

LAQUIA
NO. 3

IDRC-Lib.
10382
IDL-1910

SEADAG PAPERS

ON PROBLEMS OF
DEVELOPMENT IN SOUTHEAST ASIA

*THE NEED FOR NATIONAL
URBAN STRATEGY
IN
THE PHILIPPINES*

Aprodicio A. Laquian

SOUTHEAST ASIA DEVELOPMENT ADVISORY GROUP



The Asia Society — SEADAG
505 Park Avenue
New York, N.Y. 10022

008230



72-8

*THE NEED FOR NATIONAL URBAN STRATEGY
IN THE PHILIPPINES*

Aprodicio A. Lacquian

*International Development Research Center
Ottawa*

This paper was presented by Aprodicio A. Laquian to the SEADAG Urban Development Panel seminar on "Planning for Urbanization Within National Development Planning in Southeast Asia" held at the Local Government Center, University of the Philippines, Manila, January 4-7, 1972. The views and conclusions of the paper are exclusively those of the author. The paper may not be quoted or reproduced without the author's express written permission.

ARCHIV
LAQUIA
no. 3

THE NEED FOR A NATIONAL URBAN STRATEGY
IN THE PHILIPPINES*

By

Aprodicio A. Laquian

The Philippine Government is currently committed to increasing the country's Gross National Product (GNP) from Pesos 27,783 million in 1969 to Pesos 36,308 million by 1974. These targets will require fixed investments averaging 19.7 per cent of GNP over the four-year period. Agriculture is expected to increase output by 6.25 per cent annually, maintaining its share of about 34 per cent of Net Domestic Product. Industry will put in fixed capital formation totalling Pesos 8,114 million. The public sector will devote about Pesos 1,160 million annually in fixed capital formation. All these activities, it is hoped, will raise the optimum annual growth rate by 5.6 per cent and increase per capita GNP from Pesos 779 to Pesos 841 between 1969 and 1974.¹

The Philippine Four-Year Development Plan (FY 1971-74) seeks to solve the "dualistic nature" of the Philippine economy wherein a sluggish agricultural sector does not seem to benefit effectively from progress in the export and industrial sectors. Farmers, with their meager incomes, are not able to provide the necessary market to support expansion in manufacturing. While the plan clearly sees this sectoral imbalance, however, it is strangely mute on the question of the spatial imbalance that characterizes Philippine development. Aside from a few notable sections in the plan, there is no mention of where geographically, the expected investments that would raise economic development rates will occur. The Plan sees the problems of rapid population growth (expected

* The author is currently Associate Director for Rural-Urban Dynamics, Social Sciences and Human Resources, International Development Research Center, Ottawa, Canada.

1. *Four-Year Development Plan, (FY 1971-74)*, (Manila: National Economic Council, 1970), pp. 2-5, 10-11.

to decrease from 3.7 to 3.24 per cent per year within the period) but is silent on the population movements or the pattern of human settlements its investment activities will generate. The most that the Plan would say is that "regional development will be undertaken in order to reduce the income gaps in the different regions of the country."²

In the same plan, the ineffectiveness of regional development programs is openly admitted. Under the section on "regional industrialization," the Plan states:

To achieve industrial dispersal, Congress created a number of development authorities. Only five of these authorities are fully operational ... The others are merely paper organizations. The achievements of these existing regional development authorities have fallen far short of their objectives. They have not prepared adequate programs that can be synchronized with the overall economic development objectives of the country. This is due not only to lack of coordination between them and the national planning agencies, but also to the overlapping in the functions of these authorities. This obvious defect in the

-
2. *Ibid*, p. 11. In the recently released *Four-Year Development Plan (FY 1972-75)*, the National Economic Council included as one of its long term goals "regional industrialization and development." Even in this plan, however, the NEC puts in a caveat that "the unnatural imposition of regional industrial dispersal is uncalled for if this puts brake pressures on the overall pace of economic development. Emphasis on it serves merely to remind against 'development' policies that deviate from the natural path of maximal efficiency and balanced growth." The scenario for economic and social development reflected in the four-year plan first sees the development of resource-based activities that render export products more competitive internationally. It is then hoped that opportunities in various regions of the country will be opened for "intermediate processes." Finally, regional linkages are foreseen, which would "avoid the unnatural clustering of industry into select urban areas." For more on this plan, see Republic of the Philippines, *Four-Year Development Plan, (FY 1972-75)*, (Manila: National Economic Council, July 23, 1971).

country's regional planning dictates the need for a revision of existing institutional arrangements.³

I submit, in this paper, that what is needed in the Philippines is more than mere "revision of existing institutional arrangements." The general ineffectiveness of the country's regional development program is most likely due to something more basic -- the need for an effective national urban strategy in the country that would integrate the spatial characteristics of development with the sectoral aspects and link the patterns of rural and urban settlements in the national territory to the overall economic and social activities that enhance development.

At present, there is, in the Philippines, an explicit statement on "basic policies which shall guide the country in its efforts to bring about social and economic development through environmental planning."⁴ Passed on November 9, 1970, Joint Resolution Number 3 encouraged the establishment of a comprehensive system of Environmental Planning, the adoption and effectuation of a National Framework Plan, and the extension to local governments of the responsibility for local planning. (See Appendix A for full text of the resolution.) The National Framework Plan is a most noteworthy effort because it will take care of ...

translating into physical and spatial considerations the National Government's policies regarding such matters as population distribution, land capability, urbanization, housing, industrial, commercial and agricultural development, natural resources development, manpower and employment, transportation, pollution control and other factors necessary for the attainment of an effective environmental development of the entire country which, however, shall derive from applied planning principles and shall evolve methods and techniques based upon cumulative experiences, enhancing national goals.⁵

3. *Ibid*, p. 115.

4. *Joint Resolution No. 3*, approved November 9, 1970.

5. *Ibid*.

Here, then, is a formal statement of a national policy. It is not only an urban policy -- it goes way beyond that and covers a comprehensive environmental planning policy. What more is needed?

Briefly, what is needed is an effective and workable national strategy. A policy statement, even a Joint Resolution "of the Senate and the House of Representatives of the Philippines in Congress assembled," does not constitute a strategy no more than specific legislation creating regional development authorities constitute adequate efforts toward regional development. There are paper organizations and paper policies -- even the Philippine Constitution was once referred to as "a scrap of paper." What is needed in the Philippines is an integrated effort on the part of the public and private sectors to assess their activities in the light of their physical, environmental, and spatial impacts on developments over the national landscape.

Elements of a National Urban Policy

The role of cities in development has been researched or at least discussed and while there are varying opinions and research results, the dominant view seems to indicate a positive relationship between urbanization and development. Economists have pointed to economies of scale and "agglomeration economies" as the generators of development in cities. Public administration and political science theorists have cited "increased administrative capacity" and "political performance" as positive results of urbanization. Even demographers and geographers who do not usually look too kindly on the city in developing countries are interested in dynamic youth cohorts or growing central places and their implication for development.

An increasingly recognized approach to optimize the developmental role of cities is the formulation, adoption, and effectuation of a national urban strategy. The basic elements of such an approach usually include the following:

- 1) Policies and programs dealing with city and metropolitan development;
- 2) Policies and programs influencing population growth and internal migration trends; and
- 3) Policies and programs of regional development, especially those that link rural and urban areas in the national system.

These three sets of elements, of course, are inextricably intertwined and interrelated. They are treated separately here only for conceptual convenience but should be seen as a systematic whole.

In the Philippines, government and private sector activities related to the elements mentioned above have been in existence for a long time. Certain attempts to organize and bring together such activities have also been carried out. However, up to the present, no effective system has been evolved for bringing the sets of activities together. The long-range development plans have been mainly sectoral; fiscal plans have dealt more with public rather than private sector incomes and expenditures; investment plans have been, in the words of the country's chief planner, "neutral with regard to regional economic development;"⁶ and what little urban planning exists has been mainly fragmented and curative rather than comprehensive and forward looking. There is a formal statement of urban goals and an explicit commitment to "a strategy for environmental planning," but little or no systematic attempt has been officially carried out to organize the activities within this strategy.

In this paper, we will try to map out the various elements in this strategy and define the factors that should be involved in a national urban strategy. The discussion will be based not only on aspects peculiar to the Philippines but also on experiences in other countries that have tried to achieve development through a conscious use of an urban strategy.

City and Metropolitan Development

The Philippines is often cited as a country with an urban system characterized by primacy. The Greater Manila area, with a population of more than 3.5 million, accounts for a little less than 10 per cent of the total population. The dominance exerted by the Manila area over the whole country is well known. Equally as widely known are the internal urban problems faced by the local government units that govern the metropolitan area.

Internal problems such as housing, slums, squatting, welfare, crime, education, utilities, etc. are being experienced by

6. Gerardo P. Sicat, "Economics of Regional Development: Interaction of National and Regional Policies," paper delivered at the seminar on Planning for the Economic Development of the Iligan City-Lake Lanao Area," February 20, 1970, Mimeographed Manuscript.

Philippine cities. They are most acute, however, in the 19 urban centers that have a population of 100,000 or more (See Table 1). Population size, high densities, and fiscal and administrative inadequacies in these urban centers have created tremendous problems.

Urban problems are most acute in the Metropolitan Manila area where it is estimated that the population will reach 5.9 million by 1980. Policies are needed to face up to the familiar results of high density urban concentrations. Squatters and slum dwellers make up about a third of Metropolitan Manila's population but, "The National Government has been unable to develop a consistent and firm policy towards squatter encroachment on public and private property."⁷ Between 1962 and 1966, crime incidence increased by 20 per cent in the Philippines and "the crisis seems limited to the Manila area by virtue of its characteristics as a primate city."⁸ Crime incidence in Metropolitan Manila is 60 times higher than the rest of the country.

Characteristically, solutions advanced to cope with city problems seem only to make matters worse. Transport needs in Metropolitan Manila are met by the fact that 50 per cent of all vehicles registered in the Philippines are concentrated in that area, but this seems to have resulted mainly in gigantic traffic jams. Manila prides itself in being a communication center, with seven of the nine daily newspapers, six of the 13 commercial television stations, and 43 of the 200 radio stations concentrated in the area, but it has been said that "much of this mass media communication is really Manila talking to itself with a lot of sheer 'noise' ... effective public opinion on national issues is Manila opinion."⁹

One perplexing fact is that while experience has proven that certain programs and approaches are not effective, government agencies persist in carrying them out. For example, it has been shown that the policy of relocating squatters to distant sites does not work because most of them leave these places the first chance they get but such a policy is still the main response of the government as seen in the Sapang Palay, Carmona, and San

7. Alejandro Melchor, "Urbanization in the Philippines," paper delivered at the Rehovot Conference on Urbanization and Development in Developing Countries, August 16-24, 1971, p. 7.

8. *Ibid.*

9. *Ibid*, p. 5.

Table 1

Population of Cities and Towns
of 100,000 or More Inhabitants
Philippines

<u>Cities and Towns</u>	<u>Year</u>	<u>Population</u>
Angeles	1968	102,400
Bacolod	1968	156,900
Baslian*	1968	209,100
Barangas	1966	102,100
Butuan	1968	110,100
Cadiz	1968	118,200
Calbayog	1968	103,100
Caloocan	1968	194,600
Cebu	1968	332,100
Davao*	1968	337,000
General Santos	1968	114,000
Iloilo	1968	201,000
Iriga	1968	101,000
Manila	1968	1,499,000
Pasay	1968	174,100
Quezon City	1968	545,500
San Carlos	1968	165,200
Tarlac	1966	121,400
Zamboanga*	1968	176,800

*Includes rural hinterland

Source: *United Nations Demographic Yearbook*, 1970

Pedro Tunasan schemes. Another program being proposed is industrial housing -- the mass production of prefabs through the National Housing Corporation or of high rise tenements by the People's Homesite and Housing Corporation and/or Bureau of Public Works. Experiences in most developing countries have shown that industrial housing is most expensive, it does not make use of the most important resource in the cities which is the skills and motivations of the low-income people to be housed, it fails to use local building materials, and it usually generates social and other problems that are difficult to resolve. And yet, the Philippine Government still clings to this scheme.

Closely related to the question of what housing to provide to low income people is that of an urban land policy. In Metropolitan Manila, the main item of expenditure in housing is not the cost of the building itself but of the land. At prevailing land prices which are sent spiralling by rampant speculation and the lack of any price controls, the land-building cost ratio may reach as high as 70:30. Low real estate tax levels and negligible penalties and fines, coupled with ineffective administration of assessment, collection, record keeping, and updating functions contribute to the unrealistic price of land. Rural land reform is a popular slogan in the Philippines but urban land reform is rarely mentioned or thought about. In fact there is a danger that success in the former may be achieved at the price of the latter as there has been a proposal to sell government land in Greater Manila to get capital for a Land Bank. At a time when governments in most parts of the world are buying urban land to make room for planned expansion, the Philippine Government is thinking of doing the opposite.

While the problems of Metropolitan Manila are more visible other cities suffer the same types of problems. A study in progress involving five intermediate cities shows the same types of problems occurring in Baguio, Cebu, Davao, Iligan, and Iloilo.¹⁰

A most difficult aspect of city and metropolitan problems, of course, is intergovernmental relations. Such problems usually involve national, provincial, city, and other local government jurisdictions. It is quite easy to come up with a national policy stating certain goals. Implementation of such a policy however, entails allocating specific activities among levels of government and this usually means jealousies and conflicts.

10. A.A. Laquian, "Slums and Squatters in Six Philippine Cities," a study in progress supported by a grant from The Asia Society-SEADAG. The cities studied are Baguio, Cebu, Davao, Iligan, Iloilo, and Manila.

Too doctrinaire an adherence to "local autonomy" and "decentralization" has usually meant local government resentment of central government controls and supervision. The transfer of the physical planning function to local governments in the Philippines and the emasculation of the National Planning Commission is often cited as a detrimental effect of the local autonomy crusade. Fiscal relations between central, provincial, and city governments have been strained by misunderstandings and charges of meddling in the past. Some local government units, in fact, have changed city and municipal status a number of times because of changes in perceived advantages and disadvantages.

A particularly thorny problem is found in metropolitan-wide action for the performance of certain tasks that are seemingly most rationally carried out on a larger scale. The Metropolitan Water District in Greater Manila has changed jurisdictions several times, with no appreciable change in its performance. The metropolitanizing of police functions in Metropolitan Manila has also been fraught with difficulties. So far, the restructuring of local government functions to cover a number of local government jurisdictions has been done mostly by imposition from above by the national government. Local politics and local sentiments have not brought about movements toward region-wide government structures and it is doubtful if such movements will flourish in the Philippines in the near future without further pressures from the central government.

In other countries, numerous advantages have been found in the use of region-wide or multi-tiered metropolitan government structures. Such functions as comprehensive planning, water, transportation, environmental conservation, etc., have been found to be more efficiently performed when they cover wider areal and governmental jurisdictions. Economies of scale, agglomeration economies, and availability of more and better trained personnel have been frequently cited as advantages to regional government. Metropolitan Toronto, for example, has improved the combined credit standing and borrowing capacity of all local units within its jurisdiction. The transportation system of Greater Stockholm has been so efficient that some coordinating structures used in its operation have been incorporated into the institutionalized reorganization of the general local government machinery itself. The Paris Region and the Greater London Council Region combine central, local, and regional functions in an integrated system. The schemes mentioned above provide some evidence that urban policies integrating inter-governmental efforts are needed to cope with urban problems that do not respect legal jurisdictional boundaries and local sentiments.

There are several reasons why policies and programs to cope with internal city or metropolitan area problems in the Philippines have not been too successful in the past. First is the lack of a forward looking tradition of city planning. Only a few Philippine cities have "master plans" and these are little more than sketches for main thoroughfares and proposed land use. Most of these plans have not been formally approved by city authorities and are therefore treated as guides rather than binding commitments. Another important reason is the widespread adherence of local officials and some national government people to the doctrine of local autonomy. Championed mainly to enhance popular participation and political mobilization, local autonomy has succeeded grandly in making the Filipino one of the most politically aware citizen of any country in the world. At the same time, however, local autonomy has fed on local loyalties and particularistic sentiments which are responsible, say, for the lack of cooperation among local units that make up metropolitan areas or the almost feudal state of local government in places run with the help of private armies.

Finally, an important reason is failure on the part of the national government to provide the energy and leadership needed to face city and metropolitan problems. As a centralized unitary government, the Philippine Government could, by legislative fiat, impose governmental structures and forms on local units. Time and again, it has been said that local governments are creatures of the national government and they may be created, abolished, organized, reorganized, or otherwise dealt with in whatever manner or form the central government wishes. And yet, Congress and the Chief Executive have not availed themselves of this prerogative in the field of urban affairs. Little or no attempt has been made to rationalize the governmental system in Metropolitan Manila and even the national capital, Quezon City, is run like any ordinary chartered city.

The central government has seen fit to delegate power and authority to the barrio through the much heralded Barrio Charter where resources are so meagre that the legal powers become meaningless, but it has not invested power and authority to a metropolitan or region-wide structure where there are enough resources to make operations viable. Fragmented into quarrelsome and conflicting local jurisdictions and denied central government resources by the convenient gesture of being granted "local autonomy," urban areas are unable to cope with problems which often emanate from sources beyond their jurisdictions. It is widely known that most urban problems are caused by rapid rural to urban migration over which local units have little or no control. And yet, central government policies and programs influencing such population movements are poorly coordinated and no central thrust or goal seems to be adhered to by agencies implementing them.

Policies and Programs Influencing Internal Migration

Rapid urban population growth in the Philippines is due to high natural growth rates (estimated at 3.5 per cent per year) and increasing internal migration (about 10.8 per cent of the population resided in a region other than the place of birth in 1957, and this increased to 12.6 per cent in 1960).

The main streams of migration are rural-urban, rural-rural, and urban-rural. Urban-urban migration is not too high and is predominantly from smaller to larger urban places, except in Metropolitan Manila and Cebu where some suburbanization has begun to take place and in some rapidly urbanizing places in Mindanao where some migration from large urban places in the Visayas and Luzon to smaller ones is occurring.

Rural-urban migration is highest in Metropolitan Manila and in Cebu in the Eastern Visayas. As previously mentioned, this has contributed heavily to city and metropolitan problems. Rural-rural migration is mainly responsible for the rapid growth of population in Southwestern and Northeastern Mindanao where settlers from the Visayas and Luzon accepted the challenge of the government's resettlement program. As these "frontier places" have filled up, however, the pace of urbanization in Mindanao has picked up, both as a result of intra-regional migrations from rural to urban areas and inter-regional, rural-urban migration from Visayas and Luzon.

Dividing the Philippines into the ten regions used by the Bureau of the Census and Statistics, Pascual has sorted out the streams of inter-regional migration.¹¹ In table 2, we find that about two-fifths of the in-migrants to Manila between 1948 and 1960 came from the Visayan area. Another fifth came from provinces in Central Luzon. These flow trends are confirmed in intensive studies conducted by the author of slum and squatter communities in Manila where people from the Visayas also predominate.¹²

Another destination of migrants is Rizal province, which receives some of the people attracted to Manila. About half of the migrants to Rizal come from Manila, showing urban sprawl or

11. A.A. Laquian, *Slums are for People*, (Honolulu: East-West Center Press, 1971).

12. Elvira M. Pascual, *Population Redistribution in the Philippines*, (Manila: Population Institute, University of the Philippines, 1966), p. 38.

suburbanization (some will call this "premature" suburbanization) trends. The heavy streams from the Visayas are evident in the fact that about two-fifth of migrants to Rizal come from this region. It is most dramatically shown, however, in the heavy migration to Mindanao where people from Bohol, Cebu, Leyte, and Samar in the Visayas have become predominant. Pascual noted the main trends as follows:

"North of Manila, there is no well-defined stream from a definite regional source. South of Manila and as far down as Samar, the great stream is northward, the probable destination being the great metropolis or the neighboring region now coming under urbanization effects. South of Cebu, the stream is southward toward the as yet sparsely settled territories of Mindanao." 13

Many explanations have been advanced for the inter-regional flows of population in the Philippines. In a study of regional economic growth between 1948 and 1966, Sicat pointed to the fact that "regions with high in-migration rates are also relatively the ones with high regional growth elasticities in an absolute sense. So, as expected, the population moves into areas where economic opportunity appears to be high."¹⁴ The importance of economic (mainly employment) motivations in internal migration are further borne out by the authors study of migrant squatters and slum dwellers in six Philippine cities.¹⁵

The already unbalanced growth patterns in the Philippines threaten to become exacerbated by continuous internal migration trends. Our look at internal city and metropolitan area problems shows the strain on resources posed by excess urban populations. Attracting less attention but equally as important are the problems in rural areas where the best and most productive segments of the population have left. In this light, policies and programs with enough sensitivity to trends of internal migration are needed. Such policies and programs may be divided

13. *Ibid.*, pp. 39, 42

14. Gerardo P. Sicat, "Regional Economic Growth in the Philippines, 1948-1966," part of a forthcoming book on *Industrial Export Growth, Investment Incentives, and Philippine Economic Development*. Mimeographed Manuscript.

15. See footnote 10, above.

Table 2
Streams of Migration Among Philippine Regions (1948-1960)
(In thousands)

	Total	I	II	III	IV	V	VI	VII	VIII	IX	X
Philippines	19,138	2,538	1,054	406	2,552	1,490	1,454	3,416	4,300	714	1,214
I	1,892	--	182	46	412	204	198	294	476	46	34
II	566	110	128	48	182	42	8	22	8	8	10
III	752	36	130	146	410	8	2	2	10	8	--
IV	1,190	310	122	16	442	112	52	40	68	20	8
V	5,510	1,556	312	140	756	878	596	654	498	62	48
VI	908	148	12	--	18	138	460	20	98	8	6
VII	1,040	64	12	4	10	38	34	570	242	32	34
VIII	816	112	2	2	8	26	26	80	402	92	96
IX	4,678	118	106	2	200	30	70	1,440	1,752	316	644
X	1,756	74	48	2	114	14	8	294	746	122	334

Source: Elvira M. Pascual, *Population Redistribution in the Philippines* (Manila: UP Population Institute, 1966), Table H, pp. 94-96.

into four main categories:

- I. those that encourage people to move to certain areas;
- II. those that discourage people from moving to, or staying in, certain areas,
- III. those that encourage people to stay where they are; and
- IV. those that cope with problems arising from internal migration.

In the Philippines, there are a number of programs that fall under the four broad headings mentioned above. Ocampo has listed these programs and activities (See Table 3).¹⁶

An analysis of the programs mentioned in Table 3 reveal a rural and an almost anti-urban bias. A "back to the land" philosophy is readily apparent in resettlement, colonization, agricultural production, rural credit, and other schemes. Among programs and activities that encourage people to move to certain areas, as well as programs that encourage them to stay where they are, the preferred place is the rural area. People are discouraged from moving to or staying in cities, especially the poor who flock to slum and squatter communities. Programs and activities designed to cope with problems arising from internal migration are usually curative urban schemes such as housing, relocation, welfare, utilities, etc.

The irony of the situation, however, is that with all these efforts to discourage migration to cities, such streams have not abated. On the contrary, improvement in the lot of rural folks seem to encourage more city-ward migration as production efficiencies release marginal rural labor or relatively successful rural people yearn for something better which they hope to find in the cities. Increased agricultural productivity, in fact, may have an increased effect on internal migration. Instead of holding people on the farm, the rice and roads scheme of the government may give the farmer his transportation fare for vehicles travelling on better roads which all lead to urban centers.

Aside from this unintended effects, the developmental thrust

16. Romeo B. Ocampo, "Programs and Activities Influencing Rural-Urban Migration," paper in progress as part of a study of Rural-Urban Migrants and Metropolitan Development sponsored by the International Development Research Center and the International Association for Metropolitan Research and Development.

Table 3

Programs and Activities that Influence Migration

<u>Programs and Activities</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>Agencies*</u>
1. Frontier colonization and homesteads	x				BI, NARRA
2. Resettlement of former Huks	x				DND, EDCOR
3. Resettlement of urban squatters to rural areas	x	x		x	PHHC, DSW, DND, PAHRA, LTA
4. Industrial estates	x				PES, BOI, NEC
5. New towns	x	x		x	PES, PHHC, CITRUS, NEC
6. Highways and infrastructure development, irrigation	x				BPW, PBH, LG's ISU
7. Relocation from disaster areas, military operation zones, stricken areas		x			DND, DSW, PNRC
8. Natural resource conservation, reforestation		x			DANR, BF
9. Administrative regionalization		x	x		GSRC, LGRC
10. Manpower training and development.	x	x	x	x	BL, PACD, CITRUS
11. Intra-urban relocation and land tenure	x	x	x	x	PHHC, BL, DSW
12. Public housing	x	x	x	x	PHHC, BPW, LGs, SSS, DBP, GSIS, NHC
13. Welfare, health, and urban poor services				x	DSW, DH, LGs
14. Utilities and other urban services				x	LGs, NAWASA, BPW
15. Land reform		x	x		BL, CAR, LRC
16. Sites and service schemes for squatters	x		x	x	PHHC, CITRUS, LTA, DND

Table 3 continued

<u>Programs and Activities</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>Agencies*</u>
17. Cottage industries			x	x	NACIDA, ACA, DSW, PACD
18. Rural credit, price supports, cooperatives	x		x		CAO, ACA, RCA, RBs
19. Agricultural extension			x		BAE, CAP, BAI, PACD
20. Housing finance	x		x	x	PHHC, GSIS, SSS, HFC
21. Rural electrification	x		x		REA, NPC, SEC

*For full names of agencies, see Appendix B.

of programs and activities mentioned above is blunted by lack of coordination. Thus, gains in one particular set of activities may be lost by mistakes in another. Overlapping of functions, duplication of efforts, and passing the buck are quite common among public agencies. In a case study prepared by this writer involving relocation of former squatters and slum dwellers, some 29 public and private agencies were active participants but they became so involved in "administrative politics" that their efforts came to naught.¹⁷ There are indications that a well defined operational policy could have avoided coordination problems but in this particular case, that was the very item missing.

One approach which is increasingly mentioned as a part of a national urban strategy is population control. An argument often used by demographers is that rapid or "premature" urbanization is really a function of rapid population growth. The cities and the countryside are both increasing too fast, so that the excess population is becoming concentrated in urban centers. If birth and fertility control, family planning, and other policies are adopted, it is hoped that the pace of urbanization will slacken and the problems it creates may be solved.

In the Philippines, while formal statements have been made

17. A.A. Laquian, *The City in Nation-Building*. (Manila: School of Public Administration, UP, 1966), Chapter VIII.

about the need for population control, well organized and coordinated programs have not been effectively launched. Aside from obvious difficulties in a country where about 85 per cent of the people are Roman Catholics and the political repercussions of advocating such a policy openly, there are educational, hygienic, cultural, and other obstacles to a population control policy. If trends in other countries hold true for the Philippines, there will be a long time lag between introduction and adoption of such policies and the appreciation of their effects. There is some evidence that the success of population control measures is often closely linked with general forces related to economic and social development per se. Urbanism, for example, is usually related to a decline in fertility. Thus, population policies must be based on the fact that family planning and urbanism are supportive rather than causative and that economic and social development may not be dependent on lower population growth, even though per capita GNP or income may show a rise by a change in the population value in the measure.

Regional Development

A common form for a national urban strategy is regional development. The national territory may be divided into a number of regions which may be defined around one or a cluster of urban areas. These urban areas may be regarded as the nuclei of development, and national policies may be based on energizing these centers and linking them to their peripheries.

Regional development is an especially useful approach because a national urban strategy must be based on the realization that cities cannot be dealt with in isolation from their rural hinterlands. The potentials and problems of urbanization emanate from linkages between rural and urban sectors. Inner city and metropolitan problems, as previously stated, are rooted in rural underdevelopment. Internal migration serves as the link between rural and urban areas. A strategy of economic and social development that takes advantage of the resources arising from urbanization must consider the rural-urban characteristics of regions and the relationships of various regions with each other as these form the national system.

For census and other purposes, the Philippines has been traditionally divided into ten regions. Important characteristics of these regions are shown in Table 4.

While the regions mentioned in Table 4 may be adequate for statistical and other purposes, there may be a need to revise them

Table 4

Characteristics of 10 Regions of the Philippines
1960 Census (In Per Cent)

<u>Regions</u>	<u>Population</u>	<u>Land Area</u>	<u>Per Cent Urban</u>
PHILIPPINES	100.00	100.00	29.9
Reg. I Manila	4.20	.01	100.0
Reg. II Ilocos/Mt. Province	5.43	8.53	16.6
Reg. III Cagayan Val./Batanes	3.82	8.92	15.5
Reg. IV Central Luzon	13.63	7.92	21.7
Reg. V Southern Luzon/Islands	15.62	15.24	48.9
Reg. VI Bicol	8.72	5.92	21.3
Reg. VII Western Visayas	14.07	9.00	27.9
Reg. VIII Eastern Visayas	14.64	10.32	21.8
Reg. IX Southwestern Mindanao and Sulu	12.09	20.91	19.2
Reg. X Northeastern Mindanao	7.80	13.23	19.9

Note: Total Population of the Philippines, 1960: 27,087,685

Total Land Area: 297,413 square kilometers

Source: Elvira M. Pascual, *Population Redistribution in the Philippines*, (Manila: UP Population Institute, 1966), Tables 1 and 2, pp. 10, 11 and 15.

for the formulation of plans and programs for regional and national development. In countries where regional development has become a feature of economic and social planning, well defined "regional accounts" are almost absolutely necessary, and the usefulness of such accounts depend on the care with which regional boundaries are defined.

There has been no lack of proposals on how regions in the Philippines can be defined. Wernstedt and Spencer divided the Philippines into 23 regions, using physiographic, language, ethnic, main crops, and other variables.¹⁸ The system of regional offices and jurisdiction used by various government agencies also vary significantly. In translating policies to programs in the Philippines, there may in fact be a need for using various definitions of regions.

For purposes of an economic and social development strategy that considers urbanization as a key variable, there are obvious changes that have to be made in regional definitions in the country. Foremost among these is a more accurate delimitation of regions. A more careful study of geographic, economic, social, and political elements is needed to delineate properly the regional areas that have urban and rural characteristics providing each a definite identity as far as development performance and potentials are concerned. The present regions, convenient as they are, seem inadequate for a national urban strategy. For example, the Bureau of the Census and Statistics continues to define Metropolitan Manila as composed of four cities and four towns when it should more realistically include 23 local units on the basis of contiguous urban development alone. This lack of a realistic definition of Metropolitan Manila also affects the status of the province of Rizal in any provincial comparisons. What is even worse, among certain government agencies, Region I is variously defined as the City of Manila alone, Metropolitan Manila, or even Manila and islands, lumping with the country's primary metropolis the underdeveloped islands of Palawan and others.

Another important item needed for an effective urban strategy is more accurate knowledge of the economic and social development performance of various regions in the country. This is a difficult and expensive task for even in technologically advanced countries, regional accounts have not yet been fully developed. However, a

18. Frederick Wernstedt and J. E. Spencer, *The Philippine Island World*, (Berkeley and Los Angeles, University of California Press, 1967), pp. 304-306.

start is needed, using whatever data are available. As an economic system matures and generates more data, shortcomings can be improved.

In what is probably the first attempt to measure the economic performance of various regions in the Philippines, Sicat used "proxy information" based on taxes and expenditures of local government units within the regions. In the absence of more detailed regional accounts, the analysis by Sicat provides us with preliminary data on regional economic performance.¹⁹

Not surprisingly, Sicat found that in the period 1948 to 1961, higher economic growth occurred in Metropolitan Manila and adjoining Rizal province. For every per cent growth of GNP, Rizal's growth ranged from 2.2 to 2.8 per cent while Metropolitan Manila grew by at least as much as the national growth rate. However, in view of the size of the Metropolitan Manila economy, even a moderate growth in this region added significant contributions to GNP.²⁰

In the period 1961 to 1966, regional growth seems to have been more rapid in Mindanao, Cagayan, and the Western Visayas although the growth of Manila and Rizal appears to have continued. This continued growth attests to the predominant role played by the Greater Manila area in Philippine economic development. Metropolitan Manila and Rizal account for about a fourth of GNP in Sicat's calculations while the Luzon island group with Manila as the center accounts for 59 per cent of GNP. Metropolitan Manila's Gross Regional Product (GRP) is 2.4 times greater than Rizal province and six times that of the region with lowest GRP, the Cagayan Valley. Significantly, the relative contribution of Mindanao to GNP is gradually rising while the relative contribution of the Visayas is falling.²¹

Finally, of course, there is a need to define and coordinate the governmental policies and programs that can influence regional development in the Philippines. As the entity with large enough resources, powers, and authority to affect the concentration or dispersal of economic and social activities, the government has a responsibility to understand and appreciate the impact of its actions. If these activities are poorly coordinated, a great deal of wasted effort is expended.

19. See footnote 14 above.

20. *Ibid.*

21. *Ibid.*

In a recent work, Sicat has looked into the interactions between national development policies and regional development. He has argued that "development of one region depends critically on decisions and activities going on at....two levels of government (national and regional)."22 He has also stated that "a necessary condition for successful regional development is national economic policy which is conducive to economic development."23 This relationship is reciprocal, however, for a "sufficient condition" wherein "vigorous and sympathetic decisions at the regional level" are made is also needed.24

The most important national policies considered significant for regional development by Sicat center around industrialization, both of import dependent or realistically price-directed varieties. Relevant policies include: (a) exchange rates policies; (b) transport and other infrastructure policies; (c) interest rate and lending policies; (d) wage policy; (e) industrial estate policy; and (f) tax policy.25 With the use of these policies, the central government may favor development in some regions and discourage it in others. An exchange policy of "decontrol," for example, favors regions where agricultural and resource-oriented industries are located. Regions where heavy investments in transport and infrastructures are made or where industrial estates are located receive valuable developmental benefits. Preferential loans or interest rate policies for specific industries located in a region, tax subsidies, or moratoriums as well as exemption from "unrealistic" minimum wage requirements may also stimulate growth in certain regions where favored industries are located.

As in the case of governmental programs and activities to influence migration, the availability of policies for industrialization in the Philippines has not meant that effective regional development activities have occurred. The industrial incentives administered by the Board of Investment, according to Sicat, have been "neutral" with respect to regional development.

"The BOI has tried its best to incorporate within its industrial priorities formula a positive weight

22. See footnote 6 above.

23. *Ibid.*

24. *Ibid.*

25. *Ibid.*

so that industries proposed which are located outside the Metropolitan Manila area could get favored treatment. The results, insofar as our acquaintance with their attempt is concerned, show that the ranking industrial priorities are not affected at all." 26

The results, again, are predictable. The Metropolitan Manila area has been greatly favored by industrial investments and the rest of the urban places and regions in the country have not benefitted accordingly.

Between July 1, 1968 and December 31, 1969, the BOI approved investments in 161 plants totalling Pesos 2,974,770,000, employing an estimated 28,902 persons, and paying an annual payroll of Pesos 80,304,000. The bulk of these plants were located in Luzon-49 in Southern Luzon and 27 in Manila and suburbs. About 48 were in Mindanao while a meager 12 plants were located in the Visayas. Of greater significance is the volume of total investments, which again favored Luzon and Mindanao. The average amount of investment per plant in these places is much higher than those in the Visayas, indicating that not only are there more projects located in these regions, but that such projects also tend to be larger and to create more employment opportunities.²⁷

In sum, the failure of attempts to disperse industrial investments to various parts of the Philippines may be explained by the fact that regional location is only one of the factors considered by BOI in deciding where to invest. As noted by Sicat, the current trends in governmental policies tend to result in concentration in the Greater Manila area. In the future, perhaps, political and other pressures emanating from the essentially localistic and "pork barrel" political system in the Philippines will result in more dispersal, especially as industries preferred may become more public rather than private sector initiated, larger rather than smaller in scale, determined more by resource availability rather than markets, more labor intensive, or subject to government controlled resources (such as foreign exchange, credit, tax incentives, etc.). To be sure, there are many dangers inherent in increasing public sector participation in industrialization, vulnerable as government entities are to particularistic pressures. However, there may be trade-offs in the choices between

26. *Ibid.*

27. *Four-Year Development Plan, (FY.1971-74)*, pp. 120-121.

such disadvantages and the benefits arising from increased manageability and susceptibility to planning.

It is apparent from the foregoing that the most crucial issue involved in a national urban policy is the choice between concentration or dispersal. In some countries, policies favoring dispersal have taken the form of introducing urban settlements in hinterland regions, accelerating growth in existing settlements, or planning new cities from scratch. The large resources usually available in the public sector may be used to start national or regional capitals in virgin areas as in Brasilia, Chandigarh, Ciudad Guayana, or closer to home, Trece Martires, Tagaytay, and Palayan.

In the Philippines, investments in urban development in hinterland areas have been the result more of political, ethnic-cultural, and other factors than a conscious policy of regional dispersal. The industrial settlements around Iligan City, for example, are as much due to the presence of a cheap source of power in Maria Cristina Falls as the unique political leverage held by a minority-dominated region that actively demands its "pork barrel" and other shares. A case study of the setting up of Trece Martires City reveals very clearly its roots in the peculiar flavor of Cavite politics.²⁸

Perhaps, for once, the "responsiveness" of the Philippine polity to particularistic pressures has prevented the wasting of precious resources in grand schemes to establish prestige capitals and planned show-piece cities from scratch. Increasingly, studies are showing that investments in developing cities from scratch are generally costlier than comparable investments in places where urban settlements have already become viable. Creating a job in Cotabato, for example, may involve a higher total investments compared to creating a similar job in Cebu. The short term costs of such an investment, however, have to be weighed against the long term developmental implications, especially in the case of investments in the Greater Manila area where the immediate costs may be low and production pay-offs high but the long term costs in economic and non-economic terms may be extremely high indeed.

It is when we consider the non-economic costs and benefits

28. Barbara Ann Lillie, *The Politics of Trece Martires City*, Unpublished Masters Thesis, College of Public Administration, University of the Philippines, 1959.

involved in concentration or dispersal that a policy inclined toward the latter seem to become more rational. As we have seen in Metropolitan Manila and other million-size cities, continued concentration may increase social and other costs such as the loss of privacy and leisure, increase in inconveniences arising from too many people (traffic, noise, pollution, crime), increasing marginal costs for providing urban services, etc. Politically, there may be dangers of over-concentration of power in an urban based elite, increasing tendencies toward secessionism among minorities and other people residing in neglected hinterlands. As social scientists develop new techniques to gauge these other effects through "social indicators" and other measures, we may learn more about costs and benefits of urban policies and use this knowledge for national development planning.

Conclusion

As previously noted, the Philippines already has a national urban policy in the shape of a formal statement of the country's desire to use and regulate urban growth for economic and social development. What is lacking is a national urban strategy that will translate development goals into reality.

By a national urban strategy, we mean more than the explicit statement, formal adoption and legislative enactment of documents embodying urban and national development goals. Neither do we have in mind a long range plan document recommending ways and means of achieving sectoral targets, fiscal plans to regulate public sector income and expenditure, regional master plans, etc. These are crucial parts of a national urban strategy but they are not the strategy.

An urban strategy is not a product but a process. It involves the formulation, adoption, implementation, evaluation, and study of a continually evolving set of programs and activities designed to optimize the role of urbanization in economic and social development. The programs and activities that make up such a strategy are flexible and dynamic. They should be responsive to the economic, social, and political changes occurring in urban and rural sectors of the national system and reflective of the stages of development or underdevelopment in all sectors.

Rodwin lists as institutional requirements of a national urban growth strategy four basic elements: (1) a stable government; (2) some intelligence mechanisms to analyze problems and suggest roles that the government should play; (3) some central

power over the principal incentive and central mechanisms, including those affecting the allocation of capital; and (4) a relatively efficient civil service.²⁹ In greater or lesser degrees, these requirements are already met in the Philippines. The government is stable, with normal transitions of power among contending groups since independence in 1946. Agencies like the Bureau of the Census and Statistics, Presidential Economic Staff, National Economic Council (especially the Office of Statistical Coordination and Standards), the Central Bank, and others, monitor developments and recommend policies. The NEC, PES, and Board of Investments as well as financial institutions like the Central Bank, Philippine National Bank, Development Bank of the Philippines, etc., exert some control over incentives and control. And while there are charges of graft and corruption as well as other anomalies, the civil service seems relatively efficient.

It is in the lack of an effectively coordinated and coherent strategy of operations (the process) that efforts in the Philippines have failed so far. As already noted, there are many institutions existing that are already pursuing activities that lead toward a national urban growth policy. However, the interrelationships among these activities are poorly understood and ineffectively managed. This is particularly true in the case of spatial (regional) interrelationships.

To bring about coordination and coherence, Rodwin recommends a central organization to take care of an urban growth strategy "either in the chief executive's office, or in a national planning agency, or in some national agency for public works and urban development."³⁰ This recommendation could lead to the erroneous belief that an institutional change would achieve the desired results. In our view, it will be more fruitful to consider the various activities and functions that are involved in the operation of a national urban strategy. These will include:

- (a) Definition of the major urban-centered regions in the country, including identification of actual and potential growth centers, studies of migration and growth patterns, projections of demographic, economic, and other growth trends, etc.

29. Lloyd Rodwin, *Nations and Cities*, (Boston: Houghton Mifflin, Co., 1970).

30. *Ibid.*

- (b) Recommendation of a national urban strategy to appropriate authorities, assistance in the adoption of such a strategy, regular monitoring of the progress in implementing such a strategy, and constant adjustment of the elements of the strategy to suit changing conditions.

- (c) Assessment of government plans, programs, and activities that influence urban growth (transportation, power networks, resource utilization, and development programs for agriculture, industry, manufacturing, and other sectors), and the linking of these to the strategic activities and goals. This will include both central government, regional, and local government units.

The precise institutional structures needed to perform the activities mentioned above will depend very much on political, administrative, and other conditions in the Philippines. In the past, institutional forms have been introduced and adopted in the country with little or no regard for actual conditions. Such efforts, of course, have met with many failures. In the effective operation of an urban growth strategy, what is to be done and how it is to be done, is more important than the institutional forms needed to carry out the task.

Appendix A

SEVENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES) S. Jt. R. No. 1
Third Special Session)

(JOINT RESOLUTION NO. 3)

JOINT RESOLUTION ESTABLISHING BASIC POLICIES WHICH SHALL GUIDE THE COUNTRY IN ITS EFFORTS TO BRING ABOUT SOCIAL AND ECONOMIC DEVELOPMENT THROUGH ENVIRONMENTAL PLANNING.

WHEREAS, House Joint Resolution No. 2, approved on August 4, 1969, seeks to promote the social and economic development of the country by adopting the following policies, among others:

1. The coordination of economic activities through national planning and maintaining conditions that will create a favorable climate for investment;
2. The implementation of industrial and agricultural pioneering development, dispersed through the different regions of the country and to this end, the establishment of required infrastructure, including adequate security, transportation and communication facilities, and a supply of power throughout the country;
3. The development of agricultural lands through massive irrigation, water resources development, power utilization and land survey and classification;
4. The conservation and development of natural resources and tourist attractions; and,
5. The conservation and development of cultural and historical heritage of the people;

WHEREAS, the formulation and implementation of an effective system of Environmental planning which will preserve, conserve, rehabilitate and develop human environment is one of the effective means that will contribute greatly towards the attainment of the foregoing declared policies;

WHEREAS, at present the significance of Environmental Planning as an important process that will hasten the social and economic development of the country without sacrifice to cultural aspiration of the Filipino has been given very little attention by the

Government:

Now, therefore be it

Resolved by the Senate and the House of Representatives of the Philippines in Congress assembled:

To promulgate the following policies that will guide the country in its efforts to bring about the national environmental development of the nation:

(a) The establishment of a comprehensive system of Environmental Planning which will promote the economic development of the country, ensure the social well-being of the people and encourage their cultural advancement; conserve, rehabilitate and develop the physical environment and natural resources of the nation to achieve the optimum degree of economy, utility, beauty, public health, safety, order, opportunity and satisfaction of the people;

(b) The adoption and effectuation of a National Framework Plan translating into physical and spatial considerations the National Government's policies regarding such matters as population distribution, land capability, urbanization, housing, industrial, commercial and agricultural development, natural resources development, manpower and employment, transportation, pollution control and other factors necessary for the attainment of an effective environmental development of the entire country which, however, shall derive from applied planning principles and shall evolve methods and techniques based upon cumulative experiences enhancing national goals; and shall uphold the dignity of the Filipino; and,

(c) The extension to local governments, singly or jointly, the responsibility for local planning that shall be within the context of the National Framework Plan and the implementation of such plans formulated in a manner most beneficial to localities or groupings thereto.

Approved, November 9, 1970.

Appendix B

PHILIPPINE GOVERNMENT AGENCIES

ACA	Agricultural Credit Administration
BAE	Bureau of Agricultural Extension
BAI	Bureau of Animal Industry
BL	Bureau of Lands
BPH	Bureau of Public Highways
BPW	Bureau of Public Works
BOI	Board of Investments
CAO	Cooperatives Administration Office
CAR	Court of Agrarian Relations
CITRUS	Central Institute for the Training and Rehabilitation of Urban Squatters
DANR	Department of Agriculture and Natural Resources
DBP	Development Bank of the Philippines
DH	Department of Health
DND	Department of National Defense
DSW	Department of Social Welfare
EDCOR	Economic Development Corporation
GSIS	Government Service Insurance System
GSRC	Government Survey and Reorganization Commission
HFC	Home Financing Commission
ISU	Irrigation Service Unit
JLGRC	Joint Local Government Reform Commission
LGs	Local Governments (Provinces, Cities, Municipalities)

Government Agencies
Page 2

LTA	Land Tenure Administration
LRC	Land Reform Commission
NARRA	National Resettlement and Rehabilitation Administration
NEC	National Economic Council
NPC	National Planning Commission
NPC	National Power Corporation
NAWASA	National Waterworks and Sewerage Authority
PACD	Presidential Assistant on Community Development
PAHRA	Presidential Assistant on Housing and Resettlement Administration
PES	Presidential Economic Staff
PHHC	Peoples Homesite and Housing Corporation
PNRC	Philippine National Red Cross
REA	Rural Electrification Administration
SEC	Securities and Exchange Commission
SSS	Social Security System