

## REVIEWS

**A Developing City in a Dual Economy** by Robert A. Hackenberg (Davao City Action Information Center, 1973)

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This monograph is an important guide to Davao City planners in its bold expose of the poverty of the area masked by impressive factories and elite suburbs. Devoid of sophisticated statistical analysis, the report takes the character of a crude statement of facts.

Chapter I identifies Davao City as a regional urban center in Southeast Asia which fails to play the role that a secondary city is expected to have in the present Southeast Asian socio-economic system, that is, the creation of a new urban middle class.

The polarization of the Davaoños at the two ends of the income scale and their thin distribution in the middle range demonstrate the virtual absence of the middle class, an indispensable feature of a developing city economy.

While the middle class is very small in Davao in terms of income and number, it has an advantage over the lower class. Its engagement in sales activities provides it with a chance for upward mobility which the lower class does not have in Davao's present economic set-up.

Income differences divide Davao into three sectors: upper, middle, and lower class sectors with the highest incomes at the center and the lowest at the outskirts of the city. However, income distributions within each of the three

sectors show that the middle class areas are only slightly better-off than the lower class sections, thus confirming Davao City's two-class system.

Within the framework of the social areas established in Chapter I, Chapters II to VIII analyze a wide range of variables measuring urban behavior.

In Chapter II, the classic principle of an inverse relationship between income and fertility behavior is validated by the Davao City data. Although 2.5 percent of the 5.5 percent intercensal increase is accounted for by migration, the chapter dedicates a disproportionately small portion to its discussion. This is probably because migration in the area is not a lower class phenomenon. As early as this chapter, it can be seen that the author wishes to focus on the lower class.

Chapter III shows that income differences between the social classes are not accounted for by higher incomes in upper class districts but by a larger number of working adults living together in extended households. Lower income districts, on the other hand, have a surplus of pre-school children.

Chapter IV deals with the pre-industrial character of Davao City's economy. The economy is composed predominantly of sales and service workers, who mostly engage in occupations which are "the heritage of ancient times. . . essentially unchanged by the industrial revolution." These are, for example, market vendors, shopkeepers, or janitors, a majority of whom belong to the middle class. Business and industrial enterprises are unable to absorb new workers. Furthermore, Davao's urban ecology

follows the plaza complex model rather than that of the western industrial city.

The author observes, sadly, that industrial occupations, instead of facilitating upward mobility, are associated with misery and stagnation because of low wages for unskilled labor and limited opportunities for advancement.

"There is an expanding urban middle class in Davao City, but it has little to do with the growth of a large industrial labor force of blue collar workers . . ." The author observes that "those who have achieved middle class status in the community and those who aspire to it, appear to be involved in the traditional bazaar economy."

Chapter V shows that for more than a third of the poor, education virtually stops at the elementary grades, and for most of them, a high school education is deemed sufficient. A college degree is not considered a worthwhile investment, first, because it has little to give to the bazaar economy which is almost the only means for upward mobility among the poor; and second, because college graduates can no longer be absorbed by Davao's labor market.

Patterns of property ownership and type of expenditure by the different income groups are described in Chapter VI. A significant but grim finding is that middle income groups which derive income from sales and service invest in similar activities. The upper class groups which derive income primarily from business and industry do not invest in productive forms of property but in real estate, particularly agricultural land. This way, the industrial sector is deprived of capital which could have been used for the production of durable goods and the creation of jobs. Development is hindered and the poor who have no savings to invest suffer.

In Chapter VII the author reveals that the household budget of the low income population "contains the unrealistic assumption that household members can be fed with approximately 90 centavos worth of food per day."

"The issue of 'under-organization' among the poor," the author states in Chapter VIII, "appears to be less critical than the more basic issues" like "income insufficiency and loca-

tional disadvantage." Furthermore, these last two problems are "susceptible to solutions," but they are not within the reach of the poor. These solutions require capital investment and management skills which the poor do not have. "The poor can contribute their labor and their goodwill, but these are insufficient to create jobs or vocational high schools, to install infrastructural improvements or to plan and create low-cost residential communities in more favorable locations than they presently occupy."

Chapters II to VIII make dull reading, but the facts they present provoke the reader to do something about poverty in the area.

The existence of a dual economy in Davao City is bewailed by the author in Chapter IX. Dual economy is the "coexistence of two separate economic systems in the region: one is 'western' and export-oriented, dealing with the products of plantation agriculture; the other is 'indigenous' and oriented toward the consumption requirements of the workers." The former provides huge profits "to those who share in the export trade at the price of paralyzing growth in all other sectors of the economy."

Davao City, at present, has failed to emerge from the traditional system. It continues to produce wealth but does not distribute it. As a result, the peasant's standard of living has not gone up. The disheartening facts described in the first eight chapters are outcomes of this inequitable income-distribution.

Two existing conditions contribute to the widening of the existing gap between rich and poor. The middle class is not needed to consume manufactured goods. All major industries are export-oriented. Labor unions are ineffective in the exercise of collective bargaining which insures the industrial laborer a fair share of the wealth generated by the industrial society.

The author notes that Davao City's lower class is condemned to a minimal living standard and can never rise above it through its own efforts.

In Chapter X the author maintains that an effective solution lies in social mobility via the middle class. Thus, it advocates for the survival of the scanty middle income group that exists. Present city "clean-up" and "beautification" program are its death warrant. By prohibiting sidewalk-peddling for example, not only is the urban poor's medium for upward mobility into the middle class destroyed but also the middle class' means of livelihood. If the peasant's standard of living must rise and if development must be real, business opportunities and residential advantages of the present middle income areas should be facilitated. The small producer could cut in for a share of the export market by "a system of subcontracting with small producers for components, assembly, finishing, partial processing, or packaging of materials which could be marketed by larger enterprises." Since workers cannot make "demands in a labor surplus economy, it is essential that management take the initiative in providing for employee benefits."

The monograph is an extensive documentation of several aspects of Davao City's current socioeconomic condition and problems. If the same study could be conducted in other secondary cities of the region, the characteristics of the typical Southeast Asian secondary city may be identified. The monograph then, becomes an important document for development planners.

One theme pervades the whole monograph: the poor are miserable and they cannot do anything about it. It is all the fault of the rich, the socially privileged. The author concludes by making recommendations in the last chapter in favor of the poor and releases a near affront to the leaders in different social areas. The accusations and demands are equally strong. There is no need to get emotional, although, prevailing social ills consciously perpetuated or not, should be corrected now.

A Developing City in a Dual Economy is highly recommended to policy makers and planners who are sincerely interested in bringing about development.

**Philippine Migration: The Settlement of the Digos-Padada Valley, Davao Province**, by Paul D. Simkins and Frederick L. Wernstedt, (New Haven, Conn., Southeast Asia Studies, Yale University, 1971).

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The monograph bears the fruits of the deductive process of research into Philippine migration adopted by Professors Simkins and Wernstedt, both faculty members of the Department of Geography at the Pennsylvania State University. In 1963 the team investigated Philippine migration in a macro perspective, and followed this up in 1965 by a study of migrations and the settlement of Mindanao. Their most recent effort focuses on a valley composed of 180,000 persons (in 1965) in six municipalities encompassing 280 square miles. Of the valley's total population about 60 percent (110,000) were accounted for by migrants and their descendants originating in various areas in the Philippines mainly from the provinces of Cebu and Bohol in Central Visayas. Digos-Padada Valley qualifies as an area of heavy in-migration and, hence, a worthy choice for a micro case study of Philippine migration.

While their two previous studies dealt mainly with volumes and directions of population movements in the 1948-1960 period among Philippine provinces and into Mindanao as gleaned from census publications, the present study concerns itself with the determinants and consequences of migration, the characteristics of migrants, chain migrations, and the settlement of new lands. The authors derive their data principally from a random sample of 1,000 households (about 5 percent of total households in the valley, stratified on the basis of both accessibility and size of settlement) and, as a cross-check, from more than 9,500 homestead applications on file in the Land Office and at the National Alien Property Commission. These two principal sources of data were supplemented by land mappings and conversations with mayors, barrio captains,