

# Land Use Policy Impacts on Human Development in the Philippines

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# **Land Use Policy Impacts on Human Development in the Philippines**

Arturo G. Corpuz

## **INTRODUCTION**

Land is a fundamental material resource and the primary platform for economic and other social activities. The way land is used and how it is intended to be used are integral components of human development.

A land use policy or a land use plan defines the ways by which land (including its water resources) should be used. It directly affects the value of land which is related to its productive potential. Land property rights, therefore, reflect the right to extract value from land, based on how land can be utilized in a socially productive and acceptable manner. (Corpuz 2008) Ultimately, from a human development perspective, the concept of land and land property rights cannot be separated from how we think about land use.

This think paper responds to two questions:

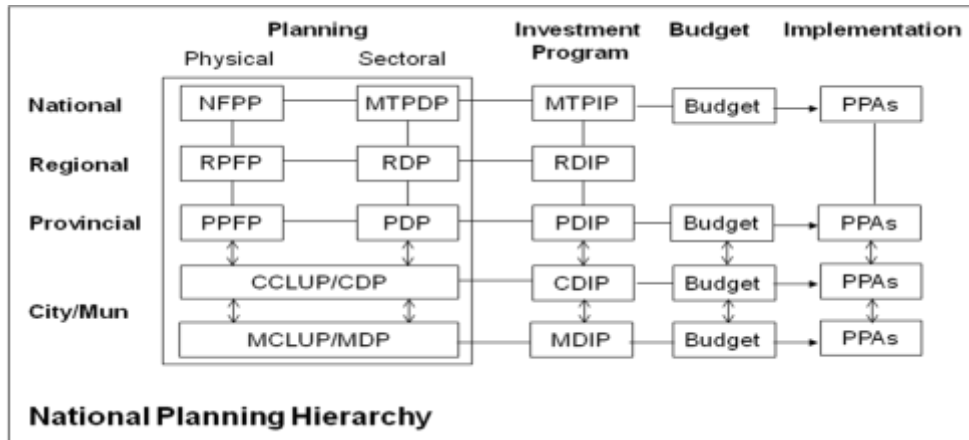
1. How have land use policies affected human development in the Philippines?
2. Given the current state of land use policies, what characteristics should they have in order to optimize their impact?

In answering these questions, the intent of the paper is to provide insights rather than detailed and comprehensive assessments. It is useful to begin by identifying and describing two types of land use policies: explicit and implicit.

### **Explicit policies**

Explicit land use policies are intended to affect land use directly; these policies are embodied (or are supposed to be embodied) in the national hierarchy of plans (Figure 1). This hierarchy, which has horizontal linkages across the planning-investment programming-budgeting-implementation process and vertical linkages from the national down to the local level, represents the ideal scenario. In the case of cities and municipalities, they are mandated to prepare Comprehensive Land Use Plans (CLUPs) and City/Municipal Development Plans (C/MDPs), which are intended to guide the physical/land use and sectoral components, respectively, of their development. These plans result in program, project and other activity (PPA) proposals, which are then prioritized and subjected to a multi-year investment programming process, and then allocated annual budgets for implementation.

In reality, not all of these plans are in place and linkages among them vary according to level and process component. As discussed later, some of these gaps are material to the way land use policies and plans impact development initiatives.



**Figure 1. National Hierarchy of Plans.**  
Source: Corpuz 2007

## Implicit policies

Implicit land use policies are sectoral plans or policies which are not necessarily or primarily intended to affect land use but nonetheless affect the way land is utilized. These include, for example: The Comprehensive Agrarian Reform Program (which constrains the supply of land available for urban expansion); the rent control law (which discourages urban renewal and redevelopment); the non-renewal of the US-Philippines military bases agreement (which triggered major nodes of development, e.g. Subic, Clark, Camp John Hay, in various locations throughout the country); or the policy of maximizing revenues from government property auctions (which dictates redevelopment of such properties into high density and high value projects). Implicit policies can have a greater impact than explicit policies but are not usually mentioned in the context of land use and physical development.

The take off points of this paper are explicit policies, which I will refer to as land use plans or policies. Ideally, the preparation of land use plans should take into account implicit policies. These are rarely done, however, at least not in a consistent, purposeful manner. Implicit policies will be mentioned throughout the paper but clearly they deserve a separate discussion.

## HOW LAND USE PLANS HAVE AFFECTED HUMAN DEVELOPMENT

### **Current land use plans (since 1991 Local Government Code) and their impacts**

- **Devolution as de facto land use and urban development strategy**

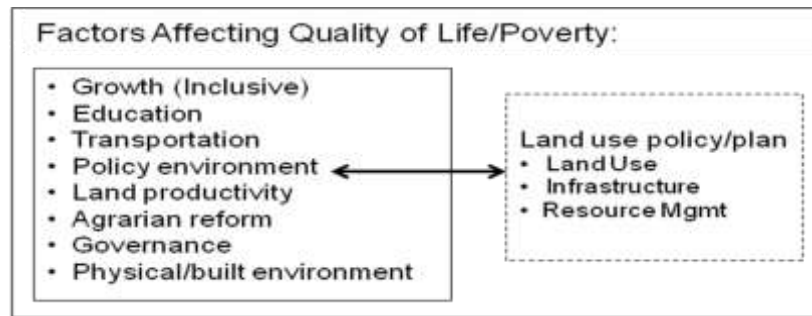
Although physical planning (which encompasses land use planning) is present in all levels of the national hierarchy of plans, land use planning and the power to regulate land use are under the exclusive jurisdiction of cities and municipalities. In fact, the devolution of these planning and regulatory functions from the national to the local level, as per the 1991 Local Government Code, has served as the de facto land use and urban development strategy of the country. Prior to the passage of the 1991 Code, these functions were centralized under the national government's human settlement agencies (e.g. Task Force on Human Settlements, Ministry of Human Settlements, Human Settlements Regulatory Commission).

- **Early and overall impacts.**

Land use planning enjoyed some prominence in the 1970s and 1980s with the global rise in popularity of the human settlements approach to development. Local land use plans were prepared under the guidance of the national government and while technical quality was not necessarily cutting edge, they had positive institutional impacts. This was especially evident for Metro Manila when the metropolitan structure was put in place—an innovative and pioneering initiative at that time—and subsequently with the preparation of the 1978 and 1981 Comprehensive Zoning Ordinances. These ordinances and their corresponding land use plans signified the re-establishment of the land use planning discipline, particularly the need to organize the built environment and to reduce conflicts that compromised efficiency and safety.

Compliance was inconsistent but by and large major land use zones (i.e. residential, commercial, industrial) were respected. Except for some residential zones dominated by privately developed subdivisions, these zones were based on existing mixed use communities. Later, continued population growth, major rural-urban migration flows and economic austerity aggravated land use conflicts, e.g. informal settlements proliferated in danger zones and government properties, and led to a deterioration of the quality of the built environment.

It is not easy to establish and even more difficult to measure the impacts of land use plans and policies on human development. Focusing on quality of life and poverty, land use policy is only one aspect of the broader policy environment which, in turn, is only part of a set of interrelated factors affecting quality of life. (Figure 2)



**Figure 2. Factors Affecting Quality of Life/Poverty.**

Source: Based on R. Edillion, "Framework on Growth and Development," Training Program on Poverty Analysis and Development of Policy Responses for Poverty Reduction, APPC..

We note that poverty incidence declined over the recent decades (down to about 20%) although there is large variation across the country (between 2% to 40%). (NSCB 2011) School participation rates increased but survival rates decreased, meaning a lower percentage of students entering school completed their respective programs. And mortality rates dropped significantly although not in areas where access to primary health care was constrained (by lack of infrastructure or sites of political and armed conflict). (Reyes and Valencia 2005) But the extent to which these relate to land use policies is not clear. What is clear is that we fared worse compared to our regional neighbors where poverty, for example, was eradicated or reduced drastically. This suggests, at least in relative terms, that whatever specific effect our land use policies had, they were not enough to result in an overall positive impact.

As far as the physical environment is concerned, and focusing on Metro Manila, an intuitive argument can be made that land use policies and plans since the 1970s likewise did not have a positive impact. It is intuitive because it is reasonable to assume that land use policies have a direct bearing on the form and condition of the physical environment. And it is not positive as suggested by the following observations.

The first is a general observation about Metro Manila and its 1981 Comprehensive Zoning Ordinance. This ordinance states its objectives as: promote public health and safety; guide and control future growth according to its land use plan; promote the character and stability of residential, commercial, parks and other land uses; provide adequate light, air, privacy access and safety; prevent overcrowding and undue concentration; and regulate development to enhance traffic movements. (MMC 1981) Clearly, conditions in the metro area, especially as far as traffic congestion, poor air quality, chronic flooding and their negative impacts on productivity are concerned, make it difficult to believe that these objectives have been met.

The second observation is more direct and convincing. It is premised on the idea that central business districts (CBDs) anchor a city's spatial and economic structure. They have the highest land values, dominate the land market and influence the geography of a city such that the location of other land uses and transportation linkages are oriented towards them. For this reason, a CBD (or a network of CBDs) forms the core of a city's land use plans and many urban

development strategies and projects deal with managing the CBD, providing access to and from the CBD, and making sure that other land uses (residential, industrial, institutional) relate to and complement the CBD.

Using Metro Manila again as an example, we note that it is unique among other urban centers of Asia to the extent that it is dominated by privately developed CBDs including the Makati CBD, Bonifacio Global City, Ortigas Center, Alabang-Madriral Business Park, and Eastwood City. (Even in Cebu, the Cebu Business Park and Asiatown are privately developed business districts.)<sup>1</sup> These CBDs were designed as distinct communities, enclaves even, with land use and building regulations that are separate from the government's and which are established and enforced through private deed restrictions; they have their own governing organization, and traffic enforcement, fire protection, building regulation, security and other services that would otherwise be provided by the local government.

The privately developed CBDs were not initiated by government land use policies. Instead, government land use plans and policies were influenced by and eventually accommodated these CBDs.<sup>2</sup> As far as CBDs are concerned, therefore, and keeping in mind the crucial role they play in defining the structure of the city and in influencing land use, government land use policies were not instrumental in planning and developing them.

- **Shortcomings**

There are various reasons why land use policies and plans might have had minimal positive impact on the built environment:

Supply-bias and lack of consideration for demand.

Following tradition, land use planning has been heavily-biased towards land suitability rather than land use demand. This contributes to land market distortions because prescribed land uses tend to be based on what is physically suitable rather than on what the city or municipality needs. It is also flawed in the sense that, for example, the protection of the natural environment is meaningless if not related to what it is being protected from (social demand). Impact-wise, it has also encouraged land use conflicts, e.g. the occurrence of commercial activities in residential zones or land conversion at the urban periphery due to unanticipated demand.

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<sup>1</sup> Bonifacio Global City is the closest to a government-initiated CBD. The former Fort Bonifacio military base was auctioned to private developers for development according to a master plan commissioned by the Legislative Executive Bases Council. But the high density CBD-type master plan was practically dictated by the proximity of the base to the Makati CBD, which was developed by Ayala Corporation after the Second World War. The exceptional dominance of the private sector in land development in Metro Manila is consistent with the findings of a study on the development of the urban periphery in several Asian countries. See: Webster (2002).

<sup>2</sup> Most cities also have traditional CBDs (e.g. Intramuros in Manila, Colon in Cebu) that were not purposefully developed by the private sector but instead evolved as a product of geography and history. Within the modern era, these traditional CBDs originated from places where the exchange of goods took place near nodes of transportation. Many continue to exist and function, although with a much less and different capacity relative to the modern CBDs.

The lack of consideration for demand is also demonstrated by the weak or even absence of integration between demographic analysis and subsequent land use recommendations in the CLUP. (This weak link applies to the situation analysis in general and the proposed land use plan and PPAs.) By underemphasizing demand, especially in the extended future, big ideas and the identification of major strategies and directions to accommodate growth are overlooked in favor of short term incremental responses. Consequently, infrastructure and other support services to address primary demand requirements tend to be ignored. This is often the path of least resistance in urban expansion but it also leads to inefficient sprawl in the longer term.

#### Lack of inter-local/metro integration.

The lack of planning integration among LGUs is most glaring in metropolitan areas. This has compromised land use compatibility across local boundaries (often complicated by boundary disputes) as well as the efficiency of basic services such as transportation and traffic management, security, and flood control and drainage. In Metro Manila, much of this is the result of its breakup into autonomous LGUs, which left the Metro Manila Development Authority with very little leverage to perform effective metro-wide planning, implementation and enforcement.

Beyond the metro level, watershed or river basin analysis, which typically extends beyond several LGUs, is needed to ensure effective environmental planning and disaster risk reduction.

#### Use of outdated or inappropriate planning principles and design parameters.

Many land use plans do not reflect current planning principles and approaches. In some cases, western planning concepts are haphazardly applied even if these are inappropriate or impractical to local conditions.

For example, new urbanism or smart growth planning principles have been cited as models for local application. These principles advocate compact, high density, pedestrian- and transit-oriented mixed use communities. However, these are based on western standards and in fact the densities of model new urbanism communities in the US are even lower than those of our lowest density residential neighborhoods. Further, most local communities are already more compact and mixed use compared to those in the west; the overwhelming majority of our urban population are pedestrians and LRT, bus, jeepney, motorcycle, tricycle or bicycle riders while automobile users continue to dominate in American cities. In reality, Philippine urban communities have been consistent with new urbanism and smart growth principles even before these were reinvented in the west. What needs to be done is to improve the quality of the environment where all of these are taking place rather than to introduce what already exists.

Another example is the continued bias against density even if higher densities can be a key factor in promoting sustainability.

To illustrate, consider the land use distribution of Hong Kong. (Figure 3) Hong Kong has one of the highest density urban core areas but it also has a very large area devoted to parks, agricultural/forest and undeveloped land (909 hectares, comprising 82% of the total land area).<sup>3</sup> Further, it has one of the most efficient mass transportation systems in the world. Although a direct comparison with Metro Manila is inappropriate because many other factors (e.g. historical precedents, state land ownership, and natural topography) are involved, the Hong Kong experience nonetheless shows that concentrating the population into a high density urban core increases the feasibility of a high capacity mass transit service and can provide generous recreational and open spaces that benefit the larger region.

	Residential	Commercial, Ports	Industrial, other Urban Land	Institutional	Parks, Roads, Others	Agri, Forest, Undeveloped land	Total
<b>Hong Kong</b>	<b>76</b>	<b>20</b>	<b>77</b>	<b>25</b>	<b>64</b>	<b>845</b>	<b>1107</b>
	7%	2%	7%	2%	6%	76%	100%
<b>M Manila</b>	<b>278</b>	<b>76</b>	<b>47</b>	<b>43</b>	<b>178</b>	<b>0</b>	<b>622</b>
	45%	12%	8%	7%	29%	0%	100%

**Figure 3. Land Use Distribution (sqkm), Metro Manila, Hong Kong, 2010**

Sources: AKI, IDRC, CRDI, Asian City Innovations Systems Initiative, 2010; Hong Kong Statistics ([http://www.pland.gov.hk/pland\\_en/info\\_serv/statistic/landu.html](http://www.pland.gov.hk/pland_en/info_serv/statistic/landu.html))

### Spatial equity vs social equity.

This is especially evident at the regional and national levels, where social equity is often deemed congruent with spatial equity. Thus for example, each province or region is compelled to have the same number of state universities, an international airport, or a provincial/regional industrial center, regardless of market or competitive considerations. But spatial equity among different locations is unlikely because these facilities and services follow a hierarchical, rank-size type of distribution, similar to the overall distribution of population and settlements—one or two dominant locations, several large centers, and an overwhelming majority composed of small ones. (Corpuz 2010)

The penchant for achieving spatial equity adversely affects competitiveness because resources are unnecessarily dispersed across various locations instead of being focused on areas that are in the best position to compete. Unfortunately, and as discussed further later, spatial equity is a politically attractive and powerful concept which compromises efficiency in resource allocation.

<sup>3</sup> Hong Kong has 40 hectares of roads which leaves it with 869 hectares of parks and other open spaces and undeveloped land. There is no breakdown of the 178 hectares of parks and roads for Metro Manila but even if you assumed that all of these were parks (which is of course an extreme and unrealistic assumption) then that would still pale in comparison to Hong Kong both in terms of land area and percentage.



### Lack of disaster risk reduction provisions.

This is increasingly obvious with recent floods and other disasters. And it has spurred unprecedented attention on the application of disaster risk reduction on local land use and development planning. The technical aspects of disaster risk reduction such as the preparation and use of geohazard maps, for example, are better understood today more than ever before. Greater clarity and advocacy, however, are required. In particular, the concepts of risk, vulnerability, probability and tradeoffs as part of disaster risk reduction have yet to be fully understood and accepted. Further, there is still a need for more science in policy advocacy (e.g. rain intensity and not logging is more often the primary cause of landslides, or distance from a fault line does not necessarily mean less risk, or tall buildings are not inherently more dangerous than short buildings during an earthquake). Meanwhile, the quality and availability of disaster risk reduction planning tools such as geohazard maps need to be continuously improved.

### Weak planning-implementation linkages and corruption.

Even assuming the technical merits of land use plans and policies, their development impacts are not realized because of weak linkages to the rest of the planning-implementation process. There is evidence, for example, that only a minority of projects identified by land use plans is budgeted and implemented. Further, opportunities for corruption take place at both ends of the planning-implementation process. Spot zoning occurs at the planning stage when a specific parcel is rezoned in response to incentives and pressures from vested interests and LGU officials. In some cases, for example, the CLUP and zoning ordinance prescribe low densities for existing high density areas in order to force developers to negotiate with city officials. During periodic reviews of the CLUP and the zoning ordinance, usually every five years, changes in zoning classifications are likewise the subjects of political tradeoffs, compromise, and corrupt practices. At the budgeting and implementation end of the process, favored projects (some funded through pork barrel funds) may be inserted or prioritized, regardless of their relevance (or lack of it) to the overall CLUP.

### **Land use drivers**

The lack of more visible impacts of land use policies on development is also a consequence of the fact that land use planning does not drive many development initiatives.

- **Land as a natural monopoly**

Unlike most commodity markets, the land market is inherently monopolistic; each parcel of land is unique because no other parcel can occupy the space it occupies. Two adjacent lots of the same size can fetch different prices even if they are next to each other because one of them will always be just a little bit closer or farther to a reference point (such as a prime corner location).

At the urban scale, and as mentioned earlier, CBD properties command the highest land values. These diminish as distance from the CBD increases (or as access to the CBD declines). A CBD thus monopolizes premium locations even as a hierarchy of CBDs, each with their own corresponding geographical spheres of market influence, may develop in large urban areas.

The monopolistic character of land helps explain geographic specialization of activities (or spatial division of labor), which is the foundation of land use planning. Such specialization was evident even with early nomadic communities in the form of burial grounds and watering holes. As settlements became larger and more permanent, specialized places of activity such as agricultural fields, market commons, residential clusters, places of worship, etc., evolved based on space requirements, location characteristics and constraints. And eventually, identifying the most appropriate activities in specific locations became desirable if not necessary. The point is that purposeful land use planning is not necessary for geographic specialization of activities to take place. Rather, the geographic specialization of activities that accompanies the evolution and growth of settlements fosters land use planning. (Corpuz 2008)

- **Economic activities and demographic conditions as land use drivers.**

Ultimately, the drivers of land use are economic activities and demographic conditions.

For example, there is a strong positive correlation ( $R^2=99\%$ ) between GDP growth and CBD office development. (Corpuz and Cain 2004) This is important because the amount of office space defines the size of a CBD which, in turn, directly influences the amount of high value residential, retail, hotel and other land uses within the CBD. (This is the primary reason why Bonifacio Global City has developed as fast as it has, starting with high density residential condominiums, driven by the demand generated by the commercial offices in adjacent Makati CBD.)

Similarly, population levels and growth rates are closely related to the presence and scale of many urban activities and services. As shown in the form of a scalogram (Figure 4), the larger the population, the larger the number and scale of facilities and services that can be supported, e.g. a large metropolitan area can have fastfood restaurants and highly specialized financial services in a CBD but smaller towns will only be able to support the ubiquitous restaurants.

Scalogram: Metro/Urban Centers with 2000 Pop>200,000											
		2000 POP	Feat Food	Res Subd	Del Serve	Port	Regl Airpt	Local Mall	Regl Mall	Int'l Airpt	CBD
1	METRO MANILA	9,932,560									
2	METRO CEBU	1,693,881									
3	DASMARINAS-BACOOR	1,479,097									
4	MAL OLOS-MEYCAUAYAN	1,407,090									
5	METRO ANTIP OLO	1,285,156									
6	METRO DAVAO	1,229,725									
7	METRO ANGELES	1,219,399									
8	CALAMBA-SAN PEDRO	1,053,854									
9	METRO BATANGASLIP A	679,810									
10	METRO BACOLOD	615,944									
11	ZAMBOANGA CITY	601,794									
12	METRO DAGUP AN	581,560									
13	METRO ILOILO	554,323									
14	METRO CAGAYAN DE ORO	544,915									
15	METRO CABANATUAN	453,249									
16	METRO LUCENA	435,070									
17	METRO TARLAC	430,318									
18	GENERAL SANTOS CITY	411,822									
19	METRO BAGUIO	405,420									
20	SAN JOSE DEL MONTE	315,807									
21	METRO IIGAN	300,020									
22	METRO TAGUM	276,770									
23	SAN CARLOS-MALASIQUI	267,454									
24	BUTUAN CITY	267,279									
25	METRO LE GAZPI	258,041									
26	METRO OLONGAPO	257,279									
27	SAN MATEO-MONTALBAN	250,770									
28	METRO NAGA	248,802									
29	SAN PABLO-ALAMINOS	244,047									
30	TANAUAN-STO TOMAS-MLVR	230,623									
31	METRO TACLOBAN	226,621									
32	METRO URDANE TA	214,773									
33	SAN MIGUEL-SAN ILDEFONSO	203,780									

Figure 4. Scalogram of Urban Centers (Pop>200k).

The current practice of land use planning, however, treats both economic and demographic factors as external variables. Land use plans designate areas where development can (or cannot) take place, but they do not drive such developments.

The rapid growth (CAGR=40.7%) of the BPO-outsourcing industry in the country is a good example. Fueled by external demand, there has been a phenomenal increase in BPO office space in recent years (56,800 sqm of GFA in 2000; 1,570,000 sqm of GFA in 2010). BPO office space, which was unheard of over a decade ago, is now an established category of commercial land use. Similarly, the deregulation of the telecommunication industry in the 1990s led to a proliferation of IT-related land uses from cellular telecommunication facilities to IT schools and internet cafes and stores, just as the liberalization of the Roll on-Roll off industry in shipping and the resulting increase in logistics efficiency caused a large number of distribution centers and warehousing facilities to disappear.(Basilio 2011) These shifts in the way land is utilized were not caused by any land use plan or zoning ordinance. Instead, these economic game-changers led to a revision of such plans to accommodate new services and activities.

To further illustrate, not all land use or physical framework plans succeed as intended if the appropriate market environment (including infrastructure and regulatory conditions) is not present. A national government policy that sought to establish regional agro-industrial centers

(RAICs) in every administrative region of the country was launched in the late 1980s; specific sites were identified and designated accordingly in various physical framework and land use plans. But only those that coincided with existing industrial areas (e.g. Calabarzon, Mactan) thrived. The rest, if they were actually initiated at all, failed to materialize.

In summary, if the basis for assessing the impacts of land use policies and plans is the current state of the built environment and given obvious gaps in quality and capacity, then it is reasonable to conclude that they have fallen short of expectations. This is especially true relative to other cities in the region (e.g. Hong Kong, Singapore, Bangkok). But land use policies are only part of a set of factors that determine how the built environment is developed. No land use plan can drive the development of industrial, commercial, residential and other desired land uses if appropriate economic and demographic conditions are not present.<sup>4</sup>

## **WHAT KIND OF LAND USE POLICY WOULD BE OPTIMAL FOR HUMAN DEVELOPMENT?**

There are three sets of conditions for a land use plan to have a positive and significant impact. First, it must have technical merit such that we know what issues need to be addressed and how to address them; second, it must have the political mandate and organizational capability to allow implementation; and third, it must be backed up by sufficient financial and other material resources.

### **Technical merit**

The overall objective of a land use plan is to identify the most appropriate locations and promote efficient and safe environments of social activities (land uses). This includes transportation linkages among the various activities as well as administrative and other associated governance requirements. Ideally, it should also support the national government's goal of inclusive growth, complement other sectoral development plans, and provide detail to regional and provincial land use policies. Its most immediate role, however, is to serve as the core of the CLUP, which is intended to guide or lead the LGU in the attainment of its goals and objectives. Typically, these goals and objectives are defined and measured by employment, income/poverty, education, health, and other development indicators.

We need not go into the details of the structure and components of a land use plan. As far as technical merit is concerned, we have already noted major shortcomings of land use plans which need to be addressed, in particular: the lack of consideration for the demand side, the lack of inter-local or metropolitan integration and multi-level analyses, the need to update basic planning principles and standards, and the need to integrate more effective disaster risk reduction measures. Two additional points, however, are worth mentioning.

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<sup>4</sup> Some cities, e.g. Houston, do not have explicit land use and zoning policies, relying on building and other individual municipal codes to regulate the location of activities. But actual land use has not been remarkably different from other cities in the US and elsewhere which have explicit land use plans and zoning ordinances.

First, it is important that the specific drivers of land use issues and concerns (whether explicit or implicit) are understood and related to social objectives and to corresponding land use proposals. The problem of low income housing, for example, is less a problem of housing and more of low income. And low income and lack of employment for the poor is not addressed by designating livelihood centers in a land use plan; rather, it requires economic growth that is labor intensive, enhanced labor mobility and human capital development (e.g. education, training), and increased credit access to SMEs. These implicit policies deal directly with the drivers of low income and thus are more likely to be more effective in addressing low income housing. Ultimately, the objective of a land use plan is not to have desired activities designated in a map but to define and promote the land use environments that will support the attainment of social objectives.

Second, land use planning will require land use conflict identification and management/resolution. Land development is prone to land use conflicts because as a platform for activities, land cuts across all sectors. As previously discussed, land is monopolistic in that every parcel of land has a unique location. But each parcel is not unique in that it can accommodate more than one land use. Land that is suitable for residential development can also be utilized for industry or agriculture. While land use planning seeks to prescribe the most appropriate activities for specific areas, there is no unique congruence between land and activity because land tends to involve many activities, simultaneously or historically. (Corpuz 2008)

Typically, planners will encounter the following types of land use conflicts, which they will have to resolve based on the priorities and objectives of the concerned local communities:

- a. Built up land uses encroaching into agricultural and other production (A&D) areas.
- b. Built up land uses encroaching into forest protection areas.
- c. Built up land uses encroaching into protection and disaster-prone areas in built up areas.
- d. Agricultural and other non-built up production areas encroaching into protection and disaster-prone areas within other production areas.
- e. Agricultural and other non-built up production areas encroaching into forest protection areas. (NEDA/ADB 2007)

In general, consideration should be given such that land using activities take place in areas that, in order of priority: (1) do not pose direct threats to public safety (disaster risk reduction measures); (2) enhance and protect lifeline systems (transport routes, communication lines, water and power service delivery); and (3) promote the sustainability of productive resources and key support services.

### **Implementation mandate and organization capability**

The mandate of cities and municipalities to prepare, implement and enforce land use plans resides in the constitution, various provisions of the 1991 Local Government Code, Executive Orders 72 and 648, and Republic Act 7279. A full list is provided in the CLUP Guidebook

prepared by the HLURB. Meanwhile, formal approval of a specific plan is given by the local development council following a prescribed process.

As mentioned earlier, the CLUP and its implementation instrument, the zoning ordinance, are intended to directly regulate land use in the country, as part of a set of plans that covers the entire national-regional-provincial-local hierarchy. However, consistency and integration within this multi-level and multi-sectoral hierarchy of plans are not yet in place.<sup>5</sup> Given this scenario, the enactment of a National Land Use Act (NLUA) could provide the much needed mandate to consolidate and integrate land use policies even while retaining LGU jurisdiction over land use planning and enforcement. Because it is a legislative act, however, the NLUA should defer from prescribing specific design and planning standards. Instead, it should refer these to the National Physical Framework Plan (NPFPP). In this manner, the basic policies are established in the NLUA while design and planning standards that are subject to regular adjustments (because of technological changes for example) can be done accordingly without having to go through Congress. This also provides the NPFPP, which to date serves only as a reference document, with the required implementation mandate.

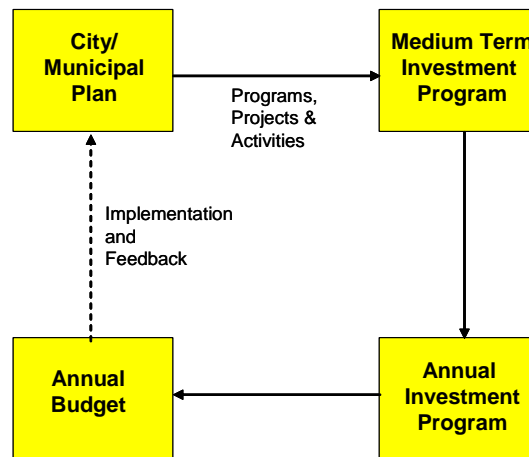
As far as manpower is concerned, many LGUs do not have the sufficient number to conduct required planning activities. This is part of the reason for the low percentage of cities and municipalities (35% of 1,610 cities and municipalities in 2008, according to the HLURB) that, in recent years, do not have any CLUP or do not have an updated CLUP. Most LGUs are likely to continue to encounter this problem because of the lack of qualified personnel, especially trained planners, in the country. As of 2008, there were only 609 registered Environmental Planners (authorized to sign subdivision and other urban/regional plans) in the Philippines; this number includes inactive and international-based planners. With only an average of 21 planners being added to the professional roster every year (during 2000-2008, according to the Philippine Institute of Environmental Planners), and assuming every registered Planner works for cities and municipalities, it will take 47 years for the number of planners to match the total number of cities and municipalities. Further aggravating the situation is the apparent large amount of planning tasks required of local planning offices such that, according to one estimate, one office is typically required to prepare 28 plans within three years. And this does not include non-planning responsibilities assigned to local planning officials. (Corpuz 2008) LGUs with larger operating budgets will have less difficulty but for the majority, and without external assistance, the lack of qualified personnel will continue to be a problem.

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<sup>5</sup> Joint Memorandum Circular 1 (2007) was a step towards coordinating the activities and outputs of the various planning processes. It covered “Provincial Governors, City and Municipal Mayors, Members of the Sanggunian, Local Development Councils, Local Finance Committees and all others concerned” for the purpose of: providing guidelines on the harmonization and synchronization of local planning, investment programming, budgeting and expenditure management, and revenue administration; strengthening the interface between local government units and national government agencies and the complementation between and among all levels of the LGU in planning, investment programming, budgeting and expenditure management, and revenue administration; and clarifying and spelling out responsibilities among the DILG, NEDA, DBM, DOF, and the LGUs relative to local planning, investment programming, budget and expenditure management and revenue administration. These specific implementation mechanisms, however, have yet to be put in place.

The other serious obstacles to the performance of the planning and implementation bureaucracy are the weak linkages within the planning-investment programming-budgeting-implementation process. Ideally, the PPAs proposed in the CLUP/CDP are prioritized as part of an investment programming exercise and incorporated into the annual budget for implementation. (Figure 5)

In the real world, however, few projects identified in the plan are actually implemented. (There is no actual data available for cities and municipalities but this is consistent with a recent study of provincial plans which found that only 15%-30% of the PPAs identified and listed in the plan are provided a budget.) (Carino, Corpuz and Manasan 2004) Further, some PPAs not identified in the plan are inserted into the budget for implementation. This suggests that political considerations dominate the budgeting and implementation end of the process. It is also in line with the reported “divide by n” resource allocation practice where LGU capital investment resources, however limited, are distributed among allies of the local political leadership.



**Figure 6. Planning-Investment Programming-Budgeting-Implementation Process**  
Source: Corpuz, 2007

It can be argued that if the quality of the plan and its PPAs is poor, because of the lack of available professional planners, for example, then the low implementation performance is not necessarily bad or inconsequential, i.e. not implementing bad projects is good. Or conversely, quality is not important to begin with because of the low implementation performance, i.e. why waste time and resources to come up with a good plan if it is not likely to be implemented anyway. Further, the three-year tenure of the local leadership does not encourage or even makes it impractical to initiate a plan that looks seriously beyond the short term. This does not mean that bolder, longer term or more innovative land use plans and policies cannot be conceived and approved. Rather, it means that regardless of the plan, it is likely that actual development will be incremental. Having the right technical land use policies is good to have but not having them is not important or even relevant if the CLUP itself is not expected to play an important or catalytic role in the first place.

Ultimately, it is not enough to have good quality plans and projects; the entire planning-investment programming-budgeting-implementation process and bureaucracy must also work efficiently in order to get desired developments in place.

The politicized nature of the budgeting and implementation stages contrasts with the more technical orientation of the planning stage of the process. To be sure, the local leadership may assert its vested interests and influence certain features of the plan but, as a whole, the planning stage is recognized as an exercise better left to technical experts. In the absence of such experts, the resulting plan may be compromised but, nonetheless, the prevailing view is that planning should be a technical exercise. This perception is reinforced by professional planners who consider the ideal plan as one devoid of or insulated from politics. Although there are exceptions, even public consultations intended to draw planning inputs and support from stakeholders are usually compliance-driven and marginally participative.

In summary, the weakness in the linkages among planning, investment programming, budgeting and implementation coincides with the gap between the technical orientation of planning on the one hand and the political nature of budgeting and implementation on the other. In the end, it is the latter that matters because regardless of the plan, other projects can be inserted into the budget and implemented.

How then, should the weakness be addressed? A logical approach is, first, (a) politicize the planning process by increasing or introducing genuine participation among stakeholders, thereby encouraging broader public ownership of the plan and enhancing the possibility that proposed projects are shepherded and implemented. Second, (b) increase the technical basis for budgeting and implementation in order to reduce the influence of a “dividing the spoils” approach to resource allocation. (Corpuz 2007)

### **Resource requirement**

The CLUP, as indicated by its name, is intended to be a comprehensive plan document. As stated in the CLUP guidebook prepared by the HLURB, the CLUP “refers to a document embodying specific proposals for guiding, regulating growth and development of a city or municipality. It is comprehensive because it considers all sectors significant in the development process, i.e. demography, socio economic, infrastructure and utilities, land use and administration, within the territorial jurisdiction.” (HLURB 2006)

The comprehensive coverage of the plan is important in order to get a full appreciation of existing conditions and development potentials. Typically, however, it has also resulted in a long wish list of PPA proposals, very few of which, as mentioned earlier, are actually implemented. Further, there is a lack of priority among the project proposals; each sector has its own set of objectives and proposals and there is little by way of intersectoral prioritization.



Often, the resulting comprehensive plan is not consistent with the prevailing planning and fiscal environment. Given limited resources, there is a need to be strategic as far as planning and project identification are concerned. The plan can maintain an encompassing vision but it should also have a short list of priority projects—say half a dozen critical and/or catalytic projects that build on the city or municipality’s most competitive resource advantage or address the most pressing environmental problems or provide basic services to the unserved, to cite several examples—that the local government can focus on during its tenure. This is especially important given the short term of office of local leaders and the tendency to replace plans of predecessors.

Prioritization is not going to be easy because of the tendency towards spatial equity in project budgeting and implementation, i.e. each barangay (or each barangay represented by a barangay leader allied with the Mayor) should be allocated a project or even the same type of project in order to maintain political harmony and control. With limited resources, this can lead to the implementation of many small projects with little development significance (e.g. waiting sheds, entrance arches, multi-purpose pavements across the city or municipality. Limiting project implementation to a few catalytic and strategic projects will require a lot of political capital on the part of the local leadership.

### **Land use plan/policy as part of a set of instruments to manage land use**

Finally, land use plans and policies should be viewed by planners as well political leaders as only part of a set of instruments to direct or influence land-based activities and development. This set includes implicit land use policies that, as mentioned earlier, may have even more direct impacts on the built and natural environments. It is based on government’s power to (1) regulate, (2) build, and (3) tax. (Steiner 1999)

- **Regulate**

Land use plans and zoning ordinances fall under this category. But they also include building codes, water codes, environmental laws, historic preservation policies, etc., and other local and national regulatory instruments that directly affect the way land and water resources are utilized.

- **Build (infrastructure)**

This refers primarily to government’s ability to build (or not to build) infrastructure that influences population movements and investments and therefore where and when growth takes place. Key roads and bridges, transportation networks, ports and airports—all affect how land in certain areas will be utilized.

- **Tax (fiscal incentives and disincentives)**

Government’s ability to tax directly and indirectly affects land use. If consistent with market directions and the fiscal environment, higher land taxes, for example, accelerate development in order to avoid idle capital, or induce higher density developments because of the higher imputed

values on the land. Rent control, on the other hand, serves to discourage redevelopment because of the difficulty in recovering investments.

Viewing land use policies as a set of instruments provides a single framework to integrate or at least minimize inconsistencies between explicit and implicit policies (including those that may not be covered by the NLUA) towards a unified vision of human development. ■

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