Lopez/Gumaca/Calauag and Mauban/Sampaloc/Lucban transitional urban area. The latter two centers are still primarily rural. Although they have relatively larger populations as compared to their adjacent local

units, there is strong indication that they will remain rural for sometime.

At the sub-regional level, it is evident that some of the primary and secondary centers also perform the function of a rural center to the agricultural and rural population within their respective immediate area of influence. This is in addition to their role as growth poles and urban service centers.

### **Application of the Regional Development Strategy**

To promote the systematic and rational urban expansion and development of the two study regions within the context of the land reform program, a Strategy of Selective Decentralization is proposed to comprise:

- A. Limitation of the growth of Metropolitan Manila as a measure to protect, conserve and enhance its importance as the national capital region;
  - B. Sub-regionalization of development by giving impetus to the socio-economic development of the sub-regional centers as growth centers to act as points of attraction and serve as stimuli for the growth and development of their respective areas; and
  - C. Application of Land Resource Management Techniques to promote the rational, orderly and systematic urban expansion in the two study regions.
- Each of these measures is discussed in greater detail below.

### *Limitation of the Growth of Metropolitan Manila*

The attraction of Manila as the primate city and as historically the socio-economic, political and cultural center of the nation has led to the formation of the Metropolitan Manila urban agglomeration, and to an increasing disparity between Manila and the two regions under study. The gap between Manila and the other urban centers in the nation is also fairly evident. The pre-eminent role of Manila as a center will tend to prevail inasmuch as no other urban centers outside Metropolitan Manila,

except to some extent, Cebu City and Davao City, have reached sufficient size to induce the development of a metropolitan region around their main urban core.

The primacy of Metropolitan Manila requires treatment as such. Its official designation as the nation's capital region is the first step toward the formal recognition of this special status.<sup>4</sup> As the capital region, it requires the application to it of policies different from those adopted for other regions. Basic to these policies is its creation as a region separate from the two study regions it now forms part of<sup>5</sup> and its planned development as a true capital region of the nation. This would require the preparation of a long-range development plan<sup>6</sup> for the Metropolitan area which would promote its role as the political, social, economic and cultural center of the nation and at the same time establish a more balanced relationship of interdependence between Metropolitan Manila and the regional sub-centers.

It appears desirable for the Metro Manila Development Plan to put a limit to the growth of Metropolitan Manila or at least to the further concentration of activities in that area. The concentration of socio-economic activities in a few areas result in an imbalance in the industrial structure, regional disparities in levels of development, excessive cost of urban infrastructure and deterioration of the urban scene.<sup>7</sup> What is necessary is the establishment of sub-regional centers to which these various activities could be diverted and which shall be the subject area of concentrated and preferential allocation of resources. The creation of

<sup>4</sup>Similar recommendations have been made by other studies such as those conducted by the National Framework Plan Study Group of the DPWTC-UIP-NEDA Project (1972) and by Dr. Aprodicio A. Laquian on the Need for a Metropolitan Government for Metro-Manila commissioned by the NEDA (1973).

<sup>5</sup>The need to restructure the present regionalization scheme in order to create a separate planning region for the Metropolitan Manila areas has been suggested in many quarters. This Study reconfirms this need, considering the fact that it constitutes, because of its special features, a special region by itself.

<sup>6</sup>A Strategic Plan for the Metropolitan Manila areas will soon be completed by the Manila Bay Metropolitan Region Group of the DPWTC-NEDA-IPUP-UNDP Project.

<sup>7</sup>Planning for Urban and Regional Development, *op. cit.*, p. 4.

this multi-centered spatial center will not only avoid the undesirable effects of overconcentration of people and economic activities in a few areas but also help achieve an equitable rational distribution of population and socio-economic benefits from the government programs.

This particular approach is one which has been adopted to a limited extent by the government when it advocated a regional dispersal of industries to established areas of priority. These areas are where the Board of Investments (BOI) will continue to accord incentives and guarantees to investments under the country's Investment Incentives laws.<sup>8</sup> The government has recognized that the concentration of industries in Metropolitan Manila area has resulted in a number of undesirable consequences, triggering increased costs of infrastructure, increased costs of providing for housing, health, transport and educational facilities and also attracting hordes of unemployed into the cities which cannot provide them employment but only congested slums.<sup>9</sup> Thus, its efforts have been directed at providing opportunities in other regions of the country, indicating that "the thrust of the new infrastructure is to build satellites which can serve as the growth poles for dispersing industries."<sup>10</sup>

Having adopted industrial location policies, it becomes desirable that these be integrated into well-defined urbanization policies and incorporated in the Metro-Manila Development Plan. This is because industries are one of the most potent attractions of the growth centers aside from the introduction and improvement

<sup>8</sup>Industrial dispersal is a policy adopted by the Investment Incentives Laws, namely, R.A. 5186 dated September 16, 1967; R.A. 5455 dated August 22, 1968; R.A. 6135 dated August 31, 1970, and Presidential Decree No. 92 dated January 6, 1973.

<sup>9</sup>*Philippine Guide to Foreign Investors* (Board of Investments, Manila 1972) p. 36.

<sup>10</sup>*Ibid.* The concept of growth poles is of recent development which seeks to offer solution to concentration and uncontrolled expansion of large urban centers. A growth pole has been defined as "an urban center of economic activity which can achieve self-sustaining growth to the point that growth is diffused outward into the pole region and eventually beyond into the less developed region of the nation." Niles Hansen. *Criteria for a Growth Center Policy* (UNRISD, Geneva, April 1971), p. 3.

of urban resources such as transport facilities, communications, housing and the whole range of social services. Whereas rapid urbanization is not solely the result of industrialization, a large proportion of urban growth is attributable to new industrial establishments concentrated in Metropolitan areas and other major urban centers.<sup>11</sup>

### *Sub-regionalization of Development*

Complementary to limiting the concentration of activities in Metropolitan Manila is the promotion of the development of the primary and secondary sub-regional centers already identified which could act as receiving centers to the increasing urban population. It is obvious that the agricultural sector cannot grow fast enough as industry, and that because of this, rural people or even those from other urban areas will continue to take their chances in the cities. It is the objective of establishing the regional sub-centers that they not only absorb the population that otherwise would go to the capital region, but that they should serve also as nuclei and catalytic agents for economic growth.<sup>12</sup>

The following deserve priority consideration in the planning of primary and secondary sub-regional centers:

- development of an urban focus
- improvement of water and power supply, including sewerage
- improvement of streets and road networks to facilitate traffic flows
- provision of environmental amenities such as open spaces and parks
- adoption of appropriate land use policies to ensure sufficient supply of residential and industrial sites and limit land price increases
- balance between population and employment in order to prevent economic hardships and forestall housing shortage

<sup>11</sup>Planning for Urban and Regional Development, *op. cit.*, pp. 4-5.

<sup>12</sup>*Ibid.*, p. 3.

To promote and hasten their development, the industrial dispersal policy of the government should be enforced more aggressively in the growth centers within the context of the national physical framework plan of the country, particularly its infrastructure program.<sup>13</sup> For instance, certain labor intensive industries in Metropolitan Manila could be encouraged to relocate or put up branch plants in the sub-regional centers to take advantage of the available manpower there.<sup>14</sup> In this connection, the latest directive of President Marcos to the effect that there shall be no more factories, plants, industries; and the like to be established within a 50-km. will go a long way in promoting the industrial development of the growth centers. Complementary to this, the directive provides that only such factories, plants and industries as conforming to government's requirements shall be accorded infrastructure support such as highways, water, sewerage, power and others.

Encouragement of residential, commercial and office development in the regional sub-centers can take place by means of positive inducements in the form of public investments, and also through tax exemptions and tax rebates. Public investments could be so planned as to foster their expansion. Without neglecting the other areas, particular attention should be paid to encouraging concentration in the area of commercial activities, the construction of roads and other forms of communication and the establishment or expansion of technical schools, etc. Roads and transport networks should be given special attention not only for the convenience of its residents but also for the mobility of population sought to be attracted into the area.

<sup>13</sup>It should be noted that R.A. 5186, the first Investment Incentives Law requires the Board of Investments to specify the public work projects that need to be undertaken by the government and the capital investment required therefore to make private investments in preferred and pioneer areas feasible. But see discussion on this in Magavern and Santiago, *National Legislation for Environmental Planning in the Philippines*, Occasional Paper No. 6 (IPUP, Quezon City 1972) pp. 9-10.

<sup>14</sup>Some of the policy directions adopted by the BOI include the promotion of labor intensive projects and of small scale and medium scale industries. It also gives priority to export-oriented industries, especially those utilizing indigenous raw materials which can generate more employment and income opportunities.

Sensibly devised and appropriately coordinated public investments in the sub-regional centers will improve the facilities offered by the centers and also accelerate further industrial expansion. Aside from the benefits to existing industries, new forms could be attracted to the area because of better supply of labor and modern facilities, including that of training labor itself.<sup>15</sup>

#### *Application of Land Resource Management Techniques*

The direct relation between urban problems and the land situation is obvious. One of the more important restraints in the development of a pattern of urbanization is the availability of resources, both real and financial. This is because urban development, to start with, involves an extensive use of land, the supply of which is largely fixed.<sup>16</sup> And, steadily increasing demands on such fixed a quantity of resources bring into sharp focus the need not only for the optimal uses of land, but also of effective relations among the city, suburban and rural areas.<sup>17</sup>

To promote orderly urban development and reduce to the minimum the cost of providing facilities, land resource management becomes necessary. While this term has many meanings, it refers here to the formulation of policies relating to the general use of land, the preparation of land use plans reflecting these policies, the coordination of effort relating to land resources among government agencies and between various levels of government, and the administration of programs and implementation of mechanisms in support of the policies.<sup>18</sup> Land resource management would require as a

basic pre-requisite the conduct of an inventory kinds of urban lands existing in the growth centers. These lands may be classified as follows:<sup>19</sup>

- 1) *Developed Urban Land*, i.e. — land within the city limits at any point of time which is developed and largely built upon, including vacant plots within the compact built-up area;
- 2) *Undeveloped Urban Land*, — land within the city limits at any point of time which is not yet developed and built upon;
- 3) *Land Within the Urbanizable Limits* — land presently agricultural or un-urbanized but likely to get urbanized within the next 10 to 15 years; and
- 4) *Land Beyond the Urbanizable Limits* — this would naturally be purely rural land and the greater its distance from the city limits, the lesser would it be subject to the forces of rural-urban interaction.

Adoption of measures for each of the four kinds of lands is necessary. Problems affecting the first category of land arise where planning has not preceded development, leading to congestion and high densities, non-conforming uses, lack of civic services and community-services and facilities, and the problems of rising land prices and un-earned increments. These are precisely the kinds of problems that the developed lands in the study regions face. The kinds of measures that can be adopted for this land are mostly corrective, aiming to prevent further deterioration of the area through zoning and other development regulations. Betterment levies or tax on unearned increments are also usually imposed to collect unearned increases in land and property values and price through government improvements.

Undeveloped urban lands still exist in large quantities within the urban areas, including Metropolitan Manila itself. Planned development of these areas is required for which it is most important that their public acquisition be made as soon as possible. This will give the public authorities effective control over the

<sup>15</sup>Thomas Wilson. *Policies for Regional Development*, Occasional Paper No. 3, (University of Glasgow, Social and Economic Studies, London, 1964), pp. 20-25.

<sup>16</sup>P.A. Stone. "Resources and the Economic Framework," *Developing Patterns of Urbanization*, ed. by Peter Cowan (Sage Publications, Beverly Hills, California, 1970), p. 31.

<sup>17</sup>Charles M. Haar ed. *Law and Land*. (Harvard University Press: Mass., 1964), p. vii.

<sup>18</sup>*The States' Role in Land Resource Management* (The Council of State Governments, Kentucky, 1971), p. 7.

<sup>19</sup>*Note on Urban Land Policy*; (Ministry of Health, Government of India, 1961), pp. 9-18.

area, preventing its haphazard development. Spotty development in this area could be prevented by including in the land development schemes provisions which would ensure that residential and other urban uses are synchronized with the provision of public utilities and community facilities. Zoning and other planning controls will be necessary to implement the land development schemes. The objective is to subject all kinds of proposed land activities affecting the undeveloped urban land to a system of permission given by appropriate authorities such that sub-standard development is avoided. In this category, too, adequate reservation for future needs and contingencies could be effected through requirement of open spaces, green belts or farm lands.

As for lands within the urbanizable limits, or lands presently agricultural or un-urbanized but likely to become urbanized within 10-15 years, these are the ones most vulnerable to haphazard growth, particularly to ribbon development along the highways. This is because many industries and trade firms find the area attractive because of lower prices of land and the extensive area for expansion. These areas can be characterized as having urban nuclei developing around the industrial units with sub-standard development and a chaotic residential counterpart deficient in basic services.<sup>20</sup>

To regulate the growth and development of these lands, it is necessary that they be declared controlled areas for the application of a development plan and the exercise of planning controls to prevent certain types of land uses. The plan and planning controls should ensure that:

- 1) Development of land for urban purposes shall be allowed only upon permission of the appropriate authority, and only in accordance with the development plan;
- 2) Establishment of new communities or industrial estates shall be allowed only after due consideration of the need to preserve the good agricultural lands and of the availability of the needed

infrastructure, social services and facilities; and that

- 3) The government is empowered to acquire large scale land in the area in advance of actual need to enable it to recoup whatever increases in cost will arise in the future, and also to enable it to exercise better planning controls over large tracts of land in the area.

As to lands beyond the urbanizable limits, the measures necessary would be of general nature and of lesser intensity, the main objective being to maintain its rural character and to control development particularly along the highways. This, of course, would not preclude the establishment of small units of agro-industries in these areas as long as they conform to certain conditions imposed by a licensing authority.<sup>21</sup>

For the implementation of the land resource management program discussed above, other tools available to the government authorities, aside from the exercise of police power (through such forms as subdivision, housing, and building regulations) and tax policies (such as tax assessment, incentives and special levies), are facilities control. Facilities control can be exercised by application of a diminishing scale of financial support for public facilities depending on their location or by regulating the location of public facilities.<sup>22</sup> The use of this tool holds great promise in promoting orderly urban development.

#### **Administrative Implications and Requirements of the Regional Strategy:**

##### *Organizations and Agencies Involved*

Translated into operational terms, the application of the regional development strategy described in the last part would involve basically the following government departments whose respective roles in its implementation are described below.

<sup>21</sup>Note on Urban Land Policy, *op. cit.*, pp. 18-20.

<sup>22</sup>The States' Role in . . . *op. cit.*, p. 8.

<sup>20</sup>Notes on Land Use Policy, *op. cit.*, p. 17.



## A. National Agencies

### 1. *Department of Public Works, Transportation and Communications (DPWTC)*

The DPWTC, particularly its Planning and Project Development Office (PPDO) has within the last three years engaged in national and metro-regional planning. Its activities in these areas have added a new dimension to what was originally predominantly economic-oriented planning in the country. More recently, in what could be described as a logical sequence of events, it has joined forces with the Task Force on Human Settlements<sup>23</sup> in order to integrate its projects, among which are the completion of the PPDO's three main projects, namely, the preparation of the National Framework Plan, the Manila Bay Metropolitan Region Strategic Plan and the Mindanao Framework Plan. The most important contribution of these two agencies, it appears, is the incorporation into these projects, particularly in the first two, of the regional development strategy proposed here. Similar studies on growth centers could be carried out in the other nine regions of the country on a system of priority. For instance, Bicol Region where so many planning studies are being and have already been carried out could be one of the priority regions.

The adoption by the DPWTC-Task Force of the Regional Strategy proposed here into its National Framework Plan and Metro-Manila Plans would promote selective and preferential planning where the country's limited resources would be concentrated in areas which require planned development most urgently. The Metro-Manila Plan could, for instance, provide in its implementing measures legal devices for the limitation of the growth of Metro Manila both by positive inducements and negative sanctions. These legal measures may include the following:

- a. Subjecting to a metro-wide system of licensing land development within the area. Thus, applications for change of

<sup>23</sup>The Task Force on Human Settlements was created by Executive Order No. 419 dated September 19, 1973 with the responsibility of formulating a national human settlements program for the Philippines.

existing land uses, or the opening of subdivisions, industrial or commercial activities or their extension and expansion should be reviewed and approved by a metropolitan planning organization which shall act in accordance with the Metro Plan;

- b. Advance acquisition by the government of the undeveloped land around the urban core to place more firmly under its control the planning of these areas and to prevent urban sprawl;
- c. Retention of parts of the undeveloped lands as green belts or areas for low density development enforced through zoning and subdivision regulations; and
- d. Enforcement of betterment tax or levies on property improved by public works projects.

In order to implement effectively the Metro Manila development plan, the organization of a Metropolitan Authority for the national capital region appears most desirable.<sup>24</sup>

On the part of the DPWTC, the following activities are further suggested:

- a. Reviewing its capital works and infrastructure projects in the national capital region and the study regions and synchronizing them with urban development in these areas. For this, close coordination with the metropolitan organization (which will implement the Metro-development plan); the National Economic and Development Authority (NEDA) [whose economic plans and policies would guide preparation of regional plans]; the Department of Agrarian Reform (which implements the land reform program) and the Board of In-

<sup>24</sup>The establishment of a metropolitan government, or alternatively, an organization for the Metro-Manila area has been recommended by various groups and individuals, such as the Metropolitan Mayors Coordinating Council, the Institute of Philippine Culture, the Local Government Center, National Economic and Development Authority and the Department of Public Works, Transportation and Communications.

vestments (which implements the Investments Incentives Laws) would be necessary.

- b) Giving priority to projects in the growth centers to strengthen their role as poles of attraction to stimulate growth in the region; and
- c) Supporting with capital works projects and infrastructure program the industrial dispersal policies and program of the Board of Investments (BOI). For this, strict implementation of the Investment Incentives Laws and the implementing Administrative Orders should be observed. Their provisions are to the effect that the BOI should indicate the specific public works projects to be undertaken by the government to make private investments in preferred and pioneer areas feasible. Furthermore, the Budget Commissioner is to give preference to such projects in the release of funds.

## 2. *National Economic and Development Authority (NEDA)*

The NEDA's main responsibility in the field under review lies in initiating and assisting in the organization of the Regional Development Councils for Regions 3 and 4 (Central Luzon and Southern Tagalog). Once organized, the RDC could immediately engaged in planning activities in the region such as conducting a survey of the resources and potentialities of the region on the basis of which socio-economic and regional plans could be prepared.

Further assistance to the RDCs could be rendered by the Regional Development Staff of the NEDA which has the following functions:<sup>25</sup>

- a. Provide guidelines for regional development consistent with the development plans and programs of the NEDA;

- b. Extend assistance to the RDCs in the formulation of their respective plans and programs;
- c. Determine priority development areas, indicate revisions in regional policy framework, and evaluate development efforts at the regional level; and
- d. Maintain liaison and coordinate with the DLGCD in the area of local and regional plan formulation and development.

## 3. *Department of Local Government and Community Development (DLGCD)*

The Environmental Planning Division under the Bureau of Community Development in the DLGCD was created to prepare general environmental development plans, provide technical consultative and advisory environmental planning services to local governments, and formulate rules and regulations for the guidance of local planning bodies pertaining to environmental development plans and programs.

Instead of preparing plans for all cities and municipalities in the region, the DLGCD should work selectively. For instance, insofar as Regions 3 and 4 (Central Luzon and Southern Tagalog) are concerned, preparation of development plans for the growth centers, particularly the primary sub-regional centers, should be top priority. As they have been identified as the leading areas in terms of population and socio-economic and service indices, their planned development is most urgent. Since at present, the resources, technical and financial, of the DLGCD are quite limited, the assistance of private planning firms and consultants should be availed of as long as the plans prepared by them would still be subject to final approval by the DLGCD and their implementation supervised by it.

It is also proposed that for this purpose, funds be appropriated and made available for the financial support of plan preparation and implementation by each of the growth centers. These funds could be known as Urban Planning Grants and administered by an inter-departmental committee or council composed of representatives of the DPWTC-Task Force on

<sup>25</sup>Letter of Implementation of the NEDA dated November 1, 1972.

Human Settlements, DLGCD, DAR, and the RDC.

#### 4. Department of Agrarian Reform (DAR)

The main task of the DAR would be to integrate its land reform program with the regional plans of the RDCs and the urban development and industrial location programs of the Metro-Manila Development Authority and the other local planning units of the growth centers. Areas which should be kept agricultural, and land reform priority areas have already been identified,<sup>26</sup> and these areas should be so reflected in the regional plans. Here, no conversions to urban uses such as housing subdivisions, opening of factories or of industrial estates, or the extension and expansion of services and utilities should be allowed in the immediate future.

The DAR should also work closely with the Board of Investments to firm up the areas where industries should be encouraged to locate. These industrial areas should also be reflected in the regional and urban plans and having been so identified, the BOI could then extend incentives and guarantees to industries locating in these areas. These would also be the areas where the DPWTC should give priority to its capital works and infrastructure projects.

As the agency primarily concerned with approving the conversion of land from rural to urban uses, the immediate task for the DAR is to establish a more efficient system and machinery for land conversion. While at present, the two criteria for conversion are the productivity of the lands and its tenurial status, i.e., whether the lands are with or without tenants, and whether in the case of the tenanted lands, the tenants are willing to surrender their rights, a review of the existing land conversion system shows that these criteria are inadequate and that the system of conversion needs to be improved upon. This is discussed more thoroughly in the succeeding section.

\*CF. the article by Firmalino and Agpalza in this issue. *Ed.*

<sup>26</sup>The DPWTC-IPUP-NEDA-UNDP Project has published, for instance, a report on the *Land Reform Priority Areas* (Manila, 1972).

## B. Regional Organizations\*

### 1. Regional Development Councils (RDCs)

The creation of Regional Development Councils (RDCs) has been authorized by the Integrated Reorganization Plan of 1972 which provides that one RDC shall be created for each of the eleven regions in the country. Its main task shall be to conduct a comprehensive survey of the resources and potentialities of the region, and on the basis thereof, to prepare long-range and annual socio-economic development plans for the region. It shall also translate the national economic goals into more specific regional objectives which shall be reflected in its regional plans and programs.<sup>27</sup>

The RDC for the two study regions should, in the preparation of the regional plan for their respective areas, adopt the regional strategy proposed in this study. Its regional plan should embody a land development scheme not only for developed and undeveloped urban land, and lands within and outside the urbanizable limits but also lands in the region which require more special kind of planning and conservation like watersheds, flood plains, forests, foreshore areas, and tourist areas.

Since all the local governments in the region (provinces and cities) will be represented in the RDC, it would also be easier to integrate the local development plans of the growth centers with the regional plan to be prepared by the RDC. It is at this level, on the regional, that effective integration of urban and regional planning could be effected. In this regard, the pertinent functions of the RDCs are the following:<sup>28</sup>

- a. Extend planning and other related forms of technical assistance to local governments, local planning boards, sectoral departments existing in the region and private entities; and

<sup>27</sup>*The Reorganization of the Executive Branch of the Philippine Government*, (Lavin Publishing House, Inc.: Manila, 1973), p. 87.

<sup>28</sup>*Ibid.*

- b. Coordinate all planning activities of sectoral departments of the national government existing in the region in relation to those of the local governments and local planning boards.

### C. Local Governments

The local governments most concerned with the application of the regional strategy are those which have jurisdiction over the local units in the national capital region, the primary and secondary sub-regional centers and the rural centers. These are the local governments of Metropolitan Manila, and those of Tarlac, Angeles City, Olongapo City, Cabanatuan City, San Pablo City and Batangas City (all Primary sub-regional centers) and Concepcion, San Fernando, Malolos, San Jose City, Sta. Cruz, Lucena City and Lipa City (all Secondary sub-regional centers). Also concerned are local governments of the cities and municipalities identified as primary, secondary and tertiary rural centers. Briefly, their basic responsibilities are outlined below:

#### 1. *Local Governments in the Metro-Manila Area*

- a. Prepare development plans and implementing tools for their respective areas (where they are financially or technically able) in accordance with the Metro-Manila Development Plan, or pass the necessary development regulations (zoning, building subdivision ordinances) in order to regulate land development activities in their areas, again, in accordance with the Metro-Manila Development Plan.
- b. In the interim, allow changes in land uses in the developed lands as long as they are not offensive, or nuisances. In the undeveloped lands, postpone action on applications for land uses which would result in expansion and intensification of urban uses, until completion of development plan

or formulation of development regulations.

#### 2. *Local Governments in the Sub-Regional Centers*

- a. Prepare within one year in the case of primary centers, and within three years, in the case of secondary centers, development plans and the appropriate tools for plan implementation for their respective areas.
- b. Formulate, in the interim by means of zoning or other ordinances the following measures:
  - 1) Allow developments, including change of land uses, only in the developed urban lands as long as they do not fall under the category of nuisances or offensive uses.
  - 2) Postpone approval of all applications for expansion and intensification of urban uses such as the opening of housing subdivisions, building of factories, putting up of offices and industries, and extension of services and utilities in the undeveloped urban lands and lands within and beyond the urbanizable limits until after the completion of the plan. Minor repairs of and re-structuring of buildings and other non-substantial changes<sup>29</sup> in land use may be allowed.
  - 3) Postpone initiation of and implementation of major capital work projects which have not yet been started until the completion of the plan. Ongoing projects which cannot be delayed without impairment of contracts or

<sup>29</sup>A definition of the substantial and non-substantial changes should be formulated to guide the authorities in their action on applications.

financial losses should be exempted from this.

These interim measures are not exhaustive. Other regulations may be imposed with the end in view of preventing land development activities which may conflict with or frustrate the plan.

### 3. *Local Governments in the Rural Centers*

- a. Prepare within two years, in the case of primary rural centers, and within four years in the case of secondary rural centers, development plans for their respective areas, among whose objectives shall be:
  - 1) to promote and hasten the development of the agricultural sector;
  - 2) to strengthen the development of the rural centers as providers of adequate agricultural services and social facilities; and
  - 3) to prepare the rural centers for the possibility of graduating to and assuming a higher role such as center for agro-based industries.
- b. Formulate, in the interim, the following measures:
  - 1) Allow only such land developments as are not in conflict with the predominantly agricultural uses in the area such as the building or repair of farm houses or the construction of agricultural infrastructure such as warehouses, mills, etc.
  - 2) Postpone action on applications for development of land uses where they involve substantial change, until after the approval of the rural development plan.

From the above discussion, it is obvious that local governments, both in the growth centers and those in the rural centers, have to engage in planned development (urban or rural planning) within the immediate future. Considering that the local units involved are not too many (six primary sub-regional centers and seven secondary sub-regional centers; five primary rural centers and twenty-one secondary rural centers), it may not be too difficult to complete the necessary plans within five years. With the financial assistance extended by the proposed Urban Planning Grants, the Department of Local Government and Community Development could be ably assisted by private planning consultants and practitioners.

### *Improving the Administrative Machinery for Urban Conversion*

#### 1. Existing Situation

The government agency/agencies responsible for allowing conversion of lands from rural to urban uses play a critical role in determining the nature and direction of urban growth in the country. This is the reason why an examination of the existing machinery for land conversion is in order.

A review of the existing administrative machinery in the country for conversion of rural lands to urban uses reveals certain deficiencies and inadequacies. These are:

- a. Lack of clear delineation of functions among national and local agencies involved:

At present, there is no definite and single procedure followed by both the applicants and decision makers in land conversion cases for the basic reason that there is no law, decree or rules and regulations which lay down specifically the procedure to be followed. At least six national and local agencies participate in acting on applications for conversion of agricultural or rural lands to urban uses, i.e., to housing, commercial or indus-

trial uses.<sup>30</sup> These are the municipal or city councils, provincial boards, office of the district or provincial engineer, Bureau of Lands, Register of Deeds, Land Registration Commission, and the Department of Agrarian Reform (DAR). Their respective roles, however, are not clearly delineated nor related to each other, resulting in the confusion of applicants as to the proper procedure for applications. It has also led to duplication of functions among the agencies involved, and waste of time, money, and personnel, resulting in an inefficient system of conversion.

Applications for conversion are not made with any definite agency. They are filed either with the local legislative bodies (municipal or city councils) or directly with either DLGCD or the DAR. In applications filed with the local council, the council approves or disapproves the application based on its conformity with the local subdivision ordinance or if there is none, with the Model Subdivision Ordinance of the National Planning Commission. In most other cases, the municipal or city officials simply exercise their discretion in acting on the application.

In some other cases, approval of the applications made by the local councils in the form of resolutions are coursed to the provincial board. Again, the role of the board is not clear. In some areas, the provincial board performs a purely ministerial duty of

approving the resolution; in others, it gets the comments of the provincial/district engineer as the case may be, on the subdivision plan, particularly on the cross section of the roads drainage, manholes, etc. These particular studies of the cross-section of roads, etc., also form part of the activities undertaken by the DLGCD environmental planner who formulates his recommendations for the perusal of the DAR. Again, since the specific responsibilities of the DLGCD and the DAR are not well defined, both agencies look into the convertibility of the land applied for from the view points of productivity and tenurial status. Applying these criteria necessitates the undertaking by both agencies of the ocular survey of the area for the same purpose, thus wasting time and personnel.

As to applications filed directly with either the DAR or the DLGCD for certification of suitability of the land for conversion, they are returned to the local councils for verification of conformity with existing subdivision ordinances or plans. From this, it is clear that there is no fixed procedure followed in land conversion cases and that often applicants are prompted to follow the procedure most convenient to them even if it is not the most efficient.

- b. Lack of effective communication and coordination within and among agencies:

Another result of the lack of any clear procedure on land conversion, is lack of coordination within particular offices and between agencies, both among, and between national and local agencies. For instance, at the municipal level, after some DAR team leaders have issued to the landowners certification of suitability of the land conversion, they are no longer informed whether the application is approved or not by the municipal coun-

<sup>30</sup>A study made of forty-three cities and municipalities in the study regions revealed that most land conversions are from rural to residential/housing areas or subdivision rather than to commercial, industrial, or institutional uses.

The sample cities and municipalities were chosen on the following bases: a) Those with the most number of applications for and approved land conversions; b) Those with the great number of subdivisions approved between 1968-1973; c) Those with growth rates ranging from 3 to 8 percent; and d) Those within the first three classes of income categories.

cil. This lack of communication is also witnessed among local officials.<sup>31</sup>

Within the DAR itself, communication between its officials, especially between those in the national office and in the field is not as effective as it should and could be.<sup>32</sup> Local officials are often not kept abreast of developments originating from the national level which somehow affect their effectiveness and efficiency.<sup>33</sup>

- c. Absence of definite criteria for conversion into different urban uses:

There are a number of urban uses to which an undeveloped or an agricultural land can be developed or converted into. While it is important that different criteria or procedure be applied in each case, this distinction does not exist. Most of the applications forwarded to the DAR requesting for land conversion do not specify the urban use proposed, whether these are for residential, commercial or industrial purposes. This is not to say, however, that the DAR applies specific criteria or follow particular procedure for conversion of land to any of the above uses. In practice, the DAR considers the suitability of the land for conversion solely from consideration of existing use rather than the proposed development. The two basic criteria it uses are the productivity of the land and its tenurial status, i.e. whether the

<sup>31</sup>In one city in San Pablo, for instance, the city engineer who is concerned with local public works and even private construction admitted that he has no knowledge of the most recently approved conversions, since members of the municipal board usually do not consult with him or request for his recommendation.

<sup>32</sup>Several DAR team leaders interviewed expressed the view that ideally, they should receive copies of the DAR Secretary's final action on applications they have certified, not only for purposes of information but as a guide for their future action.

<sup>33</sup>One Register of Deeds interviewed in Region 3, for instance, has not been furnished the recent memoranda on land conversion matters such as the May, 1973 circular requiring the DAR certification before a title to a land is issued, and the Department of Justice circular on the substitution of the landowners affidavit for the DAR certification regarding the tenurial status of the land.

land is tenanted or not; if it is, whether the tenant is willing to give up the land after payment of disturbance compensation. The appropriateness of the proposed use and its impact on the community are not considered at all. While the DLGCD claims to have formulated some criteria, these have not been reduced to writing and their application, therefore, is highly discretionary.

- d. Lack of follow-up after approval:

After an application has been approved, there is no follow-up by any of the recommending or approving agencies, (not even by the municipal council) of the carrying out of the conversion applied for. None of the said agencies keep up with further developments in the lands involved.

The performance bond required of subdivision owners is not strictly imposed. With the exception of a few municipalities in Laguna and Quezon, the municipal/city treasurers do not keep track of the surety bonds. It is not surprising, therefore, that most landowners neglect to renew their bonds after the one-year period of effectivity of these. Worse, many do not bother to implement the subdivision plan as approved.

- e. Lack of expertise by some recommending and approving officials:

Except for San Pedro, Laguna and a few other cities, in the majority of local governments studied, not one among the members of the municipal councils or of the subdivision committees (where these committees exist) has any authoritative knowledge of principles or concepts of environmental planning which is essential background for orderly and systematic land conversion.

On the national level, as a general rule, officials involved in land conversion cases do not usually have the opportunity to undergo in-service

training, or to attend seminars which could equip them better for their jobs. Furthermore, they are not even given procedural guidelines for the proper implementation of the various laws. This is essential, especially for fieldmen who are most directly involved in implementation.

In the absence of any relevant guidelines and with the understandable desire to encourage developments in the municipality or city for revenue-raising purposes, the resulting practices of the municipal council in approving land conversion can be characterized as most disorderly and unsystematic, if not arbitrary.

The above deficiencies in the administrative machinery for urban land conversion have led to a situation where housing subdivisions and factories (the most common uses applied for) could be found all over the landscape without any order or system and with inadequate services and utilities (such as water, roads, transport) to serve them. That the criteria being used by the DAR or the DLGCD are inadequate can be seen from the characteristics of subdivisions all over the country. For instance, a survey we conducted showed that the farthest subdivision approved (in Bataan) was some 19-1/2 km. from the town proper and that, while this was along the national road, no public transport service was available. One other subdivision in Tarlac is along a bumpy provincial road and three rivers have to be crossed before reaching it. Of the recently approved housing areas visited in the study regions, only 1/3 are developed to the extent of from 50 to 100 percent while 2/3 are developed only to the extent of 25 per cent or less.<sup>34</sup>

## 2. Proposals and Recommendations

In order to improve the existing organiza-

<sup>34</sup>According to DLGCD criteria, a housing area is fully developed where it has installed all the required facilities and services (such as roads, water, light, drainage). Twenty-five percent development means that roads have been laid up; fifty percent, when the subdivision has all the facilities complete for half of the total area or where the facilities existing are roads (paved or unpaved) water and light; while seventy-five percent development means that the subdivision has in addition to the others mentioned above, drainage facilities.

tional and administrative machinery for conversion, the following proposals and recommendations are made:

- a. Preparation of regional and urban plans and tools for plan implementation

As a basis for government action on applications for land conversion and as guide to activities of both the public and private sectors, it is necessary that the following plans be prepared:

- 1) Regional Plans to be prepared by the Regional Development Councils within the context of the National Framework Plan of the Philippines and adopting the regional development strategy proposed in this Study. These plans should contain information on the existing and broad categories of proposed land uses in the region within the planning period of 10-15 years, such as agricultural or rural lands, lands for urban uses and for urban expansion based on the projected population and activities in the area, specifically for infrastructures and for lands to be reserved as forest areas, natural reserves, watersheds, parks, tourist and recreation areas.

The Regional Plan shall also indicate the various centers already identified such as the urban growth centers, industrial centers and the rural centers.

- 2) Urban Plans to be prepared by local governments on a selective but mandatory basis. Priority shall be given to the urban growth centers and the rural centers.

The Manila Bay Region Strategic Plan should be adopted and implemented.

- b. Codification and streamlining of provisions of laws relating to conversion which at present are found in various pieces of legislation. These laws are concerned with:



- 1) Requiring any owner subdividing a tract of registered land into lots to file with the Land Registration Commission a subdivision plan of such land, and requiring approval of the plan by the CFI and titling of the lot by the Register of Deeds. (Republic Act 440, amending Act 496, June, 1950).
- 2) Authorizing the municipal boards or city councils to adopt zoning and subdivisions ordinance and regulations and to consult the National Planning Commission on matters pertaining to planning and zoning; also empowering local governments to undertake and carry out any public works projects financed by provincial, city and municipal funds or borrowed funds under the supervision of the district or city engineer without the intervention of the DPWTC. (R.A. 2264, Local Autonomy Act, June, 1959).
- 3) Requiring the municipal boards or city councils to submit proposed ordinances and subdivision plans to the National Planning Commission for comments and recommendations (Administrative Order 152, December, 1968).
- 4) Authorizing the dispossession of the agricultural lessee of his land-holdings upon authority of a court judgment after land has been declared by the DAR, upon recommendation of the National Planning Commission (now DLGCD) to be suited for residential, commercial, industrial or some other purposes, and upon payment to the lessee of disturbance compensation equivalent to five times the average of the gross harvest on his land-holding during the last five preceeding calendar years (R.A. 3844, Code of Agrarian Reforms, amended by R.A. 6389 dated September 1971).
- 5) Centralizing in the Bureau of lands the function of verifying and approving the original survey

plans for all purposes in order to assure compliance with established standards and minimize irregularities in the execution of land surveys (Presidential Decree 239, dated July, 1973).

There are other pertinent provisions found in other laws which have to be examined and related to the above provisions.

c. Formulating a procedure for land conversion

A basic pre-requisite to the enforcement of a revised procedure for land conversion is the existence of a regional plan which views all lands in the areas from a regional perspective. The Plan would have adopted a broad zoning classification where areas are categorized not only according to existing uses for a planning period. The corresponding measures for each category of land would also have been formulated.

The primary concern of the DAR would be applications affecting lands in the areas classified as rural or agricultural. These would be lands in the primary, secondary and tertiary rural centers. As already recommended, local development plans should also be prepared for these rural centers to determine the following areas:

- 1) Those where no urban uses should be allowed at all, such as housing subdivisions, commercial and industrial uses;
- 2) Those where only low density development would be allowed; and
- 3) Those where urban uses would be allowed within a staggered period, i.e., during the first three years of the plan; during the next three years, etc.

The classification of these lands should be subject to the review and

approval of the DAR, especially as they affect the rice and corn lands.

In the agricultural or rural areas, the following procedure, subject to further refinements and inclusion of other details is suggested:

- 1) Copies of application for conversion, accompanied by such documents as title to lands, land survey, etc., shall be filed with the municipal or city council (or local planning board, if any) which keeps a record of all applications;
- 2) Council shall refer it to the DAR whose representative or fieldman in the area, together with the DLGCD fieldman and the DPWTC staff shall examine jointly the application to determine its suitability for conversion based on the following criteria:
  - a) nature or urban use applied for, whether it is for building a single house, or for opening of housing subdivisions, factories, or industrial estates;
  - b) location of land, whether it is within primary, secondary or tertiary rural center, and specifically whether it falls within the first, second or third priority area for land reform; and
  - c) environmental impact of the proposed land use — in terms of demand for additional infrastructures, utilities or services and effects on existing and proposed uses in the immediate vicinity.

Where necessary, a representative of the RDC in the region should also be consulted. In case of failure to arrive at a decision or where applicant is not satisfied with the decision taken, final approval shall be by the Secretary of the DAR.

- 3) DAR shall return the application to the council with its recommendation. Recommendation may be made with or without conditions imposed. If convertibility has been certified, then Council shall, in consultation with the

city or district engineer, proceed to consider its conformity with requirements of local ordinances, i.e., with its own local zoning and subdivision regulations. Where there are no such regulations, the DLGCD fieldman shall be consulted. DLGCD shall be required to formulate a model planning ordinance for guidance of local governments.

- 4) Local Council shall follow up implementation of the proposed urban development to ensure conformity with the application as originally proposed.

In the interim, i.e., prior to the completion of urban and regional plans for the study regions, the DAR should formulate some interim regulations which in effect shall postpone for a period of from six months to one year (the period within which a plan is expected to be completed) approval of applications for conversion of rural or agricultural lands to the following urban uses:

- 1) Opening of housing subdivisions or new communities as distinguished from building of individual houses;
- 2) Establishment of factories, industries or of industrial estates; and
- 3) Extension of existing utilities and services such as water, electric power.

However, where applications for conversion to the above uses or for other urban uses (like construction of institutions such as schools, churches, etc.) will result in development which shall form part of an existing urban community and the proposed use will only form part and parcel of a compact kind of development, then DAR may consider the application for approval. One criterion for determining whether the proposed use will integrate with the existing urban community is that no leap-frogging is involved.

It is believed that only after a regional plan has been prepared (and also urban plans for growth centers) would the DAR be in a better situation to act on individual applications for conversion to urban uses which could aggravate problems arising from unplanned urban development.

## SOME UPIP ACTIVITIES

FY 1973-1974

### Research and Consultation

#### *Completed Research Projects*

In the field of research and consultation the Institute made headway during the period under review. Three major research projects were completed, namely: Study of Growth Centers and Areas for Future Urban Expansion in Land Reform Areas, Toledo City Development Project, and Tourism Planning and Development in the Philippines. Jointly undertaken with the Department of Agrarian Reform (DAR), the study in Land Reform Areas identified the leading growth areas and pinpointed the first, second, and third priority areas for urban expansion in Regions 3 and 4. The Toledo City Development Project, accomplished through the collaboration of the Institute's Cebu Center for Regional Development Studies and the City of Toledo, provides a clear picture of the physical, social, economic, political and administrative conditions in Toledo City and the possibilities that exist for present and future growth. The project on Tourism Planning and Development in the Philippines, is a national tourism study jointly undertaken with the Department of Tourism, which aims to formulate a national plan for tourism development.

#### *On-Going Projects*

Aside from the completed studies, the Institute has several on-going projects. These are: 1) The Community Survey of the New Pantabangan. Started in April, 1974 as a joint venture of the Institute and the National Irrigation Administration, the study is being undertaken in relation to the relocation of those who are adversely affected by the construction of the Upper Pampanga River Project in the province of Nueva Ecija. The study will attempt to determine the extent to which the strategy, programs and policy on relocation

were successful, the reasons explaining the degree of success and the areas in which the relocation scheme failed to achieve its objectives: 2) Regional Development and National Growth Study of Bicol Region. A two-year project started on March 1, 1973 and sponsored by the International Development Research Council, it is an intensive study of the factors that influence regional development on the Bicol Region particularly as it relates to national growth; 3) Evaluation and Projection techniques in Planning. In this study various approaches such as mathematical (e.g., linear models) and economic (e.g., supply-demand account) are being investigated for purposes of projection and evaluation required in various planning processes; 4) Statistical, Economic and Social Indicators for Planning. The study deals with the development of statistical, economic, and social indicators for evaluation purposes of various planning programs; 5) Various Studies on Designing Surveys for Planning Purposes. Its main objective is to minimize degeneracy in the various cells of data matrix formed from surveys conducted for planning purposes.

#### *Publication of Urban Southeast Asia*

A bibliographic research undertaking accomplished in 1971 by the research unit of the Institute and in cooperation with other Southeast Asian countries was published in the early part of the fiscal year. The collaborative venture was sponsored by the Southeast Asia Development Advisory Group (SEADAG) of the Asia Society, New York. Entitled *Urban Southeast Asia*, the bibliography is a first attempt to make accessible citations to research, reports and related materials on urbanism and urbanization in seven (7) countries of Southeast Asia: Hongkong, Indonesia, the Philippines, Malaysia, Thailand, Singapore and Vietnam.

#### *Joint Work Programs of the IP and DPWTC*

There are several completed and on-going research projects under the joint work programs of the Institute of Planning and the Department of Public Works, Transportation and Communications during the fiscal year. These are reflected in the list below:

### **I. Physical Planning Strategy for the Philippines**

#### *(Completed Studies):*

1. Project Proposal No. 6  
Selected Principal Airports
2. Interim Report No. 4  
Manila Bay Region in the Philippines
3. Regional Capital Development Program
4. Interim Report No. 5  
A Time Series Study of Government Investment on Transport
5. Interim Report No. 6  
A Time Series Study of Government Investment on Water
6. Interim Report No. 7  
A Time Series Study of Government Investment on Telecommunications
7. Interim Report No. 8  
A Time Series Study of Government Investment on Power
8. Interim Report No. 9  
Unit Cost Standards for Open Spaces
9. Interim Report No. 10  
Cost Estimation for Water Supply in the Regional Capital
10. Mineral Resources, leading areas (Metals)
11. Manufacturing – leading regions and provinces
12. Power Development – power requirement projections, 1975-2000, and cotings, by region
13. Fishing Industry in the Philippines – A Long Term Study
14. Long-Term Aspects of Agricultural (Cropland) Development
15. Social Welfare Equity
16. Social Welfare Development Plan Review
17. Social Welfare Development Plan  
– Alternative A  
– Alternative B
18. Analysis of Socio-Economic Shift in Structure (1945-2000)
19. Development Plan: Educational Facilities and Basic Education (1975-1990)
20. Family Income Equity
21. Education: Social Equity

22. Study on Poverty Lines
  - Minimum Requirement – Urban, Rural
  - Decency Level
  - Revision of Rice-Wage Formula
  - Provincial Classifications into Depression Level
  - Gradation Levels of Poverty
  - Ranking of Provinces based on Poverty
23. Land-Use
24. Agriculture
25. Forestry
26. Agricultural Employment
27. Population Projections for Major Settlements
28. Philippine Demographic Features
29. Labor Force and Employment Structure
30. Transportation Employment in 376 cities and Municipalities involving all modes of transportation (input to the Major Settlement Study)
31. Transportation Employment in the Philippines, Provincial and Regional Levels, 1961, 1967 and 1972
32. Production and Consumption Functions of the Philippine Economy, 1960-72
33. Urban Settlements – Existing Settlement Patterns
34. Report on Tourist Centers
35. Planning Educational Facilities and Cost Standards
36. Health Services System and Planning Standards
37. Completed the Study on Unit Cost Standards for Water Supply
38. A Time Series Study of Government Investment on Health Infrastructure
39. A Time Series Study of Government Investment on Education Infrastructure
40. Development Cost Estimates for Airports and Ports
41. Planning Organization and Implementation
42. National Land-Use Control Measures
43. Existing Legislations Relative to Land-Use
44. Comments on a Proposed Decree Relative to Amendments to the law creating the National Water and Air Pollution Control Commission

45. Study on the Possibility of giving the right of pre-emption to public utilities which are not government owned
46. Organizational set-up for the Department of Housing
47. Major Settlements
48. Employment in the Livestock and Poultry Industry
49. Housing Cost Estimates
50. Projection of Employment 1980-2000 by Provinces and Regions

## II. Manila Bay Metropolitan Region Strategic Plan

### *Completed Sectoral Studies:*

1. Industrial Locations – detailed locational studies related to land-use
2. Transport Studies – detailed studies on regional transport network and secondary road system undertaken in relation to economic studies
3. Metropolitan Organization and Finance – study on provincial and local government planning administration
4. Population – review of projections for selected areas
5. Planning Standards – sites, location and services

### *On-Going Sectoral Studies:*

1. Land-Use – detailed land-use studies of urban growth centers; detailed land-use studies for MMA – 2000 A.D.
2. Housing – detailed study of housing requirements of 5 urban growth centers in land-use
3. Economic Studies – ad-hoc regional accounts and detailed economic studies for each urban growth centers
4. Infrastructure – detailed study in infrastructure requirements of urban growth centers as related to land-use, housing and economic studies
5. Planning Standards – services (water, power, communications)
  - functional elements

The Physical Planning Strategy for the Philippines terminates this fiscal year.

## Graduate Program

During the academic year under review, a total of forty-two (42) students enrolled in the Institute's Master in Environmental Planning course. Eighteen (18) of the enrollees were full-time students while twenty-four (24) were part-time students. Three (3) students from other units of the University took up cognate subjects.

Mr. Eli Remolona and Miss Lourdes Men-  
cias, two (2) of the enrollees, qualified for the fellowships offered by the Institute of Planning.

There are fifteen (15) candidates for graduation who are scheduled to take the oral and written comprehensive examination on July 15 and 17. Unlike in the previous years, the comprehensive examination is scheduled a month late because of the inception of a new course in the MEP Program. This is E.P. 292 (Supervised Environmental Planning Practice), a terminal course required of all MEP students with no work experience in planning. Credited with 3 units, it involves undergoing an internship of 240 hours in appropriate planning offices. E.P. 292, therefore, enables the students to gain the necessary practical training before graduation. Specifically, the course has the following objectives:

1. To supplement classroom knowledge on environmental planning by exposure to and involvement in actual planning situations;

2. To enable the students to relate and apply theories to practice, and conversely, provide inputs to the development of planning theories, concepts and principles;
3. To contribute planning inputs to the agency or office to which the intern is assigned;
4. Based on student feedback, to assist the Institute in assessing and evaluating the relevance of its courses to the needs and demands of development planning. Aside from the above new course offering, the Institute is planning to include more specialized courses designed to improve the MEP program.

Envisioned to enrich the Institute's graduate education is its proposed MA and Ph.D. programs in Urban and Regional Planning.

## Training Program

The Institute of Planning, in collaboration with the Department of Public Works, Transportation and Communications (DPWTC) and the National Economic and Development Authority (NEDA) sponsored four seminar-workshops on Regional Development Planning during FY 1973-1974. The place, date and number of participants of the said seminars are reflected below:

	Place	Date	No. of Participants
First Seminar-Workshop on Regional Development Planning	Iloilo City	June 18, 1973 to July 10, 1973	44
Second Seminar-Workshop on Regional Development Planning	Davao City	Sept. 10, 1973 to October 8, 1973	70
Third Seminar-Workshop on Regional Development Planning	Cebu City	Sept. 26, 1973 to October 22, 1973	77
Fourth Seminar-Workshop on Regional Development Planning	Legazpi City	November 12, 1973 to December 11, 1973	73
			264

The seminar-workshops were designed primarily for elective and appointive officials of local governments and their senior staff who are engaged in regional and city planning.

### **Centers for Regional Development Studies**

Of the five centers established in 1970 only those in Cebu and Iloilo are at present directly managed by the Institute of Planning.

#### *Cebu Center for Regional Development Studies*

##### **A. Research Projects**

##### **Completed Research Projects:**

1. Tourism Planning and Development Study  
– completed in September 1973, the study was jointly undertaken with BTTI
2. Toledo City Project  
– completed in January 1974, the project was jointly undertaken with the City of Toledo

##### **On-Going Project:**

1. Regional Planning Data Bank Project  
– baseline data by municipality for Cebu, Negros Oriental and Siquijor have already been completed.

##### **B. Graduate Course**

The Institute has temporarily discontinued its Master in Environmental Planning (MEP) program in U.P. Cebu due to budgetary constraints. Since AY 1972-1973 up to the first trimester of the present academic year, the Institute has offered a total of eight courses.

#### *Iloilo Center for Regional Development Studies*

In the early part of the fiscal year the Center has helped organize the Regional Development Council in Region VI, co-sponsored the first seminar-workshop on Regional Development Planning and prepared a plan for the Regional Government Center to be put up at the Fort San Pedro Reservation in Iloilo City.

Consequently, the Center has received many requests for assistance on various projects. Foremost of these is the request of the Provinces of Negros Occidental and Capiz for technical assistance in the organization of their development staff and the subsequent formulation of their local development plans. The Regional Development Planners Association of Western Visayas, as well as the Governors and Mayors of the region have, likewise, requested the Institute of Planning, through the Iloilo Center, to extend the MEP program in the U.P. in Iloilo.

Action on the above requests has not yet started pending the arrival of the Center's Acting Director, Mr. Mariano Grifo, who is currently undertaking a course on Urban Surveys at the Netherlands.

#### **UNDP Assistance**

The UNDP project of assistance to the Institute continued throughout the year. The services of four UNDP Experts, in their capacity as visiting faculty members, were contributed to the Institute's teaching and research programmes alike. Five Development Planning Fellowships for study and observation abroad were awarded. The library was assisted with about 2000 further acquisitions such that it must now be one of the leading planning libraries anywhere in Asia, with a total of some 6000 titles.



# INDEX OF ARTICLES IN THE PHILIPPINE PLANNING JOURNAL

Volume I, No. 1 October, 1969 Pages

<b>CALABIA, Gerardo S.</b> <i>Data Bank for Urban and Regional Planning</i>	26-29
<b>ENCARNACION, Teodoro T.</b> <i>Prospects for Planned Growth in Metropolitan Manila</i>	30-36
<b>FAITHFULL, Walter G.</b> <i>United Nations Assistance in Environmental Planning in the Philippines</i>	2-9
<b>SILAO, Federico B.</b> <i>Burnham's Plan for Manila</i>	10-17
<b>TASK FORCE COMMITTEE ON LAND USE MAPPING</b> <i>Coding Standards for General Land Use Mapping</i>	18-25

Volume I, No. 2 April, 1970  
(Special Issue)

<b>VILORIA, Leandro A.</b> <i>Education for Planning</i>	1-28
<b>WEISSMAN, Ernest</b> <i>Regional Development Planning</i>	29-33

Volume II, No. 1 October, 1970

<b>ESCUADERO, Manuel</b> <i>Perception in an Urban Environment</i>	8-11
<b>KAYANAN, Antonio C.</b> <i>Urban Planning in A Free Enterprise Economy</i>	2-7
<b>MENDIOLA, Ernesto C.</b> <i>Strategies for Metropolitan Growth</i>	30-36
<b>NAKPIL, Angel H.</b> <i>The Urgent Future</i>	37
<b>PADERON, Rosaura S.</b> <i>What Metropolitan Manila Needs</i>	22-29
<b>PALOMA, Honorato G.</b> <i>Design in an Urban Environment</i>	18-21
<b>ROXAS, Sixto K., III</b> <i>Urban Land Problems</i>	12-16

Volume II, No. 2 April, 1971

<b>BLACK and VEATCH INTERNATIONAL</b> <i>Land Use and Urban Development in the Manila Metropolitan Area (Reprinted from Chapter VI of the Master Plan for the Manila Metropolitan Area)</i>	1-22
--	------

## BLACK and VEATCH INTERNATIONAL

<i>Population (Reprinted from Chapter V of the Master Plan for the Manila Metropolitan Area)</i>	23-27
<b>ETHERINGTON, Bruce A.</b> <i>Housing for Developing Countries</i>	37-44
<b>STUDY COMMITTEE</b> <i>Improvement of Mass Transportation in the Greater Manila Area</i>	30-36

Volume III, No. 1 October, 1971

<b>ABAD, Juliet C.</b> <i>Integration of Services at the Metropolitan Level</i>	31-38
<b>CARIÑO, Benjamin V.</b> <i>Hope or Despair: A Comparative Study of Slum and Squatter Communities in Five Philippine Cities</i>	8-14
<b>ENDRIGA, Dolores A.</b> <i>Housing Aspirations of Three Groups of U.P. Campus Residents</i>	26-30
<b>FIRMALINO, Tito C.</b> <i>The Planning of Cagayan de Oro</i>	1-7
<b>SANTIAGO, Asteya M. and MAGAVERN, James L.</b> <i>Planning Law and Administration in Philippine Local Government</i>	15-25

Volume III, No. 2 April, 1972

<b>FAITHFULL, Walter G.</b> <i>Manila Bay Metropolitan Region: Some Tentative Principles for Strategic Planning</i>	23-27
<b>GRAVA, Sigurd</b> <i>The Jeepney System</i>	1-10
<b>LAQUIAN, Aprodicio A.</b> <i>The Need for a National Urban Strategy in the Philippines</i>	11-12
<b>SAH, Jagdish P.</b> <i>Control and Planned Development of Urban Land Use Control Measures</i>	28-29

Volume IV, No. 1 October, 1972

<b>APTHORPE, Raymond J.</b> <i>What Do We Really Mean by "The Social Aspects" of Planning?</i>	13-27
<b>LITONJUA, Ma. Eloisa F.</b> <i>The Four-Year Development Plan for FY 1972-1975 and the Physical Planning of the Manila Bay Metro-Region</i>	28-39
<b>MCGOVERN, Peter</b> <i>A Framework for Differentiating between Regions in Industrial Development Incentives</i>	1-12



# RURAL PEOPLE AND CHANGE: A DISSENTING VIEW\*

ELI M. REMOLONA

This book is a descriptive study of rural people. In design, this study is quite an extensive one. Of Gunnar Myrdal's six broad categories of conditions for development, it adequately covers four: (1) output and incomes; (2) conditions of production; (3) levels of living; and (4) policies. What are not fully dealt with are institutions and attitudes toward life and work. It is with the interrelationships between these conditions that I will be primarily concerned here.

## Trends and responses.

The title of the book is misleading.

What the book presents are two sets of statistical trends. One set describes the growth in transportation and communication facilities, public works projects, health centers, public schools and activities of agricultural extension workers and community development officers. The other set deals with socio-economic variables such as age at marriage, fertility, migration, crop production, livestock inventory, farm income, use of toilets, levels of production, levels of education and employment.

The first set of trends is taken to represent change, the stimuli in the form of development programs. The other set of trends is taken to represent the responses of the rural people to

such change. But no attempt is made to establish specific links between the two sets of trends. How, for instance, do the increases in transportation and communication facilities affect the age at which people decide to marry? How influential are the activities of community development officers in convincing the rural people to use toilets more often? To what extent are agricultural extension workers responsible for the behavior of crop production or farm income? What are the causal interrelationship?

Since the study fails to inquire into such interrelationships, I am not convinced that the second set of trends presented really represents responses of the rural people studied to the first set of trends. It is possible that the changing patterns of behavior of the rural people are actually responses to stimuli that are not covered by the study. It is also possible that such trends are not responses at all, but are much closer to being spontaneous actions of the rural people. That is why I think the title of the book is misleading. It expresses an idea that is not verified by the book.

The intent of the study is to assess the "extent to which national and local, government and private, initiated improvements and development programs have modified the lifestyle of rural people" (p. 5). But such a changing lifestyle is examined apart from the supposed stimulating factors. It is assumed from the start that the observed trends are indeed the result of development programs. The study assumes what it is its task to confirm.

\*BOOK CRITIQUE: Agaton P. Pal and Robert A. Polson *Rural People's Responses to Change*, Quezon City: New Day Publishers, 1973.

and more proposals were being made to improve them." (p. 2)

### Choice of setting and method

No particular reason is given for the choice of the Dumaguete trade area as the focus of the study. It is however stated that the area "has characteristics which are common among locality systems" (p. 19) and that the trends documented in the study "apply not only to the Dumaguete trade area but to those other areas of the Philippines that are also dependent upon upland, rainfed agriculture with a mixed economy of commercial and subsistence crops and limited off-farm employment." In other words, it is held that the Dumaguete trade area is "typical" or representative of economically similar rural areas in the Philippines.

What is pointed out although not thoroughly examined is the fact that the Dumaguete trade area also has its own peculiar characteristics which may have significantly influenced the results of the study. Dumaguete City, the trade center of the Dumaguete trade area, is one of the major educational centers of the Philippines. What other rural areas can boast of two universities, one private college, a government vocational school and six high schools in its trade center? Silliman University in urban Dumaguete is one of the more prominent institutions in the country. It is even said that the university is more famous than the city. The trade center is also an outstanding ecumenical center. Roman Catholics, Aglipayans, members of the Iglesia ni Kristo, Seventh-Day Adventists and Protestants live peacefully together. In fact Silliman is a university directed by Protestants. It is possible that indirect and other kinds of cumulative effects of such educational and religious factors alone may have had a stronger impact on the rural people, than the development programs covered by the study.

The conclusions of the study are based on three surveys conducted in 1952, 1958 and 1966. Attention in the initial survey was focused on "traditional ways of living, particularly those which were believed most likely to change due to the pressure of new practices and programs" and "special emphasis was given to conditions and practices in agriculture and in health because, as areas of public concern, more

In effect, the study aims to measure the effect of development programs on the activities of the rural people by means of a set of "pictures" of the "conditions in the community and of the rural households therein" at three different time points within a fifteen-year period. Measurements is based on the differences that may be observed between these "stills" (p.3).

The limitations of this longitudinal method are apparent. First, as the pictures were taken several years apart, they failed to capture possible shifts in the direction of trends between photo sessions. If for example couples in 1962 tended to marry at an older age and then in 1966 they tended to marry young again, this would be a phenomenon overlooked by the surveys.

Second, while the longitudinal method allows the researchers to describe trends, it does not allow explaining them. Such explanations as attempted are usually based not on the evidence gathered but on pre-conceived notions about the way rural people think and act. This is probably the reason the study is unable to come to definite conclusions about interrelationships between development programs and rural behavior. My own persuasion is that the only method that would allow an explanation of such trends, the identification of such interrelationships, and thus an understanding of the people and change; requires actually living with them for a long time.

### Findings of the Study

It would seem that the agents of change is identified by the study are roads, artesian wells, public faucets, rural health units, public schools, agricultural extension workers and community development officers. Within the fifteen-year period covered by the study, 74.8 kilometers of roads were constructed in the area. This more than doubled the total length of roads in 1952. About ten percent more barrios were made accessible. The installation of artesian wells and public faucets increased the availability of "safe" water. Rural health units increased from

two to five. By 1966, there was a public school for every two barrios. There were seven agricultural extension workers in 1966 and only three in 1952. There were also seven community development officers in 1966 and none in 1952.

How have these factors influenced the rural people? The study reveals that because of increased accessibility, there has been greater spatial mobility; because of artesian wells and public faucets, more people drink "safe" water; because of more rural health units, more people receive medical services; because there were more agricultural extension workers and community development officers, more people had contact with them. But these, obviously, are consequences that are not very enlightening for students of social change.

What may be some of the more profound effects of the development programs? The study shows that people are getting married earlier. Age at marriage for both sexes fell by an average of one year between 1952 and 1966. As a consequence, the number of children born per household increased from 5.0 in 1952 to 5.6 in 1966. The nuclear family form increased by about nine percent during the same period, indicating an erosion of the influence of the kinship system pulling in the opposite direction. How the supposed agents of change caused or affected these trends is not discussed at all.

There was a shift from farm to non-farm occupations as the primary source of household income. In 1952, about 55 percent of the households depended mainly on farming whereas in 1966 only 46 percent did. Farm occupations were more frequently a secondary source of income as 19 percent more households in 1952 than in 1966 listed farming as a source of supplementary income. There have been more sharecroppers and part-time tenants. This trend is attributed not to responses to development program but to population pressure.

There has also been increasing fragmentation of farms. The mean size of farms decreased by one-fifth of a hectare during the fifteen-year period covered by the study. The average size by 1966 was only 1.56 hectares. There was some improvement in crop pro-

duction but farm incomes decreased by 13 percent on a per capita basis.

Dumaguete has no processing plants nor factories. Hence, the sources of non-farm employment are in commerce, education, government and construction. There has been an increase in rural families who depend on such non-farm sources of income, but there is also increasing underemployment as indicated by the growing need for supplementary income from the farms.

Levels of living improved. The mean score of all families was 3.8 in 1952 and 4.8 in 1966. The largest increases were enjoyed by non-farm households. Despite this marked improvement, total annual income was still low at the end of the study period and food consumption was deficient.

The adoption of modern medical practices also increased as reflected by the more frequent arrangements for a midwife, nurse or doctor to assist with child delivery instead of just the traditional "hilot." Births with expert assistance increased from 6 to 23 percent during the fifteen-year period. People with higher levels of income and education were found to be more likely to accept new health practices.

The general educational level has been rising. In 1952, a grade of 5.62 was the highest level of education in a family whereas in 1966 it reached 6.01. College education is usually limited to those with higher income. Many college graduates have been unable to find jobs in the area and have migrated to larger urban centers.

### Some Comments

One interesting finding of the study is the increasing tendency of couples to marry at an early age. Some demographers would expect the reverse, that socio-economic development would induce couples to delay marriage longer.<sup>1</sup> However, the trend towards younger marriages in the Dumaguete trade area is

<sup>1</sup>Kingsley Davis, "The Theory of Change and Response in Modern Demographic History," *Population Index*, XXIX, No. 4 (October 1963), 345-366.

confirmed by other studies conducted by the Bureau of the Census and Statistics and the Population Institute of the University of the Philippines.<sup>2</sup> This trend is attributed by the book not to the development programs but to the cultural pressures for early marriages.

According to the study, parents encourage earlier marriages because they are eager to have grandchildren and because they believe marriage will make their son or daughter more responsible (p. 46). They also believe that late marriages are disadvantageous since they think that by the time the adults are already too old to earn enough, the children will still be too young to help support the family.

But while these beliefs may explain why rural people tend to marry young, they do not at all account for the increasing trend. Is it implied that these beliefs have become stronger with the years, in spite of the supposed erosion of formerly strong elements in the kinship system? The possibility that the development programs themselves may in fact be responsible for such a trend is completely ignored. The study seems to assume that development programs could have only beneficial effects on the rural people, so since early marriages are seen as barriers to economic growth, they are instead explained in terms of "traditional" factors.

The study should have considered the possibility that increased mobility and communication brought about by the development programs may have made it easier for young people to find suitable mates, and hence, the trend for earlier marriages. The reasons given for a continued trend on early marriages are not convincing either. If factors believed to stimulate delayed marriages, such as the desire to obtain a college education, have not been strong enough (p. 46) and may not be strong enough in the future, should we not expect the trend to level off rather than to continue rising? Perhaps, there is really no trend at all. Perhaps the average age at marriage fluctuates every year without showing a general tendency to rise or fall and the surveys merely coincided with opposite points of the fluctuation. After

all, the change amounted to only about a year over a fifteen-year period.

A theme that receives repeated emphasis in the book is the idea that rapid population growth is something thoroughly undesirable, that "socio-economic development efforts have better chances of success if at the same time the deceleration of population growth is promoted" (p. 45). It is for this reason that the book is so concerned about the trend for earlier marriages. The fragmentation of farms, the heavy strain on government social services, the deficiency in food consumption and the growing numbers of the unemployed are attributed to "population pressure." These may all be very logical conclusions but the study presents no definite evidence to validate them.

The authors seem to attribute rural problems to the 'ignorance' and 'irrationality' of rural people. In connection with the population problem, for instance, it is observed that one of the factors is limited knowledge on the physiology of human reproduction and this may be because the "vernacular terms for the genital organs and the act of coitus are considered obscene" (p. 48). This idea I find hard to agree with. The mere existence of such terms, whether obscene or not, shows that rural people are very much aware of sexual processes. On the other hand, awareness may not necessarily mean factual knowledge. But while it is true that some terms about sex are considered obscene, there may be equally accurate substitutes that are acceptable and used openly. For example, in Tagalog-speaking areas, "asawahin" is just as respectable as "copulate" and even children use the term to refer to specific activities of animals and humans. It seems that Filipino children in general do not believe in storks or similar excuses for birth, although it is possible that those who belong to the higher income groups have fewer opportunities to be observant and are less articulate.

The book noted also that couples want children because of their concern for their future: "They *still* believe that children are a good insurance for old age. They consider them as assets not only during the parents' old age, but also in increasing the productivity and income of the home" (p. 49, *Italics added*). These beliefs are dismissed in this book, and

<sup>2</sup>The *Statistical Reporter*, XIII, No. 2 (April-June 1969). 73.

many others, as myths, but without conclusive evidence being brought forward to refute them. The impression given is that the rural people are to some extent irrational and that the situation may be rectified by means of education.

In attempting to identify the factors that cause rural people to accept new practices, and quoting from an earlier study of factors affecting the adoption of new farm practices in the Dumaguete area by Cornell University, it is observed that education is the pivotal variable which, determined by the farmer's economic status, induces in him a *rational* and relatively *modern* outlook which . . . makes him more susceptible to the exposure and influence of communication channels (p. 266, underscoring supplied). Indeed the idea that development programs lead the rural people towards rationality and modernism is a theme, it would seem, that runs through the entire book. But again, what is rational and modern is left undefined. Indeed, it is very difficult to define these terms free from a damaging amount of value transfer.

In fact the study could be interpreted as uncovering no clear cases of irrational behavior on the part of the rural people at all. More often than not it is shown that the people readily adopt new medical, health, economic or social practices the moment it becomes convenient or practical for them to do so. They seem to know how to react to given situations. When non-farm incomes are inadequate, they try to earn supplementary income from the farm. They increase their inventory of livestock, poultry or swine when it becomes advantageous for them to do so. The book itself notes that there is "no blind adherence to old practices" (p. 88).

It is also disappointing that the study neglects altogether to inquire about structural change. What, for instance, have been the trends in income distribution in the trade area? Some researchers believed that development tends to improve the income structure. Others think there is an initial worsening of distribution. What changes occur in social structure? Is there an emerging middle class which some students of development believe is an essential ingredient of industrial progress? Is class mobility easier?

Another neglected area is that of distinctions between different categories of people. Nothing could be more stereo-typical than to treat rural people as one fairly homogenous group. If it is really true that all the people respond in similar fashion to development programs, it is enough for a survey of the magnitude of their response to be reflected in aggregate trends. The study attempts to rate the prestige of different non-farm occupation but such ratings are not considered as factors affecting behavior. But do big landowners behave in the same way as sharecroppers? Surely the development process may have completely different effects on them. An anthropological study conducted in Venezuela shows that development radically changes people's views of the world and that such changing views vary from class to class.<sup>3</sup> Studies in the Lower Volta also show that the bases for such classes also change.<sup>4</sup> What is the Philippine experience in this regard?

#### Implications for Policy

It is as if the conclusions of the study have dictated the present thrust of the main development strategy at the national level of the Philippines. The study identifies the two most urgent problems of the country as: (1) the slow rate of increase in agricultural productivity and (2) rapid population growth. Since the nation's resources are limited, the study recommends that remedial measures be concentrated, on such problems, especially since they "spawn other problems" (p. 269). Today, there are government programs precisely putting emphasis on correcting such problems.

The book urges that more attention be paid to agriculture because: "For some time to come a large proportion of the nation's population will be depending upon agriculture for their livelihood. Improvement in agricultural production needs to be pushed at a faster rate than the growth of the population.

<sup>3</sup>Lisa Redfield Peattie, *The View from the Barrio*, (Ann Arbor: University of Michigan Press, 1968), 119.

<sup>4</sup>Rowena M. Lawson, *The Changing Economy of the Lower Volta: 1954-67*, (London: Oxford University Press, 1972), 92-93.

Greater production is necessary to raise the level of welfare of rural families and to increase the country's foreign exchange earnings" (p. 270).

One agricultural crop that the book believes deserves more attention is the coconut. It is identified as an important cash crop for many families in the Dumaguete trade area and a large dollar earner for the economy. It should therefore get the same strong support that the sugar industry receives from the government. The prosperity of sugar farmers is presented as an example of how government incentives can generate higher levels of welfare for rural families. But the possibility that the sugar industry thrives mainly because of very favorable quota allocations granted by the United States, that very few families really seem to benefit from the windfall profits of the industry and that no matter what television commercials claim the sugar workers are still among the most miserable of the country's labor force — these are missed by the study. It fails to ask who exactly will benefit from the development of the coconut industry: the oil millers, the copra exporters, the big land-owners or the coconut workers?

Moreover, I believe it would be wrong for the country to rely on a few major agricultural exports because such crops have limited long-term potentials and are extremely vulnerable to price fluctuations in the world market. The coconut has always been one of the country's biggest export commodities and instead of encouraging its expansion, we should diversify our export basket and shift to industrial products which have higher income elasticities.

Population pressure is considered the culprit in the problem of unemployment. The growth in the number of people has resulted in a situation where there are fewer jobs than persons in the labor force. But to embark on a massive population control program is an inadequate solution. Indeed, to concentrate only on agricultural development and the deceleration of population growth, as the study suggests, might actually aggravate the problem.

One of the findings of the study is that the Dumaguete trade area has already reached the stage of involution, described as a situation

where a given area of land receives more and more labor inputs and is used to support more and more persons. The adequacy with which the land area is able to support an increasing number of people depends on the technology used. It is pointed out that there is a point in the man-land ratio number of persons dependent upon the land for the support will mean a decrease in the amount of food available to each person. The authors state that the man-land ratio in the area has already exceeded the critical point and they agree that "reliefs from the heavy population pressure" means releasing more workers from the agricultural sector, and improving farming technology (p. 87). On the other hand, it may be pointed out that if the other sectors of the economy are unable to absorb them, the result would be unemployment.

It should be pointed out that no matter how successful a population program may be, its effects on the labor force will be felt only after fifteen years or the time it takes for a child to grow up to be eligible for work. Hence, population control will serve to check the problems of unemployment that may be generated by increasing migration from the agricultural sector. It is, therefore, unsound to concentrate only on agricultural development and population control without also a deliberate policy for the expansion of the manufacturing and services sectors. The manufacturing sector is neglected by the study probably because of the conditions in the study area. However, since the authors go so far as to make policy recommendations for Philippine rural development in general, investment possibilities in industry and commerce which have good potentials elsewhere should not be overlooked.

Unemployment is listed in the book as a serious problem in the rural areas and the search for jobs was found to be the primary cause of migration. But an emphasis on agricultural and population programs will not serve as an effective solution. If industrial development is seen as essential, then how the rural people will behave in the face of industrial growth is an even more important field on inquiry than how they respond to agricultural development.

# THE GOVERNMENT WELFARE PROGRAM AND POVERTY IN THE PHILIPPINES

ELEANORA M. DE GUZMAN

**OBJECTIVE OF THE STUDY:** This paper attempts to evaluate the program of the Department of Social Welfare in terms of its approach towards the eradication of poverty in our country. Since no empirical data are available which would assess the program's effectivity in dealing with the facts of poverty, the evaluation is directed toward the relevance of the agency's underlying concepts of poverty, its assumptions concerning the poor and their lot and the entire social structure, and its present strategy.

## Various Approaches Against Poverty and the Assumptions Behind Them

All over the world, national governments have been formulating and re-formulating programs to ameliorate poverty in their respective countries. From the very traditional approach of giving out relief to the poor to the radical one of confiscating the material wealth of the rich and redistributing it to the poor, the success of these programs have hinged on whether their approach is relevant to the situation of poverty in their respective locales.

Poverty is a situation of deprivation, in our context, mainly economic and material deprivation. This deprivation is relative to the adequacy and abundance experienced by the rest of society. As Charles Valentine, writing on the subject, asserts.

The primary meaning of poverty is a condition of being in want of something that is needed, desired or generally recognized as having value . . . . . poverty varies in terms of recognized values . . . we are dealing with only one end of a scale that extends toward a quite indefinite opposite extreme. Everyone knows that being poor in the United States means something different from being poor in

India; the same is true of America in the 1960's compared with the 1930's.<sup>1</sup>

If poverty is a situation of relative deprivation careful analysis is necessary of what this "relativity" entails. Approaches would vary if the poor constituted a minority compared with the rest of society and if they represented the major segment of society.

Approaches would also differ depending on one's understanding of the causes or roots of poverty. Kenneth Clark and Jeannette Hopkins in *A Relevant War Against Poverty* discuss many of the assumptions behind common strategies.<sup>2</sup>

One of these assumptions is that poverty is related to the lack of "personal moral fiber" since it is believed that thrift, a firm will and good moral character tend to ensure prosperity and personal success.<sup>3</sup> The evolving strategy would, thus, be to withhold public help of the poor because such help would only reinforce their weakness and limit the motivation of those others who have, by sheer will and character, achieved success.

Another cited assumption is the idea that human weakness and lamentable circumstances have bred the situation of poverty.<sup>4</sup> The poor are poor through no fault of their own. Therefore, the proper attitude of the fortunate

<sup>1</sup>Charles Valentine, *Culture and Poverty* (Chicago: The University of Chicago Press, 1968), p. 12.

<sup>2</sup>Kenneth Clark and Jeannette Hopkins, *A Relevant War Against Poverty* (New York: Harper and Row, 1969), pp. 19-21.

<sup>3</sup>*Ibid.*, p. 19.

<sup>4</sup>*Ibid.*

toward those who have been oppressed by fate should be one of compassion. Furthermore, it is the duty of the compassionate to give aid to the helpless so that their condition would be relieved.

In line with this last assumption is the very common notion that the poor are poor because they do not have the means nor the resources to achieve the conventional desires of society like material success, a good education, comfortable standards of living, etc.<sup>5</sup> This deprivation is mainly brought about by low incomes which, in turn, follow from a lack of means (e.g., a good education, skills, "proper" attitudes) to acquire higher incomes. Thus, the situation is cyclical in nature and the poor are not to be blamed for their unfortunate lot. Moreover, this cycle can only be broken by the non-poor offering opportunities to the poor whereby the latter will be equipped to achieve success. The "opportunity" strategy, then, emphasizes such things as job training programs, education and social services.

Clark and Hopkins explain another assumption underlying poverty. This is the acceptance of the fact that unjust conditions of society have victimized the poor and that the rich are often exploitative in their relationships with the poor.<sup>6</sup> Considering this fact, the most effective approach is for the poor to assert their independence and their rights, to fight against injustice and to transform the nature of society. Two views exist regarding the role of the wealthy. One maintains that it is the duty of the wealthy to lead the poor in their fight. The other cites no active role for the wealthy.

#### Poverty in the Philippines: An Application of Concepts

Given the lack of other relevant data\* which measure poverty, the picture of poverty

<sup>5</sup>Lee Rainwater, "The Lower-Class Culture and Poverty-War Strategy," *On Understanding Poverty* ed. by Daniel P. Moynihan (New York: Basic Books, Inc., 1969), pp. 247-248.

<sup>6</sup>Clark and Hopkins, *A Relevant War Against Poverty*, p. 20.

\*Currently a review study on Philippine poverty datum lines is being prepared by Dolores Valientes of the Asian Social Institute and a field study principally of perceptions of poverty and life styles by Mariflor Parpan of Ateneo de Manila.

in the Philippines can best be illustrated by income figures from the Bureau of the Census and Statistics.<sup>7</sup>

#### PERCENT DISTRIBUTION OF FAMILY INCOME BY INCOME CLASS, 1971

Income Class	Families	Income
Total	6347.	₱23,714,284.
Percent	100.0	100.0
Under ₱500	5.2	0.5
₱ 500 - ₱ 999	12.1	2.4
1000 - 1499	12.2	4.1
1500 - 1999	11.8	5.5
2000 - 2499	9.6	5.8
2500 - 2999	8.1	6.0
3000 - 3999	12.5	11.5
4000 - 4999	7.5	8.9
5000 - 5999	5.0	7.3
6000 - 7999	6.4	11.7
8000 - 9999	3.6	8.5
10000 - 14999	3.7	11.8
15000 - 19999	1.1	5.1
20000 and above	1.3	10.8

The above table shows that 50.9 percent of the total families in the Philippines receive a yearly income of less than ₱2500 or roughly ₱208.25 per month. Dividing this monthly figure by the average size of the Filipino family (6.7), one comes up with a monthly sum of, at most, ₱31.07 per person. Thus, half of our population manage to survive on a monetary income of ₱31 a month or ₱1.03 a day or less. This excludes the other families in slightly higher income levels whose incomes are not sufficient to meet even their everyday household needs, considering the diminished purchasing power of the peso and the phenomenal rise in the prices of basic commodities.

In actuality, the extent of poverty seems to be more appalling. If the Rice-Wage formula (wherein family subsistence consumption of food, shelter, clothing, utilities, health, education and transportation, and other basic items is translated into gantas or rice which, in turn, is given monetary value according to the prevailing price of rice per ganta) truly holds — as

<sup>7</sup>Bureau of Census and Statistics, *Income and Expenditure Survey*, 1971.



U.N. and even Filipino experts contend — a low income family of six living outside Metro Manila would need ₱330 a month to survive (considering the cost of rice per ganta is ₱3.00 which is about its present price) while the same family in Metro Manila would have to have ₱576.<sup>8</sup> Thus, a family of six outside Metro Manila would need at least ₱3960 or its equivalent in order to survive while one in Metro Manila would need ₱6912. However, the income table indicates that a majority of families (59%) are earning even less than ₱3000 a year, thus enduring very low levels of living.

However, the situation of being poor does not merely mean the experience of living below some subsistence level. The real extent of poverty can only be measured relative to the levels of income of the rest of the population. For, "the basic meaning of poverty is relative deprivation. The poor are deprived in comparison with the comfortable, the affluent and the opulent."<sup>9</sup> The essence of poverty, then, is inequality—most commonly, inequality of material wealth. In the Philippines, the essence of poverty is extreme inequality.

As the table on family income discloses, a highly uneven distribution of income characterizes the Philippine social structure. For example, 10.8% of the total income go to only 1.3% of the total families while only 18.3% of the total income accrue to 50.9% of the total families.

This uneven income distribution is also reflected in inequalities among regions. In 1965, the national average family income of ₱2541 was exceeded in only three regions: Metropolitan Manila (₱6590), Southern Luzon (₱3025) and Central Luzon (₱2593).<sup>10</sup> The remaining seven regions were all appreciably below the national average.<sup>11</sup>

<sup>8</sup>Felisa R. Baretto, "An Analytical Study of the 'Rice-Wage' Formula," A study conducted for the Bureau of Training, Research and Special Projects, Dept. of Social Welfare, Philippines, May, 1973, pp. 26-30.

<sup>9</sup>Valentine, *Culture and Poverty*, p. 13.

<sup>10</sup>"Statistical Portrait of the Philippine Economy," Report prepared by the technical staff of the Senate Committee on Economic Affairs, May 14, 1969, p. 2.

<sup>11</sup>*Ibid.*

The misfortune of being impoverished in our country is further aggravated by the attitudes about them held by the non-poor. The poor are often seen as lazy, untrustworthy and/or scheming. Moreover, they usually bear the brunt of the blame for our slow economic development. That is, when traditional analysts speak of social obstacles to development, they commonly refer to the "reactionary" attitudes held by the poor majority. An example which clearly illustrates this is the speech delivered by a Central Bank director to a group of professional social workers in 1965.

Take, for example, the complacent attitude of people in many areas, where the desire for change or improvement is resisted or even non-existent. Some people are simply not aware that a better life is possible and within reach if one works hard enough for it. They are resigned to their miserable lot.<sup>12</sup>

The preceding observation about the poor, though valid on the surface, is out of context. The speaker overlooked the fact that the lack of desire for change is mainly an adaptation of the poor to the perceived hopelessness of their lot. Charles Valentine aptly explains the poor's values that are seemingly change-resistant by saying that "many common values are shared with the dominant strata or the total culture, but specialized alternative values are accepted where contradictions between cultural ideals and situational conditions are sharp for the poor."<sup>13</sup> In other words, the "complacent attitude of the people in many areas" reflects the adaptive mechanism to the condition of being impoverished and having been impoverished for a long time now.

Powerlessness is another dimension of poverty. Power is the capability of men to exercise control and make decisions concerning the conditions under which they live and about events which influence them. In our country, as in many other countries, the poor have no power to determine their own lives. In the political sphere, their leaders are men from the affluent. Moreover, they do not propose pro-

<sup>12</sup>Benito F. Legarda, Jr., "The Challenge to Social Work in Developing Countries," keynote speech at the 5th National Conference of Social Work, NSDB Pavilion, November 25, 1965, p. 6.

<sup>13</sup>Valentine, *Culture and Poverty*, p. 130.

grams against poverty. Those who do these are professionals and volunteers from the middle and upper classes. Thus, the poor are confined to the role of acceptors and feedback generators — a comparatively powerless position than those held by the non-poor.

### **The National Welfare Program: Its Fight Against Poverty**

In the Philippines, the task of directly confronting the poverty issue has been officially delegated to the Department of Social Welfare. The long-range objective of the national social welfare program is "to improve the condition of the marginal man so that we may develop a strong middle class that we need in our country."<sup>14</sup> The marginal man is identified as belonging to the poorest 30% in society whose aggregate family income does not exceed ₱100 a month.<sup>15</sup> This target group is further broken down into 1.8 million unemployed and underemployed family heads, 3.7 million needy youth, 3 million needy children of whom 1.8 million are pre-schoolers and 0.5 million are needy disabled, drug addicts, recovered Han-senites, released prisoners and the aged.<sup>16</sup>

The present program of the DSW adopts the "opportunity" strategy previously discussed. Through this strategy, it aims to promote national welfare defined as that which "covers all the aspects of life that pertain to the well-being of a person: the social, moral, economic, physical as well as the spiritual side . . . (and which) . . . covers the whole body of people that compose the nation."<sup>17</sup> Specifically, the DSW aspires "at transforming clients to become independent and self-reliant instead of simply being objects of traditional dole-outs."<sup>18</sup> Operating through eleven

<sup>14</sup>Pres. Ferdinand E. Marcos, "The Emancipation of the Poor," Speech delivered during the 5th anniversary of the Dept. of Social Welfare, Maharlika Hall, June 16, 1973, p. 7.

<sup>15</sup>*Annual Report of the Dept. of Social Welfare, 1972-1973*, p. 1.

<sup>16</sup>*Ibid.*

<sup>17</sup>Estefania Aldaba-Lim, "Implications of the Welfare Mandates in the New Society," Paper read during the Council of Welfare Agencies of the Philippines, Inc. Program Development Workshop, Red Cross National Blood Center, Manila, Aug. 1, 1973, p. 1.

<sup>18</sup>*Ibid.*

regional offices since January, 1973, the department claims to have built into their social welfare scheme a new emphasis on economic productivity of the client groups.

As of 1972, the social welfare program of the government has been formulated according to five perceived basic needs of each of the various target groups.<sup>19</sup>

The first group of priority programs envisions the social and economic advancement of unemployed family heads and other needy adults. Within this grouping are three major programs.

The Self-Employment Assistance Program, through the provision of money (in amount ranging from ₱50 to ₱300) and of the necessary supportive services, helps needy adults to start a business of their own. The SEAP seeks to develop "positive attitudes towards work, realistic levels of aspirations and the rudiments of entrepreneurship" so that the very poor can increase their income and improve their capacity to utilize community resources. So as not to foster dependency, the cash recipients are encouraged to donate the amount initially given them to a rolling fund for other needy persons whom DSW social workers have screened as deserving assistance. The ventures which clients often go into are foodstuff vending, retail selling, livestock production, consumer services e.g., tailoring and radio repair, home industries, and manufacture and fishing projects.

The Family Welfare Program brings social services to individuals or groups to enable them to cope with disturbances in "social functioning and family relationship". The ultimate objective is "to strengthen and improve the quality of family life." This broad program includes Aid to Families in Financial Crisis (AFFC), General Assistance (GA), Home Aide Service (HAS), Family Life Education and Counselling (FLEC) and Family Planning Informational and Referral Service (FPIRS).

AFFC and GA provide cash assistance to families with very low incomes whose live-

<sup>19</sup>All information on the program of the DSW is taken from *Annual Report, 1972-1973*.

elihood is interrupted because of death, illness or abandonment so that they will be equipped to meet their emergency needs for food, clothing and shelter and eventually return to self-support through a tie-up with the Self-Employment Assistance Program. The assistance also hopes to "prevent family break-up."

HAS utilizes the services of trained home aides put in the homes of the poor for a period of time, who assist families "in need of assistance" in home management and house-keeping, child care, food, nutrition and hygiene, etc. to "effectively" carry out their family responsibilities. This program is closely linked with FLEC which extends family life counselling services to groups of housewives and household heads representing a cross-section of particular communities.

FPIRS gives information on family planning with the aim of stimulating community support and motivating target couples to accept and sustain practice so that "life styles may be improved and family life strengthened."

The Community Welfare Program, building on family and child welfare concerns, attempts to stimulate community consciousness, civic responsibility and social integration of residents in poor communities. This program has two components. Resource Development for Family and Child Welfare groups family heads together to discuss problems related to family and child welfare. Volunteer Resource Development includes activities undertaken to identify and develop viable channels for volunteer service for family and child welfare programs. In line with this program is the establishment of "welfare stores" as marketing outlets for quality products made by clients and which also serve as training grounds for selected clients in business management and tools for volunteer resource development where the elite, as sponsors, "are given the opportunity to serve."

The second type of program aspires for the social development of pre-school children. It is embodied in the institution of day care services whereby children below six years old, especially those who are moderately malnourished, are given care away from their own homes during part of the day when the mother is not

available because of household chores or involvement in income-producing activities. These services include dietetically prepared food and opportunities for "physical and social development" wherein "skills and human relations and communications" and concepts of small family size, nutrition and health are inculcated. These services are implemented through day care centers whose operation mainly rests on local sponsorship. The DSW's role is confined to training the workers, providing technical supervision and accreditation of the program and extending food commodities for feeding. Local sponsors pay the workers' salaries, the site and space for the center and minimum program supplies.

The third type of program is geared towards the development of youth and is primarily undertaken by the Bureau of Youth Welfare. With the goal of inculcating in needy youth "the conscious recognition of their intrinsic worth and the development of their inherent capacities and potentials for self-fulfillment and responsible participation," the program extends self-employment assistance, community and special services to youth.

Economic self-sufficiency is the immediate target of the Self-Employment Assistance Program for youth. It involves them in income-producing projects which provide means for self-employment, development of skills and "improvement of their social functioning."

The Social Concern and Community Responsibility Program, by involving youth in community service (like population awareness and sex education), in volunteerism and in activities that have to do with civic consciousness, endeavors to develop them "socially." On the other hand, youth with special needs (juvenile delinquents, unwed mothers, mental retardates, emotionally disturbed, physically handicapped persons) are attended to through residential care in various institutions.

The fourth type of program offers rehabilitation services to the disabled and to groups with special needs. These programs emphasize the establishment of "social and economic competence" in the needy disabled and special groups.

Within this fourth concern is the Vocational Rehabilitation Program for the disabled. Pre-vocational assessment and guidance, vocational training and social services are provided in vocational rehabilitation centers and facilities all over the country. The Social Rehabilitation Program for special groups and individuals with special needs (like the aged, drug dependents, disadvantaged women, and mental patients) provides shelter, care and rehabilitation services for these groups.

Another priority program in this category is the Selective Employment Program wherein special employment exchanges, sheltered employment services and small business and cooperative projects are initiated for the disabled and special groups. In coordination with the Self-Employment Assistance Program, the amount of ₱50 to ₱100 is also made available to them. This is so that they can engage in economic productivity projects. The Community Rehabilitation Action Program, on the other hand, aims to bring together all segments of the community so that they may get involved in initiating, developing and implementing rehabilitation programs for the disabled and special groups.

The fifth concern is with victims of natural disasters and displaced families. Immediate assistance to victims of major disasters are extended to help them deal with their crisis situation and readjust to the normal pattern of family and community life. There are three phases to this program, namely, relief-emergency, restoration and rehabilitation.

Rehabilitation of resettled squatter families is another commitment of the DSW. This program has two phases: relief assistance (material aid) "to cushion the initial shock of displacement from work and from their means of livelihood" and rehabilitation services (motivation for work, skills training, job placements, social "reorientation") to get them to develop "desirable attitudes", habits and values, citizenship training, community living, etc.

Services to cultural minorities are also carried out "to improve the plight and ultimately assimilate cultural minorities . . . through food production, literacy campaign and socialization activities." These ser-

vices are seen as important because they build up "personal attributes of self-reliance and responsibility."

### **The DSW Program: The Suitability of its Concepts and Strategy to Philippine Conditions**

1. The first criticism that can be directed against the DSW program is the ambiguity of its definition of who are the poor. Its target population comprise those families with a monthly income of not more than ₱100 a month. This cut-off income level is arbitrary and without any research basis. No one really knows whether ₱100 a month is the subsistence level.

An interview with the DSW Planning Service staff revealed that ₱100 was chosen as the cut-off income level for lack of any starting point.<sup>20</sup> The DSW recently commissioned an expert of the Bureau of the Census and Statistics to determine whether the Rice-Wage formula, concocted by U.N. experts to measure low-income family subsistence levels, is relevant for the Philippine situation. Felisa Barreto, the BCS expert, maintained that the formula holds if the magic number of 145 gantas of rice needed to survive were raised to a higher figure and adapted according to regional differences in the cost of living.<sup>21</sup> However, the Planning Service thinks that the use of the formula would create a staggering increase in the number of their clientele which, considering their limited resources, would be extremely unrealistic.<sup>22</sup>

Thus, the DSW maintains that the impoverished belong to 30% of the entire population. This is rather an illusory calculation. The poor are the majority in the Philippines — not the minority that the social welfare people would like to believe.

Furthermore, the DSW uses only monetary measures as indicators of poverty. Concerning this, one cannot help but bring up the point

<sup>20</sup>Interview with Filipinas Altuna, assistant to the head, Planning Service Division, DSW, March 11, 1974.

<sup>21</sup>Barreto, "An Analytical Study of the 'Rice-Wage' Formula."

<sup>22</sup>Interview with F. Altuna.

that purely monetary measures are misleading since non-monetary income exists, especially in agricultural areas. But the DSW can be excused for this shortcoming since, at present, no other indicators are available in the official data books. On the other hand, the DSW should actively involve itself, in fact, initiate, in studies that would aim at arriving at specific and more realistic determinants of poverty in our country.

2. The DSW program views the poor as a dysfunctional group in society especially with regard to the social aspects of behavior. It fails to see that the seemingly dysfunctional behavior manifestations of the poor are not inherent to them, but are adaptations to the situation of being poor. Thus, the program mistakenly lays great emphasis on attitudinal change as a pre-requisite to material success.

For example, the Self-Employment Assistance Program tries to develop in their clientele "positive attitudes towards work" The Family Welfare Program's unifying purpose is to strengthen family ties and improve the "quality" of family life. The Day Care Services try to imbibe the "proper" social values in children. Programs for the needy youth aim to improve their "social functioning." All of these concerns reflect a middle class type of ethnocentrism which posits the quite debatable thesis that the poor have to have middle class values in order to better their condition.

A characteristic of the program, then, is the resolution to inject middle class values in the poor. The ideal roles of mother and housewife inculcated by the Home Aide Service are middle class roles which may not be workable given the existing material situation of impoverishment.

Ideal family relationships are also imposed by the Family Welfare Program. But the perceived "disintegration" of family life may only be a solution to ease present difficulties. In other words, a social worker may see a family which does not live together (the husband is working far away, the eldest son is trying to look for a job in Manila, the eldest daughter lives with the grandparents while the youngest children stay with the mother) as on the verge of "disintegration" when, in fact, the arrange-

ment may be most functional and practical given the family's extremely limited resources. Lee Rainwater, in *On Understanding Poverty*, vehemently rejects this "ethnocentric" type of approach. He says,

..... the opportunity programs, "means" programs, will not make a major dent on poverty because lower class adaptations to the actual situation of deprivation exist and interfere with the "means" programs by making them unattractive, meaningless or distracted.

..... (Thus, these programs) have to respect the problem-solving ability of lower class culture and the tenacity of lower class human beings who have worked out adaptations that, to some extent, minimize their problems. . .<sup>23</sup>

Cultural ethnocentrism is also manifested in the DSW strategy towards cultural minorities. In this area, the DSW would also like to impose the attitudes of the dominant Filipino culture on the minorities.

Moreover, we do admit that the poor have a tendency to develop "negative" characteristics. The common attributes of apathy, change-resistance, juvenile delinquency, theft-to be realistic — are found in some of the poor. But, the social welfare program, again, neglects to dig into the root causes which nurture these attributes.

Poverty, as earlier emphasized, is relative deprivation. Especially within the Philippine context in which exists a highly inegalitarian distribution of material wealth (with few who are very rich and many who are very poor), the disposition toward apathy, crime, delinquency, etc. is bred by the seeming injustice which is the nature of this class structure. Thus, similar to Robin Hood's tactics, it would not seem so evil, in the circumstances, to steal from the rich who have so much, anyway, and who were able to acquire their riches in a "questionable" manner. A similar argument explains indifference as the poor's defiant gesture against the affluent who rule society. Again, Rainwater writes,

..... what causes the various lower class pathologies that disturb us — "apathy," "poor educational performance," crime and

<sup>23</sup>Rainwater, "The Lower-Class Culture," pp. 249-251.

delinquency" — is not the absolute deprivation of living below some minimum standard, but the relative deprivation of being so far removed from the average . . . . standard that one cannot feel himself part of his society.<sup>24</sup>

3. These conceptual shortcomings also form part of the source of the superficial strategy presently implemented by the DSW. Strikingly similar to the "opportunity" programs in the United States, the national social welfare program — based on the shortsighted assumption that the minority poor in the country are poor because they have been hindered from going up the social ladder by their own lack of resources, means and proper attitudes — is primarily of an "opportunity cum attitudinal change" type. It essentially offers to the poor social services (job training, home aide, small sums, child care services, etc.) which are believed to provide opportunities or means for the poor to improve their condition.

To repeat, the assumption is shortsighted. First, it pursues in maintaining that the poor are the minority when they are the majority. Second, it deviates the attention of the poor and the nation at large from the real root of poverty in the Philippines which is the highly inegalitarian and unjust social structure.

The strategy, then, does not strike at the root of the problem. For example, giving money grants of ₱50 to ₱300 to finance small "businesses" is not truly bettering the circumstances of the poor. In the first place, these grants are too small for the poor to start any meaningful and lasting small-scale business venture. Also, if ever they are able to start a small-scale business of their own, it would be too unstable for it to compete with other similar existing ventures. The bulk of the people who would have business dealings with them are those of good faith who desire to help out their poorer countrymen. Moreover, the net income that would accrue to these small businessmen would not be sufficient to lift them out of poverty.

Another example which can be cited is the day care services. Similar to the Headstart

<sup>24</sup>*ibid.*, p. 254.

program for pre-schoolers in the United States, day care services for pre-schoolers are aimed at inculcating the "proper" values and correct practices in children at a highly susceptible age. But, values and practices being adaptations to actual life situations, the "proper" values and practices which day care services instill will be offset by those which naturally evolve as adaptations to the poor living conditions of their families. Thus, teaching "proper" attitudes which are functional in a more affluent setting would be ineffective if the family situation of those children remain poor.

Therefore, the social service orientation of the general strategy does not really alleviate the plight of the poor in a permanent way. Clark and Hopkins label such a strategy "paternalistic" because it assumes the persistence and inevitability of need.<sup>25</sup> Furthermore, such a strategy has ignored the need to change the conditions in the social structure which breed poverty. S. M. Miller and Pamela Roby, attacking traditional "opportunity" programs for adults and youth, argue that . . .

Important gains may be achieved not only by moving individuals out of part-time, low-wage occupations but by securing a substantial improvement on the occupations' relative position in terms of wages, status and conditions.

Many programs aimed at moving youth out of poverty have neglected vital dimensions of the youths' lives . . . (for example) . . . enhancing the prospects of youth without improving the condition of their families . . . (or) . . . improving the education of children without improving the schools they attend.<sup>26</sup>

The traditional social welfare approach, emphasizing opportunity in the form of social services, then, masks the real issue of the need for a redistribution of material resources in our country.

4. The ineffectiveness of the DSW approach to help the poor in a significant way is evident in the low levels of goals which the

<sup>25</sup>Clark and Hopkins, *A Relevant War Against Poverty*, p. 27.

<sup>26</sup>S.M. Miller and Pamela Roby, "Poverty: Changing Social Stratification," *On Understanding Poverty* ed. by Daniel Moynihan, pp. 72 & 79.

program aims to reach. Upon studying the program, one comes to learn that the DSW is satisfied in helping the impoverished achieve the minimum standards of living. These low program goals, as exemplified by the desire of the Self-Employment Assistance Program to imbibe in needy adults "realistic levels of aspirations", reflect a recognition of the fact that the condition of the poor will always be poor and the only thing that can be done for them is to temporarily relieve their difficulties. As Mr. Rainwater states, "Poverty standards are part of a kind of desperate view of the world in which only a little bit of assistance ('not too much health, education and welfare') is possible or allowed."<sup>27</sup> Miller and Roby further bring up the point that if one thinks of changing the condition of the poor in terms of their gaining upward social mobility, then the goals of traditional poverty programs are too low since, for example, "low-wage, fulltime employment may not be a substantial mobility step over unemployment or irregular employment."<sup>28</sup>

This low level of aspirations manifests the DSW's inability to view poverty as relative deprivation within the inegalitarian social structure. As Miller and Roby further claim, "... poverty programs would aim for higher targets ... if poverty problems were seen as issues in stratification."<sup>29</sup> Reforming the social structure such that differences among individuals are reduced requires much higher goals than bringing the poor up to a low economic standard. Within this context, the ultimate objective of raising the poor to middle class level misses the real issue of distributional inequality of income and wealth. Given the existing social structure and utilizing the social welfare approach, the poor will never be able nor allowed to become middle class.

### Some Proposals for Consideration

Given these major criticisms of the government social welfare program, what measures are needed so that the fight against mass poverty in our country would start to be a truly mean-

<sup>27</sup>Rainwater, "The Lower-Class Culture," pp. 252-253.

<sup>28</sup>Miller and Roby, "Poverty: Changing Social Stratification," p. 72.

<sup>29</sup>*Ibid.*, p. 78.

ingful one? Based on the acceptance of the facts that the poor needing help are the majority, and that the poor are poor because the existing social structure thrives on their being poor, the following proposals are not clear-cut courses of action to be taken but guidelines for immediate study and implementation. Fortunately, we are in a political period wherein the government constantly speaks of its concern for greater income equality.

1. The DSW should revise its definition of the poor and face things squarely. Their delimitation of the scope of poverty should not be adjusted to their resources. Rather, their resources should be made to suit the scope of their operations.

One can argue that this is a very idealistic proposal. However, the inability of traditional strategies to deal with the poverty issue effectively has unduly wasted vital resources on a large scale. The poor have remained poor; many have even become poorer. Even though average family income has increased through the years, the increase in average family expenditures has overrun the rise in income thus causing a decline instead of an improvement in levels of living. In 1957, 86.8% of our families lived within their means; in 1961, this was reduced to 48.1% and in 1965, it was further reduced to 33.3%.<sup>30</sup> The technical staff of a senate committee in 1969 also reported that since 1955, the level of living of the vast majority has not substantially advanced.<sup>31</sup> Looking at things from this "macro" viewpoint, the DSW has truly been misusing its energies and resources.

2. Thus, a new approach is needed aimed at the permanent improvement of the condition of those who are poor. We do admit that the disabled, disaster victims and special groups require immediate help. This part of the program should be retained but with a greater emphasis on vocational rehabilitation and employment, not relief.

Radical reform of the main strategy is necessary. Foremost is the need for an integ-

<sup>30</sup>"Statistical Portrait of the Philippine Economy," p. 2.

<sup>31</sup>*Ibid.*, pp. 2-3.

rated approach to social welfare. Secretary Lim of the DSW herself said in a recent speech,

Integrated social and economic development would imply not only consideration of social and human factors on the same terms as economic and social structures but also a unified approach to development which would leave no section of the population outside its scope — which would include social equity and the activation and participation of wide sectors.<sup>32</sup>

This integrated approach, thus, would deal with both the individual and the social structure, with emphasis on the latter.

An emphasis on changing the social structure entails an analysis of factors which have made the poor so. These include the examination of property relationships (landlord-tenant), employer-employee relations (trade unionism), hiring practices, laws and regulations (minimum wage, labor protection laws, profit ceilings), taxation (progressive vs. regressive), educational policies and the educational system, ownership of resources and other factors which have been responsible for the accumulation of great wealth by the few and the impoverishment of the many. At this stage, it must be mentioned that some studies of these have been accomplished. Considering some studies which have been done, the next course of action for the welfare department would be to take a stand on these matters, as the government seems to have done with the initiation of land reform programs and some educational reforms.

A major reorganization of government departments having to do with social welfare (not only the DSW) is inevitable. As the United Nations asserts, "The different forms of action that can be classified as 'social' are clearly heterogeneous; they have in common their emphasis on the promotion of human welfare."<sup>33</sup> In the Philippines, social welfare is especially geared for the promotion of the human welfare and upliftment of the poor majority.

<sup>32</sup>Estefania Aldaba-Lim, "Reaction Paper on the Situation Paper on Social Development," First National Trisectoral Congress, Teachers' Camp, Baguio City, March 22, 1973, p. 5.

<sup>33</sup>United Nations, "International Survey of Programmes of Social Development," 1959, p. 3.

Within the field of social welfare, then, should be health programs, nutrition and home economics programs, education and manpower development programs, youth development programs, rehabilitation programs for special groups, labor programs (industrial and agricultural) and housing programs coordinated so as to make a stronger impact on society and so as not to dissipate essential resources. The social welfare body should also not be organizationally and functionally separate from the agencies that have to do with health, education, housing, youth development, etc. In fact, the social welfare department must be responsible for the coordination of activities which are dispersed among these other departments.<sup>34</sup>

The role of local government in the administration and operation of social welfare programs must also be kept in mind. This is mainly because "social welfare matters are frequently the concern of small units whose tasks require an intimate contact with the individuals or groups they benefit . . ." <sup>35</sup> Furthermore, rural development must also be considered hand in hand with urban development.

Therefore, the opportunity strategy must be done away with. The fight against poverty must be seen as a major fight requiring the cooperation of many concerned government agencies. Furthermore, the social welfare agency must initiate policies and actions which would equalize the distribution of income and wealth, thus, making available to the poor the resources which would make them improve their conditions — not opportunities which would be meaningless in a society with very limited opportunities for all. This would also be more effective than attitudinal change.

<sup>34</sup>*Ibid.*, p. 97.

<sup>35</sup>*Ibid.*





## ABOUT THE CONTRIBUTORS TO THIS ISSUE

**Salvador P. Lopez** is the tenth president of the University of the Philippines System, prior to which he was Ambassador to France, with concurrent accreditation to Belgium, the Netherlands, Switzerland, and Portugal and Permanent representative to UNESCO, Paris (1955-62). He was Undersecretary and later Secretary of Foreign Affairs from 1962 until 1964 in which he returned to New York to secure Permanent Representation to the U.N. and, in 1968, concurrently Ambassador to the U.S.A.

A prolific writer in his own right, he is the author of several books. In 1941, he received his country's highest literary award for a volume of essays, *Literature and Society* (1940).

**Jesus P. Estanislao** is currently the executive director of the Center for Research and Communication, a project of the Southeast Asian Science Foundation, Inc. Formerly, an assistant vice president of the Bank of Asia, he was also at one time a teaching fellow in Economics, Harvard University. He obtained his Ph.B. (Summa Cum Laude) at the University of San Carlos, his M.A. in Research — Economics at Fordham University and his Ph.D. in Economics at Harvard University.

**Mary R. Hollnsteiner** has been director of the Institute of Philippine Culture at Ateneo de Manila University since 1969, where she is also a professor in the Department of Sociology and Anthropology. Her A.B. in Sociology and Anthropology is from Cornell University. Her M.A. in the same subjects is from the University of the Philippines in 1960. She is the author of many publications in urban studies including the classical *The Dynamics of Power in a Philippine Municipality* (1963).

**Asteya M. Santiago** is associate professor and director of graduate studies of the Institute of Planning. She also holds the position of secretary of the Institute. She obtained her law degree (cum laude) from the University of the Philippines in 1963. She has a Masters in Town and Country Planning degree from the Uni-

versity of Sydney which she finished in 1968 under a Colombo Plan scholarship.

**Gerardo S. Calabia** is assistant professor of the Institute of Planning and acting director of the Cebu Center for Regional Development Studies, University of the Philippines. He has an M.S. Community and Regional Planning degree from the University of British Columbia and Bachelor of Science degree in Agriculture from the University of the Philippines.

**Tito C. Firmalino** is assistant professor and director of training of the Institute of Planning with a B.S.E. (1953) from Far Eastern University and an M.P.A. (1960) from the University of the Philippines. He graduated from the University of British Columbia with an M.A. (Planning) in 1968 under a Colombo Plan scholarship. In 1971, he was awarded a UNDP Fellowship to study Metropolitan Regional Planning in six countries, namely, Pakistan, India, Denmark, the Netherlands, Canada and Japan. He has just attended a special program in Urban Development Planning at the Development Planning Unit of the University College, London, from April to June, 1974.

**Adrienne A. Agpalza**, A Bachelor of Arts graduate of the University of the Philippines, obtained the degree of Master of Arts in Anthropology from the University of California at Los Angeles in 1969. She is a research associate at the Institute of Planning, U.P. and recently was designated anthropologist of the on-going UPIP-NIA socio-economic survey of the Pantabangan dam resettlement site — and region.

**Robert and Beverly Hackenberg** are Professors at the Institute of Behavioural Science at the University of Colorado where Dr. Robert Hackenberg has been the Programmed Director for Population Processes Research since 1966. For many years, they have carried out research on secondary urbanization and change in the Philippines, especially Mindanao, on which they have published profusely.

**Eleanora M. de Guzman** holds a Bachelor of Arts degree in Sociology from the Maryknoll College (1972). She finished the Masters in Environmental Planning degree from the Institute of Planning, University of the Philippines (1974). At present she is a research associate at the Human Settlements Projects Group, Development Academy of the Philippines.

**Raymond J. Apthorpe** is the officer-in-charge of the UPIP-UNDP Project. He is a UNDP Senior Expert in Development Sociology and Visiting Professor at the Institute of Planning. He holds a B.A. in Geography and Social Anthropology (first class honours) from the University of Durham and D. Phil. in Sociological Theory, (1957) from Oxford University, England. Prior to his assignment to the Philippines, he has held various teaching and research assignments in universities and research institutes in Zambia, Nigeria, Uganda, United Kingdom, Switzerland and Taiwan.

**Eli M. Remolona** is an M.E.P. graduate of the Institute of Environmental Planning, University of the Philippines and one of the I.P. fellows for the academic year 1973-74. He holds a bachelor's degree in economics from the Ateneo de Manila University. He was formerly an economist at the Development Management Staff (Office of the President). He undertook internship with the Central Planning Office in Papua, New Guinea.

**NOTES TO READERS:**

The Board of Editors welcome contributions from the readers of this journal. Authors of published articles are entitled to receive (5) copies of the journal in which their contributions appear. The contributors may request twenty (20) reprints of their articles. Further inquiries may be addressed to the Managing Editor, Philippine Planning Journal, Institute of Planning, University of the Philippines System, Diliman, Quezon City.

Republic of the Philippines  
Department of Public Works, Transportation and Communications  
BUREAU OF POSTS  
Manila

SWORN STATEMENT  
(Required by Act 2580)

The undersigned, RAYMOND J. APTHORPE, editor of the PHILIPPINE PLANNING JOURNAL, published semi-annually in English, at Institute of Planning, U.P.S., Quezon City, after having been duly sworn in accordance with law, hereby submits the following statement of ownership, management, circulation, etc. which is required by Act 2580, as amended by Commonwealth Act No. 201.

NAME	ADDRESS
Editor RAYMOND J. APTHORPE	Institute of Planning, U.P.S., Quezon City
Managing Editor NATIVIDAD MA. P. REYES	Institute of Planning, U.P.S., Quezon City
Publisher	Institute of Planning, U.P.S., Quezon City
Office of Publication	Institute of Planning, U.P.S., Quezon City

In case of publication other than daily, total number of copies printed and circulated of the last issue dated October 1972 - 1,000

1. Sent to paid subscribers .....	100
2. Sent to others than paid subscribers .....	900
TOTAL .....	1,000

RAYMOND J. APTHORPE  
Editor

SUBSCRIBED AND SWORN to before me this 7th day of May, 1973, at Manila, the affiant exhibiting his Residence certificate No. UN-654 issued at Manila on February 12, 1973.

RODRIGO M. CALUGAY  
Acting Postal Inspector  
(Officer Administering Oath)

# THE INSTITUTE OF PLANNING 1973-1974

## Advisory Council

Chairman: SALVADOR P. LOPEZ

Members: LUIS ARANETA                      JOSE M. LAWAS                      SIXTO K. ROXAS  
              ALFREDO A. JUINIO                      RAUL P. DE GUZMAN                      ANTONIO VARIAS

## Administration

LEANDRO A. VILORIA, A.B., M.P.A., M.A., D.P.A., Dean\*  
RAMON C. PORTUGAL, LI.B., M.P.A., Ph.D., Acting Dean  
ASTEYA M. SANTIAGO, LI.B., M.T.C.P., Secretary  
PEDRO E. DE LUNA, E.T.C., B.S.E., *Administrative Officer*

## The Faculty

GERARDO S. CALABIA, M.S. (Planning),  
*Assistant Professor*  
BENJAMIN V. CARIÑO, Ph.D.,  
*Associate Professor*  
DOLORES A. ENDRIGA, M.A. (Sociology),  
*Instructor*  
YOLANDA M. EXCONDE, Dip. in Comprehensive  
Regional Development Planning,  
*Instructor*  
TITO C. FIRMALINO, M.P.A., M.A.  
(Community and Regional Planning),  
*Director of Training and Assistant*  
JOSE S. GUTIERREZ, Ph.D.,  
*Director of Research and Publications*  
*Associate Professor*  
ROSARIO D. JIMENEZ, Dip. in Comprehensive  
Regional Development Planning,  
*Instructor*  
MA. ELOISA F. LITONJUA, M.A. (Economics),  
*Assistant Professor*  
ROQUE A. MAGNO, M.T.C.P.,  
*Assistant Professor*

CESAR O. MARQUEZ, Dip. in Urban  
Planning and Design,  
*Assistant Professor*  
JAIME U. NIERRAS, M.S. (Urban Planning),  
*Instructor*  
RAMON C. PORTUGAL, Ph.D.,  
*Professor*  
MILAGROS R. RAÑO, Ph.D.,  
*Assistant Professor\**  
ASTEYA M. SANTIAGO, LI.B., M.T.C.P.,  
*Director of Graduate Studies &*  
*Associate Professor*  
FEDERICO B. SILAO, M.P.A.,  
*Assistant Professor*  
CYNTHIA D. TURIÑGAN, Dip. in Comprehensive  
Regional Development Planning  
*Instructor*  
JOSE R. VALDECAÑAS, M.T.C.P.,  
*Assistant Professor*  
LITA S. VELMONTE, Dip. in Urban Studies,  
*Assistant Professor*  
LEANDRO A. VILORIA, D.P.A.,  
*Professor\**

## Lecturers

FELISA D. FERNANDEZ, Ph.D. (Economics)  
*Assistant Professor*  
CANDIDO P. FILIO, M.A. (Economics)  
APOLO C. JUCABAN, M.E.P.  
BERNADETTE C. MENDONEZ, M.A. (Economics)

## UNDP Project Staff

RAYMOND J. APTHORPE, Ph. D. Phil. (Sociological  
Theory)  
*Officer-in-Charge & Visiting Professor*  
ZENON W. NOWAKOWSKI, M.S. (Economics),  
*Visiting Associate Professor*  
JAGDISH P. SAH, Dip. in Public Administration,  
*Visiting Professorial Lecturer*

\*Abroad

