

# Unsustainable development: the Philippine experience

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In 1960, less than 50 per cent of the world's 19 megacities were in developing countries. Today, more than 80 per cent of its 60 megacities are in the South. In just four decades our cities have grown to spectacular proportions. Every country in the South can boast at least one major city that serves as the centre of governance and commerce as well as newer cities that are also developing at an alarming rate. While the presence of modern amenities marks our cities, a large segment of the urban population has barely the basic necessities for survival. The urban poor, residing on the edges of the rich enclaves, eke out a living in the midst of affluence, scavenge from the remains of our cities' consumerist lifestyle, and are systematically excluded from urban development.

For decades we have known of the spread of urbanisation and its concomitant ills. But our governments chose to prioritise 'development' even as countries of the North are already exhibiting the negative characteristics of unplanned growth. We set our sights on emulating the patterns of more developed countries, blindly importing and transplanting images of cities from the more affluent parts of the globe into what were essentially underdeveloped nations.

## Parasitic development

The problem with development is that it implies movement towards a goal. Through the years, this movement has focused primarily on economic growth. The hope and the promise were that growth would 'trickle down' to the poor. Towards the second half of the 1980s, the concept of sustainable development was introduced, and was meant to correct the flaws of developmental thinking by mitigating the effects of the gods of economic growth with the foresight of generations to come. But this kept us essentially on the same development path, except that the importance of the environment we share has come to the forefront.

However, even with the grudging acceptance of the need for sustainable development by governments and multilateral agencies, the realities have not changed for the masses in the South. We have a parasitic form of development. It is a development that blindly assumes that human and natural resources are inexhaustible. It sacrifices the poor and the environment on the altar of the market and its promises of economic growth.

Economic growth and its consequent patterns of consumption cannot be equated with an improvement in the quality of life. In fact, while the pursuit of economic growth has indeed produced increases in trade, investment, and output in general, it has also resulted in widening disparities and inequalities between people and nations. The transactional and utilitarian nature of the market has further disempowered large numbers of people and marginalised their environments.

The unquestioned development paradigm and the rush of our governments to compete in the global market have had disastrous results. While our cities have grown to attract foreign investments, our rural areas have stagnated. Finding no way out of poverty, rural folk migrate to the cities in search of waged work. But for an under-developed country to attract foreign investment, one prerequisite is low wages. These migrants swell the ranks of the urban poor, engaging in low-paid contractual jobs, surviving through the informal economy, and residing in informal settlements. The irony of our cities is that they develop, quite literally, at the expense of the poor and our environment.

The reasons for poverty are complex. The primary causes are of a political, economic, structural, and social nature, abetted by a lack of political resolve and erroneous attitudes regarding public policy and the deployment of resources:

- At the individual level, people are handicapped by lack of access to resources, skills, or opportunities to make a decent living.
- On the societal plane, the major causes are inequalities in the distribution of resources, services, and power. These inequalities may be institutionalised in terms of land, capital, infrastructure, markets, credit, education, information, and advisory services. The same is true for the provision of social services: education, health, clean water, and sanitation. Inequality of services leaves rural areas the worst off, so that it comes as no surprise that an estimated 77 per cent of the developing world's poor live in rural zones. Yet the urban poor are mired in even worse conditions (ICPQL 1996: 22).

A more appropriate direction would be towards a 'Sustainable Improvement in the Quality of Life', which would allow us to focus on the needs of the poor and the environment within the realities of each country without compromising the ability of future generations to meet their own needs. The needs of the present must be viewed from the perspective of the poor, the needs of those who have been abused most by the current development path. The goal of sustainable improvement in the quality of life allows countries and sectors to define directions that can accommodate subjectivity and cultural diversity in an ever-ascending spiral.

'Sustainable Improvement in the Quality of Life', as proposed by the Independent Commission on Population and the Quality of Life, requires us to respect the limits of the globe's 'carrying capacity' while at the same time taking responsibility for the needs of people and the environment, in other words our 'caring capacity'. The antithesis of care is power and control, abuse and aggression. But in order to take this new path, we must recognise that the continued parasitism of society on the misery of the poor and the degradation of the environment will inevitably become the basis for the unsustainability and breakdown of our cities.

## **Patterns of parasitism in Philippine cities**

Fifty-one per cent of the population of the Philippines, roughly 38 million people or 6.5 million families, lives in urban areas. The country has one of the highest rates of urban growth in the developing world, at 5.1 per cent over the past four decades. This has been due to a high birth rate of approximately 2.3 per cent per annum, rural-to-urban migration, and the reclassification of rural areas as urban due to their increasing population densities. It is significant to note that while rural-to-urban migration is still a major source of the increasing urban population, especially in newer cities, second- and third-generation migrants are now greater in number in areas like Metro Manila. Migration is obviously testimony to the continuing poverty in the countryside that forces the poor to seek a better means for survival in the cities.

Of the urban population, approximately ten million live in Metro Manila, which has an annual growth rate of 3.3 per cent. This area accounts for more than 30 per cent of the gross national product, but at least 3.5 million people can be categorised as urban poor. Ten thousand families live along the Pasig River alone, 32,000 families by the major tributaries, 45,000 families beside the railway tracks, and the

rest in pockets of urban decay that range from communities of a handful of families to slums of tens of thousands of people.

The 'brown' environment has long been abused – air, noise, and water pollution, inadequate waste disposal, and congestion. The 'carrying capacity', or the maximum sustainable load that can be imposed on the environment before it loses its capacity to support human activity, is in peril. Motorised transport accounts for 94 per cent of the total organic gas in the air, 99 per cent of the carbon monoxide, and 83 per cent of nitrogen oxide emissions. Industries release massive amounts of sulphur dioxide into the atmosphere, and domestic and industrial waste is indiscriminately dumped into the city's waterways and streets. Apart from this, environmental degradation can be seen from the frequent disasters that occur: traffic pollution, flooding, homes destroyed by landslides and other earth movements, and death of wildlife in the rivers and seas.

Even as we strain the carrying capacity of the metropolis, the inadequacy of our own caring capacity is obvious. Metro Manila, where economic activities are centred, is home to the best urban amenities in both the business districts and in the rich residential suburbs. But security services are booming, protecting these areas from the assault of those who have far less. Tertiary healthcare and education are concentrated in the metropolis. But the primary health services accessible to the urban poor pale in comparison with those in rural areas: there is one primary health unit for every 10,000 people in the countryside compared with one for every 50,000 people in the urban centres. Even though primary and secondary education may be of a slightly higher quality in cities, the 1: 50 teacher-to-pupil ratio makes basic education unsatisfactory. At the college level, the scene is dominated by private universities, which overcharge for substandard education. And while the seats of government, the media, and the church are situated in Metro Manila, the basic minimum needs of the urban poor remain unmet.

Despite respectable economic growth and the proliferation of urban amenities, quality of life in Metro Manila has deteriorated. Economic growth that hinges on belief in globalisation has been achieved on the backs of the poor and at the expense of the environment. Unless drastic steps are taken, this very model is likely to discourage the much sought-after foreign investments. Inevitably, quality of life will deteriorate further and even the few who benefit from this kind of parasitic development will end up with less than they have today.

## Which actors and what factors make or break cities?

No amount of dreaming can result in an alternative future as long as the major actors and factors that can make or break a city remain unchanged. In the case of Metro Manila and other urban areas in the Philippines, these can be categorised in two distinct groups: those who wield power and those who are powerless.

There are five distinct but overlapping power groups – the state, business, the dominant church, the media, and international aid agencies – which, although they are not monolithic, share responsibility for the deteriorating quality of life in cities. The model of development that underpins their actions is economic development through global competitiveness, with foreign investment as the engine of growth. But while sustainable development, equity, and pro-poor rhetoric are standard fare, there have been but minimal improvements in the lives of the urban poor. Secure shelter, sanitation, potable water, and pollution remain grave problems.

In the Philippines, the present administration, hounded by inefficiency and corruption, doggedly pursues the same economic policies as previous governments, despite a pro-poor campaign line that ushered it into power.<sup>1</sup> The poor, who put their faith overwhelmingly in President Estrada, were buoyed by initial promises. The business community and the dominant church nervously awaited clear directions on economic policy, fearful of growing cronyism and flip-flopping decisions. Media exposés of the inadequacies of the government range from the sublime to the ridiculous. Foreign agencies like the IMF balked at what seemed to be a partial declaration of autonomy by some government economic managers as, for example, the insistence that interest rates be lowered.

But while charges of graft and mismanagement have remained, the economic directions seem to have settled back to the same development paradigm. In the Housing and Urban Development Department, which we headed for 15 months, the following radical changes in policy were undertaken:

- situating shelter within a broader national urban policy framework;
- allocating 80 per cent of government budgetary allocations for housing for the poor;
- expanding options for the lowest-income households through efficient rental markets;

- strengthening co-operative housing and the Community Mortgage Programme;<sup>2</sup>
- housing finance reforms;
- localising and decentralising urban and shelter policy, with an emphasis on ecological balance;
- ensuring effective participation of the poor;
- redefining public and private sector roles to ensure a better distribution of responsibilities and risks.

These changes were met with angry protests from a portion of the real estate business sector whose short-term interests were threatened. While most of the top-level government decision makers, as well as foreign aid agencies, welcomed these policy shifts, they were diffident about confronting the self-interest groups. It was more comfortable for government functionaries to keep away from the fray, while foreign aid agencies refused to take a proactive stance by hiding behind the convenient excuse of 'non-interference', although they were willing to voice their frustrations in private. Only a division of the World Bank took the bold step of immediately suspending negotiations for a major housing programme. Since the early 1990s the World Bank had taken a critical stance regarding past government housing policies. Our radical revisions in policies, especially in the field of housing finance, were basically consistent with the Bank's perspectives. As such, a grant-loan package was in the final stages of approval at the time. In the final analysis, however, the political will for change gave way to the temptations of corruption and image building.

Civil society – NGOs, people's organisations, academia, left-wing political groups, and other voluntary organisations – were powerless in the face of these attempts to protect the status quo and resist the reforms. First, the micro-perspective of the poor allowed them to view the changes only within the limited perspective of their immediate needs. Second, NGOs could not keep up with the policy debates, especially those that were systemic rather than concrete in nature. Third, some ideological activists could not wean themselves away from a consistently oppositionist stance to anything emanating from government. Fourth, academics did not seem to take much interest in either policy or research. Finally, there was a yawning gap between civil society demands (which were either very concrete or supremely conceptual) and the day-to-day requisites of change.

## Pasig River rehabilitation

The case of the Pasig River Rehabilitation Commission provides a concrete illustration. The Pasig River is the major waterway of Metro Manila, covering a 27km stretch with dozens of tributaries that were once the centre of transportation and economic and cultural activity. Today the river is dead. It is the dumping ground for domestic and industrial waste, the largest septic tank in the country. Ten thousand informal settler families live on its banks, in houses built on stilts in the river, and underneath its bridges. Every previous administration for the past 40 years has tried to revive the river, and each has failed. The Estrada government decided to embark on an ambitious but achievable programme to resurrect the river (dredging, revetment walls, minimising water pollution, etc.), relocate the settlers within the ten-metre easement, restore it as a viable means of alternative transportation, and create open spaces along the banks.

The determination to succeed where others had failed miserably meant creating a commission composed of cabinet members who would orchestrate the entire programme. Apart from government resources, DANIDA (the Danish government aid agency) and the Asia Development Bank (ADB) provided support. A crucial element was dealing with the settlers. Past attempts had resulted in protests and forcible and inhumane relocation to distant sites – and ultimately the return of about 50 per cent of the settlers.

Work with the commission started in January 1999. A Housing and Resettlement Group (HRG) (which I chaired) was immediately established. It included representatives from each of the affected local government units and representatives from the informal settlers and their NGO counterparts. The HRG arrived at a consensus on a framework to govern resettlement, jointly revalidated a 1977 family census, and agreed on uniform parameters on the process of relocation, identified appropriate sites, scheduled each area for resettlement over a two-year period, and set up a monthly bulletin to provide accurate information to each of the communities. Among the innovations introduced were:

- voluntary relocation;
- giving priority to in-city, then near-city, relocation;
- providing communities with various options rather than just one site;

- taking whole communities to the sites before they made their decisions;
- the setting up of a graduated lease-purchase scheme, starting at less than US\$10 a month;
- encouraging Local Government Units (LGUs) to keep the settlers within their boundaries or to contribute a set amount to the receiving LGUs if the settlers could not be accommodated within the city;
- making every effort to ensure that basic amenities and facilities – utilities, transportation, schools, health clinics, employment – were present in each of the resettlement areas;
- ensuring transparency, by asking the private sector to submit already developed potential resettlement sites for consideration, and over which (apart from technical evaluations) the prospective resident had the final decision;
- providing settlers with the option to submit their own resettlement plans.

Ten months later, despite what seemed like a slow start because of the participatory nature of the process, almost 2000 families had moved into new homes of their choice. These were medium-rise buildings along a major highway or terraced houses on the edge of Metro Manila. Relocation was voluntary, there were no acrimonious protests, and the cost of the sites was 15–35 per cent lower than the market value. In one area where the schools were not completed, relocation was limited only to those families that could be accommodated, even though 2000 more houses were ready for occupancy.

With hindsight, we could have done better. One major problem was with funding. The time that the ADB needed to process applications meant that funds would only be available by the year 2000. And yet President Estrada demanded action based on an extremely tight schedule. At the same time, some communities that wanted to ensure getting the site of their choice also wanted to move even while the schools were still being built. Within six months of my resignation, there was already restiveness in both the relocated communities and the communities still to be resettled. The HRG has been effectively disbanded. The poor no longer have access to decision makers. The sites identified for the Pasig River resettlers have become areas for other communities that have been forcibly relocated, the promised

facilities have not been completed, and the people no longer have a say about the sites to which they would be transferred.

Not all the problems throughout this process came from government and foreign agencies. Academics were completely absent, when they could have provided much-needed assistance through research and fresh insights. Some political groups attempted to derail the process by stirring up all sorts of fears. But the participatory nature of the HRG ensured that leaders of the urban poor and NGOs could contain any disinformation because they themselves were part of the decision-making body. Although it was well worth it, the process was at times tedious and repetitive due to initially unreasonable demands, for example on-site relocation with free land, or a lack of understanding of the complexities of resettlement.

## **The role of foreign aid agencies: the seven deadly sins**

The noble rationale for foreign aid is altruism, the responsibility of more developed countries to assist those with less, as an expression of concern as well as recognition that we share the same planet. But, in reality, much foreign assistance has degenerated into expressions of power and control and the dividing line between aid and business has become blurred. It is the reproduction of old colonial relations framed within the hypocritical rhetoric of democracy and philanthropy.

Undeniably, foreign aid agencies promote economic development as their highest priority. Some espouse it openly while others hide behind the platitudes of sustainable development. Countries of the South that are in desperate need of funds are thus placed in the ironic situation of having to thank lenders and donors for funds that ensure the South develops according to the paradigms of the North. This integrates them into a global order in which poor countries, like the poor of their own nations, are powerless.

With rare exceptions, foreign aid is premised on one view of the world. The identification of projects and programmes is largely left in the hands of the 'giver' with the recipient having the illusory option to accept or reject. Countries of the South are in a double bind – short-term gains for long-term pain or short-term pains for long-term gain. Within a democratic political system each administration invariably chooses the former, if only for political survival. And in the final analysis, it is the poor and the environment that suffer.

But, when viewed within the context of a government that has almost lost the capacity to care for the poor and the environment, beyond the basic issues of the development model that underpins foreign aid are practical realities that make the relation between 'givers' and 'takers' more onerous. The seven deadly sins are as follows:

- *Project pushers*: The cycle begins with a mission then moves to technical assistance usually by means of grants which appear to be altruistic attempts at assistance. But the agenda is largely set by the aid agency and the country is hooked to the loans that follow. And yet aid-givers have no accountability for the failures and the misery that may result from such projects.
- *Bureaucratic straitjackets*: The bureaucracy that has developed around aid is inflexible and expensive. No matter how much work has been put into consultations and project planning, foreign aid agencies require recipients to run the gauntlet of evaluations and project forms. At every step, the premise seems to be an underlying suspicion that the officials in the recipient country are either incompetent or cheats.
- *Parasitic expertise*: Much money is spent in hiring foreign consultants who tap local expertise as their workhorses instead of establishing collaboration on an equal footing. And yet much of the paperwork is simply a rehash of previous studies and plans. In many instances, government officials need to spend hours in briefing sessions in order to produce instant foreign experts on the Philippines, who are paid by the day more than we earn in a month.
- *Cultural blindness*: Many foreign aid personnel and consultants regard the South as a homogeneous entity, perhaps believing in the omnipotence of their paradigm, the infallibility of their expertise, and the uniform nature of their subjects. As such, countries of the South are forced to face an aid bureaucracy that is bereft of insight into our own uniqueness, which is grounded in centuries of history.
- *Insensitive conditionalities*: Because projects must run according to predetermined schedules and patterns, it is the poor and/or the environment that are ultimately sacrificed. Like the structural adjustment programmes that insist on bitter pills that further compromise the quality of life of the poor, some urban projects dismiss the needs of the poor in order to meet demands of foreign funders.

- *Negative acculturation*: Because most foreign aid agencies work through and with government, these agencies have learned to work the system. Instead of insisting on professional relations, they have learned the arts of patronage and pulling strings in the background.
- *Direction without risk*: Foreign aid agencies have the luxury of imposing projects while shielding themselves from any risks. On the financial side, loan repayments are, after all, guaranteed. On the human side, it is not they who will suffer the consequences. On the political side, they hardly earn the wrath of those whose lives are negatively affected since it is the in-country government that takes the flak.

There are certainly many cases in aid programmes where these sins are avoided. I have had the benefit of working directly with people from foreign agencies who undeniably have had the best interests of the Philippines at heart. While there is much that can be done to reform foreign aid, it is still the countries of the South that must bear the burden of change.

## The challenges ahead

A shift in our development paradigm is urgently needed. I do not refer to earth-shattering upheavals, but to the simple resurrection of the importance of the rights of people and nature. In our frenzied rush towards economic development, our macro-economic policies and the short-term nature of political decision making have strained the carrying capacity of the earth and forgotten our caring capacity for the rights and needs of the poor. But beyond the platitudes that regularly mark our public statements, there are practical initiatives that can be introduced or strengthened.

Most of our governments have highly centralised systems for deciding national policies, allocating resources, and implementing programmes. Although we can all hope for national governance that is more responsive to the rights of the poor and the environment, we also know that the pressures of the dominant development paradigm are also stronger at this level. The specific realities on the ground are also more distant from national agencies, despite the presence of local structures. Consistent with a bottom-up approach, and because of the growing complexity especially of urban life, decentralisation to the local government level has the greatest potential to turn the situation around. This requires that central government lay down the general

directions, policies, and regulatory framework while local government units play a more proactive role in planning and implementation.

Allow me to mention a few of the actions that local governments could undertake immediately:

- *Minimum quality-of-life indicators:* Social policies are the visible expressions of a caring government. We can start by creating measurable and verifiable parameters for non-negotiable minimum quality-of-life standards for each of our cities. Indicators must be formulated with the active participation of civil society. Indicators that are able to measure outcomes can serve as a social contract between local authorities and their constituencies because they relate to concrete action and defined accountabilities. For example, from baseline data on existing realities, quantifiable targets for the improvement of minimum quality-of-life indicators on housing, potable water, sanitation systems, welfare, employment, education, and health can be regularly monitored. Instead of the rhetoric of promises, it is a challenge to responsible local officials to submit themselves to regular assessment based upon clear indicators of performance. But, more than this, minimum quality-of-life indicators with a defined timetable can lay the foundation for ensuring that the poor and the environment are given the highest priority in governance.
- *Learning from the poor:* Expertise very often takes on an unconscious arrogance. Most public policy is formed without the participation of the poor. Many of our political leaders and technocrats unfortunately perceive the engagement of the poor as messy. On the other hand, civil society organisations tend to romanticise the poor as having all the answers. Social policy can only be effective if decision makers draw from the wealth of knowledge and skills of the technical experts and also of the poor. In the final analysis, a participatory approach is the best guarantee for success.
- *Maximising innovative initiatives:* We do not need to reinvent the wheel. There are many innovative initiatives that can be mainstreamed and further strengthened. The Sustainable Cities Programme of the United Nations Centre for Human Settlements and the United Nations Environment Programme and the City Development Strategies of the World Bank, although implemented in only a few areas, have had some positive results, especially in the area of participation. In the Philippines, the Community Mortgage

Programme, which allows informal settlements to negotiate with landowners and purchase the land on which they live, has accomplished significant results. More than 100,000 families have benefited, with repayment rates significantly higher than the usual low-cost housing packages. Various micro-enterprise initiatives and co-operative movements in Asia have also shown that, given the chance, the poor can manage their own economic development. In the field of health and education, many NGO-initiated programmes are testimonies to successful alternative interventions. It is also worth emphasising that all the successes can be traced back to the level of organisation found in urban poor communities. Organising and the accompanying increase in knowledge, attitudes, and skills of the urban poor is the base upon which poverty can most effectively be overcome.

- *Making the market work:* In this era of globalisation, it is naïve to dream of poverty eradication without addressing the market. Business and finance have long been viewed as the antithesis of poverty. But, in much the same way as we have learned that we all share a finite earth, business has also come to accept the reality that massive poverty is not good for business. The past few decades have seen a slowly emerging trend whereby more business conglomerates have moved from an almost total lack of concern, to charitable endeavours, to involvement in social issues, to self-imposed quality-of-life standards. Governments must speed up this development by providing the climate that would encourage access to the market by the poor. This can be done through enhancements like guarantees of and incentives for credit to the poor as well as through transparent subsidies so the poor can afford the market.
- *Focusing on newly emerging cities:* If our megacities developed into monstrosities due to lack of planning and simple neglect, we have the opportunity to avoid the same mistakes in the newer cities. At the same time, dramatic technological advances, especially in mass transit and electronic communication systems, make it possible to create centres of governance, business, and culture that need not be congested within tightly confined geographic areas. It is therefore imperative that local authorities in newly emerging cities muster the political will to anticipate the future and plan their cities beyond their terms of office.

We are fortunate to be leaders at the beginning of a new century. We can repeat the mistakes of the past or we can help to shape the future. I am confident that local authorities, with the effective participation of business and civil society, can make a difference for the poor and our environment. With the assistance of multilateral institutions along with urban researchers, all it takes is the political will to go against the grain of tradition and the daring to care for the poor, the environment, and the future.

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## Notes

- 1 This paper was completed before the campaign to impeach President Estrada had commenced.
- 2 The Community Mortgage Programme is an innovative system whereby informal settlers, with the assistance of an intermediary called an originator, negotiate with the landowner. Once an agreement has been reached between the parties, the land is mortgaged to the government, the landowner is paid in full, and the people amortise to the government over a period of 25 years at 6 per cent interest. For a fuller description and assessment of this programme, see the article by Berner in this volume.

## Reference

Independent Commission on Population and Quality of Life (ICPQL) (1996) *Caring for the Future: Report of the Independent Commission on Population and Quality of Life*, Oxford: Oxford University Press