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A FRAMEWORK FOR DIFFERENTIATING BETWEEN REGIONS IN INDUSTRIAL DEVELOPMENT INCENTIVES*

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Introduction

This paper makes some suggestions for regional differentials in tax incentives to encourage the development of industry in the principal growth centers outside the Manila Bay Region. It has been written after a quick review of previous related work in the Philippines and preliminary discussions with some of the persons most closely concerned with this aspect of national planning. If I have misinterpreted any of the information which I have obtained from these sources or failed to consult other persons with some responsibilities in this field, I apologize.

Some of the matters I have discussed need further consideration, particularly as regards the detailed application of the methods and concepts to Philippine circumstances. In this connection, I have suggested a number of "*follow-up studies*" but it will be up to other interested persons to pursue these as and when time permits. I would hope, however, that further lengthy study will not be necessary, as it seems clear enough that decentralization from Manila is urgently needed.

This paper is a special contribution by a geographer-planner to a highly complex problem which many other specialists are also concerned with. A great amount has been written on the subject of decentralization in recent years, and in several countries much experience has been gained in implementing policies to this effect. I have not felt it appropriate, however, to give detailed references in this general and introductory paper, nor have I made much use of the more technical terms which have been coined for some of the concepts which I have used.

Background to the Report

The assumptions to be made about the likely future distribution of population and activities between the various regions of the country is one of the key questions in any national planning study. Without some fairly clear guidelines in this respect, there is no rational basis for laying down priorities in infrastructure investment and for assessing the scope and merit of government economic, social and environmental policies. But this is an easier question to ask than to answer,

*Paper prepared as part of the Assignment Report of the author as United Nations Consultant on Urban and Industrial Geography at the Institute of Planning, University of the Philippines at Quezon City from September to December 1971. The views and opinions in this Paper are those of the author and do not necessarily reflect those of the United Nations.

because the pattern of development at the national scale is the result of many forces arising from geographical conditions, historical events and political pressures.

A further basic point which needs to be clearly understood is that the present distribution in most countries is as much due to socio-political influences as to physio-economic conditions. Government actions in the past have invariably modified the "*natural*" tendencies to a very considerable extent, and this needs to be borne in mind in any discussions about controls and inducements at the national level. In short, the assumptions we make as a basis for the national planning strategy need not, and should not, be derived merely from past trends or current economic forces; a wider and longer-term view of national and regional objectives, needs and constraints is equally necessary.

In this connection, it is important to note that the major physical planning problems of the Philippines are basically similar to those of many other countries, developed and developing. The evident differences between nations in geography, resources and social mores are always interesting, but rarely significant when it comes to explaining locational tendencies and deciding what we might do about them. In countries in all parts of the world, there is the same phenomenon evident now in the Philippines, namely, the excessive concentration of population and industry in one dominating metropolitan area. Equally notable, however, is the fact that in most of these countries, urgent and powerful actions are being taken in an attempt to reduce the degree of central concentration.

Within the Philippines, there are signs of some first movements in this direction in the increasing acceptance by the national government agencies of the need for inducements and preferences in support of certain kinds of development and in particular lagging areas. For example, the Board of Investments (*BOI*) has been differentiating for four years now between types of industry, and between firms within these industries, in awarding tax reductions under the terms of the Investment Incentives Act and the Export Incentives Act. The legislation also empowers the *BOI* to promote the decentralization of industries

by taking into account the needs and resources of the various regions, and in the Board's Annual Report for 1969-1970, the forthright statement is made that:

"The Board is also firm in its desire to promote the dispersal of industries away from the greater Manila area in order to create employment and technological impact centers in other regions of the country."

Currently also, there are moves within the National Economic Council (*NEC*), Presidential Economic Staff (*PES*) and Department of Public Works and Communications (*DPWC*)¹ towards more effective regional development policies, including the redefining of regional boundaries to provide for more meaningful analyses and projections. New arrangements are in the offing for the coordination of national and local programmes at the regional level, and the relation between shipping rates and development incentives is being investigated.

The foundation for this increasing concern at the executive level with questions of regional development incentives is found in the following quotation from President Marcos' statement concerning the Four-Year Development Plan 1971-1974:

"As part of an integrated and comprehensive development program for the Philippines — regional development will be undertaken to reduce the income gaps in the different regions of the country."

And also in this extract from the *"Joint Resolution by the Sixth Congress in regard to Establishing Basic Policies to Achieve Economic Development and Attain Social Justice"*.

¹This Paper was completed in November 1971 prior to the adoption of the Integrated Reorganization Plan of 1972. Under the Reorganization Plan, the *NEC* and the *PES* have been merged to form the present National Economic and Development Authority (*NEDA*). The *DPWC* has been renamed the Department of Public Works, Transportation and Communications (*DPWTC*).

"The Government shall vigorously push through a program of industrial and agricultural pioneering and development, dispersed through the different regions of the country; and to this end the State shall establish the required infrastructure, including adequate security, transportation, and communication facilities, and a supply of power at reasonable cost throughout the country."

Interpreting these recent pronouncements and the current inclinations on the part of the national planning agencies as evidence of steps towards more effective regional development policies, this short report provides an outline of the methods which might be used in order to define the levels of incentives appropriate to different parts of the country.

The General Proposal

This is not the place to argue the case for the promotion of decentralization through regional development policies. Much has been written about this in recent years in other countries, especially in the United Kingdom, and several reports by the United Nations have stressed the particular need for the immediate implementation of measures of this kind in developing countries like the Philippines.²

Nor is it intended to prejudge the outcome of the methodical studies which are underway in Manila (*at the Institute of Planning and the Department of Public Works and Communications*) in connection with the National Physical Planning Strategy. However, I am assuming, for purposes of this report, that national planning policies must aim to reduce the relative concentration of population, industrial employment and facilities in the metropolitan area — on the ground that measures to this effect will be in the immediate and the long-term interests of both the Manila Area and the rest of the Philippines.

² See in particular the International Social Development Review No. 1, *Urbanization: Development Policies and Planning*, U.N., 1968.

To plan for a reduction in the relative concentration in the Manila Bay area may seem to some people a far too limited aim. What this means is that the percentages of national population, etc. located in the Bay Area would be reduced over the long-term. With the national population growing at over 3% p.a. there would still be, despite such relative reductions, a net population growth in the Bay Area. To call this "decentralization" may seem rather odd to those who would like to see an absolute reduction in the concentration in the Bay Area.

There is, nevertheless, a great deal to be said for a relative decentralization along the lines of the above example (*apart from the fact that anything more than this is probably out of the question*). Merely to prevent such a rapid rise in the percentage concentration in the Bay Area as occurred in the 1960-70 period would be a considerable achievement, and anything beyond this must be seen as a notable gain in the face of such strong centralization tendencies. Even if the aim were merely to hold the Manila Bay Area to its present relative level of 23% of the total national population, this would mean, over the next 10 years, substantially greater growth in other parts of the country and an equivalent easing of the problems of the Bay Area.

When I talk about decentralization in this report I am, therefore, using the term in this limited way, i.e., a reduction in the degree of concentration in the Manila Area. I am not suggesting a decrease in the total numbers of people or jobs in this area. Nor am I suggesting a widespread dispersal throughout the country.

What I am assuming is that national planning policies will aim at the development of selected regional growth centers (*RGCs*) to take some of the pressure off the Manila Area. There is no suggestion that there should be, or could be, another major metropolis in the Philippines, or that any *RGC* could have a strong enough pull to reduce the magnetism of Manila. But even a small number of booming growth centers in other parts of the country should mean improved opportunities there and a basis for further decentralization.

On the above assumptions about the objectives of national physical planning, the rest of this report is concerned with three basic questions related to implementation, namely:

- What criteria should be used in selecting regional growth centers?
- What kinds of development incentives should be used in promoting development?
- What should be the differentials between regions in the levels of incentives?

These are big questions and they are discussed only very briefly below. It has not been possible for me to attempt anything more than an initial setting-out of some of the considerations which are the particular concern of a geographer, and, therefore, I have listed a number of further questions which might perhaps be tackled by other interested parties. However, I do not think that lengthy studies are really necessary to show that a measure of decentralization is desirable and that the sooner action is taken to promote this, the easier the task will be.

I would particularly warn against any attempt to set up a complicated or rigid system of criteria, incentives and differentials. The experience of other countries shows the needs for simplicity and flexibility, as well as urgency.

Criteria for Selecting Regional Growth Centers

There are several complex statistical techniques for analyzing the development characteristics and growth potential of towns, and reports have been written, in the Philippines and elsewhere, which attempt to classify places in terms of their existing services, or recent changes, or future prospects. In studies of that kind, arbitrary decisions often have to be made about what indicators are to be used, how to weigh the various factors, and how to overcome the general lack of comparable data. The results are usually of professional interest rather

than of practical value; there are usually in fact some odd discrepancies between the placings of towns in terms of the formula, and their actual status or generally recognized potential. I would not favour, therefore, any sophisticated calculations in order to answer the question of which places to designate as the primary regional growth centers of the Philippines.

I am aware, however, of current studies of the characteristics and inter-relations of settlements by the National Physical Planning Strategy (*NPPS*) team and the Mindanao Regional Development Study which are attempting to construct a settlement hierarchy for the purpose of delineating regions and administrative groupings. I have also been interested to see the recent study done at the Institute of Planning by Mr. Jose Gutierrez called "*A Hierarchy of Towns and Cities in the Philippines*." In these surveys, a brave attempt is made to apply to the Philippine situation quantitative methods and concepts which have been formulated by geographers and planners in other countries, and the data and findings from this work may well make it unnecessary to do any further surveys before selecting the regional growth centers which might be given particular assistance under a system of development incentives.

Something much simpler than these detailed studies would in fact suffice for this particular purpose. There are perhaps six (6) basic criteria which might be considered relevant in a search for growth centers, namely:

- present regional center status;
- existing population size;
- existing industrial structure;
- recent growth record;
- range of present services; and
- cost of expansion.

The pros and cons of each criterion are summarized in the following sections in an attempt to simplify them even further to one or two key factors.

Present Status

The least controversial thing to do is to designate as *RGCs* those places which are at present generally recognized to be the primary regional centers.³ This still leaves the question of what we mean by a region in the Philippine context; there being at present a variety of areas considered as such. From the various political viewpoints, it may be argued that the "regions" of the country are the 1400 municipalities, or the 127 electoral districts, or the 67 provinces, or the 61 cities. But in relation to a national planning strategy, probably none of these subdivisions would give us rational planning regions, quite apart from there being too many units.

For the purpose of this paper I have simply adopted the group of ten standard regions which have been used in the national census though I understand the number and boundaries of these regions are being reviewed.⁴ As they stand at present, each of these regions contains a number of sub-regional centers, but whether any one of these would be generally recognized as the primary regional center is a question which I am unable to answer. In practice, it might prove necessary to apply incentives to the whole region rather than to selected growth centers within it.

Population Size

There are obvious arguments for taking population size into account when selecting regional growth centers. In most cases, the largest cities will probably be the present regional centers, but not necessarily. They may also have the best growth prospects, but whether they are also the best places to promote as planned growth centers, would depend on further considerations, such as present conditions, congestion level, and environmental qualities. In some other countries, regional development policies are trying to encourage decentralization from the least attractive and most congested cities

³ As this paper is about decentralization, I am, of course, concerned only with growth centers outside the Manila Bay Area.

⁴ The Integrated Reorganization Plan of 1972 has delineated the country into eleven (11) administrative regions.

within each region. However, in the Philippines, there would seem to be good reasons for designating the largest cities (*apart from those in the MBA*) as the regional growth centers.

How many to select needs further thought, however. Would it be better to consider only the five (5) largest cities outside the MBA? Or all cities with over 100,000 population? Or the largest city in each of the ten (10) regions, or on each island? The answer might be found by applying the other basic criteria discussed in this section, after a first stage narrowing down to the largest city in each region.

Existing Industry

An entirely different approach would be to select as the regional growth centers those places with the largest concentrations of industries at the present time. Here again this would probably, though not necessarily, be correlated with existing regional status and population size. In some regions there may be a small number of heavy industrial plants sited either in the cities or in comparatively isolated positions related to special port facilities or natural resources. In others, the industrial structure may be largely composed of small factories and workshops engaged in a wide range of production or within a common field. In these circumstances the criterion might have to be the growth potential of the employment structure.

The standard techniques for analyzing growth potential are time-consuming and difficult, especially where national and international influences on marketing and management are significant and yet uncertain. It is doubtful, therefore, whether elaborate studies using the national input-output model or industrial complex analysis would help very much in estimating the growth potential of particular regional centers. This is a field for further investigation.

Growth Record

The simplest way of comparing cities from the point of view of future growth prospects is through a projection of their recent growth rates. This is, of course, a highly

questionable procedure and there are all kinds of elaborate techniques for avoiding the more obvious pitfalls. At its simplest, however, this criterion adds a dynamic element to the last two considered (*size of population and amount of existing industry*). To that extent it is probably a preferable measure, though inasmuch as it needs data for past dates as well as the present it is a considerably more difficult criterion to apply.

The reasoning behind the assumption that a good growth record makes a city a good place for future planned growth is clear enough—the general theory being that growth attracts growth, or, in other words, that the more industries a city has, the more it is likely to get more industries. However, in operating a decentralization policy we need to guard against creating another unmanageable urban area, so if a regional center is already quite a large city and has shown recently a very fast rate of growth, it might not in fact be an appropriate place to designate as a regional growth center—it might not in fact need special incentives.

Range of Services

In classifying towns, a detailed survey is usually made of the present functions, facilities and services that each town contains. This seems an obvious consideration, but a survey of this kind means a great deal of rather tedious and time-consuming work, and there are some difficulties in classifying certain services and in allowing for variations in the quality of performance. A question to consider therefore, is what kinds of services are we interested in if it is the future industrial potential of the city that we are assessing. Such detailed data as are usually collected in surveys of this kind, e.g., the numbers of foodstuffs shops, is clearly irrelevant.

In fact, the range can probably be narrowed to only four items: *technical training facilities, water supplies, power supplies, and communications*. It would presumably be a fairly simple task to grade the largest cities in each region in terms of these four items; this may perhaps be possible on the basis of the data collected under the recent

detailed hierarchy surveys by NPPS and Dr. Gutierrez.

Costs of Expansion

In some of the developed countries it is now common practice to take into account expansion costs when selecting the towns in which development is to be especially encouraged. Detailed procedures are available for assessing and comparing places in this respect. But these involve a great amount of work and elaborate calculations of the capacities of roads and utilities, detailed costing of physical constraints, and establishment of development standards. None of these seems to be feasible in the Philippines at the present time.

Some broad assessments of the physical constraints on expansion are, however, desirable; otherwise it may happen that under national planning policies, industrialists are being encouraged and even assisted to set up factories in cities where the costs of providing infrastructure services of particular kind are unusually high. This could happen for a number of reasons, including topography, geology, climate, land use patterns and ownerships. There is clearly some further study required, therefore, under this heading, even though I would not feel any need for very detailed investigations.

The Range of Development Incentives

After the primary regional growth centers have been selected by applying some simple criteria along perhaps the lines discussed in Section 3, the next question is how to promote or encourage the development of industry in these places. The fundamental fact behind the whole of the decentralization policy is, of course, the very strong competitive power of the Manila Area. Therefore, the promotional measures which are adopted to counteract this will need to embody several powerful weapons which experience in other countries has shown to be effective. Basically, there are three groups of appropriate measures, namely:

1. restrictions on development in the metropolitan region;

2. infrastructure improvements in the other regions; and
3. financial inducements to decentralize.

Number 1 above, *Restrictions on Manila*, is inconceivable in the Philippines at the present time. Control procedures as adopted by several of the developed countries include both direct and indirect restrictions on new industrial development in the primary city. Under the direct restriction, a firm proposing to build a factory in the metropolitan area or other over-developed city, has to apply for a development certificate. Before this is granted the firm is asked to consider alternative locations in other parts of the country, and it then has to demonstrate why a site in the metropolitan area is preferred. This has proved a powerful method of stimulating interest in the lagging regions, and although much development still takes place in the primary urban area, the effect of the controls has undoubtedly been to reduce the volume of this centralized growth below what it would otherwise have been, with a corresponding benefit to other regions.

The more indirect methods of controlling industrial development in the primary center include restricted zoning, density controls, higher standards for off-street parking, effluent disposal or design of buildings, etc. Measures of this kind are based on the idea of planned differentials in favor of the under-developed regions. For example, a firm might well be attracted to the latter if the building regulations or operating standards are easier than in the metropolitan area.

Direct and indirect controls of the above kinds are probably essential for effective national and regional planning. However, although they are clearly out of the question in the Philippines in the near future, this does not mean that the other two groups of measures cannot be used effectively to encourage decentralization from Manila to the largest cities in other parts of the country.

Group 2, namely Infrastructure Improvements are probably the most practical tools in the short-term for encouraging regional development. Indeed, the government statements quoted in this paper are declarations

of intent in this respect, and the current programmes of the Infrastructure Operations Center and other specialized agencies show that a considerable amount of investment in infrastructure is underway in several parts of the Philippines. A large part of this is, of course, investment in the Manila Area where massive needs are most highly concentrated, and as long as there are such serious deficiencies in this primary city area, there are unavoidable restraints on the proportions of infrastructure investment available for other regions. It would not be easy, therefore, to make a case for giving preferential treatment to these other regions in the form of a more than proportional share of infrastructure expenditures.

From this point of view, a decentralization policy in the Philippines (*or in other countries with similar conditions*) cannot rely entirely on infrastructure programs to offset the competitive power of the metropolitan area. Nevertheless, infrastructure improvements can undoubtedly help to reduce the disadvantages of a region as a location for industrial production. What types of investment are likely to be most fruitful in this respect is a difficult question which may be answered by the National Physical Planning Strategy studies.

Group 3, namely Financial Incentives are the most direct and positive tools to use in implementing a decentralization policy. A great deal of experience in applying these methods to situations not unlike the Philippines is now available in other countries, and some of these have been made available in recent years in the case studies, seminars and advisory reports which the UNIDO has published.⁵ We have, of course, to distinguish those incentives which are aimed at national industrialization in general, from those which are, more specifically, inducements to develop in one part of the country rather than another.

This latter group which are the incentives used in decentralization policies, may

⁵ For a recent general summary of this material see UNIDO, *Incentive Policies for Industrial Development*, (N.Y. 1970).

include any or all of the following:

- the provisions of low-rent sites or factories;
- grants or loans to reduce building costs;
- grants towards the costs of installing machinery;
- labour-training grants or sponsored courses; and
- tax reductions.

It is... possible in this paper to discuss the pros and cons of each of these different kinds of incentives; these have been well-summarized in the *UNIDO* reports and elsewhere. General experience has shown, however, that a package of incentives comprising all or most of the above list will be necessary if a high degree of decentralization is the objective. Particular interest attaches, however, to the last item in the list (*tax reductions*). This is the type of incentive most widely used in the developing countries in promoting industrial development; it is already being used in the Philippines under the national industrialization policies; and it is probably the only kind of direct incentive which is likely to be feasible in this country in the foreseeable future.

Tax Reductions

Variations in the rates of corporation tax (or, less commonly, personal income tax and inheritance tax) have been introduced in some countries in order to stimulate the development of particular types of industry in accordance with national objectives. To encourage investment in new projects, "tax holidays" are the most common device within this sector, with the duration of the free period ranging up to 5 years in some countries. Alternatively, various kinds of investment allowances or depreciation allowances may be offered. Each of these arrangements has its supporters (*and critics*), but there is also a point of view which holds that the efficacy of measures of this kind is doubtful when so many nations are using them. On the other hand, if most nations are competing in this way, the Philippines may be well-advised to do likewise.

There seems to be general support in the

Philippines for the discriminatory system of tax incentives which the Government, through the Board of Investments, is offering to a selected list of industries which are making products for export or in substitution for imports. It is my understanding (*based on the paper of April, 1971 by UN consultant James L. Magavern*)⁶ that the package of tax allowances, etc. which are available to the selected industries is a powerful incentive to industrial development. It may well be hard to prove that those incentives have in fact generated developments which would have happened in any case, but to my mind the actual impact of these measures is less important than the precedent which they set. It is clearly now acceptable for the Government to incorporate differentials of various kinds into its national planning policies, and also to select particular sectors and areas for special assistance.

It is the argument of this paper that a system of regional differentials allied to the selection of preferred areas is only a small step beyond those recently taken. It would be an important step, however, in relation to national physical planning, as the Government and its development agencies would then be in a position to influence, through one comparatively simple system of incentives, both the structure and the distribution of industry.

My conclusion from this section is that regional differentials in the present system of tax incentives are probably the best kind of development inducements for the Philippines at the present time; however, this needs some further consideration.

Methods for Defining Regional Differentials

In the time available, it has not been possible to get full details of the differential rates of tax and other incentives which the BOI is able to provide for its selected industries. Nor have I fully understood precisely how decentralization policies are pursued at the present time. One key question which

⁶The Role of the Board of Investments in a National Physical Framework Plan, Memorandum to Mr. W.G. Faithfull, Institute of Planning, U.P., Diliman, Quezon City, April 29, 1971.

should be considered is which of the manufacturing industries in the Board's approved lists might be expected to develop in the regional growth centers outside the Manila Bay Area given some additional incentives of the kind proposed in this report.

Despite some lack of knowledge in the above respect, I am assuming, for the purpose of this paper, that the aims of decentralization policies in the Philippines could be expressed, in simple terms, as:

1. to encourage decentralization of the industries included in the BOI registers; and

2. to promote this by offering differentials in the standard tax incentives related to the disadvantages of the potential regional growth centers in competition with the Manila Bay Area.

In relation to this approach, I am setting out very briefly in this section the alternative methods which might be used in calculating the extent of the differentials to be granted to each region. There are five (5) principal indicators which could be relevant considerations in this connection:

- unemployment and under-employment;
- net emigration from the region;
- size and rate of growth of regional population;
- amount and range of industrial employment; and
- distance from main national market.

The main argument against it is that unemployment gives only a partial indication of needs. Apart altogether from the statistical problems of recording and interpreting unemployment (*a particular difficulty in the developing countries*) there may be in some places a high degree of under-employment as well as unemployment. In theory, at any rate, this could be allowed for by deriving an indicator from some combination of estimates of the rates of unemployment and under-employment, but this could become too complex a basis for a controversial political decision, and adequate statistics are not available in the Philippines, nor in most other countries.

There is another, and logically more serious drawback against using unemployment as an indicator for decentralization policies. It is quite often found that the booming metropolitan regions have as high a level of unemployment as the other regions of the country, and they may sometimes be worse off in this respect. This may be merely the result of more efficient unemployment registrars or a higher proportion of persons with experience of the subtleties of the social welfare system, but in any case, circumstances of this kind could mean that, strictly, measures to offset unemployment might run counter to those needed in support of decentralization objectives.

In practice, the developed countries have got round this difficulty where it has arisen, by giving assistance to all areas with heavy unemployment, but at higher rates to those regions which are lagging behind in other respects also. This simply means that unemployment-underemployment is not the ideal basis to use in deciding the level of incentives to be made available to different regions; even though it is, in fact, the most widely used indicator.

Net Emigration

Some economists have argued that net emigration from a region is an indication of centralization tendencies, and that differentials in levels of assistance should take this into account. From some points of view, the level of net emigration is better basis for decentralization policies than the rate of unemployment but the statistical problems in measuring inter-regional emigration accurately and in comparative terms are often even greater than those encountered in measuring unemployment.

Indeed, the only really adequate indicator of this kind would be one which recognized the relationships between unemployment and emigration. This would require an even more complicated formula than in the case of the unemployment-underemployment computations, and it is not, therefore, an appropriate line to pursue if we are seeking a practical basis for decentralization incentives in the Philippines.

Regional Population

The size of a region's population is clearly a factor of some importance in relation to both needs and potentials. Expressed in slightly different terms as the proportion of the national population, one might, at first sight, consider the regional population level to be a logical basis for differentials in incentives. The simple conclusion in this case could be that the lower the population (*or the proportion*), the higher the level of aid to be granted to that region. This has the advantage of simplicity but the drawbacks of being a rather static concept, when it is the dynamics of regional development we are really concerned with in advocating decentralization.

To some extent, this point would be met by taking into account the rates of growth of the regional populations as well as their total size. There are statistical difficulties, however, in comparing growth rates when the base populations differ in size. More seriously, the conclusion might well be that, logically, we should give more aid to the slow-growing regions than the fast growing, but this is not an attractive approach if we are seeking to encourage development in decentralized growth centers and not in every backward corner of the country.

Something more sensitive than size of growth of regional population is required, and for this, we need to turn to indicators related to industrial potential and problems.

Industrial Structure

In discussing the criteria which seem to be most relevant when selecting regional growth centers, the amount and types of existing industrial development were recognized to be a primary consideration. This is also clearly a relevant factor when deciding the amount of assistance to be awarded to each region in the form of differentials in incentives. However, the same difficulties arise as in the case of each of the alternative indicators already discussed in the above paragraphs, i.e. is it sufficient for decentralization policies to encourage the further development of the most buoyant regions beyond the *MBA*, or should they also seek to

give particular encouragement to the most lagging regions?

My own feeling in this connection is that decentralization policies will be most effective where they build on the foundation of some existing industrial potential. But the aim should be to strengthen and widen the local industrial structure by encouraging diversification to the fullest practical extent. Therefore, from this point of view, while development incentives might apply to all the outlying regions, the levels of assistance would be higher if the existing industrial structure is over-specialized. In some other countries, differentials of this kind have been used to encourage decentralization and diversification through one system of incentives.

Market Distance

From many points of view, there is much to be said for relating incentives to nothing more complex than the ground level of travelling distance between a regional growth center and the major national market center. In most countries this will be the metropolitan area from which decentralization is being promoted. The reasoning behind this approach would be that, whatever the compensating advantages to particular developers and communities, industry in general will incur higher transport costs the greater the distance from the metropolis. Therefore to encourage firms to locate outside the metropolitan region, some financial assistance directly related to the differentials in transport costs would be especially appropriate. In terms of the Philippine conditions, this approach would mean that the levels of incentives would vary according to the distance from Manila.

A more sophisticated treatment of this basic idea is, of course, possible, and there are (*as with any of the methods considered*) several points of potential controversy. The importance of transport costs varies greatly between different types of industry, and between one period and another, and may be affected by the form of transport available, the method of charging fares and the efficiency of the services. For some industries, time and security may be more relevant factors than distance, while for others the movement

of personnel may be more important than freight transport. Some industries in the outlying regions may have no significant links with the metropolis, or these may be in relation to input rather than output. Furthermore, the strength of these links may depend more on the range of infrastructure and level of development in a region than on its geographical position.

There has been much discussion of these points and other aspects of transport costs by geographers and economists in particular. But this is mainly of professional interest and it is doubtful whether very much refinement of the basic idea is really worthwhile when all we are seeking is a broadly rational basis for development incentives. In this connection, the psychological impact of an apparent reduction of the distance barrier may be significant, although the actual benefit to a firm may be rather small.

The impact and simplicity of using distance from Manila as the basis for the incentives system would seem to make this the most suitable indicator to use in the Philippines at the present time. However, more detailed studies are needed, taking into account the actual patterns of transportation

services, trading relationships and production methods which lie behind the Philippine industrial structure and location pattern.

Recommendations

It will perhaps help to provide a focus for further discussion if I end up with a fairly specific proposal. This is based on the key points in this report but is subject to the findings of the more detailed studies which I have listed. Assuming that these confirm:

- a. the need for decentralization incentives;
- b. the growth potential of the largest cities in each region;
- c. the power to offer different tax incentives to firms in different regions; and
- d. the disincentive effect of the distance from Manila.

then I would propose a system of differentials as shown broadly in the following schedule:

Region	Largest Growth Center	Kilometers From Manila	Tax Reduction for Firms Approved by BOI			
			Basic Rate -			
1	Manila	0	"	"	-	5%
5	Batangas	110	"	"	-	10%
4	Dagupan	210	"	"	-	15%
2	Bacolod	250	"	"	-	25%
3	Tuguegarao	480	"	"	-	30%
6	Legazpi	540	"	"	-	35%
7	Iloilo	700	"	"	-	40%
8	Cebu	800	"	"	-	55%
10	Butuan	1,100	"	"	-	100%
9	Davao	2,000				

FOLLOW-UP STUDIES

1. In relation to existing status or political pressures, which cities in each of the planning regions would have to be designated as regional growth centers? Would it be practical to select only one place in each region?
2. Are there any prospects of developing an industrial complex from the existing industrial structure in particular outside the Manila Bay Area? Would this offer any advantages over a policy of general diversification?
3. Which cities in each region are best equipped for future industrial development in terms of technical training facilities, water and power supplies and communications?
4. Are there likely to be any significant differences in the costs of expanding the potential growth centers in each region?
5. What are the appropriate priorities for infrastructure investment in the regions in relation to the decentralization of industrial development?
6. Is it within the power of the *BOI* to apply different levels of tax remission to developers in different parts of the country?
7. Given additional incentives, which of the manufacturing industries in the *BOI* lists could be expected to operate profitably in the regional growth centers outside the Manila Bay Area?
8. Are there significant disadvantages in terms of an industrialist's operating costs in locating outside the Manila Bay Region? How much tax remission would be needed to offset this disincentive to decentralization?

WHAT DO WE REALLY MEAN BY "THE SOCIAL ASPECTS" OF PLANNING?*

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More and more often, we tend to affirm, or in some instances deny, the importance of "*the social aspects*" of development planning. But what do – and should – we really mean by that expression? So often, recently, I have been invited to talk "*in general*" usually about "*the social aspect*" that sometimes I find myself responding by saying: I don't believe there is such a thing so why should we waste our time discussing it? By this, I do not wish to do myself or my disciplinary – and other – colleagues in development sociology out of a job. Least of all would I wish the field to be yielded to another single discipline, that devoted to "*the economic aspects*."

If economics has been more fruitfull of generalizations about behaviour that can be put to practical use than, say, has sociology or political science, this may be, as it has been considered locally, because the sectors in which economics has made the greatest advance "... are precisely (those which are) the least human. Economics stands at the point of man's interaction with nature, not other men, and it borrows its predictability from the inanimate side of its subject matter."¹ However, postures of this kind, whatever their truth, smack also of the kind of disciplinary partisanship which they decry. The other social sciences, as well

as economics, also study human relationships and their manipulations and exploitations of scarce, and not so scarce, resources – such as physical space, communal property, social prestige, and not least, human organisms themselves and their sensual and other attributes.

It is more for another reason that "*the social aspects*," especially when equated with "*the human aspects*," can amount to a rather fruitless field of discourse as, in planning symposia, they are commonly, construed. It is not only in the Philippines that, when plans go right, the credit for their success is taken by the politician whose name is put up on a board near the project concerned as a visible manifestation of his advocacy of it at one stage or another. Neither is it only in this country that, when plans go wrong, the "*human aspect*" is blamed as a surrogate or scapegoat.

It is especially this latter entirely negativist conception of the subject allotted to me today that, on the basis of Philippine and other rural and urban studies alike, I reject. Butchers are in a better position than development sociologists to engage in the goat meat business – and indeed, if they could be encouraged to diversify in that direction we would all be able to benefit more from

*This paper is based on a lecture given to Pioneer Seminar I in Environmental Planning organized by the Institute of Planning, University of the Philippines and the Department of Public Works, Transportation and Communications in March, 1973. It also draws in part on a resource paper prepared for the Cooperative Bicol Research Project underway under the auspices of the National Development Research Centre, University of the Philippines, directed by Dr. Benjamin V. Cariño.

¹Peter Wiles, "The Necessity and Impossibility of Political Economy," *Solidarity*, Vol. VI, No. 72, December, 1971.



roast kid (which some say is superior in every way to beef). But I must return, I hope constructively, to my last. What really do and should we mean by "*social aspects*" and what could be done in planning studies to take them better into account?

Here I would like to discuss merely four common conceptualizations, and then, by way of conclusion, to begin to introduce another kind of approach altogether. The first sense, *social aspects as human aspects* that are always blamed for weaknesses and failures, I have already mentioned. The second is the notion, not unconnected with the first, that whatever precisely they may be, *social aspects are more important than economic aspects*. The third, which follows on from the second, is *social planning is an alternative to economic planning* with the function of "correcting" the errors of the latter. The fourth is more a methodological than a substantive point of view — and to that extent different in nature from the others. It is, that *development sociology provides us with data on unified planning or regional planning in particular which are not, in practice, readily available from other sources.*

Inasmuch as this fourth point of view equates "*social*" with "*sociological*" or "*social anthropological*" aspects, it demands to be discussed more fully than the others, both positively and critically.

1

"*Social aspects*" equated with

"*human aspects*", to begin now to discuss our first conceptualization, tend also to be equated with "*social values*." We find here, in Asian studies, the social values theory of development which is so prominent in African studies also. In its most familiar form it holds that plans are apt to succeed — or more usually to fail — because of the value system characteristic of their target population. One of the limitations of this general theory is its selective and prejudiced use as a stick with which to beat the social values of only the intended or target beneficiaries of a plan — never its authors or implementors — for failures or shortcomings. Along with this goes a penchant for planners and administrators to believe in sweeping stereotypes of "*peasants*" in the communities into which their plan is supposed to be introduced. Not surprisingly this kind of attitude is swiftly mirrored back and it becomes the turn of the "*planners*" and administrators to be scorned and blamed. Less a communication gap than a communication impasse is created. Ideas and actions come to a standstill. Where, if anywhere, truth lies, as this and that wholesale and specious generalization is bandied about, becomes really beside the point in such situations which really are more anti-social, or asocial, than anything else.

It is here, commonly, that an external observer would be most likely to conclude, when asked politely to identify "*the social aspects*" of planning, that really, he or she would find it very difficult to see any at all and to plead that all that could reasonably be expected in the circumstances by way of analysis would be a description of the social contexts

in which the "human" or "social factor or social values" theories are given more explanatory power than other general theories, and an account of why this might be so. It is, after all, a key characteristic of the incidence of social values theories that belief in them coincides very often with a pattern of thinking in which *who* says something is taken as a better pointer to truth and praxis than *what* is said. This, indeed, is one of the main factors contributing to the self-perpetuation of social values theories together with a tissue of social relationships in which, as loyalty is more rewarded than integrity, technical or professional merit is undervalued or thwarted by, or restricted to nephews, cousin and god-daughter relationships and so on.

One has only to think here of colonial societies on the one hand, and chauvinist societies on the other, and the extreme sensitivity of each to, for example, any foreigner criticising or even studying what are affirmed by certain kinds of political and other leaders in those societies to be autochthonous traits. Indeed, the very assertion that there are, say, uniquely African or uniquely Asian or uniquely European social values, whether this is made from within the region concerned (whose boundaries usually are left conveniently undefined) or from without, is itself very commonly a defensive or aggressive posture. That, probably, on analysis this may be shown to relate more to subjectively-objectively perceived personalities and their conflicts than objectively-subjectively defined social structures, does not contradict the fact that noticeably it is by certain participants only in limited kinds of social situations that social values theories, more than others, are very commonly affirmed.

Two features in particular stand out here. The first relates to the cultivation of personalism and interpersonalism in social (*human*) relations in organizations. The other relates to a high personnel turnover rate.

The political culture of the Philippines has been described by someone who, after all, is in an excellent position to know as "... *populist, personalist and individualist* (and less) *nationalist, institutional and socialist* in the strict meaning of being more conscious about the means of society and the national community."² President Marcos went on to add that that was one of the reasons why in 1972, he "supported the call to a constitutional convention to draft a new fundamental law rather than allow the members of Congress to do so. The delegates to the Constitutional Convention, theoretically, would be free from the demands of political survival." Where, outside politics, patron-client relationships that bind are stronger than orientations based on professional or meritocratic standards, both in the recruitment to responsible positions and in the discharge of their functions by their incumbents, one may also speak of personalism, or interpersonalism, as the norm. Typically, this may be expressed in the giving of presents or prestations in contexts of social inequality, birthday parties for the boss, and so on. Understandably, expressions of strong beliefs in the efficacy of "*good human relations*" go along with this emphasis on personalities. Institutionally, in some social organizations there may be very little else that could be expected to have much potency or efficacy other than sheer chance, inertia, or perhaps inheritance.

This complex of phenomena, to turn to the second feature, is compounded in personnel situations where there is a high turnover of staff. When so much has turned on this or that single person, in situations where for instance, routine executive or implementation power has been little developed, and then that individual changes or loses office, again, it is only understandable that much that he or she may have started will stop until or unless the new incumbent succeeds in conquering

²Ferdinand E. Marcos, *Today's Revolution: Democracy*, Manila, 1971. Fifty years earlier Manuel Quezon perhaps touched on a similar theme "unipersonalism."

nis or her received organizational kingdom for himself or herself.

In these circumstances, the external or third-party observer must recognize that there may be considerable validity in explanations about planning and development couched in terms of social values despite his or her own predilections for perhaps very different theories.

To some extent, Philippine social anthropological studies a little more than a decade ago, as was widely true of social anthropology at that time in other countries as well, were somewhat pre-occupied with social values studies. This gave rise to a characterization termed SIR, referring to smooth interpersonal relations, it being averred that such was "typical" or indigenous to Philippine society. Regardless of whatever were the precise and perhaps partly unstated intentions of the author³ of that phrase as to the use to which it *should* be put, the use to which it *was* put quickly got intellectually out of hand. A symposium was held on the subject by the Philippine Sociological Society. The papers presented and the discussion they triggered⁴ provide all students of social institutions everywhere with an excellent critique of how, and how not, to draw on social values' approaches for certain descriptive and analytical purposes in planning as well as in other studies. What, above all, was stressed in that symposium was just how essential it was for social researchers especially not to pretend to describe entire cultures or societies on the basis of evidence which, at best, is limited to particular contexts or situations, at worse is as personalist as — in this case — the social interpersonalism described.

Probably our best general guide when approaching the subject of human values would be to assume that *all* known — and

unknown — varieties occur somewhere or somehow in *all* societies and cultures. Probably it is beyond the scope of empirical research altogether to allow us even to attempt, for explanatory purposes, to reduce, so to say, entire societies or cultures to what could at most be only sectoral expressions of them. Today, in much social science, reductionist modes of thought and analysis about society and culture are diminishing except where the metaphors of society, current and acted upon by either the observed or the observer, are predominantly, if not exclusively, organicist. Older social anthropological approaches which sought to identify societal or cultural '*value profiles*', dominant or-and note here the biological language — subdominant, depended very much on analogies drawn between societies and organicisms.

To sum up, this first concept of social aspects tends to equate them with human aspects understood in personalist terms. Personalist politics or anything else take — or are given — the credit for any successful development plan. Personalist politics blame failure on to others. Where personalism is the norm in planning and administration as well as within politics, anyone brave enough to try to battle against the social tide has the additional difficulty that any potency and judgment on his or her side would be only co-incidental, co-incidental with forces, so to say, beyond his or her control. Discretion, indeed, might here be the better part of valour. Planners and administrators having to operate under such conditions might be best advised to make the most progress by making the least unless a *coup d'état*, of one sort or another, should intervene, somewhat to alter the paradigm.

I have learned from one most illuminating discussion in Luzon with practitioners of city planning that, in part at any rate, one urban planning group there believes it owes its survival principally to a certain Vice Mayor who was not opposed to its existence, and the limited amount of planning it actually gets done. But should that Vice Mayor go so far

³Dr. F. Lynch, Ateneo de Manila University.

⁴*Philippine Sociological Review*, Vol. XIV, No. 4, October, 1966. See especially the contributions by Barnett, Castillo, Hollnsteiner, Jocano.

actually as to commit himself, politically, to any particular plan emanating from that planning office, then his survival would soon be brought into question, as well. It was not surprising in the circumstance to learn that that particular city planning organization has no statutory existence in the city it serves despite the long period of time during which it has been organized and reorganized and the large missioned in addition to its operational work.

With the other side of "social values," their ethical importance in giving meaning and love to life, we will be concerned in some concluding remarks later.

II

I now move to a second idea of "the social aspects." This holds these to be so important in planning that they must outrank even strictly economic considerations. Commonly, this view turns on a distinguishing of means from ends. For instance, and to look for a moment at rural development planning, it used often to be asked whether farmers' output does or does not respond to price incentives, these considered as ends or, as here, desired economic goals. Gradually in recent years it has been recognized, virtually in all regions of the world, that in broad terms the answer to this question is much more often than not, in the affirmative. So discussion has turned to how, by which means, this response is obtained and to what extent and among which socio-economic groups and categories in particular. Here, by means, it is socio-cultural institutions and the like that are meant primarily. The argument goes that as it is such and such a socio-cultural intervening variable that determines, or at any rate crucially influences, economic response to price incentives, this rather than the reverse now seen as a universal, the former are even more important to study and to control than the latter because of their unequal distribution in the world and regions of it.

Both aspects of this subject have found discussion in Philippine social

science publications recently. As regards ends, the Benthamite view of man, as a maximiser of a simple and constant economic function, has been described as "*astounding/ly) (an) assumption that (actually) works. Not perfectly, of course, (because for example) it does not well describe the behaviour of ... complicated exchange organizations like trade unions and large capital corporations and least of all governments which are fundamentally not in this kind of situation at all. But for the rest, including individuals in Communist society, Benthamism is an evidently workable assumption about economic behaviour, fruitful of correct predictions. Men in other (non-economic) facets of their lives are more complicated to begin with, and their memories of how they or their predecessors behaved continually changes their own principles of behaviour ...*"⁵ As regards means, there is an interesting description of parallel rice and corn studies about eight years ago which pointed out that "*while prices of rice and corn in the Philippines have apparently been efficient in their resource allocation function, there is little evidence to indicate that price changes represent an effective device for influencing aggregate agricultural output.*"⁶ It was pointed out that, say, a ten percent rise in price, elicited, say, a five percent rise in output either by shifting land use or by bringing new land into cultivation. It was implied that socio-cultural institutional and attitudinal factors were responsible for relative lack of response in yields.

The current Masagana 99 rice programmes in the Philippines apparently have well and practically recognized the extent to which credit institutions — factor costs — are as crucial as new seeds and potential price incentives. And while preparing this lecture for publication, government laws banning foreign enter-

⁵ Wiles, *op. cit.*, 1971.

⁶ A. E. Recto, "The response of Philippine rice and corn farmers to price," *Phil. Sociological Review*, Vol. XIV, No. 4, October 1966, pp. 231-241.

prise in certain agricultural ventures have been repealed. Behind this is the intention that Chinese — actually resident and in many cases born in the Philippines and culturally Filipino in many ways, though they are the holders of Nationalist Chinese passports — should no longer be forbidden to help finance certain aspects of production (*but not retail trade*) in these branches of agriculture.

As the social science disciplines in planning studies enlarge and to some extent, overlap and conflict, "*social aspects*" of planning and development may indeed, as here, be attributed a status over and above all other considerations taken as being less problematic. Where, however, this dissociation has occurred, it is likely to be shortlived as it becomes more plain that instrumentally, rarely, are means acted upon apart from ends and that evidence is lacking that would suggest for instance, that all — or some — of "*social*" items change collectively at a different rate from those under the "*economic*" label. For a fuller interpretation, though, of factor costs versus product prices as influences on production — both being construed here as means — one would have to revisit the studies of backward sloping labour supply curves in a comparative framework that not only would include rich as well as poor countries but also would take situational considerations such as moonlighting and perhaps part-time self-employment into account, as well as sex and age groups, and so on. The matter of part-time self-employment may prove to be particularly important, socially and economically, in Asian cities, for instance, among various income and occupational groups drawing salaries from employers?⁷

III

Following on from the second is a third avenue of approach. This understands social planning as a complement, or even a better alternative, to economic planning. A crisis in economic planning is seen as

⁷ I have drawn here from discussion with Evan Smith, UNDP, Manila.

an impasse out of which social planning represents a possible escape route. This is the approach which, considering economic planning, really as productivity planning, is inclined to see health-education-welfare (HEW) planning essentially as a kind of manipulation of social prerequisites for production. This kind of conceptualization has led to all manner of intellectual contortions designed to show, for instance, that really there is no special (*or general*) conflict between economic and social planning because, for instance, a suitable approach to the latter, far from representing a waste of economic resources, actually would be a form of economic investment without which economic growth could occur only very slowly and in so-called imbalance.

In Philippine development studies, an argument which has thus far very persuasively been advanced is a kind of inside-out version of this point of view.⁸ It has been contested that because too much emphasis on social objectives, too soon in terms of economic growth, has limited employment and therefore development, overall inequities in income distribution have increased rather than the reverse. One of the principal arguments advanced is that premature capital intensive industrialization has inappropriately raised the cost of hiring labour. What at best was short-term palliative is along-term woe. Another study⁹, concerned specifically with agricultural employment, has argued that while only a 2.6% average increase of agricultural employment during the first half of the 1970's could be expected under the 1970 minimum wage, without this minimum, an increase of the order of 4.0% would be likely.

The extent to which the first mentioned study above may or may not be multi-factorial enough, and the second,

⁸ Gerardo Sicat, *Economic Policy and Philippine Development* University of the Philippines Press, 1971.

⁹ M. Mangahas, W. H. Myers and R. Barker, "The effect of the new seed fertilizer technology on present and future trends in laborer use in Philippine Agriculture," In Press, O.E.C.D., Paris.

realist or over legalist, will become somewhat less controversial as follow-up work now in progress in the country is completed.

Where the HEW considerations have been neglected rather than given possibly over, or premature, prominence, it is only to be expected that interest in "*social aspects*" as in "*social planning*" is likely to arise as the canvass of planning and development concerns broadens. The disadvantage of a social planning *cul de sac* to unified planning, however, is likely to be considerable in two regards. First, the already instituted "*economic*" planning is, despite the good intentions behind the economic planning that backed the new introduction, likely just to continue to go on its own way among its own friends and supporters and attributing any crises not to its own making but to the lack of a counterpart or corrective outside economic planning. (*Of course where social planning is the established variety, it would fall to economic planning to be thus pilloried.*)

Secondly, there will be new obstacles introduced not so much to, as in, planning, in the form of departmental institutionalization. Where such social (or similar) obstacles to planned change, as there maybe, reside in the planning process itself, in the sense of endemic inter-departmental conflicts (*between social and economic planners in the example under discussion here*), these may be infinitely more destructive than obstacles in the path of implementation outside even the conventionally technocratically staffed offices and even leaving aside plans that are non-starters in any event because of poor technical design.

IV

A fourth avenue of approach, some aspects of which I wish to discuss more fully, is more methodological than substantive in nature. It has merits over the previously discussed points of view, taken either singly or all together. Recently, within (*and without*) the fold of interdisciplinary studies, "*social aspects*" have been increasingly construed

as being whatever the principles of development sociology and social and economic anthropology or development sociology-based political science can elucidate. This fourth point of view, so to say, equates the social with the sociological.

Development sociology in the Philippines, as elsewhere, ideally has or should have four main characteristics at the present time. First, it looks above all to case studies carried out by participant-observation as their main source of data. It aims, by this method of study, to come as close to life as possible. It cannot or should not, therefore, depend very much on social survey methods except as but a preliminary to the selection of cases to be studied, or to provide a framework within which instruments to be brought into play after case studies have been carried out would, so to put it, stretch their findings to fit an area too big or too disparate to be comprehended by case studies alone. In any event, development sociology holds or should hold that it would be best for the final stage of any social survey to consist of discussion and analysis of its findings directly with groups or their representatives drawn from the population sampled. The purpose of this final step is twofold. First, it helps to establish the significance, as distinct from the representativeness, of the results derived by statistical manipulation and of the comparability, of say, one household studied with another. Second, it helps to discover the causality a development planner needs to know inasmuch as a planning recommendation is seen as a causal rather than a functional input. Characteristically, statistical surveys establish correlations, not causalities.

Next, development sociology (*and social and economic anthropology*¹⁰ *and*

10

Between sociology and social anthropology, there may be a distinction inasmuch as participant-observation methods may not be used by both. Development sociology and sociology might contrast in the same way. Social anthropological case studies of rural development in the Philippines include, especially, F.L. Jocano, *The Traditional World of Malitbag*, Community Development Research Council, Manila, 1969 and D.L. Szanton, *Estancia in Transition*, Institute of Philippine Culture, Paper No. 9, Quezon City, 1971.

other social sciences with the characteristics under discussion such as, above all in the Philippines, public administration) aims to find out the actual distribution among social groups and categories of effects or benefits of planning as well as actual and potential planning power and its use. It is, in this regard, specially suited to appraise the extent to which social justice objectives in any sector have or have not been achieved and the extent to which regional development, "regional" here meaning simply a level nesting somewhere between national and local extremes, has been attained.

On the concept of social justice and its realization or otherwise, a vigorous analysis has recently been published in the Philippine Journal of Public Administration.¹¹ Concerning regional development, Philippine national policy now affirms the vital importance of this, and both development regions and regional capitals have been designated. At present, analysis is underway, for instance, into some of the various aspects of relocation of government offices concerned.¹² At the same time, the Board of Investments is also taking new steps to recommend regional locational strategies.

Development sociology can investigate the dimensions of likely structural receptivity in this community, or that, to particular development programmes introduced from above and the outside. This, however, is a notoriously elusive and eluding subject. The older social studies in the Philippines as elsewhere, specially of rural communities which they construed as if they were geographically and social-

ly almost totally isolated and inactive, limiting themselves, in consequence, mainly to enumerating their compositional traits such as this or that level of literacy or this or that kind of kinship system, etc., have proved to be grossly misleading about even the viability, the very survival, of rural community life. The much needed corrections¹³ to the older, heavily prejudiced views have come from a variety of sources, not least by persons socially and intellectually concerned, but not necessarily professionally, sociologically or anthropologically trained.¹⁴

'Green revolution' social studies in the Philippines are distinguished, for instance, by a small communications research project, *ex post facto* and limited in scope though it was, as its author states.¹⁵ Its most general finding, that attitudinal change in farming patterns follows behavioural change rather than the other way around, as so many community development programmes have supposed, is most interesting and full of practical implications for policy and its implementation alike. A technical study of socio-cultural implications of agrarian reform, also expressive of newer points of view, convincingly portrays how persistent assumptions on the part of some rural development planners "*that the farmers, particularly the tenants, are still traditional, dependent, abused and reticent*" have steadily pulled policies down into "*a 'social trap' (which forced planners) to take most of the initiative away from the farmers. The social balance in the farming sector lately has been tipped much too low.*"¹⁶

¹¹R. Ocampo, "Social Justice: An Essay on Philippine Social Ideology," *Phil. Jour. of Public Adm.*, Vol. XV, Nos. 3-4, July-Oct. 1971, pp. 272-297. See also R. Ocampo, "Technocrats and Planning: Sketch and Exploration," in the same Journal, Vol. XV, No. 1, Jan. 1971, pp. 31-64.

¹²Regional Capital Development Programme: *Interim Report No. 1*, PPDO-DMS-NEDA-IP, et. al., Manila, 1973.

¹³See for instance G. Castillo, "A New Look at Old Concepts in Development," *Solidarity*, Vol. 3, No. 5, May, 1968.

¹⁴J.M. Montemayor, *Philippine Socio-Economic Problems*, Manila, 1969.

¹⁵C.M. Mercado, "Communication Strategies and their Impact on Launching the 1967 Green Revolution in the Philippines," *Phil. Jour. of Communication Studies*, Vol. 1, No. 1, Sept. 1971, pp. 25-43.

¹⁶R.M. Lopez, *Agrarian Reform: Its Socio-Cultural Implications in the Philippines*. Agrarian Reform Institute, University of the Philippines, mimeo, 1972.

Philippine urban developmental studies have been distinguished first,¹⁷ by a dynamics of community power study and then by the study, also by the participant-observer method primarily, of a Manila squatter-slum area.¹⁸ This latter effectively dispelled some of the gloom-doom of many social scientists and others that slums were but sloughs of social disorder and depression. Indeed, through this and other urban research inquiries¹⁹ and much public and private advocacy on the part of the Institute of Planning,²⁰ a more sanguine evaluation of urbanization as a whole has emerged, so much so, however, that with the swing of the pendulum, sometimes views about urbanization have succumbed to the romanticism more often addressed to alleged rural rather than urban utopias. Nevertheless, the very strong traditions of free thought and expression in Philippine social science continue to assert themselves in new ways. For instance, at the same time as it was increasingly understood that, as the title of the second, now classical urban study mentioned above has it, *Slums are for People*, it has also been perceived, as one of my graduate students has put it, to what extent *slums are by planners*, meaning by this that however free from social disorganization slum life on occasion may be, this requires careful interpretation. Above all, sensibility must remain alert to the fact that looked at in the larger context and not as social micro-points, slums manifest "*the inequality in the distributive processes of the economic and political order of the society wherever it is.... a social policy (is needed) that would recognize the strength of slum*

¹⁷ M.R. Hollnsteiner, *The Dynamics of Power in a Philippine Municipality*, 1963.

¹⁸ A.A. Laquian, *Slums are for people*. Local Government Center, College of Public Administration, University of the Philippines, Manila, 1969.

¹⁹ Carried out in part by a team directed by Dr. Sylvia Guerrero of the Institute of Social Work and Community Development, U.P., at the Institute of Philippine Culture, Ateneo de Manila University.

²⁰ In a number of speeches by Dean Leandro A. Viloria and former UNDP Project Manager Walter G. Faithfull.

dwellers and mobilize them to bring about radical social change."²¹ Ideas of urban land reform in the Philippines have not yet made the headway that rural land reform ideas apparently have now in technocratic and other central planning sectors. Indeed, urban land reform ideas are notable mainly by their absence, except in some imaginative and politically responsive policies towards squatters.

Thirdly, development sociology and allied social anthropological social economies and similar work inquires directly into change and changefulness outside of what is conventionally understood in development studies as development planning. This is so especially in, or in respect of, theories of time and of space.

Concerning changes in the distribution of phenomena relating to social organizational phases over time, a decade ago, significant beginnings were made in African developmental studies regarding, for example, what are termed '*development cycles*' of family organization and family estates. An illuminating Asian sociological study of poverty in Taiwan²² traces, among other things, the persistence or otherwise of poverty traits over time in the context of changing family structures. One looks to this kind of analysis, not least, to help pinpoint important implications of the timing of planned intervention, in this case to alleviate poverty. It suggests how plans might succeed or fail partly depending on the single factor of when they have been introduced, notwithstanding, for instance, their specific content or the particular intentions behind their introduction. Thus far, in urban (*and other*) poverty studies in the Philippines, this approach, so far as I am aware, has not been explored (*but I am informed that data collected in the recent Metro Manila poverty research carried out by the Insti-*

²¹ A.G. Pacho, "Slums and Squatters in Third World Cities," *Local Gov't. Bulletin*, Vol. VI, No. 3, May-June 1971, pp. 8-12.

²² Hsieh Kao-Chiao, *Poverty in Taiwan*, Social Development Research Studies No. 3, Preliminary Programme for Community Development, 152 Ai-Kuo East Road, Taipei, 1973.

tute of Philippine Culture and to be published later this year, could possibly be analyzed from this point of view).

Concerning the distribution of phenomena over space, an important analytical tool that has yet to be used in detail in Philippine development studies is that drawn from the French *poles de croissance*, known in English as growth pole analysis. One major exploratory study has been made, however, for the whole country.²³ Furthermore, work is soon to start aiming at more definitive results for one particular region.²⁴ The very expression in English, *growth pole*, is meant to connote a process which is in some ways very different from development, namely a strong force, at once a social, political, economic, cultural, and so on, with which development planning would be best advised to cooperate rather than to confront. The resultant spatial pattern mentioned in another Taiwan study as "*the basic logic of the process of maturation of the hierarchy of central places*,"²⁵ tends to be highly stable regardless of governmental and all other development planning carried out in neglect of it.

Fourthly, where development sociology is concerned with culture, it is as much, if not more interested in the culture or subculture of planners as with the culture or subculture of, say, poverty. For instance, sociology of knowledge studies have shown in Africa, Asia and Latin America alike that, notwithstanding the evidence of the performance of this particular organization or that, *a priori* development administration preferences keep recurring for some organizational instruments rather than others. Thus, time and time again, despite their repeated

²³ By Z. Nowakowski, See *Study on Regional Delineation of the Philippines*, Study No. 11, Physical Planning Strategy for the Philippines, DPWTC-IP-PACPWCD-UNDP, Manila, 1971.

²⁴ By V.C. Aganon for Bicol in the Cooperative Bicol Research Project, National Development Research Center, University of the Philippines.

²⁵ E. Winckler, *Community Development in the Republic of China: Regional, Urban and Organizational Aspects*. Social Development Research Studies No. 2, 1971, Taipei, Taiwan.

failures²⁶ to achieve the targets set for them which, in so many parts of the world are identical, development administrators recommend cooperatives over and above other organizational possibilities, or at least pin the label of 'cooperative' on to the instrument they recommend. If martial law *Filipino style* has, possibly despite many people's expectations of it, thus far, at least apparently somewhat successfully reached out into those areas of the public and national domain subject to influence by this particular form of *force majeur*, it is possible that current thinking in the country now being directed towards cooperatives might also find a Filipino solution. But steps along this path would be so much firmer if, instead of an *a priori* orientation, there were to be a careful appraisal of what experience elsewhere has to teach. This is all the more necessary as some of the best evidence available at the present time suggests that as a rule, Filipino farmers do not want to join cooperatives of the kind of which they can speak from the direct experience they have acquired already.²⁷

V

Having described development sociology briefly, we must now move to evaluate it. To a large extent, the strengths and weaknesses of its actual and potential contributions to unified development planning and its analysis, are those conventionally discussed in relation to social anthropology as an applied social science. Its two leading characteristics in this regard are or should be, one, field work by participant-observation methods through the medium of the language most commonly spoken, and two, a subject focus that at least is on a society as a whole. To these two features could be added a third. To some extent, the concepts and methods most commonly used in even this single discipline are, even if

²⁶ See the UNRISD series of publications on *Rural Institutions and Planned Change*, Nos. 1-8, 1968-1973, edited by this writer, O. Fais Borda and Inayatullah.

²⁷ See, e.g., the speech of Dr. E. Tavanlar at the First Congress of the Philippine Institute of Environmental Planners, May 1973.

in a limited sense only, interdisciplinary or at any rate, bi-disciplinary. Social anthropological studies of law in a society, for instance, commonly use jurisprudential as well as social anthropological sources. Sociological studies of economy in society will seldom be innocent altogether of economics. Each of the three characteristics just described can be discussed one by one.

The field work by means of which participant-observation is attempted is a form of direct exposure to the subject of study. At the very least, this involves or should involve, actually living as nearly on the job as possible. In addition, most field workers like doctors, can tell stories of being called out throughout the night to attend this or that important event so many of which seem to take place only at night. Of course, when an element of secrecy or privacy is integral to what one is seeking to study, a special effort is called for on the parts of all concerned. At the same time, the fact of secrecy, privacy, authority, or factions means that however valiantly one may try to do more, the lone individual has to operate under heavy limitations of a social, as well as a temporal and spatial kind. And the more the exogenous (*to the society being studied*) nature of any team, usually the less can its methods of work and exposure be participant-observatory.

The depth and integration of experience obtained by field work will depend partly on the guidelines followed in the course of the field investigations, and partly by the intellectual organization that inheres, in the method chosen to reduce phenomena observed to a written account of them. As guides for the actual inquiries on the job, there are classically, the London Royal Anthropological Institute's *Notes and Queries on Anthropology* (*in various editions*) and Yale University's *Human Relations Area Files* codes. There are also a number of other less inclusive checklists, including those produced in this country, and the results of field work itself already published in monograph form (*and secondary or comparative analysis*).

ses based on these). It is, indeed, from a reading of the abundantly available monographs that the shortcomings of most or many fieldwork accounts are evident.

Chiefly, but varying greatly in incidence and significance, these limitations tend to be of two general kinds. First, though the common practice is for the monograph to begin with a chapter or two on '*physical environment*' and '*history*', the tendency in fieldwork accounts is for these introductory chapters to be, in effect, almost independent entities from the rest of the book. The interrelations of, for instance, a kinship with a political system, will be described perhaps in great detail, but the reader will be left with the impression that any relationship between these and, say, natural habitat or, should it be mentioned at all, nutrition, is entirely co-incidental. Even settlement patterns usually are taken as givens. As for perceptions of environment, even, for instance, in terms of classifications of natural features held by the social groups who live among them, these probably have been entirely omitted. Typically, description of the landscape will be in textbook geological and botanical language only. Of course, some monographs are exceptional, and as such are specially sought after for the clues they give also to what may exist elsewhere, though it has not been described.

Second, a further common feature of field work accounts is the predominance in them of data on beliefs rather than practices, and especially the more exotic or unexpected of these as seen from the viewpoint of the fieldworker. Accounts of ideas or beliefs about, say, ancestor cults or witchcraft, abound. But there are very few of the actual practice of them — by whom, how often, when, etc. To some extent, admittedly, this is a function of the kind of data that it is possible for, say, a single field worker to collect and of the romanticism and the search for the odd, the underprivilege and the unusual that attends the adventure of fieldwork and the self-selection of fieldworkers. The chief exception to this generalization

is afforded usually by studies on marriage (*and divorce and family composition, generally*). The collection of genealogies, especially by social anthropologists is to be included here. The conventional method used to represent kinship and affinity data is, however, indicative of the nature of the analysis they are used to sustain to anticipate questions of intellectual organization in written accounts of fieldwork. The relationships of (*living and dead*) siblings and in-laws, and so on, are shown in diagrams to a point of reference (*ego*) but not, for instance, whether *ego*, say, actually knows their sex or names, as distinct from the anthropologist-author of the genealogical table. Social anthropology sets very great importance on field work as a '*method*' in fact, in two regards — as a means of collecting primary data and as an education for the analyst wishing to engage in secondary (*as well as primary*) analysis. In practice, however, these are not quite the same things.

A key point about social anthropology, in particular, but an ideal development sociology in general, also is that, unlike other social sciences, a special emphasis is or should be put on working in the language actually used by the population under study. Partly, however, this is a function of necessity anyway, in the absence of shortcuts and because anthropologists, above all, go out to other cultures with other languages for their inspiration. It is possibly, largely, because of the practical necessity of learning a language for anthropologists, as well as the intellectual importance attributed to this specialized and demanding skill, that analogies have so often been drawn between linguistic structure and social structure, and outside the social sciences, there has also been much lively interest in language and the meaning of meaning. There is, perhaps, something of a trend for studies of African and Asian social *philosophies of being*²⁸ to be studied

especially from linguistic starting points mainly. While, no doubt, there may be as many interrelations (*and lack of inter-relations*) between verbal ideas and practices and others as between other phenomena, these, so to say, quasi-liturgical works tend to be examples of working excessively within the categories of one society while trying to understand another. By that very fact, however, they also, very importantly — if paradoxically — at the same time show one of the universals of humankind, namely, the fact probably all cultures have '*their own*' philosophies of life, similar though all these may be in both concepts and contents.

Participant-observation is such in development studies, usually, in a loose sense only. It is, in short, synonymous with the idea or end of field work discussed above. There are, however, some instances of the observer actually taking, say, a management position, both to gain better analytical vantage point and to help achieve a development or other interest of his or her own. The reasons why sociologists and anthropologists seldom take a management position in society they are studying, are many and varied. The most persuasive is a belief in a neutrality of position to which the participant-observer should aspire, but carried to a ridiculous extreme, this has been interpreted to mean that a fieldworker should be virtually an invisible being with such an infinite capacity for compassion so that every one would tell, confide, confess and share everything with him or her. The great advantage of research done well by realist participant-observation over a suitable time period is that it, and it alone, can afford first-hand insight into processes and causalities of change and their monitoring and management by those most immediately concerned, far beyond that which a social survey could offer.

After the fieldwork, comes the write-up. Then, there is the rub — to be or not to be a functionalist! Despite all the critiques, this still remains a vital issue for each fieldworker to resolve personally,

²⁸ L.N. Mercado, "Filipino Thought," *Philippine Studies*, Vol. 20, Second Quarter, 1970, pp. 207-272.

when it comes to explaining or trying to explain patterns or events. Partly this is because of the comparative isolation of social anthropology from broader, especially philosophical and ideological concerns — which taken all together go a long way in accounting for the very institutionalization of that social science in a world of university (*and other*) departments, some of which even in their more sober moments, were as hostile to it as others are today, to sociology. It was at one time very common for social anthropology as a whole to be described as translating from the terms and ideas of one culture into another. The best translators are those with the best knowledge of the two languages concerned, the one translated from and the other translated into. Where the balance of assumptions, and analyzed etymologies, tilts very much in favour only of one, translation will be defective. In social anthropology, there has been a tendency throughout the world for so much effort to have been put into understanding the language translated from, that that translated into is not given the attention it needs. Of course, by language here, I mean concepts as well as words. The result of this insufficiency of thought has been in so many cases, the imposition of '*our*' categories on to '*theirs*' despite the intention behind field work and its significance being the very opposite of this.

In development studies, it is much better understood now, than previously where plans, more than their implementation were at the forefront of interest, that a selection of general theories — not only one — can be held '*about development*' by the theorist and the practitioner at the same time, but with respect to different situations, contexts or occasions. I suspect that now the foremost single premise of development studies should be — that sometimes some aspects of its subjects of investigation are interlinked, and some not. Some of these links or their absence are functional. Others not. Regarding functionalism, for instance, it is very often an agnosticism rather than an atheism that is needed. I am sure, at one time or another, we have all had the experience

of finding some of the best Catholics to be marxian, and the best Protestants to be atheistic, traumatic though such a discovery can be to all concerned!

Turning next to the aim to study wholes, whether these be defined principally as social, cultural, psychological or spatial, or all of these together, this is a holistic analytical aim sought regardless of the extent to which the subject of study itself has a substantive holistic character. As one social anthropologist²⁹ puts it, his monograph aims:

"to describe (a) society in its general form not (to) emphasize any one institution such as kinship, economic organization, or religious behaviour (*but*) rather, to show how the division between these activities is mainly the artificial analytical device of social anthropologists. Any activity actually involves a wide range of meanings which merge. Thus, a marriage is an economic exchange of wealth for a woman who will be a source of labor and children; it marks the beginning of a domestic and familial group; it unites two groups of kin and therefore may have the implications of a political alliance; and the marriage is consecrated at a wedding by ritual symbols which exemplify some of the deepest values of a society. It would be quite wrong to see marriage in terms of only one of these elements and not the others. It would be equally wrong to speak of the "*institution of marriage*" if by that expression we implied that marriage did not involve economic, political and religious institutions as well. What we must do is to try to see social behaviour within the framework of society as a whole, as, to quote Marcel Mauss, '*a total social phenomenon*.' Admittedly, this is a very difficult, perhaps even impossible, task; but it is precisely this commitment to an overall conception of a society that is the peculiar contribution of anthropology."

The extent to which this objective could be achieved depends partly on the prepa-

²⁹T.O. Beidleman, *The Kaguru: A Matrilineal Society in East Africa*. (Holt Reinhard, New York) 1971.

ration of an anthropologist for field work. An anthropologist especially interested in, say, religion, needs a great deal of theology (*if more, it must be said, usually after he or she returns from the field rather than before*). At the same time, he or she will probably attempt to grasp even an elementary outline of economic principles, being interested in religion or on ethic for, as well as a model of, human interaction. Anthropologists are usually so much aware of the importance of following leads in the field to wherever they may take one as to be reluctant to try to define his or her field work objectives in too much detail in advance of actually going to the field (*irritating though this may be to funding bodies*).

Thirdly, the extent to which, despite its objectives, social anthropology in practice is not specially interdisciplinary is a controversial matter that is not feasible to discuss here in principle, except in one regard. And this is with regard to the following. It is not only the social anthropology of law in society (*or society in law*) that is specially interested in jurisprudence. The concepts with which, at any rate, most Western European and North American anthropologists and sociologists analyze social behaviour — role, corporate groups, status, right, duties, etc., — not only derive very largely from jurisprudence. They also are actually used in a jurisprudential manner, particularly when oriented to the study of social or cultural values and value systems. But whether this particular partnership might be right or wrong for a given purpose — because an association for one objective is not necessarily the best for another, is immaterial for the moment. What is more important to emphasize by means of this example is, simply, that what at first sight may appear to be just a single discipline may, on further inspection, turn out to be very different especially if a historical glance at origins can throw light on present picture. If university disciplines can be seen to be very unlike states or nations, then, modes other than those of conquest or annexation can serve as a basis for inter-disciplinary efforts.

In the Philippines, an emphasis principally on rural studies and prehistory and archeological work has gone hand in hand with anthropology. Certainly, there would seem to be an unusual environmental potentiality here for the kind of investigation that was rewarded last year with Tasaday.³⁰ There has, moreover, been much continuity in a long history of this. Nonetheless, what has happened elsewhere in post-colonial times, seems also to have happened here. Most notable, has been the rise of political science and local administration studies and following not far, if at all, behind, sociological studies of mainly rural development. Especially, rural sociology has gained in importance over social anthropology as the social scientists involved being increasingly more native than foreign, are studying their own — in a national sense — society. Again, this is a broad pattern of decolonization and anticolonization the world over.

Jointly-authored work by foreign and national sociologists is exceptional in most post-colonial regions. Is this because, at the level of local communities, the latter tend to prefer survey to participant-observation work? Cooperative work has been somewhat more common in the field of political science and public administration. Why this should have been the case, if not solely because of a common methodological orientation which is probably unlikely, it may be difficult to say, unless power, at least the study of power, attracts more than corrupts.

* * *

Is there any alternative approach to the field of practical and intellectual concerns in development studies that, in a way a default, the conceptualizations described in this paper touch on? Is there any alternative means to those we have discussed thus far that might help make real and perplexing issues for planning

³⁰C.A. Fernandez and F. Lynch, "The Tasaday: Cave-dwelling Foodgatherers of South Cotabato, Mindanao," *Philippine Sociological Review*, Vol. 20, No. 3, Oct. 1972.

less intangible and therefore more amenable to solution? The trouble with equating "social" with "intangible" and "non-quantitative" aspects is, simply, that that makes it more or less sure that either they cannot or will not be grasped, even identified, with much certainty. If, by chance or post mortem, they are stumbled upon, they will have been defined at the outset as somehow nonessential, non-technical. Could there be a way of studying and, hopefully, practicing development planning and its analysis which does not set out with the initial disadvantage of a fragmentation into aspects — social, economic, political, physical, demographic, legal, psychological, geographical and so on? Is there, in short, a less aspectual than dialectical approach?³¹

I believe that there is, and we must search for it. Once development planning as a universe of discourse and action has been defined, and agreements reached on the most relevant sources and uses of data, it should be possible to set out at minimum a kind of checklist of the principal issues that any form of development planning and its evaluation, but especially planning, concerned above all, with social institutional development, must face, whatever the particular nature of individual programmes. But it must remain for another occasion to report on a teaching experiment in this regard now underway.

³¹ Georges Gurvitch, *Dialectique et Socio-logie*, Flammarion, Paris, 1962.

THE FOUR-YEAR DEVELOPMENT PLAN FOR FY 1972-1975 AND THE PHYSICAL PLANNING OF THE MANILA BAY METRO-REGION*

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The Four-Year Development Plan As Part of the Long-Term Plan

With the declaration of Martial Law in the Philippines, the President has in effect terminated the era of *laissez faire* and begun the era of a more controlled economy. This means that the government can exert a far wider and more potent influence on all activities including those in the economic field. The development plan of the present administration is a public document showing how the government machinery and resources are committed to specific objectives and growth targets. If it is to be taken more seriously by the implementing authorities as being more than an indicative plan, its contents should be analyzed for their possible implications to the country's physical growth.

The Four-Year Development Plan for FY 1972-1975 is a continuation of the Development Plan for FY 1971-1974 both were made during and for the Marcos Administration. Technocrats view these four-year plans as part of a rolling plan geared toward long-term objectives. This concept of a rolling plan is advantageous in that it allows more flexibility for the plans to adjust to more recent developments in the domestic as well

as international economies. In addition, it makes possible a more comprehensive evaluation of economic performance in relation to the plans and the incorporation of improvements in the methodology of identifying or specifying the important relationships in the economy.¹

Goals of the Development Plan for FY 1972-75

The ultimate goal of the Marcos development plans is sustained economic prosperity.² The long-run plan objectives mentioned by the FY 1972-75 plan are: higher per capita income, greater employment, more equitable income distribution, internal economic stability, and regional industrialization and development.³

Since it is unlikely that these objectives will be fully achieved in the four-year period of the Plan, some intermediate guideposts have been set up. Such guideposts are geared towards solving what have been felt as the country's two largest problems: balance of payment deficits and unemployment. They are the following: export promotion, labor intensity, and industrial linkages.⁴

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¹ From the foreword by National Economic Council Chairman Gerardo P. Sicat in the Four-Year Development Plan 1972-75 adopted by the National Economic Council, July 23, 1971.

² Four-Year Development Plan 1972-75, (National Economic Council, Manila) 1972, p. 3.

³ *Ibid.*, p. 17.

⁴ *Ibid.*

Among the three guideposts, labor intensity has been the most difficult to enforce, especially in the manufacturing sector where technology is capital-biased rather than labor-biased. However, the seriousness of this problem has been recognized by the national planners, so that a conscious effort has been undertaken in the government sector including the Board of Investments to generate employment through more labor intensity even in the manufacturing sector.

Macroeconomic Model of the Economy and the Development Plan

Brief mention is to be made of the empirical macroeconomic model which was utilized in considering the inter-relationships among the aggregative variables and the constraints they impose on the choice of development targets over the plan period. Unfortunately, this model has no geographic dimensions, partly because data in the Philippines is in an aggregate form. However, this model is useful since it differentiates between exogenous and endogenous factors affecting growth under Philippine conditions. Furthermore, it suggests some reforms in the economic structure of the country.

Money supply, wage rates, import prices and exports are considered exogenous variables. This means that these variables are determined by external factors beyond the control of the economy such as legislation, world market conditions, etc. The endogenous variables are real GNP, employment, general price level, investment, capital stock and imports. The macroeconomic model explains their determination and makes forecasts of their values for the plan period.⁵

Since this is an empirical macro-model, one of the findings is that, given the present economic structure, stimulants to growth will be met either with a poor response in real

GNP or with runaway inflation. Therefore, there is a need for changes as follows:

- a. a shift in the composition of exports from principally agricultural to industrial;
- b. an increase in capital-output ratio by increasing the demand for investment goods rather than consumption goods;
- c. shift in industrial structure from capital-intensive to labor-intensive activities;
- d. growth in productivity through improvements in production technology in agriculture as well as manufacturing; and
- e. improvement of the tax effort.⁶

Concerned government agencies like the Board of Investments have long supported proposals (a) and (c) through policies which are translated into the Export Priorities Plan and Investment Priorities Plan. Furthermore, recent Presidential directives like the ban on luxury consumption goods and tax amnesties will boost (b) and (e), respectively.

Sectoral Growth

Gross National Product is to have an annual average growth target of 6.9 per cent for the plan period. The sectoral breakdown is as follows:

Agriculture - - - - -	5.3 per cent per annum
Mining - - - - -	21.8 per cent per annum
Manufacturing - - - -	9.0 per cent per annum
Construction - - - -	13.5 per cent per annum
Transportation - - -	5.8 per cent per annum
Commerce - - - - -	5.3 per cent per annum
Services - - - - -	4.0 per cent per annum

Exports and imports are to increase at an annual rate of 10.3 and 10.7 per cent, respectively. The implications of these faster growth rates on the physical structure of the Manila Bay region will be discussed below.⁷

⁶*Ibid.*, pp. 53-55.

⁷*Ibid.*, pp. 23-31.

⁵*Ibid.*, pp. 45-49.

Agriculture

In order to achieve a growth rate of 5.3 per cent per annum, the strategy of development in this sector consists of:

- a. expansion of food production throughout gradually expanding irrigated areas;
- b. expansion of agricultural exports: commercial, (coconut, abaca, sugar, etc.) and non-traditional exports (poultry, breeding hogs, bananas and other fruits, vegetables);
- c. intensified land distribution, particularly in the areas of unrest; and
- d. conservation of natural resources.⁸

The Green Revolution project of the First Lady has resulted in the overwhelming production of vegetables and foodstuffs. It alone could make the target rate of growth of 5.3 per cent easily achievable. Its benefits to the common man are better nutrition and less out-of-pocket expenditures since vegetables and foodstuffs are now plentiful at lower prices. The inner zone of the Manila Bay area which used to be a food products-importing region is starting to find itself self-sufficient in such commodities. Even the Greater Manila area which has been a food deficit area is enjoying the benefits of the Green Revolution.

The Upper Pampanga River Project is the only significant irrigation project mentioned by the Plan in the Luzon area. However, since it services the Nueva Ecija farmlands which lie outside the study area, the project will not have a substantial impact on agricultural production in the Manila Bay area.

With the expected increase in agricultural exports, existing coconut farms in Southern Luzon, and sugar lands in Central and Southern Luzon, poultry farms and piggeries, shrimp and marine farms in the coastal areas will continue to flourish since their markets will expand to include many other foreign countries. Perishable export crops

will have to be within reasonable distance from the ports until refrigeration services are adequate to meet the demands for it.

The policy of intensified land distribution has been supported by the proclamation of the whole country as a land reform area. The provinces in the study region are greatly affected because a large portion of their territories are planted to rice and corn and are highly tenanted. In addition, Central Luzon has had a long history of social unrest because of this issue.

There are three problems attendant to the distribution of land which have not been given due attention but which can be solved very easily by issuing supporting decrees. First is the question of whether lands which will be distributed are of economic size. If a farmer gets less than 3.05 hectares for unirrigated and about 1.8 hectares for irrigated lands,⁹ his costs will always be greater than his income. Therefore, owning the land will not be to his advantage. Secondly, there is the matter of inequity in distribution. Land is given to the farmers to achieve the national goal of social equity. Lands have different soil fertility and sizes of lots to be distributed may differ from one person to another. Such differences will have to be contented with. Finally, there is the problem of planning ahead. The Manila Bay area is projected to become the metropolis of the nation. Many areas now being planted to agriculture in the Manila Bay region are potential valuable urban lands. The decree on land reform prohibits the resale of distributed land. This means that a prospective industrialist looking for a plant site will not be able to buy land from the farmers who are beneficiaries of land reform. Moreover, he will have to deal with a larger number of landholders in buying a tract of land, thus raising his acquisition costs. These are critical problems bearing

⁸ *Ibid.*, pp. 101-122.

⁹ The findings of Josefina T. Rivera on "Determination of the Minimum Family-Size Farm for Lease Holders in the Land Reform Program," a paper submitted to the UP-Wisconsin Training Program in Development Economics on March 30, 1971 show that the economic sizes of farms are as follows: one-crop irrigated farms: 2.14 hectares; two-crop irrigated farms: 1.58 hectares; non-irrigated farms: 3.05 hectares.

significance to the distribution of land in the metropolitan region which deserves attention, particularly from the Department of Agrarian Reform.¹⁰

Industry

The industrial sector includes the areas of manufacturing, the processing segment of mining, and other related activities such as construction. The Plan anticipates an increase in share of net domestic product of the whole sector from 24.4 per cent in 1972 to 27.6 per cent in 1975. Sectoral distribution is as follows:¹¹

Net Domestic Product Originating in Sectors as Per Cent of Total	FY 1972	FY 1975
Processed Mining	2.4	3.7
Manufacturing	19.0	20.9
Construction	3.0	3.0
Total for Industry	24.4	27.6

As seen from the above table, industrial expansion will be largely in terms of mining and manufacturing output.

The mining sector includes sand and gravel operations to get aggregates for making concrete. These operations should be as near as possible to the urbanizing areas to save on hauling costs. At present, the Board of Investments has ruled sufficiency in this activity in relation to the needs of the Luzon area. However, since urbanizing areas are increasing rapidly, and gravel operations must have room for future expansion, land-use planning in the Manila Bay region as well as other rapidly urbanizing areas should see to it that these essential resources should not be forced out prematurely. Furthermore, they should see to it

¹⁰ Latest reports state that the Department of Agrarian Reform is indeed investigating the third problem mentioned above.

¹¹ Four-Year Development Plan, *op. cit.*, p. 130.

too that such operations do not leave devastated, useless land behind.

To achieve the targets for the manufacturing sector, the following objectives are presented: (a) alleviate the trade imbalance by developing export-oriented industries employing indigenous raw materials; (b) promoting the development of intermediate and capital goods industries with high potentials for forward and backward linkages; and (c) dispersing industries to different regions in order to generate, among others, wider employment opportunities.¹² Among the three objectives, the last one holds the greatest impact toward the development of the physical structure of the Manila Bay region.

Interest in regional development in the Philippines is relatively recent. Since the latter part of 1972 to date, more definite policies have been formed by major planning agencies like the National Economic Council (NEC), the Presidential Economic Staff (PES), and the Board of Investments (BOI).¹³ With stricter adherence to regional dispersal of industries, there may be a lower percentage of industries located in the Manila area. In the past, factories were installed in the inner core of the Manila area, particularly near the port and along the waterways of the Pasig River, because of the high import-component of their finished products. The Four-Year Development Plan, which was prepared prior to the imposition of martial law, foresees the extension of the import-dependence of future industries on the condition that there are net foreign exchange savings due to their production.¹⁴

There are two possibilities in the new industrial development structures. First, with the concern of the Secretary of Finance over the increasing balance of payment deficits, new industries using highly capital-intensive technology (capital equipment is imported)

¹² *Ibid.*, p. 134.

¹³ The Integrated Reorganization Plan of 1972, adopted by the President by virtue of Presidential Decree No. 1-A has abolished the NEC and the PES and has created in their place the National Economic and Development Authority (NEDA).

¹⁴ Four-Year Development Plan, *op. cit.*, p. 134.

and/or having production processes which have a high import component will not be allowed to be set up. Another possibility is that, even if this import-dependence characteristic of future industries were allowed to continue, location tendencies may change when, due to the industrial dispersal policy of the government, ports in metropolitan areas like Cebu and Davao cities will be expanded to service more international ships.

As a result of their interim policies on dispersal of industries, the BOI has observed the following trends from their assisted projects:

- a. agro-industrial projects are widely dispersed and located beyond a 55-km. distance from the Manila area;
- b. projects in the chemical industries have concentrated in Manila and neighboring regions;
- c. projects in the engineering industries are all in the Southern Luzon region; and
- d. most industries exporting products other than minerals and processed mineral products are located in the Greater Manila Area.¹⁵

There are two priorities plans being promulgated by the Board of Investments. These are the Investment Priorities Plan and the Export Priorities Plan. The latter is different from the former in that it encourages industries to produce for export. As a first step in regional dispersal of industries the export-oriented industries should strongly be encouraged to locate near ports in the areas other than Manila which service international ships.

Needless to say, and in spite of strong regional dispersal policies, location of industries at least in the next 10 years will probably be outside the existing Manila built-up area but still within the Manila Bay region.¹⁶ The main reasons for this are the

¹⁵ *ibid.*, p. 147.

¹⁶ The Manila Bay Planning Strategy Team and the UPIP defines Manila Bay region to include the eight provinces of Zambales, Bataan, Pampanga, Bulacan, Rizal, Cavite, Laguna and Batangas.

following: (a) land is still abundant in these areas; (b) the concentrated population of the metropolitan area offers itself as the largest single market for any type of product; (c) Manila being the primate city possesses every conceivable urban facility and infrastructure required by any industry; (d) proposed transport infrastructure projects link Manila City to all parts of the country passing through the Manila Bay region, thereby opening up more areas in the latter for industrial location because of lesser travel time and more efficient transport of products to the urban market.

Infrastructure

Infrastructure is primarily a service sector and as such, follows the demands of economic development. It also serves as a positive inducement to economic progress itself. The government in a free enterprise economy is impelled to provide the proper climate and direction towards desirable investment areas. It can be achieved through strategically located infrastructure projects that provide the required physical and social overhead facilities for productive activities.

In a more controlled economy, government participation could extend as far as the actual production of consumption goods and services. To this date, the government has not made any substantial plans other than those in the field of infrastructure development although it has been involved in many industrial and commercial projects. The following discussion will touch upon projects discussed in the Plan as well as in the publications of the NEC and the PES¹⁷ on projects supporting the Plan and amended by new proposals coming from involved agencies such as the Department of Public Works, Transportation and Communications, the Infrastructure Operations Center, the Presidential Economic Staff and International leading institutions.

Infrastructure programs have been conceived to support the sectoral goals of the development plans as well as anticipate non-

¹⁷ Republic of the Philippines, *Major Development Projects*, June 1972.

sectoral problems of economic growth. From the sectoral targets discussed above, it can be gleaned that an extensive transport system in the form of roads, ports, rails, and airports will be required due to greater spatial movement of food from major production areas to deficit areas, of goods due to the intensified industrial linkages and the expected increase in export tonnages. Strengthening of roads leading to major industrial areas, to ports or urban markets is essential for the easy outlet of products and inflow of raw materials. Power generation and transmission facilities are also being programmed for expansion to cater to the anticipated upsurge in industrial demand.

Below is a discussion of the detailed infrastructure projects situated in the Manila Bay region. They include roads, ports, airports, railways, water resources development, power and electrification, the National Government Center and housing projects.

A. Roads

Road transportation remains the primary means of travel in the country. The proposed roads in Luzon are composed of two packages: 1,200 kilometers of main trunk lines, and 200 kilometers of secondary and sub-regional systems. The United Nations Development Programme, through the International Bank for Reconstruction and Development as executing agency, has found some 810 out of the 1,200 kilometers of the proposed roads to be feasible, and has recommended 500 kilometers of the roads to be built immediately through World Bank funding during the 1972-1975 investment period.

Most of the high priority projects are found in the Manila Bay region: construction of the proposed four-lane 60-kilometer Manila North Expressway Extension up to Angeles City combined with the rehabilitation of the existing North Road; construction/reconstruction of the San Fernando-Olongapo Road and the San Fernando-Gapan Road; improvement of the Las Pinas-Tagaytay and Sto. Tomas-Batangas Roads and the Laguna Lake circumferential Road System. Some 29 kilometers of bypasses have also been proposed around congested urban

centers. The benefits expected from these projects will be in the form of savings in traffic costs, generation of new agro-industrial production and promotion of regional growth centers in the case of San Fernando in Pampanga, Calamba and Sta. Cruz in Laguna, and Batangas City.¹⁸

In the built-up metropolitan core, feasibility studies have been launched for the completion of the basic radial and circumferential road network, including parts of the outer ring road C-5, designed as a service road for the string of industrial zones planned outside E. de los Santos Avenue, and parts of the outermost circumferential road C-6 which would connect the main north and south routes. These projects are among those identified to be high priority in the on-going Japanese-Assisted Metropolitan Transport Survey and are linked with the rationalization of land uses in the development core.¹⁹ When completed, the projects would provide for a more effective spread of transport service in the area and help direct and assist the metropolitan expansion.

B. Ports

Because of the insular character of the country, sea transport is important. The increased inter-industry linkages and the planned intensification of export-oriented industries are expected to boost domestic seaborn traffic and international freight and cargo tonnage.

Under the FY 1972-75 program, the engineering improvement of strategic ports of entry as well as domestic ports of areas having regionwide influence are stressed through the addition of berthing and storage facilities and harbor dredging in order to enable them to cope with the growing shipping

¹⁸ Major Development Projects, *op. cit.*, p. 56.

¹⁹ These radial and circumferential roads in the Manila area are also part of the Metropolitan Manila Ring Development Projects currently being undertaken by a study group bearing the same name in the Project Planning and Development Office of the DPWTC.

traffic and rapid modernization of vessel characteristics.²⁰

In the Manila Bay region, the ports being considered for expansion or improvement are the Manila Port System and the Batangas Port. The Manila Port System is the country's premier trans-shipment point which handles 85 per cent of Philippine imports and 15 per cent of exports. Part of the German commodity loan has been earmarked to develop facilities and handle containerized traffic. The international port is scheduled to accommodate the growth of foreign traffic up to the 1980's. The North Harbor handles domestic traffic. Pier 16 is being planned for expansion including the provision of additional terminal facilities for passengers and cargoes.

Also significant is the proposed improvement of Batangas port following the recommendation of the UNDP/IBRD feasibility study team. This port project, coupled with the proposed improvement of the road connecting it to Manila, will strengthen the role of Batangas as a secondary center of the region.²¹

C. Airports

Airports will be improved/constructed based on the following criteria set up by the Philippine Transport Survey which are: (a) high present and anticipated passenger and freight traffic as well as the importance of the airport's hinterland, (b) substantial deviation from ICAO standards, and (c) absence of, or insufficient means of transport to the areas in question.²²

The only airport project in the Manila Bay area is the reconstruction of the Manila International Airport. The destruction of the MIA terminal building while unfortunate, has provided a good opportunity for restructuring and replanning the system for more efficient operations. A long-run study has been started

²⁰ Major Development Projects, *op. cit.*, p. 57.

²¹ Major Development Projects, 1973.

²² *Ibid.*, p. 58.

in 1972, concurrently with the short-run rehabilitation of the present site, in order to establish the optimum rearrangement and development of the present MIA, to be synchronized with the future transfer to another site. Alternative sites have been tentatively chosen in the Manila Bay region.

D. Railways

The rehabilitation and modernization program of the Philippine National Railways is aimed at bringing the railway mode at par with the other modes of transportation. Railway systems the world over are undergoing major changes both as the only means of competing with the advanced technology of highway and air transportation and the only means capable of handling the passenger loads in large urban area. The Philippine National Railway is no exception, and the long-range program envisioned will bring it up on its feet to provide the necessary services of carrying passengers and bulk cargo over the most economical haul distances.²³

The railway system in Luzon consists of 1,028 kilometers of single-line tracks of the narrow gauge type which extends northward to San Fernando, La Union, and southwards to Legaspi City for a north-south line of 640 kilometers. There is a 55-kilometer branch line from Tarlac, Tarlac to San Jose, Nueva Ecija and a 91-kilometer branch line from Balagtas, Bulacan to Cabanatuan City. These are the lines currently being proposed for rehabilitation in addition to the 640-kilometers line mentioned above. In addition, the extension of the terminal at San Jose, Nueva Ecija to end at Tuguegarao, Cagayan, a project that has long been planned but never implemented, has again occupied the attention of the authorities.

The Four-Year Development Plan makes no mention of the proposed Philippine National Railway commuter lines and the other rail rapid transit lines in the proposed transport plan for Metropolitan Manila. The latter

²³ *Ibid.*, p. 59.

projects are to be undertaken within 15 years to alleviate the Greater Manila transport problem.

E. Water Resource Development

The Manila Bay Metro-Region has the largest lake in the country, the Laguna de Bay, and parts of two of the nation's eight major river basins, namely the Agno, and Pampanga Rivers in Central Luzon. The region has, therefore, abundant potential water resources to supply all the requirements for irrigation and for domestic and industrial uses, and there is a great potential for hydroelectric power generation in the vicinity of the region.²⁴ Many small-scale projects might be necessary, and nuclear power for the Bay region is recommended by the National Power Corporation. There are also extensive ground water potentials in various locations.

The major water resources development projects affecting the study area deal with the sanitary sewerage improvement and flood control and drainage in the Greater Manila watershed. The Laguna Lake Development Authority has proposed the construction of the Mangahan Floodway-Parañaque Spillway complex as the best solution to reduce the flooding of the lakeshore area and the flood overtopping of the Pasig River. Such proposals have been accepted by the Department of Public Works, Transportation and Communications, and are now high priority projects listed among the Metro-Ring Development Projects and currently the subjects of feasibility study.

Also, plans were recently completed to implement the Pampanga and Agno-Tarlac River Control Projects designed to protect 248,000 hectares of prime farm and urban lands in the rich flood plains of Central Luzon. Scheduled for execution over the next four years (presently through USAID assistance), the two projects would prevent flood losses estimated at P38.3 million a year, aside from enabling the protected lands to be developed into more intensive urban and agricultural uses. All such projects would allow urban-

ization and intensified agriculture to proceed with greater pace and scale northwards to the vast area of Central Luzon, thereby enhancing the economic importance of this part of the Bay region.

F. Power and Electrification

Nearly all major towns in the Bay region are serviced with electric power. However, demand for electricity continues to increase as population multiplies and the number of industries grows. Listed below are projects in the Manila Bay region found to be economically justifiable.

1. Central Luzon electrification project, Phase II (regionwide)
2. Bataan Thermal Plant No. 2
3. Zambales electrification project
4. Laguna-Batangas electrification, Phase II
5. Southern Tagalog electrification stage I, II, III, IV, V
6. Nuclear power plant with a reactor capable of generating 400 to 500 MW.
7. Caliraya Pump Storage Project²⁵

A new proposal involves the recommendation by the National Power Corporation for the construction of a nuclear power station for the Manila Bay area to be located either at Bataan or Cavite. Nuclear power plants continue to grow in importance as fuel problems are reducing the relative importance of thermal power plants. All these projects will undoubtedly sustain the growth of existing industries and give added impetus to the emergence of new ones. In addition, electrification of more areas will contribute towards the betterment of the quality or level of living of people in these affected areas.

G. National Government Center

The establishment of a national government center is another priority project among the Metro-Ring Development Projects. Its objective is to transfer the national govern-

²⁴*ibid.*

²⁵*ibid.*

ment offices under the Executive Department to a 120-hectare area at Diliman, Quezon City.²⁶

The transfer of the administrative center may relocate part of the employment concentration together with its attendant problems like traffic congestion, slums, pollution, from the older metropolis to the capital city. The comprehensive plan for the capital city as well as the Bay region should anticipate such problems and include their solutions in the plan.

H. Housing

The National Housing Program included in the Four-Year Development Plan for 1972-75 envisions the supply of housing to 117,000 families during the plan period. The program is divided into three areas: social housing, financed and built by the government (22,434 families); economic housing, financed and built by the government (33,976 families); and private-owned housing, financed by the government (62,040 families).²⁷

The government-owned social housing projects in the study area consist of the Philippine Housing and Homesite Corporation resettlement programs at Carmona and Montalban and the PHHC Tondo Tenement Housing. The economic housing projects are distributed among the following agencies: PHHC/National Housing Corporation, PHHC/Government Service Insurance System, GSIS/Metropolitan Waterworks District and the Social Security System.

Very noticeable is the lack of a national land housing policy which will set up guidelines for the provision of land for housing in the future. Past experiences or resettlement of squatters have not been successful on account of the following: (a) lack of water and sewage facilities; (b) absence of an employment base for the relocated squatters, and (c) lack of cheap transit for the relocated squatters, to commute to their places of work

²⁶*Ibid.*, p. 157.

²⁷*Four-Year Development Plan*, p. 219-221.

or whatever. On a limited pilot scale, these concepts are proposed to be applied to the Sapang Palay, Carmona and San Pedro Tunasan housing projects where USAID assistance is being sought for site development and provision of infrastructure service.

The Plan makes mention of secondary mortgage markets and related financial institutions. Resort to such measures, however, may not be advisable since they may be misused as primary mortgage markets have been in the past, to the prejudice of the more needy sectors of the social structure.

The Four-Year Development Plan and the Manila Bay Regional Plan

One of the concerns of this paper is to find out whether the national plan is in consonance with the regional plan of the Manila Bay and vice versa. The Development Plan is more of an economic plan; in most cases, it gives no physical dimensions, particularly in its sectoral aspects. Although it regards regional growth as one of the important objectives of the country, it does not specify any broad guidelines for its implementation.

From the other end, the study teams of the Department of Public Works, Transportation and Communications have taken the proposals of the Development Plan as given and have drawn out the Preliminary Regional Plan for the Manila Bay. To this effect, there is no conflict between the regional plan for the metropolis and the national plans.

The strategy for development for the Manila Bay region is a mixture of finger development at the metropolitan core, linear development along the major trunk roads during the first stage of development, and regional growth centers in the form of attached satellite cities during the second stage.

In the first stage which is expected to occur within a decade, circumferential and major trunk roads will be constructed to support and service the dispersed industries within the metropolitan region but away from

the urban core. In the second stage, the satellite cities are planned to absorb the growing population and increasing number of industries. Industries are being planned in these areas in order to employ the labor force portion of the exploding urban population which is expected to reach a magnitude of 20 million by the year 2000 within the Manila Bay region.²⁸ The electrification projects cited above are strategically placed at the regional plan's projected urban centers and industrial areas.

Problems for Strategic Planning and Project Development in the Manila Bay Region

The major problems for strategic planning and project development may be classified according to the following: (a) lack of physical plans and planning expertise, (b) politics involved in plan preparation and implementation, (c) financing problems, and (d) lack of coordination between planners and local government officials.

Lack of Physical Plans and Planning Expertise

There are basic differences between national planning, strategic planning and project development. National planners start from national and international considerations and work down to detail therefrom. They deal with the interactions of varied forms of activity in the country as a whole. Strategic planners are more tacticians who decide about the location of definite activities in selected areas. Project developers, as their name implies, develop specific projects for a favored activity.

An important fact here is that until recently, the national plan has not considered regional plans. The reason for this is simple: that no region has prepared a regional plan.

In fact, the Reorganization Commission came out with their official regional delineation only in 1972. The government supported their regional definitions and recently established regional capital centers. For some years, the idea of a regional form of government which is a corollary of a regional development plan is not yet accepted. With the absence of a national physical planning strategy and regional plans, project developers determine specific projects based on the anticipated and existing needs of a certain locality.

One explanation for the lack of physical plans is the lack of expertise in making such plans. Planning education in the Philippines is generalistic as it should be for very small countries in order to allow for flexibility in the vast array of jobs which have to be performed. It has been so generalistic that graduates even on the masters level are not always adequately equipped to handle specialized problems like transportation planning, housing, etc.

The Institute of Planning of the University of the Philippines has pioneered the education of environmental planners but the number of graduates is insufficient to staff so far all the strategic offices in which they are urgently needed. The deficiency of appropriate expertise and talent for certain fields of specialization has forced the government to recruit foreign experts according to particular needs.

Three observations have arisen in this respect: (a) experts have not been fully successful in training their local counterparts because of the voluminous amount of work which has to be accomplished in too short a time; (b) some of the foreign experts were either not real experts or they could not orient themselves to local conditions so as to enable them to tackle local problems successfully; (c) some counterparts could not reconcile themselves to working with foreign experts even if the experts were of high caliber.

The Bane of Politics in Plan Preparation and Implementation

One of the problems of plan preparation and implementation which was repeatedly

²⁸ Lydia Baal, Cristina Que and Yun Kim, "New Population Projections by Age and Sex for the Philippines and Each Province, 1970-2000," Population Research Division, Bureau of the Census and Statistics, (unpublished), 26 pp.

deplored in the past, revolved around the fact that national plans containing recommendations for infrastructure projects were closely linked with the fortunes of powerful and influential politicians. In many developing countries, the change of rulers is so frequent that plans are never implemented by the same set of planners who made them. This factor introduces a degree of instability in plan formulation and implementation which may be a disincentive for prospective financiers of infrastructure programs to take interest in pursuing their projects.

Financing

In any implementation aspect of a plan, financing plays one of the most crucial roles. The experience of the Philippines so far has been to rely on foreign financing for major capital projects, private and public. This tendency has resulted in the undue accumulation of public debt. As mentioned earlier, foreign institutions have grown wary of large politics-oriented or -inspired projects because of the uncertainties attendant to their implementation.

The Metro-Ring Development Project ushers in a new concept of financing infrastructure projects. It utilizes the principle of excess condemnation and purchase of potential urban land to be resold after its development. This is a good proposal in that development projects can be made self-liquidating.

D. Lack of Coordination Between and Among Planners and Government Officials

The Manila Bay region contains 188 local governments at the municipal and city levels. Considering the number alone, it becomes obvious how difficult it is for coordination to be effected among the planners and government officials in order to solve common problems such as traffic, pollution, flood control, etc.

Summing Up

The dynamism generated by compulsive conditions under the New Society should

bring about beneficial results towards the faster development of projects which previously suffered grievous delays due to factors inherent in the system.

Today, when obstacles to development have been largely removed by executive fiat and there is apparent a single-minded even impatient, effort to achieve results along the lines of social and economic development, the total energies and resources of the nation should be channeled towards that goal.

While programming and implementation on the national and local levels are now relieved of certain barriers which proved a drag to more expedient action in the past, there is, on the other hand, the pervasive problem of adequate financing even for top priority development needs. Foreign financing is still the inevitable main source and the Marcos administration more than ever shows an over-riding interest in foreign loans even as every possibility is being explored to promote foreign investments here not only from the traditional fountainheads in the United States but also in other countries in Asia and Europe including the Socialist nations.

The reform-oriented Administration has initiated measures in virtually all aspects of the national life in a no nonsense manner and the results are readily apparent.

The so-called Green Revolution brought about dramatic results in the way of surging production of vegetables and fruits that has added to food sufficiency. Cereal production, particularly that of rice, on the other hand, continues to be a nagging problem and, pending the completion of on-going projects like more extensive irrigation dams for the Central Luzon area, the country may have to resort to more rice imports this year to cover up the expected cereal deficiency.

There is much preoccupation in regional development plans for the Manila Bay area considering the pivotal role that this part of the country plays in the overall development plans. The results of current projects and those to be started in the future will not be readily apparent until after a reasonable span of years.

New and additional infrastructural facilities have been put up which inevitably would further boost economic growth.

The administration is also going to maximum lengths to exploit the country's tourism potentials as a source of foreign exchange reserves as well as a stimulant to domestic growth.

To backstop the implementation of the different development programs, the Administration depends much on expertise available in this country and, to a lesser extent, on whatever talents could be loaned or hired through international agencies and private technological entities abroad.

The establishment of the National Economic Development Authority this year should give a fillip to intensified development efforts. The sooner the NEDA and the RDS become fully operative and hold full rein of the myriad economic problems headed by unemployment and regional disparities in income and wealth besetting the New Society, the faster will national goals be achieved.

REGIONAL DEVELOPMENT CENTERS

CYNTHIA D. TURINGAN

Institute of Planning
University of the Philippines

The Council on Regional Development Studies (*COREDES*) sponsored a Seminar on Regional Development Studies from August 17 to 18, 1972 at the U.P. College of Public Administration, Padre Faura, Manila.

At the opening ceremony of the seminar, Dr. Raul P. de Guzman welcomed the forty-four participants representing the various research units in the University, in private institutions and other universities. He stressed the role of the *COREDES* as a vital force in coordinating the activities of the University units performing community services and research on regional and local development. He emphasized that the basic aim of the seminar was to enable the participants to exchange notes and information which would avoid or at least minimize duplication of research efforts.

The four-fold objectives of the seminar were:

1. To exchange information on research activities being undertaken by the participants and their respective units and/or agencies;
2. To exchange views on the priorities and directions of research;
3. To identify areas of possible cooperation and closer working relationships; and
4. To discuss how researchers could develop links with policy and decision-makers, so that the results of their studies could be considered in the preparation of plans and policies.

The seminar consisted of plenary sessions and work group discussions which

attempted to focus attention on significant aspects of research in the Philippines.

The two major discussion groups, namely, the Metropolitan Manila and Regional Development Group and the Community Studies and Urbanization Group were chaired by Dr. Nestor M. Nisperos of the Philippine Executive Academy, University of the Philippines and Mr. Carlos Fernandez of the Institute of Philippine Culture, Ateneo de Manila, respectively.

Among the studies presented for discussion were those being undertaken by Mr. Carlos Fernandez, "*Pleasant Hills: Social Change and Integration in a Displaced Urban Community*"; Dr. Romeo B. Ocampo, College of Public Administration, University of the Philippines, "*New Towns Research*"; Dr. Raul P. de Guzman, Local Government Center, U.P., "*Management Surveys and other Consultation Services*"; Mrs. Mila A. Reforma, College of Public Administration, U.P., "*The Study on Rural-Urban Migration*"; Mr. Abelardo Resurreccion, Urban Development Project, National Economic Council, "*The Economic Base Study of Baguio*"; Director Manuel A. Dia, Asian Labor Education Center, "*A Study of the Philippine Labor Situation*"; and Director Jose Domingo, Agrarian Reform Institute, U.P., "*A Comprehensive Bibliography on Agrarian Reform*" and "*The Study of Credit and Borrowing in Relation to Agrarian Reform*".

Other discussion speakers were Dr. Ledivina V. Carino and Prof. Manuel A. Caoili, College of Public Administration, U.P.; Mrs. Perla A. Segovia, Philippine Executive Academy, U.P.; Dr. Telesforo Luna, Jr., Department of Geology and Geography, U.P.; Dr. Benjamin V. Cariño, Prof. Jagdish P. Sah and Dr. Leandro A. Viloria, Institute of Planning, U.P.; Dr. Sylvia H. Guerrero, Institute of

Social Work and Community Development, U.P.; Prof. Joel Snyder, University of Hawaii and Prof. M. Ladd Thomas, University of Northern Illinois.

Some problems presented for consideration were:

1. The peace and order situation in Mindanao which obstructed data collection;
2. Ethnic or cross-cultural communication problems which limit the amount and quality of data collected;
3. Uncertainties in the actual availability of funds;
4. Quality of information available to researchers;
5. Limited capabilities of intermediate level of researcher personnel;
6. Concentration of research projects in certain areas;
7. Conflict between research and teaching functions;
8. Misuse of social research for personal interests;
9. Discontinuity in research operation due to personnel turnover; and
10. Whether researchers should be involved in the planning stage or whether they should work at a later date without necessarily participating in planning.

The following suggestions, among others, were made during the Seminar:

1. Involve various disciplines in the preparation of the research design;
2. Make use of the research personnel directory being prepared by the Philippine Social Science Council in order to avail of the services of skilled researchers;
3. Explore the possibility of using the data of the Institute of Philippine Culture Social Science Centers on a particular area where the Regional Center is located;
4. Extend the library services of agencies and universities to other researchers who are properly accredited;
5. Formulate a research structure similar to the faculty structure in order to institution-

alize research as a distinct profession by itself; and

6. Recommend to the Bureau of the Census and Statistics that available census reports vital in any research work be made available.

In the final session held on August 18, 1972 and presided by Dr. Leandro A. Viloria, future plans decided at the Seminar were summarized. It included the holding of workshops on particular subjects or problems, such as urbanization, conducting a seminar for trainees, research managers or sponsors, and looking into the feasibility of a proposed union of research institutions and organizations dealing with regional and local development. Decision on the third proposal was postponed until such time as a closer study has been undertaken and issues related to the association are clarified.

CEBU CENTER ACTIVITIES

Additional personnel have recently been recruited for the Cebu Center on Regional Studies. This was announced by Prof. Gerardo S. Calabia, present Director of the Center. The new members of the staff are: Miss Catherine Cooper, Volunteers in Asia, research fellow; Mr. Salvador G. Valenzona, U.P. Institute of Planning, research assistant; one clerk-typist and two utilitymen.

The Cebu Center has at present the following on-going research projects: Tourism Planning and Development Study, a joint project with the U.P. Institute of Planning and the Board of Travel and Tourist Industry; the Development of Recreational Facilities for Cebu Province, a joint project with Cebu Province; Regional Planning Data Bank, a joint project with Presidential Assistant on Community Development and the Presidential Advisory Council on Public Works and Community Development; and the Cebu Metro-Region Planning Strategy Study, a joint study with the Cebu Master in Environmental Planning Course.

planning news

NATHANIEL M. NOBLE and MABINI F. PABLO

Arrival and Departure of IP Staff

The Institute of Planning welcomed three members of its staff from their study trips abroad. Miss Yolanda M. Exconde and Mrs. Rosario D. Jimenez returned from Rehovot, Israel where they participated in the Comprehensive Course on Regional Development Planning. They are now newly-appointed instructors at the Institute. Another faculty member, Professor Asteya M. Santiago arrived from her trip to Singapore, Sweden, United Kingdom and the U.S.A. where she observed planning law and administration. Within the same period, several researchers and faculty members left for various countries abroad. Mrs. Dolores A. Endriga, IP faculty member left for Ithaca, New York where she will pursue specialized studies on urban research at Cornell University as a recipient of a U.N. Fellowship Grant. Miss Susana S. Cayco, IP research assistant departed for The Hague, Netherlands for a regional development planning course. She will be away for nine months.

Another recipient of a U.N. Fellowship Grant was Mr. Rosauro Paderon, Regional Planner of the Manila Bay Strategic Plan Project who left on a 3-month study tour of Indonesia, Australia, Peru and Venezuela. He will observe housing and urban land use policies in these countries.

New Appointments

Mr. Jaime U. Nierras joined the faculty of the Institute of Planning on October 1, 1972.

He graduated with a BS degree in Architecture from the University of the Philippines in 1967 and only recently received his MS degree in Urban Planning from the Michigan State University.

He was a former research assistant at the IP.

Graduate School

Forty students, including twenty-four new ones, were enrolled at the Institute of Planning for the first trimester of the academic year 1972-73. The students have varied educational backgrounds distributed as follows: business and related fields, 9; architecture, 7; engineering, 8; liberal arts (*majors in education, sociology, social work, public administration, etc.*), 13; and physical sciences, 3.

Of the enrollees, three have been awarded study grants by the Institute. They are Nathaniel M. Noble, B.B.A., 1968 (University of the East); Mabini F. Pablo, B.A. Public Administration, 1969 (University of the Philippines); and Roberto S. Varona, A.B. Economics, 1972 (Ateneo de Manila University).

International Conference on Modernization of Asia

Twenty-six representatives coming from different sectors and disciplines in major regions of Asia and the United Kingdom attended the Third International Conference on Modernization of Asia held at the Universiti Sains Malaysia, Minden, Penang, Malaysia from September 3-8, 1972.

Focusing on the theme "*Aims, Resources and Strategies,*" the conference had the following objectives:

1. To make some realistic statements based on the past developments and present trends of the desired course and direction of Asian modernization within the coming generation, viz., the "*visionary aspect*";
2. To assess, in systematic fashion, the basic human and natural resources in the Asian continent, viz., the situation in which planners must operate; and
3. To devise ways and means in achieving the above goals.

Representing the Philippines were Dean Leandro A. Viloria of the Institute of Planning and Dr. Mohd A. Nawawi, Visiting Professor of Political Science, now with the Southeast Asian Studies Program of the Siliman University. Dr. Viloria read a paper on "*Achieving Relevance in Planning Education in Asia.*" The paper dealt with the formulation of an appropriate and logical set of strategies in the establishment of educational systems for community or environmental planning in developing countries.

Proceeding from the basic observation of the lack of Asian planners with relevant education and training, Dr. Viloria underscored the need for the establishment of a planning education system that would produce a pool of planners whose attitudes, knowledge and skills would contribute to the realization of the goals and objectives of the countries of Asia.

In the proposed scheme he presented, Dr. Viloria placed great emphasis on the role of the local university and the central planning agency in educating planners and undertaking research projects. He recommended an intensified training program for local officials and personnel to complement the formal education program. He also laid stress on the training of community planners who would be expected to work mostly in line or operating agencies rather than staff agencies. However, according to him, it is obvious that for sometime, developing countries will continue to rely on foreign experts and consultants.

The conference was attended by representatives from Sri Lanka, India, Malaysia, the Philippines, Singapore, and the United Kingdom.

Institute of Planning Faculty Seminar

The Institute of Planning held a three-day Faculty Seminar at the Taal Vista Lodge, Tagaytay City from June 16-18, 1972.

Dean Leandro A. Viloria delivered the opening address where he defined the main objective of the seminar as the self-analysis

of the IP's activities during the past school year, examining especially the relevance of the academic program *vis-a-vis* the IP's training and research programs.

Issues discussed in the seminar revolved around the strengthening of the Institute's academic program, the review of its increasing research commitments and the evaluation of its training seminars. The following recommendations were made to strengthen the academic program:

1. Institution of an internship program for those students who have inadequate background and experience in planning;
2. Institution of a certificate program designed essentially to train practitioners; and
3. Introduction of a research-oriented doctoral program in coordination with other units in the University.

A review of the research program of the Institute showed that it is undertaking a growing number of research projects. It was acknowledged that these research projects not only help strengthen and enrich the Institute's graduate program but also fulfill the function of building a pool of researchers within the Institute as well as other units, within and outside the University. However, a program of priority has to be accomplished in order to achieve an effective balance in the commitment of its resources among its three areas of involvement, namely, research, teaching and extension services.

Based on the participants' observation of the nature and scope of seminars conducted by the Institute, it was decided that the training program of the Institute consisting of a six-week roving seminar and two three-month seminar be continued, with greater emphasis on the three-month seminars.

The faculty seminar enabled the faculty members of the IP to reconcile its various commitments and to reach a consensus as to how to perform its multi-partite functions effectively without sacrificing its fundamental task of teaching.

IP-BTTI Tourism Project

A nationwide tourism survey is being undertaken by the UP Institute of Planning jointly with the Board of Travel and Tourist Industry.

UP President Salvador P. Lopez and BTTI Commissioner Gregorio Araneta II, signed a Memorandum of Understanding for the undertaking of a study on "*Tourism Planning and Development in the Philippines*." Under the agreement, the Institute of Planning shall formulate the research design and prepare the work program for the study while the BTTI will provide the financial support for the project.

The first survey of its kind to be undertaken, this will serve as the basis for the formulation of a long-range development plan for the improvement of the tourist industry at the regional and national levels. The plan will be formulated within the context of an overall national framework plan and will include, among others, a proposed program of investments, cost estimates, and sources of financing.

Focusing upon selected regions of the country, the project will determine the "*tourist potential*" of each region through a careful analysis of the activities, physical characteristics and natural conditions in the area; analyze both international and domestic markets for the development of tourism in the country; and assess existing conditions and facilities for tourism as well as determine "*development barriers*" that hinder efforts at improving the industry.

The areas being surveyed are Northern Luzon, Manila Bay Area, Central Luzon, Southern Tagalog region, Bicol region, East Visayas, Western Visayas, Southwestern Mindanao, Northern Mindanao, Southern Mindanao and Southeastern Mindanao.

For purposes of the project, an Executive Advisory Committee was formed, composed of the Dean of the IPUP, the UNDP Project Manager and Commissioner Araneta. This committee is the policy-making body and

formulates general guidelines for the implementation of the project.

Directly under the supervision of the Executive Advisory Committee is a technical staff headed by Prof. Roque A. Magno of the IPUP and Mr. Ali AlRaschid of the BTI. This staff acts as the policy implementing group and its members serve as the regional coordinators of the project. IP faculty members who are involved in the project are Professors Tito C. Firmalino, Gerardo S. Calabia, Benjamin V. Carino, Mrs. Eloisa F. Litonjua, Mrs. Rosario D. Jimenez and Mr. Jaime U. Nierras.

The Metropolitan Mayors Coordinating Council

The Metropolitan Mayors Coordinating Council, during its eight months of existence has made its influence felt in the government and private sectors, this was according to Prof. Federico B. Silao, IP faculty member and concurrently executive secretary of the MMCC.

Prof. Silao reported that the MMCC was formally invited by the national government to participate in the formulation of solutions to and the implementation of programs in the areas of flood control and drainage, garbage, pollution and integrated transport system for the Manila metropolitan area.

Presidential Decree No. 18 issued on October 7, 1972 establishing the Metropolitan Manila Flood Control and Drainage Council, adopts the MMCC-sponsored flood measures originally proposed to Congress. The Decree establishes a Metropolitan Manila Flood Control and Drainage Council composed of the fourteen mayors-members of the MMCC, the Secretary of Public Works, Transportation and Communications and such other members as may be designated by the President.

The decree provides for the financing of the project by creating a Greater Manila Metropolitan Area Flood and Drainage Fund Account which shall be constituted from the following sources:

1. Proceeds from a special metropolitan flood tax of twenty-five (P0.25) centavos levied on all admission tickets of movie houses in Greater Manila for a period of fifteen years;
2. Fund releases from appropriation of various Public Works Acts for the project; and
3. Proceeds from additional real estate taxes not exceeding 1/8 of 1% of the assessed value of real estate located within Metropolitan Manila, other taxes or sources which may be imposed if and when the funds generated by the special metropolitan fund flood tax on theater admission is not sufficient to complete the flood control and drainage project.

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