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# The State of Philippine Cities

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According to the United Nations' *State of the World Population Report 2007*, half of the world's population or 3.3 billion people live in urban areas. By 2030, the present urban population is expected to rise to almost 5 billion, which means that 3 out of every 5 people will be urban dwellers. Presently, most of this urban growth is taking place in the less-developed regions of Asia and Africa rather than in affluent countries. Cities like Dhaka (Bangladesh), Jakarta (Indonesia), Calcutta (India), Lagos (Nigeria) and Metro Manila have joined the ranks of cities with populations exceeding 10 million. They are projected to dominate the list of the so-called "megacities", which now includes Tokyo and New York, very soon.

While its speed and scale vary across different areas in the Philippines, the process of urbanization has taken hold everywhere in the country.<sup>1</sup> Per the 2007 Census of Population conducted by the National Statistics Office (NSO), the country's total population is 88.57 million, up from 76.5 million in 2000, thereby reflecting an annual growth rate of 2.04 percent. The NSO has yet to release the figures indicating the proportion of the population concentrated in areas classified as urban, but it will certainly surpass the 48-percent level of year 2000. Based on the standards set by the United Nations, the urbanization level in the country in 2007 actually reached 64 percent, which translates to 55 million of the total population or more than 10 million households (*The Manila Times*, 3 April 2008). And if trends continue, the Philippines will be nearly 70 percent urban in less than a decade (Figure 1).

Metro Manila or the National Capital Region (NCR), the country's premier urban agglomeration, is now home to 11.6 million people or 13 percent of the total Philippine population. From 2000 to 2007 the population of Metro Manila increased at an annual rate of 2.11 percent, higher than the national annual growth rate of 2.04 percent. Three cities in the region have populations of more than one million: Quezon City (2.68 million), Manila

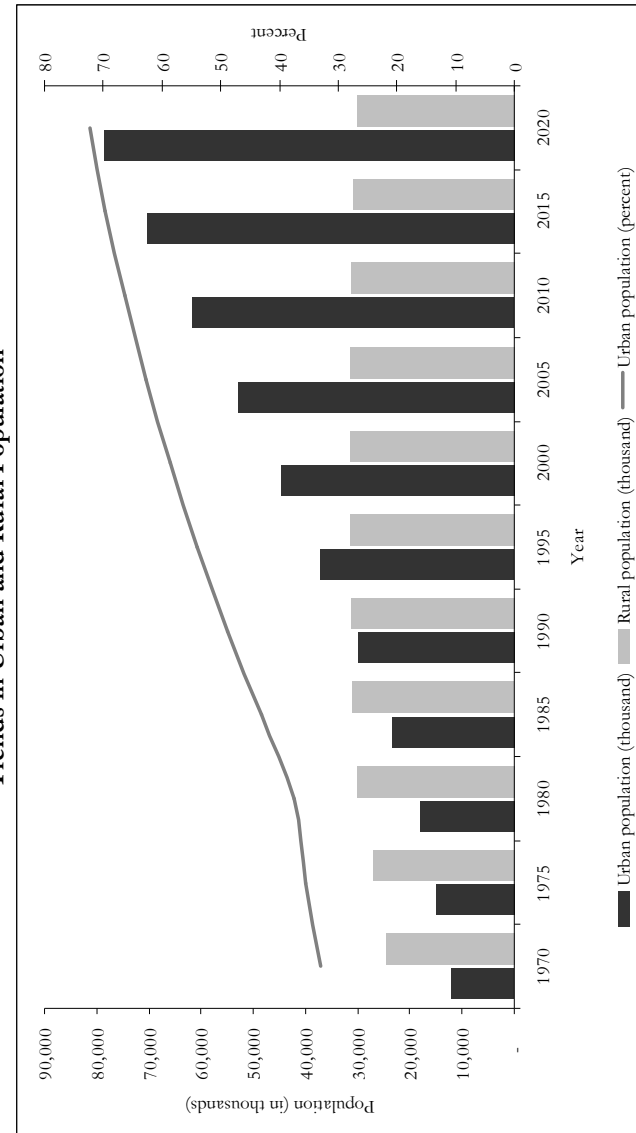
(1.66 million) and Caloocan (1.38 million). With 18,650 persons per square kilometer in a land area making up only 0.2 percent of the country’s total area, Metro Manila is the most crowded urban area in the country. The figure reflects a 16.3-percent increase from 2000 or an additional 2,615 persons per square kilometer within a span of seven years. The region’s population density is 26 times that of Calabarzon region (Cavite, Laguna, Batangas, Quezon) and 41 times that of Central Luzon, the two regions closest to Metro Manila.

All the other cities in the country registered significant increases in their population growth rates in 2007 (Table 1). Within the period 2000 to 2007, the population growth rates of major cities such as Baguio, Bacolod, Lapu-Lapu and Zamboanga exceeded the national growth rate. Provinces adjacent to Metro Manila like Rizal, Cavite and Laguna (Southern Tagalog), and Bulacan and Pampanga (Central Luzon) had urban populations growing rapidly as well, demonstrating the spillover effect of Manila’s population growth on such areas often termed as the urban fringes or peri-urban areas. Per square kilometer Rizal had a population density of 1,916, Cavite 1,843 and Laguna, 1,356.

The growth of the urban population is believed to be the combined result of rural-to-urban migration, in-city births, and area or boundary reclassification. Rural poverty, natural calamities and the volatile peace and order situation in the countryside drive people to move to the urban areas. Moreover, second and third generation urban-residents, whose parents moved to the cities years ago, now comprise significant majorities in them. Increasing populations and the growing presence of establishments have also led to a change in the classification of some settlements from rural to urban. The paucity of data on how each factor contributes to the increase in the urban population, however, limits our appreciation of their distinct impacts on the carrying capacity and sustainability of our urban areas.

Needless to say, this rapid growth of cities and their enormous populations represent a significant demographic shift and therefore make urbanization a major development concern. Further, despite their dominance in virtually all dimensions—economic technological, political and cultural—our cities today are facing a host of problems which are undermining the benefits of urbanization. This essay reviews the recent quantitative and qualitative data on Philippine urban areas (used synonymously with the term “cities”).<sup>2</sup> More particularly, this paper aims to use these data to highlight an irony that Philippine cities depict: deprivation and vulnerability against a backdrop of progress, wealth and security.

**Figure 1**  
**Trends in Urban and Rural Population**



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision and World Urbanization Prospects: The 2007 Revision, <http://esa.un.org/unup>.

Where is this contradiction coming from? Urban specialists generally agree that there exists a positive and organic relationship between economic development and the level of urbanization for the apparent reason that economic activities are concentrated in cities. The more developed countries invariably have higher levels of urbanization; periods of growth in the domestic economy are usually accompanied by high urbanization rates. In the Philippines, NCR alone contributes about 30 percent to the gross domestic product, while the surrounding Southern Tagalog region accounts for 16 percent (Mangahas 2006, 275). Again, these regions are the most highly urbanized in the country. The economic wealth cities create translates to higher incomes which, ideally, should lead to improvements in social indicators such as life expectancy and literacy, and should give urban dwellers better access to infrastructure and basic services.

These do not seem to hold true in the Philippines. The Philippines has one of the highest urbanization rates in the East Asian region, yet its economic growth rate in recent decades has remained stagnant and has fallen behind its neighbors. A World Bank study (2007) noted that although urbanization in the country was rapid during the last three or four decades, as it was in other countries in the region like Malaysia and South Korea, unlike the two countries, the Philippines did not register growth in its real per capita GDP. The report does not attribute this phenomenon to a single factor, but the “highly concentrated” and “haphazard” nature of urbanization in the Philippines is among the reasons found responsible for this exception. The many manifestations of urban poverty—low incomes, unemployment, insecure tenure and poor housing conditions, inadequate public services such as health, education, water and sanitation—are evidence of how the benefits normally attendant to urbanization have not materialized.

### Urban poverty

#### *Poverty incidence*

One way of measuring poverty is by looking at the income threshold or the minimum income needed by a family to meet basic needs. The last time the NSO released figures on poverty thresholds with urban and rural disaggregation was in 2006. At the time, a family of five living in an urban area was not considered poor if its monthly income was P7,098 at least; higher in Metro Manila at P8,254 minimum. In 2006 the NSO also noted that, on the average, families living in urban areas needed to earn 21 percent

**Table 1**  
**Population and annual growth rates of select highly urbanized cities in the Philippines**

Highly urbanized city	Total population		2007	Annual population growth rates		
	1995	2000		1995-2000	2000-2007	1995-2007
<b>PHILIPPINES</b>	<b>68,616,536</b>	<b>76,506,928</b>	<b>88,574,614</b>	<b>2.36</b>	<b>2.04</b>	<b>2.16</b>
National Capital Region	9,454,040	9,932,560	11,553,427	1.06	2.11	1.70
Manila	1,654,761	1,581,082	1,660,714	-0.97	0.68	0.03
Quezon City	1,989,419	2,173,831	2,679,450	1.92	2.92	2.53
Caloocan City	1,023,159	1,177,604	1,378,856	3.06	2.20	2.53
Baguio City	226,883	252,386	301,926	2.31	2.50	2.43
Iloilo City	334,539	366,391	418,710	1.97	1.86	1.90
Bacolod City	402,345	429,076	499,497	1.39	2.12	1.83
Cebu City	662,299	718,821	798,809	1.77	1.46	1.58
Lapu-Lapu City	173,744	217,019	292,530	4.88	4.20	4.47
Zamboanga City	511,139	601,794	774,407	3.56	3.54	3.55
Cagayan de Oro City	428,314	461,877	553,966	1.63	2.54	2.18
Davao City	1,006,840	1,147,116	1,363,337	2.83	2.41	2.57
Gen. Santos City	327,173	411,822	529,542	5.05	3.53	4.12

Source: National Statistics Office (NSO) 2007 ([www.census.gov.ph](http://www.census.gov.ph))

more than families in the rural areas, an indication of the higher cost of living in the cities. Those in the urban areas who failed to meet this standard constituted the urban income-poor.

Results of the 2006 Family Income and Expenditure Survey (FIES), the government's main tool in determining poverty incidence and the most recent official poverty figures, showed that some 32.9 percent of the population or 27.6 million Filipinos are poor. This translates to 4.7 million poor families or 26.9 percent of the total number of families that year. Data on the proportion of urban residents out of those falling below the poverty threshold, however, are not yet available. (During the period 2000 to 2003, poverty incidence in urban areas dropped by 1.4 percent, while the condition in Metro Manila improved with a 0.6 percent decrease in the poverty level.) Nevertheless, the high national poverty figure suggests that economic growth which was reported to average 5.4 percent from 2003 to 2006 has not led to a reduction in poverty. The urban poverty situation is likely to have worsened since 2006 due to rising prices, with the rate of inflation going as high as 12.2 percent in the third quarter of 2008, and given the looming impacts of the current global financial crisis on local employment in particular.

Urban poverty also varies across cities. In 2003, 6.7 percent of the population in Metro Manila lived in poverty, while in Central Mindanao and the Autonomous Region of Muslim Mindanao (ARMM), the figures were 32.3 percent and 43.9 percent of their respective urban populations (Table 2). Moreover, based on the local poverty estimations generated by the National Statistical Coordination Board (NSCB) using the 2000 statistics, cities with the highest poverty incidence are found outside Metro Manila, among them Kabankalan and Sipalay in Negros Occidental, which have poverty incidences of 60 percent.<sup>3</sup> This implies that although urban poverty incidence is lower than rural poverty incidence, there are cities where the poverty situation is very serious.

In some aspects, urban poverty may even be more acute than rural poverty in the sense that while the magnitude and depth of rural poverty are more severe than those of urban poverty, the number of urban poor families is growing. Further, despite a decrease in urban poverty incidence from 30.1 percent of families in 1988 to only 19.9 percent in 2000, the magnitude of poor families in urban areas increased by about 11 percent or 286,000 families between 1997 and 2000 (ADB 2005, 19). While the incidence of poverty in the highly urbanized regions such as NCR, Central Luzon and Southern Tagalog was low compared to the national average of 30 percent in 2003,

Table 2  
Urban poverty incidence and magnitude of poor per region

Region	2000			2003			Inc/Dec	
	Magnitude of Poor	Total Population	Poverty Incidence	Magnitude of Poor	Total Population	Poverty Incidence	Poverty Incidence	Magnitude of Poor
<b>Philippines</b>	<b>6,784,016</b>	<b>39,145,194</b>	<b>17.3</b>	<b>6,360,978</b>	<b>39,885,020</b>	<b>15.9</b>	<b>(1.4)</b>	<b>(423,038)</b>
NCR	856,045	11,666,778	7.3	746,022	11,092,799	6.7	(0.6)	(110,023)
Region I	286,926	1,355,918	21.2	390,581	1,560,428	25.0	3.9	103,656
Region II	157,040	593,627	26.5	159,418	743,733	21.4	(5.0)	2,378
Region III	666,927	4,350,792	15.3	868,223	5,505,973	15.8	0.4	201,296
Region IVA	596,377	5,958,113	10.0	651,721	6,997,533	9.3	(0.7)	55,343
Region IVB	217,945	632,606	34.5	304,577	755,743	40.3	5.8	86,632
Region V	522,005	1,321,929	39.5	470,735	1,392,288	33.8	(5.7)	(51,270)
Region VI	619,645	2,434,048	25.5	361,764	1,851,866	19.5	(5.9)	(257,881)
Region VII	612,504	2,585,622	23.7	410,916	2,977,861	13.8	(9.9)	(201,588)
Region VIII	241,592	1,056,802	22.9	224,396	784,371	28.6	5.7	(17,197)
Region IX	191,234	883,989	21.6	137,860	642,446	21.5	(0.2)	(53,375)
Region X	405,347	1,486,950	27.3	392,058	1,437,093	27.3	0.0	(13,289)
Region XI	306,139	1,471,222	20.8	398,681	1,579,865	25.2	4.4	92,542
Region XII	400,484	1,336,214	30.0	334,207	1,035,770	32.3	2.3	(66,277)
CAR	48,819	508,588	9.6	30,871	399,082	7.7	(1.9)	(17,948)
ARMM	373,470	736,496	50.7	187,150	426,265	43.9	(6.8)	(186,320)
Caraga	281,518	765,500	36.8	291,800	701,905	41.6	4.8	10,282

Source: National Statistical Coordination Board (NSCB) Poverty Incidence and Magnitude of Poor Population by Sector and Region, 2000 and 2003, from [http://www.nscb.gov.ph/poverty/2000-2003/pov\\_inc\\_00\\_03.asp](http://www.nscb.gov.ph/poverty/2000-2003/pov_inc_00_03.asp)

more than a third of the urban poor were found in these regions (Table 2). In the same year, according to NSCB, of the 23.8 million poor Filipinos, the said regions accounted for 11 percent of the total poor, indicating the huge number of poor people in the urban areas.<sup>4</sup>

Opinion surveys conducted by the Social Weather Stations (SWS)<sup>5</sup> also suggest widespread urban poverty. While results show that self-rated poverty in urban areas has been declining and lower than rural and national self-rated poverty figures, the percentage of families in urban areas who consider themselves poor has hardly ever gone below the 40-percent mark since the year 2000. In 2008, the average self-rated poverty was 43 percent. This was significantly higher than government figures which are solely based on incomes. In Metro Manila, 53 percent of household head respondents considered their families poor in the last quarter of 2008, a 14-point increase from the same period in 2007. SWS attributes the significantly high, if not worsening, self-rated poverty incidence to the lowering of the living standards of families. In terms of food poverty, an alarming 23.3 percent of the total number of families or 570,000 families in Metro Manila also experienced involuntary hunger or had nothing to eat at least once in the last three months of 2008.

### *Employment*

Despite being dubbed as economic growth engines, efforts of urban areas in the country to generate sufficient gainful employment opportunities for their swelling labor force have proved futile, resulting in significant levels of unemployment and underemployment. The Medium-Term Philippine Development Plan for 2004-2010 thus cites unemployment as being largely an urban problem, with roughly 2 out of every 3 unemployed individuals found in the urban areas (NEDA 2004, 111). The employment rate in the NCR rose to 87.2 percent in July 2008 or by a mere 0.2 points from the previous year, and its 12.8 percent unemployment rate is the highest among regions. Its 14.2 percent underemployed working population can be attributed to the increasing casualization of labor.

Cities understandably pursue pro-business policies to attract investments and generate high value-adding businesses, but these often result in the marginalization of the unskilled and uneducated members of the labor force in particular. Unable to sustain itself except through the market, the neglected sector finds its poverty embedded in limited employment opportunities (Mitlin 2005, 5). To cope with this phenomenon, members of

the sector are forced to take up informal sector activities that, without sufficient capital, offer only very low returns and little opportunity for advancement. Outside the formal economy, they are excluded from the benefits and security afforded those in the formal labor force.

The Department of Labor and Employment (DOLE) estimated the size of the informal sector in NCR at 1.03 million or 22.6 percent of the total employed in the region in 2006. Domestic service, tricycle and jeepney driving, construction work, and ambulant vending are among the most common occupations in this highly unstructured economy. Others earn income by operating home-based enterprises such as variety stores or workshops. The so-called “poorest of the poor” eke out a living in dumpsites and engage in buy-and-sell activities, usually of scrap materials, and other hazardous occupations, which in most cases involve child labor.

### *Housing*

The rapid increase in the urban population produces an enormous demand for shelter and tenure security. The Housing and Urban Development Coordinating Council (HUDCC) estimates a housing need of 3.76 million units during the period 2005-2010. The highly urbanized regions of Southern Tagalog, Central Luzon and Metro Manila account for 56 percent of the total projected housing need. But with prohibitively expensive lands and high rents in urban areas amidst stagnating real incomes, it is not unusual for cities to have huge numbers of families living in various types of unauthorized housing units with insecure tenure. Market values of residential lands in Metro Manila, for example, range from PhP3,000 to as high as PhP42,000 per square meter (Urban Asset Reform Project Management Office 2006, 14), far beyond the incomes earned by majority of the urban poor. But because people need to live in areas where economic opportunities, including informal activities, are present, it becomes expedient for most of them to occupy idle lands owned by government or the private sector. The proliferation of slums in Philippine cities is thus seen as a coping mechanism for urban dwellers with incomes that are too fragile to afford land ownership.

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

are about 1.4 informal settler families scattered in the cities and urban areas of the country, and close to half of this figure or 681,096 families are found in Metro Manila (UARPMO 2006, 9). Some NGOs and government agencies have adopted the practice of estimating the number of households without secure tenure by setting it at a constant rate of 30 percent of the total urban household population.<sup>6</sup> This estimation method indicates the existence of roughly 3.1 million informal settler households, significantly higher than government estimates.

But not all informal settlers are income poor. While around 44 percent of the urban population in Metro Manila live in slums, 25 percent are not necessarily income poor (World Bank 2007, 64). Surveys and anecdotal evidence show that from the time they settle illegally on unoccupied tracts of land, some informal settlers will have acquired non-land assets that allow them to gradually improve their conditions and status. Not a few middle-class urbanites and professionals also opt to reside in slum areas to avoid the financial burden attendant to owning formal housing or land. According to another World Bank report (2001), non-poor families, including those living in informal settlements, usually benefit from government housing programs. Although 95 percent of the beneficiaries of socialized housing programs are from the urban areas, the poor comprise only 20 percent of this number and very few come from the bottom poor. Housing assistance programs extended by government institutions such as the Social Security System (SSS) and Pag-IBIG also discriminate against the poor, particularly those who are informally employed and are unable to meet the required contributions (World Bank 2001).

Housing programs that cater to the urban poor include those implemented through presidential land proclamations and the Community Mortgage Program (CMP). Lands occupied by informal settlers, most of them government-owned, can be declared open for disposition to qualified beneficiaries through a presidential issuance. HUDCC reports that the 102 presidential issuances as of 2006 covered 26,367 hectares, most of them in Metro Manila and occupied by more than 195,000 informal settler families. On the other hand, CMP enables low-income families illegally residing in usually privately-owned properties to acquire the formal ownership of land through a community mortgage. Data from the Social Housing Finance Corporation (SHFC), the agency which extends loans to community organizations, indicate that ever since the program started in 1988, a total of 190,530 families have been able to secure their tenure as of 2007. But the

administrative steps and processes involved in these programs are believed to be too long and the delay in taking out the loan could subject beneficiaries to possible displacement. Without legal claim on the land they are occupying, informal settlers are under constant threat of eviction.

Despite having done little to halt the migration of people into cities, both the local and national governments adopt squatter relocation as a policy to curb the proliferation of illegal urban poor settlements. The Urban Poor Associates (UPA), a non-government organization monitoring eviction cases, reports that from 1996 to June 2008, a total of 287 demolition cases have rendered more than 85,000 families or more than 400,000 persons homeless in our cities. More disturbing is the finding that roughly 7 out of 10 demolitions undertaken involved government-owned land cleared of informal settlers to make way for infrastructure projects (road expansions, river rehabilitation and flood control) and commercial establishments such as shopping malls. There are also increasing concerns over demolitions conducted by the Metro Manila Development Authority (MMDA) for its urban renewal or “beautification” and flood control programs. In most cases the MMDA demolition drives involve violence and lack prior consultation with the affected families, which consultation is mandated by law. Further, because most informal settlers also have their sources of livelihood in or near the community, an eviction not only destroys their houses but also their livelihood.

UPA also estimates that only half of the evicted families receive relocation assistance. Take for example the more recent and particularly extensive clearance of informal settlements and the massive displacement of families resulting from the Northrail and Southrail Linkages Projects, which aim to rehabilitate the existing railway system to help decongest traffic in Metro Manila. The relocation of more than 80,000 families to different sites in Bulacan, Laguna and Cavite has started, with 36,000 families reportedly evicted after proper coordination, approval and clearance from the Presidential Commission for the Urban Poor (PCUP).<sup>7</sup> But contrary to pronouncements of an in-city relocation policy, majority of the affected families were transferred to distant off-city sites such as Cavite and Laguna. Relocation to sites far from their sources of income has disrupted these families’ already meager cashflow, and the absence of viable livelihood opportunities in the new sites is not easily remedied in the immediate term. The lack of basic services such as potable water, electricity, sanitation facilities as well as classrooms and health centers further exacerbates their situation. HUDCC, the agency overseeing these resettlement programs, explains these inadequacies as being

part of what it calls the “incremental approach” whereby basic services are gradually provided as funds allow, even as families have already started to move in. Those who do not receive relocation assistance are left to fend for themselves, and more often than not transfer to other slum areas or create new ones elsewhere.

### Limited access to social services

The gap between the rich and the poor in urban areas is also evident in the access to social services. Aside from making difficult the acquisition of decent shelter and secure tenure, poverty also deters poor families from enjoying basic services which better infrastructures and greater development in urban areas would make easily available. Also, the quality of social services that the urban poor can afford is quite inferior.

#### Education

Data that would allow a comparison of the state of education in the urban and the rural areas are not available, but it is expected that access to education in urban areas is better than in rural areas. Metro Manila, to cite an example, had a simple literacy rate of 99 percent in 2003 according to the Functional Literacy, Education and Mass Media Survey (FLEMMS). The functional literacy rate (which includes numerical and comprehension skills)

**Table 3**  
**Net participation and cohort survival rates in public schools in Metro Manila**

Indicator	SY 2003-2004	SY 2004-2005	SY 2005-2006
Net participation rate			
Elementary	77.00	74.85	72.94
Secondary	55.93	55.04	55.26
Cohort survival rate			
Elementary	75.15	74.73	73.59
Secondary	61.40	66.73	60.82

Source: Department of Education

in the region stood at 94.6 percent in the same year. Metro Manila’s net participation rate (the proportion of the number of enrollees to the population of the same age group in an area) is the highest among the regions. In school year 2006-2007, almost 93 percent of children aged 6-12 were enrolled (elementary level) while 75 percent of the population 13-16 years old (secondary level) attended school. In the same school year, cohort survival rates, or the proportion of enrollees at the beginning year who reached the final year, for both levels, also indicated easier access to education in Metro Manila. At the elementary level, the cohort survival rate of 89.7 percent was 10 points higher than four years previously. At the secondary level, 78.2 percent were able to complete the required number of years of study, a 15-point improvement from school year 2002-2003.

But from 2003 to 2006, there was a marked deterioration in these indicators among public schools in Metro Manila (Table 3). At the elementary level, the participation rate dropped by 4 percent from 2003 to 2006, while in the same period only 5 out of every 10 youths aged 13-16 years attended high school. In school year 2005-2006, only 74 percent were able to finish the sixth grade, and only 6 out of every 10 high school enrollees completed their education. One common reason behind this trend was the fact that children were taken out of school to save on expenses—poor families, in general, allot 2 percent of their household budget per child enrolled in a public elementary school (World Bank 2001). To make up for the household income deficit, most out-of-school youth are often sent to work, some as beggars, vendors, scavengers, pickpockets and prostitutes.

The deficiencies in public school facilities hit urban poor children the hardest. Based on data from the Department of Education (DepEd) for SY 2005-2006, Metro Manila had a shortfall of 2,099 classrooms, based on a double shift schedule and a 1:50 classroom-pupil ratio. At the elementary level, a shortage of 1,196 classrooms was recorded in Metro Manila, and this was equivalent to 39.2 percent of the total elementary school classrooms needed nationwide. At the secondary level, the capital region needed 903 additional classrooms, which was 23.9 percent of all classrooms needed for public secondary education in the country. If the numbers were determined using the ideal scenario of a single shift with a 1:45 classroom-pupil ratio, the shortage would reach 19,357 classrooms.

Virtually all of the cities in the NCR experienced severe classroom shortage, which resulted in cramped conditions for public school students. In Metro Manila public elementary schools, the average pupil-classroom ratio

for SY 2006–2007 was 78.85, equivalent to almost 80 students to a classroom. In Las Piñas City, in particular, every classroom for elementary students averaged 122 pupils and those for high school averaged 152 students. While a class could also have 55 students, higher than the ideal size of 45 students per day, in the more highly populated schools in Metro Manila, a class could have more than 90 students, and three shifts of classes per day. Combine these inadequacies with others such as the lack of competent teachers and shortages in textbooks, and we will have cities with huge numbers of unskilled workers unprepared to enter the increasingly competitive labor market in the future.

### *Health*

Health indicators suggest a significant discrepancy between urban and rural residents in terms of access to health facilities, with the former at an advantage. Data from the National Demographic and Health Survey (NDHS) conducted in 2003 showed that infant mortality rates were lower in urban areas (24 per 1,000 live births) than in rural areas (36 per 1,000 live births), where only 41 percent of births were attended by health professionals compared to 79 percent in the urban areas. The under-5 mortality rate in urban areas stood at 30 per 1,000 live births, compared to 52 children below the age of five who die for every 1,000 live births in the rural areas. In NCR, infant mortality rates have been declining but are notably higher than the national averages recorded from 2000 to 2004. The region posted an infant mortality rate of 19 per 1,000 live births in 2004, six cases higher than the national average. In the same year, child mortality rate in the region was at 5 per 1,000 live births, while 83 women per 10,000 live births died from pregnancy-related causes.

With incomes barely sufficient to support their most basic needs like food, the urban poor have health indicators which are two to five times worse than their richer counterparts (*The Philippine Star*, 21 November 2008). The high cost of access to better equipped private hospitals forces most of the urban poor to settle for low-cost but under-resourced and understaffed government-run health institutions. In Metro Manila majority of the poor depend on 56 government hospitals with a total bed capacity of only 11,904. Although exceeding the national bed-to-population ratio, the NCR's bed-to-population ratio stood at 21 per 10,000 population in 2004. Two or three indigent patients squeezing themselves in a single hospital bed and enduring the heat and cramped space is thus a common sight in public hospitals. And

because the budget allocated for public health is limited and inadequate, despite the large share of the government budget which hospitals in urban areas receive, urban poor patients have to spend for these inferior services and medication out of their own pockets. In general, the poor spend an average of PhP1,180 per household every year for health-related expenses—medicines, hospital stay and consultations. While seemingly meager, this expenditure accounts for a large share of the poor families' incomes (World Bank 2001).

Urban residents are also more susceptible to various health risks caused by worsening pollution, inadequate garbage collection and poor sewage disposal in cities. According to the Philippine Environment Monitor report commissioned by the World Bank (2006), nearly 5,000 premature deaths in Metro Manila each year are caused by respiratory and cardiovascular diseases due to exposure to outdoor as well as indoor (solid fuel) air pollution. Equivalent to 12 percent of all deaths in the metropolis, this is the highest rate in any urban area in the Philippines. In 2006, Metro Manila's 4,968 premature deaths due to air pollution was followed by Metro Cebu and Metro Davao with 608 and 414 cases, respectively (*Philippine Daily Inquirer*, 4 September 2007).

Dengue is also a common disease particularly in densely populated poor communities. Records from the Department of Health (DOH) showed that Metro Manila had the highest number of dengue cases among all regions in the first half of 2008. Compared to the same period in 2007, Manila, Quezon City and Caloocan had thrice as many recorded cases in 2008. Tuberculosis also continued to be a leading cause of death, with the urban areas registering twice more cases than the rural areas (Monsod and Monsod 2003, 17).

### *Water and Sanitation*

Safe drinking water is more accessible in urban areas than in rural ones. The NDHS 2003 showed that 96 percent of the urban population had access to improved drinking water sources compared to 83 percent in the rural areas. However, while access to water was better in urban areas due to the availability of bottled water, only 66 percent had their own water connections at home.

Although urban households were found to be four times more likely to be served with a full waterworks system than their rural counterparts, such systems mainly served the urban non-poor (World Bank 2001). This shortfall in availability of piped water largely occurs in the slum areas where illegitimate

occupancy disqualifies residents from enjoying full water services. Sporadic access to potable water also means deep cuts in the income of the urban poor who need to pay higher for water from independent sources. Manila's poor, for example, spend up to 20 percent of their income on water peddled at more than seven times the cost charged by the two biggest water service companies<sup>8</sup> (ADB as cited in Van Zutphen 2008). On the other hand, if infrastructure connection is pursued, the cost is high relative to the urban poor's income.

Like most cities in the developing world, Metro Manila suffers from an insufficient and unmanaged sanitation system, and the situation could be worse in cities outside the capital region. The NDHS 2003 revealed that 76.7 percent of the urban population in the country had their own flush toilet, 15.9 percent shared toilets, and 3.9 percent had no toilets at all. Moreover, only 7 percent of the population in the service area of the Metropolitan Waterworks and Sewerage System<sup>9</sup> had access to the sewerage system (ADB 2004, 52). In underserved areas, people would discharge domestic wastes and untreated sewage into road gutters, open ditches, canals and rivers.

In the absence of adequate water and sanitation facilities, the poorest households in the urban areas experience the most acute effects of water-borne diseases and other illnesses attributed to poor living conditions, specifically in the slums. According to studies, the combined impact of inadequate sanitation and the lack of water as a driver of diseases made water-borne diseases the biggest killer of children under five (Uwejamomere 2008, 11). Numerous cases of water-borne diseases such as diarrhea, typhoid, cholera and dysentery were also caused by unsafe water connections and the absence of sanitation facilities.

### **Philippine cities in crisis**

The issues identified and described above, although insufficient to fully understand the reality on the ground, provide evidence of the gap between urbanization and economic development in the Philippines. Moreover, the urban poor—those with insufficient incomes, who have insecure employment and housing, and limited access to education, water, sanitation and health—represent the unrealized promises of urban growth and highlight a sector urbanization has left behind. While updated information is too scarce for us to be able to completely support this observation, the

available empirical evidence show why an urban crisis may be developing in Philippine cities.

What underlies the crisis confronting the urban population, especially the most vulnerable sectors, is the resistance to acknowledging urbanization as being inevitable and irreversible in a country advancing economically. Rapid urbanization has been erroneously faulted for the increase in urban poverty. Urbanization per se is not the problem—even if most policymakers would like to argue so, in order to pursue measures discouraging in-city migration, evicting thousands of families, and drastically controlling urban populations to finally answer the growing problem of urban poverty. The urban poor, despite their labor and services' forming a crucial part of local economies, are treated as setbacks to, firstly, the objective of city authorities to attract investments and, secondly, their ambition to fashion their cities after urban hubs abroad.

But these ambitions are not likely to materialize if little attention and consideration are given to the needs of low-income citizens, and if policies, like eviction without resettlement, continue to contribute to the increased vulnerability of the poor. Addressing these issues necessitates changes in the structures that perpetuate poverty and reinforce other forms of deprivation. Philippine cities will indeed risk facing the unmanageable growth of slum areas unless policy makers seriously address the challenges of allocating space for the poor and providing them affordable housing. They will witness a serious health crisis unless the urban poor are provided adequate water and sanitation services, and public health care is made affordable. They will have an oversupply of unskilled human resources unless education is improved and made accessible to all urban residents. Urban poverty will similarly worsen if the fruits of urbanization are not translated to decent jobs.

In formulating concrete interventions it is important to treat these issues as closely linked to one another. For example, a degree of tenure security, coupled with better access to economic opportunities, will enable the poor to consolidate structures necessary to forming communities that do not harbor diseases and other disasters resulting from squalid environments. Better health and education lead to more gainful employment and incomes for the poor with which they could obtain their basic needs and build up their assets. The same could enable households to protect themselves against stresses such as sickness and joblessness. Improved incomes and sanitation and water facilities can significantly reduce infant mortality and child malnutrition in urban poor

communities. Once these needs are addressed, the urban poor themselves will act to improve their plight.

The problems confronting our cities cannot be resolved with a one-size-fits-all solution. Interventions and priorities will have to vary across cities as the causes do. While the discussion above describes the general situation of cities, it is also important to recognize that the urban poor rarely constitute a homogenous sector.

Poverty alleviation becomes feasible and effective only through interventions that rightfully target those most vulnerable. With the largely unimpressive performance of the public sector, specifically the national government, in providing basic services and infrastructure, the employment of a diverse range of alternative local strategies and actions by the stakeholders, including the urban poor, becomes necessary.

Rapid urbanization must be matched with investments and services for this disadvantaged and growing sector in the urban areas. The urban poor offer a huge human resource potential which, if made productive, will create progressive cities. Prioritizing the urban poor is necessary because the consequences of the paucity of assets and services have generally been detrimental to them; and controlling the impacts of these stresses is often beyond their capacities. Failure to attend to the urban poor is tantamount to failure to make cities work for all.

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#### Endnotes:

<sup>1</sup> Urbanization is the process by which an increasing proportion of the total population of a country lives in cities and urban areas. In the Philippines, the National Statistics Office (NSO) considers an area as urban, based mainly on population and existing economic activities. The 2007 Census of Population adopted a new operational definition of urban areas which uses the *barangay*, the most basic government unit, as the unit of analysis. For a *barangay* to be considered urban, it should meet at least one of the following criteria: (1) a population size of at least 5,000, (2) hosts at least one establishment with a minimum of 100 employees, or (3) has 5 or more establishments with a minimum of 10 employees, and 5 or more facilities within a two-kilometer radius from the *barangay* hall. Furthermore, all *barangays* in the National Capital Region (NCR) are classified as urban. (See NSCB Resolution No. 9 Series of 2003.) Per NSO calculations, the urbanization level of 48 percent in 2000 would be reduced to 37 to 40 percent under the updated definition. The urbanization level based on the 2007 census is not yet available.

The Urban Housing and Development Act (Republic Act 7279), on the other hand, follows a different definition, with the city or municipality as the unit of analysis.

This law classifies as urban areas all cities regardless of density and population, and municipalities with a population density of at least 500 persons per square kilometer.

<sup>2</sup> Most literature on urbanization and related topics commonly use the term “city” to connote urban areas. Technically, being a “city” has both legal and political implications. Under the Local Government Code of 1991 (Republic Act 7160), cityhood is granted by the national government through legislation if a municipality has (1) a minimum income of PhP20 million, and (2) a minimum land area of 10,000 hectares or a minimum population of 150,000. In June 2001, RA 9009 amended Section 450 of the Local Government Code. It increased the annual income requirement for the conversion of a municipality into a city from P20 million to P100 million.

<sup>3</sup> No data could be obtained showing poverty incidence per urban area. Poverty estimates at the provincial and municipal levels produced by the National Statistical Coordination Board (NSCB) in 2005 (based on the 2000 Census of Population) were not disaggregated into urban and rural areas. Results from the Family Income and Expenditures Survey (FIES) have not indicated differences between urban and rural areas since 2003. By the “poorest” cities, this essay refers to those municipalities which meet the criteria set by RA 7160 for a city (see note 2), as indicated in the NSCB report.

<sup>4</sup> The extent of poverty in urban areas is likely to be underestimated. Urban poverty figures from the government usually exclude those without official and permanent residence when, in fact, majority of the urban poor live in informal settlements and squatter areas (Balisacan as cited in ADB 2005, 16). Also, the government considers only the minimum standards which but cover those who are desperately poor and exclude those who fail to meet decent living standards, even if their incomes are above the official poverty line.

<sup>5</sup> The Social Weather Stations is a non-stock, non-profit survey institute. Its survey on self-rated poverty and hunger incidence is conducted quarterly using face-to-face interviews of 1,500 adults divided into random samples of 300 each in Metro Manila, the Visayas, and Mindanao; and 600 in the rest of Luzon. Data were accessed through [www.sws.org.ph](http://www.sws.org.ph).

<sup>6</sup> This estimate is based on the average proportion of the informal settler population vis-à-vis the total city population of a set of cities (Metro Manila and other major cities) from which these data were obtained. It must be noted, however, that there exists a wide variability in the proportion of informal settlers to the total population across cities which might result to even higher figures of informal settler households (Karaos et al. 2008).

<sup>7</sup> In 2002, through Executive Order 152, the Presidential Commission for the Urban Poor (PCUP) was designated as the sole clearing-house for the conduct of demolitions. In February 2008, EO 152 was amended through EO 708. EO 708 devolves the functions of the PCUP to the Local Housing Boards or any similar body of the local government units having jurisdiction over the property to be cleared of illegal settlers.

<sup>8</sup> The Metropolitan Waterworks and Sewerage System (MWSS) is the government corporation responsible for the water service provision cov

ering 13 cities and 24 municipalities within and around Metro Manila. Water distribution is controlled by its concessionaires, the Manila Water Company and Maynilad Water Services, Inc.

<sup>9</sup> See note 8.

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