

Anatomy of the Nation's Housing Problems

■ BY JOHN FRANCIS LAGMAN

HALF OF the world's population or 3.3 billion people live in urban areas, according to the United Nations' State of the World Population Report in 2007. By 2030, the present urban population is expected to rise to almost 5 billion. This means that three out of every five people will be urban dwellers 20 years from now. Presently, most of this urban growth is taking place in the less-developed regions of Asia and Africa, rather than in affluent countries. Cities like Dhaka (Bangladesh), Jakarta (Indonesia), Calcutta (India), Lagos (Nigeria) and Metro Manila have joined the ranks of cities with populations exceeding 10 million. They are projected to dominate the list of the so-called "megacities", which presently includes Tokyo and New York, very soon.

By the year 2030, an additional 3 billion people, about 40 percent of the world's population, will need access to housing. This translates into a demand for 96,150 new affordable units every day and 4,000 every hour.

Anatomy of
the Nation's
Housing
Problems

Pro-poor land and housing

The Philippines is beset with a huge backlog in providing for land security and housing for the poor. In the face of high rates of population increase and with urban areas continuing to be magnets of hope for economic opportunities, the demand for affordable land and housing remains a huge challenge. This was the prognosis of the United Nations Human Settlements Programme (UN-HABITAT) as stated in its Country Programme Document (2008-2009) – Philippines.

STATISTICAL OVERVIEW

Urbanisation (2008)

- Total population: 90m
- Urban population: 58m (65%)

Annual growth rates (2005-2010)

- National: 1.9%
- Urban: 3.0%

Major cities (2008)

- Manila: 11m
- Davao: 1.4m
- Cebu: 830,000

Source: UN DESA

Slum indicators

- Slum to urban population: 44%

% urban population with acces to:

- Improved water: 96%
- Piped water: 67%
- Improved sanitation: 95%
- Sufficient living area: NA
- Durable housing: 74%

Source: UN-HABITAT, 2003

The land market does not satisfy the needs of the poor for secure tenure. Prices of land in urban areas remain way beyond the means of families whose incomes fall within the bottom 30% of the income strata. The Annual Poverty Indicator Survey of the government (2004) revealed that four out of every 10 Filipino families do not own their house and lot. Such a scenario is evidenced by the proliferation of informal settlers in urban and peri-urban areas throughout the country, as well as by the increasing number of families sharing dwelling units. This scenario further aggravates the deteriorating quality of life of the poor as cramped spaces result in higher incidence of sickness and violence that mostly affects women and children.

Apart from poverty, there are other bottlenecks and issues hampering pro-poor land and housing programs. These include: high transaction costs due to the confusing and unclear land use policies; non-cooperation of land owners to engage in the Community Mortgage Program (CMP); and misinterpretation and/or non-implementation of local government units (LGUs) of the provisions set forth by the Urban Development and Housing Act (UDHA) and its implementing rules and regulations. Moreover, most LGUs do not have shelter plans and programs that would facilitate pro-active planning and results-based targeting of their local shelter concerns, resulting in non-appropriation of budgets, thus increasing land and housing backlogs.

Another major concern is the provision of land and housing to internally displaced persons (IDPs) due to natural hazards and armed conflicts. There are some 300,000 IDPs in Mindanao alone.

NHA has developed resettlement sites for 10,212 families affected by Typhoons Ondoy and Pepeng under the reconstruction program; completed the relocation and resettlement of 3,347 censused families affected by the development of the vital road infrastructure that provides east and west access to mainline NLEX, the NLEX-C5 Northern Link Project, Phase 2, Segment 8.1; and provided assistance to some 30,000 families rendered homeless by Typhoon Reming, under

the Bicol Calamity Assistance and Rehabilitation Efforts (CARE).

Housing problems

In *The State of Philipine Cities*, Dr. Anna Marie Karaos and Gerald Nicolas of the John J. Carroll Institute on Church and Social Issues (JJCICSI) reviewed the housing delivery performance of the government.

The rapid increase in the urban population produces an enormous demand for shelter and tenure security. But with prohibitively expensive lands and high rents in urban areas amidst stagnating real incomes, it is not unusual for cities to have huge numbers of families living in various types of unauthorized housing units with insecure tenure. Market values of residential lands in Metro Manila, for example, range from PhP3,000 to as high as PhP42,000 per square meter, far beyond the incomes earned by the majority of the urban poor. But because people need to live in areas where economic opportunities, including informal activities, are present, it becomes expedient for most of them to occupy idle lands owned by government or the private sector. The proliferation of slums in Philippine cities is thus seen as a coping mechanism for urban dwellers with incomes that are too fragile to afford land ownership.

Slum areas are often blighted, overcrowded, and lacking in standard conveniences such as electricity, water, drainage and health services. These settlements are usually located in high-risk areas such as flood-prone embankments, waterways, railroad tracks, under bridges and beside dumpsites; but shantytown dwellers endure these unsanitary and dangerous conditions to be close to their sources of income.

But not all informal settlers are income poor. While around 44 percent of the urban population in Metro Manila live in slums, 25 percent are not necessarily income-poor. Surveys and anecdotal evidence show that from the time they settle illegally on unoccupied tracts of land,

some informal settlers will have acquired non-land assets that allow them to gradually improve their conditions and status. Not a few middle-class urbanites and professionals also opt to reside in slum areas to avoid the financial burden attendant to owning formal housing or land. According to another World Bank report (2001), non-poor families, including those living in informal settlements, usually benefit from government housing programs. Although 95 percent of the beneficiaries of socialized housing programs are from the urban areas, the poor comprise only 20 percent of this number and few come from the bottom poor. Housing assistance programs extended by government institutions such as the Social Security System (SSS) and Pag-IBIG also discriminate against the poor, particularly those who are informally employed and are unable to meet the required contributions.

Housing programs that cater to the urban poor include those implemented through presidential land proclamations and the Community Mortgage Program (CMP). Lands occupied by informal settlers, most of them government-owned, can be declared open for disposition to qualified beneficiaries through a presidential issuance. The Housing and Urban Development Coordinating Council (HUDCC) reports that the 102 presidential issuances as of 2006 covered 26,367 hectares, most of them in Metro Manila and occupied by more than 195,000 informal settler families. On the other hand, CMP enables low-income families illegally residing in usually privately-owned properties to formally acquire the land through community mortgage. Data from the Social Housing Finance Corporation (SHFC), the agency which extends loans to community organizations, indicate that ever since the program started in 1988, a total of 190,530 families have been able to secure their tenure as of 2007. But the administrative steps and processes involved in these programs are believed to be too long and the delay in taking out the loan could subject beneficiaries to possible displacement. Without legal claim on the land they are occupying, informal settlers are under constant threat of eviction.



JAY AZUCENA

Despite having done little to halt the migration of people into cities, both the local and national governments adopt squatter relocation as a policy to curb the proliferation of illegal urban poor settlements. The Urban Poor Associates (UPA), a non-government organization monitoring eviction cases, reports that from 1996 to June 2008, a total of 287 demolition cases have rendered more than 85,000 families or more than 400,000 persons homeless.

More disturbing is the finding that roughly 7 out of 10 demolitions undertaken involved government-owned land cleared of informal settlers to make way for infrastructure projects (road expansions, river rehabilitation and flood control) and commercial establishments such as shopping malls. There are also increasing concerns over demolitions conducted by the Metro Manila Development Authority (MMDA) for its urban renewal or "beautification" and flood control programs. In most cases the MMDA demolition drives involve violence and lack prior consultation with the affected families, which is mandated by law. Furthermore, because most informal settlers also have their sources of livelihood in or near the community, an eviction not only destroys their houses but also their livelihood.

UPA also estimates that only half of the evicted families receive relocation assistance. Take for example the particularly extensive clearing of informal settlements and the massive displacement of families resulting from the Northrail and Southrail Linkage Project, which aims to rehabilitate the existing railway system from Mabalacat, Pampanga to Cabuyao, Laguna to help decongest traffic in Metro Manila. The relocation of 92,000 families to different sites in Bulacan, Laguna and Cavite has started, with 36,000 families reportedly evicted after proper coordination, approval and clearance from the Presidential

Commission for the Urban Poor (PCUP). But contrary to pronouncements of an in-city relocation policy, majority of the affected families were transferred to distant off-city sites such as Towerville (San Jose del Monte, Bulacan), Southville 2 (Trece Martires, Cavite) and Southville 1 (Cabuyao, Laguna). Relocation to sites far from their sources of income has disrupted these families' already meagre cashflow, and the absence of viable livelihood opportunities in the new sites is not easily remedied in the immediate term. The lack of basic services such as potable water, electricity, sanitation facilities as well as classrooms and health centers further exacerbates their situation. HUDCC, the agency overseeing these resettlement programs, explains these inadequacies as being part of what it calls the "incremental approach" whereby basic services are gradually provided as funds allow, even as families have already moved in. Those who do not receive relocation assistance are left to fend for themselves, and more often than not transfer to other slum areas or create new ones elsewhere.

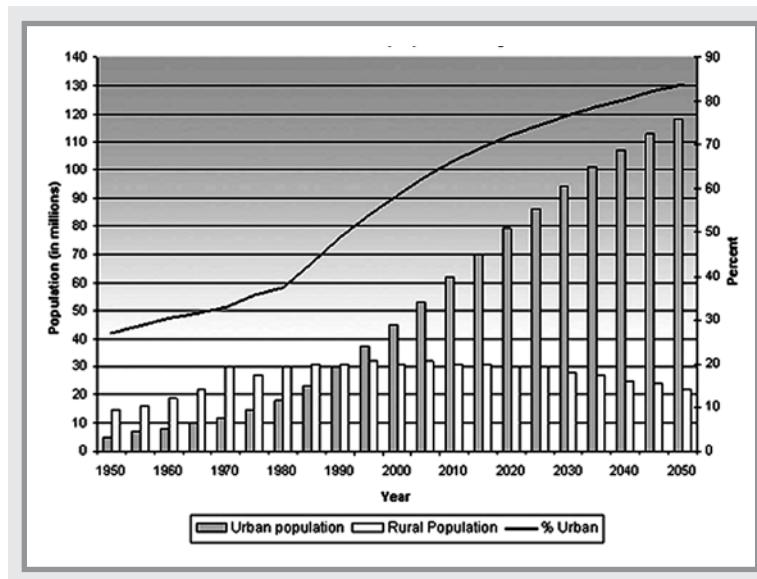
Anatomy of
the Nation's
Housing
Problems

Trends in urbanization and urban growth

The Housing and Urban Development Coordinating Council (HUDCC) and the Philippine Institute for Development Studies (PIDS), with the assistance of UN-HABITAT and the United Nations Development Programme (UNDP), published in August 2009 the National Urban Development and Housing Framework (NUDHF) 2009-2016. It provided a macro framework for urban development and housing.

One of the significant phenomena that has characterized the development process in the Philippines has been the explosive and unabated growth of urban areas. In the early part of the post-war period in 1950, just a little more than 5 million or about one-fourth (27.1%) of Filipinos were residing in urban areas. Four decades later, the country's urban population surged to well over 29 million or almost one-half (48%) of the country's total population. By 2005, the urban population totalled more than 53 million or over 60 percent of the country's population. By 2050, some 117 million or 84 percent of Filipinos will be urban dwellers.

Urban and rural population growth



Source: UN World Urbanization Prospects: The 2007 Revision

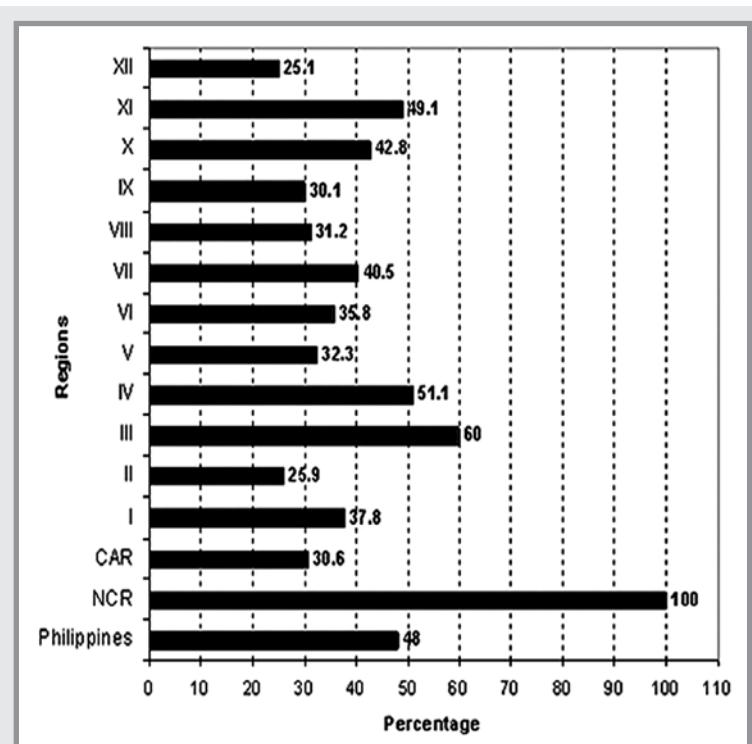
Anatomy of the Nation's Housing Problems

Metro Manila (National Capital Region) is already 100 percent urban. The other regions that have high levels of urban populations are those adjacent to Metro Manila (Regions III and IV). This reflects a process of suburbanization and expansion of economic activities from the metropolis. Relatively high levels of urbanization can also be seen in Regions XI, X and VII where growing metropolitan areas (Davao, Cagayan de Oro, and Cebu, respectively) are located.



JAY AZUCENA

Urbanization levels by region, 2000



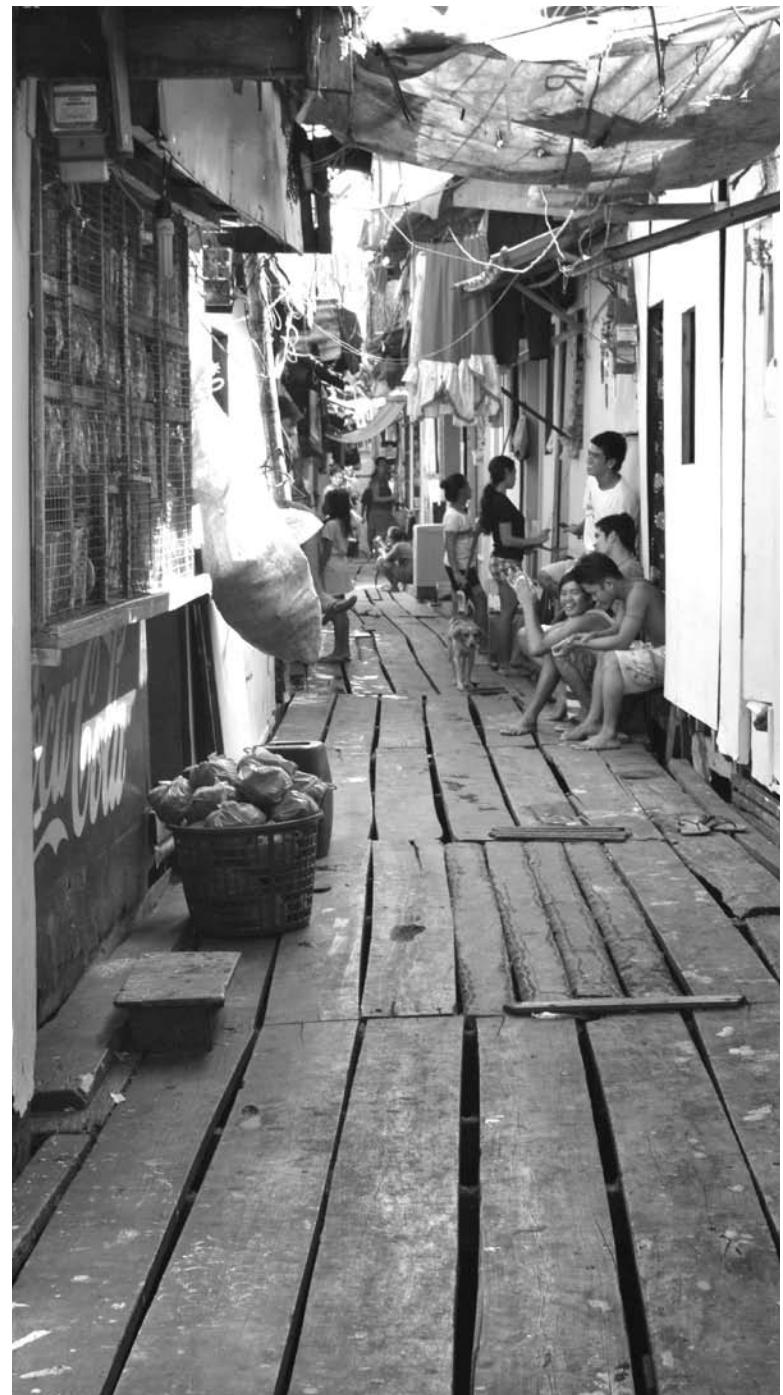
Anatomy of
the Nation's
Housing
Problems

Note: The 2000 Census is the latest available data on urbanization levels by region in the country.

Source: National Framework for Physical Planning 2001–2030, 2002

These trends strongly support the idea that the future well-being of Filipinos will depend largely on the performance and efficiency of urban areas. For instance, incomes in urban areas have been estimated to be 2.3 times higher than in rural areas. Available data also suggest that urban areas are the engines of the country's growth, accounting for a large proportion of the country's economic output (about 75%) and household expenditure (about 67%). In 2007, Metro Manila alone accounted for 33 percent of the gross domestic product (GDP). The massive and continuing rural-to-urban migration can obviously be attributed to the fact that urban areas offer opportunities for the rural poor.

Anatomy of
the Nation's
Housing
Problems





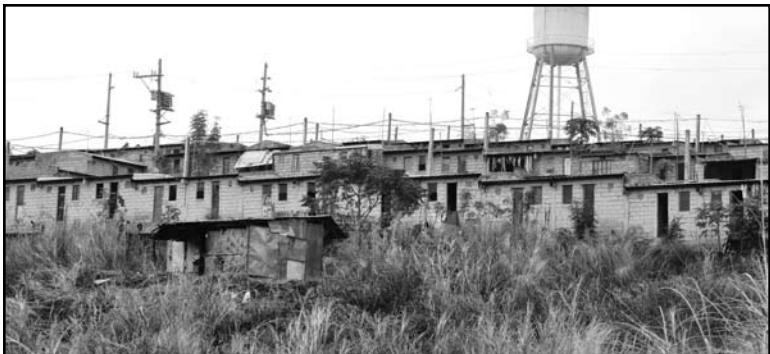
Anatomy of
the Nation's
Housing
Problems

Anatomy of
the Nation's
Housing
Problems



Anatomy of
the Nation's
Housing
Problems





JM VILLERO

It is largely in urban areas where job opportunities are sought, socio-economic mobility is achieved, and where most innovations are introduced. The Philippines has been transformed into an urban economy where most economic activity now emanates from the service and industry sectors. At the same time, agricultural employment (including the forestry and fisheries sectors) is in absolute decline and, in recent years, employment has largely been generated by the non-agricultural sector. Thus, the prospects for overall economic growth and employment creation would seem to rest, increasingly, on the productivity, efficiency, and performance of the urban areas.

Informal settlements

The magnitude of the housing need (defined as backlog plus new households) is staggering and has been estimated to reach more than 3.7 million in 2010. In Metro Manila alone, the total backlog (to include new households) has been projected to reach close to 500,000 units. Addressing this backlog will roughly require about 3,000 hectares of land if designed to accommodate detached housing units, a prospect that suggests the need for a higher density housing strategy if the housing deficit is to be effectively addressed.

Beyond the provision of housing by the public sector, new approaches are needed especially since rural-urban migration is expected to continue and will exacerbate the housing problem.

Housing need per region, 2005–2010

Region	Annual Backlog	Backlog + New Households						
		2005	2006	2007	2008	2009	2010	Total
NCR	58,412	82,182	82,434	82,689	82,946	83,206	83,469	496,928
CAR	1,309	6,494	6,589	6,685	6,783	6,882	6,984	40,416
I	5,556	25,027	25,446	25,874	26,310	26,757	27,212	156,626
II	4,078	17,725	18,032	18,346	18,667	18,995	19,330	111,094
III	12,569	71,938	73,837	75,798	77,821	79,909	83,064	461,368
IV	23,827	127,872	131,742	135,757	139,920	144,239	148,718	828,248
V	12,267	28,288	28,557	28,830	29,109	29,392	29,679	173,855
VI	16,816	36,941	37,255	37,574	37,898	38,227	38,561	226,455
VII	10,578	45,880	46,865	47,877	48,918	49,988	51,087	290,616
VIII	7,281	18,766	18,940	19,116	19,294	19,476	19,660	115,252
IX	7,642	21,824	22,133	22,449	22,772	23,101	23,438	135,717
X	5,912	18,880	19,164	19,455	19,751	20,054	20,364	117,668
XI	11,158	41,922	42,722	43,542	44,384	45,248	46,134	163,952
XII	6,661	18,033	18,270	18,511	18,758	19,009	19,266	111,847
ARMM	5,126	22,800	23,482	24,190	24,926	25,691	26,484	147,574
Caraga	5,942	12,791	12,902	13,016	13,131	13,248	13,367	78,456
Total	195,133	597,362	608,370	619,708	631,389	643,422	655,821	3,756,072

Source: HUDCC

It is also useful to note that except for the Home Development Mutual Fund (HDMF), also known as Pag-IBIG Fund, other shelter and finance agencies were unable to reach their accomplishment targets. There appears to be significant progress in reducing the processing time for housing loan applications by Pag-IBIG Fund, although the total amount of housing loans extended appears to remain at relatively low levels when measured against total housing need. In 2006, for instance, the total amount of loans extended was over P15 billion, well short of addressing the housing backlog which was estimated to be more than 608,000 housing units in the same year.



JOY ANNE ICAYAN

Number of shelter security units constructed, financed and/or administered by the government

Year	NHA	NHMFC	HDMF	HGC	TOTAL
1996	27,828	14,668	69,265	71,898	183,679
1997	45,793	14,591	88,148	84,134	232,666
1998	32,875	11,102	52,670	48,962	145,609
1999	40,201	6,286	33,273	11,000	90,760
2000	42,807	6,088	23,944	75,282	148,121
2001	27,350	9,457	25,947	33,241	95,995
2002	22,683	12,331	19,125	28,651	82,790
2003	16,132	14,026	48,636	35,012	113,806
2004	11,443	12,137	56,550	17,167	99,297
2005	43,229	12,710	53,421	5,496	114,856
2005 Target*	55,000	15,360	44,716	24,822	139,898
Accomplishment Rate (%)	78.60	82.75	119.47	22.14	82.10

Source: HUDCC; Philippine Statistical Yearbook, 2007; * MTPDP Chapter on Housing Construction.

Housing loan granted under the PAG-IBIG Expanded Housing Loan Program by region (amount)

Region	1998	1999	2000	2001
NCR	7,040,110	4,202,762	3,544,312	2,130,213
CAR				
I Ilocos	159,070	116,861	53,707	92,838
II Cagayan Valley	92,235	121,916	51,691	78,439
III Central Luzon	339,148	957,779	219,428	223,130
IV Southern Tagalog	246,645	206,132	161,245	114,716
V Bicol	248,158	146,540	82,332	147,763
VI Western Visayas	381,181	308,326	242,101	240,767
VII Central Visayas	344,161	296,322	151,599	173,204
VIII Eastern Visayas	233,957	200,753	98,495	103,047
IX Western Mindanao	180,873	122,370	59,752	55,089
X Northern Mindanao	369,,001	325,740	146,020	140,625
XI Southern Mindanao	562,118	500,699	224,816	288,314
XII Central Mindanao	153,851	185,872	53,522	43,109
XIII Caraga				
ARMM				
Total	10,350,510	6,994,510	5,089,020	3,831,254

Nowhere is the housing problem more evident than in the phenomenon of slums and squatter settlements. Recent estimates show that more than a third of urban populations reside in slum areas and squatter settlements. In Metro Manila, a little less than four out of every 10 residents are living in slums and squatter settlements in 2002.

Homeless

In cities of industrial countries, the numbers of homeless people have increased and their existence has become a social problem since the 1980s. In cities of developing countries, the numbers of street homeless who cannot live even in squatter areas have increased since the end of the 1990s. These people face serious problems in surviving on the streets. They are an urban minority deprived of human rights and excluded from society. However, the problem of the street homeless has not yet been constructed as a social problem in developing coun-

unt in thousand pesos)

2002	2003	2004	2005	2006
2,859,400	5,291,064	8,809,659	8,531,129	9,093,025
		166,317	150,133	98,771
190,863	264,281	112,059	187,006	236,552
102,569	182,219	416,136	512,435	382,947
351,956	901,642	1,823,353	1,811,869	1,573,631
198,970	316,621	596,387	727,157	63,132
199,196	257,163	336,205	295,158	261,399
394,433	479,440	536,059	614,865	752,203
340,516	481,630	606,571	843,701	1,027,238
122,528	144,784	166,530	152,797	229,472
84,039	85,717	155,801	198,982	324,633
199,036	362,638	352,191	299,744	459,502
326,212	527,439	552,423	716,091	645,327
30,315	29,631	60,597	126,766	109,569
		96,499	123,413	270,236
5,402,033	9,324,269	14,786,787	15,291,246	15,527,637

tries because it is overwhelmed by the large-scale squatter problem. The street homeless have been regarded as a part of the squatter homeless.

In Globalization, Minorities and Civil Society (2008), Dr. Hideo Aoki, director of the Institute on Social Theory and Dynamics, has explained how globalization produces the street homeless. He extracted two factors that induce poor people to the streets (pull-factors) and three factors that push poor people to the streets (push-factors).

Aoki estimates that there are some 140,000 homeless individuals in Metro Manila alone, about 75,000 of them streetchildren. Among the streetchildren, 80% have their own families. Most parents of streetchildren also live on the streets.

Globalization

Globalization has brought about the expansion of the service economy in Metro Manila and has resulted in an increase in the supply of basic life necessities for the street homeless. First, the numbers of business facilities, convenience stores, restaurants and so on have increased drastically; these provide the most basic necessities, specifically food, for those living in the streets. They have also provided opportunities for the street homeless to beg. This process is called the first pull-factor that induces poor people to the streets. Second, the expansion of the service economy has urged the 'informalization' of the economy; that is, the increase of the new informal types of occupations that people can engage in with a small equity capital and without any special knowledge and skills. The existing informal sector has expanded, too. As a result, jobs on the street (vendors, scavengers, barkers and the carriers) have increased at the bottom of the informal sector. These jobs have increased the life chances of the street homeless. This process is called the second pull-factor that induces poor people to the streets.

Downward pressure on the worker's status

Globalization made the labor market shrink through neoliberalism and resulted in labor becoming more flexible (workers are required to have the ability to perform various jobs) and the contractualization of employment, which limits the worker's employment period to between three to six months. It made the worker's employment status unstable and cut back the worker's real wage. As a result, there has been an increase in the number of workers who are paid the minimum wage, even in modern companies, including multinational corporations. These conditions have worsened the worker's situation. Some workers had part-time jobs with the informal sector, other workers transferred from companies to informal occupations. And other family members were set to work mostly with informal occupations. All of these conditions strengthened the downward pressure on the worker's economic status, and this labor situation became the general background against which people at the bottom of society became homeless. This process is called the first push-factor that pushes people to the streets. But not all economically depressed people become homeless. Only some people who do not have safety nets with their relatives are forced to go to the streets.

Eviction of squatters

Capitalist globalization has accelerated the competition and urge to redevelop land. The real estate market has expanded. Unused lands have been redeveloped. And the gentrification of the inner-city has proceeded. Government policies such as privatization of public land, the improvement of dangerous areas and the beautification of the streets have accelerated these processes. People who were not given relocation lots on which to live, who rejected transferring to the relocation sites, who returned to Manila from the relocation sites or who did not have relatives with whom they could live were pushed to the streets. These processes are called the second push-factor that pushes people to the streets.

Deadlocked policies

Globalization has given birth to a financially slim government through neoliberalism, and has accelerated the financial crisis of the developing country. As a result, the policies concerning the homeless became deadlocked: first, the policies of job creation for the urban poor, especially the squatter inhabitants; second, the policies to secure relocation lots and the construction of houses for squatter inhabitants (compensation to those evicted was only paid to some of the squatter inhabitants); third, the policies for preventing people becoming paupers and the street homeless; and finally, employment and welfare policies to provide relief to the street homeless were deadlocked. There are no measures for the homeless worthy of special mention, except the emergency aid for medical treatment and six temporary small facilities for the street homeless in Metro Manila. These conditions are called the third push-factor that pushes people to the streets.

Right to adequate housing

The Special Rapporteur on adequate housing has called homelessness “perhaps the most visible and most severe symptom of the lack of respect for the right to adequate housing.”

There is no internationally agreed definition of homelessness. Definitions range from the narrow – equating homelessness with “rooflessness” – to the broad, based on the adequacy of the dwelling, the risk of becoming homeless, the time exposed to homelessness and responsibilities for taking alleviating action. For statistical purposes, the United Nations has defined homeless households as “households without a shelter that would fall within the scope of living quarters. They carry their few possessions with them, sleeping in the streets, in doorways or on piers, or in any other space, on a more or less random basis.” The Special Rapporteur on adequate housing has noted that narrow definitions are inadequate and that in developing countries the most common definitions recognize that an element of social exclu-

sion is part of the experience of the homeless. UN-Habitat underlines in this respect that homelessness implies belonging nowhere rather than simply having nowhere to sleep. Given the lack of a globally agreed definition of homelessness, limited data are available about the scale of this phenomenon, which in turn impedes the development of coherent strategies and policies to prevent and address it.

The Special Rapporteur on adequate housing has highlighted that poverty is a common denominator in the experience of the homeless. Other causes or factors which make people more vulnerable to homelessness are unemployment, a lack of social security systems, a lack of affordable housing, forced evictions, non-availability of social housing, conflicts and natural disasters, as well as a lack of attention to the needs of the most vulnerable.

The “deinstitutionalization” of mental health care, which first started in many countries during the 1960s and 1970s, led to persons with disabilities swelling the ranks of the homeless unless it was accompanied by a parallel growth in community or other support.

Besides the violation of their right to adequate housing, homeless persons may be deprived of a whole range of other human rights. Laws that criminalize homelessness, vagrancy or sleeping rough, along with street cleaning operations to remove homeless people from the streets, have a direct impact on their physical and psychological integrity. Merely by not having a secure place to live, nor any privacy, homeless persons are much more vulnerable to violence, threats and harassment.

States' obligations towards the full realization of the right to adequate housing include taking measures to prevent homelessness. Among the steps to be taken immediately is determining the extent of homelessness, as well as adopting a national housing strategy which should reflect extensive genuine consultation with the homeless. Forced evictions should not result in individuals being made homeless.

Sources:

John J. Carroll Institute on Church and Social Issue

United Nations Human Settlements Programme (UN-HABITAT)

Housing and Urban Development Coordinating Council (HUDCC)

Philippine Institute for Development Studies (PIDS)

United Nations Development Programme (UNDP)

National Housing Authority

Institute on Social Theory and Dynamics

Centre on Housing Rights and Evictions

Office of the United Nations High Commissioner for Human Rights