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Land Use - and Abuse

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Land Use — and Abuse

WILLIAM J. KEYES

On 6 July 1976, President Marcos issued Presidential Decree No. 953, requiring the planting of trees along rivers and creeks and in certain areas for common use in subdivisions. Despite the decree's reasonable concern for beautification and reforestation, reaction to the decree was quick and generally negative. The Chamber of Real Estate and Builders Association (CREBA), the Subdivision Owners Association of the Philippines (SOAP), and several individual realtors all published position papers requesting repeal of the decree or its substantial revision. The papers were opposed not to the decree's laudable purpose of preserving green space but to the method chosen for implementation. The controversy centers on section 2 of the decree, which reads:

Every owner of land subdivided into residential, commercial, industrial lots after the effectivity of this Decree shall reserve, develop and maintain not less than 30 per cent of the total area of the subdivision, exclusive of roads, service streets and alleys as open space for parks and recreational areas.¹

The SOAP quickly organized a one-day convention of subdivision and condominium owners to "deal with the critical problems spawned by the decree."² The group met in Makati on 28 July and arrived at a consensus that the open space requirement should be reduced to 10 percent. Prior regulations had required only 6 percent for parks and recreational areas.

Victorio V. Soliven of Solid Homes, Inc., appealed to the President to suspend implementation, arguing that "the require-

1. Presidential Decree No. 953, Section 2.

2. *Bulletin Today*, 28 July 1976.

ment to develop the 30 percent open space . . . will mean the death of the subdivision and housing Industry.³

The arguments of the subdivision and realty groups are basically the same: approximately 30 percent of developed lands must be set aside for roads and other facilities. Another 6 percent is already required for open space. Prior to Presidential Decree 953, approximately 65 percent of the land was saleable. The decree increases development costs, at the same time reducing saleable land to only about 40 percent. Since all costs must be recovered from sales, and since clients are reduced by more than a third, the decree will have a dramatic effect on already high land costs, making housing even more inaccessible to the majority of Filipinos.

Both the decree and the rebuttals to it present reasonable concerns, but they are in conflict. Rather than repeal the decree, the National Housing Authority (NHA), the agency primarily concerned with implementation, has chosen to work out compromises, explaining that the spirit of the decree can be followed without adverse effects on the saleability of developed land. The NHA offers realtors the opportunity to include in their computations of the 30 percent open space the one-meter grass strip included in roadway measurement and the areas set aside for parking near commercial establishments so long as trees are planted. Furthermore, house frontage on individual lots may be included in the computation provided only low property fences are constructed.

With these compromises the real-estate industry can return to business as usual. Subdivisions, henceforth, will have a few more trees than before but little else changes.

The decree and the reaction to it, however, have brought to light a basic conflict between government's concern for a viable human environment and the realtors' concern for a viable business environment and the compromises have hidden more than resolved the basic issues of the problem. These issues should be aired, since they have substantial consequences on the housing needs of the nation, especially in the Metro Manila area. This paper will concentrate on one of these basic issues — the land issue.⁴

3. Ibid.

4. Aside from the scarcity of land at reasonable prices, two other major obstacles to solving the complex national housing problem are (1) the absence of low-interest, long-term finance; and (2) the rigidity of zoning, building, and other legal constraints. Technological limitations are less important; investigation of price mechanisms for

THE EXPLODING CITIES

Like other Third World urban centers, Manila is caught up in the most dramatic movement of peoples in history, as world population shifts from a rural to an urban base.

In 1900, urban population was about 250 million, or about 15 percent, of a world population of 1,650 million. Today the relationship is being overthrown with inconceivable speed. By 1960 urban population had grown to 1,000 million in a world of 3,000 million, or a two-to-one rural-urban relationship. Today urban population is racing toward the 1,500-million-mark in a world population of 4,000 million. If the trend continues, there will be, by the year 2000, more urban than rural dwellers in a world of 6,000 – 7,000 million people.

In 1900 the world had only 11 “million cities,” i.e., cities with total population exceeding one million. By 1950, there were 75 of these – 51 in developed regions and 24 in the developing world. Today, the developing nations have pulled ahead. They have 101 such cities out of a world total of 191. By 1985, the number of “million cities” will have jumped from 11 to 273 in less than a century – and 147 of these will be in the less developed countries.⁵

Metropolitan Manila is clearly participating in this phenomenon and by the end of this century will belong to the club of the “ten million” cities. While the national population grows at about 3 percent yearly, Manila grows by almost twice that percentage, with even a more dramatic growth among low-income families. Manila’s annual increment is approximately equal to the total population of Tondo. Manila grows another Tondo every year. The internationally prestigious *Architectural Record* says:

Metropolitan Manila has been growing rapidly since the end of World War II. It has over 4.4 million people or 12 per cent of the total population of the nation The larger Manila Bay Metropolitan Region has almost one-fourth of the national population or 8.6 million people in an area of 18,051 square kilometers. This is a large land area with a relatively low population density, but present projections indicate that this low density won’t last – and that the region’s population may range anywhere between 17.8 million and 24 million by the end of the century.⁶

existing materials, especially steel and cement, might prove more fruitful than the search for new materials or building techniques.

5. Barbara Ward, *The Home of Man* (Toronto: McClelland and Stewart, 1976), p. 4.

6. “Human Settlements,” *Architectural Record*, no. 5(May 1976), p. 106.

This surging movement of people, many of them already born, is so relentless and so certain that no institutional power seems capable of holding it back. The projected impact of this population increment on the finite quantity of available land bring into focus the real issues government must face with regard to housing and the control of the housing industries.

Neither land planning, nor building construction, nor population policy will successfully reverse this human flood and its consequent pressure on limited land resources. "New Town" developments and industrial dispersion even if fully implemented will, at best, only slightly relieve the pressure.⁷ England, which has successfully built over 150 of these New Town communities, acknowledges that these settlements have drawn only 13 percent of their population from London.⁸

"High-rises" i.e., multistorey apartment buildings, will not ease the burden on the city's perimeter either. They are too expensive. Vietnamese scholar Buo Huan argues that Southeast Asia cannot build its cities on the models of the West. Saigon, Bangkok, and Manila will become as large as Paris, London or New York, but the resources for developing these cities are a mere "shoestring" compared to what are available in the West. Southeast Asians, he says, have to resign themselves to conditions of relative poverty and to design their cities accordingly.⁹

High-rises make sense if the terms of comparison are strictly limited to frugality in land allocations. An evaluation of financial feasibility, however, indicates that at best only a few "token" units can be built. The Philippines, with a GNP of ₱45 billion (\$6 billion), has been able to invest only 2.5 percent of that amount in housing.¹⁰ With an annual need of about 300,000 units, of which a large percentage are for Metro Manila, the resources are simply inadequate. The costs per family housed using expensive high-rise solutions (₱700/sq. meter) represent too great a burden on the national economy.¹¹ Except for the very wealthy, therefore, land use concerns conflict with financial capacity. Furthermore,

7. The New Town technique involves developing integrated small urban centers as satellites of a larger urban center.

8. Colin Ward, "The Do-It-Yourself New Town," *Bulletin of Environmental Education*, no. 59(March 1976), p. 17.

9. Buo Huan, "Cities the Poor Build" (Paper presented at the Sunday Times United Nations Population Conference, Oxford, 1-6 April 1975), pp. 242-84.

10. *Business Day* (supplement), 10 September 1976.

11. *Business Day*, 17 August 1976.

nations who have "solved" their housing problems through high-rises are beginning to feel the negative impact of social problems these buildings generate. The United States, for instance, today readily admits the failure of its high-rise programs. In one extreme case, an architectural prize-winning project, Pruitt-Igoe, in St. Louis, had to be blown up and subsequently demolished because it was never socially viable. What is feasible for the planner may be unfeasible for the family whose lifestyle does not fit into imposed solutions. Manila's few existing tenements are sociologically unsatisfactory for many of the low-income families living there. Many residents would abandon their apartments were alternatives available.

A last attempt at reprieve from this relentless historical movement might be population control. But even the most ambitious estimates of family planners predict only a gradual decline. The median age of Metro Manila's 4.4 million people is below 20. The parents of tomorrow's children are already born. Even with fewer children per family the population will grow. Migration to the city coupled with the city's internal growth is moving Manila toward that status of being a "ten million" city before the end of the century. Furthermore, countries like Indonesia or the USSR that have experimented with attempted control of internal migration have been less than successful.

Urban sprawl is not a desirable growth pattern, but it is an inevitable one. At best it can only be slowed down or qualitatively directed. Any planning or legislative action that presumes otherwise is a whimsical fantasy. It is also dangerous.

"DEVELOPMENT" IN THE PAST: SAMPALOC

In the lifetime of many contemporary Manilans, Sampaloc was part of the suburbs. Much of the area was ricefields and marshes. Today, however, levels of congestion in Sampaloc rival those of Santa Cruz, Binondo, and Tondo. The residents of Sampaloc and other inner-city areas live in an unnatural habitat without trees, parks, or adequate recreational facilities. Levels of congestion, of noise and air pollution, inch incrementally upward, intensifying this antithesis of a truly human settlement.

Early in her incumbency as governor of Metro Manila, Mrs. Imelda Romualdez-Marcos considered plans of returning Sampaloc

to its natural state, to have a small lake there with surrounding green space. While the plans are commendable, they may be too late in coming, since rectifying the anarchical growth of the past will be too expensive. Earlier control over Sampaloc's "development" could have brought a better ecological balance. But the power of the profit motive and the consideration primarily of financial feasibility have congested the area to a degree beyond balance with nature or human well-being — an illustration of General Tobias's generalization that "man's drive for survival has resulted in great leaps of progress which have almost always been paid for by compromising the quality of his environment."¹²

Unchecked urban sprawl will spawn Sampalocs ever outward toward Marikina, Muntinlupa, and Meycawayan. Unless its spread is channeled into acceptable growth patterns the Manila of tomorrow will be a congested, polluted, and dehumanizing wasteland — an inhuman habitat for the millions who do not have the resources to escape to the ever broadening suburban perimeter. Seen against this background, the concern for a more balanced and more habitable city expressed by Presidential Decree 953 was valid. Although its provisions may not have been perfect and admittedly needed some adjustments, the realtors' reaction to it was not at all related to the decree's legitimate concerns. The realtors expressed only the economic impact of the decree on the operation of their business. The decree, they said, "will mean the death of the subdivision and housing industry."¹³

Implicit in the realtors' argument is the admission that the businessman's concern for economic feasibility is not automatically congruent with society's concern for balanced and rational urban growth. Out of legitimate environmental concern, the President tried to contain and rationalize urban sprawl, only to be told that the land developers' business would be ruined. A concerned government tried to interfere in the workings of private enterprise for the concern of the common good only to find itself rebuffed, its decree diluted into insignificance.

12. Gaudencio V. Tobias, "Philippine Experiment in Housing" (Speech delivered at the Survival of Humankind Conference, Manila, 6 September 1976).

13. *Bulletin Today*, 28 July 1976.

DEVELOPMENT AND DEVELOPERS

The reaction to the decree has made evident the incapacity of private enterprise to absorb neither environmental costs nor the more important social costs. The more significant question is not whether tomorrow's urban masses will have trees and recreational areas, as important as these may be, but whether they will have a place to live in at all. When private developers acknowledge the difficulties involved in developing a balanced environment, the whole housing delivery system they represent should be called into question. Private development may be rapidly leading us to the unintended city, the incongruent city and, therefore, the unwanted city.

We have already seen the estimated number of people that Manila must provide for in the coming decades. But a more serious consideration is the economic capacity of these people to afford housing. Manila is a poor man's city. The current median annual family income is about ₱5,000, or ₱417 a month. Some 85 percent of Manila's families earn less than ₱10,000, or ₱833 monthly, as shown in table 1. Even presuming constant prices or a highly unlikely constant ratio between increments in salaries and housing costs, and using a generally accepted norm of approximately 20 percent of total income for housing, the vast majority of the urban families should be spending only ₱150 a month or less for housing.

Nor can housing be built for these families according to existing land market values and construction costs. A United Nations norm estimates that the total housing solution for a family cannot exceed two and one half year's total income. Beyond that amount subsidies are needed. Some entity in society, presumably government, must pick up the costs when the family itself cannot. Applying this norm, 85 percent of Manila's families need access to housing whose total cost does not exceed ₱25,000.

Manila needs more than 100,000 new housing solutions every year, as a result of the existing backlog in providing for housing needs, migration, the increment in internal growth, deterioration of existing housing stock, and loss through fire and other natural calamities.¹⁴ The annual failure to meet this need further deteriorates the situation. Yet, the exploding numbers of a generally low-income population must be provided for in some humane way.

14. Russell J. Cheetham and Edward K. Hawkins, *The Philippines: Priorities and Prospects for Development* (Washington, D.C.: The World Bank, 1976), pp. 54-55.

Table 1. Percentage Distribution of Metro Manila Households by Total Yearly Income, 1975

Income Class		Monthly Median	Income Percent	Level Cummulative
Annual-range				
Below	₱ 358	30	.2	.2
₱ 358 – ₱ 725		45	.9	1.1
₱ 726 – ₱ 1,088		76	1.7	2.8
₱ 1,089 – ₱ 1,451		106	4.0	6.8
₱ 1,452 – ₱ 1,814		136	6.9	13.7
₱ 1,815 – ₱ 2,177		166	8.6	22.3
₱ 2,178 – ₱ 2,903		212	15.3	37.6
₱ 2,904 – ₱ 3,629		272	10.9	48.5
₱ 3,630 – ₱ 4,355		333	7.6	56.1
₱ 4,356 – ₱ 5,807		423	13.3	69.4
₱ 5,808 – ₱ 7,259		544	9.1	78.5
₱ 7,260 – ₱10,889		756	12.2	90.7
₱10,890 – ₱14,519		1059	4.3	95.0
Over	₱14,520	1210	5.0	100.00

SOURCE: Metro Manila Management Information and Data Bank Team (unpublished data).

NOTE: The table uses the 1971 NCSO data multiplied by the 1975 real wage index.

How is the privately controlled housing industry oriented toward meeting this need? A spokesman for the industry assured the President that the subdivision industry has “always tried to work hard in helping solve the country’s ever growing housing problems.”¹⁵ Unfortunately, the industry’s orientation runs counter to the realities of urban need. With each further development of limited land resources, the situation worsens. The industry is producing nowhere near the number of housing solutions needed nor is its typical product congruent with the economic capacity of the average urban family. While the industry can perhaps not be

15. *Bulletin Today*, 28 July 1976.

faulted for not solving problems beyond its capacity, society as a whole and government in particular must attempt some assessment of the industry's accomplishments and judge whether continued cooperation with its orientation will ever achieve a balanced urban environment.

The subdivision industry in Metro Manila is the most visible urban housing and land-use activity. Other housing activities like high rises or row houses are few in number. Accessoria, while numerous, are frequently the product of individual or family entrepreneurs. It is, then, by the developed subdivisions that the relevance of the housing industry can be evaluated in relation to national need.

The exact number of subdivisions in the Metro Manila area is difficult to determine. Moreover there are no data available on the level of occupancy for lots already sold. About 750 subdivisions, of more than 50 lots each, have been registered with the Physical Environmental Planning Service of the Department of Local Government and Community Development (DLGCD). The list however is incomplete, partly because it does not include the older subdivisions that have already been sold out. While it shows about 150 subdivisions as being located in Quezon City, the *Bulletin Today* averred recently that "there are already more than 1,000 subdivisions in Quezon City alone, about 300 of which have been considered illegal."¹⁶ The latter estimate is probably exaggerated but it does indicate that estimates based on the incomplete DLGCD listing are conservative. According to the DLGCD collation, subdivisions have devoured over 8000 hectares of the Metro Manila area but have produced only about 160,000 homesites. The low level of occupancy indicates that many buyers do not relate homesites to the housing need of their family but only to speculative investment opportunity.

The second consideration is cost. Data from a typical, large, and renowned Manila realtor engaged in the development of several sites, yield the following information: the average price of land is ₱145 per square meter. Under terms of 15 percent down payment and the balance at 12 percent interest over eight years, the average monthly installment is ₱665. This figure is for the land alone, and excludes the house still to be built and paid for. Yet, this price is already beyond the total salary of the median Manila

16. *Bulletin Today*, 17 July 1976.

family. Using a norm of 25 percent for housing for affluent families, the amount is within the capacity of less than 10 percent of Manila's population. Unfortunately, it is not atypical. A recent article in *Business Day* confirms the generality of this trend:

Prices of land have rapidly gone up from 1966 to date as evidenced by present values per square meter of land which in Greater Manila averages at ₱241 . . . Subdivisions along South Superhighway some ten years ago were priced at only ₱20 to ₱25 per sq. meter. Last year, this had risen by a minimum of ₱110 to as high as ₱200 . . . Prices along the South Superhighway range from ₱110 to ₱240 per sq. meter, reflecting an average increase of 35 per cent over the previous year's prices. In Makati per sq. meter prices of lots have gone up by 50 to 80 percent in the past three years.¹⁷

It seems clear that continued cooperation with a relatively uncontrolled consumption of limited land resources for such a minority client is not solving the national problem; it is aggravating it. Meanwhile, the majority of the urban population find "solutions" to their housing needs by tolerating congestion, by squatting or otherwise operating illegally, or by the sociologically unacceptable practice of the breadwinner separating from his family in the province while he leads a bachelor's bedspace existence in the city. While developers sometimes claim that the finite quantity of land is an argument for not providing low-income housing on individual lots, the same argument has not been used against the unabated exploitation of land resources by the industry itself and its client — the affluent minority.

The finite quantity of land is not an appropriate basis for a conservative land policy. For, under the pressure of dynamic urbanization forces, that finite quantity places land and decisions about land in a state of constant and rapid flux: agricultural lands are consumed by the expanding city; inner city neighborhoods decline or bear the brunt of heavier density, and former residential areas give way to industry or commerce; land is even "created" out of the sea. Land values, spiraling relentlessly upward, are in even greater motion.

LAND AS A SOCIAL AND ECONOMIC COMMODITY

Land is a commodity with peculiar characteristics. Some see it

17. Amparo Natividad, "Why Subdivisions are Choice Investment Areas," *Business Day*, 8 June 1976, p. 17.

only as one more investment alternative, as tradeable as a stock certificate, as storable as gold or diamonds. Land with its own unique characteristic blend of risk and yield competes in the marketplace along with stocks, bonds, and insurance policies. Yet, land, as it relates to housing, is also a basic human necessity, comparable to health, education, or adequate nourishment. Treating land only in terms of return on investment when the majority cannot afford housing is comparable to selling medicine to the highest bidder during a national epidemic. The general manager of the Government Service Insurance System, Roman Cruz, recently gave support to this distinction between the private and social dimensions of land, when he said:

Housing is both a private good and a social need. It is a private good in that the benefits of every unit are enjoyed only by its occupants. And in this sense it is no different from other private commodities — a chicken sandwich, a pair of shoes, a suit and presumably all toothbrushes. Yet housing is also a mounting social need. Its availability is demanded by the comfort, well-being and dignity of every Filipino family and its absence would lead to a whole host of social problems ranging from disease, crime, bitterness and varying degree of civil disorder.¹⁸

Many of the published writings on low-cost housing solutions dabble in discussions on architectural design or the elusive search for a technological breakthrough in construction techniques or materials, but do not at all touch on the basic issue — land, access to land at reasonable prices. The national housing problem cannot be solved by prefabrication and sulphur bricks but only by an aggressive challenging of development models that inherently cannot provide for the majority of the population.

The sheer number of families in need of housing in the decades to come will put such tremendous additional pressures on an already strained system as to create a dangerous and politically explosive situation. Where will the people live? In deeper congestion within the city itself or beyond the ever expanding urban boundaries?

It is paradoxical that while hundreds of thousands of Manilans are desperate for decent housing, realty companies maintain branch offices, hire large sales forces, and carry heavy advertising budgets. Middle-income, industrially or commercially employed Manilans would immediately queue up for an opportunity to buy a 120-sq.

18. Roman A. Cruz, Jr., "Issues in Financing of Human Settlements Development," *Daily Express*, 19 March 1976, p. 9.

meter lot on which they could over time build their own house.¹⁹ Land at prices they can afford, however, is simply not available and self-help, gradually constructed housing is presently legally unacceptable.

"DEVELOPMENT" IN THE PRESENT: MAKATI

The argument for land and housing for the greater part of the population could perhaps be further clarified by reference to another example of urban development, separable from but related to the subdivision industry: the concentration of development resources in the Makati area.

Manilans enjoy riding down Ayala Avenue and gazing at the tall buildings but rarely reflect on the imbalances created by such a heavy concentration of limited national funds. Most employees of the Makati offices — secretaries, clerks, janitors, security guards, and other low-salaried people — do not live in the nearby exclusive villages. For them, Makati is not an integrated human settlement at all. There are no schools, no adequate recreational facilities, no hospitals, except the Makati Medical Center. Most employees whose daylight hours are caught up in the area cannot afford its services. They accept as a trade-off or opportunity cost of employment in Makati a salary that cannot buy adequate housing or transportation. Paradoxically, it is the very concentration of employment in Makati that is intensifying their housing and transportation problems. Every evening, they leave the area spending hours waiting for already crowded buses that take them outside the city where they can afford to live or to areas within the city itself where they learn to tolerate ever increasing congestion. While the new Buendia overpass is praised for the man-hours saved by smooth flowing traffic, no attempt has been made to measure the time wasted by employees waiting for transportation or stalled in choked rush-hour traffic. Conventional accounting methods are

19. Orville F. Grimes, Jr., *Housing for Low-Income Urban Families* (Baltimore, Maryland: John Hopkins University Press, 1976), pp. 23–24. Grimes offers this interesting anecdote: A commercial venture that offered to sell 500 modest cement-block houses for US\$6,000 [about ₱45,000] at a location some 20 kilometers from the center of Manila had, on the first day, nearly 6,000 bona fide applicants, all with access to credit. Application had to be closed, and the allocation was made by lot. The project could not be expanded immediately because more serviced land could not be found at reasonable prices.

not equipped to weight these squandered human resources since they carry no monetary value. The recently announced opening of 115 dwelling units at subsidized prices for lower income Ayala employees becomes all the more ironic when viewed against the situation of the tens of thousands whose opportunity for housing is seriously impaired by the disjointed concentration that these same Ayala companies have created.²⁰

The impact of land sales in Makati, exceeding ₱1,000/sq. meter reverberates throughout the urban system, sending the costs of land and everything else upwards, making housing less and less accessible, except to the wealthiest. When land changes hands in Makati, neither the buyer nor the rich landowner are constrained to pick up the social and economic costs that the concentration is causing. The burden of incongruity is passed on to the anonymous city. Government, primarily, is expected to pick up the pieces, to keep providing the overpasses and ever widening highways to serve an area questionably defensible in terms of overall national development. Government, too, is supposed to provide the subsidy for housing whose prices are artificially hiked by the spiraling land values that this type of development is causing.

Rather than being praised, this type of development should be challenged. The new Makati is not an integrated human settlement in itself. Furthermore, the burdens it is creating for the integrated development of Metro Manila are staggering.

AN INTERNATIONAL CONCERN

The real issues raised by Presidential Decree 953 are related to an international mood of disillusionment with the language and strategies of the development concept that has maintained a position of prominence these past several decades. The new mood speaks in terms not of development but of human settlements. Under the earlier model, the presumption was that Third World nations could lift themselves from poverty by following basically the historical pattern of development that the rich nations pursued. The evidence of several decades of experimentation, however, increasingly indicates that matters as vital as human well-being and a balanced economic, spatial, and social environment cannot be left

20. *Times Journal*, 13 September 1976.

to the vicissitudes of market competition. Rather than being programmed as a possible by-product of economic activity, human welfare must, from the start, be the aim and purpose of development. Development has intensified imbalance to the extent that more and more economists tend to evaluate new projects not in terms of their potential to generate wealth but in terms of their impact on a social and economic balance. This is the spirit of Barbara Ward's new work, written expressly for the recently concluded Habitat Conference. She writes:

In terms of land use planning, the difficulties point to two conclusions: one is to hasten the separation of development and property rights so that vested interests in higher land prices do not even arise. The second is to recognize that . . . a national plan is required to secure reasonable balance and to see that both the gains and burdens of growth and change are more equitably shared.²¹

The declaration of the Vancouver Symposium, a group of 24 renowned experts addressing the same Habitat Conference (May 1976) insisted, among others, on these imperatives:

(1) control over land use, (2) the securing for the community of unearned increment from land sales, (3) the organization of the whole of national space as basis of settlements planning, (4) the creation of better-balanced communities in which the mix of different social groups, occupations, housing and amenities ends all forms of social segregation, (5) encouragement of the full range of "self help," by means of security of tenure and assistance with essential services.²²

The strongest statement at the Habitat Conference came from the inspiring words of Argentinian researcher Jorge Hardoy:

Everywhere in the world, the poor are the worst housed. Governments, business executives and technical staff offer various explanations. No government in the world stops pointing out the importance of improving the people's living conditions But when the time comes to act they *discover* that urban and suburban land is in the hands of speculators, that prices are already very high and that fragmentation pushes up the price of house construction and services and that the family income of the great majority of the urban population of Africa, Asia and Latin America is too low and irregular to rent or buy even the simplest housing on the market.²³

21. Ward, *Home of Man*, p. 96.

22. "Declaration of the Vancouver Symposium," mimeographed (Statement presented at the United Nations Habitat Conference, Vancouver, 30 May 1976).

23. Jorge Hardoy, "The Habitation of the Poor," *Impact*, no. 9 (September 1976), p. 302.

Hardoy cites a Brazilian city with a deplorable housing situation but where land speculation is big business, especially among the principal politicians and businessmen. With government funds used substantially for servicing their lots, new subdivisions constantly appear such that three or four lots are available for sale to each of the very few families who can afford them. Meanwhile, within one decade the city's population has increased by 90 percent, the majority of whom live at subsistence levels, and are without access to the basic services of water, electricity, and sewerage. The situation, as Hardoy himself suggests, can be recognized easily by anyone who has lived in or knows about these cities in Africa, Asia, or Latin America.

On the local scene, the September 1976 *Survival of Humankind Conference* passed resolutions echoing an intensifying worldwide concern:

The government has to assume a more dominant role in the land market either by providing more government land for housing or by pegging land prices down to levels accessible to the great majority who need land for housing. If the need cannot be met with available government lands, the state should embark on a program to acquire private lands either by negotiated purchase or by expropriation. Further, increases in land values should be taxed at a certain rate if such increases took place by reason of public investment, infrastructure development or government initiated change in land use.²⁴

In the local press, CREBA President Manuel Serrano also endorsed a reevaluation of the country's antiquated concept of private property and the need for greater use of expropriation:

Housing programs wither on the drawing boards for dearth of land within the reach of the common man. Metropolitan areas remain congested while buildable areas stand idle and unoccupied . . . Such incongruity has no place in a New Society that is dedicated to the promotion of "social justice" and "the equitable diffusion of property ownership and profits" . . . Under the new constitutional mandate, private land may be expropriated for distribution to deserving citizens . . . Land must be made available to the homeless and unless land speculators and hoarders willingly respond to make their holdings available for housing, under fair and reasonable conditions, the state has no recourse but to exercise its right to expropriate.²⁵

24. "The Survival of Humankind: The Philippine Experiment," mimeographed (Final report, Housing and Urban Development, 1976).

25. Manuel M. Serrano, "Expropriation for Housing," *Bulletin Today*, 15 September 1976, pp. 40-41.

His words echo similar recommendations made by both the Development Academy of the Philippines, (DAP) and the National Economic and Development Authority (NEDA).²⁶

It is not surprising that the intensifying international concern finds resonance among responsible authorities in the Philippines, where the land situation is especially critical. By whatever combination of historical, cultural, and political reasons, and to the extent World Bank data are available, the Philippines shows, by far, the greatest incongruity between average per capita GNP and land values on the capital's periphery (see table 2). Even in absolute terms, land values in the Philippines are higher than in countries with a significantly higher per capita GNP. From the data available,

Table 2. Per Capita GNP and Land Costs at Peripheral Urban Locations in Selected Developing Countries, 1970

Country	(a) GNP Per Capita (\$U.S.)	(b) Land Costs per 100 sq.m. (\$U.S.)	b/a (%)
Kuwait	3860	168	4.4
Jamaica	670	663	98.9
Lebanon	590	400	67.8
Saudi Arabia	440	277	63.0
Iraq	320	70	21.9
Syria	290	241	83.1
Jordan	250	140	56.0
Korea	250	225	90.0
Philippines	210	518	246.7
Sri-Lanka	110	100	90.9
India	110	49	44.5
Bangladesh	100	84	84.0
Pakistan	100	62	62.0

SOURCE: Orville F. Grimes, *Housing for Low-Income Urban Families* (Baltimore, Maryland: John Hopkins University Press, 1976), p. 131.

26. Development Academy of the Philippines: Annual Report 1973-1974, pp. 16-17; "NEDA Explains Expropriation Scheme," *Government Report*, 9 August 1976, p. 1.

only tiny, tourist-oriented Jamaica is higher. It is a situation that might be understandable were land scarce around Manila as it is in Hong Kong or Singapore. Manila's land prices, however, are inexplicable in terms of national need and the availability of so much idle land that remains inaccessible to housing needs.

IDEOLOGICAL OR PRAGMATIC?

A recommendation of strong government action, of a controlled land market, and wide use of expropriation powers may sound drastic to those who read into this a hint of socialism. But the situation does demand a drastic solution. Before an immediate practical expedient is rejected in deference to the abstract ideological principle of free enterprise, the ideological base itself should be reexamined.

Free enterprise may be a defensible system when productive activity is more efficient than in state socialism. In its response to market forces, free enterprise is also more flexible, more versatile than a centralized bureaucratically controlled economy. But the historical environment has changed since the era of Adam Smith.

Capitalism was born in an environment of apparently unlimited resources. Supplies of raw material, of energy, of land were presumed infinite in a world of unlimited frontiers. Furthermore, capitalism inserted itself into a relatively developed and stable Western economy where it was presumed that the majority of the population participated in the marketplace and had the economic demand power to influence supply alternatives. Today, however, new earthly realities have surfaced. The world has no more frontiers; resources are limited, especially energy, and there is danger of polluting this planet into extinction. Furthermore, capitalism has failed to develop any consistent postcolonial strategy for dealing with poor nations where the majority, being poor, do not have power to participate in the system. The unreflective pursuit of an economic model, whose genius was to cultivate ever expanding productivity, cannot be carried naively and unquestioningly into this new historical situation. Capitalism was attuned to competition in the marketplace, but when entrepreneurs use capital to compete for scarce human resources such as land, they create an unjust, unbalanced, and oppressive society. The majority are excluded from access not to a simple market commodity or industrial raw

material but to a basic human need. The modern predicament was not anticipated a century ago.

Land and land values must be controlled. The use of this essential human commodity cannot be left to the vicissitudes of the marketplace. The government has at its disposal a variety of strategies: expropriation, rezoning for low-income housing, toleration of squatting on idle lands, "leap-frogging" to rural areas, effective taxation, and a host of other possible solutions. The problem, however, primarily involves not tactics but the political will to resist further catering to the interests of the minority elite. The fate of Presidential Decree 953 shows that the task is not easy, but present historical realities demonstrate that the task is essential.