THE PHILIPPINE URBAN [illegible]

by

JOHN F. DOHERTY, S.J.

PHILIPPINE STUDIES OCCASIONAL PAPER NO. 8
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EDITED AND WITH AN INTRODUCTION BY
BELINDA A. AQUINO

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FOREWORD

This publication by John F. Doherty, S.J. is part of a continuing series of occasional papers on the Philippines and Filipinos, which is being put out by the Philippine Studies Program of the Center for Asian and Pacific Studies at the University of Hawaii. This occasional paper aims to provide an outlet for scholarly work on Philippine-related topics. The series is broadly interdisciplinary but manuscripts touching on specialized subjects on the humanities, social sciences, and other aspects of Philippine life and culture will also be considered. Manuscripts submitted for publication could also be on themes related to the Filipino experience in America or elsewhere.

John F. Doherty is in the forefront of scholarly writing on the Philippines, particularly in the field of Sociology. He has a Ph.D. from Fordham and was professor and Vice President for Academic Affairs at the Ateneo de Manila University from 1964 to 1971. He has written more than a dozen books and monographs, among them, The Sociology of Religion, Can We Predict a Philippine Revolution?, Readings in Peripheral Development, Who Controls the Philippine Economy: Some Need Not Try as Hard as Others, etc. He also authored a book, The Vision of the New Society (1980) under a pseudonym. He has also contributed numerous articles to professional journals, such as Philippine Sociology Review, Insight, Journal for the Scientific Study of Religion, and other publications. He was visiting professor and lecturer in various institutions, like Marquette University, Asian Social Institute, Loyola School of Theology and the East Asian Pastoral Institute. He also served on the Board of Directors of the Ateneo de Manila,

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INTRODUCTION:
THE MANY FACES OF URBAN POVERTY IN THE PHILIPPINES

BY BELINDA A. AQUINO

Poverty and its various manifestations—disease, malnutrition, illiteracy, squalor, injustice, insecurity, and inequality—are chronic if not permanent conditions in Third World countries. In the words of Mahbub ul Haq, who has written a book on the subject, a poverty curtain has descended across the face of the world, "dividing it materially and philosophically into two different worlds, two separate planets, two unequal humanities — one embarrassingly rich and the other desperately poor."[1] He goes on to say that the most formidable challenge of our time is to lift this curtain of poverty.

Poverty in the Philippines has long historical roots and has been traditionally associated with the rural areas. Rural poverty was spawned by three hundred years of Spanish colonial domination, which concentrated landownership in a few elite families and exploited large masses of people in the countryside whose labor was geared to the production of export crops, such as sugar, copra, tobacco, hemp, and coffee. The subsequent colonial regime under the Americans maintained the feudal social system developed under the Spaniards and the majority of Filipinos have remained at the brink of a marginal existence for generations.

Since colonial times, poverty has acquired new forms and is no longer a monopoly of the Philippine countryside. It has spread to the cities. Urban poverty has become a continuing reality for growing numbers of Filipinos who swell the cities and bigger towns in search of employment and better times. The majority of Filipino families continue to experience hunger and income inequality. It is estimated that presently, 51.18% of Filipino families eat

below the food threshold, and 70.62% live below the total poverty threshold, earning less than P85.72 (about $4.50 by 1984 rates of exchange), the daily cost of basic needs for a family of six.[2] The poverty threshold is the lowest level where the barest of basic necessities are met. And this has to be seen in the larger context of inflation, which rose to an average of 55% in 1984, peaking at 63.8% in October.[3] (The government's National Economic and Development Authority estimated that the inflation rate at this time was 40.3%.)

Who are the urban poor? On January 25, 1984, some 5,000 residents from the slums of Dagat-dagatan in Manila's Tondo district walked for three and a half hours to the National Housing Authority office to protest the way they were being treated by the government. Tondo is the biggest slum area in Southeast Asia. The marchers were led by the Zone One Tondo Organization, better known as ZOTO, a militant organization which has been active in urban issues. They held signs opposing Presidential Decree 772, which makes squatting a crime, and Letter of Instuction 1309, which sells "flexihomes" built by a World Bank-supported loan at 17,200 apiece — something the residents said they could hardly afford.[4]

On March 6, 1985, 2,000 families in Barangay Payatas in Quezon City watched helplessly as their shanties of about twenty years were torn down by policemen and demolition teams who descended on them with crash helmets and armalites.[5]

Both the Tondo and Quezon City residents, referred to in the above accounts, constitute one sizable segment of today's urban poor in the Philippines — the squatters. It is estimated that one-third of

Metropolitan Manila's burgeoning population of more than 6 million is composed of squatters and slumdwellers. The government's standard solution to the problem combines eviction, relocation, and low-cost housing. It has not worked. Those relocated often go back to the original sites or occupy other areas at the next opportunity. New migrants to the city from the rural areas add to the ranks of the urban poor every year.

Every year in May, thousands of people affiliated with the Kilusang Mayo Uno (May First Movement), or KMU, march around Metro Manila carrying streamers demanding a raise in the minimum wage, among other things. The KMU reportedly now counts with a membership of 500,000 mostly in the Metro Manila area. They represent another segment of the urban poor — the industrial blue-collar workers whose wages are so low they could barely survive. Real wages and the purchasing power of the peso have declined so much in recent years and the hardest hit are the average working class and their families. And because the economic situation has been so unstable in recent years, thousands of the workers are often laid off and become chronically underemployed or unemployed for long periods. The numbers of the projected unemployed in the coming years are staggering. They have to leave the country to survive. It is estimated that there are currently about 500,000 Filipino workers in the Middle East, mostly in Saudi Arabia. Several thousands more leave for traditional destinations like the United States and Canada, or newer ones like Australia, Western Europe, Mexico, and other parts of Asia.

The visitor to Manila cannot fail to see yet another growing sector of the urban poor — countless numbers of pathetic, ill-clad children peddling cigarettes, newspapers, lottery tickets, flower leis, or other wares in the

streets, or simply begging. They are mostly hungry children too, and scavenging is a way of life. "In the evenings, many of them scour garbage heaps in search of food, or other items of use to them. In tourist areas we find them readily available as child prostitutes - selling their tender flesh to adults, often visiting foreigners."[6] The rise in child prostitution and hunger among the chronically unemployed in Philippine urban areas has been alarming, and this is indicative of the escalating poverty among the underclass. In an interview with the National Press Club in Washington, D.C. on June 2, 1985, Jaime Cardinal Sin mentioned that he has initiated the establishment of soup kitchens to feed the hungry and homeless in the Metro Manila area.

"Blame it on the sky-high prices of basic commodities today," writes one in today's "alternative press" in Manila.[7] "Or, on the ever-rising costs of fishing equipment such as the 16 horsepower motor of the banca [fishing boat], which is said to cost P25,000 now (compared to its former price of P2,500)... Or, on the Japanese trawlers which are trespassing into the country's waters and hauling all our fishes... Or, on the rich businessmen who have claimed portions of the Manila Bay and parts of the rivers as their personal property."

In any case, the victims fall under yet another category of urban poor — the small-scale fishermen who live in cities close to the sea. Like the squatters and slumdwellers, this group has come forward to air their grievances against well-entrenched interests threatening the source of their livelihood. Some 17,000 fishermen in Bulacan province just outside of Manila have formed two groups to protect their rights. One is the Alyansa ng mga

Mangingisda ng Bulacan Laban sa Iligal na Palaisdaan (Alliance of Bulacan Fishermen Against Illegal Fishing), or AMBLIP, a group of 16 barrio organizations coming from different parts of the province. The other is Bangkilas ng Lakas Mangingisda sa Bulacan (Raft of Strength of Bulacan Fishermen). Their main struggle is directed against the rich business people who have constructed fishponds for private profit on territory that had been decreed by law as communal fishing pond. They cite the fishpond of a certain businessman, which has created a sharp, blind curve on the river, causing many accidents and injuries to fishermen, including one who died on November 25, 1984.[8] They further claim that the national government has not been fair in their negotiations. For instance, it has granted hundreds of hectares (including the illegal fishponds) to the municipal governments of Bulacan, Hagonoy, Malolos, and Paombong "for their proprietary disposition and use." These hectares have been leased to individual entrepreneurs by the municipalities for purposes of generating revenues not lower than P1.65 million a year. This has hurt the ordinary fishermen who have been free until this time to catch fish in communal fishing areas.

These are the many faces of urban property in the Philippines. An in-depth look at them is provided in this publication by well-known social scientist John F. Doherty, S.J., who has lived in the Philippines for nearly thirty years and done extensive research on social conditions in the country. He has had first-hand exposure to the plight of the urban poor, having conducted or directed various research projects on poverty and related topics in the Philippines.

In Doherty's essay, the urban poor are seen in the context of Marcos' authoritarian regime, which started with the proclamation of martial law in September 1972. Doherty analyzes what the Marcos government has done to alleviate the problems of the urban poor and concludes that very little has actually been accomplished. There are all kinds of "development" projects and programs, several of which are financed by international institutions like the World Bank. But the increasing number of strikes, marches, rallies, and other kinds of protest action on the part of the disaffected or oppresed groups indicates that the government has essentially failed in satisfactorily addressing the basic issues concerning the urban poor, particularly housing, employment, and working conditions.

It is appropriate at this point to stress Haq's perspective on "the sins of development" in efforts to combat poverty in the Third World. "Development" has become a dirty word and has come under considerable attack since the early 1970s. Among the "development sins" discussed by Haq are the fascination with numbers and increases of GNP, the love for direct economic controls, the constant preoccupation with investment levels, the addiction to "development fashions," and above all, the often uncritical adoption of development strategies along World Bank and other international models that do not really fit Third World realities. The point is that, while there may have been increases in GNP and other quantifiable measures of development and economic growth, these have not necessarily resulted in social justice and equitable distribution of income and resources, which should be the ultimate test for the success of any development policy. In fact, mass poverty appears to be on the rise in the

modern world in spite of ambitious schemes to contain it. The proverbial gap between rich and poor is recurring expanding and has become a constant feature of most societies, even in the more developed countries. And so, the need to search for an appropriate model goes on, often repeating mistakes of the past and perpetuating the vicious cycle of poverty. Haq contends that any development plan must be based on the premise that poverty must be attacked directly, and to start with, the focus should shift to the needs of the poorest 40-50 percent in society, irrespective of whether they can express them in the market or not.[9]

In the Philippine case, as Doherty concludes, the current regime's emphasis on exports, tourism, impact projects, and other grandiose designs often ignore the lot of the poorest 85% of the country. There is much talk of the increasing numbers of New People's Army adherents and other radical groups. Resistance movements have developed in various parts of the country. The people are restive. There is a sense of crisis filling the air. It seems so easy now for hundreds of thousands of Filipinos to congregate and demonstrate their feelings against continuing injustice and suffering. The situation is potentially explosive. The question is, why? Reading Doherty's monograph makes it easier to understand all these disturbing and painful developments in contemporary Philippine society.

Footnotes

1. Mahbub ul Haq, The Poverty Curtain (New York: Columbia University Press, 1976), p. xv.

2. Business Day (Manila), 25 May 1984, p.1.

3. Business Day (Manila), 11 January 1985, p.1.

4. Yasmin Arquiza and Marie Melanie Manlongon, "5,000 Slum Dwellers March to NHA," Philippine Collegian (Quezon City: University of the Philippines), 2 February 1984, p.3.

5. Rita Hans, "This Land is Their Land," Mr. & Ms. (Manila), 15-21 March 1985, p. 20.

6. Lourdes Abulencia, "Where is Bread and Freedom for the Filipino Child?" Solidaridad II (Tokyo: Resource Center for Philippine Concerns, October-December 1984), p. 21.

7. Rita Hans, "Going After the Big Fishes," Mr. & Ms. (Manila), 22-28 February 1985, p. 16.

8. Ibid., p.17.

9. Haq, op. cit., pp. 42-43.

THE PHILIPPINE URBAN POOR

JOHN F. DOHERTY, S.J.

BACKGROUND

Generally, when we think of the urban poor in a Third World country, we think of squatters, i.e., people who erect make-shift dwellings on idle land owned by others. In this monograph, however, we will include the urban labor force and small fishermen living close to urban port areas in the urban poor category. Both groups are predominantly poor and many of the urban labor force and small fishermen are also squatters. Those who are not technically squatters, however, live under conditions indistinguishable from the conditions under which squatters live. The main difference is, the non-squatters pay rent for the land on which they erect their make-shift dwellings. Like squatters, they can be evicted with impunity despite the fact they are not technically squatters. All three groups have been very badly affected by the repressive policies of the New Society. Deprived of decent livelihood, they are forbidden to organize in defense of their basic human rights. However, they have often defied authority and formed various organizations to assert their rights. At the same time, the priorities of the current administration ignore their right to decent living conditions. While squandering billions on luxury projects, the present government spends little or nothing on housing for the poor.

I. THE METRO MANILA SQUATTERS AND THE MARTIAL LAW REGIME

There are no accurate estimates of the total number of squatters in the Philippines. Most recent estimates, however, place the total at over 4 million people, or slightly less than 10% of the population of the country.

In the Metro Manila are alone, there are over 256 squatter communities of over 2 million people.[1] They make over one-third of the population of Metro Manila and they are growing at the rate of 12% a year.

Since the beginning of martial law in 1972, the daily press has repeatedly carried articles on the concern of the regime for squatters. The First Lady Imelda Marcos especially has been identified with housing programs, nutrition, and family planning projects for squatters and the urban poor in general. She has termed the New Society, the "Compassionate Society," and has constantly spoken about its concern for people. To assist her in her compassion, President Ferdinand Marcos in January 1978 set up the Ministry of Human Settlements and appointed the First Lady to head it. This new ministry, the president said, was being established to emphasize his concern for the less fortunate members of society.

A year later in January 1979, the Bagong Lipunan Improved Sites and Services Program (BLISS) was established. The program, the brainchild of the First Lady, took over and integrated two previous housing programs. One of the programs, the National Housing Authority (NHA), was set up by Presidential Decree 757 in July 1975 to integrate the various government housing agencies. The second program was the Pambansang Bagong Nayon Project (PBN) inaugurated

in Dasmariñas, Cavite in June 1977. The PBN program stressed the human habitat approach to housing. The approach in addition to decent housing also sought the improvement of the environment and the setting up of viable communities with necessary facilities, services and amenities, so that food, nutrition, recreation and culture could be intergrated into the lives of the residents.[2]

Taking off on the PBN approach, the BLISS program of the First Lady identifies eleven basic needs of the human community which housing programs will attempt to provide.[3] In addition to the Ministry of Human Settlements and BLISS, the President indicated other ways in which he demonstrated his concern for squatters. In Five Years of the New Society, he states:

> 7,000 core houses and 4,546 lots were provided to squatter families from the greater Manila Area. These squatters were relocated in four major settlement sites.[4]

He listed the number of families settled in these centers as 24,567.[5] In the same book, he discusses the government redevelopment project in the Tondo Foreshore Area.

> Meanwhile, we introduced the sites and services approach to urban redevelopment in the most ambitious government redevelopment project ever undertaken. This is being done in the Tondo Foreshore Area, Manila's biggest slum colony. In 1976, slum improvement efforts in the foreshore area and the reclamation/development of Dagat-dagatan area into a model human settlement gained momentum with a commitment of about $64 million, half of which was provided by a World Bank loan. A case in point was the establishment of Kapitbahayan, a pilot community occupying 5.79 hectares in Dagat-dagatan and consisting of 526 dwelling units and supportive socio-economic structures.[6]

Outside the Greater Manila area, the President claims to have directed resettlement activities towards deserving landless families and displaced families served by the agrarian reform program.

> Direct assistance in the form of houses was provided together with farm lots and infrastructure support. Thus, some 36,643 houses were constructed and turned over to settler families for the period 1973-79.7

Continuing with his claims in the area of housing for the urban poor, the President says that the government disbursed P1.5 million. Then, as if the reader might miss the point of his concern, he concluded his treatment of housing in Five Years of the New Society by stating:

> Taken as a whole, our programs for the social sector show the new dimension we have given to national development. People stand at the center of our development efforts, and so they must remain the end as well as the means to progress.[8]

General Assessment of Regime's Record

Many years have elapsed since the publication of Five Years of the New Society, and while the President and the First Lady continue to detail their success in dealing with the problems of the urban poor, little has actually been done. In fact, recently the rhetoric has begun to change as the President announced an all-out campaign led by the Metro Manila Commission and the National Housing Authority against the urban poor. On June 19, 1982, the Bulletin Today, carried a statement to the effect that: "Squatter colonies irk the First Lady." On June 26, the President and the First Lady referred to the squatters in San Andres Bukid as "professional squatters," "plain

landgrabbers taking advantage of the compassionate society," "opportunists who take advantage of the compassionate programs of the City of Man."[9] This last statement was made by the First Lady in reference to squatters who returned to their shanties after having been evicted. On March 6, 1985 assault rifles and pillboxes were used against defenseless squatters in Barangay Payatas, near the National Assembly building in Quezon City.[10]

The favorable rhetoric about the government concern for squatters in the past was a sham, for despite what President Marcos wrote in his self-serving publications, his martial law regime has done little more than make the lives of squatters more miserable.

Let us look at what has really been happening to squatters under martial law. As already mentioned, they constitute one-third (1/3) of the population of Metro Manila. Eighty percent (80%) of them are migrants from the rural areas with few, if any, skills, so the only opportunities open to them for work in Manila are as stevedores, loaders of heavy cargo, fish and vegetable vendors, scavengers, washers of used bottles and plastics, makers of plastic bags, peelers of onions, dishwashers and waitresses. Their median monthly income is P250 ($31).[11] With no place to live, they build their dwellings with old wood, cartons, tin cans, rusty corrugated iron, discarded billboards, or whatever materials they can find sometimes beside garbage dumps or over stagnant canals along railroads tracks, or under bridges, but more generally, on unused land.

The urban poor are not found in Manila alone. They are found in all cities and towns of the country. The total number of squatter families is estimated as well over 500,000. All have one thing in common: they are

recent migrants from rural areas displaced from the land by agri-business or by new development projects of the government, such as industrial and commercial centers, dams and roads.

Some idea of the problems faced by the rural poor migrating to the cities can be gleaned from the following statistics. The population of the greater Manila area increased by 27% over the past twenty years, yet jobs available for unskilled workers have declined by 1%, and jobs available for household and domestic workers have declined by 6%.[12] These are the categories of the labor force into which squatters generally fit. Those who migrate in search of a livelihood, therefore, find fewer openings available. To survive, many are forced into whatever marginal employment they can find.

Stereotyped Views of Squatters

The majority of urban residents have a very stereotyped view of the urban poor. They are seen as nuisances. People who cannot take care of themselves — irresponsible, living on the fringes of society. The stereotypes carry over to the squatter areas, which are seen as places with large numbers of neglected children, school drop-outs and criminals. In general, they are places to be shunned by the "respectable" elements of society as unsafe and crime-ridden. The efforts of the national government since martial law to clean out the squatter areas are based on the above stereotypes. The Marcos-controlled press, often echoing the government's war on Manila squatters, betrayed the President's real sentiments by referring to squatters as "economic saboteurs," and "eyesores."[13]

These stereotypes, as all stereotypes go, ignore the evidence. The urban poor are not poor because they are shiftless or irresponsible. In fact, they are the backbone of the cheap labor force the economy thrives on at present. They work long hours under impossible conditions for very low wages on the docks, in textile and electronic factories, and more recently, on the streets. Women are working as Metro Manila Aides, a euphemism for street cleaners. Without them, there would be no one to recycle the used bottles and cans or to haul fish and vegetables. The fact that many of the poor without regular work survive in the cities at all is a tribute to their creativity and resiliency. Women take in laundry. Children sell newspapers or flowers on street corners while men, if they do not have work, take to scavenging. Survival is a common effort of the family. In squatter communities, one often finds that people enjoy much more human and personal relationships than those found in other areas of the city. Among the urban poor, people from the same region of the country settle near one another for social contact and emotional support. These contacts help new arrivals adjust to city life and provide them with urban experience. Much mutual assistance and sharing take place in these groupings. All of these are very exciting elements in the life of the urban poor, which enable them to survive in a difficult and often hostile environment.

It has been argued that squatters, as squatters, that is, living on someone else's land, have no legal rights. That may be true, but as persons they do have <u>human</u> rights, and in the Philippines, as in most Third World countries, there is almost no low-cost housing within reach of the poor. What is worse, there is little interest in providing such housing. The land is

available. In fact, the squatters are now living on it, but the government does nothing to get the land for the people. The labor is available. The squatters themselves could provide that. What is lacking is the minimal amount of capital that would enable people to build their own houses. The First Lady herself explained why such capital is lacking in a now famous statement:

> Why do I build a Heart Center or a Convention City instead of urban mass housing? I believe we just can't do that. I don't believe in building houses for anyone because I don't want our people to be mendicant.[14]

This is an amazing statement, coming from one whose projects will have helped mortgage the Philippine nation to foreign banks to the tune of over $28.7 billion projected by 1986.[15] A government that can borrow billions for expensive projects cannot afford to spend a peso for mass housing yet, at the same time it condemns people who try as best they can to satisfy their basic need for shelter.

To simply ignore the urban poor by doing nothing to assist them would be bad enough but to harass them and to manipulate their need simply to project an image of concern or compassion is even worse.

No one, even the urban poor, disputes the government's right to remove them from areas where their dwellings are a threat to public health and safety. While this is given as the reason for many evictions, in most cases, no such threat is present. Though accurate figures are hard to come by, one estimate is that since 1973, close to 400,000 families or 80% of all squatter families have been evicted from their dwellings in urban areas throughout the country.

No adequate provisions have ever been made for relocating those evicted. There are some relocation sites but they are generally far worse than the previous habitats of the urban poor. In one relocation site, Barrio Capri, Novaliches (one of the districts in Metro Manila), families were literally dumped in the middle of a ricefield and had to build their own shanties from whatever materials they could find in a swampy and mosquito-infested field. Two shallow and hurriedly dug artesian wells provided water for over 500 families. Every morning, before sunrise, people queued at each of the wells for water. By sunset, the lines remained as long as they were at dawn. The high incidence of stomach ailments in the area is an indication that the wells are not safe, but it is the only water the people can have. There is no electricity. The roads are often impassable. There is one doctor but he has no medicine to provide and even if he did, the people could not afford to buy it. In the early weeks of relocation, the Ministry of Social Welfare distributed a small bag of rice, one can of pork and beans, and one can of condensed milk per family, per week but this did not continue for very long. These conditions can be duplicated over and over again in relocation sites. Little wonder that over 70% of those relocated or returned to their provinces come back to the city. Some squatters have been relocated four times already.[16] But they keep coming back.

The reasons for most evictions are not, as stated, health and safety, and given the conditions of the relocation sites, it is all the more certain that the health and safety of the urban poor is not a factor. There are three real reasons. First, government impact projects such as tourist hotels, a Convention Center, and Arts Center, a new National Assembly building, a Heart

Center for Asia, a Kidney Center, and a Children's Hospital. Second, people are evicted for government beautification projects. In a effort to attract tourists and international conventions, there has been a strong campaign to beautify Manila. The dwellings of the urban poor are considered eyesores for foreign visitors and guests, so they are removed. Thus, to prepare for the 1974 Miss Universe Pageant, all squatter shanties visible from the parade route were ordered torn down. To beautify Manila for the visit of U.S. President Ford in 1975, the First Lady announced that 200,000 squatters would be relocated. In an two-week period before the World Bank-International Monetary Fund (IMF) meeting in Manila in 1976, 1,500 squatter families were evicted. To provide two pre-fabricated buildings for Mother Theresa's Missionaries of Charity in 1979, forty squatter families were evicted from the area of the Pan Bridge. Third, squatters are evicted to make way for various government economic development projects. Perhaps the most widely-publicized of these projects to date in the Greater Manila area is the Tondo Foreshore Development Project. This project has turned most of the Tondo Foreshore Area into an industrial park with port facilities for multinational corporations. Tondo is the site of the largest slum area in Southeast Asia. It has an area of 130 hectares of land reclaimed from Manila Bay—the home of 28,000 urban poor families or approximately 195,000 people.[17]

In 1956, the now defunct Philippine Congress passed a bill authorizing qualified squatters in the Tondo Foreshoreland to purchase lots at P5 per square meter. Implementation, however, was slow due to the opposition of local and foreign commercial interests who wanted to turn the area into a commercial and industrial zone. When Marcos declared martial law in 1972,

most of the land had not been sold. In October 1975, after a World Bank investigation of the site, Marcos, through Presidential Decree 814, repealed the congressional bill declaring it "unrealistic and inadequate to bring about a harmonious, meaningful and lasting solution to the squatter and slum problems." He also presented a proposal to the World Bank, which would allow a small minority of the present residents to rent, but not buy, their sites and to relocate the rest to Dagat-dagatan, a filled-in swampy area nearby, where government housing would be provided on government-owned land at prices far beyond the capacity of the people to pay. Estimated rentals would be from P70 to P100 a month in addition to a downpayment of P3,000. This constitutes from one-third to one-fourth of the median monthly earnings of a squatter family.

Resistance by Squatter Groups

The Foreshoreland residents mounted strong resistance to the government housing project. They felt it condemned them to the permanent status of squatters with no hope of ever owning their own land. Two days before the inauguration of the project on May 17, 1976, the military descended on the area looking for community leaders they suspected of preparing a demonstration timed for the arrival of the First Couple for the inauguration. Again in early June 1976, while the U.N. Human Settlements Conference was taking place in Vancouver, Canada, the Tondo squatters defied the martial law ban on demonstrations in an attempt to gain international support for their plight. The government responded by arresting 700 of them, including Trinidad Herrera, the leader of the Zone One Tondo Organization (ZOTO), the largest group who

was scheduled to deliver a paper at a Human Habitat conference in Vancouver, but was prevented from leaving the country. After being cruelly tortured, Mrs. Herrera told the military what they wanted to know, and then ridden with guilt, collapsed into a sort of comatose state. She was finally released from prison due to pressure from U.S. Vice-President Mondale and the Canadian government. The Apostolic Nuncio to the Philippines who had been asked on the day of her arrest to intercede on her behalf failed to do so.

In addition to its efforts to neutralize squatter organizations through arrests and torture, the government has tried to buy off leaders or turn members of the various organizations into informants by threats, intimidation and/or bribes. They have succeeded sufficiently in these tactics to sow a climate of distrust in the various squatter organizations and split them into feuding factions in some cases.

Housing

There is no denying the fact that all developing countries face a critical problem of housing for their growing populations. The government of the Philippines, however, does not make the problem less critical by making available P1.4 billion for the construction of luxury hotels for tourists and practically nothing for the housing of the poor. Since martial law, the Philippines has been investing only 2% of its GNP in housing against a United Nations acceptable norm of 5 to 6%. It has been producing only two units per thousand people annually. Though the National Housing Authority projected an annual need of 375,000 units. the government has been averaging only 562 units a year, or .001% of what is needed.[18]

Since martial law the picture has grown steadily worse as government housing subsidies have gone to the top 12% of the population in terms of income earned. In 1974 alone, the Social Security System (SSS), by virtue of compulsory contributions from the entire work force of the private sector, had cash inflow of P606 million. Its total assests reached P2,389 million with only 1/4 of annual revenues paid out in benefits; the investment portfolio increases each year. One of the major uses of these investment funds is for housing. Average SSS housing loans come to P22,000. The SSS grants concessional rates of 6% a year, while commercial banks provide loans at interest rates of 12% a year or more. SSS is always willing to finance up to 90% of the house and lot costs. Amortization can be extended up to 25 years, and in special cases, 30 years. Both in the amount of funds available and in concessional term, low-cost housing cannot be adequately accomplished without the cooperation and support of the SSS. But the constraints the SSS imposes do not allow housing loans to seep down to lower income families. Eighty percent (80%) of SSS members earn less than P500 a month. Sixty-three percent (63%) earn less than P300. Yet P500 is the benchmark used by the SSS real estate department evaluators as the minimum wage below which applicants are not considered. If the wage-earner's house cannot cost more than P10,000 or the equivalent of 2 1/2 year's salary and SSS finances homes that average P30,000, it is obvious that the system's custodial role over members' funds in practice results in using the funds of the poor to finance the homes of higher income groups. Since the SSS also requires that the house outlast the amortization period of 25 years, strong materials are required. The cost of such materials also puts housing out of the reach of the poor.

Hotel Building Boom

In 1974 four government lending institutions, the SSS, the Government Security Insurance System (GSIS), the Development Bank of the Philippines (DBP), and the Philippine National Bank (PNB), were directed to lend over 75% of the building costs of 14 new hotels to be rushed to completion for the World Bank-IMF meeting in Manila in 1976. In fact, these four government institutions loaned much more than 75% of building costs. In many cases, they loaned 90%, and in at least two cases, 100%. The 6,000 hotel rooms rushed to completion for the World Bank meeting were not needed. However, the cheap government loan money was a great boon not only to the First Lady for her Philippine Plaza Hotel but to the relatives and friends of the First Family. In addition to the First Lady, Pacifico Marcos, brother of the President; Antonio Martel, brother-in-law of the President; Benjamin and Antonio Romualdez, brothers of the First Lady; presidential cronies Roberto Benedicto and Rodolfo Cuenca, among others, could take advantage of the building loans, which at 12% with a two-year grace period on the principal, was as good as free, given the high inflation rate.

Much of the money lent to the new hoteliers went into the local money market. It was common practice to overstate the funds needed and then invest in high-yield, quick-return investments. In the rush to build hotels, normal loan procedures were shelved and releases were made on the basis of payroll statements and letters of credit. As one official put it "the government was throwing money at the hotel people.[19]