

The case of  
**Metro Manila, Philippines**

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## I. INTRODUCTION: THE CITY

### A. THE URBAN CONTEXT

#### 1. National Overview

In 2000 the total population of the Philippines was 76,498,735. The population has increased by 2.36 per cent annually since 1995. The average population density at the national level was 260 people per km<sup>2</sup> with the National Capital Region (NCR), otherwise known as Metro Manila having the highest population density at 15,617 persons per km<sup>2</sup>. The total land area of the Philippines is 294,554 km<sup>2</sup>.

In the same census year, the national annual average family income and expenditure were estimated at PhP144,506 (US\$2,890)<sup>1</sup> and PhP119,276 (US\$2,385), respectively. The annual per capita poverty threshold was set at PhP13,916 (US\$278). About 34.2 per cent of the total household population or 5.2 million families live below the poverty threshold. On average, each household has 5 to 6 members.

#### 2. The Physical City

Metro Manila has a land area of 636 km<sup>2</sup> accounting for approximately 0.2 per cent of the country's total land area. The metropolis is divided into 4 districts with 12 cities and 5 municipalities. The second district is the largest accounting for about 40 per cent of the total land area. The first district is the smallest at 6 per cent

Figure 1: Map of the Philippines



comprising only the City of Manila. Among the cities, the largest is Quezon City with an area of 166.2 km<sup>2</sup> while the smallest is Pasig with only 13 km<sup>2</sup>.

As of December 1996, about 75.8 per cent of Metro Manila's land area was certified as alienable and disposable and 24.2 per cent was considered to be forested land. This 'forested land' includes fishponds, established timberlands, national parks, and unclassified land.

### 3. Demographics

In 2000, Metro Manila had a total population of 9.4 million of which 51.2 per cent are females and 48.7 per cent males. The top three cities in terms of total population are Quezon City, Manila, and Kalookan. The Municipality of Pateros has

the lowest population at 57,407. From 1995 to 2000, it was estimated that Metro Manila's annual population growth rate was at 1.1 percent. During the same period, Taguig had the highest growth rate at 4.5 per cent and Parañaque posted a negative growth rate of -2.9 percent. Average household size is 4 to 5 persons.

Nearly half of the families in Metro Manila fall under the PhP100,000-249,000 (US\$2,000-\$4,980) annual income class. This translates to roughly PhP20,000 (US\$400) monthly household income. Recent newspaper and television broadcasts report that a family of five in Metro Manila would require at least PhP15,000 (US\$300) to meet basic needs.

In 1990, 1.4 million occupied dwelling units were located in Metro Manila out of the Philippine total of 9.5 million (National Statistical Co-ordination Board 2001, Table 1)<sup>2</sup>. Of the total of 11.4 million households, 9.4 million live in dwelling units that are owned or being paid off, 907,051 are rented, 1 million live in dwelling units occupied for free with the consent of the owner, and 30,110 live in dwelling units which are occupied for free without the consent of the owner. **Figures 2 and 3** further illustrates this situation.

#### 4. Brief History of Metro Manila<sup>3</sup>

Metro Manila evolved from a small tribal settlement ruled by Rajah Sulayman. It was a thriving Muslim Community when the Spaniards discovered it about thirty years from the time Ferdinand Magellan set foot on the islands in 1521. The Spaniards transferred the capital from Cebu to Manila, and from that time began the 309 years of Spanish colonisation. In the same year, the Spaniards started building Intramuros, the Walled City, and made it the seat of the Church and the State.

Guarded by Fort Santiago, the new city became a Spanish enclave from where missionaries and armies were sent out to conquer the countryside. While the Spaniards kept to themselves in Intramuros, the natives, called indios by the conquerors, lived in the suburbs, or what are now districts of Tondo, Sta. Cruz, Quiapo, and Sampaloc. The sangley or Chinese merchants, lived in the parian, a district which became part of the present Binondo. By the

City / Municipality	Land Area (km <sup>2</sup> )	2000	1995	1990	1980	1975
<b>First District</b>						
City of Manila	38.3	1,581,082	1,654,761	1,601,234	1,630,485	1,479,116
<b>Second District</b>						
Mandaluyong City	26.0	278,474	286,870	248,143	205,366	182,267
Marikina City	38.9	391,170	357,231	310,227	211,613	168,453
Pasig City	13.0	505,058	471,075	397,679	268,570	209,915
Quezon City	166.2	2,173,831	1,989,419	1,669,776	1,165,865	956,864
San Juan	10.4	117,680	124,187	126,854	130,088	122,492
<b>Third District</b>						
Kalookan City	55.8	1,177,604	1,023,159	763,415	467,816	397,201
Malabon	23.4	338,855	347,484	280,037	191,001	174,878
Navotas	2.6	230,403	229,039	187,479	126,146	97,098
Valenzuela City	47	485,433	437,165	340,227	212,363	150,605
<b>Fourth District</b>						
Las Piñas City	41.5	472,780	413,086	297,102	136,514	81,610
Makati City	29.9	444,867	484,176	453,170	372,631	334,448
Muntinlupa City	46.7	379,310	399,846	278,411	136,679	94,563
Paranaque City	38.3	449,811	391,296	308,236	208,552	158,974
Pasay City	13.9	354,908	408,610	368,366	287,770	254,999
Pateros	10.4	57,407	55,286	51,409	40,288	32,821
Taguig	33.7	467,375	381,350	266,637	134,137	73,702

late 1800s, Spain had lost control of the Philippines and with their defeat by the American fleet in the battle of Manila Bay, gave up their hold on the colony altogether. The Philippines then became a colony of the United States of America for fifty years and was occupied by Japan for three years during the Second World War.

The post-war years saw the reconstruction of Manila and its growth, both in area and population. Virgin lands in what are now Makati, Mandaluyong, and San Juan were developed and residential villages emerged in Quezon City, Pasig, Pasay, and Parañaque. Factories and industrial areas mushroomed in Kalookan, Malabon, Navotas, and Valenzuela.

In 1976, an agglomeration of four cities (Manila, Pasay, Kalookan, and Quezon City) and thirteen

municipalities was officially designated as the National Capital Region (NCR) or Metro Manila, by virtue of Presidential Decree 921 issued on March 4 of the same year. In the last few years, eight municipalities were upgraded into cities in accordance with existing laws. As of December 31, 1998, twelve cities and five municipalities comprised the metropolis.

### 5. The Urban Economy

In Metro Manila, 65 per cent of the total 6.7 million population over 15 years old are in the labour force. Most employed persons are engaged in production and related types of work in transport equipment operations (31 percent), services (23.5 percent), and sales (20 percent). Only about 1 per cent are engaged in agriculture and related work. Of the top 50 corporations based in the country, 41 have major offices in Metro Manila. Makati City had the highest number of corporations (19) whose combined gross revenues amount to about PhP465 billion (US\$9.3 billion) (National Statistical Coordination Board, 2000, pp 2-7). **Figures 5 and 6** illustrate the distribution of employed persons by major occupation group and by gender/sex.

According to a barangay survey conducted in 2002 by the Asian Development Bank under the Metro Manila Urban Services for the Poor Project (MMUSP)<sup>4</sup> average unemployment in depressed settlements located in Metro Manila is nearly 40 per cent. This is more than three times the Metro Manila average of 10-12 percent (ADB 1999) and the Philippine average of 11.1 per cent (NEDA 2001). Approximately 54 per cent of the jobs in depressed settlements are generated through self-employment. The government sector provides only 4.8 per cent of the full-time jobs (see **Table 2**).

The labour force constitutes 66 per cent of the population in depressed settlements. The labour participation rate is fairly high at 60.2 per cent. However, 50.2 per cent of the labour force is unemployed, while 49.8 per cent are either part-time or full-time employed. With the family size between 5 and 7, this indicates that on average each household has about 2-3 employed members.

Only half the population in depressed settlements is employed in the formal sector. The predominant employment activities in the informal sector are domestic help, tricycle driving, construction labour, self-employment (i.e. handicrafts making), factory labour, and vending. Domestic help ranks the highest, possibly because many women work in this category while men are spread over a number of different livelihoods.

The monthly income ranges from PhP2,500 (US\$50) to PhP9,500 (US\$80), with the government employees in the highest bracket. The overall mean monthly income is PhP6,125 (US\$122.5) per month. SOURCE The formal sector employment (government, private, military, factory, shipping) fetches incomes higher than

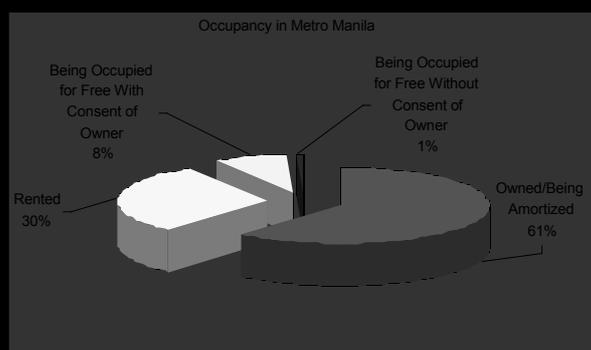
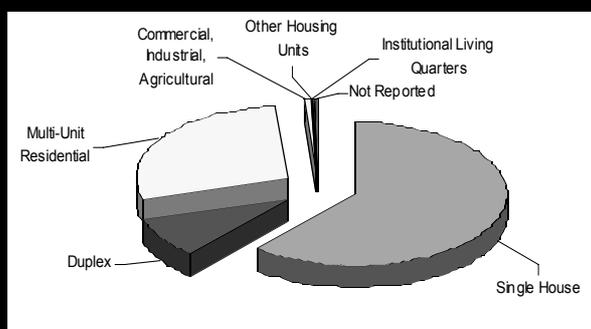


Figure 3. Distribution of Household Population by Income Class in Metro Manila (income in PhP)

250,000 and over	275,936
100,000-249,000	841,090
60,000-99,999	1,473,032
40,000-59,999	1,148,457
30,000-39,999	186,885
20,000-29,999	75,280
15,000-19,999	0
Under 15,000	917

the overall average. Assuming that there are 2-3 employed individuals per household, the average household monthly income is about PhP12,250 (US\$245) to PhP18,375 (US\$367.5) (MMUSP Baringay survey).

The average annual household income for Metro Manila in 1994 was P173,500 (US\$3,470) (ADB 1999) or P14,458 (US\$289) per month. NSO recorded the mean monthly income of urban poor families in 1997 at P14,846 (US\$297) and the median at P9,760 (US\$195) (NSO 2001).

Wages constitute 81 per cent of total household income. 19 per cent of it comes from non-cash/other sources or remittances. This closely matches the 1999 National Statistics Office's Annual Poverty Indicators Survey (APIS) Report, REF which indicates that salary and entrepreneurial activities constitute 72 per cent of the income (MMUSP Baringay survey).

12 per cent of the households interviewed in the MMUSP survey received non-cash income, and 28 per cent received remittances. The median remittance recorded was P2,500 (US\$50) per month with a number of families receiving over P20,000 (US\$400). National level data (APIS) indicates a slightly lower percentage of wages (71.9 per cent) compared to data gathered from depressed households in Metro Manila which was at 81 per cent.

## 6. Governance<sup>7</sup>

As of June 30, 1999, there are 12 cities, 5 municipalities, and 1,694 barangays in Metro Manila. The cities, municipalities, and barangays are governed by their respective local government units (LGUs). The Local Government Code (LGC) or Republic Act 7160 mandates the LGUs to provide efficient and effective governance and promote general welfare within their respective territorial jurisdictions. The LGUs are relatively autonomous.

The Metropolitan Manila Development Authority or MMDA was created and mandated by Republic Act 7924 to ensure effective delivery of Metro-wide services. Their major mandates or functions are as follows:

- Development Planning
- Transport and Traffic Management
- Solid Waste Disposal and Management
- Flood Control and Sewerage Management
- Urban Renewal, Zoning, Land Use Planning and Shelter Services
- Health and Sanitation, Urban Protection, and Pollution Control

The MMDA's mandate includes the adoption and implementation of policies, standards, rules and regulations, programmes and projects to rationalise and optimise land use and provide direction to urban growth and expansion, the rehabilitation and development of

slums and blighted areas, the development of shelter and housing facilities and the provision of necessary social services. Most of MMDA's mandates especially those involving shelter, solid waste, and sewerage run directly into the issues of slums and shelter.

Based on the data from the Department of Budget and Management (DBM), the total financial resources under Metro Manila as composed by the LGUs and MMDA in 1999 was about PhP28 billion (US\$560 million). The bulk of this comes from revenues consisting of internal revenue allotment (IRA)<sup>9</sup>, real property taxes, and local taxes.

The Local Government Code (LGC) or RA 7160 of 1991 devolved governance from the national government to LGUs. With the LGC in place, several functions traditionally undertaken by the national government were devolved to the local units. Such functions include

Employment Status	Depressed Settlements (Av. % Population)	
Unemployed	39.4	
Registered	7.5	
Unregistered	16	
Part-time employed	16.7	
Full-time employed	43.9	
Government	2.7	
Private sector	15.2	
Informal sector	18.6	
Self employed	5.0	
Other	1.2	

Employment Status	% Total Population	% Labour Force
Full time employed	15.7	23.7
Part time employed	13.7	20.8
Self employed	3.4	5.2
Unemployed	33.2	50.2
Not applicable (not working age)	34.0	-

but are not limited to the provision of basic health services, land use planning, environmental management, agricultural development, and livelihood support development.

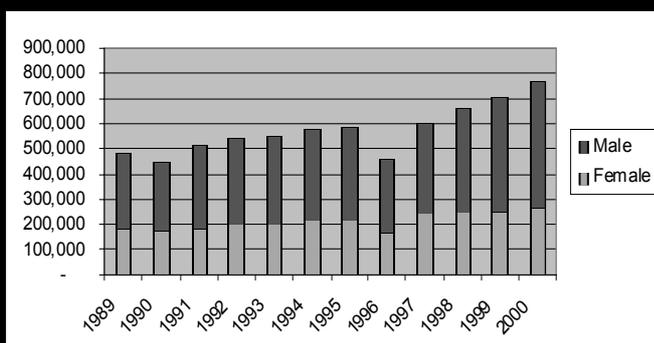
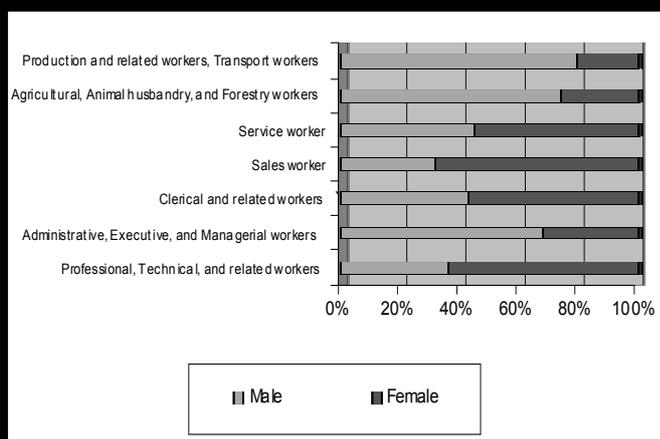
With the increased decentralisation brought about by the Code, the participation of non-government organi-

sations (NGOs) and people's organisations (POs) in the planning, implementation and monitoring of LGU-led projects relatively increased. The LGC prescribed the formation of Local Development Councils (LDCs) or special bodies to serve as venues for representation of communities, through their organisations, to express their views on issues affecting them. These issues involve a wide array of concerns and include shelter and poverty.

## II. SLUMS AND POVERTY

### B. DIFFERENT TYPES OF SLUMS IN THE CITY

Slums can be found in 526 communities, located in all the cities and municipalities of Metro Manila. They account for some 2.54 million men, women and children living in the most depressed areas of the country's prime metropolis. These slum communities are located on vacant lands that are both private and government owned. Usually they are located along rivers and creeks, in garbage dumps, along railroad tracks, under bridges, and beside factories and other industrial establishments. Slums located next to mansions in affluent residential areas are not uncommon. Although there are relatively large slum communities, the settlement pattern of the Metro Manila urban poor is generally dispersed, with houses located wherever there is space and opportunity. Metro Manila's slums cannot be geographically defined the way ghettos can be clearly segregated in some countries. In terms of building materials used, slum housing can be broadly categorised as a) temporary shelters made of salvaged materials b) semi-permanent shelters and c) permanent shelters. Photographs 6 to 8 illustrate this. The following pictures illustrate the slums that can be found in Metro Manila. Data available on slums are currently measured in terms of the number of informal settlers (see **Table 5**), as derived from surveys conducted by the Housing and Urban Development Co-ordination Council.



Based on APIS, NSO National Level Data		Based on the MMUSP Household Survey				
Income Source	% of Income	Income Source	% of Income	% HHs with	Median (P/mo)	Mean (P/mo)
Salary	47.4%	Total			16,900	23,401
Entrepreneurial Activity	24.5%	Wages	81%	95%	15,800	20,852
Net share of crops, etc.	0.7%	Non-cash	2%	11.8%	1,157	2,105
Family Sustenance	1.3%	Remittance	7%	27.9%	2,500	9,072
Other Sources	26.2%	Other	10%	35.3%	1,984	2,708

**C. OFFICIAL DEFINITIONS OF SLUMS USED FOR POLICY PURPOSES**

The Housing and Urban Development Co-ordinating Council (HUDCC) defines slum as buildings or areas that are deteriorated, hazardous, unsanitary or lacking in standard conveniences. They were also defined as the squalid, crowded or unsanitary conditions under which people live, irrespective of the physical state of the building or area. Under such a set of definitions, slum dwellers are identified as the urban poor, individuals or families residing in urban and urbanisable areas whose income or combined household income fall below the poverty threshold<sup>11</sup>.

While it is clear that the government accepts the existence of slums, data gathering and programmes have focused more on the provision of shelter or dwelling units and relocation projects than on slum upgrading.

More than the slums, the government has regarded illegal occupants as a major problem in urban management. These illegal occupants, defined by HUDCC as those who settle on someone else’s land without title or rights whether in urban or rural areas, are better referred to in the urban setting as squatters, both as a legal definition and as an informal term.

Presidential Decree 772, promulgated in 1975 criminalised squatting and gave birth to an official definition for another breed of illegal occupants – professional squatters. Professional squatters are understood to be individuals or groups who occupy lands without the expressed consent of the landowner and who have sufficient income for access to legitimate housing. The term also applies to people who have been previously awarded lots or housing units by the government but who sold, leased or transferred them and settled illegally in the same place or in another urban area as non-bona fide occupants and intruders on land set aside for social housing. The term does not apply to individuals or groups who simply rent land and housing from professional squatting syndicates. Professional squatting syndicates are the informal and illegal organisations



**Photo 1 : Slum community next to a major river in Quezon City.**



**Photo 2 : Slum community next to a creek in Quezon City**



**Photo 4 : Slum community next to a railroad track in Manila City.**

**Photo 3 : Slum community next to a major river in Pasay City.**

Note the bridge in the background.



Source ADB-MMUSP interim report.

covertly co-ordinating the activities of professional squatters.

The 22-year old Presidential Decree 772 enacted by former President Ferdinand E. Marcos branded squatters as criminals and effectively condemned an estimated 10 million urban poor Filipinos who cannot afford legal housing. The decree has been used in some cases as a basis for the criminal conviction of squatters. With the continued implementation of the decree about 100,000 families were evicted yearly from 1986 to 1991 alone (UN Committee on Economic, Social and Cultural Rights). In 1997, PD 772 was repealed under the administration of then President Fidel V. Ramos.

- *eskinita* (refers to alleys that hold only one person at a time);
- *looban* (meaning inner areas where houses are built so close to each other and often in a manner not visible to the general view of the city); or
- *dagat-dagatan* (for areas that are frequently flooded).

While there is an acceptance that squatting is illegal, slum dwellers perceive themselves as legal citizens awaiting government action for housing provision. This is due to the fact that election bandwagons have consistently made promises of addressing these needs. It cannot be denied that the length of period of stay in the area<sup>13</sup> and the improvements made by these residents raise a question of land stakeholdership.

## D. UNOFFICIAL DEFINITIONS OF SLUMS

The term “slums” has no direct equivalent in the local language. They are normally referred to in terms of descriptive words, such as:

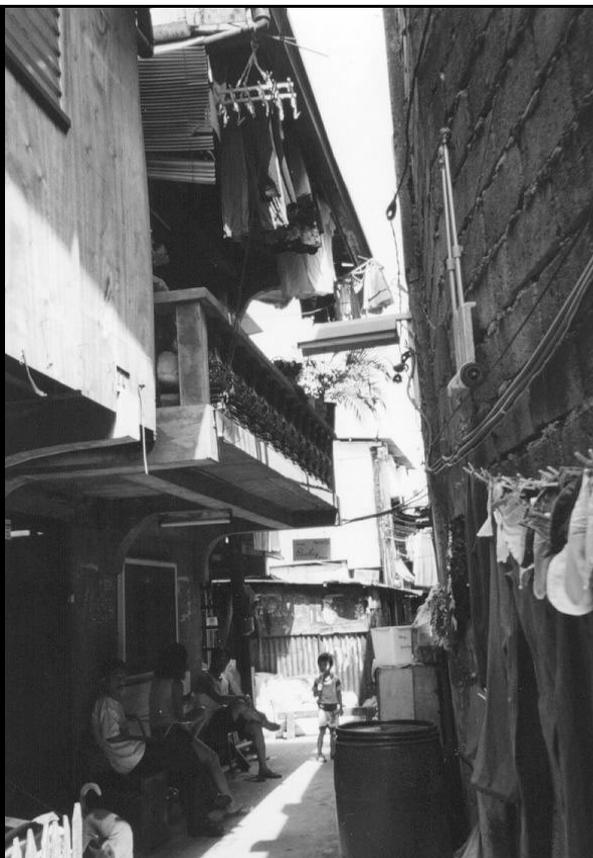
- *iskwater* (Tagalog version of squatter referring to a physically disorganised collection of shelters made of light and often visually unappealing materials where poor people reside)
- *estero* (narrower than sewers and associated with bad smell);

## E. THE OFFICIAL DEFINITION OF POVERTY

Since policy goals are set in terms of well-being, a broad proxy indicator for well being is required since it is not in practice readily available (Balisacan 1999). In most countries, poverty is understood to be the minimum income necessary to purchase a basic calorie intake, measured in terms of income and expenditure (ABD 1999). Although total current income has become a popular choice, the operational difficulty in acquiring

Photos 5, 6, 7

The general types of housing in the slum areas can be broadly categorized in terms of the construction materials used namely salvage materials (upper left photo), semi-permanent materials (left), and strong/permanent materials (above). (Source: ADB-MMUSP Interim Report)



accurate information is more severe for current income than for current consumption (Ravallion and Chen, 1997).

In 1994, President Ramos launched the Social Reform Agenda (SRA) in which various social sectors converged and agreed to consider a set of services. These services are known as the Minimum Basic Needs (MBN), and are probably the closest indicators ever established to capture poverty beyond income and expenditure. The MBN define poverty in terms of a three-tier needs hierarchy: survival (food/nutrition, health, water/sanitation, and clothing); security (shelter, peace, income, and employment); and enabling (basic education/literacy, people's participation, family care, and psycho-social indicators) (ABD 1999).

Administrative Order 194, which gave way to the SRA implementation, expressed its objective as the eradication of absolute poverty, the reduction of relative poverty, and fast track growth and development in the 20 provinces identified as being the poorest<sup>14</sup>. Absolute poverty refers to incomes below the food threshold levels (Monsod and Monsod 1999).

In 1999, the Asian Development Bank (ADB) defined poverty as "a deprivation of essential assets and opportunities to which every human is entitled". While admitting that in practice the most broadly used standard for measuring poverty will continue to be the adequate consumption of food and other essentials, ADB stressed that their priority will be absolute poverty (ADB 1999).

As an active policy programme implementer in the

Philippines, the ADB definition has been the accepted one, guiding several other poverty reduction programme implementers.

## F. UNOFFICIAL DEFINITIONS OF POVERTY

From the perspective of planners, particularly economists, the poor are defined as individuals living in households with per capita expenditures below the poverty threshold. They are further classified as ultra poor, near ultra poor, and marginal poor. The ultra poor are individuals whose household per capita expenditure is below food subsistence thresholds. Near ultra poor are those with household per capita expenditure is at least equal to subsistence thresholds but below the median of subsistence and poverty thresholds. The marginal poor are individuals with household per capita expenditures that are at least equal to the median of the subsistence and poverty threshold (UP Economics, 2000).

## G. THE ORIGINS OF THE TYPES OF SLUMS IDENTIFIED

Respondents of the ADB MMUSP Barangay Survey reported that, on average, three quarters of the households in the depressed settlements covered are long-term (more than five years) residents of the area. The settlements average 19.2 years in age, and often are 40 years old or more. The majority of the households migrated to these areas from other cities within the Metro or other areas within the city. The survey indicated that the majority of the urban poor households have been living in Metro Manila for nearly two decades.

## H. DATA ON THE CITY'S SLUMS

### 1. Maps

The following map illustrates the distribution of the household population of informal settlers in the different cities and municipalities of Metro Manila.

### 2. Census Data<sup>15</sup>

Over a third of Metro Manila's population lives in depressed areas. Quezon City and Manila are home to Metro Manila's 35 per cent of urban poor households. Pasay City has 70 per cent of its population living in depressed areas. **Table 5** presents the number of informal settlers in each of City/Municipality.



These images illustrate a typical household in depressed settlements or slum areas. Four families (with an average of five members each) live in the example presented.

## I. DATA ON POVERTY IN THE CITY

### 1. Census Data

See Table 6

## III. SLUMS: THE PEOPLE

### J. WHO LIVES IN SLUMS?

#### 1. Short Histories and Key Events in the Lives of Typical Slum Households, Including Female-Headed Households

The following section presents the highlights of interviews carried out in May 2002 with persons living in depressed areas in Metro Manila. Rather than indicating a trend or generalisation, the anecdotes illustrate the lives of typical slum dwellers.

**1.1 Sampaloc Railroad Track, Manila City.** The Philippine National Railways (PNR), has a train route from Manila City to Bicol. The company owns the land along the railroad.

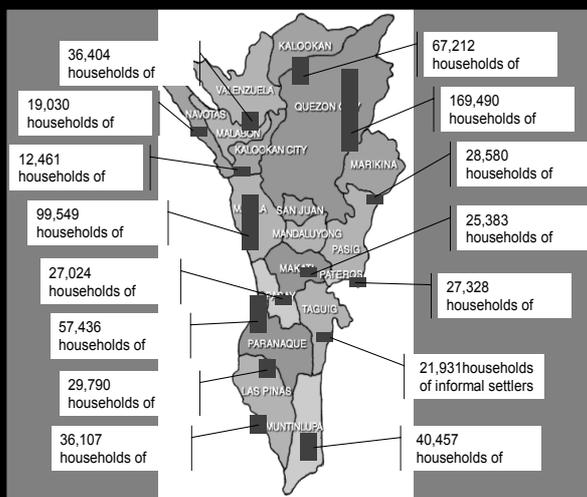
■ Marilyn Soriano, 41 years old, was born and continues to live in a 9 m<sup>2</sup> room along the PNR track. The room was built by her deceased parents. She is a single parent with two children and shares the room with her younger sister and seven other nieces.

Marilyn stopped selling fish when her meagre capital was drained by spending on food and other basic necessities. Currently, she earns PHP200 (US\$4) per day for doing laundry. This is often insufficient. Being an active member of the church, she derives support from food donations.

Her younger sister sells toys. Her income provides their daily food. A typical breakfast and lunch for Marilyn's household consists of one kilo of rice and half a kilo of fish. They have to set aside a portion for lunch. For dinner, they have to wait for her sister until 9 in the evening, and only then are they able to buy food for the entire household.

■ Magdalena Umenga is 52 years old. She has been living in the area since her birth. She occupies a small room in a two-storey structure built by her parents. Two of her sisters and their respective families share the house with her.

City/Municipality	Total Households	Number of Depressed HHs	% of Total
City of Manila	333,547	99,549	29.8
Mandaluyong	59,682	25,383	42.5
Marikina City	80,160	28,580	35.6
Pasig City	107,835	27,328	25.2
Quezon City	480,624	169,490	35.2
Kalookan City	249,567	67,292	26.9
Malabon	74,137	12,461	16.8
Navotas	49,450	19,030	38.4
Valenzuela City	106,382	36,404	34.2
Las Piñas City	97,962	36,107	36.8
Makati City	98,225	27,024	27.5
Muntinlupa City	78,016	40,457	51.8
Parañaque City	94,106	29,790	31.6
Pasay City	78,180	57,436	73.4
Pateros	12,029	3,502	29.1
Taguig	102,723	21,931	21.3



Annual Per Capita Threshold (PhP)	9,286 (US\$186)	11,230 (US\$225)	14,299 (US\$286)	18,001 (US\$360)
Number of Poor Families <sup>a</sup>	217,602	141,671	127,873	211,559
Incidence of Poor Families (%) <sup>c</sup>	13.2	8.0	6.4	9.7

■ Baby Santos is a 58-year old widow who lived in the area all her life, at the back of a church which is a stone's throw away from the railroad track. She raised her children selling fish. Her three daughters are now married and living with their respective husbands. She is currently jobless with a 10-year old daughter who lives with her after being maltreated by the stepfather.

Trains pass their houses almost every hour starting in the early morning and continuing until late in the evening. Their area is not only noisy; it is also a haven of drug pushers and users, and other criminals.

**1.2 Batasan Hills, Quezon City.** The land is owned by the national government.

■ Narciso Mendoza is a 51 year old living in a squatter colony since 1980. He acquired land from his sister who was able to buy the rights to a comparatively large parcel of land. He incrementally improved his house from a temporary shelter to a concrete structure. His house now has two rooms, a kitchen, a dining room, and a living room. He shares the house with his wife and his daughter's family of four. His two other daughters are also married and have their own houses in the vicinity.

Narciso has no regular work. He only finished seventh grade and works as a seasonal carpenter. His son-in-law works as an electrician and helps in their daily food and other expenses. Their household lives a simple life. However, he ensures that his family eats three meals a day.

His wife, 59 years old worked as a nursing aid for 13 years until the clinic where she worked closed. She is supposed to receive a pension, worth around PhP2,000 (US\$40) a month, when she reaches 60 years old. Narciso says he is fortunate that he doesn't have to rent a house for his family. However, they constantly feel threatened by demolition as the government is reviving its plans to establish government offices in the area.

■ Jaime Linero, 27 years old, was born in the area. Together with his family, he lives in a small house his parents used to lease to other families. It has a living room, kitchen, and a loft that serves as their bedroom.

Jaime completed first year in college while his wife is a high school graduate. They have a daughter and his wife is seven months pregnant. He is the sole breadwinner, working as a waiter in a restaurant in Quezon City. He earns PhP6,000 (US\$120) a month. He can barely make ends meet with his salary. While he ensures that his family has three meals a day and affords other necessary expenses to sustain their basic needs, he laments that the expenses are rising and he can barely cope with it. He hopes to work abroad so he can support his family.

■ Jojo Mendez, a 35-year old NGO worker who finished college with an engineering degree. He constructed his house in 1997. It has a living room that

also serves as dining room and two bedrooms for his family and two nieces who help take care of the children. He earns PhP8,000 (US\$160) a month while his wife, a public school teacher earns the same amount. With four children, their salaries are not enough to sustain their daily needs and loan payments (e.g. hospital bills when their children are sick, tuition fees, etc).

His one-month old child just recently spent a week in a private hospital incurring bills of almost PhP20,000 (US\$400). A large part of this was paid for through loans from friends and family. When asked why he did not send his child to a public hospital to lessen his expenses, he said the facilities and the services are usually insufficient in a public hospital. He added he doesn't want to endanger the life of his child.

According to him, even if they have no loans, they would hardly cope with expenses. This coming school year, he intends to enrol his two children in a private school which means he will need at least PhP12,000 (US\$240) for tuition alone plus at least PhP3,000 (US\$60) for the uniforms, books, and other school supplies of the children.

Jojo Mendoza plans to establish a computer shop. However, the loan he was expecting from an NGO has not yet been approved due to the diminishing funds of the organisation. He does not want to get capital from other institutions such as banks and private individuals. He stated that bank loans have very high interest rates ranging from 16 per cent to 24 per cent per month. A micro-business, he said, will help sustain his family's every day needs.

Since the respondents do not own the land where their houses are constructed, the threat of demolition is constant. Demolitions are often violent.

The residents along the railroad track in Sampaloc, Manila City are aware of the PNR's plan to expand their tracks, in the process demolishing the houses along them. In response, the residents are organising their ranks to ask the PNR management to leave them where they are. Most of the residents prefer to stay in the area since it is near a market, a church, schools, public hospitals, and public transport. Relocation areas often lack services such as water and electricity. The respondents are concerned that their economic activities will be severely affected with relocation to far-flung areas.

Similarly, the government intends to push its plans to establish offices of various government agencies in Batasan Hills. A blueprint for the development of the area is already in existence and awaiting funds. Narciso is worried that once the government generates enough funds for the project, the demolition of houses will be initiated.

Almost all of the respondents have lived in their respective areas throughout their lives. However, they cannot claim ownership of the land. In the absence of viable options, the constant threat of demolition and eviction has become part of daily living.

### K. HOUSEHOLD INDICATORS

Households in depressed areas are composed of nuclear families with an average household size of five and extended families with an average household size of nine. According to the respondents, more than half of households in their respective areas consist of extended families<sup>16</sup>. In the same interviews, it was reported by the respondents that families in depressed areas have lived in their localities for 15 to 20 years, most households now being “owned” by second and third generation family members. The dwelling units had between 12 and 20 m<sup>2</sup> of usable space with minimal or no perimeter space.

In Metro Manila, the birth rate in 1997 was reported at 5.3, the fertility rate was 2.23, and life expectancy for females was 66.7 and for males 71.5. In 1994, 98 per cent of the population ten years old and over had simple literacy and 90.6 per cent was functionally literate.

### L. THE COSTS OF LIVING IN SLUMS<sup>12</sup>

Households in depressed settlements spend the bulk of their income on food (45 percent)<sup>13</sup> followed by next highest expense on utilities<sup>14</sup> and education that take up 10 and 6 per cent of income respectively. Expenditure on housing is minimal. Urban poor households also save, on average, 28 percent of their monthly incomes.

As a percentage of median monthly expenditure, urban poor households spend 63 per cent, or PhP6,000 (US\$120) on food (see **Table 8**).

Housing expenses primarily involve mortgages or rents but “squatters” typically spend nothing on a regular basis on housing. However, most squatters incur initial housing costs to pay for “land rights” and to build their house.

A study of urban poor households conducted by Michael Alba in 1996 provides data on expenditures of urban poor households (see **Table 9**). The net expenditure is low but the percentages of expenditure on various items are consistent with recent surveys.

Households residing in more depressed zones have different characteristics from the general squatter population. Their household monthly incomes are lower than the overall average, the median being less than half of the overall corresponding value for depressed settlements. As a result, even though their median expenditure on food is PhP5,850 (US\$117) (less than the corresponding overall value for squatters), this translates into 77 per cent of their total monthly expenditure.

Expenditure on housing<sup>15</sup> per month varies by livelihood, ranging from PhP53 (US\$1) to PhP1,072 (US\$21.44), the average being 12.5 per cent of income.

As a percentage of income, this translates into a wide range: from 0.6 per cent by military personnel to 25.44 per cent by domestic helpers. The latter is very high compared to the mean of 12.5 percent, and may be attributed largely to the extremely low income of domestic helpers.

	Mean	Median
Food	133.38	120
Housing	11.3	0
Health	13.32	4.5
Education	36	16.27
Recreation	8.12	2
Transport	20.46	9.8
Others	20.27	8.16
Loan payments	22.76	3
Utilities	33.22	27.75

	% Total Expenditure	Expenditure in US\$
Food	62.2	14
Transportation	13.6	3
Electricity	4.7	1
Schooling	4.1	.9
Water	3.7	.8
Fuel	2.8	.6
Health	2.0	.45
Clothing	1.9	.44
Rent	1.5	.33
Household Goods	1.4	.30
Recreation	1.3	.29
Telephone	0.2	.15
Other Items	0.7	
<b>Household Expenditure</b>		<b>22.7</b>
<b>Household Income</b>		<b>29</b>

## M. ASSETS AVAILABLE TO SLUM DWELLERS

The national average asset ownership, as recorded by the APIS, indicates that televisions are owned by 56 per cent of poor households and refrigerators by 37 per cent. Other assets such as stereos, washing machines, and other home appliances are observable in depressed areas. According to the same report, national average income from salary and entrepreneurial activities adds up to 72 per cent of total income. The following table illustrates this further. Median asset value is approximately PhP53,400 (US\$1,068).

Depressed households have average savings ranging from -2 to 18 per cent of monthly household income. On average only 57 per cent of depressed households have access to formal sector loans with less than a quarter borrowing for housing needs. Most loans are for establishing income-generating projects or for basic needs such as food, medicine, and education. The mean household loan is estimated at PhP17,760 (US\$355.5) and the median PhP6,200 (US\$124).

Households access loans from government and private sector institutions, micro-credit associations, family and friends, as well as local moneylenders or "loan sharks". Local money lenders charge extremely high rates, up to 20 per cent per day.

## N. SLUMS AND POVERTY: THE POLICIES

### 1. Policies and Actions Taken to Improve Slums and Alleviate Poverty

#### 1.1 Locational Targeting

The bill of rights Philippine Constitution of 1987 grants all citizens the right of access to affordable housing. Under the law, different modes of land acquisition are open to the urban poor through various government programmes.

During the Marcos regime, Presidential Decree 1517 proclaimed urban land reform in the country and gave birth to five modes of land acquisition: land exchange, joint venture, land consolidation or readjustment, land banking and expropriation. It prescribed sale, lease, exchange, neighbourhood ownership, residential freehold, and tenure improvement as some of ways by which land could be disposed to beneficiaries.

Corazon Aquino's administration enacted a housing policy in 1986 that gave the government the role of "enabler" and "facilitator", and recognised the primacy of the private sector in housing development. The Urban Development and Housing Act (UDHA) or RA 7279 was passed under this government. It provides for a comprehensive and integrated urban development and housing

programme, and therefore increases the number of modes of land acquisition offered under PD 1517<sup>16</sup>.

The Zonal Improvement Program (ZIP) is a community upgrading scheme whereby the government expropriates the land and resells it to the residents after developing the site and introducing basic services and facilities into the area (1984).

Since the UDHA is a very demanding policy, the government established a viable home financing system, through the revival of home financing institutions such as the National Home Mortgage Finance Corporation (NHMFC), the Home Insurance Guaranty Corporation (HIGC), and the Home Development Mutual Fund (HDMF) or Pag-IBIG. Funding for long-term mortgages which would be affordable even to those below the poverty line had to be sourced from insurance funds administered by the Social Security System (SSS), the Government Service and Insurance System (GSIS), and Pag-IBIG.

The Unified Home Lending Program (UHLP) was launched in 1987 with two innovations: focus on lower income groups and full cost recovery. Restructuring of government apparatus began in 1986 before UHLP was implemented. Executive Order 90 created the Housing and Urban Development Co-ordinating Council (HUDCC), which adapts the National Shelter Program (NSP), and streamlines the administrative structure. Eventually, the same set-up was followed by the administration of Fidel Ramos.

Key housing agencies are now limited to the NHMFC, HIGC, the National Housing Authority (NHA) and the Housing and Land Use Regulatory Board (HLURB). These agencies are linked to funding sources—SSS, GSIS, and Pag-IBIG.

Significantly, the Community Mortgage Program (CMP), launched in 1987, was institutionalised under the UDHA and given a five-year, PhP12.7 billion (US\$254 million) budgetary support by the Comprehensive and Integrated Shelter and Finance Act (RA 7835) of 1994. The CMP encourages the formation of community associations (CAs) as a requirement for accessing loans. It allows incremental site development which means the loan amount can be held to a mini-

Income Source	% of Income
Salary	47.4
Entrepreneurial activity	24.5
Net share of crops	0.7
Family sustenance	1.3
Other sources	26.2

mum. The loans are accessed through the NHMFC and may be used for the purchase of land, improvement of basic services, and/or construction of housing.

The CMP has been hailed as an innovative land acquisition program even as it faces administrative problems such as the large number of applicants and poor collection performance.

In the same way as NHMFC acts as a conduit under the Community Mortgage Program, the Land Tenure and Assistance Program (LTAP), uses the National Housing Authority as a conduit between the CA and the financing institutions offering subsidised funds for land acquisition.

A popular programme for low-income families residing in high-density urban areas in Metro Manila is the Medium Rise and Public Housing Program. This programme is undertaken by the NHA with a trust fund that is administered and controlled through an effective instrument recovery scheme. The LGU assumes minimal participation through administration and maintenance.

The Group Land Acquisition and Development (GLAD) Program tasks the Home Development Mutual Fund (HDMF) in a similar scheme to the CMP but without the involvement of an external originator or developer. In this programme, potential beneficiaries are required to be HDMF members.

The LGC, UDHA, and the CISFA have all mandated the LGUs responsibilities over the needs of the communities under their jurisdiction, among others, responsibility in housing provision, and particularly in housing for low-income groups. As a result, the LGUs have become the primary institutions involved with the provision of basic services including social housing programmes for the poor and resettlement of informal settlers in their localities. The LGUs have also been tasked to secure public areas, including danger zones, from squatting. Some LGUs have their separate programmes for addressing the problem of land access and housing. Many have also created units prioritising concerns of the urban poor, including housing and site development (e.g. Urban Poor Affairs Offices, Local Housing Boards, Local Shelter Offices).

Donor agencies have also extended technical assistance in many forms. As a member country of the Asian Development Bank (ADB), the government has accessed loans, technical assistance, and policy advice relevant to slum improvement and poverty alleviation.

Two remarkable policy frameworks introduced by the ADB are: Urban Sector Strategy (July 1999) and the Poverty Reduction Strategy (September 1999). The ADB Urban Sector Strategy prescribed a national strategy in housing the poor through improving access to land and shelter rather than direct housing interventions. It made note of significant contributions of genuine involvement of communities, the private sector and LGUs. The Poverty Reduction Strategy, on the other hand, identifies key elements that are part of the

strategy's framework for poverty reduction. These are (i) pro-poor sustainable growth, (ii) social development, and (iii) good governance. The Pasig River Environmental Management and Rehabilitation Project is a technical assistance programme that aims to revitalise and redevelop the areas along Pasig River and its tributaries under a comprehensive urban renewal programme.

ADB also conducted a study entitled, *"Institutional Strengthening of the Housing and Urban Development Sector"*, which defined the role of the Department of Housing and Urban Development (DHUD) in policy and plan formulation, and in the over-all management of the urban development process.

As a joint undertaking with Australian Agency for International Development (AusAID), the World Bank (WB) has made a fifteen to twenty-year commitment through the Land Administration and Management Program (LAMP). The programme, currently piloting projects in five barangays in Quezon City, seeks to improve land titling, land records management, land valuation, land laws and institutional structure.

### 1.2 Socio-Economic Targeting

The Social Reform and Poverty Alleviation Act (RA 8425), passed by the Philippine Congress in 1997, created the National Anti-Poverty Commission (NAPC) as a co-ordinating body in poverty reduction. Its principal objective is to *"adapt an area-based sectoral and focused intervention to poverty alleviation wherein every poor Filipino family shall be empowered to meet its minimum basic needs of health, food and nutrition, water and environmental security, shelter and decent housing, peace and order, education and functional literacy, participation in governance, and family care and psycho-social integrity"*.

It reports that as of February 2002, some 78,423 housing units have been provided for workers and the urban poor. Of these, 5,192 units are in Metro Manila under the Community Mortgage Program (CMP) and 9,206 units under NHA's slum upgrading, medium rise housing and land tenure program; 714 barangays have been provided with electricity, and 201,104 urban poor families enrolled in the national health insurance programme (MMUSP 2000).

In 1999, under the General Appropriations Act, the Government allocated Php2.5 billion (US\$50 million) for the "Lingap Para sa Mahihirap" Fund to be used exclusively to satisfy the minimum basic needs of poor communities and disadvantaged sectors.

### 1.3 Civil Society Initiatives

Civil society groups have also undertaken several initiatives. The cases noted below are some of the documented NGO and PO efforts at maximising government land acquisition schemes (Aberia 1997).

### **Barangay Tanyag Homeowners Association Inc. (BATAHAI)**

The case presents an on-site land acquisition effort by the CMP in Taguig, Metro Manila.

The owner of a 1.9 hectare plot, Guillermo Tantoco, designated Simeon Rodriguez, then barangay captain of Bagong Tanyag as caretaker of his land in the 1970s. Tantoco initiated court proceedings after discovering several squatters on his land.

The residents solicited the help of Alfonso Saraoso, a labour organiser, for the establishment of the Sitio de Asis-Tanyag Homeowner's Association (ASISTAN). With ASISTAN, the residents were able to post a bond and to freeze Tantoco's case against them. In 1984, however, Saraoso announced that robbers stole the money put up by the residents to post the bond. Relations between Saraoso and residents soured and ASISTAN collapsed.

That same year, local officials explained to the residents that the NHA had identified the area as part of the ZIP, like the ZIP sites in nearby Bicutan. With the community already organised, the Parokyal 7 and 8 Association arose in 1984. The programme was, however, overtaken by the EDSA Revolution in 1986 and was bogged down by internal problems. Parokyal then took advantage of opportunities offered under the new administration.

With the CMP launched in 1987, NHA assisted the Parokyal which had by then evolved into what is now called BATAHAI. After accreditation from the HIGC in August 1989, BATAHAI's bid for land ownership under the CMP formally commenced.

BATAHAI's experience led them to organisational maturity. This experience included a negotiation of PhP250 per m<sup>2</sup> from a PhP550 (US\$11) per m<sup>2</sup> price, the expulsion of 13 recalcitrant members who caused delay in the resolving the community approved physical development plan, and a delay of five years for the NHMFC to release their loan.

### **Paninindigan ng Maralitang Nagkakaisa (PAMANA)**

This case highlights the operational problems of the CMP based on an off-site effort in Novaliches, Quezon City, by an alliance based originally in Tatalon Estate. The alliance, which evolved in name and in nature, grew from an urban poor community in the 1970s.

The alliance was born in the interest of the POs to strengthen their bargaining position vis-à-vis the government and the NHA. At that time, the NHA could not acquire all of the lands occupied by the slum dwellers, and were also disposing the properties not just to the poor beneficiaries but also to the affluent families who were not legitimate residents in the area.

The delay from tedious CMP processes had pushed PAMANA to test its linkages with the FDA, Foundation for the Development of the Urban Poor (FDUP),

Pantabayayong Foundation (PFI), and the Gregorio Araneta Foundation (GASDF) for bridge financing when several technical aspects of the project were overlooked. PAMANA's experience caused a membership decrease from 182 households in 1990 to less than 100 members upon the CMP loan take-out in 1994.

Tatalon had a growing urban poor community even in the 1970s, but was only organised in the 1980s as KALASAG. Due to internal problems, they were later reorganised into a smaller group called KAMTAN. KAMTAN was supported by the Foundation for Development Alternatives (FDA), an urban poor-oriented NGO established in 1985, in their protests over NHA's actions. With Corazon Aquino's administration in 1986, KAMTAN renewed their commitments to their purpose and started an organisational change process including a confidence vote for its leaders who would represent them in dealings with the government, particularly the NHA.

In 1990, the owner of the land on which most of the Tatalon urban poor communities are established offered PhP12,000 (US\$250) to each household that voluntarily vacated the area. That same year, KAMTAN became the current PAMANA, a change in name that projects a less belligerent stand toward government. From a KAMTAN that earned the ire of the government, PAMANA tried to solicit the help of various government agencies.

PAMANA was given distinction as a model PO in a nationwide contest sponsored by the ABS-CBN television network and the UGAT Foundation.

### **Project Exodus**

The case is an example of a negotiated sale, which was helped by the UHLP. It is also an NGO-initiated attempt at large-scale land and housing provision.

The FDA assisted some 476 poor families to organise themselves in 1988 to finally resolve forced eviction threats in Sto. Rosario, Pasig City. Seven POs formed into an alliance called the Alyansa ng mga Maralitang Tagalunsod sa Pasig (ALAMAT). Project Exodus was so named after the ALAMAT leaders presented with a frustrating unaffordable price and unhealthy site environment.

With the urgency of the Manggahan Floodway Project, preparations for the upcoming Southeast Asian Games, and other infrastructure works, the urban poor communities needed to relocate soon. The chosen site was 48,000 m<sup>2</sup> located some 10 km south-east of Sto. Rosario, Pasig, sold to ALAMAT at PhP300 (US\$6.25) per m<sup>2</sup>.

CMP policies discouraged a large community such as ALAMAT from participating in the programme, and instead encouraged the community to reorganise itself into smaller groups. ALAMAT then opted to make use of the UHLP with FDUP as the legal holder under NHMFC's financing. In response to the requirements

under UHLP, the target beneficiaries applied for membership with Pag-IBIG.

The project was to commence in two phases, with Phase 2 commencing after the loan for the Phase 1 homeowners had been taken out. A year after core house construction was completed, 59 core houses still remained vacant. Those who were assigned to these units were still finding difficulties raising the amount needed to start construction of their house structures.

Those who had transferred organised themselves as a homeowners' association with specialised committees to address their community needs. This association served as the implementing arm and administrative link to the community for FDUP and FDA.

In the end, the beneficiaries are generally satisfied with the relocation options they received.

#### **Damayan Community Center**

Damayan Community Center (DCC or Damayan) was established in 1972 by the Religious Order of the Good Shepherd Sisters as an outreach to the numerous families with large numbers of children, by providing them with opportunities essential for their wholesome growth and development. Damayan is derived from a Filipino term whose meaning goes beyond the simple translation of its root word "damay" which means "assistance."

The centre is located in the heart of an urban poor settlement straddling the towns of Malabon and the city of Caloocan, north of Manila City, where there are many factories. This is one reason why there are so many migrants from the different provinces in the area. However, in spite of the presence of many factories, jobs are not available while those who are employed are being underpaid.

Damayan's beneficiaries do not own the land where their houses are located. Many of them live in shanties. Some of the husbands of the beneficiaries are workers in nearby factories. They receive very low wages. Some are pedicab drivers. The wives, on the other hand, are left in their homes to look after the children, while the children sell flowers.

Minimal amortisation during 1993 for 20 and 40 m<sup>2</sup> house models amounted to PhP900 (US\$19), favourable enough in comparison to monthly rates. These projects were supported by the Private Sites and Services Project Settlements, reducing financial burdens that Freedom to Build would have shouldered. RA 7718 has also enabled these private sector projects (Murphy 1993).

From initial difficulties, BATAHAI's CMP project has progressed well through time, with road networks now in order as well as a functional drainage system. Save The Children Foundation funded the erection of a two-storey multi-purpose centre. Many development agencies have supported BATAHAI's livelihood programs. Congressmen have funded infrastructure improvements for the site. It has become a testimonial instrument for many politicians in the 1995 local elections as they claimed to be a part of BATAHAI's progress.

Crucial to the success of the BATAHAI project has been their organisational development; how they coped up with the external assistance and threats, how the leadership was strengthened, and how their clout as an organisation grew over time. There is no doubt that the government, NGOs, and the private sector have all provided valuable support to BATAHAI.

LGUs also have their share of potential best practices. Marikina, for example, has pioneered the formulation of a Local Settlements Code (MMUSP 2002). The Code has become a single reference document that summarises in chronological order all city ordinances affecting social housing. These include those financed under the CMP. The codification has resulted in the resolution and harmonisation of conflicting provisions embodied in the various ordinances; better understanding of the rules and regulations affecting social housing developments especially on the part of the community-based organisations (CBOs) and the NGOs assisting the communities. Much remains to be done in the area of implementation particularly in enhancing the capacity of the LGU staff to enforce the Code. A Settlements Code, however, is essential in the enforcement of social housing standards as well as estate management rules. MMUSPP aims to formulate a Model Settlements Code which can guide the rest of the cities and municipalities within Metro Manila in the review of their ordinances and preparation of their respective settlements code.

Like many urban poor based NGOs, the Damayan project livelihood programmes provide small capital loan assistance ranging from PhP300 to PhP3,000 (US\$6 to \$60). It was observed that small businesses thrive in communities, among these are rag-making, selling of roasted gizzards, sari-sari stores, Sampaguita-making, selling of orange juice, tailoring, selling of tocino and longanisa, (popular foods) among others. Damayan charges 5 per cent interest per loan for the whole three-month duration. According to Damayan, this is necessary for the individual to exert an

## **M. THE IMPACTS OF THESE EFFORTS**

### **1. Success Stories and Potential Best Practices**

Freedom to Build, a non-profit organisation, is among the private developers in the 1990s that has worked on low-cost housing projects. Among their first major projects are the Horacio de la Cost Low Income Housing Projects in Barangka, Marikina and Novaliches. These built core houses and allowed the beneficiaries to finish their houses according to their level of affordability.

effort to pay. Not all those who avail of loans are successful. According to Jenny Tinorio, Damayan staff, 80 per cent of those who avail of the loans have successfully established their own income generating projects. One factor that leads to the high rate of success of Damayan is its strict compliance of its lending systems and procedures.

The photographs on the next pages illustrate some exemplary housing projects. They were taken from the ADB-MMUSP Project.

## 2. Reasons for Successes and Failures

### 2.1 Unabated Land Speculation

Rising land values have severely limited the availability of affordable land and limited the choices of slum dwellers. Although government and NGO assistance are often channelled towards helping POs bridge this “*affordability gap*”, the government’s social housing programmes are still hampered by basic problems of high land prices and their increase over time (See **Table 11**).

PAMANA incurred losses in their project costs due to the threat of rising land prices. When they had not yet paid the landowner a year after the negotiations, the landowner threatened to raise the price of the property and eventually not to sell at all. It was at this point that PAMANA was forced to look for interim financing.

### 2.2 Unforeseen Unemployment and Sickness

Often projects that fail are those that involve families who have experienced adverse circumstances in the process of project implementation. If the breadwinner, usually the father, loses his job, earnings for the project are usually spent on the family. In one case, Damayan staff noted the success of a project. However, in the succeeding visits, the project registered failure. The staff found out that a child of the project holder was confined to a hospital. Thus, the earnings of the project were used to buy medicines and were spent on the hospitalisation of the child.

### 2.3 Assistance to People’s Organisations

In the account of housing projects as being local needs-based, the NGOs and the private sector have committed themselves fully to helping POs overcome their difficulties. They have provided assistance from capability building to interim financing. The physical development of Project Exodus, for instance, was complemented by capability building activities for target beneficiaries, including officers and some of the members of ALAMAT. FDA led in community organising efforts including the conduct of seminars, planning sessions, and extensive consultations that were aimed at preparing them for land acquisition. FDA was crucial in bringing together various NGOs to raise interim funds while PAMANA’s CMP papers were being processed.

The private sector has also demonstrated support to

POs, for example to PAMANA in 1990 when the owner of the land on which most of the Tatalon urban poor communities are established made a benevolent move of offering PhP12,000 (US\$240) to each household that voluntarily vacated the area. This move was undertaken when PD 772 was still in force.

The ability of the POs to secure assistance is contingent on their organisational credibility. While their strength and cohesiveness enables them to gain allies and persevere in the legal processes (as in the case of BATAHAI and PAMANA), certain organisational limitations (such as in the case of ALAMAT and Sama-Sama) also cause more difficulties.

### 2.4 Government Support

The government plays a critical role in land acquisition projects. In the BATAHAI case, local officials supported the recalcitrant members who caused the delay in the project’s progress. In the same case, politics have brought advantages to the project as its being vote-rich has become attractive to several different types of support.

The cases cited above are just some of those where delays in processing are evident; the progress from initial CMP application to final take-out took PAMANA four years and BATAHAI five years. Aside from these, the requirement that they be members of some of the UHLP’s main funders - the SSS, GSIS, and Pag-IBIG further aggravated the delays. While the government is faced with a growing slum problem, the institutions do not seem to be equipped. This insufficiency has caused losses for project beneficiaries.

### 2.5 Business Discipline

In the case of the Damayan experience, the success of income generating projects can be attributed primarily on the beneficiaries’ discipline and business ability. They adhere to the advice of the Damayan staff which is to save a certain percentage of their gross income for the following: capital, payment for the loan, for their food expenses and savings which they can use in the future. All those who adhered to the advice given have become successful in their endeavours. The beneficiaries have their innate business abilities. They not only sell single lines of products but are encouraged to explore other products which they can sell. Another factor is the assistance of family members. The projects have become family projects since Damayan makes sure that upon approval of the loan, they talk with both spouses so they can understand the full concept and objectives of the project. An important factor is Damayan’s strict monitoring of the projects. Its staff monitors the projects of the beneficiaries through the IGP monitor who serves as the team leader in the area. The Damayan staff have direct contact with the beneficiaries with their constant community visits.

### 3. Lessons Learned

#### 3.1 Importance of Context

##### a. Land Ownership Claims

BATAHAI had at least 13 recalcitrant members who refused to relinquish ownership of the lots identified by the Court of Appeals for the displaced families. The basis of their claim was the fences they put up around the properties as well as an assortment of plants grown in them. Some also claim to have purchased the land from earlier occupants who also claimed ownership of the land.

In some slums, occupants claim that they were invited by or have secured permission from local officials to put up their shelter structures. These arrangements are entered into in the absence of legal documents in the belief that the land is owned by the government, and is therefore public property. Considering that only a small number of slum dwellers have achieved a high level of education and campaigns towards legal education have not fully reached this population, the concept of legal property is not as the legal environment defines it.

The Damayan initiatives makes sure that the projects to be implemented are realisable and that the projects are worthy of being patronised by the community. The Damayan Project has turned down financial assistance to projects that are not practical to the community such as selling cosmetic products. During planning, they teach their beneficiaries how to reach their target output in order for them to reach their desired income. In this session, the beneficiaries appreciate the importance of exerting an effort to attain a desired output in order for their project to succeed.

##### b. Kinship

In household surveys conducted by the MMUSP Project, some households claim they were asked by family or friends to move in. In return, they also asked some of their friends and families to settle. Some of these households have, aside from the nuclear household with

a head, sharers and renters. The sharers are usually extended family members, and the renters range from family and friends to total strangers who came looking for a space to live. This social behaviour demonstrates a trend towards population and density increases in slums, and is among the factors to be considered in shelter planning.

In a positive light, this typically sociable character of the Filipinos has also made it easier for them to organise. In simple community projects, such as beautifica-

Photo: The Pupa homes, Muntinlupa



Photo: Philippines' homeless people's federation project, Quezon City



tion of surroundings or construction of basic infrastructure, residents are easily mobilised.

**c. Economic Activities**

Shelter provision does not end with providing housing structures. As observed in several settlements, there are always flourishing merchandise stores, markets, cafeterias, etc. Sectoral CBOs are established, such as women’s organisations, youth organisations, livelihood groups, etc. This implies that relocation of slum dwellers would mean a disturbance to their livelihood; and build-

ing or improving slums should consider economic potential activities of the community.

Among the lessons learned in the Damayan experience is the realisation of the context of their work. In the past, Damayan embarked on handicraft making. It was supposed to be a centre-based project. However, they soon realised its impracticality. For one thing, mothers cannot concentrate in their work in the centre since they have to look after their children. They have to take care of their children and cook food for the family. They cannot make the handicrafts in their houses since they will be soiled by the surroundings. Moreover, income derived from handicrafts is not immediate. It takes some time before payments for the products are made resulting in a depletion of funds for Damayan.

Thus, Damayan shifted its livelihood programme. Instead of a centre-based approach a home-based approach was initiated. It embarked on a livelihood programme in the community and provided finance assistance to deserving residents.

**d. Empowerment**

People in poverty are not empowered. In the past, capability building has come only as an additional objective. This often results in poorly defined indicators that would ensure their delivery. DPUCP and MMUSPP are two current projects, which include capability building as vital project components. These projects were designed to build the capabilities of LGUs, NGOs and CBOs towards project management.

**3.2 Importance of Enablement**

Projects like Damayan indicate that one important lesson is to enable the beneficiaries help sustain their own families. Rather than spending idle time in the community, they can use their time for productive endeavours which will help the family survive. Business management training and leadership training are considered necessary to ensure the success of

**Table 11: % Increases in Land Values in Selected Locations in Metro Manila, 1986-1995**

Locality	% Change (86-95)
<b>Makati City</b>	
Dasmarinas	1,100
Bel Air	1,100
Magallanes	900
Pasig City	
Ortigas	2,100
Bo. Kapitolyo	2,400
Valle Verde	1,600
<b>San Juan/Mandaluyong</b>	
Greenhills	800
Wack Wack	1,600
San Juan	1,700
<b>Quezon City</b>	
Cubao	1,000
West Avenue	700
La Vista	1,800
Green Meadows	2,600
Fairview	1,000

**The Bliss housing project, Pasay City**



micro-enterprise projects. Annual evaluation and planning is conducted by Damayan among the beneficiaries. This is to make sure that the beneficiaries can see for themselves the strengths and weaknesses of their project. A gender sensitivity seminar is also conducted among the families of the beneficiaries.

### 3.3 Importance of Leadership

Projects, particularly those which are community-managed, rely heavily on strong leadership. The strong leadership of BATAHAI allowed the organisation to resist the brazen attempts of the landowners to have them ejected. On the other hand, the inability of leadership to perform important monitoring and information dissemination functions crucial to the success of the project, such as with ALAMAT, has gravely affected not just the project timeframe but also the financing plan.

NGOs supporting POs have long come to realise that leadership development should include the development of second-liners to ensure continuous growth of the organisation. The Damayan staff make sure that they lead in the concept and implementation of each project of its beneficiaries. The staff make sure that the project beneficiaries satisfy the requirements for those who avail of loans so that at the outset the project is deemed successful. They also adhere to strict monitoring of the project and ensure that the beneficiaries pay the required amortisation of their loan. Yearly evaluation and planning with the beneficiaries is conducted to ensure the sustained success of the project.

## 4. Magnitude and Status of Major Philippine Housing Programmes

The current administration under President Gloria Macapagal Arroyo aims to provide through its National

Shelter Program the following:

- Security of land tenure - 150,000 urban poor families every year until 2004 will be given security of tenure. These families, whose incomes fall within the poverty threshold, have been living on idle government lands for years and are hoping that the government will declare these as social housing sites.
- 50,000 house and lot packages to be distributed annually to urban poor families that are beneficiaries of the programmes of the National Housing Authority (NHA) and National Home Mortgage and Finance Corporation (NHMFC)
- 100,000 house and lot packages to be made available to low-income employees (the lowest rank and file employees) of five government financial institutions namely, SSS, GSIS, Pag-ibig, Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP)
- The enactment of laws by the 12th Congress - laws that will speed up the delivery of housing services not only by the government but also by the private sector.

In her dialogue with the urban poor on January 31, 2001, President Arroyo committed herself to reviewing demolition and relocation guidelines, to undertaking a major review of infrastructure projects affecting the urban poor, and to increasing the funds allocated to the Community Mortgage Program (CMP).

Table 12 presents the status of the Government Shelter Programme.

Pledges/Commitments	Accomplishment
300,000 shelter security units	166,266 households provided shelter security or 55.4% of the target
Provision of security of land tenure to 150,000 urban poor families	118,161 households provided shelter security or 78.8% of the target 116,000 households from 14 directives which declared public lands with informal settlers alienable and disposable for housing purposes 1,561 households from NGC West Side Project
Provision of land tenure/houses for the 50,000 "Higit sa Maralita"	18,506 households provided land tenure, houses and slum upgrading or 37% of target 8,643 households from slum upgrading, sites and services programmes and LTAP (NHA) 4,107 households from resettlement projects (NHA) 5,756 households from CMP (NHMFC) 29,599 households provided house and lot packages valued at PhP7.371 Billion (US\$147.42 million) or 29.6% of target
Allocation of PhP20 Billion (US\$320 million) by the Government Financing Institutions to finance 100,000 houses for workers and the poor	29,599 households provided house and lot packages valued at PhP7.371 Billion (US\$147.42 million) or 29.6% of target 7,185 households from the retail and developmental programs of HDMF 6,939 households from the retail and developmental programmes of other MWLS Windows (e.g. DBP, LBP, GSIS & SSS) 4,435 households from the Retail and Developmental Guaranty Programs of HGC 1,040 households from the MRB Program of NHA
Implement measures to reduce to 45 (from 188) the number of signatories required for issuing housing permits	On October 25, 2001, Pres. Gloria Macapagal-Arroyo signed Executive Order No. 45 on Prescribing Time Periods for Issuance of Housing Related Certifications, Clearances and Permits and Imposing Sanctions for Failure to Observe the Same

Source: Housing and Urban Development Co-ordinating Council Official Website

## ACRONYMS

ADB	Asian Development Bank
ALAMAT	Alyansa ng mga Maralitang Tagalunsod sa Pasig
ASISTAN	Sitio de Asis-Tanyag Homeowner's Association
AusAID	Australian Agency for International Development
BATAHAI	Barangay Tanyag Homeowners Association Inc.
CAs	Community Associations
CMP	Community Mortgage Program
DBM	Department of Budget and Management
DBP	Development Bank of the Philippines
DCC	Damayan Community Center
DHUD	Department of Housing and Urban Development
FDA	Foundation for Development Alternatives
FDUP	Foundation for the Development of the Urban Poor
GASDF	Gregorio Araneta Foundation
GLAD	Group Land Acquisition and Development Program
GSIS	Government Service and Insurance System
HDMF	Home Development Mutual Fund
HIGC	Home Insurance Guaranty Corporation
HLURB	Housing and Land Use Regulatory Board
HUDCC	Housing and Urban Development Co-ordinating Council
LAMP	Land Administration and Management Program
LBP	Land Bank of the Philippines
LDCs	Local Development Councils
LGC	Local Government Code
LGUs	Local Government Units
LTAP	Land Tenure and Assistance Program
MBN	Minimum Basic Needs
MMDA	Metropolitan Manila Development Authority
NAPC	National Anti-Poverty Commission
NCR	National Capital Region (also known as Metro Manila)
NGO	Non-Governmental Association
NHA	National Housing Authority
NHMFC	National Home Mortgage Finance Corporation
NSP	National Shelter Program

PAMANA	Paninindigan ng Maralitang Nagkakaisa
PFI	Pantabayayong Foundation
PNR	Philippine National Railways
POs	People's Organisations
SRA	Social Reform Agenda
SSS	Social Security System
UDHA	Urban Development and Housing Act
UHLP	Unified Home Lending Program
WB	World Bank
ZIP	Zonal Improvement Program

## GLOSSARY

<i>Barangays</i>	Basic local government units
<i>Indios</i>	The conquerors' term for the native population
<i>Intramuros</i>	The old walled city of Manila
<i>Parian</i>	A district of Manila
<i>Sangley</i>	Chinese merchants

## ENDNOTES

- <sup>1</sup>All currency conversions are estimated at PhP50:US\$1
- <sup>2</sup> Updated data after 1990 is still unavailable.
- <sup>3</sup> Information taken from National Statistical Co-ordination Board, (1999) Part 1 of 2; pp 3-4
- <sup>4</sup> The survey was conducted in 4 selected cities: Mandaluyong, Muntinlupa, Pasay, and Quezon City.
- <sup>5</sup> Persons above 15 years of age are assumed to be of working age. It is assumed that those of retirement age and not working will adjust those below 15 and working in the count.
- <sup>6</sup> Population employed or looking for work divided by total labour force
- <sup>7</sup> Information in this section from National Statistical Co-ordination Board, (2000) pp 42-50
- <sup>8</sup> A barangay is the most basic local government unit or LGU in the Philippines with the Barangay Captain as the Local Chief Executive (equivalent of the Mayor and Governor in cities/municipalities and provinces, respectively). It also has its own legislative body called the Sangguniang Barangay. Based on Article 14 of Republic Act 7160 or the Local Government Code, barangays in highly urbanised areas should have at least 5,000 inhabitants.
- <sup>9</sup> Internal revenue allotment or IRA is an account created under Presidential Decree 144 as amended by Presidential Decree Nos. 559 and 1741 representing the portion of total national government revenues which shall accrue to the national government. Based on the 1991 Local Government Code, the LGUs shall be entitled to a share in the national internal revenue collections subject to some proportions effective in the year of the Code.
- <sup>10</sup> The organisation of LDCs or special bodies are provided by the Local Government Code of 1991.

<sup>11</sup> Information was derived from interviews with selected residents of depressed areas in Sampaloc and Batasan.

<sup>12</sup> This section draws heavily from the ADB MMUSP 2000 Barangay Socio-Economic Survey.

<sup>13</sup> This is very close to the national median expenditure on food at 47.8 per cent of income (source: NSO 2001).

<sup>14</sup> Utilities include Water and Electricity.

<sup>15</sup> This is based on expenditure on housing based on a individual salary, by the livelihood of the primary income earner. The percentage of expenditure on housing does not necessarily represent the housing expenditure as a percentage of Total Household Income. Most households have more than one income-earner, so the percentage housing expenditure for a household would be much lower.

<sup>16</sup> Section 10 of this law further prescribes community mortgage, donations to the government, and negotiated purchase

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