

# Philippine Labor Review

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## The Urban Poor

Sixto K. Roxas

THE PLANNING AND MANAGEMENT OF HUMAN  
SETTLEMENTS

Jose Conrado Benitez

THE IMPORTANT POOR IN THE AFFLUENT CITY

Mary R. Hollnsteiner

PENETRATING THE GREY AREAS: URBAN WORKERS  
IN THE TERTIARY SECTOR

Karina Constantino-David

SLUMS AND UNDERDEVELOPMENT

Jonathan de la Cruz

TASK FORCE ON LABOR

Alicia A. Tiongson

SLUM RESETTLEMENT: A REVIEW OF AN URBAN  
DEVELOPMENT STRATEGY

Florino O. Ibanez

THE PHILIPPINE EXPERIMENT IN URBAN RENEWAL

Lester Brown

SLOWING URBAN GROWTH

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## Editorial Preface

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Over the past few years, Philippine towns and cities have grown at a rapid rate. More and more people from the countryside flock to the cities seeking the proverbial greener pasture. Rural folks leave their farms hoping to improve their lot in the envisioned "city of progress."

The lure of urban life rests on its many amenities and supposed job opportunities. Recent Philippine studies on urban conditions point up the frustrations of the "new urbanites." The researches reflect that the strong urban bias and continuous migration to the towns and cities have in fact compounded one of the country's most serious socio-economic problems — *urban poverty* and its attendant ills: marginal housing, substandard living conditions, food shortages, and urban unemployment and underemployment.

Employment opportunities in urban areas are still too limited to accommodate the growing number of job-seekers. Latest NCSO figures show that as of August 1976, the number of urban unemployed totalled 415,000 or 50.7 percent of the country's total unemployment. Underemployment on the other hand, is registered at 455,000 or 27.8 percent of the total 1,633,000.

A study of the income levels of the urban poor indicates that the typical urban poor dweller receives far less than the minimum wage. The urban poor hardly manages to scrounge enough for his basic needs for food and shelter. The situation has increasingly worsened with continuous inflation and the rising costs of living.

Realizing these problems, the government has initiated various national development programs for the urban poor. The Human Settlements Commission was created in line with the government policy "to liberate our human communities from blight, congestion, and hazard, and to promote their development and modernization." The Metropolitan Manila Zonal Improvement Program was organized to uplift living conditions in slums and other blighted areas. Policies ranging from eviction to relocation and resettlement of urban squatters have been instituted. Motivational and training programs have been set up to generate employment and increase productivity.

Despite all these, the desired transformation process is proceeding at a snail's pace. It is time we took another hard, honest look at urban poverty because it still continues to erode the very moral backbone of our entire society. More realistic solutions have yet to be reached; policies, plans and programs can bear still greater innovation and change.

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# Contents

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## EDITORIAL PREFACE

## ARTICLES

Sixto K. Roxas	1	The Planning and Management of Human Settlements
Jose Conrado Benitez	11	The Important Poor in the Affluent City
Mary R. Hollnsteiner	17	Penetrating the Grey Areas: Urban Workers in the Tertiary Sector
Karina Constantino-David	29	Slums and Underdevelopment
Jonathan de la Cruz	39	Task Force on Labor:
Alicia A. Tiongson	45	Slum Resettlement: A Review of An Urban Development Strategy
Floriño O. Ibañez	55	The Philippine Experiment in Urban Renewal
Lester Brown	67	Slowing Urban Growth

## DOCUMENTS

79	Presidential Decree No. 933 Creating the Human Settlements Commission
87	PD 399 Limiting the Use of 1,000-Meter Strips Along Highways or Roads
88	Rules & Regulations Implementing PD No. 399
96	Memorandum Circular on 50-km. Radius

## BOOK REVIEW

Thomas Anthony C. Bacon	99	A Cue for Developing Countries
-------------------------	----	--------------------------------

101	EXTRACTS OF ILO PUBLICATIONS
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# The Planning and Management of Human Settlements\*

by Sixto K. Roxas

People cluster in communities to satisfy physical, psychological, spiritual and developmental needs such as livelihood, comfort, protection, education, recreation, companionship, sympathy, communication and worship. For these, the community performs a wide range of functions: it organizes production, trade and distribution of goods; mobilizes resources for investment in community capitals, maintains order, arbitrates and resolves conflicts, promotes mental and spiritual health and educates children.

These vital functions of the community are distributed between two sectors: the government and the private sector. The government maintains order, public health, public safety, part of education, and investment in infrastructure. The private sector does most everything else and it is free to choose what it will do within the broad constraints established by the government and embodied in laws and regulations governing land zoning, building codes, sanitary and health codes, commercial codes. It carries most of the responsibility for provisions of livelihood since it does 90 per cent of the investments, 85 per cent of production, 95 per cent of trade, provides 95 per cent of employment, and most of land development, housing, and building construction.

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\*From a speech delivered at the National Conference on Human Settlements, March 7-12, 1976 at the Philippine Village Hotel.

One theory presupposes that between the regulatory activities of the government on one hand, and the profit-seeking activities of the private sector on the other, all the vital functions in the community will get done, efficiently and adequately. But the private enterprise system is naturally biased towards picking out only those activities that offer the most attractive returns. In fact, markets direct resources toward those demands backed by purchasing power. When less essential goods tend to be demanded by consumers of higher incomes, the pattern of purchases becomes rapidly biased towards less and less essential goods.

The whole process involves circular causation. The more talented or privileged, or the powerful manage to accumulate wealth. The demands of the wealthy begin to dictate where resources should go so that eventually, private enterprise creates an enclave where the relatively well-off get wealthier, while the majority of the population become more and more marginal to these so-called "progressive" enclaves. Land gets appropriated for high-income housing while the marginal majority becomes increasingly congested in the poor areas, now classified as "blight" areas. Housing gets more and more luxurious for the minority and more and more squalid for the majority. Health services become more and more elaborate and sophisticated for the minority and less and less accessible to the majority. Education, transport, and recreation facilities follow the same path.

This mode of distributing responsibilities breeds a tendency even among planners to view human settlements in physical rather than human terms. The whole art of managing the communities is biased toward building and buying hardware instead of organizing communal and organic communities that can mobilize human participation in a common life and perform vital functions such as sustaining life, health, growth and fulfillment. In fact, even the professionals involved in human settlements are compensated out of physical assets — the architects, engineers, contractors, site planners and land developers. The same is true with the bankers; they cannot finance the vital functions of communities except through the buildings they build and the furniture and equipment they buy.

The whole bias, therefore, is in favor of physical structures to the point where these and not the people become the problems, the principal obstacles. They build slums and pollute the landscape. They have to be gotten out of the way to make room



for the buildings, the roads, the factories, the warehouses, the dams and all sorts of engineering structures.

The distribution of functions between the government and the private sector then leaves a large number of vital community functions untended. It seems strange to have a system where such areas of human concern as health, education, welfare, environment, art and sciences should be left funded by philanthropy and charity benefits. What will happen to an organizational structure that leaves to such casual concern functions crucial to the main business of the community? It is tragic if, in the tremendous effort to reorient the perspective of the world towards the crying needs of human communities, we end up talking merely of the traditional areas of urban administration like zoning, building codes, sanitary engineering, utilities, health and public safety, when what is needed is the refashioning of the organizational structure of our human communities so they can become the center concern of human settlements planners. For this consideration, the tasks of planning and management of human settlements should come in.

Planning and management are correlated functions, for one implies the other. It is useless to plan what you do not manage and to manage without a plan is mismanagement. The scope of one must be coextensive with the scope of the other. One can only plan the factors that are directly within the control or influence of his management. Planning is useful only when there is effective management.

Management correlates with the organization through the distribution of responsibilities and functions among the constituent members essential to the accomplishment of the institution's goals and objectives. Government is *administered*. Private sector business firms are *managed*. Communities are *planned*, although it is difficult to conceive how, unless they are also *managed*.

The management concept is associated with the business enterprise, because a business is a well-defined organization. It is a discrete, "manageable" unit. It has a defined "business," a definite objective, for instance, to produce and market cotton textile fabrics or to provide profit for both the investors and the managers. It has measured complement of resources: land, plant, machinery, inventory, cash, workforce; a technology of operations; production, marketing, finance, organization and control; and a defined set of performance standards: sales, profit margins, return on investment embodied in a consistent set of accounts.

Over the years business has developed a professional crop of managers imbued with the enterprise philosophy and perspective, educated in the science and technology of profit — seeking and trained in the arts required to control organizations, mobilize resources and wage the warfare of market competition. Thus, economic progress has come to be identified with the growth and development of this sector that accounts for some nine-tenths of economic activity.

Economic progress in this sense, however, brings about acute social problems. The imperatives for world conferences on population, on environment and on human settlements clearly demonstrates this. The history of at least the last 175 years has been a succession of varied attempts to find the ideal balance between the state and the private sector and the various modalities for modifying the enterprise system.

Two main currents have at least been established. The first consists in substituting state for private enterprise and the second consists mainly of substituting “planned” for “free” enterprise. In the first case, balance is sought by transferring the ownership and control of enterprise to the state: *nationalization*. It has been held that in a system where private profit is the ruling motive, community welfare takes a junior position in the order of priorities. In the case of the state on the other hand, the community’s welfare takes precedence in enterprise operations since the state does not seek to profit. The problem, however, is that in private enterprise, profit is also the measure of efficiency and performance. Once this test of efficiency is removed, the organization deteriorates very rapidly. In the end, public welfare suffers because the quality of the performance of state enterprise drops to sub-standard levels.

In the second case, the bulk of economic activity remains in the private sector though its freedom is curtailed by the dictates of state planning. These are translated into production and capacity quotas, marketing allotments, price control, subsidy programs. These programs, however, have been found more effective in curtailing rather than pushing business to do the essential but unattractive functions.

Thus in the world today, various regimes exist with varying modifications of the enterprise system: state over private enterprise and planning and control over free enterprise. Only a third alternative

remains unexplored and untried: the removal of the enterprise system altogether, which may be the most promising course of all, especially in Asia.

The “enterprise system” is the mode of selecting functions in the economy in terms of specialized products and commodities as a way of defining the business to be undertaken. What happens is that when the community’s chores are cut up in the “enterprise” manner after everyone has selected the enterprise he finds most attractive, and even after the government has defined its own “enterprise” like protection, health clinics and municipal waterworks, the large sectors of the population are still left without access to essential community services in the cities towns and rural villages.

The absurdity of the system comes out most dramatically in the method by which the gross income of the community is accounted for. There are three groups of accounting units, namely: the government, the enterprise sector and the households, each with a series of accounts like products, income, expenditures, savings, and investments. These are totalled in a technical accounting consolidation that avoids double counting of transactions; i e., only inter-group transactions are counted and intra-group transactions are cancelled out. The resulting totals are supposed to measure the community’s welfare so that an increase in the gross community income is also supposed to mean an increase in community welfare.

To visualize some of the events that produce an increase in the gross income of the community: imagine a rice-farming settlement of perhaps 100,000 people on a river valley at the foot of a rain forest-covered mountain range that serves as its water shed. Given the configuration, the population is probably clustered in 50-60 villages. There are probably five or six small market towns in the area with populations of 3,000 or 5,000 each and one large sort of regional capital with a poblacion of maybe 10,000 people.

Suppose the government opens about 100,000 hectares of commercial timberlands in the upland areas for logging. Consequently the regional capital becomes the main headquarters of the logging and sawmilling companies. There is a boom in the town as jobs become plentiful for building the logging roads, constructing the office, the saw mills, the log ponds and the loading areas. The ecology of the whole area changes, too. Heavy equipment is brought in, thereby needing base shops for maintenance, fuel depots, and the like. An

industrial work force that needs housing in the town, recreation, schools for children, health and medical facilities emerges. Large logging trucks now flow through a road network in the town that has not been designed for this kind of traffic. Recreation facilities spring up to serve the new labor force.

In mobilizing the investment resources for their operation, the logging and sawmill companies provide only for the most direct requirements which include the plant, base shop, loading and unloading facilities in the lowland area plus the required housing and field offices in the logging area. Since no provision is made for additional community facilities, a marked deterioration in the quality of life in the town is observed. Slum areas develop, the cost of maintaining peace and order increases and health conditions deteriorate. And if after some years the residuals in the forest are not protected from settlers, they are burned by kaingin cultivators and floods begin with greater frequency.

Ironically, all these are reflected in the gross community income accounts as pure growth indicating a supposedly marked increase in incomes, sales, taxes and presumably in community welfare but in no way is the deterioration in the quality of life or in the environment reflected in the accounts. Even the floods add to gross community income because the contract work and the materials that go into reconstruction represent additional accounting income.

This is what is meant by the fragmentary character of the enterprise approach. The whole action is broken down into specialized businesses, starting with saw mill and logging, contract construction, house construction for rentals, land development, restaurants, night clubs, retail shops. The expectation is that while each is pursued for private profit, the totals will somehow add up to the general welfare of the community. Since the whole is the sum of its parts, the quality of the whole must somehow be found in each of the parts. If each of the parts is entirely self-serving, the sum will hardly be a measure of common good.

In contrast to the enterprise approach, there is what one may term the "human settlements approach." Every human settlement has a basic economy that determines the predominant source of its livelihood, and a structure which generally reveals the most effective handle for managing the community.

In a rice region, for example, the basic economy rests on two resources: land and water. Control over these two generally establishes the means for controlling the population. Similarly, a sugar district revolves around the central sugar mills; a banana region is organized around the packing and marketing operation. In general, the communities tend to become organized around the nerves center of the economic system which may be a producing or marketing operation. These centers are the logical staging areas for managing the whole region and are managed with very limited and specialized objectives, then the whole settlement's interest takes a role subordinate to the narrow objectives of the center. This is the tragedy of the linear enclave enterprises that have, in fact, become the preponderant form of development projects in our region. They have been exclusively concerned with the particular commodity they are tapped to grow, mine or extract.

It is time to realize that the development program which seeks the total development of a region and its people differs radically from the projects that merely seeks to extract single commodities for a market outside the region. It is not really the ownership that makes these projects colonial but the inherent character of the project itself.

A mining enterprise structured to be an enclave has a colonial character in the sense that it is not designed primarily to develop the region which it explores, whether it is owned by foreigners or nationals. What transforms it from its colonial character is not the nationality of its ownership but the objectives and modality of its operation.

A logging company that comes into an area for the sole purpose of cutting commercial timber to service a foreign market will have an operating strategy that is quite different from that of a development company whose objective is to develop viable human settlements. The logging company's job is finished when the logs have been converted into revenues. For the development company, the revenues from the logs are merely the means for providing capital to develop the infrastructure facilities and the other sources of livelihood for the population of the region. It is conceivable that both entities may be organized for profit, but one company earns its profit by extracting and marketing the logs while the other, by producing a permanently viable community and developing the total resources of the region.

This "human settlements" approach, it appears, is far more appropriate to Philippine needs. Under the approach, projects are selected on the basis of geographical regions. The unit is selected on an ecologically meaningful basis. The geographic area selected must be large enough and must have enough of a diversity to be able to sustain a suitable pattern of human settlement. Thus, it must have both a resource and a population base so that the project can become an integrated strategy for achieving the properly-phased-development of the entire geographical region.

Inevitably, each project will have a core which provides the production and income base for entire development and which must also supply the principal management and coordinating points. This may be a large-scale farm processing facility or a rice or oil mill. In a frontier territory, this might be a mining or a large-scale mechanized logging project.

In designing the project, it is important that all of the elements of the total area development are explicitly taken into account and made a part of the responsibility of the project proponent. Various forms of government assistance might be provided so as to maintain the profitability of the core project despite the additional investment and operating expenses that the other elements of the development will require.

Such projects achieve for many Southeast Asian countries, such as the Philippines, an ideal solution for combining private sector management with a broader responsibility for total area development. It also makes it feasible to subsume into the project's economy many of the social benefits that cannot be translated into financial returns in conventional project designs.

The principal problem areas in the formulation of a development strategy are the management of the rural settlements and the renewal and orderly development of the urban settlements. After the major goals and policies have been delineated in terms of natural resource allocations, the strategy must then be reduced to specific projects embodied in consolidated plans and programs.

In managing rural settlements, strategies are formulated for types of situations such as settlements in the forest and upland regions with agriculture as a base; forest and upland regions with industry as a base; settlement in the lowland and coastal areas; development of small-scale capability in agro-industrial rural settlements.

In each, a distinct project might be designed. For agriculture in the forest and upland regions based on dry zone agriculture where there are areas of long cultivation with existing settlements, a plantation project might be the core project. For industrial uses of forest and other resources of upland areas, the concept of combining large-scale-mechanized logging operations with organized land settlement and possibly, the management of permanent wilderness and wildlife reserves in single projects might be done. The core project in this particular case would be the logging operations.

The same approach is feasible in the lowland and coastal areas. Here, however, the problem is rendered more complex by the fact that these areas are usually densely populated and the settlement patterns are fairly well-established. A "human settlement" project must therefore encompass the somewhat more complex elements of community development where the core project is in a position not only to reorganize the economic activity in the region but also to introduce managerial extension services.

In the management and direction of urban settlements on the other hand, three major project areas should be considered in this order: urban renewal, establishment of counter magnet cities in the form of entire new town development, and the orderly expansion of existing urban nuclei. With some imaginative projects design works, each could be undertaken in a suitable "human settlement" project. Once again, elements of the patterns have already been tested and in isolation and determining which might be combined without creating incompatibilities.

Over the next 25 years, Southeast Asia will have to provide for about as many new people as there are right now. Livelihood for them can no longer be expanded in merely the same pattern as in the last 25 years. The region no longer has the frontier of rich alluvial plains that it used to have. It must simply increase the densities of existing areas. This means greater intensity of land use, which involves expanding irrigation systems and improving facilities for grain handling, drying and transport. Non-agricultural sources of employment must be multiplied through the development not of the few large cities which are already unmanageable, but of the small market towns and small urban centers that are more symbiotic with the agricultural villages.

In order to reverse the pathological extremes to which the past patterns of settlement have brought human communities, four factors are essential — new approaches to development; new organizational concepts and modules; new systems of social accounts; and a new class of managers — all oriented towards the human community as the principal beneficiary of progress.

All these represent a drastic shift in patterns and directions from the past. It will happen only if the present generation succeeds in developing imaginative modes for managing the processes of population growth and development. The physical, biological, human and social sciences now make available essential insights into the working of these processes. There is no reason therefore why we cannot fashion the new technology for managing the affairs of men, particularly when the signs tell us.



# The Important Poor in the Affluent City

by Jose Conrado Benitez

The low-income, underprivileged groups in our society — the scavengers, beggars, the perennially unemployed, and those who live in cardboard, scrap and box wood shanties in blighted areas of the metropolis are no longer called “squatters” or “slum dwellers” or “the poor.” They are now called “the urban poor.”

The shift from the alienating epithet to the sympathetic adoption of the metropolis, connotative in the term, of these marginal urban members is not a mere philological exercise. It describes the turn of what used to be considered a visual and social blight to urban life into a social phenomenon now accepted as a component sector of urbanized or urbanizing society that needs positive attention and action if the so-called comprehensive and humanist development of Metropolitan Manila must be achieved.

The so-called “cancers” of our society are now the “catalysts” for its development. The humanity of our cities, the final measure for the development of the whole nation, and the success of the government in directing the movement of the metropolis and the nation now rest on the important poor.

## Who are the Urban Poor?

Stop at a red light on one of our highways and superhighways and chances are, you would meet one of the urban poor: a waif or a blind stretching out a miserable hand for a dole-out. Some prostrate themselves in various forms of disability and destitution in strategic locations on our underpasses, overpasses and on the vicinities of churches.