

PROGRAMS □ Housing

Pooling resources in the housing program

"Success for us holds only one meaning: the well-being of our people. We envision a society where the human person will be able to realize the fullness of his potential without having to go through the maiming influence of a hostile environment, both physical and psychological."

—The First Lady, Mrs. Imelda Romualdez Marcos

WHEN President Ferdinand E. Marcos signed into law the decree creating the National Housing Authority a year ago, the most significant sector of our people—the urban and the rural poor—finally found fresh hopes for obtaining decent housing. With a median income of less than P300 a month, the poor has seen the cost of buying a lot and building a house running beyond their means. The government has now decided to launch an integrated effort to alleviate the common problem of mass housing.

Presidential Decree No. 757, signed by the President last July 1975, consolidates all functions and powers, including financing, of government agencies into the National Housing Authority (NHA). Before the decree, at least six government agencies were directly involved in the low-cost housing program, inevitably leading to duplication of efforts.

The decree set in concrete terms the policies of the government on low-cost housing:

□ Recognition of the Constitutional provision that housing is a prime responsibility of the state "to guarantee the enjoyment of the people of a decent standard of living."

□ Housing is to be adopted through appropriate management of the total environment;

□ Priority is to be given to low-income groups; and

□ The encouragement of private participation in capital, expertise and financing to promote low-cost housing into a self-sustaining program.

The problem of housing the poor has been engendered by the burgeoning growth of urban population fueled by continuous migration from the countryside, the rising cost of land due to speculation, and the galloping prices of construction materials.

The Human Settlements Commission reports: "Most families are unable to provide themselves adequate housing without some form of government assistance. Cost of land, labor and building materials put heavy burdens on the government in terms of subsidy cost. Where housing credits are available, they are usually accompanied by strict requirements which majority of families cannot meet. The cost of houses is, more often than not, higher than what families can afford to pay." Government efforts in alleviating the problem, according to the Commission, had been "fragmented." It added that: "No clear-cut policies on the locational priorities and volume or targets of housing projects are yet laid down to efficiently allocate the rather limited financial and physical resources of the country."

The President's move to streamline the government housing program comes at a most propitious time. By the year 2000, according to the Department of Public Works, Communications and Transportation, the Philippine urban population would be around 80 million.



A race between people and houses.

Relating this with another trend, the housing problem is expected to get worse. According to the National Census and Statistics Office, the rate of housing construction is only 2.37 percent a year as compared to the annual multiplication of households which averages 2.79 percent. About 80 to 90 percent of housing construction is being carried out by the private sector.

Where is the money? The cost of financing the low-cost housing program is obviously great. The housing decree, therefore, granted broad powers to the NHA so that it can obtain funds through the floating of bonds and other forms of securities.

To simplify matters, the NHA will only be involved in two major markets: the social market (whose monthly in-

come ranges from P270 to P593 a month and who can devote at least 20 percent of their income to housing) and the economic market (whose monthly income ranges from P743 to P1436 a month and can devote at least 25 percent of their income to housing.) Correspondingly to each of the target groups, housing benefits are approximated to range from P10,122 to P24,150 with an average of P17,178 for social housing; and a range of P25,919 to P50,080, with an average of P25,685 for economic housing. No profit for NHA is assumed, but for funds which the NHA will invest in higher yielding ventures such as commercial areas, etc., earnings have been set at a minimum of 12 percent over 15 years.

'Housing is commitment to total development'

The following interview with retired Major General Gaudencio V. Tobias, general manager of the newly-created National Housing Authority, reveals a man with a high sense of social orientation. Taking on the civilian job following a bemedalled military career seemed only natural. Until his appointment to the NHA, General Tobias was chairman of the task forces on the Development of Sapang Palay and the Rehabilitation and Development of Mindanao, director of the PHHC, director-general of the Tondo Foreshore Development Authority, chairman of the Central Luzon Development Program, and consultant of the Tahanan Foundation; he was also involved with the Carmona Resettlement Project. General Tobias is concurrently action officer on housing of the Metro Manila Commission and Executive Vice President of the National Housing Corporation.

What is the government's perception of the housing problem/needs?

It views the problem as composed of three dimensions; namely, the increase of households, substandard dwelling units, and the resettlement scheme. Notice here that the attention is primarily directed toward the households and secondarily only to the number of units constructed. Housing achievement must be gauged by the number of households benefited whether in terms of units built or simply in terms of improvement of current residence or surroundings. We will build dwellings not necessarily in terms of the number of households but in the context of the extended family system inherent in our culture. Our housing need has a cultural constraint.

What is the conceptual framework of the NHA?

Our approach is principally environmental—the development of communities with all the necessary amenities so that people may enjoy the quality of



Gen. G. V. Tobias

life they rightfully deserve. Housing, therefore, is a commitment to total development—the provision of shelter, development of man, and the improvement of environmental conditions. One of our corporate objectives is to mobilize private resources in keeping with our view that housing is the problem of both the government and the private sector. Under our concept of "joint venture" we shall draw into the NHA the resources of the private sector in the form of capital, management, talent, manpower and technical expertise. Our housing approach embraces both developmental and investment aspects. We will build dwelling units as well as invest in industrial estates to ensure our corporate life.

The NHA board of directors' thinking is that the agency has no reason for being if it cannot address itself to the socially inadequate sector of society.

This is also what most people think. Could you comment on this?

The thrust of our program is toward the very low income groups, the socially inadequate—the workers and the masses whose housing need is a large part of our problem. We shall reverse the situation in the past when the very low income groups were the ones supporting the middle and high income groups in meeting the latter's housing needs. Under our concept of cross subsidy, we shall make those who can afford to share in carrying the burden of providing adequate shelter to those who cannot. You will note that in our development program we are allotting 38.29 percent of our total resources to social and indigent housing.

What are the figures behind the need for a massive housing program?

Based on statistics extrapolated for 1980, new housing will be needed for Metro Manila's 276,000 households, and for other urban areas' 280,000 households, or a yearly requirement of 27,600 households in Metro Manila and 28,000 households in other urban areas. A total of 55,600 households could therefore need new housing units each year. It is known that the average achievement of government-built or financed housing is around 11,000 units each year. As the NHA now assumes this responsibility, the total need will go up to roughly 66,000 units each year up to 1985. The rural housing need is about 93,200 units a year. However, NHA recognizes rural housing to be different from urban housing due to different parameters, such as population, availability of materials, etc. With respect to rural housing, NHA intends to provide planning assistance to local government entities. It has been found that those deserving of government resettlement number around 22,600 households.

Could you project our housing situation for the next 50 years?

We hope that by year 2000 we would have been able to cope with the problem sufficiently. The way our economy is behaving, we should be able to solve the many problems of human settlements. Of course, housing every single Filipino is an impossible dream but we are trying very hard to attain it. Fifteen years ago, the whole concept of integrated human settlements did not click. In the coming years, Filipinos will be able to manage their environment better.

President Marcos, in his report to the nation on his recent overseas trip, mentioned that Tondo would be the world pilot project for marginal settlements. Could you elaborate on this?

For sometime now, the President has mandated to do something about Tondo. He feels that the New Society and slums do not coexist. When the Dagat-Dagatan project was turned over to him last May 17 by the First Lady herself, the President said: "Tondo is the measure of the soul and conscience of the New Society. It is Tondo that will determine the success and the failure of the quiet revolution initiated in the country." He said that the government intends to spend P592 million in four years for the development of Tondo, probably the world's biggest slum district with a population of about 180,000 equaling the population of the whole of Bacolod City in the South. It has caught world attention, including that of the United Nations Environmental Program which has approved a proposed program for Tondo. This program is geared toward coping up with Tondo's population dimension and environmental situation through appropriate technologies. □