

SLUM UPGRADING REVISITED:
AN EVALUATION OF THE TONDO FORESHORE URBAN DEVELOPMENT PROJECT

by
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ABSTRACT

In the 1970s, the slum upgrading approach was embraced by the Philippine government in response to the shelter dilemma facing the urban poor. Twenty years later, policy makers and planners continue to draw on many of the assumptions informing this approach as they grapple with the ongoing challenge of ensuring that the urban poor have access to shelter and services in the face of rapid urbanisation and population growth.

The Tondo Foreshore in Manila, Philippines was the site of a comprehensive slum upgrading project undertaken in the mid-1970s. This research undertakes an *ex post* evaluation in order to assess the impact of the project on the community over time and to test the theoretical underpinnings of the slum upgrading approach. Specifically, the state of the physical environment; the extent to which improvements in the housing stock have been realised; the impact of the project on the target beneficiaries; and the degree to which the project engendered a sense of community and a strengthening of civil society toward the goal of total community development are discussed.

The findings reveal that the project has yielded mixed results. In the short term, the reblocking process was effective in rationalising the physical environment, introducing basic urban services and inducing improvements in the housing stock. Over time, however, population pressures and lack of maintenance have taken their toll so that now aspects of the project are on the verge of reverting back to their original state.

Further, as a result of the granting of tenure, 'upward filtering' has occurred due reasons which include property speculation and the lack of affordability of the project. Still, many of the project beneficiaries have remained in place without maintaining the

required monthly amortisation payments toward the purchase of their lots. The result is a government which has not been able to recover its investment as anticipated and a community of residents which were granted tenure but not title.

Finally, the 'people-centered' approach to community development has not had a lasting and pervasive influence toward the strengthening of the community. While the community does exhibit a sense of cohesiveness, a decline in the propensity for residents to be involved in organising has occurred. This finding is attributable to the regularisation of the community as a result of the project.

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1 INTRODUCTION

Until the Second World War the Philippine economy was dominated by the agricultural sector. After the war more emphasis was placed on agro-industrial development and the export of traditional crops and manufacturing. With the transformation of the economy came an increase in the pace of urbanisation, as migrants relocated to urban centres in search of jobs, higher incomes and improved education. By the 1950s, slums constructed as temporary shelter by rural migrants were ubiquitous.

By the 1960s, urbanisation rates had slowed, reflecting the decline in the economy. Agriculture expanded, enhanced by the opening up of new lands, (especially on the island of Mindanao), which absorbed a great deal of the agricultural labour force. In the 1970s, a resurgence of urban growth occurred due to infrastructure investment and strong economic performance brought on by a shift from exporting traditional agricultural and natural resource commodities to non-traditional commodities (National Report and Plan of Action on Shelter and Human Settlements, 1996). By the 1980s, economic growth had slowed once again. However the growth of urban centres¹ continued due to the lack of investment in rural areas and the reclassification of rural areas into urban areas.²

By 1990, the urban growth rate fell to 2.35 per cent (a 50 year low) despite the continued significance of the role of the urban sector in economic growth. The National

¹ Between 1980-1990 the urban population growth rate was 5.14 percent; higher than the national average for the same period of time which was around 3.1 percent.

² Rural-urban migration is also the result of a lack of services and reflects the need for meaningful land reform brought on, in part, due to the gradual mechanisation of farming.

Capital Region (NCR),³ as the centre of administrative and business activities, was responsible for more than 50 per cent of the country's GDP. This mega-urban region of eight million inhabitants (1990) accounted for 14.7 per cent of the total Philippine population and 33.5 per cent of the total urban population as the result of steady migration from rural areas. It was estimated that Metro Manila's population density was 60 times⁴ that of the average density of the rest of the country and this situation was expected to worsen with predictions placing the population of Metro Manila at 16.1 million by 2010 (United Nations, 1994).

Given the current population growth rate of 2.3 per cent per annum, the Philippine population is expected to grow from 62 million to more than 120 million by the year 2020.⁵ Also, with urban areas growing at a rate 15 times faster than rural areas, over half of the country's population will reside in urban areas by the year 2000. The result will be an unprecedented demand for basic services, housing, and employment. What is most disturbing about these figures is that more than half of these future residents of urban centres will belong to the urban poor living primarily in slum and squatter areas (National Report and Plan of Action on Shelter and Human Settlements, 1996).

In the 1970s, the slum upgrading approach was embraced by the Philippine government in response to the shelter dilemma facing the urban poor. Twenty years later, policy makers and planners continue to draw on many of the assumptions informing this approach as they grapple with the ongoing challenge of ensuring that the urban poor have

³ Metro Manila is comprised of four cities and thirteen municipalities.

⁴ This translates into 13,365 per square km. (CMP, pg. 4).

⁵ Population growth is the percentage increase in one year including births, deaths, emigration and immigration (Asiaweek, Volume 20, Number 1, Jan.5, 1994, pp 47, 50).

access to shelter and services in the face of rapid urbanisation and population growth.

This thesis is about one approach to slum and squatter sites, the slum upgrading approach. Through the evaluation of one community, the Tondo Foreshore in Manila which was upgraded in the mid 1970s, the long term impacts of the approach are considered in order to test the theoretical underpinnings of this approach. Specifically, the state of the physical environment; the extent to which improvements in the housing stock have been realised; the impact of the project on the target beneficiaries; and the degree to which the project engendered a sense of community and a strengthening of civil society towards the goal of total community development are discussed.

1.1 THE URBAN POOR OF METRO MANILA

The prevalence of poverty in developing countries is reflected in the proliferation of slum and squatter settlements set up by the urban poor in response to the lack of decent and affordable shelter.⁶ In the Philippines, the urban poor represent 55 per cent (7.9 million) of the total urban population. Throughout Metro Manila, this figure translates into an estimated three million people who are forced to reside in some 618 slum and squatter settlements. Such settlements are characterised by high levels of congestion, dilapidated structures constructed of recycled materials, inadequate community services,

⁶ This term commonly refers to the degraded physical status of the site which may or may not be occupied on a legal basis. Like a slum, a squatter settlement indicates a level of environmental dilapidation, however, the term refers more specifically to the legal status of tenure wherein the resident is occupying an area illegally. Often the terms slum and squatter are used interchangeably.

and poor environmental conditions⁷ (National Report and Plan of Action on Shelter and Human Settlements, 1996).

Often slum and squatter settlements are located on or near dump sites or in hazardous areas alongside railroad tracks, river banks, creeks, or coastlines. These sites, deemed uninhabitable by most, are considered prime locations by the urban poor who struggle to find vacant lands in close proximity to employment opportunities.⁸ Aside from these hazards, the urban poor also suffer from a chronic lack of access to services such as education, adequate health care and formal credit facilities.⁹ What is more, the majority of these households occupy the land they live on illegally, making the inhabitants vulnerable to demolition and eviction. Despite their insecurity of tenure, many squatters are still required to pay 'rent' to 'landlords' operating syndicates, speculators, even government officials (Community Mortgage Program, unpublished).

As rural-urban migration shows no sign of abating and population growth remains steady, this situation can only be expected to intensify making the implications for human settlement planning immense. It is estimated that by the year 2000, the total demand for upgraded lots in Metro Manila alone will be approximately 300,000 plots (Skinner and Rodell, 1987).

⁷ Specifically this means that 63 per cent of the population have no regular water supply, 42 per cent have no access to sanitary toilets, 77 per cent of all pre-school children are malnourished, and death rates from preventable diseases like tuberculosis are high (Ruland, pg. 327).

⁸ A 1990 census revealed that of the 52 per cent of all slum dwellers which are employed, 23 per cent are working in the informal economy. The census also showed that the average monthly income was P 1,675, below the poverty line of P 2,709 set in 1988 (CMP, pg. 5, unpublished).

⁹ This fact makes the urban poor vulnerable to loan sharks for their credit needs. In the Philippines the most common scheme for credit is operated by syndicates running a '5/6' amortisation scheme wherein the borrower takes P 5 and pays back P 6 in a short period of time, sometimes a week.

1.2 POLICY RESPONSES TO SLUM AND SQUATTER SITES

Since the 1950s, the Philippine government has implemented various shelter initiatives which address the plight of the urban poor. In response to pressures exerted by developers seeking to demolish structures to make way for high end commercial and residential buildings, the government relocated slum residents to sites located on the periphery of the city far from employment opportunities. With limited options for work, settlers often returned to the Metro Manila area choosing to squat and gain employment, even if this meant giving up any property rights on the land to which they had been previously transferred. When it became obvious that these schemes were not effective, President Marcos implemented *Presidential Decree 772* which effectively criminalised the act of squatting while serving to legalise evictions and demolitions (CMP,1994).

In the 1960s, the government embarked on a low income housing program. Like the earlier attempts at relocation, these plans were often unsuccessful in reaching the target group. The result was the occupation of these structures by residents who were not in need of government subsidy, leaving the intended beneficiaries to squat. Low income groups responded to the situation they found themselves in by beginning to organise and gain popular support from student, labour and religious groups who showed a desire to assist the urban poor to organise to fight against demolition and eviction. At this time, many slum communities began to demand tenure rights and access to basic services.

Given the ineffectiveness of the past policies and ardent community activism, the

government turned to *in situ* upgrading as a strategy for dealing with slum and squatter sites.¹⁰

1.3 A NEW STRATEGY TOWARDS THE DEVELOPMENT OF HUMAN SETTLEMENTS

The plight of the urban poor was the central theme at the 1976 United Nations Conference on Human Settlements (Habitat), held in Vancouver. One of the outcomes of this conference was a declaration that housing was a basic human right and that shelter, infrastructure and services should be accessible to all. This declaration reflected a new set of assumptions pertaining to the urban poor and squatter settlements indicating that a paradigmatic shift had occurred. Based on these assumptions, community upgrading and 'sites and services' approaches were adopted as the new strategy for intervention in urban slum and squatter settlements.

1.3.1 Community Upgrading

Community upgrading involves the *in-situ* rehabilitation of a slum or squatter site through the implementation of basic community facilities such as potable water, sewer, surface drainage, electricity, streets and footpaths, schools, health clinics, and community centres. These facilities are introduced using the contribution of local labour with technical assistance provided by the government (Laquian, 1983).

Inherent in this approach is the assumption that it is the degraded state of the environment and the lack of basic services which make slums unfit for habitation, not the quality or condition of the structures. As such, minimal intervention in terms of direct

¹⁰ Slum, community and *in situ* (in place) upgrading are used interchangeably throughout this paper.

housing provision is undertaken. "Housing", then, refers more to a process wherein structures are consolidated incrementally over time as funds permit and service needs demand, particularly once tenure has been secured. This process relies on the concept of 'aided self-help' which is based on the premise that the non-conventional housing undertaken by the urban poor is a rational response to housing shortages and dwindling government resources.

1.3.2 Sites and Services

Like the community upgrading approach, 'sites and services' schemes represented an alternative to traditional approaches of slum clearance and public housing provisions. Both of these approaches aimed to provide housing for the urban poor, increase the stock of permanent housing, limit public expenditures, restore formal planning control, and provide job opportunities for residents. Unlike *in-situ* upgrading, 'sites and services' projects were implemented on new sites. As such, lots were provided with varying degrees of service standards with most projects providing a core unit structure which may have included a wall, a toilet, a kitchen, and a room. Other projects were strictly service oriented, requiring the families concerned to build and invest in the provided shell structure.¹¹ The Tondo Foreshore and neighbouring Dagat-Dagatan served as a testing ground for the Philippine government's new strategy on housing the urban poor.

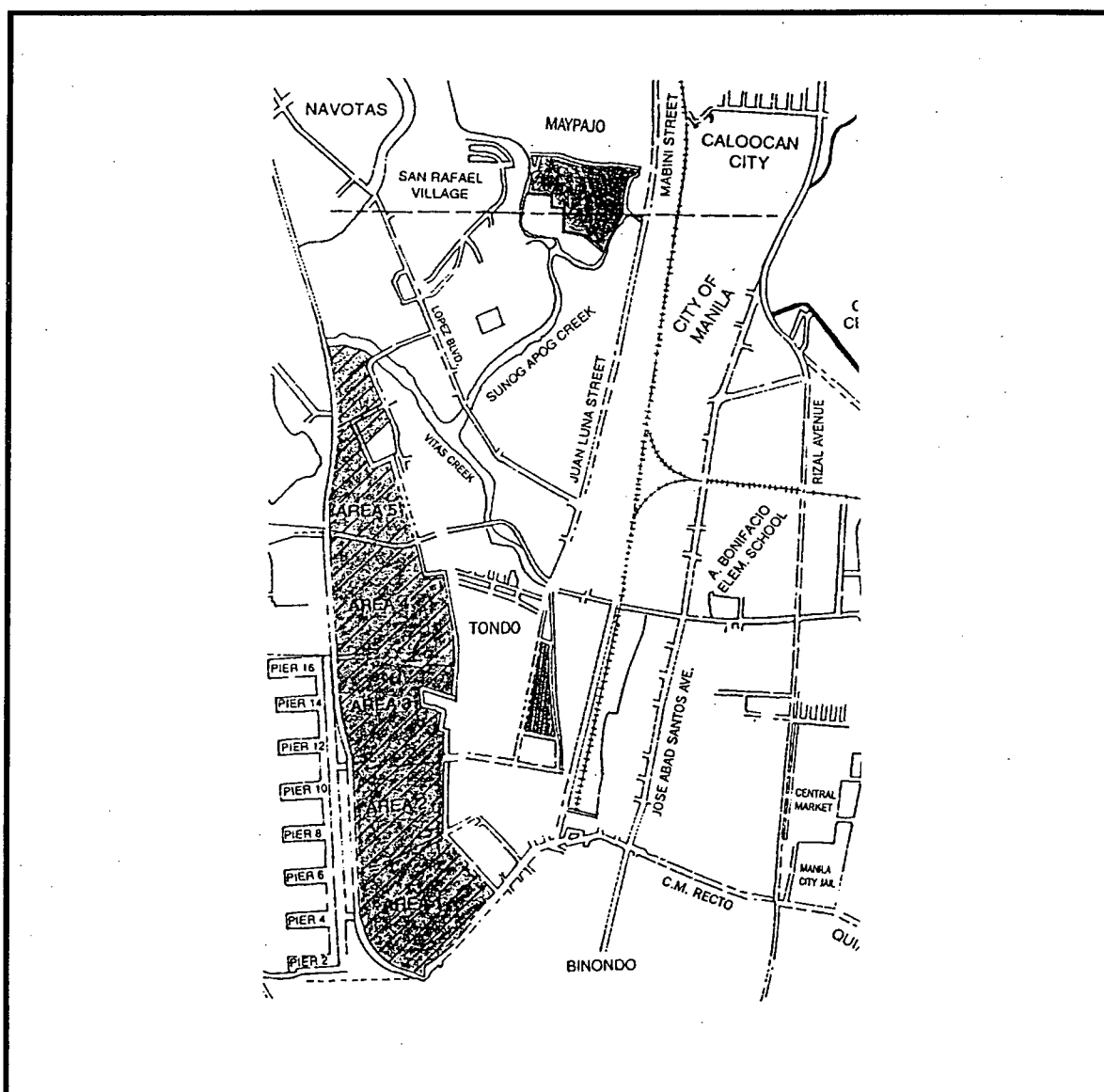
¹¹ The focus of this paper is not on 'sites and services' approaches due to time and money constraints. As such, little more will be written on this topic. It should be stated up front, however, that many of the original projects using this approach were unsuccessful due to the distance of the sites from employment opportunities. This meant that many of these projects were abandoned as people moved from the periphery back to the centre where they were employed (Laquian, 1983).

1.4 HISTORY OF THE TONDO FORESHORE

In the 1920s, with the Philippines under American colonial rule, the American Governor General set up a commission to study the socio-economic situation in Tondo, a community of largely poor people in the city of Manila. Soon after migrants from the provinces began to settle there. At that time the study indicated that Tondo was already showing signs of social and economic afflictions. In fact, the problems were so numerous that the colonial government decided not to address the area at all, thus leaving Tondo to develop independently of government influence.

In 1940, the national government reclaimed 0.37 kilometres² of land from the sea which fronted Tondo. The intention was to develop the site as an inter-island port complex and as an extension of the coastal road (Roxas Boulevard). The reclaimed land, the Tondo Foreshore, is bounded on the west by the North Harbour complex on Manila Bay, on the east by private lands, on the south by the Pasig River and on the north by the Vitas River.

Figure 1: The Tondo Foreshore



Source: NHA Data File

Post war changes in the economy and development policies with an urban bias gave rise to steady migration from the provinces to Metro Manila. The Tondo Foreshore was an attractive destination given its close proximity to transportation networks, markets, and employment opportunities at the pier in Manila's North Harbour. Despite rapid industrialisation, significant employment opportunities for unskilled and semi-

skilled labourers did not accompany the country's economic growth. Instead, the adoption of mechanised production processes left migrants who lacked specialised skills ill equipped to compete for jobs.

*Republic Act 1592*¹² was passed in 1956, authorising the subdivision of the Tondo Foreshore and the immediate sale of the lots to *bona fide* residents. This Act was heavily debated by government officials and community activists, as many believed it condoned urban squatting by extending tenure rights to the squatter families (Lantoria, 1975). In the end, *RA 1592* was never fully implemented due to an inherent vagueness in its terms. Three years later, *Republic Act 2439* was approved which served to define the final boundaries of the Tondo Foreshore area and enlarged it from 130.5 hectares to 185.75 hectares.

By 1972, the government reported that approximately 201,000 squatter families¹³ resided in Metro Manila, 13 per cent of which were squatting in the Foreshore making it the largest slum colony in Southeast Asia (Lantoria, 1975). The population of the Tondo Foreshore swelled to 27,000 families or an estimated 180,000 people. The area was extremely congested with a density of 3,000 persons per hectare. With so many families squatting illegally, the issue of land tenure and occupancy rights emerged once again as a hot political topic.

¹² *RA 1592* gave authority to the Land Tenure Administration to sell lots without using public bidding as subdivided to their respective lessees and bona fide occupants (Lantoria, 1975). The price was pegged at P 5 per square metre, without down payment for a period of 15 years. It also decided that disposal of the lots would be prohibited.

¹³ The average household is comprised of six members.

At that time the squatter community began to organise, effectively developing a degree of political influence which made it difficult for the government to use its dislocation tactics. Given the militancy of the community, the size of the population, and the abject state of both the physical and the social environments, the government turned to the *in situ* upgrading approach as the rational response to the situation as well as the most politically expedient one. The World Bank also became involved in the development of the Foreshore through a program aimed at extending assistance to the urban poor.¹⁴

1.5 PROBLEM STATEMENT

The Philippines, like other Asian countries, is urbanising at a seemingly unrelenting pace. Unfortunately, the economic development which is commonly associated with urbanisation is not equitably distributed throughout the population. The result is the growing prevalence of urban poor and the continued development of slum and squatter sites. In light of this, there is a critical need for viable and sustainable planning approaches to the development of human settlements which are directed at meeting the shelter and service needs of the people among the lowest 30 percent income bracket.

Twenty years ago, community upgrading was embraced by Philippine planners and policy makers who viewed the approach as a rational government response in the development of slums and squatter settlements. Despite the realisation of successes in the short term, the effectiveness of the approach to service the needs of the urban poor over

¹⁴ The World Bank had funded similar upgrading projects in Senegal, Indonesia, and Zambia.

time has not been determined. To this end, the impact of selected aspects of upgrading on communities needs to be considered so that specific assumptions of the approach can be re-examined.

There are a number of issues that usually underpin the issue of upgrading. First, it has been contended that once the environmental quality of a slum has improved and large scale improvements have been introduced, densities will inevitably rise beyond that which can be adequately supported by the levels of servicing introduced through upgrading. As this occurs, the initial stage of urban decay is presumed to set in and the upgraded site will slip back into a state of blight (Reforma, 1983). As such, upgrading will continuously be required, therefore calling into question issues of cost effectiveness.

Second, while the community upgrading approach has proven to evoke initial improvements in the overall quality of the housing stock, the degree to which households will continue to invest in their structures once a satisfactory level of consolidation has been achieved is unknown. The continued significance of factors, such as tenure, which were initially influential in bringing about structural improvements also remain unclear. Specifically, once an upgrading project has been implemented, the importance of *de jure* tenure in housing consolidation may be reduced as the community becomes 'normalised' and residents no longer fear the threat of eviction.¹⁵

Furthermore, the extent to which other factors such as income, sources of financing, and housing design play an influential role in the process over time are not

¹⁵ *De jure* tenure refers to the legal recognition of tenure versus *de facto* tenure which occurs by virtue of the fact that the land is occupied. Although this occupation is not legally recognised there is a perceived security of occupation.

known. Zetter asserts that "[t]here is contradictory evidence about the precise significance of tenure in the process of consolidation...tenure may be a necessary but not sufficient condition to encourage consolidation." (Zetter, 1984, pg. 229).¹⁶

Third, the impact of community upgrading, the provision of tenure in particular, on the stability of the population has been discussed throughout the literature. It has been argued that the costs associated with projects of this nature are often not affordable by the target population. Thus, the rise in overall standards and the promise of tenure is likely to result in the gentrification of communities as low-income residents sell out to a higher income group. Whatever the cause, the result is a community at risk of becoming zones of transfer which once again leaves the urban poor without shelter.

Finally, much has been written regarding the importance of 'process' or those elements of the slum upgrading aimed at the total development of the community. It has been suggested that too often the encouragement of the public's participation in the project is more likely a means to an end rather than a tool aimed at stimulating the development process for future activities. Van Horen (1994) asserts that often considerations such as these are secondary to the improvements sought in the physical environment and with regard to shelter.

The key problem in the Philippine urban context is that the long term impacts of community upgrading have not been verified and as such the assumptions informing the community upgrading approach remain untested. In spite of this fact, current settlement projects and programmes continue to draw on many of the same theoretical assumptions.

¹⁶ See also Angel (1983) and Jimenez (1982).

This research elucidates the impact of the approach by focusing on the Tondo Foreshore as a case study. Studies such as these are vital to ensure that future policies and practices are responsive to the needs of the urban poor and that any benefits of this approach are sustainable.

1.5.1 Research Questions

As defined by the problem statement, the research questions sought to understand the impact of selected aspects of community upgrading over time in the development of slum and squatter sites. The questions to be answered were as follows:

1. How effective was the approach in sustaining advancements in the physical environment?
2. How effective was the approach in stimulating housing consolidation over time towards the improvement in the community's housing stock and what were the influencing factors?
3. How effective was the approach in targeting the intended population and what were the impacts of tenure?
4. How effective was the approach in strengthening civil society and engendering community cohesion in the Foreshore?

1.5.2 Research Objective

The fundamental research objective was to assess the *effectiveness* of the community upgrading approach over time through *ex post* or *impact* evaluation.

Effectiveness is ultimately determined by the impact of the project on the community and the resident households based on a 'view from the inside'¹⁷ (see Van Horen, 1994).

¹⁷ It is necessary to distinguish between the 'effectiveness' of the project design and the impact of external and internal factors. The research does not intend to assess the implementation or effectiveness of project

While there are a multiplicity of impacts which could be included in the evaluation, the research focused on selected aspects of the slum upgrading as defined in the project objectives. This will provide insight into whether the community upgrade approach is an effective tool in engendering positive changes throughout the community while at the same time test the degree to which the design assumptions lend to the sustainability of the approach. To this end, the primary research was an exploratory case study which focused on the following specific objectives:

- to document the changes in the physical environment since the intervention and to identify relevant contributing or intervening factors;¹⁸
- to understand the effect of “reblocking” and the assurance of tenure regarding housing consolidation and related issues such as patterns of investment and the use of self-help;
- to determine the project’s impact on the stability of the population through the consideration of issues such as accessibility, affordability and cost recovery;
- to determine the level of political activity and awareness in the community and general levels of participation in community events.

Each of these points was considered at both the community and household levels. The project has had multiple impacts on the community. However, due to time constraints, the research focused on the factors discussed above.

components as this would only serve to define the outputs of adopted programmes encompassed within the project rather than more generalised outcomes or impacts. Studies such as these would consider the efficiency in which the components were implemented.

¹⁸ Contextual or intervening variables are those characteristics of the community which affect the impact of the project components. These could include location in the city, size of the community, socio-economic level, tenure status and density. The residents may also be a factor as they can either facilitate or hinder the implementation of the project.

1.6 RESEARCH RATIONALE

In the Philippines, poverty is increasingly becoming an urban phenomenon due to the rapid pace of urbanisation and inequitable economic development. More than half of the people who reside in Metro Manila are poor; it is they who make their homes in the slum and squatter settlements that blanket the mega-city's topography (Balisacan, 1994). Given the pervasiveness of these settlements and the prevalence of poverty, research which addresses this social issue is crucial. To this end, the research endeavours to inform policy while contributing to practical strategies which address the shelter and settlement needs of the urban poor.

The research focus calls into question various assumptions which inform the community upgrading approach. Although community upgrading projects are no longer being implemented in their original form, the Philippine position paper on shelter and human settlement policy into the 21st century, The National Report and Plan of Action on Shelter and Human Settlements, indicates that under the National Shelter Program the Philippine government will continue to pursue strategies which draw heavily on many of the theoretical assumptions underpinning this approach.

Through a long range impact study, issues such as the relationship between tenure and housing consolidation, levels of affordability and its impact on the population, the existence of community cohesion and empowerment, and the ability of the project to sustain improvements in the physical environment can be better understood. These findings contribute to theory building and are also beneficial to policy makers and project

planners because they shed light on the design assumptions and objectives of the slum upgrading approach. In this sense, the findings are applicable to other developing countries, particularly in Asia, which share many of the same experiences (urbanisation and slums). This is a worthy project given the critical need for policies and practices in slum and squatter sites which are responsive, effective and sustainable.

1.7 RESEARCH METHODOLOGY

This section addresses the methodology used in conducting the research. The first section discusses the rationale for choosing a case study approach. Section two outlines the type of information sought and the sources of that information. The third section describes the process of data gathering, while the last illuminates the findings and the limitations of the approach.

1.7.1 Methodological Rationale

The rationale for choosing a case study as the research methodology was primarily based on its ability to answer the 'how' questions. The case study methodology also accommodates a pluralistic approach which is exploratory, explanatory and descriptive in nature. For example, in evaluating the impact of the project, explanatory information was sought which described the effect or influence of the independent variable (the project) on the dependent variable (the behaviour of the community and its residents). An understanding of the relationship between these two variables was sought throughout the research.

The case study methodology is an appropriate choice because the research aims to analyse a community where an intervention has taken place and where the outcomes are unclear. Yin defines a case study as an empirical inquiry which “investigates a contemporary phenomenon within its real life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.” (Yin, 1989, pg. 20). Given this, this methodology is suitable as it allows for the consideration of contemporary events in an environment where the behaviour of persons and organisations cannot be directly controlled. It also enables the researcher to take into account the various views of the actors involved.

Finally, the case study methodology is appropriate as the aim of the research is to produce analytical generalisations in order to address the theoretical assumptions inherent in the design of the upgrading approach. In terms of making statistical generalisations, the researcher did not seek representative samples from across the Foreshore. Rather representative samples from a ‘model’ neighbourhood were gathered for this purpose.

1.7.2 Types and Sources of Information

Information on the physical status of the project was gained through interviews with, and documents provided by, personnel from the Department of Public Works and Highways, National Waterworks and Sewerage Authority (NAWASA), and the National Housing Authority (NHA) as well as personal observations and assessments. Socio-economic data and a sense of the political ‘mood’ of the Foreshore community were obtained through interviews with residents, NHA personnel, individuals working in the

NGO sector, staff from the Department of Social Welfare and Development (DSWD), barangay officers,¹⁹ and staff at the various schools and health centres located throughout the Foreshore. An understanding of the policy issues was gained through interviews with World Bank and United Nations officials, representatives from government agencies such as the NHA, Housing and Urban Development Co-ordinating Council (HUDCC), National Economic and Development Authority (NEDA) and academics from the School of Public Administration at the University of the Philippines, Diliman.

Primary research involved discussions with 34 key informants over a six month period (see Appendix). Multiple interviews were held with many of these informants who had direct access to the project during the implementation phase. A survey involving 30 households was also conducted to gather information on a variety of issues such as housing consolidation and investment, educational attainments, income levels, etc. As well, informal focus group interviews were held with Foreshore residents on issues ranging from political activity to livelihood initiatives. Interviews with a barangay captain from each of the five designated areas spanning the Foreshore were conducted in an attempt to assess the status of civil society exemplified in the extent to which the residents are involved in their community and to gain insight into the role of the barangay as an agent for change. Direct observation of the site also informed much of the findings on the physical status of the community.

Secondary sources of evidence included documents which provided background information on the project and its programmes in an attempt to orient the researcher to

¹⁹ The barangay is the smallest unit of government operating at the community level.

pertinent issues and to contextualise the findings. These sources included archival records such as baseline survey data, maps and charts, and internal organisational records such as administrative reports, internal memorandums and evaluations. In the case of internal documents, the researcher took into account the potential bias inherent in the information. Secondary sources also included a review of the literature which examined the theoretical assumptions or underpinnings of the community upgrading program.

1.7.3 The Research Process

In preparation for field research, the researcher gathered whatever documentation was available on the Tondo Foreshore upgrading project. Because this information was general and limited, the initial stages of the research were exploratory in nature in order to orient the researcher to the salient issues. Numerous ocular surveys spanning the Foreshore and informal interviews with residents were undertaken over a period of six months. On these occasions, a NHA staff member would often accompany the researcher for safety reasons and to act as an interpreter.

In conjunction with these techniques, a survey involving 30 households was implemented in order to gain more personal information at the household level. The Moriones Area which is bounded by Moriones St., Quezon St., Pacheco St. and R-10 was chosen as the site for the household survey based on the following rationale. First, the area is located in the heart of the Foreshore and given the homogeneous nature of the Foreshore it represents a microcosm within the upgraded area. Second, the area was the

first to undergo the “reblocking” process,²⁰ representing a priority area due to overpopulation and a high number of dilapidated structures. Third, the Moriones Area was a model area used to demonstrate the upgrading concept and as such more detailed information is available on the status of the site prior to intervention. Based on these factors, the neighbourhood depicts a ‘slice’ of the greater community. The 30 respondent households were equally distributed among the ten blocks of Magsaysay Village in Area IV wherein every third house was chosen.

To implement the house to house survey, three surveyors were hired. Each surveyor took part in a one day training seminar to orient them to the research objectives and the research instrument. The surveyors were not restricted by any time limits and they were instructed to take notes regarding their impressions and experiences while conducting the survey. The survey instrument contained specific questions but also allowed the interviewer to probe more deeply into specific issues if warranted. Random follow up surveys were conducted in order to ensure the accuracy of the information being gathered by the hired surveyors.

After completing the field portion of the research, the findings were consolidated in Vancouver. Two additional site visits were conducted in March 1996 and December 1996 wherein major changes in the physical environment were noted.

²⁰ A process in which structures are moved and aligned to accommodate the rationalisation of the community. See Chapter Three for more in depth detail.

1.7.4 Limitations of the Study

The scope of the research is limited because of time and money constraints due in part to the sheer geographical magnitude of the project area, the enormous population base which resides there, and the complexity of the components which went into the upgrading. However, the use of key informants was extremely useful because they had in-depth knowledge of the situation.

The survey was further constrained by factors such as the inhabitants inability to precisely recall events (such as amounts borrowed or rates of interest) given the passage of time. As well, some households refused to be interviewed while others who had agreed were reluctant to divulge personal information as they feared it could be used against them by the government. The length of the interview was also problematic for some households.

1.8 *THESIS OVERVIEW*

Chapter One provides the framework for the thesis through a general look at the issues facing the urban poor and a contextual overview of the issues of urbanisation and growth in the Philippines and Metro Manila. A brief description of the policy responses for slum and squatter sites is undertaken as well as a discussion on the adoption of new strategies indicating a paradigm shift in the development of human settlements. Together these discussions lay the foundation for the introduction of the Tondo Foreshore Urban

Development Project - the case study upon which the research is based. This chapter also provides the reader with an outline of the methodological tools which guided the thesis research.

Chapter Two discusses the theoretical assumptions of the community upgrading approach which informed the design and implementation of the Tondo Foreshore upgrading project. In particular, the role of tenure and enabling strategies comprise the bulk of the discussion. Chapter Three provides the reader with an overview of the Foreshore prior to the implementation of the project followed by a detailed description of the design of the community upgrading project in the Foreshore and the related points of intervention.

In the following four chapters the major findings of the research are presented. Chapter Four evaluates the impacts of the project on the physical environment including the rationalisation of the community's physical layout and the introduction of community facilities. The role of community maintenance in ensuring the sustainability of the approach is discussed at length. Chapter Five presents the findings regarding the extent to which housing consolidation has taken place as well as a discussion of those factors which contribute to the consolidation process. Chapter Six explores the project's impact, the role of tenure in particular, on the stability of the population. To this end, issues of affordability and cost recovery are considered. Chapter Seven examines the project's impact on the civil society through an exploration of the persistence of mutual aid traditions and expressions of community organising to examine the *process* aspects of the project.

Chapter Eight charts the evolution of the upgrading approach through a series of policy interventions including a profile of the Community Mortgage Program in order to illustrate how the community upgrading approach has reinvented itself and adapted to a changing milieu. Finally, Chapter Nine concludes the work by integrating the findings with current policy directions for recommendations for future policy and practice responses in dealing with the development of human settlements.

2 THEORETICAL ASSUMPTIONS

As Chapter One briefly outlined, the community upgrading approach represents a paradigmatic shift in the way theorists view slums and in the way policy makers and planners deal with them. Instead of slum eradication, governments not only allowed residents to remain in place, they were also discovering strategies for improving the environment of slums and squatter sites.

This chapter will examine the theoretical assumptions underpinning the approach to community upgrading. Specifically, I will focus on three key elements which consistently appear in discussions surrounding this issue. These include the assumptions informing the self-help approach to housing, tenure and the possible impacts associated with this measure, and the role of enabling strategies as a tool for empowerment.

To begin, I will situate slum upgrading within a broader theoretical context by discussing housing from a social perspective. I will then follow this with a discussion of the assumptions informing the community upgrading approach.

Housing from a Social Perspective

In the 1960's, a shift occurred away from simple economic or political analyses of housing needs in slum and squatter settlements. To begin with, researchers began looking at the role of housing within the context of a system and specifically at the relationship between housing and the community in the lives of the urban poor. In this sense, the objects under investigation were redefined according to the needs of a more critical paradigm. The shift is crucial because unlike previous research approaches that focused

on the operations of the marketplace or political processes, the social perspective focuses on the development of human social relationships. In particular, this approach does not view the home as a commodity but as a habitus. The key observation made by researchers studying the phenomenon of irregular housing is that the home represents a place where economic, political, social and cultural capital is produced. It is a place where individuals accrue power, knowledge, utility and livelihoods. It is through the home that formation of socio-economic, political, cultural and symbolic identities are formed; identities which both transform and are themselves transformed through relationships with the community. Turner and Fichter (1972) were instrumental in isolating this idea and coined the phrase "housing as a verb" to describe the dynamic nature of housing.

A number of issues have been raised by researchers using the social perspective as the starting point. Turner has identified the importance of location and setting to the cohesiveness of slum and squatter areas. Leaf (1994) argues that setting and location fluctuate with the life cycles of the community's residents and thus no one model can be used to explain the needs of landowners. The social perspective has also helped to draw attention to the value of tenure as a method that entrenches security, stability and which helps residents to exert some control over their lives. In addition, the social perspective illustrates the need for self-help which in its broadest terms refers to the landowners freedom to choose their own forms of housing and housing improvements.

In short, the social perspective attempts to consider broader, more abstract processes which influence how households, the urban poor in particular, obtain shelter (Leaf, 1994). This is because researchers have found that the successful implementation

of a policy decision requires the active participation of those living in the slums. In other words, approaches to housing needs and home improvements in slum settlements became more diffuse with greater and greater emphasis placed on the inter-activity between residents, their communities and policy makers. This is the driving force behind self-help housing as it exists within the framework of community upgrading. It is also the crux of mutual aid which is grouped with self-help programmes under the rubric of enabling strategies.

2.1 SLUM UPGRADING

By the early 1970s, slum upgrading was adopted by many national governments in developing countries to counter the failure of shelter programs and reductions in government funding to fund housing projects. Under this new approach, the government no longer provided finished dwellings. Instead, governments intervened by granting tenure and by introducing infrastructure while residents, through the use of self-help housing, were left to consolidate their structures. In other cases, the government constructed core houses or extended loans to assist residents in purchasing housing materials.

By offering the security of tenure, human potential is unleashed and acts as an incentive to invest in the improvement of one's dwelling. Because residents were seen to be creative, resourceful and innovative with regards to the housing process, these resources could be tapped provided that government barriers were removed. Building on the work of Turner, the slum upgrading approach relies on incremental housing

consolidation through self-help and assumes that residents possess the resources necessary for carrying out this task. It follows from this then that the urban poor only require *support* from the government.²¹

Based on the argument that squatters have traditionally acted as planners, builders and financiers, slum upgrading capitalises on these tendencies in an attempt to service more beneficiaries. This is because the amount invested in each family is lower when compared to the amount required under the former approaches (Rodell and Skinner, 1989). This was viewed as a *rational* response by national governments and agencies such as the World Bank on the basis that these practices were naturally occurring within these settlements and because they represent a cost effective strategy in the production of shelter. The gradual construction of dwellings decreases the government's capital costs as beneficiaries are expected to take on the labour oriented components.²² Self-help programs lower subsidy rates because infrastructure is less expensive than the provision of finished houses and increased access can be achieved by cutting standards and costs. Leaf (1993) notes that this interpretation and application departs significantly from Turner's view that 'self-help' is a method for citizens to gain autonomy and independence from the state. Other critics say this is a form of exploitation of the urban poor which removes responsibility from the shoulders of the wealthy and powerful.

²¹ This argument has been the source of much debate as critics from the Marxist camp maintain that it is the government's responsibility to provide shelter to those individuals which the capitalist system has marginalised.

²² This had the secondary effect of acting like a skills training programme to increase levels of employability.

In terms of improving affordability, the use of self-help as the primary means for housing construction implies that within low income or slum areas there are high rates of unemployment or underemployment. This is not always the case in slum and squatter sites.

Through a better understanding of the processes involved in self-help construction, it was accepted that structures built by slum and squatter dwellers contribute to the overall housing stock. It is also based on the assumption that poverty is not the cause of dilapidated structures. Rather, it is the fear of eviction and relocation which dampens the spirit of self-help and prevents access to basic urban services which inhibits residents from investing in their communities. As such, demolition would only serve to exacerbate the housing shortage and for the first time was considered counter-productive, whereas the provision of tenure was expected to facilitate improvements in structures.

Based on the acceptance of a new set of assumptions regarding the approach to housing in slum and squatter settlements, the government's role in community upgrading became that of an *enabler* rather than a *provider* in the shelter sector. Similarly the role of the beneficiary (in this case the urban poor) was redefined where "...marginalised groups in society can or should improve their material and social condition with limited external intervention..." (van Horen, 1994, p.1). Thus governments aimed to promote and assist participants in shelter and site development. In addition, users are responsible for financing their own housing construction -- something which the urban poor had been doing but which was then becoming institutionalised.

The shift of the role of the government from that of provider to that of enabler/facilitator has met with much criticism. Critics argue that the adoption of self-help based housing policies effectively remove the government's responsibility from the housing sector by placing the impetus for better standards and improved housing conditions on the backs of the poor or those who are in a disadvantaged position (Burgess, 1982).

Other criticisms levelled against self-help strategies point out that governments adopt self-help programmes to avoid redistribution and structural changes which are required to equitably house people (Burgess, 1982). Burgess also argues that this invariably reduces the need for the implementation of progressive taxation measures and justifies reduced public expenditures which benefit the middle and upper classes. "In this view, self-help programmes reinforce inequities that lie at the root of low-income families; poverty and consequent housing problems." (Rodell and Skinner, 1983, p. 4). As well, Rodell and Skinner further suggest that "Self-help housing thus becomes part of the formal market, which strengthens liberal forms of development that housing policies used to try to counter and abandons a measure of public control over the distribution of benefits." (1983, p. 5).

2.2 ORIGINS OF SELF-HELP HOUSING

Abrams and Turner revolutionised the concept of self-help. Abrams defined self-help as 'auto-construction' where people (particularly in the rural tradition) built houses

with their own hands (Marcussen, 1990).²³ Turner, after conducting research in Peru in the early 1970s, reworked this concept into 'housing by people' which he argued typified the self-help process. Turner and his colleague Mangin argued that eventually migrants become consolidators when they find a plot and employ self-help building techniques until the house is complete. Turner's orientation is firmly focused at the community level, advocating a move away from centralised systems of decision-making. Turner further asserts that in addition to using self-help to realise an end product, this concept also provides the user with control. In this sense housing came to be understood as a verb rather than a noun, as an activity or process rather than a product (Marcussen, 1990, p. 15).

2.2.1 Shifting Perceptions: Slums of Hope

Through the work of Turner, perceptions of slum and squatter sites were essentially transformed. For the first time, these degraded areas were viewed as a place of hope rather than a place of despair. As van Horen (1994) explains,

Culturally, residents of informal settlements are highly optimistic and aspire to better their lot in life, such as working toward providing a better education for their children and improving the condition of their houses via spontaneous upgrading. Economically, they are hard working and productive; they not only build their own houses but also the overall informal physical and social infrastructure. Politically, they are neither apathetic nor radical, although are keenly involved in the aspects of politics that directly affect their daily lives. (p.7)

Under this new view, slums characterised by recycled and makeshift structures once considered a blight were now being recognised as a highly creative response by the

²³ Abrams was an advocate of core housing which was professionally constructed then added to incrementally (Marcussen, 1990).

urban poor in addressing their housing needs. While this perspective may apply, it does not accurately characterise their situation as the poor are clearly marginalised, constrained by the economic and political structures of society (van Horen, 1994, p. 9).

2.3 BUILDING ON SELF-HELP: ENABLING STRATEGIES

Within the community upgrading approach, the concept of self-help and traditions of mutual aid are critical features which have come to be known as enabling strategies. Leaf (1994) defines enabling strategies as “a reduction in the direct role of the government in the production of housing.” (p. 22). The term enabling strategies refers to the way in which communities can be enabled to provide themselves with housing.²⁴ Clearly the emphasis here is on mobilising the community. In this vein, “Self-help...is the use of participating family skills, labour, organisational talents, and managerial skills in the construction and improvement of its own house.” (Laquian, 1983, p. 40). Pure self-help is when a family takes on all of the steps in building; and which recognises that this method can be employed on a continuum. For example, in some instances, the term can include a broader definition which includes the use of skilled or semi-skilled craftspeople in the consolidation process.

Ultimately, the degree to which households use self-help instead of relying solely upon a contractor influences the types of materials used, the pace of consolidation and overall costs. Beneficiaries can design and construct a substantial portion of their house, while relying on professionals for technical tasks. This approach implies a slow, irregular,

²⁴ A shift has occurred, however, so that now -- depending on the user -- emphasis is placed on strategies to enable market forces to assist in the production of housing (Leaf, 1994, p. 23).

informal process where material acquisition and financing for paid labour takes place over time. Self-help construction is also viewed as a means by which residents can develop their structures in ways which best suits their needs. Households are able to determine the house design, the types of materials used, the amounts of self-help and paid labour and the nature of their investment (Rodell, 1983).

This redefined self-help because it emphasised the decision making power of the household and the direct investment of families in the form of unpaid labour or cash savings. In this sense, self-help “refers to a form of social decision-making about construction rather than to a particular technological ingredient in the assembly of building components into houses.” (Rodell, 1983, p. 12). The concept evolved based on the assumption that rural migrants brought to the city construction skills and a set of ‘indigenous resources’ which provides them with the necessary skills for housing construction. Thus, within the concept of self-help two distinct models exist. One focuses on the reliance of family labour in the production of high-standard housing, while the other refers more to the process of “freedom to build”. Within community upgrading schemes both of these models co-exist.

While the adoption of these approaches may make the production of houses more efficient and low the costs of housing production, it is also a process which brings about social and economic development in the community. In this regard, perhaps the main challenge confronting self-help and mutual aid are “the most appropriate *process* via which to deliver a *product*.” (van Horen, 1994, p. 43). Furthermore, mutual aid and self-help traditions need to move beyond the mere production of houses and the installation of

infrastructure, i.e. the house as a product. Instead, they should include the social aspects of development and integrate them with the physical or technical components of upgrading.

Eventually, housing agencies began recognising these traditions as a resource which could be incorporated into housing policies: they are a means by which to reduce the costs (by an estimated 10 - 20 per cent) associated with the construction of shelter (Rodell and Skinner, 1983, p.7). Furthermore, housing consolidation via self-help methods facilitates the incremental consolidation of structures which theorists postulate will better reflect the household's needs.

Past evaluations of community upgrading projects have found that there is a trend toward the use of contractors for increased satisfaction and a desire for a finished structure. It is anticipated that pure self-help is more likely to be utilised by lower income families who can not afford to contract out. The degree to which residents undertake pure self-help strategies in the improvement of their structures may be an indicator of affluence and may serve as a marker that the target group is not being served (Laquian, 1983).

2.3.1 Mutual Aid

In community upgrading projects, the co-operation of beneficiaries in the construction of infrastructure or housing is secured through mutual aid. Within slum and squatter communities, it is assumed that community spirit acts as an impetus for residents to work together on projects. Some of the anticipated advantages of mutual aid are that it

encourages a spirit of co-operation which leads to a more harmonious community (Laquian, 1983). Furthermore, it is argued that mutual aid acts as an organisational tool for undertaking community projects and in doing so it expands one's outlook beyond the family to include the greater community. Some have argued that self-help, as an individual effort, only serves to reinforce the status quo and thus works against social progress by allowing the state to step back from its responsibilities. Alternatively, collective self-help or mutual aid can enhance community organisation and help to promote local autonomy.

Studies have shown that mutual aid is effective in certain instances, such as the moving of structures to facilitate the introduction of infrastructure, however, it is not effective for tasks requiring exact specifications such as laying water mains. Furthermore, it is questionable whether or not it could be applied to tasks which would need to be sustained over a long period of time.

2.4 THE ROLE OF LAND TENURE

Granting land tenure is an essential factor in bringing about improvements in the housing stock and is a critical component of community upgrading.²⁵ It has been shown that in many instances, tenure is key to realising improvements in dwellings. However, the provision of tenure is more than just a physical manifestation. It also has economic, social and psychological implications. It is difficult to measure the effect that stability and security engenders within communities, but tenure can act as an incentive for residents to invest in structures where the promise of title represents collateral in house

²⁵ The security of tenure refers to the actual granting of title whereby squatters become land owners.

improvement projects. Investment in structural improvements may lead to new economic options such as renting out space, or selling the structure or the rights to the land for a profit. In addition, tenure also necessitates the subdivision of a site into lots which in turn allows governments to rationalise the site into a grid. Finally, the promise of tenure acts as a tool for cost recovery as residents are encouraged to keep up with monthly lot payments in their bid to gain title for the land they occupy.

Still, on its own, tenure is not a sufficient condition for generating improvements in the housing stock. Rather, it is part of a nexus of socio-economic, political and cultural considerations which include the education level of households, income, and the type of employment opportunities available. Considerations such as these have a profound effect on the level of poverty within communities and have as much influence over housing improvements as tenure. Furthermore, potentially harmful consequences resulting from the provision of tenure have also been identified and will be dealt with later in this chapter.

2.4.1 Tenure Security in Housing Improvement

The basic premise of both Abrams and Turner is that without the security of tenure, residents are reluctant to invest in their structures and as such no real improvements will take place in the housing stock. Tenure helps to create a sense of security which in turn allows homeowners to feel stable. Residents of slum and squatter sites have demonstrated an unwillingness to undertake self-help construction or to invest

in their structures if they are living in constant fear of demolition and eviction. As Angel (1983) explains;

Since the insecurity of tenure and the fear of eviction are considered to be serious obstacles preventing house improvements in slums and squatter settlements, tenure security and freedom from eviction are the natural means for removing these obstacles. Improved land tenure security is, therefore, generally accepted to be the foundation of the gradual approach to housing (p. 111).

These findings are further supported by studies which have shown that in those squatter sites where tenure has not been granted -- but where residents did not fear eviction -- residents did invest in their structures. For example, in Karachi, many of the settlements are on government land. Historically, the Pakistan government has tended to grant tenure, thus residents have invested in their structures based on the belief that tenure will eventually be granted (Angel, 1983).

Other case study examples demonstrate that government aid in the form of decreased property taxes or the provision of basic services, has led to the increased hope of tenure (Angel, 1983). In these examples, residents invested in their structures without fear of demolition and eviction. The example in Karachi, however, is far from the norm. In other cases, such as the Kampung Improvement Program (KIP) in Indonesia, residents did not equate infrastructure improvements with the regularisation or acceptance by the government (Angel, 1983). In this instance, little evidence of changes in housing occurred despite the introduction of infrastructure and services because the government had not subsequently granted tenure. "No significant differences between improved and unimproved kampungs were found." (Angel, 1983, p.114). The case study evidence

demonstrates a strong positive relationship between tenure and house improvement (Angel, 1983).

Studies such as these, demonstrate that people's propensity to invest in their homes is based on the perception of security or the feeling that their home is not likely to be destroyed, a form of *de facto* tenure versus *de jure* tenure, wherein tenure is formally granted. Still, despite the highly subjective nature of tenure where promises or even hope are as powerful as actual documents, the right to remain in place is strengthened when this status is legalised and made legitimate.

Residents are particularly motivated to invest in improvements when the government undertakes large upgrading programs. This is mainly because the residents derive a significant degree of security from these schemes. "House improvements are therefore more likely to respond to comprehensive and established government housing policies than to haphazard instances of improvements or promises of secure tenure ..."

(Angel, 1983, p.116).

2.4.2 When Tenure is Not Enough

While the provision of tenure has proven to be a positive influence in many of the community upgrading programs which have been implemented over the years, Angel argues that other factors such as income levels, cultural mores and the nature of the political environment are also crucial influences in the success of these programs. These factors appear to play an important role because self-help housing is slow and incremental in nature. The circumstances noted by Angel (1983) are the defining

difference between households which are consolidators and those which are non-consolidators. Angel cites three case study examples in Mexico City, Colombo and Port Moresby where the provision of tenure alone was an insufficient intervention in bringing about housing improvement. These findings indicate that tenure should be offered in conjunction with other measures or as one aspect of a greater project. "Tenure security, in order to be an effective tool for housing the poor, should be conceived as an important component in an integrated program aimed to bring about improvement by mobilising the people." (Angel, 1983, p. 121).

The most obvious mitigating factor in consolidation is poverty. A study conducted in Mexico City, found a correlation between income and the extent of improvements to housing. "The better the economic status of the households the higher the investment in house consolidation." (Angel, 1983, p.118). In recognition of this, many community upgrading projects have come to include measures which help to alleviate poverty -- for example, livelihood schemes -- as a way of facilitating investment in homes. While the Foreshore project did include a livelihood component, this site was fortunate to be located near to a port facility which provided residents with employment opportunities.

Angel also notes a correlation between the age of a settlement and the levels of consolidation a settlement undergoes. In his example, he argues that older settlements had a more advanced housing stock. Those owners of those structures which had lasted over the years without demolition had in essence gained a sense of *de facto* tenure which is reflected in the higher levels of consolidation. In addition, Angel found that variations in levels of housing consolidation within settlements can be attributed to other socio-

economic factors such as level of education, income and the type of employment (Angel, 1983, p. 118). Therefore, households which have higher levels of income, education, skills and stability are most likely to be consolidators. All of these features result in higher household savings which in turn can be invested in the home. Other studies have emphasised social and cultural conditions which would 'inhibit' consolidation such as strong commitments to other community activities which do not allow them to improve their structures (Angel, 1983).

2.4.3 Potential Consequences of Granting Land Tenure

Although a sense of security may be invoked by the provision of tenure, other unintended negative consequences may also result. First, residents may be unwilling to make amortisation payments to gain legal title to the plot they occupy. The unwillingness to pay for the land title occurs because a measure of informal or *de facto* security is felt by the homeowners. In effect, upgrading projects may inadvertently re-enforce a belief in residents that they have a right to reside in their homes which provides the impetus for non-payment of amortisation. "Once tenure at the community level appears to be secure, titles are not essential and the willingness to pay for them is considerably weakened." (Angel, 1983, p. 132). Still, the legal transfer of title is absolutely necessary because governments change, as do their policies towards land-use, which could jeopardise the claims of landowners to their properties. In addition, failing to acquire formal title can decrease the value of their homes as investments; a feature which officials depend upon in their bid for the recovery of costs (Martin, 1983).

Second, the granting of tenure can result in a process called 'upward filtering.' This term refers to the way lower income households are displaced by an influx of more affluent residents. Settlements which have been granted tenure appear to attract higher income households which in turn build better structures. The research was not able to determine where these residents moved to or if they were better or worse off as a result (Angel, 1983).

Third, the process of granting tenure invariably includes some households while excluding others. Once it has been decided that a site will be upgraded, tenure is offered to those residents who have resided in the site for a designated period of time which is at the discretion of the government. This has the effect of preventing residents who do not qualify for tenure from becoming beneficiaries of the project.

A fourth consequence related to tenure is that it must be officially sanctioned by the government. In effect, the government retains control over land ownership and strengthens its ability to evict residents or demolish housing by establishing a legal basis for its actions. Thus, while this means that a settlement granted tenure may escape the threat of demolition, the risks faced by settlements which have not been awarded tenure may actually increase. Conversely, other new settlements may be founded as the squatters gain confidence that they too could be granted tenure. Furthermore, within a settlement which has actively sought tenure, if the residents find themselves in arrears on amortisation payments yet continue to 'illegally' occupy the lot, their level of risk may increase as the concept of legality becomes entrenched (Gilbert, 1990).

2.5 *THE NEED FOR APPROPRIATE STANDARDS*

In the case of slum upgrading projects, there is an assumption that standards must be lowered in order to keep costs down. This is particularly the case when full cost recovery for the project is sought and which can lead to a heavy burden for the residents or a large subsidy on behalf of the government. If the costs of the project are too high the residents may need to draw resources away from other basic needs or may be forced to sell their property rights to higher income groups who can better afford the development. Although the poor may enjoy a short term gain from this move, finding appropriate, affordable and adequate standards for development is a complex process. "The linkage with cost recovery and subsidies is an obvious one, but few planners recognise that unless the residents accept the standards established in the project, they are forced to consume a good they do not see the need for." (Martin, 1983, p. 58). In effect, planners face the challenge of achieving the delicate balance between the level of standards and the associated costs (Martin, 1983).

2.6 *THE CONSIDERATION OF SCALE*

The scale of the project refers to levels of complexity involved in upgrading. Often, comprehensive projects are sought as they are viewed as a definitive response to a wholly undesirable situation. At this level, upgrading is complex and takes place on a large scale which increases the potential for difficulty. Martin (1983) suggests that smaller, less sophisticated projects have met with greater success than large complicated projects. This is particularly the case if the project encourages the participation of the

community. Still, the comprehensive approach is favoured over a more incremental introduction of services or the rationalisation of the site. As well, there are other interrelated elements which are sometimes overlooked, such as the impact on health through improved water supply, refuse collection and even general education. In addition, increased expenditures brought on by the project may make it necessary to raise income levels through vocational training programs, small business loans and the like. As a result, all of these linkages lead to greater complexity and increase the potential for co-ordination problems. Martin suggests that it is necessary to gain input from the community in the early stages of planning in order to offset negative impacts. He also warns that without real participation, the project risks not being accepted by the beneficiaries which may effect the cost recovery effort (Martin, 1983).

2.7 CONCLUSIONS

Self-help housing consolidation was already occurring prior to its formalisation into a component of slum upgrading. In effect, the state attempted to stimulate enabling strategies which were already believed to exist by integrating them into the project. To this end, enabling strategies which mobilise, empower and encourage the participation of all actors is critical to community upgrading.

Community upgrading was ground breaking because it was the first approach which both recognised the value of self-built structures and legitimised this activity. Upgrading was embraced because it addressed the need for shelter by addressing specific problems such as poor housing quality, lack of basic services and insecure tenure. In each

of these areas upgrading was a remedy. However, some critics question whether it was only a short term cure because this form of government intervention is known to have adverse affects beyond the intended results. These factors are taken into account in the following chapters to assess the impact of the approach on the community of the Tondo Foreshore over time.

It is a truism that slums and squatter sites are not a passing phenomena. Rather, they are a permanent feature of urban centres in the developing world where between one-third and one-half of the population reside in informal settlements. In fact, informal settlements are so prominent in large urban centres that the government can no longer ignore the demands of its citizenry even if they are poor.

3 COMMUNITY UPGRADING IN THE TONDO FORESHORE

This chapter provides a brief pre-project profile of the Foreshore squatter community as a contextual sphere upon which to compare the findings discussed in the following chapters. The pressures facing the community before the decision to upgrade are also outlined in order to emphasise the important role of tenure in the project. This is followed by a synopsis of the genesis of the community upgrading project in the Tondo Foreshore. Then, the project objectives, the assumptions informing the design, the various points of intervention, the administration and co-ordination, and an overview of the financing arrangements and costs are detailed in order to orient the reader to the various aspects of the project.

3.1 PROFILE OF A SQUATTER COLONY: PRE-PROJECT STATUS

Before 1974 and prior to government intervention in the Tondo Foreshore, the 180 hectare site was inhabited by 180,000 people (27,000 families) living in some 15,000 structures each housing an average of two households per structure. An ocular survey of the physical environment revealed a densely populated, dilapidated environment replete with shanty houses tottering on stilts to stave off the threat of constant flooding.²⁶ Baseline surveys conducted in 1974 revealed that compared to other districts in Manila, the Foreshore was characterised by fewer hospital beds per person, less schoolroom space per pupil, inadequate or non-existent community infrastructure, less park and recreation

²⁶ This information was obtained through a baseline survey conducted in 1974 which gathered a variety of information on the status of the physical environment as well as socio-economic information on the community's residents.

space per person and more property loss due to fire and typhoon (Architectural Record, 1976). Degraded environmental conditions and poverty affected the health of the community which was constantly threatened by epidemics. For example in 1974, 700 residents died from tuberculosis alone. As well, the same survey revealed that an enormous 80 per cent of all pre-school children were undernourished (Viloria & Williams, 1987).

This profile reveals a community of marginalised residents on the fringe of society in every way. Since the 1950s, Foreshore residents had experienced a series of demolition of their structures. With the imposition of martial law by the late President Ferdinand Marcos in 1972, which effectively stripped the Philippine citizens of their rights, and the renewed pressure to develop the Foreshore into an international port area, the residents' occupancy status was placed further at risk.²⁷ If not for the ardent community activism in the fight for tenure, it is likely the entire community would have been bulldozed and its residents relocated to a site on the periphery. Given the Foreshore's history, the importance of tenure as a means by which to legitimise and secure the community's existence cannot be overemphasised.

3.2 THE TONDO FORESHORE URBAN DEVELOPMENT PROJECT

The Tondo Foreshore Urban Development Project represents the Philippine government's first attempt at comprehensive *in situ* slum upgrading. In 1972, under Martial Law, President Ferdinand Marcos created the Housing and Urban Development

²⁷ The renewed interest was prompted by a shift away from an economy based on import substitution toward a more export-oriented economy.

Team to study the status of the Foreshore. In 1974, the First Lady, Imelda R. Marcos took on the title of Minister of the newly formed Ministry of Human Settlements. Given the sheer magnitude of the slum, the politics of the post, and ardent community activism, the Tondo Foreshore was chosen as a pilot area for the community upgrading project in conjunction with a 'sites and services' project in neighbouring Dagat-Dagatan as a population spill over site. Together these two separate approaches would form the basis of the urban development program on human settlements for replication nation-wide.²⁸

With the project underway, the critical issue of land tenure was finally addressed in March 1978. At that time, President Marcos issued *Presidential Decree (P.D.) 1314* which set the cost of the land at P 5 (US\$ 0.68) per square meter and charged the residents development costs of P 0.95 (US\$ 0.13) per month per square meter under a freehold arrangement. This response came only after the community had organised to protect their rights and to fight against *P.D. 814*²⁹ which would have allowed for a freehold situation based on the stewardship principle where the government retained control over the use of the land. Still, people's organisations fighting for tenure were displeased with the additional development charges claiming that the project would not be affordable by many of the residents and as a result, their tenure status would be anything but secure.

²⁸ The World Bank was not impressed by the performance of the 'sites and services' project in Dagat-Dagatan and as such the project did not serve as a model for other Philippine relocation initiatives.

²⁹ This decree was based on recommendations suggested in the Tondo Foreshore Urban Development Renewal Project prospectus - a report which was vehemently opposed by community activists.

3.2.1 Project Objectives

The broad objective of the community upgrading project was to improve the quality of life for a major segment of the population residing in the Foreshore. This was to be achieved through a comprehensive and integrated approach to the development of human settlements. To this end, the identification of the following specific objectives shaped and informed the project:

- resolution of the long-standing land tenure issue;
- rationalisation³⁰ of the physical environment to 'regularise' the community;
- improvement of the housing stock;
- introduction of community infrastructure and services;
- promotion of economic activity aimed at enhancing self-sufficiency and levels of affordability;
- increased access to health and education facilities;
- strengthening of civil society through a project design which encouraged community cohesion and the empowerment of the beneficiaries;
- maximum retention of the residential population;³¹
- extension of affordable benefits to Foreshore residents; and,
- total cost recovery of the project (Lantoria, 1983).

³⁰ In the Philippines, this process is referred to as 'reblocking' involving the movement of structures. See Chapter Four for more detail.

³¹ Minimal dislocation was key for the community groups during the initial negotiations with the government and the World Bank.

These objectives were to be carried out under the people centred approach requiring maximum community participation for comprehensive community development.³²

3.2.2 Project Design Assumptions

The assumptions informing the project's design departed radically from conventional approaches to the development of other squatter and slum sites. The project was designed to act as an impetus for the residents to undertake improvements in their community. First, it was assumed that residents of slum and squatter communities possessed 'indigenous resources' and that these communities were typically imbued with high levels of community spirit. Based on these assumptions, the project promoted self-help and mutual-aid strategies in an effort to access this untapped human resource. As a result, project planners believed that the community would be strengthened and a more community directed type of development would occur. Ultimately, the adoption of these strategies was also expected to effectively reduce the total cost of the project. As such, the government's direct intervention in the physical environment was minimal, with reblocking representing the most substantial intervention.

Second, it was assumed that if institutional constraints were removed, beneficiaries would be encouraged to employ self-help measures, particularly regarding housing. For example, through the recognition of land rights and relaxed standards, it was expected that residents would become motivated to invest in their structures. The

³² From the outset, the invitation for the community's input and participation in the project was dubious at best and an outright lie at worst. For example, early on it was decided that the people's organisations would not be given any formal positions on the board of the Tondo Foreshore Development Authority which would have ensured direct input into the project.

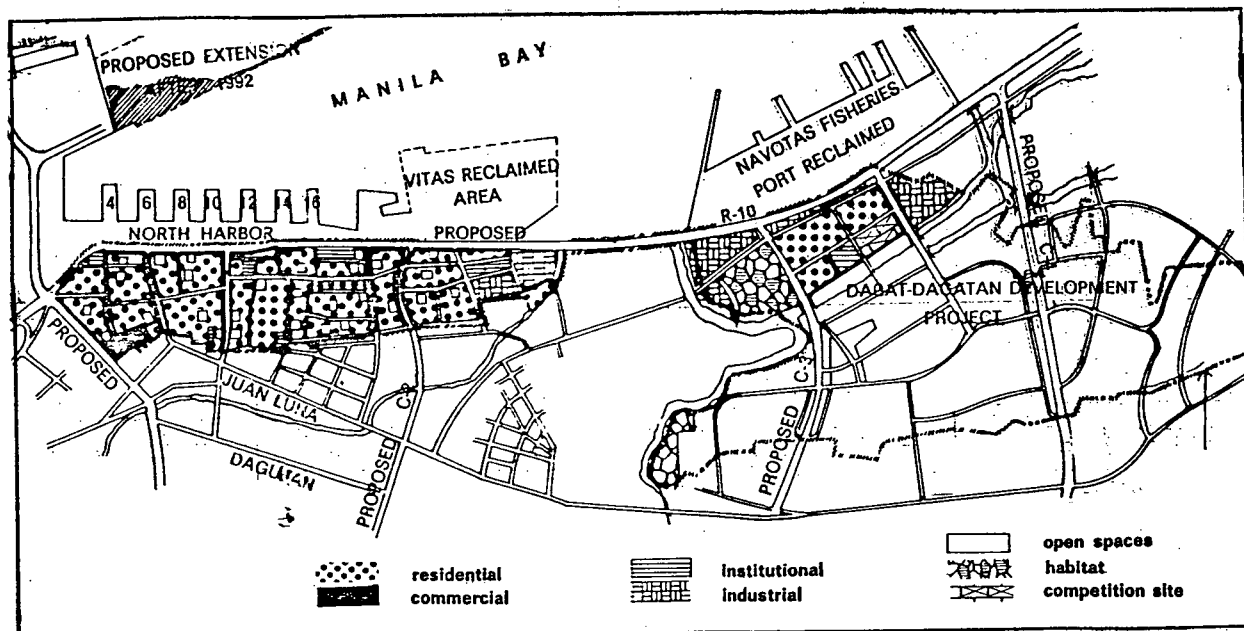
adoption of these strategies was to assist residents in taking up improvements in their community above and beyond direct government interventions. Moreover, the application of this approach to housing represents a substantial deviation from past approaches as it effectively serves to recognise the inherent value of the existing housing stock. As such, ready to occupy houses were not provided and existing structures were preserved as much as possible.³³ The only government assistance in housing would be through the provision of a loan for materials serving to reduce the amount of government subsidy in the project.

3.2.3 Land Use

Based on the findings of the 1974 baseline survey, three conceptual framework plans for the upgrading effort were considered. Each plan varied in the number of families retained or relocated and in the amount of commercial space provided. The framework which was ultimately adopted called for the retention of 10,000 families with 89.5 hectares for residential use; 23 hectares for commercial estates; and 35 hectares for public infrastructure such as institutions, roads, parks and playgrounds. This framework also required the relocation of 17,000 families to Dagat-Dagatan. In order to accommodate the realignment of the main road network and the retention of more families and structures the land use plan changed slightly (Reforma, 1983). The following figure depicts the mix of residential, commercial, industrial, and institutional uses comprising the land use plan for the Foreshore.

³³ This would also reduce the level of financial, physical, and psychological stress on the residents.

Figure 2 : Land use plan for the Tondo Foreshore



Source: Reforma, 1983, pg. 23

3.3 POINTS OF INTERVENTION

The aim of the upgrading project was to address the degraded state of the physical environment, increase access to health and education and to address other socio-economic issues for the total betterment of the community.

3.3.1 Physical Components

The points of intervention undertaken to improve the physical environment included inputs in the development of land, housing and community facilities. They were as follows:

Land Development

- The construction and upgrading of roads and alleys, pathways, curbs and gutters;
- The provision of off site infrastructure including the rehabilitation of an existing sewage pumping station, the construction of a new sewer outfall to replace the existing sewer and the construction of stabilisation ponds;
- The provision of basic infrastructure services such as water, a sewer system, surface water drainage systems and electricity supply.

Housing Development

- The provision of low income housing including a two story row house (48 units), a six story *Bagong Lipunan* condominium (119 units),³⁴ three story condominiums (122 units), improvement in the Vitas tenement (272 units), the Tuluyan apartments (60 units), and construction of the Del Pan tenement (99 units) (Reforma, 1983).
- The extension of the Housing Material Loan Program (HMLP) aimed at improving residential structures.

Community Facilities

- The construction of 35 barangay halls and accompanying open spaces and playgrounds;
- The construction or upgrading of elementary schools in the Foreshore;
- The construction of a 60 room high school located in the heart of the Foreshore;
- The construction of three health clinics and a lying-in hospital;
- The repair of the Fugoso Health Centre and the renovation of the Vitas Health Centre;

³⁴ This term translates as “new society” which was the slogan used by the Marcos administration to justify its political programs.

- The creation of two community markets;
- The erection of four *Tulungan* Centres³⁵ to house the social services program.

3.3.2 Socio-economic Components

In 1981, a socio-economic development program was launched as a supplement to the physical upgrading project. The 'Bagong Lipunan Improvement of Sites and Services' (BLISS) program was a comprehensive socio-economic program aimed at producing even greater improvements in the areas of community health, environmental sanitation and economic opportunities for the total upliftment of the community. This program endeavoured to assist residents in working toward creating their own solutions to community problems. The role of the NHA in this process was that of a facilitator working towards the goal of social development. The points of intervention included:

- The extension of social services;
- The improvement of accessibility to health care including nutrition and feeding programs;³⁶
- The improvement of accessibility to education programs up to the high school level.

In order to reduce levels of poverty, project planners were also considerate of the need to create livelihood opportunities for those residents of the Foreshore who were

³⁵ Self-help centres.

³⁶ Barangay Health Workers were trained to assist medical personnel in daily tasks such as first aid, basic nutrition and health education, the administration of deworming drugs (worms were prevalent in 90 per cent of the children and in 80 per cent of the adults), initial diagnoses and referrals, selected inoculations and family planning etc. As well, nutritional aides recruited from the Foreshore, provided nutritional education and food assistance to malnourished children and education to pregnant and lactating mothers (Reforma, pg. 34).

either unskilled or out of school youth. As such the project included points of intervention intended to create economic opportunities by introducing the following:

- The provision of Small Business Loans (SBLs) and technical assistance in order to foster cottage industry;
- The creation of industrial/commercial estates in both the Foreshore and in Dagat-Dagatan;³⁷
- The creation of skills training and job placement programs;
- The formation of co-operatives including Fishermen's Marketing Co-operatives, Consumer's Co-operatives, Credit Co-operatives and Producers' Co-operatives.

The objectives, assumptions and points of intervention of the Foreshore slum upgrading project are summed up in the following table.

³⁷ In the Foreshore 15 hectares were made available while 3.5 hectares were set aside in Dagat-Dagatan.

Table 1 : Summary diagram of upgrading project

PROJECT OBJECTIVES	DESIGN ASSUMPTIONS	POINTS OF INTERVENTION
resolve land tenure issue	keep people in place	subsidise and subdivide land
improve housing stock	value in existing housing stock, a strong community spirit and 'indigenous resources'	provision of land tenure, HMLP, ³⁸ promotion of 'enabling strategies' such as mutual aid and self-help,
regularise physical environment and introduce services	slum can be fit for habitation by improving the physical environment	reblocking which allows for regularisation and the introduction of basic services
increased access to health and education, provision of social services	total community development	construction of health, education, community facilities,
promotion of economic activity for increased self-reliance and self-sufficiency	people will be better able to make amortisation payments and invest in their structures	livelihood programs such as the SBL, and the development of industrial/ commercial estates
affordable benefits for maximum retention of population	residents have the ability to pay with the right mix of inputs	appropriate standards and levels of service, employment generation
strengthening of community	<i>process</i> as well as <i>product</i>	participation in project, strengthening organisation
total cost recovery	reduced government subsidy is possible	costs recovered from beneficiaries

³⁸ Home Material Loan Program.

3.4 IMMEDIATE IMPACTS OF UPGRADING

In 1983, Reforma undertook an exhaustive evaluation of the Tondo Foreshore upgrading experience. At this time, she reported that changes in the physical environment and the quality of homes were readily observable. For example, immediately after the reblocking process was complete, residents were undertaking structural improvements both in terms of the types of materials used and increases in floor space. The resolution of the tenure issue, the impact of reblocking, and income were cited as the factors which were instrumental in bringing about these changes. Reforma (1983) also found that households were not relying on self-help strategies to the degree that was originally anticipated. In the short term, the project appeared to have a generally positive impact on both the community and its residents.

3.5 PROJECT ADMINISTRATION AND CO-ORDINATION

The National Housing Authority was the primary agency in charge of overseeing all stages of the project. Within the NHA, a multi-disciplinary team was created to facilitate the planning and implementation of the various upgrading components. The project components and the associated costs were governed by inter-agency agreements with various government agencies, however, the NHA was responsible for co-ordinating operations between these agencies. Such arrangements were as follows:

1. The Department of Public Works and Highways (DPWH) was responsible for major infrastructure works such as sewage outfall, upgrading of the pumping station, technical advice for the water supply and sewerage, and estero-related works.

2. The NHA co-ordinated with the Development Bank of the Philippines (DBP) and Philippine National Bank (PNB) which administered lines of credit for the social and economic components.
3. The Department of Education, Culture and Sports (DECS) and the Manila City Schools Office were responsible for the completion of the educational facilities and programming.
4. The Department of Health (DOH) and Manila Health Department were responsible for the completion of the health facilities and programming.
5. National Nutrition Council and the Population Commission funded nutrition and family planning programs.
6. The Department of Social Welfare and Development (DSWD) funded social service programs (Reforma, 1983).

Throughout the implementation of the project, co-ordination between the NHA and other line agencies was wrought with difficulties. Despite a Memorandum of Agreement between the NHA and these agencies, communication and co-ordination was never fully realised. This was due in part to the fact that each of the agencies lacked internal resources making them unable to respond adequately to requests made by the NHA. Ineffective co-ordination between the various agencies resulted in implementation delays which in turn forced the NHA to deviate from the original development plan. For example, the DPWH was initially responsible for the construction of major roads. The NHA was forced to prepare its own plans and begin the construction process in an attempt to keep to the implementation schedule (Reforma, 1983).

3.5.1 Project Maintenance Arrangements

As part of the inter-agency approach, the various project components were to be turned over to the corresponding agencies for post project maintenance. The turnover of responsibilities to their respective agencies did not occur until long after the NHA had completed the construction or installation of the facilities. In fact, many of the line agencies were reluctant to take on the maintenance of the various components as they had not been directly involved in the planning, design and execution of the project. In response to this, the NHA office in the Foreshore set up a maintenance division to maintain the facilities and services until the corresponding line agencies accepted responsibility for the maintenance of the various components. This led to an increase in overall costs attributable to the NHA.

3.6 PROJECT FINANCING AND COSTS

In 1977, the estimated total cost of the project was \$65 million with \$32 million (49 per cent) of that amount provided through a loan from the International Bank for Reconstruction and Development (IBRD).³⁹ Of the \$32 million, \$10 million was a 'Third Window Loan' and \$22 million was a bank loan with a term of 22 years with a grace period of five years.⁴⁰ The remaining \$33 million was financed through the NHA (\$19.2 million), the MWSS (\$300,000) and \$13 million direct from the Philippine government. As per the same terms as the IBRD loan, \$17.6 million was re-lent to the NHA to finance its technical assistance obligations and the credit required for the housing material loans

³⁹ All figures are in US dollars.

⁴⁰ The Third Window Loan portion is based on standard Third Window terms.

and the small business loans. The NHA arranged for the Development Bank of the Philippines to administer \$2.9 million for HMLP and the Philippine National Bank to administer the SBL of \$400,000. Both of these institutions provided loans to borrowers at an interest rate of 12 per cent per annum (Reforma, 1983).

Similarly, \$1.3 million was relented to the NAWASA to help finance the outfall sewer and the Tondo Pumping Station. The DPWH was allocated \$13.1 million for road construction. In an attempt to further reduce the overall cost of the project, 18.6 hectares of commercial-industrial lands were to be sold or leased in an attempt to generate \$13.5 million in cross-subsidy funds. As well, Dagat-Dagatan development costs were reduced by \$2.5 million as agencies such as the Philippine Port Authority and the DPWH aimed to expand the International port area and thus shouldered the cost for the construction of roads throughout the Foreshore.⁴¹ The total cost of infrastructure in the Tondo Foreshore and in Dagat-Dagatan was an estimated \$27.9 million with \$16 million of this sum being charged to agencies which would have normally assumed the costs of the various infrastructure components.

The remaining \$12 million was to be recovered from the project beneficiaries through 25 year renewable leases at a 12 per cent interest rate per annum, with an option to purchase after 5 years. The monthly development charge of P 0.095 per square meter over 25 years at a 12 per cent interest rate per annum was supposed to cover the cost of the development so that funds could be recovered and reinvested into other housing

⁴¹ This meant that the beneficiaries in the Foreshore and Dagat-Dagatan were charged the same development costs in spite of the fact that the unit costs in Dagat-Dagatan were actually higher (Reforma, pg. 37).

projects. The transferability of the lease was supposed to act as an incentive for residents to keep up on monthly payments and to invest in their property (Reforma, 1983).

The World Bank Project Completion Report (1985) on the Tondo Foreshore/Dagat-Dagatan project cited the total cost of the project at \$91 million rather than the original estimate of \$65 million. This 41 per cent increase in the total cost of the project was attributed to increases in capital costs, implementation delays, ineffective cross-subsidy schemes which generated only one-third of the expected profits, a 20 per cent reduction in the amount of saleable land, and non-payment by line agencies.⁴² Together these factors pushed the project costs far beyond allowable contingency estimations. Initial estimates placed price contingencies at ten per cent per year, or an overall average of 26 per cent of base costs to accommodate cost increases.⁴³

3.7 CONCLUSIONS

The Tondo Foreshore upgrading project sought to eliminate slum conditions in the Foreshore by addressing the low levels of environmental sanitation, high levels of congestion, the lack of basic community facilities and services, the poor health of the population and the lack of employment opportunities (Viloria & Williams, 1987).

⁴² This was particularly disappointing as in theory this seemed like a reasonable and achievable expectation. The lack-lustre results can be attributed in part to a stalled Philippine economy which reduced the demand for commercial/industrial space (World Bank PCR, 1985).

⁴³ The World Bank Project Completion Report states that the subsidies under *PD 1314* had little impact on the affordability of the project for the residents as incomes were also increasing accordingly, but when development costs tripled, a substantial financial burden of \$7.5 million was placed on the NHA. The report also states that since *PD 1314* had determined the price of the land and development charges before the project was implemented, it impacted negatively on the project's cost recovery while marginally improving affordability (World Bank, Project Completion Report, 1985).

The design also included the participation of the beneficiaries in the planning and implementation stages of the project to facilitate the introduction of changes in the physical environment and to foster the development of community institutions and organising for future community development. The provision of tenure was a critical consideration upon which many of the other interventions rested.

4 THE IMPACT OF THE PROJECT ON THE PHYSICAL ENVIRONMENT

Since the implementation of the slum upgrading project, the physical landscape of the Foreshore has undergone numerous and extensive transformations. Improvement in the physical environment and increased access to services were key in terms of meeting the needs of the Foreshore residents. Prior to the project, most residents did not have access to basic services such as water, toilets, drainage, electricity (legitimate) or garbage disposal, resulting in hazardous sanitation conditions.

The most immediate changes in the physical environment were a direct result of the reblocking process which allowed for the introduction of basic services and the rationalisation of the community into a grid system. Twenty years later, the physical environment is at risk of reverting back to its previous state as portions of the community infrastructure are in need of rehabilitation, forcing the community to once again grapple with issues of upgrading.

4.1 REBLOCKING

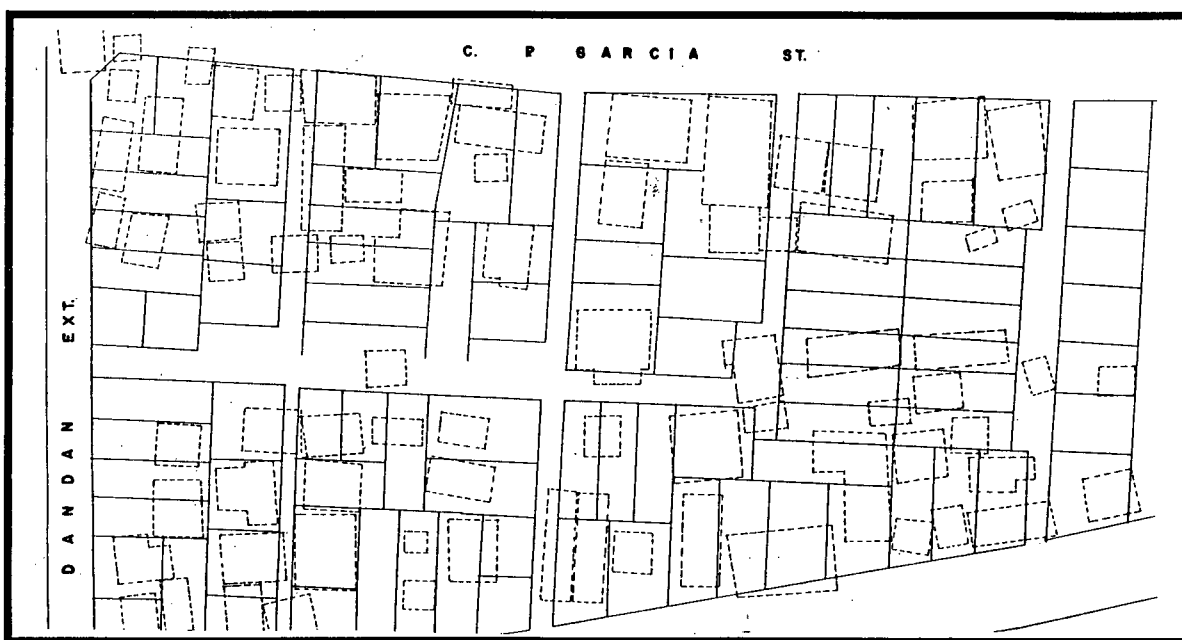
The 13 step reblocking process was the most fundamental intervention in the transformation of the physical environment. This process was carried out on a block by block basis by grouping 90 to 150 structures to accommodate the construction of alleys, pathways and the installation of utility pipes.⁴⁴ Throughout the process, the NHA held community meetings with the affected residents to draw up a development plan. This

⁴⁴ Together, blocks formed 'superblocks' comprised of 250 to 500 structures. There are 44 superblocks covering the Foreshore.

plan sought to ensure the maximum retention of structures with the minimum displacement of families, to encourage maximum community consultation and participation in the planning and implementation of the project, and to provide basic services and utilities (NHA Research and Analysis Division, socio-economic file).⁴⁵

The first area to undergo this exercise was in Area IV.⁴⁶ The site was bounded by Herbosa, Dandan, Magsaysay and Garcia Streets. This area was chosen as many vacant lots could be generated, most of the structures were constructed with weak materials, to accommodate the introduction of infrastructure and roads in the area (Reforma, 1983). The following figure demonstrates the layout of the structures and the newly approved block plan for the rationalisation of the area.

Figure 3: Block plan demonstrating the first reblocking exercise



Source: Reforma, 1983, pg. 60

⁴⁵ See Chapter Three for an in depth description.

⁴⁶ Also the site of the house to house survey conducted in 1994.

The reblocking process allowed for the introduction of utility lines, roads, services, the de-densification of highly congested areas and the alignment of structures resulting in the rationalisation of the community.⁴⁷ This process also allowed for the subdivision and delineation of lots necessary for the eventual awarding of lots to *bona fide* occupants.⁴⁸ This was particularly significant because prior to the reblocking effort, as many as two-thirds of the Foreshore residents had no legal tenure to the land they occupied. At the end of the reblocking process, 14,000 land titles were awarded to residents whose structures had been identified during the household census of 1974 (NHA Research and Analysis Division, socio-economic file).⁴⁹

Finally, the reblocking process not only brought about improvements in the physical environment it also had the secondary effect of invoking changes in the behaviour of the residents. A study conducted by the NHA's Research and Analysis Division (unpublished) noted a marked improvement in environmental cleanliness including the reduction in the prevalence of garbage and the planting of trees and other potted plants. A decline in petty crimes and riots was also reported as the metamorphosis continued throughout the neighbourhoods of the Foreshore.

⁴⁷ Any dislocated families were moved either to surplus lots within the block, or to neighbouring blocks, or to the Dagat-Dagatan resettlement site.

⁴⁸ Lots ranged from 36 square meters to 96 square meters.

⁴⁹ The project promised to grant land tenure to *bona fide* residents based on the Tondo Foreshore Census which was conducted in 1974. Potential awardees could not be in violation with the Code of Policies which governed the Tondo Project or *Presidential Decree 814*. Once these requirements were met, a Certificate of Award was given.

4.2 INFRASTRUCTURE AND BASIC SERVICES

The current status of the infrastructure including main and secondary roads, surface drainage, and access to water and sewer reflect the effectiveness of the project to sustain the advancements once realised. While considerable improvements in the physical environment have occurred, much of the infrastructure has been allowed to deteriorate leaving some calling for a total renewal once again.

4.2.1 Road Access and Circulation

The upgrading was integral in improving both vehicular and pedestrian access into the Foreshore. Radial Road No.10 (R-10) continues to be the only primary road which spans the width of the Foreshore. As the major thoroughfare into the north harbour, a mix of transport trucks servicing the pier, jeepneys and light vehicles traverse the route in great numbers at all times of the day and night.⁵⁰ In 1995, R-10 was resurfaced with 30 centimetres of new concrete to allow for smoother traffic flow. Prior to resurfacing, the poor condition of the road intensified traffic congestion as vehicles ground to a halt in their attempt to manoeuvre around the plethora of menacing potholes.

Despite the road work, congestion levels remain high. R-10 is desperately in need of widening as it is currently only 18.4 meters across. A service road which runs parallel to R-10 was to provide an additional 18.4 meters for expansion but squatters who have

⁵⁰ 'Jeepneys' are independently owned converted jeeps which are the most common form of public transport for short to medium distances around Manila.

occupied the service road since 1980 would have to be relocated before the much needed road widening project could be undertaken.⁵¹

Throughout the Foreshore the condition of the secondary and feeder roads varies because each barangay is responsible for the maintenance of the road network in its area. As such, some roads are better maintained than others, reflecting the varying levels of exuberance with which each barangay approaches the project. This is also the case with the footpaths which wind their way between residential secondary roads. Some are concreted while others are constructed with hard packed dirt or gravel, but all are in various stages of disrepair. To reduce traffic congestion along R-10, recommendations have been made to widen and rehabilitate some of the feeder roads, particularly Chesa and Pacheco Streets, so that they might be used as alternative routes for light vehicles. As it stands, most of these roads, often referred to as barangay roads, are used primarily by jeepneys and side car tricycles which are relatively slow moving and accommodating of pedestrian traffic.

4.2.2 Drainage

The condition of the roads and alleys throughout the Foreshore is directly related to the state of the drainage system. Flooding on secondary roads and alleys is a common occurrence even in the dry season because drainage pipes are too small and heavily silted with garbage.⁵² As well, the Foreshore drainage system is equipped with reinforced

⁵¹ This is a source of contention and animosity as many feel the government is coddling the squatters at the expense of the public's needs.

⁵² These pipes are only 450 millimetres or less in width, whereas the standard pipe in use today is a minimum of 610 millimetres.

concrete pipes which are difficult to clean and maintain, exacerbating the problem. Plans for refurbishing the system utilising a reinforced concrete U-ditch construction are in the discussion stages but this project is contingent on the availability of funds.⁵³ This proposed system would be ideal in terms of maintenance as one is able to manually clean the pipe from the top without the use of siphoning equipment.

Maintenance issues are of particular importance due to the widespread practice of dumping garbage anywhere thus clogging the drains. There is also a lack of knowledge regarding solid waste management which would assist in the maintenance effort. Acidic run off created from the garbage in nearby Smokey Mountain has also been a destructive force, shortening the longevity of the drainage system.⁵⁴ Throughout the Foreshore, many residents have constructed surface drains which are easy to maintain. Many of the drainage canals constructed during the project are lying open as the cast iron covers were stolen roughly six months after the project was completed creating hazards for the residents.

The inadequacy of the drainage system is most obvious during the rainy season, however, even in the dry season pools of stagnant water gather at main intersections on the feeder roads and in the low lying areas. This is particularly obvious in Areas IV and V (see map 1, p 9) where the pace of dilapidation is more rapid due to constant flooding. Magsaysay Village in Area V is particularly vulnerable to flooding as clogged sewer and

⁵³ The U-ditch is a like a box with a removable cover.

⁵⁴ Smokey Mountain is a 15 story garbage dump that was home to hundreds of scavengers. In 1996 this notorious site was put out of use and the residents were relocated to a temporary resettlement site nearby.

drainage problems persist due to low elevation and the close proximity of the area to the Happy Land squatter site.⁵⁵

Even though the situation has improved since the upgrading effort when no pumping stations existed, it still remains inadequate. In 1994, while the construction of a large pumping station in Vitas was underway, the Foreshore had to make do with only one pumping station in Navotas. New construction such as this was an absolute necessity as it had been almost 20 years since most of the infrastructure was initially installed.

A concern of even greater magnitude was revealed in a 1994 study commissioned by the DPWH which indicated that the Foreshore is actually sinking due to the excessive water demands of the burgeoning population. To remedy this situation, the entire area needs to be raised, however, excessive costs will not permit such an undertaking. As an interim measure, the DPWH plans to raise the main roads and refurbish a small section of the drainage pipes which are interconnected with the main roads. It is projected that feeder roads and the houses which line them will continue to sink and experience increasing levels of flooding (Interview with DPWH representative).

4.2.3 Water and Sewer Access

Despite the mandate of the upgrading project to provide the residents of the Foreshore with direct water access, many households throughout the built community continue to rely on illegal tappings for their water supply. Jeanette Saquing, the Acting Branch Manager at the Tondo Branch of the MWSS,⁵⁶ estimates that 80 per cent of all

⁵⁵ Happy Land is a large squatter community in Area V.

⁵⁶ NAWASA was renamed the Metropolitan Waterworks and Sewerage System (MWSS).

the water coming into Tondo is lost due to water leaks and illegal connections.⁵⁷ This suspicion is reflected in the actual number of registered users. MWSS supplies water and sewer services to only 12,000 registered customers, far below the Foreshore population of users.

While the facilities were able to meet the demand both in terms of water and sewers, increases in the population and a lack of general maintenance have left the system in a desperate state of disrepair requiring total rehabilitation. For example, some areas within the Foreshore do not have water access at all or experience low water pressure.⁵⁸ Still, MWSS maintains that the majority of the residents are satisfied with their water and sewer services. According to the acting director of the MWSS branch in Tondo, only 10 per cent of the 12,000 registered customers have expressed dis-satisfaction with their water pressure or quality.

The representative for the MWSS claims that since the project was turned over, there have been continuous problems with leaks, seepage, dirty water, and in some areas, low pressure, which are prohibiting the agency from providing adequate and potable water. Loss of pressure is partially attributable to the fact that the large main pipe which passes through the Foreshore has numerous leaks. In 1994, there were rumours that effluent from the sewer pipes had entered the general water supply. However, the MWSS representative could not verify how many households had experienced this phenomenon.

⁵⁷ This figure encompasses all of Old Tondo and the Foreshore of which the Foreshore constitutes $\frac{2}{3}$ of this area.

⁵⁸ The following streets remain without water completely or experience extremely poor water pressure: Alcalde St., Magsaysay St., Quirino St., Quezon St., Sto. Nino St., Imelda St., Maginoo St., and Maharlika St.. This is actually a relatively small portion of the Tondo Foreshore whereas in Dagat-Dagatan this is an ongoing and pervasive problem where many of the households have the pipes but no water.

MWSS alleges that the cause of this is linked to an improper installation design wherein sewer and water pipes were laid down beside each other. Thus, when leaks occur, potable water can easily become polluted by grey water. For this reason, the agency plans to uproot and redeploy both the sewer and the water pipes so that each traverses opposite sides of the street to eliminate potential cross contamination.

During the turnover of the project in 1989, MWSS was hesitant to accept responsibility for the facilities due to their poor condition, particularly in Area IV and V.⁵⁹ MWSS applied for a loan from the Asian Development Bank (ADB) in 1994 to fund the development of an alternative water source but this application was denied due to low collection rates for past projects. A representative explained that until MWSS receives funding, only isolated repairs will be conducted. MWSS hopes that once the rehabilitation effort is complete and the quality of their service improves, people will be more inclined to pay for services rendered. The MWSS fears that a dangerous precedent was established under the Aquino government pilot project where improvements in the service did not correspond to an increase in collections or fees charged.

4.3 COMMUNITY FACILITIES

Included in the project was the construction or repair of various community facilities. Each neighbourhood now has a barangay hall, some with a playground or a basketball court attached. Often these sites represent the last remnant of open space to be found in the Foreshore. The project also included the construction of five elementary

⁵⁹ Some water lines in this area were already in place prior to the upgrading effort.

schools and a high school in the heart of Area IV. This was an integral intervention as it dramatically increased access to education for the residents.

The project also included the construction of three health clinics, a lying-in hospital and the renovation of both the Fugoso and the Vitas Health Centres. Like the schools, these centres are in desperate need of repair and general maintenance. At the Vitas Health Centre, the staff nurse reports that it is common for the lights, fans, and the sterilisation equipment not to function. Although the Fugoso Health Centre was renovated in 1980, the building is already in need of upgrading. Unfortunately, the centres are characterised by poor water supply, poor sanitation, holes in the roofs, cracked windows and rat infestation. This is also the case with the three remaining Tulungan Centres.⁶⁰ Maintenance of all of these buildings is the responsibility of the City of Manila and is sadly lacking.

4.4 SUSTAINABILITY AND MAINTENANCE

The sustainability of the project has been dramatically reduced due to a great emphasis being placed on the *provision* of facilities while little concern being afforded to their *maintenance*. Ivy Marquez, from the NHA, confirms this assessment, "...no resources were allocated toward the maintenance of the project which would have made the community upgrading approach more effective as this is essential if long term impacts are to be realised." For example, when the drainage system was installed, residents were given no instruction as to how to maintain the system. Now the project has lost the intensity it enjoyed during the implementation phase and the facilities have been allowed

⁶⁰ The fourth burned down during the 'great fire' which swept through part of the Foreshore.

to deteriorate to such a degree that the situation has almost returned to the state existing before the upgrading.

The household survey asked respondents to identify problems in their community. Problems related to infrastructure fared prominently in their complaints as is demonstrated in the chart below.

Table 2 : Common community concerns regarding problems with infrastructure

PROBLEM	NUMBER OF COMMENTS	REPRESENTATION ⁶¹
Clogged drainage	17	56.7 %
Flooding	7	23.3 %
Non-functioning toilets	1	3.3 %
Open manholes	2	6.7 %
Poor roads	3	10 %
Unclean surroundings	8	26.7 %
Total	38	

Source: House to House Survey (1994)

Clogged drainage was identified by more than half of the respondents, most likely because this problem is closely linked to flooding, which ranked third. Respondents also expressed a high degree of dissatisfaction with the unclean nature of the community brought on by the indiscriminate dumping of trash by the residents and the lack of reliable garbage collection by the government, forcing residents to pay push cart garbage collectors.

One resident noted that in the late 1970's, the Foreshore experienced a 'Green Revolution' which lasted until approximately 1986. During this time residents were

⁶¹ Refers to the number of times individuals made reference to that particular item in relation to the other items mentioned.

encouraged to plant trees and shrubs and promote organisation and involvement in maintenance throughout the community. With the end of martial law, residents became less involved and the NHA office in the Foreshore became more concerned with cost recovery.

The Tondo Inter-Agency Co-ordinating Council (TIACC) comprised of government organisations and NGOs was organised to collaborate on maintenance projects and various other problems affecting the community such as squatter relocation, peace and order and traffic congestion (Don Bosco Youth Centre Silver Jubilee (1968-1993) Anniversary Publication). Currently, the NHA acts in the capacity of estate manager leaving the local governments to maintain the facilities. The local government is responsible for garbage collection and drain maintenance. However, with the strengthening of the Metro Manila Authority all the major services, particularly garbage collection and transportation, have become centralised.

4.5 *INSTITUTIONAL CONSTRAINTS*

There are a myriad of examples of poor post project co-ordination in terms of maintenance and design where one agency blames another for both new and persistent problems which have hampered or reduced the long term benefits of the project. For example, the MWSS representative made reference to the NHA Vitas Tenements⁶² which were turned over as late as July 1993.⁶³ In this instance, MWSS was supposed to maintain water and sewer facilities, however, the residents have refused to pay claiming

⁶² The Vitas Tenements were already in place when the NHA came into Tondo in 1975.

⁶³ Dagat-Dagatan was also turned over at this time.

the services promised have not been delivered. Officially this tenement has been turned over, however, MWSS has not taken responsibility for the rehabilitation of the system which has been sliding further into disrepair.

As well, the sustainability of the upgrading project is being undermined due to projects which have subsequently been taken up. For example, Area I is now prone to flooding (particularly during high tide) since the DPWH constructed the Roxas Boulevard extension coming off of R-10 which negatively impacted the drainage system. It is now necessary to upgrade the drainage system in order to stop the flooding and to rehabilitate the streets and alleys which have deteriorated rapidly as a result of the frequent flooding. This behaviour epitomises the poor inter-agency co-ordination which has plagued the Foreshore project.

4.6 CONCLUSIONS

Initial improvements in the physical environment were dramatic and continue to persist in many forms. Still, inter-agency conflicts and the lack of policy guidelines regarding maintenance issues have hampered the long term impacts of the project. If the improvements brought on by the implementation of the slum upgrading project are to be sustained, maintenance and co-operation is key.

The demonstrated lack of participation in maintenance by community members supports the assertion that as time goes by *bayanihan* appears to decrease.⁶⁴ As such, the beneficiaries' participation in teamwork towards the introduction of infrastructure is

⁶⁴ *Bayanihan* is a Philippine tradition embodying the spirit of mutual aid and co-operation. The researcher recognises that community maintenance may take place on a small scale, particularly when the individuals are directly affected.

reduced. A project beneficiary summed up the situation regarding the community's participation in maintenance through the use of an analogy of burning grass: "Volunteers of the barangay don't get paid that much [for maintenance work] so you have a *ningas kugon* effect where there is plenty of interest in the beginning but it burns up very quickly and fades away."⁶⁵

Furthermore, intervening factors such as a growing population (which by some estimates has more than doubled since the implementation of the infrastructure) were not planned for despite predictions. This has presented an obvious strain on the carrying capacities of the infrastructure. As well, the continued influx of migrants is proof of the attractiveness of the community which can be attributed, in part, to its location (next to the pier) and to the improvements brought on by the slum upgrading. This fact lends support to the contention that improvements will lead to increased densities beyond the level that the infrastructure can support.

It seems that the NHA was eager to provide the facilities but failed to plan for issues of maintenance or for the increases in density which were sure to occur over time as the upgrading attracted more people to the area. If poor infrastructure and services are characteristic of physically underdeveloped areas, the Tondo Foreshore is still afflicted. In fact, after as little as two to three years, the physical environment began to show signs of deterioration and once again the community facilities are in need of rehabilitation and renewal.

⁶⁵ *Ningas kugon* translates as 'burning grass' or roughly "prairie fire". This means that there is initial enthusiasm in carrying out activities but this quickly dwindles.

5 THE IMPACT OF THE PROJECT ON HOUSING

Community upgrading involves minimal intervention in shelter. Instead improvements in the overall housing stock were sought and the right to land was granted as an impetus for residents to invest in their structures via self-help construction. In the case of the Foreshore project, the 'type' of property rights was also important as residents and community groups were adamant that freehold tenure be granted. Structural improvements were observed early on in the Tondo Foreshore slum upgrading project as residents increased the size of their dwellings, constructed more sophisticated housing designs, and utilised higher quality building materials.

This chapter reviews the extent to which consolidation has taken place over the past twenty years to examine the role of tenure in Foreshore experience, and to assess the effectiveness of the self-help approach in stimulating improvements over time. Specifically, the relationship between *de jure* and *de facto* tenure and corresponding levels of consolidation are analysed. As well, other factors which were influential in this process such as household income, access to financing, and the extent to which households relied upon self-help and mutual-aid are considered in an attempt to establish their role in the consolidation process.

5.1 A PROFILE OF THE HOUSING STOCK AT THE COMMUNITY LEVEL

Twenty years after the project was initiated, residential buildings throughout the Foreshore demonstrate a marked improvement from the shanty structures which typified the community in the early 1970s. Since the improvements documented in 1983 by Reforma, an ocular survey of the community reveals even higher levels of consolidation. These findings show that residents are continuing to invest in their structures.⁶⁶

All areas of the Foreshore reflect a trend towards the use of strong materials and increases in height.⁶⁷ There are, however, distinguishable differences regarding the extent of consolidation between the five designated Areas spanning the Foreshore. In Area I, a sizeable portion of structures are three, even four floors. Higher levels of consolidation can be attributed to the fact that prior to the upgrading project, Area I was more established than the other areas.⁶⁸ As well, Area I has always enjoyed a significant amount of commercial activity given its close proximity to the Divisoria marketplace.⁶⁹

Areas II and III closely resemble Area I although the majority of the structures are residential in use with two storeys being the norm. Areas IV and V are somewhat unique in that prior to the reblocking, both of these areas had only a small portion of the residents holding Original Certificates of Title.⁷⁰ Because of this, the extent of consolidation is slightly behind the other three Areas. Whereas in Area I some strong

⁶⁶ The particulars of Reforma's findings and the findings of the 1994 research will follow.

⁶⁷ Strong materials refer to hollow or concrete blocks.

⁶⁸ Many of the residents held Original Certificates of Title (OCTs) which was a legally recognised title designation based on the fact that those residents had lived in the area for many years. This provided the occupants with higher levels of security than the squatters in the other areas.

⁶⁹ This is a large open air market in the centre of Tondo.

⁷⁰ See previous footnote for description of OCT.

structures did exist prior to reblocking, Area V was characterised by shanties made of completely weak materials. Area V is improving slowly but the process is more protracted as there is only fledgling commercial activity and a higher concentration of squatters given its close proximity to the Port.

5.2 *HOUSING CONSOLIDATION AT THE HOUSEHOLD LEVEL*

At the household level, the findings show that while the most dramatic changes took place within the first three years of reblocking, residents continue to make incremental changes over time as their needs dictate and money allows. As well, residents continue to exhibit a preference for the use of strong materials and for increased floor space.

5.2.1 *Changes in Housing Quality*

The reblocking process was instrumental in encouraging residents to engage in the consolidation of their dwellings. Improvements in the quality of structures was documented in a NHA Research and Analysis Division (RAD) study (unpublished) which showed that in the areas where the reblocking process was completed, residents were readily undertaking improvements and investing in their structures. Improvements in overall housing quality were evident and a trend toward the use of stronger and better quality materials, particularly for exterior walls, was noted.⁷¹

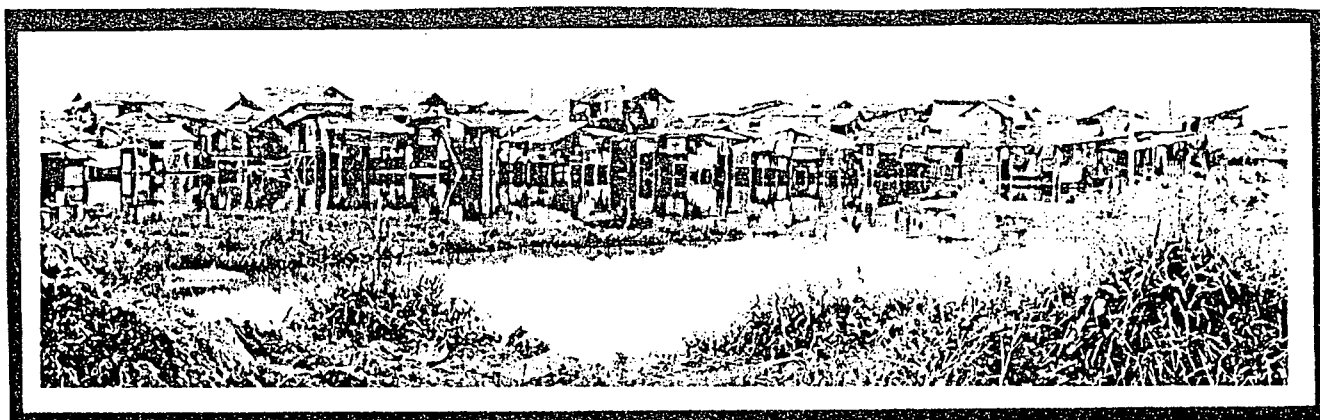
At the time of the study (1981), housing consolidation was ongoing. Often the ground floor of the house was built from strong materials while upper floors were

⁷¹ Jimenez (1983) looked at the net improvement in housing quality in the Foreshore by applying the hedonic price approach. This essentially looked at household investments and expenditures.

constructed from lighter materials. "The ideal house is a two story building with hollow block walls and a concrete floor on the first story and double walling on the second.

Some prefer tiles on the ground floor and painting both exterior and interior portions of the house." (RAD, unpublished, pg. 11). The study also revealed that these improvements were greater than the levels of consolidation which had taken place in other slum and squatter settlements.

Figure 4: Pictures of structures which typified the housing stock.



Source: Seelig, 1978

Within the built community, few examples of the shanty structures of the past remain. There are still many squatter shanties found in pockets throughout the Foreshore and along R-10. Many of these squatters migrated to the area after the upgrading had occurred because of the attractiveness of the newly introduced amenities and the employment opportunities found there. To assess the extent to which consolidation has taken place, a house to house survey was conducted in Area IV to gain qualitative and quantitative information at the household level. From the results of the survey, structures were assigned a 'class' designation which is a composite index based on the degree of consolidation each structure has obtained. Structures were grouped in order to facilitate the use of typologies for undertaking comparisons.⁷² The following chart illustrates the number of structures in each of the three class categories found in the 1994 household survey.

Table 3 : The level of consolidation by class of structure

Class	Number	Per Cent
1st	9	30
2nd	19	63.3
3rd	2	6.7
Total	30	100

Source: House to House Survey (1994)

Out of thirty households surveyed, 30 per cent (9) were of first class status reflecting the highest level of consolidation and reflecting the use of strong materials,

⁷² The designations were based on the types of materials used. First class structures were constructed with predominately strong materials such as hollow blocks and wood. Second class structures were constructed with mixed materials such as a combination of hollow blocks, wood, corrugated iron sheets or bamboo. Finally, third class structures were dominated by the use of weak materials such as nipa, bamboo, light wood.

63.3 per cent (19) were of second class status containing a mix of strong and weak materials and 6.7 per cent (2) were of third class status based on the low levels of consolidation and the almost exclusive use of weak materials. For the most part, second class structures dominate the neighbourhood. These changes are demonstrated below.

Figure 5 : Reflections of neighborhood change.



Photographs by Teresa Poppelwell, 1994

5.2.2 Housing Consolidation and Service Levels

A baseline survey conducted in 1974 revealed that 75 per cent of households had some form of drainage system in their homes, the most common (64 per cent) was the open canal system. The survey also revealed that only 17 per cent of all residents had water piped directly to their houses while the remainder were forced to purchase water from peddlers. Only 53 per cent of all households had some form of toilet facilities with the two most common being the *buhos* and the *antipolo* systems.⁷³ Of the remainder, 40 per cent of the population disposed of their waste through the 'wrap and throw' method⁷⁴ while 7 per cent used public toilets (Viloria & Williams, 1987).

Twenty years later, there are significant improvements in the service levels including the existence of toilet facilities, septic tanks and proper drainage. The table below reflects these changes.

Table 4 : The levels of consolidation and their corresponding levels of service

	1st Class	2nd Class	3rd Class	Total (30)
Toilet Facilities				
Manual Flush	78 %	78.9 %	100 %	80 % (24)
Auto. Flush	22 %	10.5 %		13.3 % (4)
Public		5.3 %		3.3 % (1)
Anitpolo Pit		5.3 %		3.3 % (1)
Septic Tank				
With Tank	44 %	11 %		20 % (6)
No Tank	56 %	89 %	100 %	80 % (24)
Drainage				
Covered Blind	100 %	100 %	100 %	100 % (30)

Source: House to House Survey (1994)

⁷³ In the *buhos* system water is poured manually to flush waste collected in water sealed bowls. The *antipolo* system is a private closed pit or drum that is covered on top.

⁷⁴ Waste wrapped in a newspaper and dumped in a garbage heap or a river canal.

As the chart demonstrates, there have been vast improvements in septic systems. The greatest change is the virtual elimination of both the wrap and throw method and the *antipolo* system and their replacement with the use of the flush toilet.⁷⁵ There have also been successes in the area of drainage across all class categories.

All dwellings, regardless of their class designation reported that they had water piped directly to their home.⁷⁶ The household survey revealed that 26.7 per cent of all households installed water in the same year that the dwelling was constructed while the remainder gradually installed water over the next number of years.⁷⁷ All dwellings regardless of class received electricity directly from the Manila Electric Company. The greatest proportion, 36.7 per cent, had electricity in the year of construction while the remainder had power connected over the next one to fourteen years.

Finally, while residents were responsible for designing their structures, NHA architects encouraged residents to incorporate washing facilities within their homes. It was suggested by Reforma that over time residents would reconvert these facilities to accommodate growing families or utilise them as rental space. The following table demonstrates the prevalence of washing facilities across structural classes.

⁷⁵ Area IV was unique in that the NHA installed Sanitary Core Units for water and sewer connections, toilets and a kitchen sink. This job was contracted out, whereas the provision of SCUs in other areas was included in the contract for infrastructure projects (Reforma, 1983).

⁷⁶ All respondents claimed that they received their water directly from MWSS which is contradictory to the report of the MWSS representative interviewed on this issue.

⁷⁷ Fifty three per cent of the residents had water installed within three years while one structure did not have a direct water connection until 17 years after the construction of the structure.

Table 5 : The level of consolidation with availability of washing facilities

Class	Houses With Washing Facilities	Total Amount Possible	Total Percentage per Class
1st Class	5	9	55 %
2nd Class	13	19	86 %
3rd Class	2	2	100 %
Total	20	30	66 %

Source: House to House Survey (1994)

As many as 2/3 of the structures have retained their washing facilities within the dwelling unit. Interestingly, fewer of the first class structures have washing facilities, despite their higher levels of consolidation. No correlation was found between those first class structures without washing facilities and activities such as a business or rental space.

5.2.3 Floor Space

Increases in floor space were high on the list of priorities for residents as was expressed in a survey conducted by the NHA shortly after the reblocking phase, an effect the security of tenure. This survey revealed that the most important housing attribute was increased space irrespective of income. Many residents had already constructed additional floors, increasing the average floor space from 40.2 square meters to 54 square meters in as little as 2 1/2 years after reblocking.⁷⁸ Prior to reblocking, 55.7 per cent of all lot space was utilised but after the process this figure rose to 72.4 per cent.

The more efficient use of lot space was attributable to a decrease in lot size

⁷⁸ As many as 74 per cent of the residents increased their floor space even though 47 per cent of that figure had their lots reduced. As many as 26 per cent added another floor.

brought on by reblocking, resulting in the more equitable distribution of lots.⁷⁹ The household survey conducted in 1994 revealed that 96.3 per cent of the lot area was now being utilised. This finding confirms the increases in density which have taken place since reblocking. Increasing density is further reflected in the 1994 survey finding that the average number of persons per structure is an incredible 11.2, an increase from the 8 persons per dwelling found in 1974.

5.3 FACTORS INFLUENCING HOUSING CONSOLIDATION

The process of consolidation is influenced by a number of factors such as income, sources of financing and self-help. The role of tenure has also played an extensive role in the consolidation of structures in the early stages of the project. Specifically, as time went by and the community became more established, the importance of *de jure* tenure in housing consolidation was reduced as residents no longer feared the threat of eviction.⁸⁰

5.3.1 Land Tenure

The household survey revealed that all of the first class structures were either initially constructed or consolidated after 1975. The majority of the housing construction took place between 1977 (13.3 per cent) and 1979 (10.0 per cent) across all structure classifications with the most consolidation occurring in 1978 (20 per cent), around the

⁷⁹ Lot size averaged 48 square meters after reblocking. Before the reblocking effort was undertaken, the average lot size was 65.3 square meters. As much as 47 per cent of the residents experienced a reduction in their lot size, but 53 per cent were awarded larger lots. These figures are based on results of a House Consolidation Survey of 98 families who were interviewed in July 1978 before any reblocking took place, and another 56 families who were interviewed between December 1978 and May 1981 (Reforma, 1983).

⁸⁰ *De jure* tenure refers to the legal recognition of tenure versus *de facto* tenure which occurs by virtue of the fact that the land is occupied. Although this occupation is not legally recognised there is a perceived security of occupation.

time of reblocking. These findings reflect that given the political climate and policies of slum eradication, *de jure* tenure was extremely important for residents to begin making structural improvements.

Out of those households surveyed, 8 of 30 (26.6 per cent) are in arrears to the NHA. Of those in arrears, 7 are second class structures, all of which have continued to make incremental improvements on their structures despite their potentially tenuous tenure status. These findings indicate two possibilities, that the households expect to make amortisation payments in the near future, or that they do not fear eviction.⁸¹ The latter explanation suggests that over time, as the community becomes more established and depending on the strictness with which housing agencies enforce the code of policies, the importance of *de jure* tenure is reduced as *de facto* tenure provides a sufficient amount of security. These findings are similar to those of Angel (1983) and Skinner et al (1987) who also suggested that “*de facto* land tenure security for house owners increased substantially as a result of the improvement program...” (pg. 231). In the case of the Foreshore, security of tenure in both forms is related directly to the project, as prior to the intervention there were limited examples of tenure recognition in the areas of installation of community taps and other amenities such as schools and health clinics.

5.3.2 Sources of Financing

An examination of the sources of financing used by the residents reflect their readiness or ability to undertake housing improvements once the fear of eviction is removed. Reforma (1983) found that financing for housing improvements was largely

⁸¹ The NHA has stated that they have only evicted one household which was in arrears.

derived from personal savings (57 per cent). The remaining households received gifts from relatives or friends (12 per cent), others took out loans from relatives or friends (12.5 per cent) while still others accessed loans from other institutions (12.5 per cent) borrowing amounts between P 1,600 and P 20,000 to finance their improvements. Only 20 per cent of all households turned to the HMLP for assistance in the movement and repair of their structures ⁸² (Reforma, 1983).

The ability for residents to draw on savings indicates a relative affluence among them (not necessarily all are beneficiaries). The table below compares the sources of financing which residents accessed in order to carry out structural improvements.

Table 6 : Various sources of financing and level of consolidation

TYPE	Rank	1st Class	2nd Class	3rd Class	Total
Savings	1	100.0	73.7	100	83.3
HMLP	2	11.1	31.6		23.3
Loans friends/relatives	3	11.1	21.1		16.7
Inst'l Loans	4	11.1	5.3		6.7
Gifts	4	11.1	5.3		6.7
Private Loans	5	11.1		50	3.3
Total		9	19	2	30

Source: House to House Survey (1994)

⁸² Low participation in the HMLP scheme was attributable to the small amount offered and the restrictions placed on the types of materials used. The program allowed for loans of up to P 500 to cover the costs of light materials such as corrugated iron (CI) sheets, lumber, and plywood. Later this amount increased to P 3,500 (US\$ 474.90) at which time the administration of HMLP was shifted from the NHA to the Development Bank of the Philippines (RAD socio-economic, pg. 8).

Overall, 83.3 per cent of all households relied on personal savings (an increase from 1983) with only 23.3 per cent turning to the HMLP for loan assistance.⁸³ First class structure owners appear to rely more on savings than other forms of financing. The use savings indicates an ability on behalf of the residents to undertake structural improvements. The findings of the survey are similar to what was found by Reforma (1983) in terms of ranking the various sources, although the percentages vary slightly.

5.3.3 Income Levels

Households have invested considerable sums both in terms of money and labour in their structures. The table below demonstrates the relationship between income and housing consolidation.

Table 7 : The extent of housing consolidation with income levels

Income/ Class	Less than P5,000	P 5,000- 7,499	P 7,500- 9,999	P 10,000- 14,999	P 15,000- 19,999	P 20,000- 24,999	P 25,000 over	Total
1st	1	1	1	2	2		2	9
2nd	2	5	2	3	3	3	1	19
3rd	1			1				2
Total	4	6	3	6	5	3	3	30

Source: House to House Survey (1994)

The findings do not provide insight into the relationship between real income and the extent of housing consolidation. Examination of the income of original awardees provides insight into whether or not a rise in overall standards has resulted from the

⁸³ These findings are in keeping with the findings of Reforma in 1983 which concluded that only 20 per cent of all households turned to the HMLP for assistance.

gentrification of the neighbourhood as structures become occupied by a higher income group. The table below demonstrates the results of the survey on this point.

Table 8 : Housing consolidation with income levels of original awardees

Income/ Class	Less than P5,000	P 5,000- 7,499	P 7,500- 9,999	P 10,000- 14,999	P 15,000- 19,999	P 20,000- 24,999	P 25,000 over	Total
1st		1	1	2			1	5
2nd	1	3	2	3	2	3	1	15
3rd	1			1				2
Total	2	4	3	6	2	3	2	22

Source: House to House Survey (1994)

Of the first class structures, only five of the nine are original awardees which shows a high rate of turnover (almost 50 per cent). However, no pattern between residents who are not original awardees and corresponding high levels of income could be established based on the data. As such, one can not conclude that those households which are moving into the area are more affluent than those they are replacing. This may be attributable to the fact that other factors play a role in housing consolidation such as overseas remittances and the like. In many instances, income levels have proven to be unreliable determinants of a households ability to invest in its structure (van der Linden, 1986).

5.3.4 Economic Activities

Increases in the amount of floor area were initially considered positive as it would increase residents' ability to make amortisation payments either through supplemental income gained through rental or through home-based commercial activities. For example,

Reforma (1983) observed that in the areas which had undergone reblocking, economic activities such as dress shops, beauty shops and *sari-sari* stores were prevalent. The 1994 survey indicated that most structures are strictly residential. The chart below demonstrates this claim.

Table 9 : Existence of commercial activity with class of structure

Class	Purely Residential	Sari-Sari Store	Dress Shop	Beauty Parlour	Total	Per Cent
1st ⁸⁴	7 (77.8 %)		2 (22.2%)		9	30
2nd	14 (73.7 %)	5 (26.3%)			19	63.3
3rd	1 (50%)			1 (50 %)	2	6.7
Total	22			1	30	100

Source: House to House Survey (1994)

Only 26.7 per cent of structures had home-based businesses operating out of them. Slightly fewer first class structures housed a combination of residential and commercial activities than second class structures and as such one can not conclude that the business had any significant influence on the level of consolidation achieved. *Sari-sari* stores were the business of choice for all of the owners of second class structures engaging in commercial activity, probably because the capital investment is relatively small. ⁸⁵ Finally, the survey data were not able to find a correlation between those households which were not in arrears and the existence of a home based business. This would have been a useful finding as the project aimed to support small businesses for income generation, and ultimately ensure that households did not fall into arrears.

⁸⁴ One these first class structures are not owned by original awardees.

⁸⁵ Interviews with recipients of the Small Business Loan offered by the NHA were engaged in a wider range of home based businesses such as food preservation, bakeries and sidewalk restaurants.

5.3.5 Self-Help

In the case of the Tondo upgrading project, participants were allowed to determine the pace of consolidation, the building standards and costs. For the most part they could also choose what type of materials they wanted to build with although the loan materials program offered by the NHA did put restrictions on the types of materials it would cover. Also, Reforma documented that self-help played an integral role towards the improvement of the housing stock, although to a lesser degree than anticipated. In the Foreshore, this fact was attributable more to the design of the project and the nature of the implementation than with the concepts themselves.

The extent to which self-help strategies played a role in consolidation tests the theoretical assumptions of the approach. A case study conducted by the Research and Analysis Division of the NHA reported that most of the unpaid labour was carried out by family members themselves (RAD, unpublished). The Reforma evaluation (1983) discussed the prevalence of unpaid versus contracted labour in the construction and repair of structures immediately after reblocking. This study found that 32 per cent of structures used only hired labour, 38 per cent used only unpaid labour, and 30 per cent combined hired and unpaid labour. These figures reflect that the proportion using unpaid labour (self-help) is only slightly higher than the proportion using contracted labour which was less than was anticipated (Reforma, 1983). Most people used a combination of self-help and contracted labour for the more difficult tasks.

This finding indicates the following possibilities. First, that residents may not possess the 'indigenous resources' which would facilitate this undertaking as the

assumptions assert (Laquian, 1983). Second, that residents may have more income to invest in their structures than projected. Third, that residents were expressing a preference for a type of house which required the use of a contractor.

An examination of the patterns of investment reflect the level of costs associated with housing consolidation. The bulk of the expenditures (87 per cent or P 5,318) in housing improvement went toward the purchasing of construction materials while the amount spent for labour was nominal (13 per cent or P 774).⁸⁶ These findings imply that most tasks were undertaken by family members as little was spent on contracting labour. This lends support to the assumption that self-help, despite its limited use, can still serve as a valuable resource in shelter production.

The table below demonstrates the 1994 survey results on the extent of the use of paid labour where structural improvements were undertaken.

Table 10 : The extent of paid versus unpaid labor in housing consolidation

	1st Class	2nd Class	3rd Class	Total
Paid Labour	77.8	68.4	50	70
Unpaid Labour	22.2	21.1	50	23.3
No improv't	0	10.5	0	6.7
Total	100 %	100 %	100 %	100 %

Source: House to House Survey (1994)

Paid labour was used more than unpaid labour across all structural classes. The highest level of consolidation showed the greatest level of reliance on paid labour at 77.8 per cent. These finding suggest that those structures which display a higher level of

⁸⁶ This figure rises dramatically, of course, if one considers the value of such improvements if they were done by paid labour.

consolidation are occupied by households which are more likely to contract out when undertaking structural improvements indicating a higher socio-economic class. Like the conclusions drawn by Reforma (1983), no correlation between the use of self-help and the level of income could be established.

5.4 CONCLUSIONS

In 1983, Reforma reported that changes in the physical environment had occurred almost immediately after the completion of the reblocking process and the implementation of basic utilities. Only six months after reblocking, the overall housing quality had improved by 60 to 85 per cent and by the end of 1983, one house in five was built from *entirely* strong materials such as concrete hollow blocks.⁸⁷ Now that number has risen to one house in three.

Initial assessments of the project's impact on the overall housing quality of the Tondo Foreshore were favourable in that it appeared that the project had been successful in stimulating housing investment. It was also observed that the overall quality of the dwellings was raised quite substantially over a relatively short period of time.⁸⁸ While this phenomenon could be interpreted as proof of the power of tenure in increasing residents' willingness to invest, it might also indicate that a more affluent population had moved in who could afford to invest substantial amounts immediately. For this reason, a slower and more gradual improvement of the housing stock is actually preferred given the

⁸⁷ Most of these materials were bought from hardware stores despite the presence of second hand stores in the neighbourhood. This reflects a desire not to use salvaged materials for construction.

⁸⁸ Structure owners spent an average of P 6,092 per structure for repairs and improvements (Reforma, 1983).

nature of self-help housing as it signifies that the gentrification is less likely to be taking hold.

The willingness of residents to invest in their structures, to become consolidators, can be attributed to the reblocking process which regularised the community, inputs in infrastructure which solved the drainage problem and to the resolution of the land tenure issue which granted security.⁸⁹ Without these interventions, tenure in particular, it is unlikely that residents would have spontaneously invested in their structures at the time that they did. Perhaps if the residents had managed to stay in place until now with few demolitions, and if a degree of security was perceived to exist, some residents may have been prompted to invest in their structures. Certainly, it is unlikely that these investments would have been as widespread or encompassing as is the case with tenure being formally granted.

The skyline in the Foreshore reflects the burgeoning populace and increased densities. Whereas before the upgrading most structures were only one story, now most are at least two with a noticeable trend toward three. These observations call into question the appropriateness of the project's design with regard to housing. It seems that in an attempt to keep people in place and address the long standing land tenure issue, project planners did not consider the likelihood of increased densities in the future such as walk-ups and small single plots with occupancy restrictions.⁹⁰

⁸⁹ Prior to this, structures were built on stilts rather than solid post foundations.

⁹⁰ Those individuals who were interested in having a larger plots could have been relocated to Dagat-Dagatan since it was capable of accommodating three times as many people as the Foreshore.

Over time, intervening factors have contributed to the level of density now experienced in the Foreshore. First, the close proximity to the port and associated employment opportunities was a driving force behind residents undertaking structural improvements. It also has drawn other migrants and as such, densities have continued to rise. Second, an average size lot of 48 square meters has proven to be too small given the tendency for Filipinos to live in an extended family arrangement. "It was assumed that the family would stay as a nuclear family. It was not anticipated that people would rent out or sub-lease part of their space. This was not planned for." (Ivy Marquez).⁹¹ This, despite the fact the baseline surveys revealed that 40 per cent of all structures were multi-occupancy with up to eight families. As a result, households have chosen to make up for in height what they do not have in lot space.

⁹¹ During the baseline survey in 1974 it was found that 18 per cent of all households earned extra income through renting portions of their structures.

6 THE IMPACT OF THE PROJECT ON THE COMMUNITY

An integral aspect of the Tondo Foreshore slum upgrading project was the promise of tenure. As Chapter Five has argued, improvements realised in the Foreshore's housing stock were directly related to tenure being granted along with other factors. Still, as Angel and other theorists have argued, other adverse effects may accompany the security of tenure. This chapter addresses these issues to assess the degree to which they apply to the case of the Tondo Foreshore. Specifically, the affordability of the project will be examined as one of the objectives of the project and to contextualise the discussion which follows on whether people have remained in place or if 'upward filtering' has occurred as lower income households were displaced by higher income groups. Also related to the issue of tenure, the perception of security will be explored as is evidenced in the apparent unwillingness on behalf of a significant portion of the original residents to make amortisation payments so that title may be granted.

6.1 *ASSESSING AFFORDABILITY: WAS THE PROJECT TOO EXPENSIVE?*

One of the objectives of the Tondo Foreshore slum upgrading project was to provide a 'product' which was affordable to the lowest 30 per cent income group. In doing so, the project would be better able to target the intended beneficiaries which in turn would facilitate the recovery of costs. To assess the extent to which this objective was achieved, the following section will examine the income and expenditures of residents, and the effectiveness of the mechanisms which were put in place to make the project more affordable.

6.1.1 Income and Expenditures

Affordability is a function of the income of the targeted beneficiaries.⁹² At the time of the 1974 baseline survey, the median family income was approximately P 410 per month or US \$ 55.63, this figure was 30 per cent less than the median income for Metro Manila as a whole (NHA internal document). A substantial portion (45-58.5 per cent) of household income was spent on food while expenditures for other items such as education, transportation, housing, medical care, clothing and recreation were minimal in comparison (WB PCR, 1985, pg.13).

Before the reblocking process, baseline surveys were conducted which studied the income and expenditures of the households which were slated to undergo the process. The study found that based on their level of income, 22.2 per cent of the households would not be able to afford to pay the monthly development charges for even a 30 square meter lot. Furthermore, the study found that as many as 27.8 per cent of the households may not be able to afford the immediate cost of movement. The study concluded that... "Clearly, a significant proportion of the prospective project beneficiaries appear to be at risk [of not being able to afford].... and unless the income levels of the households in the lowest 25 per cent are improved, the project can expect default rates to be high." (NHA, Income and Expenditures, unpublished). The study also concluded that without the additional income from irregular sources, it would be difficult for at least 35.8 per cent of the households to maintain their current levels of expenditure.

⁹² See Chapter Three which outlines the points of intervention aimed at uplifting the economic status of the Foreshore residents.

6.1.2 Mechanisms for Increasing Affordability

In light of the conclusions outlined above, the project design included various measures aimed at increasing the level of affordability. First, lots of various sizes and locations were developed and allocated according to the level of income. The table below demonstrates the various lot options and the income required for each.

Table 11 : Relationship between lot size and affordability

Lot Sizes	Monthly Amount	Income Requirement	Affordability Percentile
48 ⁹³	P 45.60	P 304	below 5th
55	P 52.25	P 348	5th
95	P 90.25	P 602	20th

Source: NHA Feasibility Study (1978)

Initial affordability studies predicted that based on a monthly amortisation of P 45 for an average 48 square meter lot, the project would be accessible according to a) 75 per cent of structure and lot owners; b) 40 per cent of those who owned structures but rented lots; c) 69.5 per cent of families renting entire dwelling units; d) 46 per cent of room renters and e) 58 per cent of rent-free occupants (World Bank PCR, 1985).

The affordability profile also suggested that owners of structures and lots, and renters of entire dwelling units were more able to pay for the project whereas most room renters and rent free occupants would be unable to afford the project. The poorest of families would be able to rent property at a price they can afford while those families who were better off would become owners.

⁹³ The total price per square meter would be P 95.20 for repayment over 25 years.

Unfortunately, the additional cost of the development charges were not taken considered in the affordability equation. Pat Valles, a community activist, explained that in the beginning the residents were led to believe that they would only be required to pay for the cost of the land and that they were unprepared for the development costs.⁹⁴ Valles estimates that of those residents who did not pay, almost 80 per cent could not afford the development costs.

Second, low affordability levels were expected to be offset through inputs aimed at raising the level of income such as the schemes implemented through the BLISS program. Intervention points such as employment generation schemes, Small Business Loans, and vocational skills training were expected to lead to significant increases in the general level of income in the area making questions of affordability irrelevant. Through these measures, residents were expected to be better able to keep up with their monthly payments. Unfortunately these schemes were met with limited success.

Third, while incomes were expected to increase from the aforementioned inputs, expenditures for basis services such as water and electricity were expected to decrease so that these funds could in turn be redirected towards paying the development charges. A study conducted in 1980 revealed that expenditure levels for water, electricity and cooking fuel were actually lower than the monthly development charges for an average size lot of 48 square meters, negating this line of reasoning (See Payer, 1982).

⁹⁴ On Nov 27, 1974 the residents along with Cardinal Sin and other church officials marched to Malacanyang to request Marcos to secure the cost of the land at P 5 per square meter. They also sent a letter to the World Bank requesting that it not finance the project unless the land was sold to the people at this subsidised rate.

Fourth, the development of commercial lots and the industrial estates were expected to act as mechanism for the cross-subsidisation of residential lots so that the savings could be passed on to the beneficiaries. In 1986, the NHA entered into a joint venture with the Philippine Ports Authority to develop the industrial site yet it was not until 1994 that the development of the site was completed. The reasons for the lack of subsidy include the inability of the NHA to provide services in a timely fashion which detracted from the agency's ability to collect on rents owed; commercial lots were occupied by illegal structures so that many of the commercial lots were never occupied by the awardees; while other *bona fide* occupants have not applied for title. As a result the cross-subsidisation of residential lots with commercial lots occurred to a far lesser extent than was originally anticipated. At this time, the NHA is assessing the future development of these sites and the industrial properties.

6.1.3 The Effectiveness of These Measures

Despite all of these measures, an independent study conducted by Oberndorfer in 1979, found that "...28 per cent of the households [could] definitely not afford the subsequent rentals to be paid for infrastructure improvement and land titles." (Payer, p. 333). The findings reflect an increase from the original estimates arrived at by the NHA. Oberndorfer attributes this fact to irregular income sources which make it difficult for residents to make regularised monthly payments. Furthermore, these calculations only refer to the cost of the land and services (development costs), they do not take into

consideration the additional costs associated with housing consolidation⁹⁵ (see Payer, 1982).

Oberndorfer's findings are echoed in a March 1983 NHA internal memorandum on cost recovery for the Tondo Foreshore and Dagat-Dagatan which reported substantial cost overruns. This memorandum suggested that the rise in costs meant that a substantial portion of the project beneficiaries were not able to afford the project. This of course would either force those who could not afford to either sell out or to remain in place and fall into arrears. The latter would reflect negatively on the project's cost recovery. As well, an internal World Bank document admitted the failure of these mechanisms to increase affordability levels, ...“the government provision of shelter to the urban poor in Manila, with which the Bank has been associated, benefited fewer people than ultimately in need of assistance and did not necessarily reach the very poorest segments of society....” (Payer, pg. 334).

Furthermore, anecdotal evidence from original awardees who have remained in the community support the claim that the project was not affordable for much of the target population. Pat Valles, asserts that many people were selling their lots as they feared demolition and they could not afford the payments. She maintains that the NHA relied on false information obtained through baseline surveys regarding the level of affordability. She states that, “before this place was reblocked a census was given by the NHA and the NHA told the people to answer that they could afford so that they can avail of the program but in reality the people never could afford.” (Interview with Valles).

⁹⁵ The situation is even more desperate in Dagat-Dagatan where the costs associated with the development are even higher (Payer, 1982).

6.2 *HAS THE FORESHORE BECOME A ZONE OF TRANSFER?*

With the affordability of the project in question, many feared that the community was at risk of becoming a zone of transfer. This section explores shifts in tenure status, patterns of movement, and changes in the stability of the population to establish, firstly, if this is in fact the case, and secondly, to determine what factors caused some beneficiaries to remain and others to move out.

6.2.1 Shifts in Tenure Status

In 1974, during the tagging of structures, a census revealed that the tenure status of the Foreshore was primarily comprised of households which owned their structures (63 per cent), while 27 per cent were renters and 10 per cent lived rent free.⁹⁶ A socio-economic survey conducted in 1978 indicated that this distribution had changed wherein the proportion of households renting had increased to 30 per cent and the percentage of rent free occupants which had increased to 20 per cent thereby showing a reduction in the proportion of owner households. These figures suggest that early on in the project, illegal entrants were drawn to the Foreshore with as many as 34 per cent of the residents having lived in the area for less than 4 years.⁹⁷ These new entrants were not considered *bona fide* beneficiaries of the project as defined by the Code of Policies. Significantly, 12 per cent of those who left the project were structure owners and direct beneficiaries of the project. This figure reflects a 5 per cent drop out rate for the one year period under study (Reforma, 1983).

⁹⁶ Room renters comprised about half of the total population of renters in Tondo. Still, there were more renters in the control areas. Rent free occupants are usually related to the structure owners.

⁹⁷ Illegal as defined in the Code of Policies.

A socio-economic profile of the residents who moved out revealed that poorer households were being replaced by households with higher monthly incomes who were better able to afford the cost of the project, suggesting that gentrification had taken place early on. Poorer households were determined to earn an average monthly income of P 722 whereas the average monthly income of the residents who remained was P 890. Surveys show that 22 per cent of the households with monthly incomes under P 1000 moved out while only 15 per cent of households with monthly incomes higher than P1000 moved out. Other reasons for leaving include the ownership of a structure elsewhere and higher levels of mobility (RAD, socio-economic file).

6.2.2 Patterns of Movement

Prior to the upgrading, baseline surveys revealed that turnover patterns were similar to those patterns which had been observed in other squatter communities throughout Metro Manila. These studies showed that 27 per cent of households in a given area at a given time were in transition due to evictions, marriages, separations, improvements in levels of living, and natural disasters such as floods or fires. The households that were moving out were being replaced by households who were migrating from the provinces.

The reblocking process altered the pattern of movement within the Foreshore wherein significantly fewer families (about 18 per cent) moved out of their structures as compared to the areas which had not been reblocked, or compared to three other squatter communities in Metro Manila.⁹⁸ Furthermore, the number of households moving out of

⁹⁸ The other communities considered in this study were Malabon, Mandaluyong, and Paranaque.

areas which had completed the reblocking process was even smaller at 11.7 per cent. The declining turnover rate of residents in areas which had undergone the reblocking process or were still slated for reblocking suggests that early on, the project provided an incentive for residents to stay in the area. It remained to be seen if the project would continue to be attractive to beneficiaries, particularly low-income residents.

Concerns over the impact of the project on the stability of the population led the NHA planners to implement the Tondo Foreshore Code of Policies in 1975. This code was supposed to reduce the potential for land speculation among beneficiaries who were enticed to sell out for a profit once they had gained full ownership or legal control over the property. In essence, they were put in place to ensure that the Foreshore community did not become a zone of transfer during the implementation of the project and after its completion by acting as a deterrent to residents wishing to transfer their property rights. For instance, the most common practice was for the awardee to sell the property with both parties agreeing not to transfer the title until the restriction had expired.

This practice is reflected in the sentiment of Ivy Marquez of the NHA who worked in Tondo from the beginning of the project in 1974 until 1982 who believes that many people have speculated on their properties. Her opinion was confirmed in 1992 when the NHA embarked on an agency wide collection campaign to clean up the Tondo accounts. At this time, staff began going house to house delivering notices of eviction and attempting to collect on outstanding accounts and it became clear that a significant amount of residents had sold out shortly after the reblocking process. Mario Rey, an architect at the NHA, believes that even more residents were induced to sell out when the

eviction notices started coming with the collection drive. Still, Rey does not see the transfer of rights as a negative occurrence because it means that the beneficiaries have profited from the buying and selling of their lots, especially in the commercial blocks.

6.2.3 Shifts in the Stability of the Population

The NHA has recognised that the unofficial transfer of property has taken place, however, it is difficult to gauge the extent of the turnover as commonly the new occupants are paying amortisation in the name of the original awardee. The Code of Policies which governed the upgrading project restricts residents from legally transferring their rights for five years. This restriction did not prevent beneficiaries from selling out and simply not officially transferring their rights. After the five years were up, the NHA charged a transfer fee of 15 per cent of the total cost of the sale to transfer the deed. Because of measures such as these, beneficiaries drew up a deed of sale between themselves and the new owner without disclosing this agreement to the NHA, therefore the actual turnover is much higher than the official transfer of lots. Then, after the lease agreement ended, or possibly even after the 25 years are up, the title would be officially transferred.

6.2.4 Distribution of Project Benefits

Baseline surveys conducted in Tondo in 1978-1979 showed that large segments of the population did not qualify as beneficiaries as they had resided in Tondo for less than five years or they had not been counted in the initial tagging of structures in 1974. It was found that as many as 42 per cent were room renters, 28 per cent rented entire dwellings,

20 per cent were rent-free occupants and 5 per cent were owners (NHA RAD file, unpublished). These occupants were particularly vulnerable to dislocation. As such, reblocking, at least initially, had a negative effect on renters.⁹⁹ This was particularly the case as structure owners returned to the Foreshore to gain ownership of the land.¹⁰⁰ Some of the displaced renters moved to the *Bagong Lipunan* Condo II complex, however many of these units are now occupied by residents with membership in SSS and GSIS indicating a higher income set. Other renters with savings bought tagged structures.¹⁰¹ A housing consolidation study conducted by Reforma later found that many owners had set aside space for rental purposes so that once again renters could be accommodated.

6.2.5 Remaining in Place

While some households had moved out immediately after reblocking, many residents have remained. This point is demonstrated in the findings of the household survey which showed that 73 per cent (22/30) of the households interviewed were original residents of the project community. These findings suggest that the Foreshore has not become the zone of transfer to a significant degree as was feared, however, a high number of original residents are in arrears to the NHA for not keeping up with monthly lot payments. Because of this, many of the original residents have remained in place but have little hope of being granted title to the lot they occupy. The question which remains

⁹⁹ This was particularly the case for renters who were renting whole structures or had built their own structure but rented the lot. The proportion of renters occupying whole units was very small at 8.7 per cent of all renters and 4.4 per cent of the total households.

¹⁰⁰ In the Foreshore, the rate of owner-absenteeism was only 16 per cent compared to 23.6 per cent in other slum communities (Reforma, 1983).

¹⁰¹ As defined by the Code of Policies, renters were considered to be prospective direct beneficiaries who could acquire property through the sale or transfer of rights of a legal or tagged structure. In some cases, some households owned two structures and thus were willing to sell off the rights of one of them.

is whether this should be attributed to low levels of affordability or if it should be interpreted as an expression on behalf of the residents that the costs associated with the project were simply unacceptable.

6.3 COST RECOVERY

One of the primary objectives of the upgrading program was to demonstrate the possibility of undertaking a project without putting undue strain on the national budget. Full cost recovery was sought through the inter-agency sharing of costs, appropriate project design (such as standards and levels of service, reliance on self-help and mutual aid), and as previously discussed, increases in incomes through livelihood schemes and the generation of revenue through cross-subsidisation.¹⁰²

Sources of revenue such as these were supposed to make the project more affordable to low-income residents living in the project area so that cost recovery could occur. There are disparaging views as to the actual cause of the low cost recovery experienced by the project. Some attribute non-payment to a lack of affordability, others blame it on the 'dole out mentality' where the residents believe they do not need to pay, while still others claim the problem was more likely one of price *acceptability* which is reflected in wilful non-compliance.

6.3.1 Price Acceptability

Early on, the NHA encountered difficulty in motivating low and marginal income families to regularly make their amortisation payments. The World Bank attributed this to

¹⁰² See Payer, 1982 for a description of the variety of financial arrangements which are available.

the fact that the residents had been squatters for some time and were simply not accustomed to paying for the lot they occupied. The Bank also asserted that the residents had the 'dole out mentality' given their position on the lowest strata of society, and as such the Bank maintains that no matter how low or within their level of affordability the development cost was commonly considered to be beyond their means (WB PCR, 1985).

Support for the World Bank's position is expressed in sentiments like that of Ivy Marquez who stated in an interview:

The project was affordable as most people could have paid for their lot within a 5 year period since the land costs were so low and the residents were employed in the port or in the market. Informally, they have businesses which provided them with sufficient income. As well, there were enough opportunities for livelihood in the beginning and the project augmented these by providing a livelihood program and small business loan, and skills training.

During focus groups with original beneficiaries, residents offered a different set of explanations for non-payment. Many of the residents interviewed expressed their dissatisfaction with both the development charges and the lack of services. Based on this, some have opted not to make the required amortisation payments on the lots they occupy.

Peoples' organisations operating throughout the community continue to encourage residents not to make any amortisation payments. They argue that *PD 1314* is repressive since it states that if they do not pay for 3 consecutive months, the NHA has the right to demolish the house and evict the tenant.

In the case of Valles, she paid P 500 in 1975 for a 64 square meter lot and has not made any amortisation payments since then. Every month the NHA sends a notice of eviction which states that she is required to pay P 15,000 in interest charges and P 7,500

toward the principle amount owed on her lot.¹⁰³ Valles has not paid because she considers the development charges to be unreasonable and because many areas throughout the Foreshore are still lacking the promised services.¹⁰⁴

Buluran, also an original awardee, explained in an interview she believes that as many as 50 per cent of the residents of Barrio Magsaysay could not afford the monthly amortisation on the lot to the NHA, let alone the development charges. As a result, "some moved out but most stayed and many are in arrears...they just don't pay but they remain on the lot so they never got their title of award." Valles, like Buluran, estimates that there as many as 40 per cent of the original awardees moved out and many of those who have remained are in arrears. They also assert that for the most part, the titles which have been granted are not original residents as they can afford to meet the monthly payments.

Due in part to the role of the World Bank in the project, detailed specifications and cost estimates, and a project implementation schedule was devised. In the interest of efficiency and planning, the residents were not consulted on every issue. In particular, they had little input in terms of the extent of the services and whether or not they represented good value. Perhaps the project components and the standards did not reflect the residents' priorities and certainly the cost may not be reflective of their ability to pay or their desire. The unacceptability of the project costs reflects this dissatisfaction with the services.

¹⁰³ If she had kept up with her payments from the beginning, her lot would have cost her P 8,734.

¹⁰⁴ Valles lives in Area V in Barrio Magsaysay which is particularly stricken with poor services. In her neighbourhood the sewer and water have never worked properly.

6.3.2 Cost Recovery Campaigns

As early as 1983 it had become obvious that residents were not keeping up with the required amortisation payments for their lots. The NHA had tried a variety of schemes to encourage the residents to pay. For example, in the early 1980s, they tried collection through the co-operatives which were part of the livelihood program. The NHA hired co-operative members as a collection arm of the Authority based on the belief that since co-operative members were beneficiaries and familiar with the people, they would be effective in motivating the people to pay. Unfortunately, this scheme only further entrenched the NHA's problems as some of the collectors from the co-operative ran away with the collections. Needless to say this was extremely bad for community relations. Instead, residents make a two hour trip one way to go to the NHA main office in Quezon City to make payments. In the late 1980s they provided incentives to pay through a raffle for those accounts which were up to date, but the prizes were small so the scheme lasted for only one year.

In 1990, the NHA undertook an information campaign in order to motivate commercial awardees to apply for title and pay at least the required 20 per cent down payment. This program also had little effect. Since 1992, the NHA office in Tondo and its bare bones staff have focused almost solely on cost recovery. In 1994, the NHA began imposing sanctions for people occupying commercial lots who had neglected to apply for title or who were in arrears. Sanctions include the cancellation of award or demolition and eviction if the occupant did not apply for title. (NHA internal document Report on Cost Recovery Campaign, 1994).

6.3.3 Last Attempts at Cost-Recovery

In 1990 the NHA undertook radical measures in a last attempt at cost recovery by re-assessing the cost of both the residential and the commercial lots to reflect market value. The lots which had been disposed of and were in arrears are required to pay market value for the lot. The following tables reflect the increases which have been implemented:

Table 12 : Pricing Status of Residential Lots (June 1994)

Type of Lot	Price Prior to June 1994	Inventory of Lots			Estimated Market Value
		generated	disposed ¹⁰⁵	not-applied ¹⁰⁶	
Residential lots ¹⁰⁷	P 5 sq.m. & .95 monthly	12,932	11,779	1,150	P 800-1,200 sq.m.
Social ¹⁰⁸ lots along del pan	P 800.00	4	2	2	P 1,200

Source: House to House Survey (1994)

The table indicates that out of 12,932¹⁰⁹ residential lots generated, 11,779 have been disposed out of which 7,523 (June 1994) had been paid in full and title had been granted, 4,256 are still required to make amortisation payments and 1,368 were up to date while 2,888 were in arrears. As many as 1,150 have neglected to apply for title, out of

¹⁰⁵ Refers to lots which have been applied for but they are still paying the amortisation or they could be in arrears.

¹⁰⁶ No one has come forward to apply for tenure to these lots and therefore the occupier remains only a proposed awardee. Some may have an OCT but most have simply neglected to apply.

¹⁰⁷ Two lot types exist including the Conditional Contract to Sell (CCS) and Deed of Sale with Mortgage (DSM). Lots with a CCS are owned by the NHA and the awardee receives the title once the lot has been fully paid. Individuals are required to keep up in their monthly amortisation. If they are in arrears for 3 consecutive months, cancellation and finally eviction notices are issued. Lots which fall under the second type are the DSM, where the ultimate sanction is foreclosure because the mortgage is taken out through the NHA. In this case the NHA holds the title but the title is already in the name of the awardee. Upon full payment of the lot the NHA returns the title to the awardee. To date, the NHA has not foreclosed on anyone.

¹⁰⁸ Both social and economic are considered as residential lots.

¹⁰⁹ This figure includes the generation of 4 social and 8 economic lots.

which 893 hold an Original Certificate of Title ¹¹⁰ which are subject to re-titling leaving 257 proposed awardees which have not applied for title. Those households which were in arrears faced the threat of eviction as the focus on the NHA shifted to cost recovery.

Like the residential lots, the cost of the commercial lots was first re-assessed in 1990 at P 3,000 per square meter to reflect the current market value. In 1994, the rate was further increased to P 8,000 to P 9,000 per square meter depending on the location. The table below reflects the price changes which have been implemented.

Table 13: Pricing Status of Economic and Commercial Lots (June 1994)

Type of Lot	Price Prior to June 1994	Inventory of Lots			Estimated Market Value
		generated	disposed ¹¹¹	not-applied	
economic lots along del pan ¹¹²	P 2,000	8	7	1	P 8,000
commercial lots	P 5,000-10,000 ¹¹³	806	526	280	P10,000-15,000

Source: House to House Survey (1994)

Of the 806 commercial lots, 526 have been disposed of with 234 titles being granted. Of the 292 which remain, 219 are in payment arrears and 73 accounts are up to date. As many as 280 lots have never been applied for making the occupants tenure insecure. Those who applied immediately after reblocking could purchase of the property at the rate of P 650-700 per square meter which was the assessed rate in 1978. The

¹¹⁰ Often times households holding an OCT have not applied for title as they would be required to pay for the development costs.

¹¹¹ This terms refers to lots which have been applied for but not fully paid (could be in arrears).

¹¹² Generated social lots are less expensive as they are located in the interior whereas economic lots are along an 8 meter road. Presently both are used for residential purposes.

¹¹³ Depending on the area, the price of commercial lots varies from P 10,000 along C-2 in Area IV, P 9,500 along Moriones.

residents of barangay 110 signed a petition to reflect their dissatisfaction with the increase in the price of the commercial lots and they have refused to pay the increase.

6.3.4 Was Cost Recovery a Reasonable Goal?

Debates over the reasonableness of this objective are sure to inspire heated discussion. Because much of the funding for the project came from the World Bank, the Philippine government is less able and less likely to forgive outstanding accounts given the expensive nature of these loans. Yet, in the absence of widespread affordability, full cost recovery should be recognised as an unreasonable quest. As Laquian argues “...because of the urgent nature of the housing need, the low capacity to pay of the urban poor, the inability of existing credit structures to respond to the needs of the poor, and the fact that basic housing generates benefits that go beyond housing there is sufficient justification for subsidies.” (1983, pg.105).

Furthermore, much of the cost of the project has already been borne by the lot owners through the construction of their houses (See Payer,1982). In fact, investments in housing consolidation represent the urban poor’s greatest contribution. While the Philippine government did subsidise the cost of the land, the infrastructure costs and the management costs pushed the cost of the project beyond affordable levels for at least the lower 20 per cent. Finally, no schemes such as varying rates of interest over the time of indebtedness were implemented as a way of enhancing both the affordability and the accessibility of the project (Laquian, 1983, pg. 108).

6.4 CONCLUSIONS

Despite numerous studies conducted by both the NHA and other independent sources which indicated that the project was not affordable to the 10th percentile as was originally claimed, the World Bank's Project Completion Report stated that...

...the project achieved all of its objectives except that of financial replicability...Upgrading of Tondo was a highly ambitious goal that was successfully achieved in physical and social terms. The slum community virtually transformed itself over ten years into an upwardly mobile neighbourhood without appearing to have evicted the truly poor." (1985, p. vi).

The NHA's final attempts at cost recovery are certain to adversely affect those residents which have opted to stay in place but have been unable to keep up with their monthly amortisation or those who have failed to apply for tenure.

The provision of tenure in the transformation of the Foreshore has positively affected housing consolidation. Yet, the pervasiveness of wilful non-compliance on behalf of original residents in making lot payments leads one to question whether it was tenure that the residents were after. Perhaps, what the community was really fighting for in those early days of social and political unrest was the threat of eviction and demolition that had plagued their community and others like it for so long. In fact it appears that the residents of a community on the fringe were less concerned with the illegality of their status as they were with the precarious nature of it. In the case of the Tondo Foreshore, it seems that while some residents opted to move out, many original residents decided to stay but have neglected to make amortisation payments. The result is a government which has not been able to recover its investment as anticipated and a community of residents which were granted tenure but not title.

In this way, the legalisation of the site takes away power from the poorer residents who cannot find security in tenure but instead find protection from demolition in numbers. Furthermore, although tenure was provided, large segments of the original residents have not been granted title. As a result, the government finds itself in a greater position of power through the legal justification of eviction due to non-payment and the urban poor's access to land has actually been reduced as the cost of the land and the infrastructure was too high.

A second point for consideration is whether the poor can afford to be upgraded (Payer, 1983, pg.324). The decision to upgrade has resulted in costs higher than what the residents were accustomed to paying (Payer, 325).¹¹⁴ Without question, residents prefer to live in a new and improved community with a full range of services and amenities, however the expectation that it is the residents who must shoulder the costs associated with this development must be reconsidered. Ultimately, the decision to upgrade should not be based on the residents' ability to pay, it should be based on need.

¹¹⁴ In the Foreshore, it was estimated that 70 per cent of the total population were not paying anything for the land they were occupying prior to the upgrading project.

7 THE IMPACT OF THE PROJECT ON COMMUNITY DEVELOPMENT

The Tondo Foreshore slum upgrading project was designed based on a people-centred approach for total community development which relied heavily on enabling strategies aimed at developing human potentials, strengthening of the community and ensuring the success of the project. To this end the project encouraged popular participation in both the planning and the implementation of the project.

This chapter will examine issues such as community cohesion, the persistence of mutual aid and co-operation, the existence of community organisations, and the prevalence of political organisations and partisanship to determine whether the *process* aspect of upgrading facilitated the delivery of a *product*, or if they also contributed to the total development of the community. Discussions such as these are useful as often the social aspects of development are an afterthought or a secondary event when in fact they are an integral element of upgrading (van Horen, 1994).

7.1 COMMUNITY COHESION

In the 1970s, the Foreshore residents exhibited a developed sense of community when they banded together to fight for land tenure. Since that time many of their demands such as tenure and access to services, have been addressed via the upgrading project. The Foreshore community continues to demonstrate a sense of cohesiveness. The persistence of community cohesiveness is reflected in the extent to which residents share a common identity. For example, neighbourhood fiestas are an expression of community identity and

solidarity because they bring together different socio-cultural groups found throughout the population.

Responses to questions in the household survey demonstrate a continued sense of community among the residents. For example, when respondents were asked to define their community, most did so not only based on physical boundaries, but also in terms of a political designation, often citing the number of their barangay.¹¹⁵ Pat Valles, resident and community activist believes strongly that “there is a common identity felt between members of the community and people are aware of the issues.”

As well, most of the respondents interviewed shared a common perception of the afflictions plaguing the community. The bulk of those identified are concerned with the deterioration of the physical environment such as clogged drainage, followed by issues of peace and order such as drug addiction and crime. Interestingly, unemployment and poverty ranked low.

Researchers have argued (see Ruland, 1987) that true participation in the empowering sense did not occur throughout the design and implementation of the project. Thus a sense of community cohesion is attributed more to the regularisation of the community than to attributes comprising the project's design.

7.2 MUTUAL AID AND CO-OPERATION

The adoption of a ‘people-centred approach’ relies on the participation of the community both during the original upgrading initiative when the residents were invited

¹¹⁵ An indicator of this is the ability of residents to describe their community in terms of perceived boundaries or a shared perception of community problems.

to participate in the planning and execution of the project, and after in the post project phase as residents were expected to actively engage in maintenance. As such, the project's design de-emphasised the role of the government and shifted the responsibility to the residents, capitalising on the assumption that community spirit existed throughout the population.

7.2.1 The Persistence of *Bayanihan*

Today, the persistence of *bayanihan*, or the spirit of mutual aid and co-operation, is demonstrated in the extent to which residents are aware of pertinent community issues and more importantly, in their involvement in finding solutions. Involvement is demonstrated in activities such as attendance at civic meetings, contribution to decision making, and participation in post-project maintenance. Findings originating from a series of focus groups with residents and interviews with formal and informal leaders present mixed reviews on the extent to which *bayanihan* continues to be a driving force in the community. It seems that *bayanihan* continues to exist in varying degrees, depending on the issue at hand.

7.2.2 Examples of Mutual Aid

When respondents of the household survey were asked whether or not *bayanihan* was alive in the community, 90 per cent stated that it was and that it is demonstrated in a variety of ways such as simple acts of kindness (22 per cent), helping in cases of emergency (48 per cent), and assistance in unclogging the drainage (15 per cent). These findings suggest that the spirit of *bayanihan* has endured since the original upgrading

effort, however it is extremely difficult to assess whether the community upgrading project was directly responsible for fostering this.

All of the barangay captains interviewed (except in barangay 116) claim the residents are aware of the important community issues, however the degree of co-operation in addressing these issues varies. Within each barangay, a select few residents are highly involved in community issues while the majority of the residents only get involved when an issue affects them directly. Commonly, those belonging to a lower socio-economic class are less involved in community initiatives, as they have more employment demands.

7.2.3 Examples of Co-operation

The degree of co-operation also tends to vary from barangay to barangay. For example, in barangay 32, residents tend to organise over issues of neighbourhood security, and maintenance of drains and pathways. Similar initiatives exist in barangay 67 where the captain maintains that as many 80 per cent of the residents are actively involved in all barangay initiatives.

In contrast to the organised brigades operating in these barangays, barangays 112 and 116 have no formal programs and as such the residents tend to be less involved in community action on a daily basis. Instead, the residents organise in response to problems as they arise such as barangay maintenance or in emergency cases such as fire. The barangay captain from 112 states that the community involvement is more “indigenous” in his area, with much of the community spirit occurring outside of the barangay

structure. The barangay captains agreed that factors such as the family structure, income and education levels impact on the degree to which residents participate in community initiatives.

In all barangays, mutual aid and co-operation are fostered through regular block meetings. Information is also disseminated through general assemblies, invitation letters, house to house drives and the use of a megaphone. Projects are planned by the barangay citizen's committee and the residents are responsible for carrying out the tasks.¹¹⁶

7.3 COMMUNITY ORGANISATIONS

The Foreshore has a long history of social organising at the community level. Most of these organisations are religiously based with a mandate of offering services to the community in the areas of health, livelihood or social upliftment. Despite the slum upgrading, a number of these organisations continue to exist, primarily out of need. For example, the Canossa Health and Social Centre located in Magsaysay Village in the Tondo Foreshore offers a health and nutrition program, livelihood training, co-operatives, counselling, a scholarship program, and a day care. Most of the patients availing of the organisation's services reside in the squatter sites located throughout the Foreshore.

Interestingly, when respondents of the household survey were asked to identify organisations operating in the community (other than the barangay), none could identify any of the more politically based organisations. Many residents were able to identify community based organisations such as Don Bosco which has been operating in the community for 25 years and occupies a rather high profile location in Area IV. This

¹¹⁶ Committee representatives are elected by the community.

indicates that the residents of those areas of the Foreshore which were granted tenure have more affinity with social organisations and are less inclined to participate in more politically oriented protests.

7.4 POLITICAL ORGANISATIONS

The Tondo Foreshore has a colourful history of socio-political organising.¹¹⁷ Like the residents of other squatter and slum sites throughout Metro Manila, residents of the Foreshore began to organise during the highly politicised era of the late 1960s and early 1970s in response to a growing awareness of their underprivileged economic and political status. In reaction to the strength of the political organisations the government imposed martial law. Ruland explains that this action was intended "...to curb the activities of the burgeoning social movements regarded by [the government] as a threat to their privileged position in society, they reacted with repression..." (1984, pg.326).¹¹⁸

Despite this repressive step by the Marcos regime, large and well organised political groups such as the Zone One Tondo Organisation (ZOTO) continued to exist under martial law.¹¹⁹ With more than 40,000 members, the government most likely tolerated this group based on its fear of the outbreak of social unrest.¹²⁰ In the case of the Foreshore, the high level of community organisation played a key role in the

¹¹⁷ Ruland defines these as collective and communicative processes of demand making, or protesting against social conditions in a formal or organised fashion (1984, pg. 326).

¹¹⁸ Ruland asserts that this situation was a result of oligarchic feuds and political instability that threatened Marcos' development strategy which largely relied on foreign capital and investment (Ruland, pg. 329, 1984).

¹¹⁹ Ruland also asserts that this was probably largely due to the fact that the situation for the majority of its membership was already so bleak they had nothing to lose (Ruland, 1984).

¹²⁰ The organisation was instrumental in fostering an attitude of solidarity and self-reliance among the populace. The organisational structure of ZOTO was highly decentralised with a high percentage of women as officers.

government's decision to upgrade the Foreshore and grant land tenure. Today, political organisations operate on the fringe, no longer representing the *loci* of political power at the grassroots level. This shift is primarily due to the bifurcation of community politics due to the introduction of the barangay which effectively diminished their role.

7.4.1 Government Organisations

A year after the imposition of martial law in 1972, the barangay was set up to represent the people (or more than likely the government) at the community level. Officially the barangay was created for the purpose of broadening citizen participation in community decision making (as long as they were government initiated programmes), facilitating the delivery of services, and implementing small scale infrastructure projects in their respective jurisdictions (Ruland, 1984). In an attempt to broaden the barangay's sphere of influence, the government required community groups to seek permission from the barangay in order to hold meetings.

During those politically tumultuous times, the barangay quickly came to be viewed as an extension of the long arm of the government. The formation of this institution led to the polarisation of community politics as many of the community leaders were co-opted under the barangay structure. As well, the upgrading effort served to strengthen the role of the barangay, legitimising it as the acceptable forum for community participation.¹²¹ Because of this, the barangay captains are now generally accepted as the formal leaders of the community.

¹²¹ This acceptance was helped along through the arrest and detention of vocal personalities which effectively removed them from the public forum.

Today, the barangay is responsible for all issues which affect the community such as peace and order through the organisation of *tanod* (security) brigades, road safety through the provision of street signs and markers, cleanliness and beautification drives, construction and repair of secondary roads and pathways, maintenance of drains, and the facilitation of livelihood initiatives. All of these initiatives are geared towards meeting the needs of the residents and operate based on the participation of the residents. The barangay also offers services such as legal counselling, certification, organisation of sports activities, free medical consultations, the distribution of free medicine and day care.

Beyond these issues, the barangay acts as a liaison between the community, the local government and national agencies. All of the barangay captains complained of a downloading of responsibilities from the local government and an unresponsiveness by these agencies when requests are made on behalf of the community. In those barangays which have positive working relations with the residents, the captains expressed an interest in expanding the mandate of the barangay to include livelihood training, food supplements, and road rehabilitation, however, this would require a larger operating budget. Livelihood initiatives are most in demand due to the need to uplift the economic condition of many of the residents.

Political activists working in the Foreshore continue to be sceptical of the barangay. The barangay is viewed as an agent of the NHA which is only concerned with cost recovery and not with community concerns. As well, rumours of barangay captains

accepting payoffs ranging from between P 500-2000 to allow the construction of shanty structures in their barangay have tarnished the resident's perception of the institution.

7.4.2 People's Organisations

Although the community is less politically charged, People's Organisations (POs) continue to work on behalf of the urban poor on issues such as land rights and housing. The existence of these organisations indicates that despite the upgrading, the community is still grappling with many of the same issues as it did twenty years ago such as the provision of land and services, but perhaps on a smaller scale (Peattie, 1987). For the most part, residents of the of the built community have been co-opted and are complacent with regard to these issues. As the NHA embarks on cost recovery and sanctions take hold, it is reasonable to assume that more residents will once again turn to these organisations for support.

Zone One Tondo Organisation (ZOTO), TOMANA and SMBM are the most prominent political organisations operating in the Foreshore today. In the Foreshore and in Dagat-Dagatan, many of the members of these organisations belong to households which have fallen into arrears and are at risk of eviction. These organisations work on their behalf by petitioning Malacanyang ¹²² to convince the government to grant forgiveness for their loans. Until now, they have been unsuccessful in their attempts. Other smaller POs include the Mother's Club which works in Dagat-Dagatan on behalf of women who face domestic violence, and the Home Owners Association which is

¹²² The seat of government.

concerned with physical problems such as water, drainage, sewer, and community cleanliness.

ZOTO

The Zone One Tondo Organisation (ZOTO) is a federation of urban poor organisations which was formed in 1970 in response to the government's announcement that the Foreshore was to be developed as the site for the International Port. Today, the organisation continues to struggle for the rights of the poor in response to the continued demolition of squatter homes in communities throughout Metro Manila. Lydia Ela, president of ZOTO, claims that "organisations such as ZOTO are still very much in need as they are necessary for giving a voice to the disempowered...These organisations are a big part of the development of the community." Currently, the federation of ZOTO has 69 local organisations with 6 chapters located throughout Metro Manila with an estimated total membership of approximately 6,700 people.¹²³

On average the general meetings are attended by 600 members with an estimated 300 people coming from the Tondo chapter. For example, in June 1994, approximately 1000 people came out to protest the government's inaction in resettling the squatters along R-10 to either Dagat-Dagatan or another site within Metro Manila.

TOMANA

TOMANA is a people's organisation which has been operating in the Tondo Foreshore since 1980. TOMANA works with 9 other member federations, two of which are based in Tondo and include ZOTO and Samahan ng Mamamayan ng Baryo

¹²³ There are 700 from Tondo and the 6,000 from Dagat-Dagatan.

Magsaysay (SMBM). TOMANA was originally formed in order to distribute housing materials to families which had their homes demolished in Tondo. Today, the housing program continues but the organisation also operates income-generating projects and other socio-economic initiatives aimed at empowering the urban poor. Collectively the member federations have an estimated total membership of 3,929 urban poor of which 67 per cent are women.

SMBM

The SMBM has 720 members from Barrio Magsaysay and has been active since 1986. The organisation was formed in order to fight for shelter and livelihood support. The president, Linda Buluran, explains that residents from Barrio Magsaysay became extremely active in response to the eviction notices which were continually being posted. The organisation is concerned primarily with housing and tenure issues, providing social services and administering livelihood programs.

7.4.3 Issues for Organising

All of these organisations were born out of the struggle for land tenure and continue to exist for the same reason. Together they actively lobby Malacanyang to forgive outstanding accounts and grant title on the basis that both the development charges and interest charges are unreasonable. The government will not comply with the request. They organised over the issue of tenure but have gone on to fight for a wider range of social and economic justice issues, particularly against legislation which is discriminatory to the urban poor's welfare such *PD 772* which makes squatting a crime.

7.5 *POLITICAL PARTISANSHIP*

Politically based organisations have all experienced fluctuations in their membership over the years. During the reblocking phases, membership in groups like ZOTO declined as positive changes started to occur throughout the community. Activists also attribute the decline in membership to the oppressive nature of the regime which saw many community leaders arrested. Government representatives argue however that a declining membership is the natural process for a community which has realised its objectives. After the EDSA revolution in 1986, political organisations experienced a renewal in their membership as squatters began joining together to fight for social change over issues such as tenure and inadequate shelter.

7.5.1 *Who's Political?*

Two distinct groups are most likely to be involved in political organising. Firstly, those segments of the population which continue to occupy a marginalised position in society are most likely to be politically active. This fact is reflected in the profile of the membership of the aforementioned organisations of which the majority reside in the squatter sites. In fact, Lydia Ela, maintains that residents of the built community became less active in political organisations after the fall of the Marcos regime. "It is as if they no longer felt that they needed to join these organisations to assert themselves." All of the representatives interviewed from the various POs asserted that at that time, most of the residents of the built community (particularly those who were satisfied with their services) lost interest in collective movements and became more individualistic.

This feeling is echoed by NHA staff members who stated that after the EDSA revolution, fewer people attended community meetings sponsored by the NHA and fewer people came in for training. It seems that residents of the built community become involved in an organisation when a problem (such as fear of eviction or lack of water) affected them directly. This is evidenced in the community of Barrio Magsaysay, an area which is lacking in services and where a high number of members belong to political organisations.

Secondly, the role of women in these organisations as leaders and organisers has been instrumental in the fight, both historically and currently, for services and tenure. This point became clear through various interviews with the presidents and organisation members which were dominated by women, despite the fact that no special consideration was given to women in the design of the project.¹²⁴ These findings are supported by Moser (1987, 1989) who asserts that it is women who most commonly act as the community managers.

7.6 CONCLUSIONS

In the years leading up to the implementation of the upgrading project, the highly politicised nature of the Tondo Foreshore community was reflected in high levels of political activity and community cohesion. These trends continued throughout the implementation stages of the project as residents became aware and involved in community affairs. Today, much of the community activity takes place around the

¹²⁴It seems that men are more likely to be involved in more formal institutions such as the barangay.

barangay and a handful of community based organisations and peoples' organisations operating in the community.

The barangay was set up as a mechanism for citizens to express their views, and as an outlet for popular participation, but for the most part it is a vehicle for the delivery of services at the community level while the CBOs focus on information dissemination and socio-political issues. During martial law, these two very political groups were at odds, however, each now have very separate and clearly defined mandates with little overlap. The persistence of socio-political movements long after the project has supposedly met its stated objectives indicates that issues persist. The critical areas of concern are often articulated by these groups, voicing the community's level of satisfaction with the changes brought on by the project.

As a result of the barangay, a shift in the leadership of the community has occurred. In the early 1980s, two types of leadership existed; the traditional leaders (informal) which were engaged in the struggle for land and the newly appointed or the formal leaders of the community; the barangay representatives. Today, the barangay as the quasi-governmental institution operating at the local level is generally accepted by the residents.

Most of the participation in community affairs occurs via the barangay as the formally recognised institution. In most cases, only a few of the residents of the built community are involved directly in either socially based or politically based organisations. Rhetoric, coupled with the installation of the barangay, led to community acquiescence more so than if the NHA had marketed the project as a take it or leave it top

down approach. If this were the case, given the history it is safe to assume that the community would have rallied together against adversity. Instead, the community was lulled into believing that it was no longer necessary to bind together (Martin, 1983).

Now, only pockets of the residents in the Foreshore are politically active, particularly those residents who are unsatisfied with the upgrading or new migrants who have come to Tondo to squat. In fact, the bulk of the membership resides in the squatter sites scattered throughout the community. This fact is partially attributable to the fact that for the majority of the populace, there are fewer issues requiring community action. Instead, energies are directed internally, at the familial level. There are some manifestations of a co-operative spirit in the community such as festivals and religious celebrations. There is little evidence that the project has been a vehicle for stimulating further development or self-reliance as is exemplified in the lack of co-operation on issues of community maintenance. While some segments of the population continue to be politically active in taking up community issues and complaints, for the most part much of the community organising is directed to routine community issues such as security issues and fiestas.

Finally, given that the project was both designed and implemented under martial law, public participation in the project can be viewed only as a means to an end, as a strategy which facilitated the implementation of infrastructure and the construction of houses. As such, any remnants of political organising, enlightenment or empowerment which have persisted have occurred not because of the project, but in spite of it.

8 THE EVOLUTION OF COMMUNITY UPGRADING: NEW POLICY DIRECTIONS AND PROGRAMS

The housing need in Metro Manila between 1990-1994 was estimated at 716,000 units. And with 171,000 families subject to eviction in the years that have followed and the continued influx of approximately 100,000 new migrants annually; viable housing schemes are vital. The current program under the National Shelter Program (NSP) addresses these needs through the promotion of an integrated shelter delivery program. This strategy relies heavily on the private sector in the hope of finding alternative sources for affordable housing and housing finance. Clearly, the government's role has shifted from that of a *provider* of subsidised housing to that of a *facilitator* of subsidised housing (National Report of Action on Shelter and Human Settlements, 1996).

The inability of community upgrading to address the needs of the lowest 10 per cent of the population and its lack-lustre results in the area of cost recovery, called into question the usefulness of this approach. This prompted the government to re-evaluate its position on shelter and human settlement development. Post-EDSA approaches to shelter were characterised by the reduction of government resources toward subsidised housing projects.¹²⁵ As a result, the Ramos administration has helped to inspire a movement away from traditional funding sources and toward the creation of alternative financing strategies.

Chapter One outlined the policy initiatives that led to the adoption of the community upgrading and sites and services approaches in the early 1970s. This chapter

¹²⁵ The 1986 EDSA revolution was a citizen uprising which effectively toppled the Marcos regime.

surveys the policy approaches the government has adopted in the post-Tondo era. I intend to explain how these approaches have adapted to an environment dominated by market forces and to assess how responsive they are in meeting the needs of the urban poor. Specifically, I will focus on the Community Mortgage Program which is both a hybrid of community upgrading, and a good example of how these new approaches have evolved.

8.1 A LOOK BACK: SHELTER AND SETTLEMENT POLICIES 1982-1994

At the end of 1982, the Ministry of Human Settlements launched the National Shelter Program (NSP) to bring together government resources with those from the private sector. These actors included finance corporations,¹²⁶ and regulatory boards for land use, zoning¹²⁷ and housing production.¹²⁸ Many of the plans for human settlement development drafted at this time still inform land use plans today (National Report of Action on Shelter and Human Settlements, 1996, pg. 51-52).

When the Aquino Administration took office in 1986, the Ministry of Human Settlements was abolished. The Housing and Urban Development Co-ordinating Council (HUDCC) took its place and was charged with forming housing policy. The new administration adopted a non-interventionist approach to shelter, essentially withdrawing from the shelter sector. For example, mandatory membership in the *Pag-IBIG* savings program was cancelled making it necessary to rely on traditional government institutions

¹²⁶ The National Home Mortgage Finance Corporation (NHMFC) developed the Home Development Mutual Fund (HDMF) and the Home Financing Corporation (HFC) which was later known as the Home Insurance Guaranty Corporation.

¹²⁷ The agency in charge is the Human Settlements Regulatory Commission later known as the Housing and Land Use Regulatory Board (HLRB).

¹²⁸ Housing production was administered by the Human Settlements Development Corporation (HSDC), the National Housing Corporation (NHC) and the National Housing Authority (NHA). The only agency which remains is the NHA.

such as the Social Security System (SSS) and the Government Service Insurance System (GSIS) for shelter financing. During this period, private banks limited their involvement in low cost and long term housing finance (National Plan of Action on Shelter and Human Settlements, 1996, pg. 60).

Later, the persistence of housing shortages, particularly low income housing, forced the Aquino government to reconsider its position on shelter. It responded in a decisive fashion through the enactment of the Urban Development and Housing Act (*Republic Act 7279*). This legislation called for access to land and housing by the underprivileged through various incentives aimed at encouraging the participation of the private sector.¹²⁹ The administration also enacted the *Abot-Kaya Pabahay Fund* (Social Housing Support Fund) for low income families under *RA 6846*. As well, the Local Government Code was established under *RA 7160* which served to devolve power to the local government units making them directly responsible for the provision of shelter services (National Plan of Action on Shelter and Human Settlements, 1996, pg. 61).

When the Ramos Administration came to power in 1992, more legislation and executive orders were enacted in an effort to address the shelter shortage. In 1993, three critical Executive Orders (EO) were issued. The first was *EO 72* which called for automatic salary deductions to pay down housing loans in the hope of improving the

¹²⁹ NGOs and POs have urged the National Government Agencies and LGUs to aggressively implement this Act. They have called for the creation of a subsidised housing unit within the Local Government Units to address concerns relating to subsidised housing projects. Interestingly, they also requested a feasibility study on ways to lower the cost limit of subsidised housing packages (house and lot or lot only) from P 150,000 to P 80,000. They also requested that Congress allocate at least 10 per cent of the Countrywide Development Fund for subsidised housing. As well, they have requested that *PD 772*, or the Anti-Squatting Law, be repealed. (Final Resolutions adopted by the Non-formal Sector at the National Shelter Conference Oct. 09, 1996).

efficiency of collection rates. Improved collection efficiency rates were necessary to facilitate the quicker turnover of funds in order to increase the number of beneficiaries.

¹³⁰ At this time, the creation of a finance system involving the private sector in shelter production was sought in order to fund the National Shelter Program (National Plan of Action on Shelter and Human Settlements, 1996, pg.58-59).

The second Executive Order was *EO 129* which aimed to prevent the proliferation of professional squatting syndicates and professional squatters. The third was *EO No. 143* which called for the HUDCC to oversee the Local Government *Pabahay* Housing Program set up to provide support for the LGU initiatives through direct access to lending for socialised housing projects. These critical legislative interventions, followed by the reinstatement of mandatory membership in the *Pag-IBIG* fund in 1994 made it easier to process socialised housing projects and facilitated the pursuit of alternative financing schemes while transferring the responsibility for shelter to the Local Government Units (National Plan of Action on Shelter and Human Settlements, 1996, pg. 61-62).

8.2 A LOOK AHEAD

Until 1994, the government was dependent on traditional financing sources such as the SSS, GSIS, *Pag-IBIG* and the World Bank. ¹³¹ Many of the traditional programs for housing finance, such as the Unified Home Lending Program (UHLP), ¹³² *Pag-IBIG*

¹³⁰ By 1992, the National Home Mortgage Financing Corporation's (NHMFC) schemes were insolvent.

¹³¹ In 1993, the World Bank withdrew from direct lending in response to the low collection rates which were endemic to shelter programs.

¹³² Under this scheme, as much as P 375,000 can be borrowed for a house and lot. The housing loan package charged market rates, however, the monthly amortisation could not exceed 33.33 percent of the monthly income (Unified Home Lending Program, Implementing Guidelines, internal document).

Regular Programs including Expanded Housing Loan Program (EHLP) and Group Land Acquisition and Development (GLAD) and *Pag-IBIG* Special Projects¹³³ required households to be a member of one of the three government shelter financing institutions (SSS, GSIS and HDMF).¹³⁴ Yet membership in these institutions is only possible through employment in the formal sector where employees earn an average income of P 4,000 per month, more than double the average earnings of the urban poor. These restrictions effectively exclude the urban poor from taking part in these schemes. In light of this, the government has turned to non-traditional financing sources, particularly ones which are community based (NSP-HUDCC unpublished, UHLP implementing guidelines, unpublished).

8.2.1 Community Based Financing Schemes

In large urban centres shelter production is constrained by the cost of land and the mismatch between affordability and accessible financing. In the case of the urban poor these factors are particularly acute. In recognition of this, the NHA has been pursuing community-based financing programs in an effort to achieve a balance between the provision of land and urban services and affordability. Through community-based financing *in situ* upgrading is once again being pursued. These programs include the NHA's Community Land Acquisition Support Program (CLASP), HDMF's Group Land

¹³³ This program which exists under the National Government Housing Project (NGHP) aims to provide resettled families with a house and a developed site with facilities and amenities. There is also a special project which responds to the needs of those who have been displaced due to DPWH infrastructure projects (National Report and Plan of Action on Shelter and Human Settlements, 1994, pg. 65).

¹³⁴ The scheme involves a joint agreement between the employer and the employee. Eligibility is also based on the borrower's income tax returns which also serves to eliminate those individuals working in the informal sector. Finally, the applicant is required to make a down payment with proof that funds for the down payment were not borrowed.

Acquisition and Development Program (GLAD), and HIGC's Co-operative Housing Program.¹³⁵ All of these schemes attempt to mobilise the internal financing capacities of the urban poor. Another community based program which has been the most successful in this endeavour is the Community Mortgage Program (CMP).¹³⁶ This program will be profiled here to gain an understanding of how slum upgrading has evolved over the past twenty-five years. The CMP will also provide a lens through which to view the integration of innovative adaptations in the face of a changing housing milieu.

8.3 THE COMMUNITY MORTGAGE PROGRAM

The Community Mortgage Program (CMP) administered by the NHMFC is the second largest program under the National Shelter Program. From 1990-1994, the NHA depended on the scheme to generate as many as 87,159 (77 per cent) of the 112,639 housing units required within the NCR for that period (CMP, 1994, pg. 7-8). The CMP aims to provide access to shelter financing to the poorest 30 per cent of the population and those employed in the informal sector, at a subsidised interest rate (6 per cent), and also aims to provide security of tenure through communal land acquisition for the development of both private¹³⁷ and public lands (CMP, 1994, unpublished). As such, the

¹³⁵ This is not an exhaustive list of all of the financing schemes which exist. Rather, it sums up those which are specifically geared towards servicing the urban poor. For example, the NHMFC's *Abot Kaya Pabahay Fund* was set up to provide amortisation assistance to low-income families and to developers engaged in social housing development. However, restrictive application requirements often did not allow for individuals working in the informal sector to qualify.

¹³⁶ The community programs such as CMP, GLAD and Co-operative Housing Program have given assistance to 87,491 beneficiaries. The number of women who have benefited from upgrading schemes is 22 per cent, but under CMP this figure rises to 46 per cent (Community Mortgage Program, 1994, p. 7).

¹³⁷ As much as 95 per cent of all CMP projects have taken place on privately owned land (CMP, 1994, p. 32).

eligibility criteria under the CMP is less rigorous than other programs in an attempt to ensure that it is both accessible and affordable to the urban poor.

Like the slum upgrading programs of old, the CMP involves reblocking initiatives, incremental housing consolidation, accommodation of self-help initiatives, and the pursuit of full cost recovery. However, the initiative is unique because squatters are required to organise into community associations (CAs) in order to generate savings for the purpose of acquiring land communally. Because the decision to purchase land is communally-based, and the land remains under communal ownership initially, program designers expect to see fewer defaults which will ensure the programs viability and also that residents actually obtain their titles (Community Mortgage Program, 1994, unpublished). An essential element of the program is that NGOs can act as intermediaries on behalf of the urban poor to assist them through the various stages of the process.

8.3.1 Is the Program Effective?

The ability of the CMP to see a squatter site through the various stages of development from the communal acquisition of land, to the development of the site, to the initiation of housing consolidation indicates the effectiveness of the scheme. It must also effectively balance issues of affordability with cost recovery while ensuring that it is meeting its target population. A brief overview of the strengths, weaknesses, opportunities and threats of the CMP provides insight into the viability of the program.

Strengths

Since its inception in 1990, the CMP has proven to be more effective than all other programs in targeting beneficiaries. In fact, 90 per cent of all CMP beneficiaries belong to the target group.¹³⁸

In addition, throughout the CMP project sites, housing improvements have flourished to the extent that housing consolidation appears to have taken precedent over the upgrading of the actual site.¹³⁹ This fact has been attributed to a number of factors such as a community preference for gradual development through self-help; that almost 50 percent of the communities do not meet the preconditions for the site development loan (a point which suggests that the standards may be too rigid); a lack of necessity for site development as the basic services already exist; and the inability of communities to look beyond the initial land acquisition (CMP, 1994, pg. 73-74).¹⁴⁰

Weaknesses

Unfortunately, like so many of its predecessors, the program has not been able to reach the poorest 10 per cent of the population. Furthermore, this goal is becoming further out of reach as land prices continue to increase more rapidly than incomes. A study conducted in 1992 found that most of the funds went towards the acquisition of the

¹³⁸ It is difficult to conclusively determine whether the target group is being reached as many of the beneficiaries are working in the informal sector making it easier to under report actual income (CMP, 1994, pg. 40-41).

¹³⁹ The development of the site is financed through a community mortgage upgrading loan or through mutual aid initiatives. Many of the sites are located in the core areas of Metro Manila where infrastructure is often already in place, even in squatter areas.

¹⁴⁰ The program allows for the development of the site to take place separate from the acquisition of the land, reducing the amount of capital investment required up front.

land, leaving only a small amount of funds for site development or housing consolidation (Community Mortgage Program, p. 25).

Opportunities

An incentive for agencies to invest in the program could be found in the program's collection performance which is comparable, if not better, than that of the UHLP and other government loan programs.¹⁴¹ Practitioners attribute higher collection rates to the formation of a strong Community Association and the enforcement of sanctions for non-payment. These two critical features were absent from the Foreshore project. Under the CMP, the CA is responsible for collecting the monthly amortisation and if one of the beneficiaries falls into arrears for longer than 3 months, the CA is required to notify the LGU which has been given the mandate to evict the person in default. Program designers maintain that it is crucial that defaulting members must be evicted or the program will be rendered impotent due to the cumulative effect of non-paying members (CMP, 1994, p. xiii). However, this recommendation fails to recognise that non-payment is related more to the irregular incomes of workers than it is to affordability.

Threats

A potential threat to the viability of the program resided with the difficulty in convincing landowners to sell their land at the 'CMP price' which is far below market value.¹⁴² The only incentive for landowners to co-operate is that most of these sites are

¹⁴¹ Collection rates for government initiated projects within the NCR average 63.3 per cent.

¹⁴² Land prices under the CMP average P 1,020 per square meter in central locations and P 452 per square meter in peripheral areas (CMP, 1994, p. xiii).

already occupied by squatters and under the Urban Development and Housing Act (RA 7279), the process of eviction is long and arduous. To ensure the program does not become impotent, future steps such as increased subsidies, government intervention in the real estate market or increased taxes on idle lands may also be required. These measures may also be necessary to stave off the reduction of lot sizes due to rising land prices. As it stands, lot sizes have already decreased to an average of 32 square meters which is extremely small given the prevalence of extended family cohabitation in the Philippines (CMP, 1994, pg. 97).

Another potential threat to the CMP is the difficulty in attracting funding agencies to invest in the program given the low rate of interest. To address this dilemma, it has been suggested that shortening the repayment period would allow the current level of funds to be turned over so that they might benefit more people. As well, NGOs and POs have called for an increase in the funding allocated towards CMP.¹⁴³

Despite these threats, the CMP and other community-based financing programs hold out promise in the struggle to provide access to land, shelter and services for the urban poor.

8.4 CONCLUSIONS

Under the National Shelter Program, housing needs continue to be addressed through *in-situ* development of human settlements and the provision of sites and services in resettlement sites. Like the upgrading projects of the late 70s and early 80s, these

¹⁴³ In 1993, CMP accounted for 10 per cent of the NHMFC loan portfolio. In 1994 this increased to 20 per cent on the basis of the program's effectiveness (NHMFC position paper # 17, unpublished).

approaches aim to be people-centred and affordable.¹⁴⁴ Still, in 1992 with a change in administration, the HUDCC altered their approach to the housing problem.

Prior to this date, a national level housing authority was directly responsible and accountable for shelter production. Now this responsibility has been mandated to the local government units (LGUs).¹⁴⁵ As well, the government focused on increasing access to funding for the housing agencies responsible for shelter production by tapping into alternative financing sources. This is done primarily by raising funds through capital markets as the government withdraws from direct lending.

Under this new orientation, the CMP has been the most effective scheme to date. Unlike the Foreshore upgrading, the scheme does not attempt to integrate into its mandate socio-economic programs as these schemes have realised little success. However, the program has been particularly effective in the area of cost recovery and cost effectiveness; two features which are highly sought after in a competitive lending market. Furthermore, no other housing program has been able to directly reach the urban poor to such an extent. Most importantly, the scheme has been relatively successful in keeping people in place which is attributed primarily to the strength of the Community Associations. As fewer and fewer government resources are directed at subsidised housing schemes, community based financing programs appear to be the only remaining option.

¹⁴⁴ Affordability is sought through measures which allow easier access to land for housing, a better match of housing financing options with beneficiaries and an improved housing delivery system.

¹⁴⁵ The devolution of power to the Local Government Units has been both applauded and criticised. Some view this event as an opportunity for grassroots input into the nature of projects while others recognise that these units (with no past experience in housing production) lack the necessary expertise to effectively carry out this mandate. Furthermore, some view devolution as the government's way of distancing itself from the housing sector in the face of a long history of ineffective programming.

Housing finance programmes, such as the CMP, which involve the combined funds of government and households, represent a new policy direction in shelter provision. Under this approach government support comes in the form of loan capital offered at subsidised rates. This new approach draws on self-help strategies and combines them with a market based development approach. In this way, the new role of the government is to ensure that the urban poor gain access to credit at a reasonable rate of interest (UNCHS, 1996).

9 FILLING IN THE GAPS

The form of the slum upgrading project implemented in the 1970s and early 1980s no longer applies in the contemporary context. While the schemes do meet the housing needs of the poorest of the urban poor, modifications are required so that they better reflect the challenges facing policy makers and planners. Throughout this research, the impacts of the project have been measured on the basis of the effectiveness in serving the needs of the intended beneficiaries, the urban poor. Ultimately it is they who determine whether or not the project has been a success. In this final chapter I will draw on the research findings to suggest ways in which the slum upgrading projects can ensure that the impacts sought are sustained and so that the new generation of slum upgrading projects can be enhanced and improved.

9.1 SUSTAINING IMPROVEMENTS

Beyond seeking initial improvements in the physical environment, substantial consideration must be paid to the issue of post-project maintenance. Initially, the project was effective in stimulating change, however, both planners and the implementing agencies failed to properly consider post-project maintenance. The study shows that the maintenance of the community infrastructure can be managed through a partnership between the various line agencies, the local government and the residents themselves. The NHA was the lead agency during the implementation of the project. However, agencies such as the DSWD, MWSS, and the local governments which were expected to provide support for the project but failed to do so. As a result, the sustainability of the

project was severely affected by poor co-ordination among implementing agencies. In addition, given the World Bank's enormous investment in infrastructure, it would have been cost effective to provide funds for post-project maintenance to ensure the project's impact would be sustained into the future.

This study found that the community represents a resource that can be tapped because in many respects, it has a greater ability to take care of the environment than the local government. To facilitate this arrangement, a mechanism should have been put in place which have allowed the local government and the community to work together toward this goal. This could have easily been established through the barangay which serves as a direct link between these two groups. For example, willing residents could be organised to regularly clean the drains for a small fee paid by the community members. Larger maintenance work which require specialised equipment would remain the responsibility of the local government.

9.2 *SEEKING TENURE SECURITY*

While the provision of tenure promises to act as a stabilising force in the community, in some respects this concept is a double edged sword. Along with the provision of tenure it is necessary to ensure that there is widespread agreement on the costs associated with gaining title and the cost of the development. In addition, the proper administrative measures must be in place, as well as a willingness to enforce a code of policies which penalises those residents who are not complying. Without implementing these changes, the propensity to rely on *de facto* tenure increases. More importantly,

residents could face future eviction or see the value of their homes reduced, while at the same time compromising cost recovery. This scenario is demonstrated in the case of the Foreshore where for some residents, the project brought with it a heightened perception of *de facto* tenure. As a result, these residents are not making amortisation payments, yet they have continued to consolidate their structures perceiving the risk of demolition as relatively low.

Ensuring that the target beneficiaries are being served is always a critical concern in community upgrading projects. Although less turnover is expected from *in situ* projects than in sites and services projects, the potential for residents to speculate on their property remains strong particularly if the location is desirable. In the Foreshore, population turnover occurred early in the project but then stabilised during the reblocking stages. It is difficult if not impossible to stop residents from illegally selling their property rights to market speculators. Interestingly, in the case of the Foreshore, many of the residents who complained that the project was not affordable have chosen to remain in the place. As a result, the population has remained relatively stable, although cost recovery has been jeopardised.

9.3 *BALANCING INCREASING DENSITIES*

The aim of the reblocking exercise was to decongest the area so that family lots could be provided to families. Over time, contextual factors such as the favourable location of the site and the constant influx of migrants seeking work, coupled with the increased desirability of the community brought on by the project, have resulted in a

burgeoning population. Now there is a need for higher density housing in certain areas, the port area in the Foreshore in particular. Without these alternatives in place, migrants have taken to constructing shanty structures to house themselves as is evidenced along the Foreshore's major thoroughfare (R-10).

Planners should take into consideration issues such as the attractiveness of the community to house renters. As such, the possibility of an increased population and higher densities should have been accommodated within the project design. In the Foreshore, given its unique location, the construction of more medium rise tenements could have been integrated into the project. During the planning of the slum upgrading, the introduction of tenements or medium-rise developments was met with much resistance. A land use strategy which included a mix of residential lots with tenement housing was not considered. This was partly due to the fact that government's medium rise projects have historically been poorly maintained and have failed to provide basic urban services at an affordable rate.

9.4 DE-MYSTIFYING THE NEED FOR LAND

It is becoming clear that it is not possible given the population and spatial pressure brought on by urbanisation to provide every household with single family home lots. As an alternative, four-story walk-ups may be reconsidered as an option in addressing the housing crunch. This requires reconceptualising "home" to mean a place of security and shelter, but which does not necessarily require land. As land prices skyrocket in large metropolitan areas, the cost of construction becomes less of an issue. More

important is a favourable location, the provision of basic services and affordability to which tenements may provide the perfect solution.

Tenure can be achieved through strata ownership instead of fee simple. The *Pandacan Bagong* Barangay project in the fourth district in Manila is a good example of an effective housing project comprised of four-story walk-ups. In this project, the residents are keeping up with the monthly payments, probably because the rent is reasonable and they can afford to pay it. This project represents a successful shift from the idea that ownership of land is what is essential. In most cases, the costs associated with this type of tenure are simply too high for the urban poor. It is a land issue only insofar as the residents want to stay in the area, rather than be relocated to the periphery where livelihood possibilities exist. In the 1994 budget, 1 billion pesos were set aside for low cost housing, but this allocation is still not enough to address the need for housing.

Still, medium rise housing as a viable solution to the urban shelter dilemma continues to be met with much resistance. In 1990, a proposal was made to build a 4-5 story walk-up tenement measuring 20 square meters per unit. People were not receptive of the proposal because they were extremely attached to the *notion* of owning land. Ownership of land is equated with security of tenure.¹⁴⁶ It must be recognised that the attractiveness of land ownership is reduced if the associated costs are so prohibitive that only a 5 square meter lot can be afforded.

Medium-rise housing may provide a partial solution to the shrinking pool of available land, but as yet it is not the panacea. Unfortunately, medium-rise tenements do

¹⁴⁶ Chuck Doble attributes this attachment to land as a response to bad experiences in the 1960s with tenement housing (Interview).

not allow for incremental housing consolidation, and therefore require a higher level of initial investment to cover construction costs. Embracing this approach will not be economical until such time as the price of land exceeds the cost of construction. As it stands, medium-rise housing is more expensive and thus is not seen as a viable solution for meeting the housing needs of the lowest income groups.¹⁴⁷

9.5 SUPPORTING A GENDERED APPROACH

Within the Foreshore project there is a glaring lack of consideration for the role of women in self-help schemes. As Moser has argued, women have particular structural needs resulting from their role as producers and reproducers. Women often engage in home-based businesses or take on home-based work. In the Foreshore, the research found that women were operating business such as *sari sari* stores or beauty salons within their structures, whereas men were more likely to find work outside of the home. Based on these needs, gender should be a category for consideration throughout the design, planning, implementation and post-project stages (Moser, 1987, pg. 30).

The third role to which Moser refers is women as community managers. In the Foreshore, this has been demonstrated in the findings where women were most active in both the political and the social organisations. Specifically, women are commonly involved in community organising, thus there are obvious benefits to including women and their unique perspectives throughout the process. Through greater consideration for the participation of women, the beneficial results of a project can be increased (Moser, 1987). This is particularly applicable in the Filipino context where women take

¹⁴⁷ For the most part, this approach is directed at two salary families or government workers.

on a prominent role in the community and in the household. In the Philippines, women are the household money managers. In light of this, special mobilising campaigns geared toward women may have been effective in the bid for cost recovery.

9.6 CONCLUSIONS

The Tondo Foreshore Urban Development Project was the first and the last of its kind in the Philippines. With a variety of inputs such as reblocking and the introduction of infrastructure, the provision of tenure, housing material loans, small business loans, skills training and improved access to health and education, no other project has been as comprehensive as the Foreshore project. Despite all of these interventions, the long term impacts of the project on the community have been limited.

Although the project has been successful in bringing about improvements in the physical environment and the housing stock, the project has been unsuccessful in the area of affordability. This has adversely affected cost recovery, the stability of the original population and land tenure. While the majority of the residents are no longer focused on political issues, a strong sense of community cohesion remains which serves as a source for mobilising the community against future challenges.

As the millennium approaches, planners and policy makers continue to draw on self-help housing, community organising and the influence of tenure in the development of slum and squatter sites. The comprehensive slum upgrading approaches of the early 1970s, such as the Tondo Foreshore Urban Development Project, are no longer a consideration in an era characterised by an almost exclusive focus on cost recovery.

Instead programs such as the Community Mortgage Program represent the new breed of housing schemes which attempt to balance the demands of the lenders with the needs of the urban poor. It remains to be seen whether these schemes will be effective in meeting the housing crisis both in the near future and into the long term.

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APPENDICES**APPENDIX I: List of Key Informants****NHA Informants**

Edith Rasco-Gapuz
Executive Services Group, NHA Main Office

Mario Rey
Architect I at the NHA Office in Tondo Foreshore

Lily B. Villanuera
Estate Supervisor at NHA Tondo Foreshore

Elizabeth De Paz
Chairperson of the Board and President of Cooperative, Barangay Chairman 116

Ivy Marquez
Community Relations Officer and Information Officer at NHA (previously Tondo
Division Manager for Community Relations and Information Office 1974-1982)

Luc Evangelista
Chief B of Community Relations Office at NHA in Dagat-Dagatan

Nil Martin
Finance Officer at Tondo Foreshore Development Officer

Linda San Jose
Community Relations Officer at the Tondo Foreshore Development Office

Norma Gonzales
Supervising Livelihood Officer at the Tondo Foreshore Development Office

Linda Ederadan
Livelihood Chief B at NHA

Edan Reotutar
Office with the Commercial and Industrial Estate Department (previously Senior
Livelihood Officer (1983-1994)

Reggie Alfeche
Livelihood Chief B at the NHA

Visitacion M. Cabernero
Livelihood Chief at the NHA

NGO Sector Informants

Father Ernie M. Cruz
Don Bosco in Tondo Foreshore

Lydia Ela
President of ZOTO and Barangay Captain

Sister Luc
Cannosa

Pat Valles
President of SKK

Father Joel Otarra
Director of TOMANA

Linda Buluran
President of TOMANA and CPCD

Others Informants

Prof. Mila Reforma
College of Public Administration, UP Diliman

Allyson P. Lagunda
Project Engineer for the Urban Road Projects Office at DPWH

Jeanette Saquing
Acting Branch Manager of the Tondo Branch MWSS

Mrs. Paderon
Assistant District Chief at Manila DSWD District Welfare Office No 1

Mr. Naanep
World Bank

Lito League
Urban Management Program of UNCHS

Chuck Doble
Former Secretary General of HUDCC and former President of Home Insurance and
Guarantee Corporation

Ohene Nyamin
Philippines World Bank Deputy Resident Representative

Rex Dizon
Private Developer

Sonia David
Manager of Rawis and Katuparan Tulungan Center in Barangay 118

Joel Flores
Social Worker with the DSWD

Rosita Caccam
Board of Directors of Co-operative, street vendor

Priscilla T. Perola, MD
Physician in Charge at Fugoso Health Center

Dr Cruz
Officer in Charge at Tondo Foreshore Health Center

Dr. Jose Baranda
Physician in Charge of Tondo Foreshore Reference Infirmary

Joel Flores
Social Worker and Street Educator

Rosita Caccam
Stall in Wet Market

Lourdes Salao
SBL recipient

APPENDIX II: Barangay Survey Questionnaire

Name _____

Barangay # _____

General description of area serviced by barangay (physical boundaries)

What is your position in the barangay and for how long have you acted in this capacity?

How long have you lived in the Foreshore area? _____

Community Participation

What mechanisms are in place to facilitate community participation in issues affecting the community?

Would you say that the average citizen is aware of important issues affecting their community? _____

How involved is the average citizen in addressing these issues? _____

Are members of the community involved in the maintenance of the community? If so, in what areas. (i.e. fire brigades, community cleanliness, traffic control, etc.)

Do you feel there is a sense of cooperativeness and consideration alive in the community? (*bayanihan*) If so, identify what areas. If not, how could *bayanihan* be fostered?

In your opinion, do people in the community get involved in creating their own solutions to problems or do they tend to depend on the government? If possible, give examples.

The Barangay

Describe the role of the barangay in the community. Has this role changed over the years? Explain.

List projects undertaken which require the participation of the community. Were these projects successful? Why or why not.

How does the barangay disseminate information to the community? (i.e. assemblies, newsletters, word of mouth, informal discussions etc.)

What services does the barangay offer the community?

Are there areas in which you would like to see an increase in the responsibility undertaken by the barangay?

Give suggestions that would allow the barangay to be even more responsive to the needs of the community.

Do you have any suggestions on how to strengthen or improve the development of the community?

What government agencies does your barangay coordinate with?

Identify any problems encountered by the barangay in dealing with any of these government offices.

List the names of all the non-government agencies are at work in your community, the purpose of each (i.e. are they economically, politically or socially oriented), and approximately how long they have been in existence.

Identify conflicts between the barangay and any of the non-government organizations.

Community Characteristics

On the back of this paper, comment on the characteristics of the residents in your community. Address issues such as family structures (i.e. the prevalence of extended, nuclear, single parents, young mothers), economic situation (i.e. are the majority of the residents very poor, poor, lower middle etc.), the stability of residents, political activeness, and whether or not residents possess a sense of community grounded in a common identity. Finally, comment on how these characteristics effect community participation.

APPENDIX III: Tondo Foreshore Household Survey

Superblock number _____
 Barangay number _____
 Interview date _____
 Interviewed by _____
 Name of Respondent _____
 Relationship to HH head _____

I. Information on Structures and Services**1. Structure Owner:**

Name _____

Status of Occupancy

- a. Residing
- b. Not residing

2. Are you an original awardee of the slum upgrading project? _____

If so, after reblocking did your lot size

- a. increase b. decrease c. remain the same

3. What is your tenure status?

- a. owns house & lot d. rents house and lot
- b. owns house, rents lot e. rent free
- c. owns house, lot rent-free f. rent room
- g. other (specify) _____

If renting, how much rental do you pay? _____

4. Do you own a structure/lot in other place

- a. Lot Where: _____
- b. Structure or House Where: _____
- c. House and Lot Where: _____
- d. None

5. How many households are residing in this structure? _____**6. How many people residing in this structure? _____****7. Has there been a change in the owner of the lot since the reblocking?**

If so, what year and for how much was the selling price? _____

If not, what is the total estimated amount invested in the structure? _____

8. How many times has the lot/structure changed hands? _____**9. Has the title been formally transferred? _____****10. Type of document**

- a. original certificate of title c. deed of sale e. order of award
b. transfer certificate of title d. agreement to sale

11. What was the purchase price of lot? _____

12. Do you have a mortgage for the lot? _____

If so, what was the loan amount and how much is outstanding?

Which financial institution hold your mortgage?

If not, did you ever have a loan for the lot?

What year did you avail of the loan and what year did you complete repayment?

Which financial institution holds your mortgage?

13. Do you have a mortgage for the structure?

If so, what was the total loan and how much is outstanding?

Which financial institution holds your mortgage?

If not, did you ever have a loan for the structure?

What year did you avail of the alone and what year did you complete repayment?

Which financial institution holds your mortgage?

14. Are you in arrears? If so, why?

15. When did you last make a payment?

16. How long have you lived in Tondo and where do you reside before Tondo?

17. What were your reasons for moving to Tondo?

Structure and Lot

1. Lot Area: _____ sq. m.

Is your lot area large enough for your needs?

2. Building Area

roofed: _____ sq. m. unroofed: _____ sq. m.

Is your building area enough for your needs? _____

If not, why do you need more space? _____

3. What type of building or house?

a. barong-barong

d. apartment

b. single

e. accessoria

c. duplex

f. extended housing (describe) _____

d. apartment

g. other (describe) _____

4. What is the structure type of the building?

a. one floor (ground) d. three floors

b. one floor (stilts) e. four floors or more

c. two floors f. split level

5. What materials are the building constructed of?

- a. _____ % salvaged (plastic, tin, cardboard)
 b. _____ % light (nipa, cogon, bamboo, light wood)
 c. _____ % strong (hallow blocks, wood, G.I. sheets)
 d. _____ % mixed (combination of light and strong)
6. What type of roofing?
 a. makeshift c. nipa e. wood
 b. GI sheets d. bricks f. concrete
7. What type of flooring?
 First floor _____ Second floor _____ Third floor _____
 dirt bamboo wooden
 rough cement tiles/marble
8. Exterior walls
 First floor _____ Second floor _____ Third floor _____
 makeshift nipa or sawali bamboo
 GI sheets hard board wood
 hollow blocks concrete
9. Exterior wall finishing
 a. painted b. varnished c. none
10. Interior wall finishing
 First floor _____ Second floor _____ Third floor _____
 makeshift sawali bamboo hardboard wood hollow blocks concrete
11. Interior wall finish
 First floor _____ Second floor _____ Third floor _____
 a. painted b. varnished c. none
12. Stairs
 a. bamboo c. cemented
 b. wooden d. not applicable
13. Foundations
 a. wooden and stone d. concrete
 b. walls as foundation e. none
 c. wooden and concrete
14. Posts
 a. bamboo b. wood c. concrete
15. Ceiling
 a. makeshift c. concrete
 b. asbestos/wooden d. none
16. Bathing facilities
 a. faucet c. bath tub installed
 b. shower installed d. none (if none, where do residents wash) _____
17. Kitchen facilities
 a. no sink b. sink installed
18. Screening no yes
19. Doors

- a. makeshift b. light materials c. strong materials
20. Windows
- a. makeshift e. wooden
- b. shell and wood f. glass
- c. wooden jalousie g. other (describe) _____
- d. glass jalousies
21. Fencing
- a. bamboo e. wood
- b. stone f. hollow blocks
- c. concrete g. not applicable
22. Year Constructed _____

Usage

1. How is the structure and lot being utilized?
- a. residential d. commercial
- b. industrial e. institutional
- c. dual purpose (specify) _____
2. If the lot and structure are being used purely or partially for commercial and industrial purposes, what type of commercial or industrial undertaking? (see key)
3. If lot and structure are being used purely or partially for institutional purposes, what type of institution?
- a. religious c. educational
- b. health d. socio-cultural
4. Use of Living space: check each
- | | | | |
|--------------------|-------|----------------------------|-------|
| Number of bedrooms | _____ | Balcony or porch | _____ |
| Living room area | _____ | Storage area | _____ |
| Dining room area | _____ | Garden/open space | _____ |
| Kitchen area | _____ | (what is grown?) | _____ |
| Bathroom area | _____ | Garage areas | _____ |
| Washing area | _____ | Commercial/Industrial area | _____ |

Services

Water:

1. What is your source of water?
- a. peddlers e. neighbor's pipe
- b. open well f. private pipe
- c. public pipe g. direct, MWSS line (is so, is it metered or unmetered)
- d. public pump h. other (specify) _____
2. Year water connection installed _____
- If applicable, year water connection registered _____

3. How adequate is the water service to the structure? (strong/weak)
 day _____ night _____ 24 hours _____

4. Describe the quality of water.

If poor, have you reported this to MWSS?

If yes, what was done?

Electricity:

1. What type of lighting facilities are you using?

- a. electricity c. kerosene
b.candle d. others (specify)

If electricity, identify source

- a. direct Meralco lines (if so, metered or unmetered) c. neighbor
b. agent d. others (specify)

2. Year electricity installed

3. Do you find the electrical services to be reliable?

4. What type of cooking facilities are you using?

- a. electricity
b. gasoline
c. wood/charcoal
d. kerosene
e. others (specify)
f. none

Sewer and Drainage Facilities:

1. Toilet facilities available in structure

- a. open pit d. manual flush g. none
b. public e. automatic flush
c. antipolo/closed pit f. others

- ## 2. Septic tank constructed to structure?

no yes, what year was septic tank constructed and by whom?

- ### 3. Drainage system

- a. open drainage (copal pipe) c. covered blind drain (underground)
- b. partially covered drainage d. other (specify)
- e. none, no system

Garbage:

4. How do you dispose of your garbage?

- a. dump anywhere d. dump in river
b. dump in estero e. burn
c. dump in pit f. collected by disposal units
g. others (specify)

5. If garbage is collected, who does the collection _____
do you pay an additional fee for this service _____
how often is it collected _____
is the collection reliable? _____

Markets:

Where do you do the bulk of your grocery shopping? Why?

Health:

If someone in your household is sick where do you go for help and why?

Do you feel the government funded health center in you area is able to meet the demand?

Do they provide quality service? Why or why not?

What services offered by your community health center do you avail of?

Community Centers:

What community facilities are available in your immediate area?

What programs offered do you take part in

DSWD:

Do you avail of any of the services offered by the DSWD? _____

If so, which ones and comment on their impact on you and your family.

Do you think the services offered by the DSWD address the needs of the people? _____

What social services are needed but are not offered?

Personal Ammenities:

Check the appliances you own and the number of each:

_____ air-conditioner _____ refrigerator _____ stereo

_____ television set _____ telephone

_____ vehicle _____ others

II. Information on Households

Structure Improvements

List major improvements undertaken since reblocking:

1. Specific Improvement Reasons for Improvement

_____	_____
_____	_____
_____	_____
_____	_____

2. How much have you spent on improving your structure?

Labor	P _____	Materials P _____	Total
P _____			

3. Source of Materials

a. HMLP c. Construction shops e. Others

b. Construction shops d. Junk shops

4. Source of Financing

Savings Amount P _____

Payment period Interest rate

Gifts	P	_____	_____	_____
HMLP	P	_____	_____	_____
Loans from other institutions	P	_____	_____	_____
Loans from relatives & friends	P	_____	_____	_____
Loans from private lenders	P	_____	_____	_____

Household Income and Expenditures

Monthly Household Income

Income from employment	P	_____	
Income from property (land)	P	_____	
Income from business owned	P	_____	
Income from rental:	P	_____	(from boarders, rooms, spacers)
pensions	P	_____	
dividends	P	_____	
aid from relatives	P	_____	
gifts, cash/kind	P	_____	
profit making project	P	_____	
dole outs	P	_____	
others (specify)	P	_____	
Total Income	P	_____	Amount saved per month P _____

Monthly Household Expenditures

rental/mortgage	
rent house	P _____
rent lot	P _____
mortgage on house/lot	P _____
property tax (house/lot)	P _____
water	P _____
electricity	P _____
light cooking fuel	P _____
food	P _____
clothing	P _____
transportation	P _____
medical care	P _____
education	P _____
recreation	P _____
cigarettes and drinking	P _____
others (please specify)	_____
Total Expenditure	P _____

How difficult is it for your household to meet its needs and financial commitments?

a. not very difficult b. quite difficult c. extremely difficult

When there are months that your income can't cover your expenditures, what do you do without?

Are you a member of

a. SSS

b. GSIS

c. Pag-ibig

d. Other

III. Community -see key

Name of Organization/ Association	Type of Organization/ Association	Membership	Position	Sector
-----------------------------------	-----------------------------------	------------	----------	--------

1. Define community (physical, political, institutional)

2. Whom do you consider as the recognized leaders in the community?

Formal Leaders	Organization Represented	Position
----------------	--------------------------	----------

_____	_____	_____
_____	_____	_____
_____	_____	_____

Informal Leaders

_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Whom among them do you consult when certain problems arise?

Names	Programs/Services
-------	-------------------

_____	_____
_____	_____
_____	_____

4. What are the present problems in your locality? Rank according to priorities.

1)

2)

3)

5. What specific tasks have been done to solve those problems?-list on back according to number

6. What are your suggestions on how to improvement your community given these problems?

7. How active are you in attending the meeting of the organizations you belong to?
8. Do you feel you influence the outcome of community decisions?
 - a. significantly b. somewhat c. not at all
9. Is the spirit of "bayanihan" alive in the community? In what ways?
10. Is the community politically active? Does this cause divisions throughout the community?
11. How do you become aware of important issues in the community? (identify sources)
12. Describe the importance of the people's organizations and non-government organizations in improving the community and the lives of the people who live in the Foreshore?
13. Describe the relationship between the community and the barangay
14. Describe the relationship between the community and the NHA.

Slum upgrading-respond on back

1. List any NHA programs which your household took part in and explain what impact these programs had on you and your family. (SBL, HMLP, skills training etc.) -loan, identify the specifics
2. Were these programs effective in addressing the needs of the community? Why or why not?
3. How involved were you in the slum upgrading process?
- 4 Are you satisfied with the result? Why or why not?
5. What impact has the slum upgrading had on the physical and social environment in the Foreshore?
6. What could have been differently to make the project better?
7. How would you feel about living in a tenement with all the services versus a house and lot?

Comments:

KEY

Usage

sari sari store
 dress shop/tailoring
 auto repair shop
 parlor/barber shop
 hardware
 drug store
 carinderia
 bar
 printing press
 cottage industry
 poultry/piggery
 warehouse/junkyard
 bakery
 appliance repair shop

recreation parlor
 dealer of particular food items
 other (specify) _____

Household Employment

Mode of Payment of Salary/Income

1. Daily
2. Weekly
3. Bi-monthly
4. Monthly
5. Quarterly
6. Piecemeal
7. Commissioned
8. Other

Specific Place of Work

1. Residence/House
2. W/in Neighborhood
3. W/in City/Municipality/District
4. Abroad
5. No Definite Area of Coverage
6. Outside Metro Manila
- Where _____
7. Other

Community Participation

Type of Organization/Association

1. People's Organization
2. Non-government Organization

Sector

1. Health
2. Education
3. Environment
4. Peace and Order
5. Religious
6. Livelihood
7. Others

Membership

1. Member
2. Non-member

APPENDIX IV : Code of Policies

1. Uncensored families were not allowed to reside or build structures.
2. Vacant lands on the project site could not be constructed upon or occupied.
3. Sub-leasing of either land or structure to families other than other censured families or renters was prohibited.
4. Absentee landlords were not allowed.
5. Each family was only allowed one lot in the project area.
6. The unauthorized sale, disposition, or transfer of tags¹⁴⁸ would result in disenfranchisement from the programme.
7. Beneficiaries were not allowed to participate in any other NHA programs.
8. Those households which were identified in the original census were given first priority.

¹⁴⁸ This term refers to the process of the 'tagging of structures' which occurred during the early stages of the project to determine which residents were *bona fide* participants in the project. These residents had their structures tagged as a recognition of their status.