Dynamics of Local Initiatives in Land Acquisition:  
The Case of General Santos City, the Philippines

by

Akira Akazawa

B. Engineering, Architecture  
Kyoto University, 1989

Submitted to the Department of Urban Studies and Planning  
in Partial Fulfillment of the Requirements for the Degree of  
Master in City Planning

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Massachusetts Institute of Technology  
June 1998

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Signature of Author...........................................  
Department of Urban Studies and Planning  
May 18, 1998

Certified by..................................................  
Paul Smoke  
Associate Professor of Political Economy and Planning  
Thesis Supervisor

Accepted by........................................  
Lawrence S. Bacow  
Chair, MCP Committee  
Department of Urban Studies and Planning
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ABSTRACT

General Santos City is one of a few local governments in the Philippines that has placed a  
priority on housing for the urban poor. While the case of General Santos is not a success  
story, the case is important in that it shows how a local government fulfilled the mandate  
of the Urban Development and Housing Act (UDHA) to provide land tenure to the urban  
poor. In this study, I explore the characteristics and traits of General Santos’ land  
acquisition programs and mechanisms that underpinned this city’s effort in providing  
credit and basic infrastructure for the urban poor and helping them to acquire their own  
land.

The General Santos experience illustrates that a city will establish new partnerships with  
local NGOs when these partnerships are decisive for housing strategies. In this study, I  
show the pathways to the constructive partnership are circuitous – emerging from past  
institutional structures rather than evolving from a top-down decision-making system to  
ones that collaborates with NGOs.

In this study, I illustrate that after the UDHA made the city establish a coordinating  
council, a local NGO gained an active role within decision-making process of the city’s  
relocation programs due to the lack of city expertise in mobilizing communities. The  
framework for coordination was not created overnight and did not come about after the  
city established this council. Rather, it grew out of a long history of interaction between  
NGOs and city offices.

Furthermore, in this study I examine why the city adopted an innovative NGO model to  
carry out land acquisition programs. The NGO’s land acquisition model illustrates what  
can be achieved by communities whether or not community initiatives are supported by  
local government. In addition, despite the failure of adopting the model, the city has  
learned the model through the process of experimenting with it and has itself grown to  
play a supplementary role in the NGO projects.

Thesis Supervisor : Paul Smoke  
Title : Associate Professor of Political Economy and Planning
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During the course of this work, many people provided guidance, inspiration, articulation, criticism, and support. I am especially indebted to my advisor Paul Smoke, whose guidance kept me on track. For her suggestions in the whole process, and her insights in bringing my findings together, I want thank my reader Meenu Tewari. Her demanding questions and comments helped me to develop and articulate my ideas.

In the Philippines, I am indebted to the support of Institute on Church and Social Issues, Ateneo de Manila University for providing me with an internship and clarifying key issues for my studies. I want to especially thank Jing Karaos and Emma Porio, for their encouragement and provocative questioning. During my field work in General Santos, I would like to thank all the people interviewed, especially the residents of project sites. Many individuals in the city government and KPS have contributed to my knowledge and understanding of the city’s housing needs and programs. Among them, I would like to thank in particular Mary Ann Rubio, Rebecca Magnate, Eyeliner Salazar, Merlito Goyagoy, Boy Olarte, Stephen Armada, and Hazel Indico. To Minat, Ester, and Totoy, who led me to the project sites, many thanks for their patience, support, and friendship.

Finally, to Laura Fried, I want to express my deepest gratitude for making this whole process as good as it gets.

My research was made possible by the International Development Center of Japan. All views, conclusions, and possible errors, however, are my own, not the sponsor.
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**Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>City Engineer’s Office</td>
</tr>
<tr>
<td>CHLMO</td>
<td>City Housing and Land Management Office</td>
</tr>
<tr>
<td>CHO</td>
<td>City Health Office</td>
</tr>
<tr>
<td>CMP</td>
<td>Community Mortgage Program</td>
</tr>
<tr>
<td>CPDCO</td>
<td>City Planning and Development Coordinator Office</td>
</tr>
<tr>
<td>CPMO</td>
<td>City Population and Management Office</td>
</tr>
<tr>
<td>CSWDO</td>
<td>City Social Welfare and Development Office</td>
</tr>
<tr>
<td>HUDCC</td>
<td>Housing and Urban Development Coordinating Council</td>
</tr>
<tr>
<td>KPS</td>
<td>Kamatuoran, Panaghiusa ug Serbisyo</td>
</tr>
<tr>
<td></td>
<td>(Truth, Unity and Service in English)</td>
</tr>
<tr>
<td>LANDS</td>
<td>Land Acquisition through Negotiated Sales</td>
</tr>
<tr>
<td>MTCC</td>
<td>Makar Townsite Coordinating Council</td>
</tr>
<tr>
<td>MTR</td>
<td>Makar Townsite Reserve</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NHA</td>
<td>National Housing Authority</td>
</tr>
<tr>
<td>NHMFC</td>
<td>National Housing Mortgage Finance Corporation</td>
</tr>
<tr>
<td>UDHA</td>
<td>Urban Development and Housing Act (Republic Act 7279)</td>
</tr>
<tr>
<td>UPC</td>
<td>Urban Poor Council</td>
</tr>
</tbody>
</table>
Chapter One
Introduction and Statement of the Problem

“Contrary to traditional view, the urban poor are not burdens of society, they are the toiling masses in the cities and urban centers who are neglected by government thereby confronted with a host of problems.” (From the mimeo of the Urban Poor Council, General Santos City, 1990)

1.1. Objective of the Study

Establishing housing rights is one of the key issues facing the urban poor. Rapid migration into urban areas in developing countries has increased the number of inhabitants with lack of land tenure or basic infrastructure in most cities. Having perceived the problems of expanded squatter areas, local governments have three options according to the literature: 1) postpone dealing with the problem until third parties such as non-government organizations (NGOs) carry out strong movements to pressure governments to act; 2) evict squatters; and 3) carry out housing programs such as sites-and-services and settlement upgrading projects. While most local governments in the Philippines have hesitated to implement housing projects for the urban poor because of the additional financial costs such projects imply, some cities and municipalities have been much more proactive, and indeed placed a priority on social housing.

General Santos City, on the Southern island of Mindanao, is one such case. The city has provided basic infrastructure and even intervened in the negotiation with private interests of land acquisition for the urban poor. Since 1978, the city government has provided land tenure to more than 17,000 urban poor families, which is estimated to represent nearly half of the city’s urban squatters. Since the “People Power Revolution of 1986” created awareness about community mobilization, there has been consistent interaction between the city government and an NGO for land acquisition projects, although this cooperation has not been seamless. This study will present the

---

1 See, for example, Varley (1987) and Kool, Verboom and Linden (1989).
2 The Republic Act 7279 defines “Socialized Housing” as “housing programs and projects covering house and lot or homelot undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long term financing, liberalized terms on interest payments, and such other benefits.”
characteristics and traits of General Santos’ land acquisition programs and the mechanisms that underpinned this municipality’s achievement in providing credit and basic infrastructure for the urban poor and enabling them to acquire their own land.

In this study, I argue that General Santos City placed a priority on land acquisition for the urban poor, when most other municipalities in the Philippines have shied away from it, through the city’s establishment of a new partnership with a local NGO. The partnership was decisive for its housing strategies, and was brought about by a transformed political environment. While I do not see the case of General Santos as a success story, I use it to illustrate how local political actors, engaged in housing provisions in a changing structure of decision-making system, interact with each other to support the urban poor in acquiring their own land. This study shows the pathways to constructive partnerships are circuitous rather than ones that evolve from a top-down decision-making system to ones that include collaboration with NGOs.

The case of General Santos is also important because it shows how a government undertook some parts of the legal mandate of a new law, the Urban Development and Housing Act (UDHA), to provide secured land to the urban poor. The UDHA made the city establish a coordinating council, which gave local NGOs a more active role within the decision-making process of the city’s relocation programs. I examine whether and how this coordination framework enables committees on the coordinating council to achieve the planned tasks. In addition, I present how the city has learned through this framework to coordinate with a local NGO in order to accomplish land acquisition projects.

Furthermore, in this study I examine why the city adopted an innovative NGO model to carry out land acquisition projects. To answer this question, I present evidence of success of an NGO model and failure in the city’s adoption of this model. The NGO’s land acquisition model illustrates what can be achieved by communities whether or not the community initiatives are supported by local government. In addition, despite the failure to adopt the model, the city has learned the model through the process of experimenting with it and has begun to play a supplementary role in the NGO projects.
1.2. National Context and Legal Constraints in the Philippines

In 1992, the former President Aquino set into the new law Republic Act 7279, also known as the Urban Development and Housing Act (UDHA). The UDHA includes the identification of socialized housing by local governments, the conduct of demolitions and the provision of relocation, and balanced housing: social housing should be equivalent to 20% of a city’s new land subdivision projects. Before the introduction of this law, squatters did not even have a right to the land they occupied, and were criminalized for residing in illegal settlements under the anti-squatting law. The UDHA sought to establish an urban policy framework centered on land-use planning (e.g. zoning) as the basis for the provision of housing services to the poor.

In support of this new policy framework and in accordance with the decentralization process embodied in the Local Government Code of 1991, the UDHA put the local governments at the forefront of the government’s housing program. Local governments are directed to implement programs for land disposition and housing construction in the identified socialized housing sites for registered UDHA beneficiaries. Each city government identifies designated social housing sites. However, one assessment of these new initiatives claims that the identification of socialized housing sites, the most crucial first step in implementing a social housing program, has not been accomplished by the majority of local governments due in part to a great deal of unwillingness of local governments to dispose of government-owned lands for the urban poor (Karaos 1996). Does the UDHA really open the door for local landless people? To answer this question, I examine a case where the local government did succeed, to some extent, in using the UDHA to provide housing for the urban poor.

1.3. Housing Program in General Santos City

The few exceptions to the rule of local governments’ unwillingness to dispose of government-owned land include General Santos City, the highly urbanized and industrialized city (population: 343,997 in 1996) in Southern Philippines (see Figure 1, a map of General Santos). The high population growth rate of 5% (highest rate in the

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3 The anti-squatting law (Presidential Decree No. 772) had been in effect since 1972 and was terminated in October 1997.
4 Source: Office of the City Planning and Development Coordinator, General Santos City.
southern region, ‘Region XI,’ and higher than the national average level) resulted in “social problems” such as squatting. Responding to this problem, the city mayor has implemented the Resettlement and Relocation Program. General Santos City has been carried out the UDHA by implementing social housing for their own urban poor. The city has supported 17,000 housing lots so far and its ultimate objective is to provide security of land tenure to an estimated 35,000 urban squatters. This is surprising given the financial burden of the total cost of land this would entail.

To get past the financing problem, the city mayor’s office has adopted alternative modes of land acquisition from a local NGO, in which neither local nor national government agencies provide finance for beneficiaries (due to the lack of relocation sites and financial support for land expropriation to accommodate these squatters). Even without financial support, however, the city has helped the squatter communities and a key NGO (KPS, mentioned below) in acquiring their own relocation sites. The city’s main contribution has been in-kind. It has provided technical assistance particularly during the negotiation phase of land acquisition. The city and KPS have encouraged homeseekers to set aside savings from their earnings to pay downpayment and monthly amortization. Given that the literature which emphasizes that it is often extremely difficult for governments to get poor residents to pay for services or for land, the case of General Santos is quite significant and unusual as it overcomes this problem. Combining innovative land acquisition strategies with the provision of some basic services in kind and minimal financial outlays, the city government has succeeded in meeting the threshold requirements of the UDHA. The city has provided beneficiaries not only with infrastructure free of charge, such as water supply and electricity, but it has also provided an Emergency Shelter Assistance grant of 2,000 pesos (US$67) per family--which meets the minimum requirements set forth by the UDHA.

---

5 Starke (1996) pointed out “while most of their projects were generally successful, there were also instances when certain members would be unable to pay the landowner because of urgent needs entailing unexpected expenses such as illness in the family. In cases like this, the community association would temporarily shoulder the payment until the member was able to pay again.”
1.4. Methodology

My findings are based on two months of internship in Manila and one month on fieldwork in General Santos City. In June and July of 1997, I worked for the Urban Research Consortium in Manila as an intern. At that time, I collected basic data of socialized housing. In addition, I conducted short preliminary research on successful local housing projects, visiting Cebu, San Carlos in Negros Occidental, and General Santos in Mindanao, which gave me a sense of the circumstances underlying demonstrative practices and evidence of success and failure. In January of 1998, I conducted field research in General Santos City and interviewed actors of land acquisition projects, such as city governments, NGOs, consultants, and residents. I collected the available data on housing provisions in the city, reviewed national housing policy documents, and visited a number of land acquisition projects.

My description of housing policies and project implementation in General Santos are based on interviews with residents in land acquisition projects. I visited 15 project sites and interviewed residents. I have not complied complete case studies of each projects. Rather, I draw on interviews and observations to make comparisons among the projects, and make generalizations from patterns observed in all sources of information. I also interviewed staff members of different offices in the city government and staff at the National Housing Authority that have been involved in carrying out low-cost housing in this region. I also interviewed staff members at KPS who themselves organize communities and implement the innovative KPS land acquisition systems. In addition to the information to be obtained through these field interviews, I also drew insights from the literature that defines the roles and responsibilities of actors towards these types of projects.

1.5. Structure of the Thesis

The main focus of this paper is the land acquisition program of the present city administration, which relied highly on a local NGO. I chose to focus on this program because I believe that it offers substantive content from which planners and policy-makers can learn the most.
I have structured this paper in the following way. Following this introduction, I give a brief history of housing experience in General Santos, where different city administrations built different types of housing provisions through transformed political environments. Then in Chapter three, I introduce the reader to the city as a main actor in the land acquisition program. I present how several offices and a NGO coordinate under the local institutional framework. In Chapter four, I examine underlying problems with the replication of a successful NGO model by the local government. My closing remarks briefly summarize my most important conclusions and offer some implications for this study to other cities in developing countries.
Figure 1. Map of General Santos City
Chapter Two

History of Housing Experiences in General Santos

In this chapter, I examine how the decision-making system evolved in General Santos City over three decades. I find that a series of events were instrumental in shifting from a decision-making system that is top-down to one that is participatory. These events include the People Power Revolution of 1986, an appeal to the national government by a local NGO, and the inauguration of a local NGO leader as president of the municipal urban poor council. All three events increased interaction between the city government and a housing NGO, KPS, at the local level. This change in the decision-making system affected housing provision in General Santos by creating a greater role for KPS.

The City of General Santos was officially created in 1968 by virtue of the Philippines' Republic Act. The history of the city administration from 1968 to the present can be divided into five phases according to the different decision-making system backed by different city mayors. As I show in Figure 2, each phase is characterized by historic events, national regulations, and interaction with NGOs. The various decision-making systems in different phases dramatically triggered alliances to form among the urban poor and affected strategies of community participation.

In Phase 1, Antonio Acharon governed the city for a long period (from 1968 to 1986), backed by Marcos' despotic national government. He adopted highly centralized policies on housing. In Phase 2, following the People Power Revolution of 1986, the national government appointed several temporary mayors. This transitional administration still maintained the top-down decision-making system. In the meantime, the urban poor started to form alliances as part of their struggle with land issues. Phase 3 brought about significant change for the urban poor with the introduction of KPS' participation in the city administration. Mayor Rosalita Nuñez initiated collaboration with NGOs to tackle issues facing the urban poor. In Phase 4, Mayor Adelbert Antoniño adversely eliminated NGO involvement in the city administration. Yet, he followed decentralization policy to some extent. In Phase 5, Nuñez returned to govern the city and furthered cooperation with NGOs. A key strategy of the current decentralized administration is collaboration with NGOs. In the following sections I depict the
interactions between the city and NGO in each phase, describing how the decision-making system of each phase affected housing programs.

![Figure 2. History of Organizational Interaction](image)

**2.1. Involuntary Relocation during Centralization Policy**

The earlier approaches to the housing problem were built essentially around relocation. The housing literature points out that involuntary relocation caused economic and cultural disruption, loss of livelihood, and increased stress (Cerne 1988). In addition, governments have been unable to rebuild the social and economic base of the displaced people, in spite of providing any compensation and assistance. During a very long administration of Mayor Antonio Acharon, General Santos City implemented four large relocation projects, i.e. Buyayan, Cahilsot, Acharon, and Fatima (see Table 1), which moved the squatters to relocation sites. The centralization, top-down decision-making system enabled this administration to keep involuntary relocation as a central policy. The former president Marcos’ highly centralized policies on housing and
beautification pushed General Santos and other local governments to implement relocation projects.  

During this regime, massive housing programs targeting the urban poor had expanded from Metro Manila to the local level under the top-down decision making system of the national government. Like most of the relocation sites around Metro Manila, General Santos’ relocation sites tended to lack basic facilities and were far (10 kilometers) from the city center. In addition, like Metro Manila, it was almost impossible for communities and NGOs to participate in the process of these programs during the Acharon regime. As a result, the involuntary relocation amplified the urban poor’s dissatisfaction with the city’s housing policies, and boosted squatter communities to form alliances among themselves.

In the following table I present a profile of land acquisition projects spanning the past thirty years.

---

6 In the 1970s, the national government started massive relocation of squatters from urban areas to the suburbs of Metro Manila. Meanwhile, the national government also began to focus on new housing methods such as slum upgrading and sites-and-services programs, due to donor support. In this period, the World Bank started to finance the Philippine government to experiment with slum upgrading programs, under the Zonal Improvement Program. This international donor’s intervention stimulated the Philippine national government to improve upon and create several housing agencies and a ministry at central level.
Table 1. Profile of Land Acquisition Projects

<table>
<thead>
<tr>
<th>Location (Barangay)</th>
<th>Relocation Site Name</th>
<th>Year</th>
<th>Area (hectares)</th>
<th># of Lots</th>
<th>Modes of Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Direct Purchase</td>
<td>Donation</td>
<td>Government</td>
</tr>
<tr>
<td>Phase 1 (1968-1986)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Calumpang</td>
<td>Calumisot Village</td>
<td>1978-86</td>
<td>7</td>
<td>340</td>
<td>x (City)</td>
</tr>
<tr>
<td>2 Calumpang</td>
<td>Acharon Village</td>
<td>1979-86</td>
<td>65</td>
<td>749</td>
<td>x (City)</td>
</tr>
<tr>
<td>3 Buyayan</td>
<td>BuyayanTownsite</td>
<td>1979-86</td>
<td>54</td>
<td>581</td>
<td>x (City)</td>
</tr>
<tr>
<td>4 Fatima</td>
<td>Lot 1 &amp; 3</td>
<td>1983-1986</td>
<td>77.1</td>
<td>11,684</td>
<td>x (City)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sub-total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>203.1</td>
<td>13,354</td>
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<tr>
<td>Phase 2 (1986-1988)</td>
<td></td>
<td></td>
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<tr>
<td>5 Labangal</td>
<td>Makar Townsite</td>
<td>1986-1988</td>
<td>109</td>
<td>2,173</td>
<td>x (KPS)</td>
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<tr>
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<td></td>
<td></td>
<td>Sub-total</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>109</td>
<td>2,173</td>
<td></td>
</tr>
<tr>
<td>Phase 3 (1988-1992)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 San Isidro</td>
<td>NUSA Ville</td>
<td>1990-1991</td>
<td>0.27</td>
<td>24</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>7 San Isidro</td>
<td>TUSA Ville</td>
<td>1990-1991</td>
<td>4.7</td>
<td>220</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>8 San Isidro</td>
<td>TUSA Ville Annex</td>
<td>1990</td>
<td>0.46</td>
<td>5</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>9 Labangal</td>
<td>EMB Homes</td>
<td>1990-93</td>
<td>5</td>
<td>315</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>10 Sinawal</td>
<td>YUSA Ville</td>
<td>1991-95</td>
<td>6.3</td>
<td>309</td>
<td>x (KPS)</td>
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<tr>
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<td>Sub-total</td>
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<td></td>
<td></td>
<td></td>
<td>16.73</td>
<td>873</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Calumpang</td>
<td>ASFIN</td>
<td>1995-1997</td>
<td>0.21</td>
<td>26</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>12 Lagao</td>
<td>Sitio Toning Phase 1 &amp; 2</td>
<td>1995</td>
<td>1.5</td>
<td>54</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>13 Mabuhay</td>
<td>DALAWA Inc</td>
<td>1996</td>
<td>1</td>
<td>45</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>14 Mabuhay</td>
<td>DUPSA</td>
<td>1996</td>
<td>1.5</td>
<td>27</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>15 Mabuhay</td>
<td>PTC Village</td>
<td>1996</td>
<td>1</td>
<td>37</td>
<td>x (City)</td>
</tr>
<tr>
<td>16 Sinawal</td>
<td>Litanville</td>
<td>1996-1997</td>
<td>5.9</td>
<td>314</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>17 Lagao</td>
<td>LLELOHA</td>
<td>1996</td>
<td>2</td>
<td>138</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>18 Apopong</td>
<td>Sto Niño Sama-Sama Sa Kaunlaran Assoc.</td>
<td>1996</td>
<td>1</td>
<td>50</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>19 San Isidro</td>
<td>Purok Islam Village</td>
<td>1997</td>
<td>1.5</td>
<td>50</td>
<td>x (City)</td>
</tr>
<tr>
<td>20 Calumpang</td>
<td>Puting Bato</td>
<td>1997</td>
<td>0.77</td>
<td>54</td>
<td>x (City)</td>
</tr>
<tr>
<td>21 Fatima</td>
<td>NHA Site, Lot 1</td>
<td>1997</td>
<td>10</td>
<td>418</td>
<td>x (City)</td>
</tr>
<tr>
<td>22 San Isidro</td>
<td>Purok Mattataq (Salvacion Cana)</td>
<td>1997</td>
<td>1.7</td>
<td>29</td>
<td>x (City)</td>
</tr>
<tr>
<td>23 City Heights</td>
<td>LAHOSA</td>
<td>1997</td>
<td>0.46</td>
<td>37</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>24 San Isidro</td>
<td>URPA</td>
<td>1997</td>
<td>1.05</td>
<td>130</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>25 Lagao</td>
<td>Carcon Village Phase 1 &amp; 2</td>
<td>1997</td>
<td>2</td>
<td>200</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>26 Labangal</td>
<td>Abdullah Property</td>
<td>1997</td>
<td>0.41</td>
<td>51</td>
<td>x (KPS)</td>
</tr>
<tr>
<td>27 Sinawal</td>
<td>Villa Fransisa Phase 1</td>
<td>1997</td>
<td>1.5</td>
<td>109</td>
<td>x (KPS)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sub-total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>33.5</td>
<td>1,769</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>362.33</td>
<td>17,296</td>
<td></td>
</tr>
</tbody>
</table>

Source: City Housing and Land Management Office, General Santos and KPS.

Note: 1) "Direct purchase" means that community associations purchased land directly from landowners without funds from public or private sources. See the detail in Chapter 4.  
2) "Donation" means that landowners donated land to community associations.  
3) "Government" means that government-owned land was allocated for relocation sites.  
4) The city assisted the negotiation with landowners.  
5) KPS assisted the negotiation with landowners.
2.2. NGO’s Indirect Pressure to Temporary City Mayors

The first major change to the standard approach (involuntary relocation) occurred during a transitional period from 1986 to 1988. The alliance of the urban poor took advantage of the top-down decision-making system at the local level in order to fulfill their housing rights. A combination of political instability and long-standing dissatisfaction with the existing relocation sites, created during the Acharon regime, brought about resistance from squatter communities.

During this period, the people’s organization KPS evolved from various squatter communities faced with eviction. Until this time, the squatters had no choice in acquiring secured land, except for moving to the discommoding relocation sites. KPS frequently requested that the city government allocate Makar Townsite Reserve (MTR) as an alternative relocation site for landless people. Yet, the city government never responded to the squatters’ demands.

The historic People Power Revolution of 1986 brought about an anticipated opportunity for KPS as the city administration weakened. The Ministry of Interior Local Government relieved mayor Acharon and appointed Dominador Lagare as Officer-in-Charge (OIC) City Mayor in March 1986. This city administration did not continue for long. In fact, the OIC City Mayor changed frequently until 1988, when the Philippines held a nation-wide election, including elections for the position of city mayor.7 During this transitional period of the city administration, the poor of General Santos attempted to strengthen their position through organization and mobilization. This is unusual because the literature assumes that only when a community has stability, can it push big changes. The People Power Revolution gave the belief of self-empowerment to the poor and led to the creation and alliance of NGOs in General Santos.

These temporary city mayors had not developed any housing policies to solve emerging squatter problems. Rather, the city tried to displace and relocate the squatters who had lived in the area where the national government undertook road-widening projects. Against the absolute top-down decision making process, KPS directly petitioned

7 Rosalita Nuñez succeeded Lagare in March 1987. Antonio Munda took over as OIC City Mayor from Nuñez, who was then a mayoral candidate. After a couple of months, Marcelo Agullana, replaced Munda, for another short term of one month.
the national government to pressure the city government to respond the urban poor’s demands. Starke (1996) described an example of this appeal:

When Constitutional Commissioner Vicente Foz came to General Santos for the January 1987 campaign rally to gain support for the post-EDSA constitution, the KPS barricaded the city hall with streamers screaming: “Yes or boycott – Makar Townsite Reservation.” Perhaps to appease the demonstrators, Olarte (KPS leader) was invited to explain KPS’s demands on the local government...After the rally, KPS leaders were invited to have a closed door meeting with Foz and then OIC Mayor Lagare. Foz promised to communicate their demands to the president.

Other mass actions of KPS finally moved the national government to investigate irregularities in the disposition of lots in the Makar Townsite Reserve. The investigation team suggested to then President Aquino that this land should be utilized for the public domain and as defined in 1928. Although KPS kept negotiating the use of the land with the city government, the city did not reach any solution over the nine months. Disgusted with the inability of the city government, KPS took more aggressive action (Starke 1996). On November 19, 1987, roughly 3,000 KPS members invaded the MTR with building materials and constructed shanties in one day. This massive invasion shocked not only the city government, but the entire nation as well.

In conclusion, the temporary city administration lacked a creative strategy for resolving the city’s land problems. Rather, it followed the order of the national government. However, the alliance of people’s organizations in General Santos made a courageous move to stand up to national government policy by indirectly pressuring the local administration. This strategy effectively took advantage of the top-down decision making system through militant mass-actions.

2.3. Collaboration with NGOs for Rapid Urbanization

Another big change that influenced the city is approaches to land acquisition happened when an advocate for the urban poor, Rosalita Nuñez, won the local election of
1988 with the support of the grass roots movement. Her city administration strengthened collaboration with the private sector and NGOs to cooperate with rapid urbanization. Since the new administration wanted visible results within a short period, Nunez focussed on speedy implementation of infrastructure projects and prompt delivery of basic services. To achieve these services, the city created new offices, such as the City Economic Management Office, the Protocol Office, and the City Housing and Land Management Office (CHLMO) (Clamor 1993). The CHLMO specifically addressed the growing problem of squatters in the city and the management of different land holdings of the city government. Nunez’s efforts built, for the first time, a mechanism to address land issues of the urban poor, including eviction and demolition.

Furthermore, the city created several councils to institutionalize NGO and private sector participation in the city’s affairs, including the Urban Poor Council (UPC). The city created the UPC to address the emerging problems of the urban poor sector. The UPC, composed of presidents of homeseekers associations for the urban poor, did not directly implement programs or projects for the urban poor, but rather intended to clarify the urban poor issues. In other words, it served as a forum for the concerns of the urban poor. The city solely accredited KPS as the implementing arm of UPC and designated its head, Rodrigo Olarte, as UPC president. General Santos was a very rare case in that local government empowered NGOs to initiate social development before the national government proclaimed decentralization policies.

By the time of UPC’s establishment, KPS had become well-known all over the city as an NGO practicing an innovative land acquisition program for the urban poor. This is why KPS could be deeply involved in the UPC. Not surprisingly, the main strategy that the UPC adapted for land acquisition came from KPS. The UPC succeeded in making the city government recognize the needs of the urban poor, which led the city to strengthen coordination among various offices in the city and to create community participation through a bottom-up decision-making system at the local level.

After the establishment of the UPC, the city created the Makar Townsite Coordinating Council (MTCC) to deal with the new relocation site, which had been a headache since the time of the transitional city administration. The idea for the creation of this committee also came from Olarte, the same person who had led thousands of
people to invade MTR. The national government had intervened to investigate the condition of resettlements and land titles in MTR and requested General Santos city to submit a necessary plan. The city was therefore obligated to follow through the issue of land for the urban poor.

In contrast to the former temporary mayors, Mayor Nunez turned to fulfill her policies through collaborations with NGOs, which she had pledged during the election campaign so as to obtain votes from the majority of the population, the urban poor. Coordination between the city and NGOs became the basic principle in General Santos, yet the next mayor would completely disregard the involvement of NGOs.

2.4. Decentralization Adversely Impacts the Urban Poor

A new mayor Adelbert Antoniño\(^8\) focused his policies on economic development through both foreign and domestic investment, rather than on urban poor issues. Backed by the decentralization regulation, “the Local Government Code of 1991,” which came into effect from his term, Antoniño reorganized the city administration by abolishing offices, especially those created by Nunez for solving problems of the urban poor, such as the CHLMO, UPC and MTCC. During Antoniño’s administration, the number of city employees declined, as the mayor fired employees who were not sympathetic with his development policy. One city personnel officer claimed:

Antoniño wanted only three departments in the city. Thus, some departments were placed under one department. He formed the city administration with only his indigenous people. During his time, the number of city employees decreased due to lack of promotion and replacement. He wanted the city government to be his private office, probably because he was interested in his enterprise business. He

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\(^8\) In 1992, Adelbert Antoniño defeated Nuñez in the city mayoral election. In the end of her term, the former mayor Nuñez made a mistake that would affect the next election. Namely, she publicly declared support for Marcos’ crony in the 1992 presidential campaign (Clamor 1993). This made her popularity drop to an unrecoverable level and caused her loss in the mayoral race.
implemented infrastructure projects with his limited staff, backed up with plenty of budget.⁹

Yet, although he endeavored to control the city administration in terms of economic development, Antoniño could not neglect policies of the central government. In his term, the national government introduced the Urban Development and Housing Act (UDHA), which identifies local governments as the implementing bodies of housing for the urban poor. In 1994, President Ramos ordered local governments to conduct registration of beneficiaries and land inventory as mandated by the UDHA.¹⁰ Antoniño partially followed this order and started to register the potential beneficiaries in order to submit beneficiary listings to the Housing and Urban Development Coordinating Council (HUDCC), a national governmental agency. During this administration, the city registered 13,000 potential beneficiaries. The city, however, never carried out the next and most crucial step: identifying socialized housing sites for these beneficiaries.

In the meantime, KPS developed land acquisition program for the urban poor without national or local governmental support. As shown in Table 1, KPS implemented five land acquisition projects without the city’s support during this regime. According to Choguill (1996), when governments do nothing to solve local problems, community members, by themselves, plan improvements to their neighborhood and control the projects, but not always successfully. In General Santos, however, KPS led projects successfully. I discuss the mechanisms of this success in Chapter 4.

While Antoniño’s administration eliminated interaction between the city government and NGOs, it did establish a mechanism for registering potential beneficiaries. General Santos was a rare case in that it did adhere to the UDHA. Yet, the decision to conduct registration was not made willingly by the city; rather it was one enforced by the national government. Ironically, the urbanization strengthened by Antoniño, through his policies of economic development, led to more immigration from adjacent areas, resulting in a rapid increase of squatters.

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⁹ Interview with a city personnel officer on January 19, 1998.
¹⁰ Due to the lack of resources, skilled manpower, funds, and detailed instructions, none of the local governments were able to implement UDHA mandates for two years following the proclamation of UDHA in 1992.
2.5. Further Endeavors with KPS

The present city administration (from 1995 to 1998) has started to support land acquisition projects again, through cooperation with KPS efforts. When the former mayor Nuñez regained her position in the 1995 mayoral election, she restored the City Housing and Land Management Office (CHLMO) by recalling all personnel. In addition, Nuñez established the UDHA Coordinating Council in 1995 to oversee the implementation of the UDHA and mitigate the squatting problem, which was “one of the most visible manifestations of poverty” (the city’s Executive Order No. 1, 1995). The main functions of this council were to coordinate with agencies and KPS for directly implementing housing programs, and to propose and draft policies, rules and regulations.

During Nuñez’s administration, the city started to support relocation and on-site projects. The city’s support included providing basic infrastructure to new relocation sites, allocating Emergency Shelter Assistance grants of 2,000 pesos (US$80)\textsuperscript{11} to beneficiaries, and lending municipal trailers to move beneficiaries’ old houses. However, only a few projects were directly conducted by the city. KPS carried out many projects without the city’s support during the stage of land acquisition. KPS undertook the organization of community associations and negotiations with landowners. In Table 1 I list the land acquisition projects implemented by the city and KPS. As I show in the table, during the present city administration, KPS initiated most of land acquisition projects (Projects 11 and below) rather than the city. Discrepancies between the city and NGO involvement derived from the different institutions’ level of expertise and commitment to the urban poor.

KPS developed a Direct Purchase system in 1988, during the Antoniño regime, which enabled beneficiaries to acquire land using their own money and without the financial support of the government (see this surprising method in Chapter 4 in more detail). At the beginning of Nuñez’s second administration, the city adopted the Direct Purchase system from KPS when it experienced difficulty acquiring new land for relocation sites due to land scarcity. Compared with Antoniño’s administration, when no work had been done with the urban poor beyond the registration of potential

\textsuperscript{11} 1 US dollar equals to 25 pesos in January 1997.
beneficiaries, the work of the Núñez administration on a few projects makes the city seem progressive.

During this period, KPS leader Olarte was elected as city councilor. Holding this position enabled him to compel the city to focus on issues of the urban poor. For example, as a city councilor, Olarte could officially speak out in the council meeting and advise Mayor Núñez on issues concerning the urban poor. In addition, he arranged the recruitment of one KPS staff member for a position in CHLMO to facilitate cooperation with KPS and various community associations. Olarte desired to implement the mandates of the UDHA. Utilizing his official position, he pushed Núñez and the city administration to establish the UDHA Coordinating Council. The city appointed Olarte as Acting Officer of the UDHA Coordinating Council since he already had experience supervising the Urban Poor Council, as president of this council during the first Núñez regime. In short, Olarte’s involvement as a city councilor has facilitated the transmission of opinions of the urban poor to the city administration.

2.6. Conclusion

The upsurge of a social movement does not occur overnight. In this light, General Santos is not an exception. General Santos’ housing policies and decision-making system changed in response to both national policies and municipal policies. The decision-making system has evolved from being top-down to one that includes collaboration with NGOs. Yet, this change was not accomplished in an incremental way. Rather, a local NGO indirectly pressured the unstable city administration through appeals to the national government. In the meantime, the urbanization of General Santos, backed up by the economic development strategy, expanded squatter population through influx of workers from adjacent areas. The problems stemming from the rapid increase of squatters are no longer unavoidable for the city. Lacking human and technical resources, the city reached out to KPS’ manpower to solve the acute housing problems. In spite of the city’s political change, KPS’ efforts to mobilize squatter communities towards land acquisition are

12 Olarte and KPS members attempted to gain the urban poor’s political support by participating in municipal elections in 1988 and 1992. Though KPS candidates fared poorly in those elections, they succeeded in broadening awareness of the urban poor agenda among the local electorate and elected officials (Starke, 1996).
seamless. When the city government was hostile to NGOs, KPS developed and perfected its self-help land acquisition scheme on its own. Eventually, KPS’ initiatives influenced the processes and outcomes of the city’s housing provision. But the question remains whether the current city administration has adequate mechanisms so as to realize its housing provision efficiently? In the next chapter, I turn to examine this question.
Chapter Three
Institutional Framework of Local Government

General Santos is one of few cities in the Philippines which has institutionalized housing through both a City Housing and Land Management Office (CHLMO) and an UDHA Coordinating Council. The establishment of a UDHA Coordinating Council in other cities has generally depended on the discretion of the city administration. In this aspect, General Santos is an exception to most cities in the Philippines, where the UDHA council does not necessarily exist or has little influence over the city’s land acquisition or relocation operations. In this chapter I examine (i) the influence of UDHA on the decision-making process for housing policy and (ii) changes in political support that detract from the framework for coordination. I provide an example of the friction between the mayor and the committee members of the UDHA council, namely a massive invasion of land in October 1997 by a professional squatter syndicate.

The UDHA council gave the CHLMO authority over the city’s housing activities, which better enabled the office to follow through on relocation projects. In addition, the UDHA council also gave local NGOs an active role within the decision-making process of the city’s relocation programs due to the lack of city expertise in mobilizing communities (see Figure 3). To ensure their participation, NGOs were listed as members under five different committees. Additionally, the action officer for the UDHA council happened to be the former NGO leader and present city councilor, Olarte. In fact, it was Olarte’s idea to establish the UDHA council. He came to support this type of coordinating mechanism due to his own experience as president of the Urban Poor Council (1989-1992) of General Santos. This inter-penetration between the governmental institutions and the NGO is significant since it helps effective implementation of housing policies.
Figure 3. UDHA Coordinating Council

UDHA Coordinating Council  
Chair: Mayor Nuflez  
Action Officer: Councilor Olarte  
Secretariat - CPDO/CHLMO

GOLD Consultants

Hosing and Land Use Committee  
Secretariat - CPDCO  
- Chair: CPDCO  
- CENRO  
- CHLMO  
- CEMLO  
- NGO(KPS)  
- Representatives of NGAs

Land Acquisition and Urban Renewal Committee  
Secretariat - CHLMO  
- Chair: CHLMO  
- CSWDO, CEMCDO  
- CPDCO  
- DENR, CBAGS  
- PCUP  
- NGO  
- 2 POs

City Registration Committee  
Secretariat - CSWDO  
- Chair: CSWDO  
- CHLMO  
- NHA  
- NGO (Habitat for Humanity)  
- NGO (KPS)  
- CPDCO

Task Force on Relocation and Resettlement  
Secretariat - CHLMO  
- Chair: CHLMO  
- CSWDO  
- NHA  
- CHLMO  
- CEO  
- CHO  
- Barangay Captain concerned

Committee Against Squatting Syndicates & Professional Squatters  
Secretariat - CHLMO  
- Chair: City Mayor  
- Action Officer: Councilor Olarte  
- CHLMO  
- CSWDO  
- PNP  
- Barangay Captain concerned  
- NGO  
- 2 POs  
- NHA

Source: City Housing and Land Management Office, General Santos City
This framework was not created overnight and did not come about after the city established the UDHA Coordinating Council. Rather, it grew out of a long history of interaction between NGOs and city offices in General Santos. In the following sections I illustrate how the other city offices provide human resources to the CHLMO, as delegated by the UDHA council, and how the CHLMO fits in the larger institutional context of the case.

3.1. UDHA Coordinating Council

Support for the UDHA Coordinating Council was by no means seamless. As shown in Figure 3, the council included five working sub-committees with action teams made up of various city offices and NGOs. Upon the lifting of the moratorium on the implementation of the UDHA, Mayor Nunez, in coordination with the CHLMO, created the UDHA Coordinating Council in 1995. The purpose of this council was to implement the UDHA and to mitigate the squatting problem. The city appointed Councilor Olarte (the former leader of KPS and former president of the Urban Poor Council) as the Action Officer of the council, due to his deep involvement in housing. This council originally included four working sub-committees made up of various city offices involved with housing issues, as I describe below.

I. Committee against Squatting Syndicates and Professional Squatters

The main function is to oversee and coordinate government activities against professional squatters and squatting syndicates or persons who organized urban poor to invade lands without due process. It also would file the necessary charges before the courts or Prosecutor’s office.

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13 The city is a recipient of an award from the Office of the President of the Philippines for two consecutive years because of its successful implementation of the UDHA, according to the CHLMO. The results of the UDHA implementation is being reported and monitored by the national agencies particularly the Presidential Commission for the Urban Poor (PCUP) and the Department of Interior and Local Government (DILG).

14 The Executive Order No.1, 1995 defines “professional squatters” as “individual or groups who occupy lands without the consent of the land owner and who have sufficient incomes or legitimate housing. This term also applies to persons who have previously been awarded homelots/housing units by the government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area. The term shall not apply to individuals or groups who rent land and housing from professional squatters/squatting syndicates.” It also defines “squatting syndicates” as “groups of persons engaged in the business of squatter-housing for profit or gain.”
II. Task Force on Relocation and Resettlement

The main function is to ensure proper and humane relocation and resettlement procedures.

III. City Registration Committee

The main function is to serve as overall coordinating body and secretariat and to provide logistical support during the entire registration period.

IV. Housing and Land Committee

The main function is to undertake an inventory of all lands to determine current and actual land uses, availability of basic services, and such other information that are needed to establish the availability of sites for socialized housing and resettlements areas.

V. Land Acquisition and Urban Renewal Committee

This committee’s main function is land acquisition and disposition, primarily for urban development and shelter projects.

In 1996, the city expanded the UDHA Coordinating Council by adding the Land Acquisition and Urban Renewal Committee in order to start land acquisition by duplicating the KPS’ land acquisition system. Furthermore, the city created action teams for the committees, which included members of city government and NGOs.

One of the most successful committees is the City Registration Committee. The main goal of this committee is to identify potential beneficiaries for socialized housing. The reason for its success extend back into the previous administration when the city created mechanisms for the registration of beneficiaries through pressure from the national government before the UDHA Coordinating Council was effective. The committee organizes barangay registration committees and prepares documents. By the end of last year, the city had documented more than 13,000 potential beneficiaries. This figure is less than a half of the estimated 35,000 or more squatter families in the city according to barangay officials. While General Santos has not been able to document all beneficiaries, General Santos is one of the few cities that has accomplished the registration of such a large number of potential beneficiaries.
Other committees, however, have not been as effective in carrying out the designated tasks. Failure derives from the rarity with which committees held meetings to implement planned tasks, and the lack of leadership from each head of these committees.

Another important reason why committees have failed to carry out their designated tasks lies in changing political support patterns. One example shows how political support for a group of illegal squatters tarnished the city's land acquisition system. In October 1997, thousands of people invaded a pastureland, the lease for which was held by the national government and an individual person, and had expired before this incident. Some professional squatter syndicates mobilized the poor who lived not only in General Santos, but also in adjacent provinces, to invade this site and build shanties overnight. This invasion caused serious conflict with the former lease owner and a few people were killed by a guard.

Although the incident described above seems similar to the massive invasion of Makar Townsite Reservation (MTR) conducted by KPS in 1987, the processes of the two cases are rather different. KPS had filed for the rights to MTR with the national government many times, and had organized community associations for a long time before the invasion. This recent invasion did not take the necessary steps such as negotiations with landowners, community education for land acquisition, or registration of community associations with the city.

While the CHLMO and KPS were repelled by this invasion conducted by the squatting syndicate, the city mayor and some city councilors supported this invasion, after they considered the potential for drawing support for the next election from a large number of the invaders. The mayor's support weakened the function of the Committee against Squatting Syndicates and Professional Squatters totally irrelevant. It is ironical that while the CHLMO and KPS, so far the more serious advocates for the urban poor, did not support this violent overlay of land, the city, which had not done much, did. Such political intervention has occurred in other cases as well.

In this section I have illustrated that the city lacks consistent decision-making practices needed to make government a proactive partner in land acquisition. In the next sections I examine in greater detail the role of the many offices involved in the relocation and resettlement program in General Santos. The involvement of so many offices in
relocation programs is unusual, since most local governments in the Philippines do not divide such programs into small pieces or allocate them to many offices. I start by dissecting the CHLMO as the central office for implementing housing programs in the city.

3.2. **City Housing and Land Management Office (CHLMO)**

In circumstances in which a city does not have enough public land to allocate to socialized housing, facilitating negotiations between community associations and landowners can be crucial to carrying out housing programs. In General Santos, the city mayor gave the City Housing and Land Management Office (CHLMO) the main role in the relocation program. Yet, the CHLMO tends to lack leadership and expertise for organizing beneficiaries and coordination skills.

Rather, upon its establishment in 1990 by the city mayor, and under the recommendation of the KPS leader, the CHLMO specifically addressed the growing problem of squatting in the city and the management of the different landholdings of the city government. The CHLMO would facilitate cooperation between the General Santos City government and national government agencies in housing, particularly to obtain financial sources for different programs, such as land acquisition. KPS helps the CHLMO in community organizing, while the CHLMO taps the private sector for donations of land, as well as assistance in relocating squatters from private land. For example, it finds landowners that have occupants within their lands and want them evicted.

The CHLMO has three working divisions, as I mention below, and is supported by administrative staff.

1. **Resettlement and Relocation Division**

This division has four tasks. First, it is in charge of the resettlement of landless families to the different relocation sites of the city. Second, it conducts periodic monitoring of all relocation sites from basic needs to the proliferation of speculators within the area. Third, it monitors the selling of lots within the relocation sites. Fourth, it serves as the working arm of the Task Force on Relocation and Resettlement under the UDHA Coordinating Council. All staff members of this division are bureaucrats except for one person. Councilor Olarte, the former KPS
leader, recruited a social worker from KPS as an officer of this division in order to strengthen the city’s fieldwork and the affiliation between KPS and the city government.

II. **Housing, Homesite and Physical Planning Division**

This division is in charge of the housing component. It prepares and updates the city’s Shelter Plan and conducts feasibility studies for housing. Members of this division serve on the Housing and Land Use Committee of the UDHA Coordinating Council. This division is important for the technical aspects of housing programs. In fact, the staff members developed house-building strategies through their experience at the project sites.

III. **Land Management Division**

This division is in charge of the titling of land tenure in the different relocation sites of the city, which is deemed to be the most crucial function of the land acquisition program. Members of this division serve on the Committee Against Squatting and Professional Squatting Syndicates of the UDHA Coordinating Council, which has never been successful. Due to the lack of manpower in this division, however, only the office head and one officer are available to negotiate with landowners. In addition to this weakness, the KPS president points out another constraint, namely that “the city government or city mayor cannot negotiate with landowners without approval of the city council. On the other hand, NGOs like KPS can directly negotiate with landowners.”

Lack of manpower for negotiations may be the main reason why the city has recently conducted only a few relocation projects by itself.

The city has not favored housing in its annual budget. In 1997 the city allocated 7 million pesos (US$230,000, 2% of total expenditure), while in 1998 that figure decreased to 5 million pesos (US$125,000, 1.3% of total expenditure). Allocation is based upon availability of financial resources of the city and equal division of resources with other sectors. The city government has not needed to spend much money on housing because the city has relied on community associations and private landowners for acquiring land through direct purchase schemes or land donation.

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15 Interview with Carlito Sarayno, President of KPS on January 5, 1998.
In addition to not supporting the cost of land acquisition, since 1990 the city has not acted as a financial guarantor for land acquisition. In the past, the city guaranteed the beneficiaries' repayment for NHA's housing project. Due to a lack in monitoring the repayment, the collection system totally collapsed and this problem became a court issue. Since then, the city has not guaranteed any repayment for housing projects. Thus, the city does not play a role in the collection of monthly amortization from beneficiaries.

Not having to deal with collection, however, may contribute to the sustainability of the relocation program, given the fact that most housing programs in developing countries have confronted collection problems. While most of the land acquisition projects initiated by the city and KPS are successful in collecting monthly payment, the Community Mortgage Program (CMP) of the national government faced problems of payment collection due to the logistics of monitoring. I will discuss the features of the CMP collection system in the next chapter.

3.3. City Social Welfare and Development Office (CSWDO)

The CSWDO plays an important role in supporting beneficiaries' relocation to acquired land in many ways. The CSWDO administers and supervises the social services of the city, executes and enforces all laws and ordinances relating to social services and cooperates with and assists all sectors, agencies and organizations, and the public and private sector, in the implementation of their welfare programs. The CSWDO socially and psychologically prepares communities for demolition, while other offices are involved in land preparation. With the implementation of the UDHA, squatters have a choice of either going back to the provinces where they originated or being transferred to relocation sites, if they qualify. As shown in Figure 4, the CSWDO provides 2,000 pesos of Emergency Shelter Assistance to people during relocation. The Emergency Assistance Program both prepares people and communities to cope with natural and/or human disasters, as well as provides restoration and rehabilitation services. The large increase of the recipients in 1996, as I illustrate in Figure 4, is mainly due to the rapid increase of demolition and relocation activities during the present city administration.
3.4. Involvement of Other City Offices

The involvement of all offices in the city does not hurt the operation of the housing program, as one might otherwise think because of the problems posed by coordination among many offices. Rather, the various city offices support the CHLMO, with resources that the CHLMO lacks, under the umbrella of the UDHA Coordinating Council.

In the relocation process, the City Engineer’s Office (CEO) provides equipment needed in the preparation of land subdivision schemes, and facilitates the transfer of houses to relocation sites. Before relocation, there must be water supply, electricity, and other basic facilities. For the water facility, the CEO surveys the project site, plans and designs the water system. While funding is provided through the CHLMO, the CEO implements the installation of the water supply. For Electricity, SOCOTECO (a private electricity company in the region) provides its facility. The CEO’s cooperation with other offices for the relocation started approximately ten years ago. The CEO’s implementation power, however, was only strengthened after the proclamation of the UDHA. In 1997, in addition to this activity, the CEO started surveying the subdivision of the relocation sites,
as the CHLMO did not have their own survey team at that time. Recently the CHLMO created their own survey team. Thus, the CEO no longer supports the subdivision survey for the CHLMO.

The City Health Office (CHO) attends to the general health condition of the residents, particularly in the early stage of post-relocation. This office provides water-sealed toilets in some cases and conducts periodic monitoring of the sanitary conditions of the site facilities. These all supportive services are principally free for the community. The limited budget of the city, however, has caused the delay and limited allocation of these services.

The City Population and Management Office (CPMO) was previously a member of the City Registration Committee. During the Mayor Antoniño administration, the CPMO assisted the committee in screening the UDHA beneficiaries. In 1992, the CPMO surveyed all potential beneficiaries who lived along the national highway, riverbanks, and shoreline. The officers themselves went to the barangay\(^\text{16}\) to collect data for the registration, but the squatter residents did not, in turn, come to the city office to register. This suggests that the program was supply driven (by the city), rather than demand driven (from the people). Part of the problems of this program may derive from how the city government recognizes community associations and squatter individuals as mere recipients of the relocation projects. For example, city officers use the term “beneficiaries” rather than “participants.” No equal partnership exists between the city and participants.

The City Planning and Development Coordinator Office (CPDCO) is the planning and monitoring body for development projects. The office assists in the formulation of development policies, objectives and plans, provides technical assistance and services relative to socio-economic and urban planning, and analyzes vital statistical data of the city. The Housing and Land Use Committee of the UDHA Coordinating Council is headed by the CPDCO. Since the CPDCO is too busy for other issues, the meeting for this committee has rarely been held.

\(^{16}\) It is the basic political unit. Every citizen is a member of a “barangay” assembly that meets to discuss national and local issues.
The National Housing Authority (NHA) provides two assets to the city: technical assistance and government funding. The NHA General Santos Office conducts housing projects in General Santos, South Cotabato, and Sarangani Province. NHA's first project began in 1990. The NHA mortgaged 4.3-hectare land for 350 families with the city's guarantee. Due to the lack of monitoring of the repayment, however, the NHA has rarely collected the monthly amortization from the community association. Therefore disputes among the NHA, the city, and the community association swelled to a court issue. Since then, neither the city nor the NHA has guaranteed or mortgaged housing projects for the urban poor in General Santos.

Besides the unsuccessful mortgage project, the NHA supported the city's resettlement project with technical assistance and 10 million pesos in grants from the national government budget. The NHA implemented the land development and installed water supply and sanitation systems for the 10-hectare resettlement project in Fatima Lot 1. Like other criticisms of the NHA's activities, its General Santos office could not accomplish significant projects for the urban poor. The impact of the NHA on General Santos was insignificant. Yet, the example of the Fatima project reveals that the role of the NHA should be limited to financial and technical assistance to the city or NGOs. This NHA office, merely being an extension office of a national agency, cannot create policy addressing the specific needs of General Santos. Rather, it must follow the NHA's guidelines, such as direct housing production through joint ventures with private developers and local governments.

To summarize, the pathways for all of these supportive activities are not new; rather, coordination occurred through a body similar to the previous Urban Poor Council (UPC). The name of the coordination body changed from the UPC to the UDHA Coordinating Council, and there was an interlude between them during the investment-oriented mayor's regime. Yet, the target and main leaders of these councils stayed the same. It is important that the city was able to modify and improve coordination among the city offices and NGO to provide necessary materials to the relocates, largely due to the communities' objectives and membership patterns spanning both the UPC and UDHA.

17 Many academic experts and NGOs criticize the NHA that its target and accomplishment has been apart during the past decade. Although the NHA should target the poor, most of its actual projects have been handed over to the middle-class people.
councils. Through the coordination framework, the city learned the NGO model, which has pioneered land acquisition programs. In the next chapter I focus on the reasons why the city adopted the NGO model.
Chapter Four
The City Became an Adopter of NGO Model

General Santos City adopted KPS' land acquisition strategy (direct purchase) when the present city mayor strengthened housing provision with the creation of the UDHA Coordinating Council in 1992. Despite KPS' success with this innovative strategy, the city's use of this strategy was ineffective in reaching its target population. In this chapter, I will examine how the KPS model works, why the city adopted the KPS model, and why the KPS model was not an appropriate model for the city to use on its own. First, I present the KPS model, as applied to four community cases, to illustrate interactions among stakeholders of land acquisition. Second, I describe the innovative mechanisms of the KPS model, and give evidence from previous KPS cases. Finally, I highlight internal problems of the city, as an adopter of the KPS model.

4.1. KPS Model

The KPS self-help land acquisition system or the LANDS program (Land Acquisition through Negotiated Sales) has two major components: preparing the people for the land and preparing the land for the people. KPS developed the LANDS program over a period from 1989 to 1990, during which the NGO implemented two successful projects. During that time, the city government accredited the KPS as a task arm of the Urban Poor Council. The city's recognition of KPS not only made cooperation among the city, community associations, and KPS stronger, but also gave KPS a sense of reliability to landowners.

The LANDS program is clearly an alternative strategy to the government's Community Mortgage Program (CMP) for the urban poor (see Table 2).
Table 2. Community Mortgage Program (CMP) and Land Acquisition through Negotiated Direct Sales (LANDS)

<table>
<thead>
<tr>
<th></th>
<th>CMP</th>
<th>LANDS²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator</td>
<td>National Home Mortgage Finance Corporation</td>
<td>KPS</td>
</tr>
<tr>
<td>Facilitator</td>
<td>Home Insurance Guarantee Corporation, National Housing Authority, local governments, or NGOs</td>
<td>KPS</td>
</tr>
<tr>
<td>Target</td>
<td>Community Associations or Cooperatives</td>
<td>Community Associations</td>
</tr>
<tr>
<td>Project type</td>
<td>On-site or off-site</td>
<td>On-site or off-site</td>
</tr>
<tr>
<td>Start</td>
<td>1988</td>
<td>1990</td>
</tr>
<tr>
<td>Fund source</td>
<td>GSIS, SSS, HDMF³, and the government</td>
<td>Self-help</td>
</tr>
<tr>
<td>Terms of payment</td>
<td>25 years</td>
<td>5 years max.</td>
</tr>
<tr>
<td>Interest rate</td>
<td>6 % p.a.</td>
<td>N/A</td>
</tr>
<tr>
<td>Collection efficiency</td>
<td>75%¹</td>
<td>95-100%</td>
</tr>
</tbody>
</table>


Note: 3) These are government financing agencies, namely the Government Service Insurance System (GSIS), Social Security System (SSS), and Home Development Mutual Fund (HDMF).

CMP and LANDS both target the same group: community associations of the urban poor and have the same goal: acquiring land titles.¹⁸ Based on the principle of community responsibilities or self-help strategies, both programs could provide access to secured land for the urban poor. Both programs exist in General Santos, which is unusual, given that 70 percent of CMP projects are implemented in Metro Manila. To be accurate, CMP no longer exists in General Santos. Some NGOs (not including KPS) facilitated the CMP to acquire land for a few community associations in General Santos in the early 1990s. Yet, these attempts stopped after only a few projects had been implemented, mainly due to the delay of disbursing loans from the administrative body, the National Home Mortgage Finance Corporation (NHMFC). The two programs differ in that CMP is a government program, while LANDS does not rely on administrative and financial assistance from the national or local government.

To illustrate LANDS in detail, I present four successful cases in this chapter. In each I examine negotiations between community associations and landowners through

¹⁸ The CMP is designed to be implemented in three stages:
(1) an initial loan for acquisition of the community land;
(2) a second loan for upgrading the basic infrastructure services; and
(3) thirdly, loans to the individual beneficiaries for house improvements or reconstruction.
So far, the CMP has focused only on land acquisition and tenure regularization. See, for example, Lee (1995) and Hynynen (1997).
KPS' support, and show the extent to which the city was involved in the cases, except for the first case. In the first case, I describe an initial community association that KPS assisted. In the second case, I examine a community that applied for a land-sharing scheme. In the third case, I report on an example of a government relocation site. In the final case, I describe how a community obtained land by donation. The status of these communities is reported as of January 1998.

(1) *The Natividad Urban Settlers Association (NUSA) Village Project*

The Natividad Urban Settlers Association (NUSA) Village Project started after twenty-four families were forced to move out of a private site in Barangay Lagao in 1988. The owners of this land enclosed the squatters’ living area with concrete walls to evict the people inside the walls. In May 1989, the families transferred to a foreclosed piece of property in Purok Malakas, Barangay San Isidro, which the Rural Bank owned. KPS organized this group into a community association and supported the association to negotiate for land acquisition with the bank. The association had a very hard time convincing the bank that they could pay for the property, since the bank believed that the urban poor had no capability to pay.

KPS was finally able to convince the bank and the association that they could acquire the 2,699 square meter lot (average 100 square meter per lot: decent but large enough for future extension of houses) at a total cost of P90,000 (US$3,600). The initial downpayment of P20,000 (US$800) was obtained from the owners of the lot they were previously occupying in the form of “relocation assistance.” Starke (1996) explains that “relocation assistance” is actually an option offered by the KPS to landowners who want to evict squatters from their property. Instead of the confrontational (often violent) mode of forcible demolition, which the landless poor are bound to resist, landowners help (often financially) the squatters to transfer to another site where they can settle permanently. This option enables landowners to contribute to the effort of uplifting the plight of the poor and at the same time, eliminate incidents of violence.

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The monthly amortization varied from P120 (US$4.80) to P320 (US$12.80) according to lot sizes. This placed a big burden on each family as it equaled 4 to 10 percent of their monthly household income. In just eight months, however, the association members could pay the full amount of the monthly installments without any substantial financial assistance from either the government or private entities. In this case, the community association gradually improved the infrastructure, such as grading the land and installing a water supply system, without the city’s support.

(2) Lagao Home Seekers Association (LAHOSA) Project

Before the landowner announced his plan for eviction, 40 families had been living on the private-owned land for 20 years. This group asked KPS for help and created a community association in 1990. The landowner, the Rural Bank, wanted to evict the residents and to sell the land to a tobacco company; so it harassed the association in many ways, including fencing around the area and hiring a security guard. Due to this treatment, each association member was unable to improve her house. With KPS support, the association submitted petitions to the city, the national government, and the landowner to acquire the land titles of their living place. The struggle towards land acquisition continued for seven years.

Finally, the Rural Bank agreed to donate a part (0.6 hectares) of the whole land (5.6 hectares) which the association members had previously occupied. This solution is a good example of land-sharing. They relocated their houses with the support of the city and the landowner to this smaller portion of the land. The city lent a trailer truck and provided P2,000 (US$80) to each family as part of the Emergency Shelter Assistance, while the landowner also gave P2,000 to each family and installed a water supply system. This landowner’s assistance was the above-mentioned “relocation assistance,” another feature of this case which is very unusual in the housing literature. This accomplishment implies that the tenacious negotiations supported by KPS finally moved the landowner to

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20 Interviews with a secretary of the community association “LAHOSA” on July 29, 1997 and January 8, 1998.

21 UNCHS (1986) defines “land-sharing” that the owner of a plot of land and the occupants of that plot partition the land so that the landowner can develop his portion to the best possible advantage and the residents can use their share to build their houses with full security of tenure.

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resolve the problems with the community associations. Since the relocation, most residents have improved their houses using permanent materials.

(3) Litan Village Project

The three hundred and thirty families in Litan Village are broken into eight community associations while some people do not belong to any associations. In 1989, the landowner (a Manila entrepreneur) ordered the demolition of the houses of one association. The community association had struggled with the landowner through KPS support but finally lost the case in the courts. Therefore, the association and KPS asked the city to provide a relocation site.

In 1996, the city government allocated 5.9 hectares of a 17.9-hectare city-owned property, which the city had intended to use for the establishment of public facilities such as a nursery and a city jail, to accommodate occupants from the road-right-of-ways as well as the above-mentioned association. This solution came about after the CHLMO appealed to the city council to segregate a portion of the public land for the relocation site, due to the acute need of a relocation site. The city subdivided this 5.9-hectare land into a total of 320 lots, which is now teeming with occupants. Many city offices supported the relocatees during the process of the relocation. For example, the CSWDO provided the Emergency Shelter Assistance, including financial assistance of P 2,000, 10 kilograms of rice, and some canned food. The City Health Office has provided 30 water-sealed toilets and conducted periodic monitoring of the sanitary conditions of the occupants which still remain unsatisfactory. In addition, the City Engineer’s Office lent a trailer truck for the relocation of houses. The UDHA Coordinating Council arranged these supports among different offices. Although this village still has many problems, such as a lack of electricity and shortage of water supply, each family obtained secured land. Many houses have been rebuilt by families in recent months, using permanent materials.

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22 Interview with the leader of a community association in Litan Village on July 29, 1997.
(4) Dadiangas Landless Workers Association (DALAWA) Project

Seventy-eight families facing threat of demolition established the Dadiangas Landless Workers Association (DALAWA INC.) with the support of KPS in 1987. They had been occupying a foreclosed property owned by the Veterans Bank. The association asked the assistance of the city government for a relocation site but the city’s relocation site was full. So the association negotiated with the bank, during which time a businessman, interested in purchasing and developing this property for commercial purposes, intervened in the negotiations between the association and the bank. In 1996, the businessman finally decided to donate a 1.5-hectare site located in another place, namely Barangay Mabuhay. He even provided financial assistance of P1,000 (US$40) per family in addition to the city’s Emergency Shelter Assistance of $2,000 (US$80). These owners' donations came from his motivation to quickly evict people without violent conflict. KPS negotiated with the landowner to accomplish these donations. The CHLMO and CEO prepared the land for relocation. When the land was ready, relocation commenced with equipment also provided by the businessman. The City Agriculturists’ Office provided seedlings of fruit trees and the City Health Office provided water-sealed toilets for their use, free of charge. The City Economic Management and Cooperative Development Office organized the association into a cooperative and the businessman donated a machine for making soap. Although this cooperative has not lasted, due to the lack of funds to buy the ingredients for soap, the houses and infrastructure are well maintained by the community.

All of the cases which I described above included the donation of land or money for services such as a part of downpayment or the establishment of a cooperative. The city and/or landowners contributed donations to community associations during different stages due to KPS' continual supports during the negotiations with the stakeholders. What enabled these cases to lead to success? To answer this question, I will examine the LANDS in detail, focusing on the administrative aspects. Then, I will compare LANDS with CMP to make the advantages of LANDS more obvious. Finally, I will discuss the financial aspects of both strategies in more detail.

Interview with a secretary of the community association “DALAWA” on January 10, 1998.
Facilitating Negotiations

Successful negotiations with landowners require two important factors: a one-stop shopping strategy and political clout backed up with good track records. As for the first factor, KPS plays the role of both administrator and facilitator, while the administrator (the National Home Mortgage Finance Corporation) and facilitator (the Home Insurance Guarantee Corporation, the National Housing Authority, local governments, or NGOs) for the CMP are different bodies. Lee (1995) claims several disadvantages of the CMP due to institutional complexity. Lee points out that many putative facilitators are either unwilling or unable to perform all of their functions properly because the National Home Mortgage Finance Corporation (NHMFC) has not provide formal training to the facilitators. Moreover, local offices of the NHMFC as administrator (and lender) are unable to deal with complex queries and complaints about the CMP because of narrow authority to take decisions and limited expertise. As a result, most of the facilitators prefer to deal directly with the NHMFC headquarters in Manila, causing considerable delays in processing applications, sometimes as long as 18 months per project. Unlike the city’s role in CMP, KPS is solely responsible for dealing with every stage of LANDS for community associations. This simplicity not only makes the project period much shorter than CMP projects but strengthens the reputation of KPS as a successful NGO in General Santos. It is clear that effective local housing programs requires local facilitators and a local level decision-making process.

As for the second factor contributing to successful negotiations with landowners, KPS established a reputation as a successful negotiator in General Santos. Some of the literature on housing argues that landowners mistrust the urban poor’s capacity to pay, making them unwilling to sell their land to the urban poor (Basean 1991). The urban poor may altogether lack access to formal funds to purchase land and the process of securing land. KPS overcame these landowners’ mistrust and the poor’s lack of resources by acting as a strong mediator between them. Landowners and/or the urban poor that

\(^{24}\) In CMP, the facilitator is called the “originator”. The National Home Mortgage Finance Corporation requires each community association to enter into an agreement with an originator, which works with the community at each stage of program implementation and is responsible for the legal origination of the mortgage.
engaged in land disputes have asked the city or KPS to find a solution. In most cases, the city refers the stakeholders to KPS, since the city avoids involvement in such cases and realizes that KPS’ track record for negotiating is better than the city.

**Mobilizing People**

The contributions of KPS in mobilizing people towards land acquisition is one of the most valuable features of the NGO. It is obvious that the city cannot devote the same level of manpower as NGOs for supporting community associations. When KPS receives a land dispute case from the affected urban poor, landowners, or the city, KPS goes to the affected community and assesses the land problem through discussions with the community. After this consultation, KPS investigates the background of the land in detail by collecting data such as ownership of the land title and assessed value of the land, since each land dispute has different aspects and different solutions.  

At the same time, KPS organizes the affected community into one unit (a community association) in order to create the cooperative conditions necessary to work together. This is an essential part of KPS’ strategy because the urban poor, mostly squatters, form communities based on mutual interests, not religious or family ties. KPS developed the community-based approach, in which the urban poor are directly involved in the whole decision-making process, while dealing with actual land disputes through the organization’s first (NUSA Village) and second (TUSA Village) projects in the early 1990s.

This community-building method is enhanced through participating in KPS education programs (see Figure 5). In a series of meetings among KPS staff and community members, through the guidance of KPS staff, the community can examine the issue, discover the history of growth in the community, clarify their goals, and even build consensus on what the community members are prepared to do. All members of the association are required to attend a one-day seminar called the Basic Education Seminar for the Urban Poor (PAMA) and a subsequent training session called the Basic Course for the Urban Poor (BAMO), with minimum charge for attendance. These seminars

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26 I attended the PAMA in January 19, 1998. In this seminar, KPS staff particularly focused on denying the prevailing view of the urban poor, such as the lack of education, unemployment, no unity, and laziness.
enable community associations to recognize the importance of associations, the dynamics of interaction between the association and individuals, and the responsibilities of each member.

KPS' approach to community-building is inherently different from that of the city. KPS believes that the urban poor's situation stems from a lack of access to resources necessary to break the cycle of poverty. They believe it is essential that community members themselves should raise the socio-economic and political awareness of the urban poor. Because it may take many years from the establishment of community associations to settle land disputes, KPS provides assistance to community associations during the transition. To provide such intensive assistance, KPS staff work night and day, sometimes seven days a week.

The above education programs are not free for participants (community members and leaders). There is a large literature that points out that if services are provided free of charge, local residents do not value them and that such an approach is not sustainable. The KPS case is not an exception. The charge of attendance to the KPS seminars leaves community members with a sense of responsibility for their own part in land acquisition.
Moreover, such fees provide KPS with financial sustainability, since external donors have not seamlessly funded the KPS programs.

**Self-help for Financing Land Acquisition**

In this section, I examine the financial advantage of the LANDS, and compare it with the CMP. As shown in Table 2, each program has a different financial scheme. While the CMP is a mortgage financial program using a government loan, the LANDS uses a direct payment scheme to the landowner without any loan. Moreover, the terms of payment for the CMP loan are 25 years at a subsidized interest rate (6 percent per annum), while those of the LANDS are less than 5 years and without interest. Consequently, collection efficiency rates of these programs are quite different: 75 percent for the CMP and nearly 100 percent for the LANDS. On a gauge of collection efficiency, LANDS can be defined as a successful program. I describe three findings below that detail why the LANDS has worked well so far without public financial assistance.

First, while the CMP relied on highly subsidized loans, the LANDS does not apply for any borrowings from public or private sources. Regarding the disadvantage of the CMP loan, Lee (1995) claims that several community associations were established simply for the purpose of accessing the financial benefits of the CMP; and many of these associations, which did not have the active support of the members of the community, were subsequently unable to carry out their duties and responsibilities. In a few cases, associations were set up fraudulently to take advantage of the heavily subsidized loans. On the other hand, community associations to carry out the LANDS must take the responsibility in bearing all costs incurred in land acquisition, which include land costs, land survey costs, city registration fees, and in some cases even participation fees for the KPS seminars. Community members participating in the LANDS understand their own efforts to save for preparing their downpayments. They cannot transfer their financial accountability to anybody. Hence, this financial independence without a loan is one factor that led the LANDS to success.

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27 Another evaluation report (PADCO 1993) claims that the collection efficiency of CMP was only 55 percent as at December 31, 1992.
A second important aspect of the LANDS is its short payment schedule. While the repayment term of the CMP loan is 25 years, KPS does not encourage payment beyond a 5-year period. In addition, KPS regulates that monthly amortization should not exceed P300 (US$12). This amount is already too much of a burden on the urban poor in General Santos, where workers earn an average of 60 to 80 pesos (US$2.40 to 3.20) per day. The former KPS leader, Olarte points out: “If you do not own any land at the age of 50 and you apply for a CMP loan, payable within 25 years, that means you are still indebted at age 75 without secured land title. Are you pleased to pay it at such an age?” Hence, the short payment schedules enable community members to obtain a land title for a short period. This fact also encourages the members to pay to the landowner with relief of indebtedness. Additionally, much cheaper land prices in General Santos, unlike in Metro Manila, make the LANDS payment schedules especially short.

Third, the duration from the initial agreement of land delivery to the payment is an important determinant for landowners. It takes a long time to take out a CMP loan, due to the delay of centralized administration of the NHMFC, as mentioned in the previous section. This makes landowners impatient once they have agreed on the price for the land. Landowners of LAND are therefore satisfied with immediate disbursement of the downpayment at the date of agreement and a short-term amortization schedule. For instance, one project clearly illustrates the power of this determinant. Sto. Niño Sama-Sama Sa Kaunlaran Association faced problems with the CMP. In 1990, the association agreed with the landowner to purchase on-site land, using a CMP loan. Two year after the agreement and application to the NHMFC, the landowner filed a case against the association as illegal settlers. The reason for this case was that the landowner could not wait for such a long time to receive payment from the NHMFC, since the old-aged landowner felt vexed as he might not obtain the money before dying. The association, being at a loss, asked KPS to settle this dreadful situation. KPS negotiated with the landowner, showing the advantage of the LANDS: a shorter payment period, and finally agreed on an amicable settlement through the LANDS scheme. This story shows that

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28 Interview with Rodrigo Olarte, the former KPS leader and present city councilor, on July 29, 1997.
the duration before the first payment affects the decision-making of landowners, who are one of most important stakeholders for land acquisition.

The financial scheme of LANDS seems much simpler than that of CMP so that LANDS provides rapidity in the turnaround of a decision. Thus, if public agencies could turn around quickly, or ally with groups that could circumvent the long decision-making process, public agencies or the city also could cut down decision time. This simplicity has made each project term shorter, particularly during the downpayment stage. In addition, a landowner may not suffer negative opportunity cost, to the land price when community associations make prompt payments.

*Monitoring Monthly Amortization*

One major indicator of the success of a credit program is the payment rate, which reflects the support of facilitators and the willingness to pay of participants. The payment rate also indicates replicability and sustainability of the program. In this sense, CMP was dismal, while LANDS had an almost perfect collection rate. The low collection rate of the CMP created reluctance for additional funds on the part of the funding agencies: the World Bank and the government financing agencies. The World Bank terminated its financing of the CMP, and the government financing agencies are currently reluctant to provide further funds. Yet, the Philippine national government declared to allocate a large portion of the national housing fund to the CMP to cover the deficiency of funds. However, sustainability of the CMP is still questionable without any improvement in cost recovery. In spite of its small scale, the LANDS success has influenced the city’s housing policies. In this section, I examine monitoring system of both programs, which directly contributes to the collection efficiency.

While both CMP and LANDS are monitored by community associations, the involvement of facilitators in monitoring varies. KPS supports community associations that have applied to LANDS in order to affirm their payment to the landowners. As for CMP, most facilitators (government agencies, local governments, or NGOs) do not take a part in monitoring since their efforts are devoted to the process before the community associations obtain a take-out loan from the NHMFC. Well-functioning community

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30 GSIS, SSS, and HDMF.
associations maintained a good record of repayment to the NHMFC, while those that were inadequately supported by their members never repaid. From these trends, it is clear that strengthening the willing-to-pay of association members requires the continuous support of facilitators.

To prepare money for land acquisition through LANDS, KPS has advised community associations with unique methods. Before an association signs an agreement with the landowner, all of their members need to open and maintain individual savings accounts for several months to reserve enough money for the downpayment. This practice can prevent malfeasance of funds which might arise if one person were responsible for large sums of pooled money. In addition, this practice is a gradual payment system, like an installment system that allows the interest to be accrued to the poor depositor’s account. Furthermore, the KPS devised a formula on savings that would work for the urban poor. Instead of the usual “income minus expenses equals savings” equation, they changed it to “income (average P3,000 or US$120 per month) minus savings (average P220 or US$8.80 per month) equals expenses”. In short, KPS encourages people to first set aside savings from their earnings. Even the poorest person, they maintain, is capable of saving money as long as she sets her mind to it (Starke 1996).

LANDS has a unique monitoring system supported by the facilitator, KPS, which cannot be found in the CMP. To monitor the payment, a bank issues three deposit slips each time when association members pay monthly amortization (see Figure 6).
One copy is for the bank, another for the association, and another for KPS. KPS collects the deposit slips, logs records, and gives notices to members in arrears. In the case of a delayed payment, KPS reacts in either of the following two ways: 1) it negotiates with the landowner towards the reschedule of the payment; and 2) the community association or KPS lends out funds to complete the amortization. The reasons why KPS closely monitors the payment of community associations are twofold. First, KPS wants to avoid temporary financing of delayed payment because its budget is limited. Second, the failure of one land acquisition project will affect KPS’ track record, which will in turn influence other community associations that might want to carry out land acquisitions in the future through the LANDS scheme.

The KPS has improved the monitoring systems of LANDS over the course of several failures that KPS and community associations faced in the early years. For example, in the early projects of LANDS, community members paid their downpayment and monthly amortization to the treasurer of the community association. One treasurer failed to pay the sum of payments from association members to the landowner because he used such money for his own private purposes. Therefore, each member had to make up the loss. After this failure, KPS improved the payment system: each member saves money to her own account and the withdrawal from her account requires the co-signatures of a community treasurer, a landowner, and a KPS accountant. The basic
concept of monitoring is that KPS instructs association members to maintain their financial accounts by themselves. At the same time, KPS enhances association members’ capability to build up their money savings. In doing so, KPS lessens the risk of communities’ mismanaging their funds. Such a strategy is not found in the CMP, in which few facilitators support community associations in closely monitoring the repayment.

4.2. City’s Adoption of KPS Model

As I described in chapter 2, the history of housing policies in General Santos, the city revived the main body of housing, the City Housing and Land Management Office (CHLMO), and established the UDHA Coordinating Council when the present mayor was reelected in 1995. The city also, in this year, adopted KPS’ model ‘LANDS’ to carry out land acquisition programs. Table 3 illustrates the number of projects that have been implemented by the city and/or KPS during the present city administration.

Table 3. Land Acquisition Projects of the City and KPS (1995-1998)

<table>
<thead>
<tr>
<th>Facilitator</th>
<th>Direct Purchase</th>
<th>Donation</th>
<th>Government Site</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Only</td>
<td>1 8%</td>
<td>3 50%</td>
<td>1 50%</td>
<td>5 24%</td>
</tr>
<tr>
<td>KPS Only</td>
<td>4 31%</td>
<td>0 0%</td>
<td>0 0%</td>
<td>4 19%</td>
</tr>
<tr>
<td>City and KPS</td>
<td>8 62%</td>
<td>3 50%</td>
<td>1 50%</td>
<td>12 57%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13 100%</strong></td>
<td><strong>6 100%</strong></td>
<td><strong>2 100%</strong></td>
<td><strong>21 100%</strong></td>
</tr>
</tbody>
</table>

Source: City Housing and Land Management Office, General Santos and KPS

Note: 1) The above projects include on-going projects but at least completed downpayment.
2) “Direct purchase” means that community associations purchased land directly from landowners without funds from public or private sources.
3) “Donation” means that landowners donated land to community associations.
4) “Government site” means that government-owned land was allocated for relocation sites.

The city implemented 17 projects, with 12 projects (57 percent of total projects) assisted by KPS and 5 projects (24 percent) without KPS support. This means that the city cooperated with KPS on most of the land acquisition projects instead of conducting projects independently. In these joint projects, the role of the city was limited. KPS organized community associations and negotiated with landowners, while the city played a supplementary role, such as providing Emergency Shelter Assistance, lending trailers to

31 KPS mimeo.
relocate houses, and installing infrastructure. Moreover, there were only 5 projects in which the city itself practiced the LANDS scheme. Not surprisingly, the city could not help conduct these projects without KPS support, since all of the involved community associations had been negatively affected by the city’s development policy in the past.³²

Even though the city’s adoption of the KPS model of land acquisition does not seem successful, I clarify the reasons why the city decided to adopt the model. Firstly, the city respected KPS’ efforts in land acquisition. KPS projects had a good record of accomplishment during Nuñez’s first administration (1988-1992) and were considered successful by the city administration and residents alike. The popularity of the KPS model was partly backed up by local mass media. For example, when communities moved to a relocation site, a “moving-out day” was scheduled and announced as pleasant news. Community members helped each other transfer their houses through the “bayanihan” system, using trailer trucks or carrying the houses on their shoulders. “Bayanihan” is a Filipino tradition through which people show their concern for the neighborhood for the community. This “moving-out day” through the “bayanihan” system was a very happy occasion, much like a fiesta, which was written about by local papers or broadcasted over the local radio.³³ Such publicly-known relocation boosted the urban poor’s morale and the city’s recognition of the KPS model as a successful program.

Second, the political involvement of the KPS leader in the city administration affected the city’s housing policies. The former KPS leader Olarte worked as a president of the Urban Poor Council during the Nuñez’s first administration and as an action officer of the UDHA Coordinating Council during the Nuñez’s second administration (1995-1998). Olarte pushed the city mayor and the CHLMO to duplicate the KPS model as the sole method to solve housing problems in the city.

Third, the scarcity of resources in the city made the KPS model an ideal solution. The city did not allocate enough funds or land to housing projects for the urban poor. Moreover, the city could not get unanimous consensus from the city council and other stakeholders in the city to allocate enough resources to urban poor issues, since most councilors were interested in economic development issues. The city was also fascinated

³² Most of the development projects (e.g. a trade center) are planned and constructed by the private sector, but based on the development policy of the city.
³³ See Pura 1995.
by the KPS model since it does not need financial support from the national government, which liberated the decision-making system from the national government.

The above reasons made the city put the KPS model in their main housing strategy. Yet, the city has not succeeded in using the KPS model since the city could not play the same role as KPS. The main reason for failure is that the city cannot organize the urban poor as well as KPS can. As I described in the previous section, organizing and educating community people are the most important steps in implementing the KPS model. Due to a lack of manpower, the city cannot interact with people. While the city itself hardly implemented the KPS model, the city understood the KPS model through the process of experimenting with the model. This resulted in 12 cases (57 percent of total projects) of coordination between the city and KPS. The city has begun to play a supplementary role more effectively for KPS projects. This relationship between the city and KPS proves that the local government has accepted a new partnership with KPS as decisive for its housing strategies.
Chapter Five
Conclusions and Implications

5.1. Summary of Findings

Many local governments in the Philippines have struggled to respond to the expansion of squatter areas resulting from rapid migration into urban areas. While most local governments have hesitated to implement housing projects for the urban poor, a few cities and municipalities have been much more proactive, and indeed placed a priority on socialized housing. General Santos is one such case. While the case of General Santos is not a success story, the case is important in that shows how a local government implemented some parts of the mandate of the Urban Development and Housing Act (UDHA) to provide land tenure to the urban poor. This study has presented the characteristics and traits of General Santos’ land acquisition programs and the mechanisms that underpinned this city’s effort in providing credit and basic infrastructure for the urban poor and helping them to acquire their own land. The following is a summary of the main findings of the study.

*Political Environment Changed Decision-making System*

Since General Santos City was created in 1968, the city’s housing policies and decision-making system have changed, in reaction to both national policies and the political agendas of city mayors. The decision-making system has evolved from being top-down to one that includes collaboration with NGOs. Yet, this change was not accomplished in an incremental way. Rather, a local NGO indirectly pressured the unstable city administration through appeals to the national government. A transformed political environment in the city also enabled the NGO to become more instrumental in the city government, and to lead the administration towards land acquisition for the urban poor.

Approaches to land acquisition changed in four ways. Before 1986, approaches to the housing problem revolved around relocation, enforced by the highly centralized policies on housing. The massive relocation programs targeting the urban poor had expanded from Metro Manila to the local level under the top-down decision-making
system. Like most of the relocation sites around Metro Manila, General Santos’ relocation sites tended to lack basic facilities and were far from the city center. Moreover, like Metro Manila, it was almost impossible for the urban poor and NGOs to participate in the process of these programs. Consequently, the city forced squatters to relocate to the project sites.

The first major change to the standard housing approach in Manila occurred during a transitional period (from 1986 to 1988) in the city government. The context of this change is unusual because the literature assumes that only when a community has stability, can it push big changes. The People Power Revolution led to the creation and alliance of NGOs in General Santos in 1986. During the transitional period of city administration, the poor of General Santos attempted to strengthen their position through organization and mobilization led by the urban poor’s alliance, KPS, which itself was born out of various squatter communities faced with eviction. A combination of this new political opportunity and long-standing dissatisfaction with existing relocation sites brought about resistance from squatter communities. KPS frequently requested the temporary city government to allocate an alternative relocation site for landless people. Against the absolute top-down decision-making process at the city level, KPS directly petitioned the national government to pressure the city government to respond the urban poor’s demands in a most unusual way. KPS organized a massive invasion to an alternative relocation site in order to illustrate the urgent demands of the urban poor to the national government. This action shocked not only the city, but indeed the entire nation. In short, the alliance of people’s organizations appealed to the national government to indirectly pressure the local administration which lacked a bottom-up decision-making system.

The next factor that influenced city approaches to land acquisition happened when an advocate for the urban poor won the mayoral election in 1988. Her city administration (from 1988 to 1992) strengthened the collaboration with the private sector and NGOs. The city created the City Housing and Land Management Office (CHLMO) to address the growing problem of squatters, as well as several councils to institutionalize NGO and private sector participation in the city’s affairs, including the Urban Poor Council (UPC). What is most striking is that the mayor accredited KPS as the implementing arm of UPC
and designated its head as UPC president. In contrast to the former temporary mayors who treated NGOs as outsiders to the city’s housing provision, the city mayor turned to fulfil her policies through collaboration with NGOs, which she pledged during the election campaign in order to obtain votes from the majority of the population, the urban poor.

Despite these advances made by the administration in pushing forward approaches for land acquisition, a new mayor reorganized the city administration (from 1992 to 1995), backed up the decentralization regulation, towards economic development. In particular, he abolished offices created in the previous administration for solving the urban poor issues. Yet, the city could not neglect the UDHA policy of the central government. The national government introduced the UDHA – a policy that required a local government to act as a main player of housing for the urban poor. The city partially followed this presidential order by carrying out the registration of beneficiaries and land inventory as mandated by the UDHA. Although the city registered 13,000 potential beneficiaries, it never carried out the next step: the key task of identifying socialized housing sites for these beneficiaries. Since the decision to conduct registration was not made willingly by the city, it is not surprising that the city did not identify potential housing sites for the registered beneficiaries. Furthermore, during this city administration, there was no interaction between the city government and NGOs, which meant the urban poor demands not on the city agenda. Ironically, increased urbanization in General Santos over this period, supported indirectly by the mayor’s policies of economic development, led to more immigration from adjacent areas and a rapid increase of squatters.

The present city administration (from 1995 to 1998) has started to support land acquisition projects again, through cooperation with KPS efforts. This is unusual since most local governments do not rely on NGOs for conducting their housing programs. To mitigate the squatting problem, the city restored the CHLMO by recalling all personnel and established the UDHA Coordinating Council, through which CHLMO could coordinate with different city offices and NGOs. Lacking human resources that directly mediate the urban poor, the city entrusted KPS as a partner who can do so. By
restructuring its offices, the city realized the needs of NGO manpower for housing provision to reach the urban poor.

**Institutional Framework of Local Government**

General Santos is one of few cities which has institutionalized a priority on housing into both a City Housing and Land Management Office (CHLMO) and an UDHA Coordinating Council. The UDHA Coordinating Council gave the CHLMO authority over the city’s housing activities, which better enabled it to follow through on relocation projects. In addition, the UDHA council gave local NGOs an active role within the decision-making process of the city’s relocation programs due to the lack of city expertise in mobilizing communities. This framework was not created overnight and did not come about after the city established the UDHA Coordinating Council. Rather, it grew out of a long history of interaction between NGOs and city offices in General Santos.

Support for the UDHA council was by no means seamless. The council included five working sub-committees with action teams made up of various city offices and NGOs. Yet, most of these action teams were ineffective in fulfilling the designated tasks. One exception was the Action Team for the City Registration Committee, which accomplished its tasks of evaluating and validating registered beneficiaries. The main reason of the success of the Registration Committee extended back into the previous administration when the city created mechanisms for the registration through the pressure from the national government before the UDHA Coordinating Council was effective. A second reason for this committee’s success stems from the competence of the head of this committee, who was active in managing field survey team for the registration during the Antoniño regime. Except for this committee, all other committees rarely held meetings to carry out planned tasks. It is clear that new mechanisms work effectively, only when team work for registration continues from the past experience.

The main reason for the committees’ problems is changing political support patterns. One example of this is the city mayor’s support for the massive invasion conducted by a squatting syndicate in October 1997. While both the CHLMO and KPS criticized this squatting syndicate for neglecting the established process of land
acquisition, the mayor did not condemn the invasion, but actually went to speak at a ceremony. This change in political support made the objectives of the Committee against Squatting Syndicates and Professional Squatters totally useless.

In circumstances in which a city does not have enough public land to allocate to socialized housing, facilitating negotiations between community associations and landowners can be crucial to carrying out housing programs. In General Santos, the city mayor gave the CHLMO the main role in the relocation program, in coordination with the UDHA Coordinating Council. Yet, lack of leadership and expertise in the CHLMO during the stage of negotiations for land acquisition best explains why the city has been unable to conduct more than a few relocation projects by itself.

The involvement of all offices in the city does not hurt the operation of housing program as one might think due to problems posed by coordination among many offices. Rather, the various city offices support the CHLMO with resources that CHLMO lacks under the umbrella of the UDHA Coordinating Council. For example, the City Social Welfare and Development Office has socially and psychologically prepared communities for demolition, providing small amount of money and food to relocatees during their relocation. In addition, the CSWDO has acted as the main player in the City Registration Committee of the UDHA Coordinating Council, which has documented more than 13,000 potential beneficiaries. In the relocation process, the City Engineer’s Office has provided equipment needed in the preparation of land subdivision schemes and facilitated the transfer of houses to relocation sites.

All of these supportive activities occurred through coordination with a body similar to the previous Urban Poor Council (UPC). While the name of the coordination body changed from the UPC to the UDHA Coordinating Council, and there was an interlude between them during the investment-oriented mayor’s regime, the target and main leaders of these councils stayed the same. I argue that the city was able to modify and improve coordination among the city offices and NGO to provide necessary materials to the relocatees, largely due to the continuity in objectives and membership between the two councils.
Defining the KPS Model

The City adopted KPS’ land acquisition strategy (the LANDS program) in 1992. Despite KPS’ success with this innovative strategy, the city’s use of this strategy was ineffective in reaching its target population. I examined how the KPS model works, why the city adopted the KPS model, and why the KPS model was not appropriate for the city.

The LANDS program has two major components: preparing the people for the land and preparing the land for the people. The LANDS program is clearly an alternative strategy to the government’s CMP for the urban poor. CMP and LANDS both have the same target (community associations of the urban poor) and goal (acquiring land titles). The most significant differences between CMP and LANDS are that CMP is a government program, while LANDS is an NGO program. LANDS illustrates that community associations can make an impact whether or not their initiatives are supported by a local government. LANDS is particularly successful in accomplishing four tasks: facilitating negotiations, mobilizing people, self-help financing for land acquisition, and monitoring monthly amortization.

I. Facilitating Negotiations

Successful negotiations with landowners require two factors: a one-stop shopping strategy and political clout backed up with good track records. As for the first factor, KPS plays the role of both administrator and facilitator for LANDS, while the administrator and facilitator for CMP are different bodies. This simplicity not only makes the LANDS project period much shorter than that for CMP, but also makes KPS a valued resource for solving disputes. As for the latter factor, KPS established itself as a successful negotiator in General Santos. Landowners and/or the urban poor engaged in land disputes have turned to the city or KPS to find a solution. In most cases, the city refers the stakeholders to KPS, since the city avoids involvement in such cases and realizes that KPS plays the role of negotiator better than the city.

II. Mobilizing People

The contributions of KPS in mobilizing people towards land acquisition is invaluable. It is clear that the city cannot devote the same level of manpower as NGOs for supporting community associations. KPS goes to the affected community and assesses the land problem through discussions with community. KPS organizes the affected group into one
unit (a community association) in order to create the cooperative conditions necessary to work together. KPS has developed this community-based approach, in which the urban poor is directly involved in the whole decision making process. This community-building process is enhanced through participation in KPS education programs, which enables community associations to recognize the importance of associations, dynamics of interaction between the association and individuals, and responsibilities of each member. It is essential that community members themselves raise the socio-economic and political awareness of the urban poor. To provide such intensive assistance to community associations, KPS staff work night and day.

III. Self-help for Financing Land Acquisition
The LANDS uses a direct payment scheme to the landowner without any loan. I describe three findings below that detail why LANDS has worked well so far without public financial assistance. First, the LANDS does not apply for any borrowings from public or private sources. Community associations that participate in LANDS must take responsibility in bearing all costs incurred in land acquisition and understand their own need to save for preparing their downpayments. Second, the LANDS has a short payment schedule, not going beyond five years. This short payment schedule enables community members to obtain a land title for a short period, while it requires them to self-manage their preparedness for the high monthly amortization. The short payment also encourages the members to pay the landowner with relief of indebtedness. Cheaper land prices in General Santos make the LANDS payment schedules especially short in comparison with CMP. Thus, the payment strategy of LANDS limits its wholesale applicability to bigger cities where land is more costly. Third, the short duration between the initial agreement and the downpayment also provides important incentives for landowners. Landowners of LANDS are satisfied with immediate disbursement of the downpayment at the date of agreement and a short-term amortization schedule. In short, the simplicity of the LANDS’ financial scheme has made each project term shorter and made programs more successful. Yet the short payments of high amortization exclude the poorest of the poor.

IV. Monitoring Monthly Amortization
KPS supports community associations that have applied to LANDS in order to affirm their payments to the landowners. It is clear that strengthening the willingness-to-pay of
association members requires the continuous support of facilitators. To prepare money for land acquisition, KPS advises community associations with unique methods: all association members must open and maintain individual savings accounts to reserve money for the downpayment. This practice can prevent malfeasance of funds. Furthermore, KPS has devised a formula on savings that works for the urban poor. Additionally, KPS closely monitors the payment of community associations to avoid common problems that stem from monitoring. KPS wants to avoid temporary financing of delayed payments because its budget is limited, and the failure of one land acquisition project will affect KPS' track record. The basic concept of monitoring is that KPS instructs association members to maintain their financial accounts by themselves. At the same time, KPS enhances association members’ capability to build up their money savings.

**Problems Adopting the KPS Model**

While KPS utilized this model successfully, the city has not successfully adopted the KPS model of land acquisition for the following reasons. First, the city cooperated with KPS for most of the land acquisition projects instead of conducting them independently. Second, the city left KPS to organize community associations and negotiated with landowners, while it built a coordination mechanism and provided supplemental materials after the relocation stage. Why, then, did the city decide to adopt the KPS model, if it could not undertake the same tasks as KPS does? First, the city respected KPS’ efforts in land acquisition. KPS accomplished its public image as a successful housing NGO. The popularity of the KPS model was partly backed up by local mass media. The publicly-known relocation or a “moving-out day” boosted the urban poor’s morale and the city’s recognition of KPS model as a successful program. Second, the political involvement of the KPS leader in the city administration pushed the city mayor and the CHLMO to duplicate the KPS model as the sole method for solving the housing problem in the city. Third, the scarcity of resources in the city made the KPS model an ideal solution. The city could not allocate enough funds or land to housing projects for the urban poor. The fact that the KPS model does not need financial support
from the national government also fascinated the city because it liberated the decision-making system from the national government.

Yet, the city has not succeeded in using the KPS model since it cannot accomplish the same tasks as KPS. For example, the city cannot organize the urban poor as well as KPS can due to a lack of leadership and expertise. Nevertheless, the city has come to understand the KPS model through the process of experimenting with it. The city has begun to play a supplementary role more effectively for KPS projects. This relationship between the city and KPS proves that the local government deems a new partnership with KPS as decisive for its housing strategies. Local governments often lack financial resources and have little experience in dealing with housing projects in partnership with the urban poor. The case of General Santos sheds light on how to overcome these obstacles, namely through adequately allocating labor and expertise of the local government and NGOs into different stages of land acquisition.

5.2. Lessons for Future Local Initiative Programs and Replicability

Finance and Land Price

In most countries, national governments do not have enough funds to enable them to carry out a heavily subsidized housing program. The Philippines is no exception. Yet, my case shows how potential exists for municipal programs to provide social housing without relying on national government subsidies. The General Santos case can be replicated to other cities and municipalities where the land cost is not very high since the program does not require any funds from the national government. Low value of land in General Santos contributed to success of the KPS model. Yet, in cities with high land values, the financial scheme of the General Santos case might be problematic because the urban poor cannot afford the high cost of land within a short payment term.

Land Tenure System

The goal of the city’s land acquisition program is to improve the tenure status of squatters. How replicable the land acquisition program in General Santos is in other cities will largely depend on the system of land ownership, the attitude of the government, and the degree of participation by communities in the squatter settlements. The land
acquisition program does have some drawbacks. First, it is designed mainly to help squatters on private land, not public land. The area implementing a land acquisition program in General Santos is an area basically owned by individuals who want to raise rents or otherwise evict the renters. Second, site improvements are supplementary to securing land title. Third city’s land acquisition system does not offer much help to low income renters, a group which has recently been growing in many countries like the Philippines, where communities or local governments might place a high priority on infrastructure improvements. General Santos’ case can be effective in countries where land tenure induces incremental upgrading of houses and infrastructure by residents’ self-help.

Community and NGO Participation

As I argue, and this case study supports, NGOs play a crucial role in organizing and mobilizing the urban poor towards accessing land. In those countries with a weak history of community-based programs or a lack of NGO existence, the approach in General Santos would fail because affected groups would be unable to organize and maintain the program efficiently. A strong NGO presence is necessary to coordinate the people with the city administration. Additionally, decentralization policies offer important opportunities both to local governments and NGOs, which in this case turned out to be a crucial determinant for successfully implementing a land acquisition program. In such decentralized environments, local governments need to establish effective partnerships with NGOs through the coordination mechanisms at the local level.
Bibliography


