

DEVELOPMENT PARADIGMS REVISITED: THEIR INFLUENCE IN PLANNING THE DEVELOPMENT FOR SOUTHERN MINDANAO

Sophremiano B. Antipolo

Introduction

This paper traces and reviews the paradigm shifts in the field of development policy and ultimately situates the development planning strategy in Southern Mindanao Region, Philippines. To provide a systematic presentation, this paper is organized as follows: Section 2 discusses the evolving paradigms of sectoral and spatial dimensions of development. Section 3 traces the evolving interest in rural-urban linkages among the international development assistance organizations. Section 4 presents the evolving interest in rural-urban balance in the Philippines. Section 5 and 6 put the paradigm shifts in the context of development planning in the Philippines and Southern Mindanao Region, respectively. Finally, section 7 draws some general conclusions and policy implications.

The Evolving Paradigms of Sectoral and Spatial Development

For much of the 1950s and the early 1960s, development policy was dominated by the paradigm of industrial-led growth. Influenced by the successes of reconstruction aid following the Second World War. This

development approach required capital-intensive investments. In those decades, Rostow's (1960) theory stages of economic growth was widely accepted, holding that development proceeds in a linear path and that the world's poor countries could achieve progress by following the steps of the economically more advanced nations. The industrial-led growth paradigm assumes that the benefits of industrial expansion would quickly ripple throughout the economy, providing the faster and most effective way of transforming traditional agrarian societies into modern industrial and urban based-economies.

By the mid 1960s, a number of development practitioners were advancing the idea that agriculture was an important and potentially dynamic sector. This view became more widespread by the early 1970s as evidence of the failure of industrial "trickle-down" accumulated. Associated with mounting support for agriculture-led development strategies was a growing concern for the seeming intractability of rural poverty. Proponents of agriculture-led strategies such as Mellor (1976) and Johnston (1975) argued that since agriculture was the dominant economic activity in most developing countries, and the primary source of income for the majority of the people, investments in this sector would have the most widespread beneficial effects and provide a sounder basis for national development.

Regional scientists and geographers, such as Isard (1975), Alonso and Friedman (1975), Richardson (1978), and Rondinelli and Ruddle (1978), brought an additional dimension to the discontent with the results of earlier

approaches and the debate about alternative development strategies. They noted the vast inequalities among regions within the developing countries and suggested that, on both political and economic grounds, sustained national economic growth was not possible unless the various regions of the country were integrated into the process.

Meanwhile, alarming statistical evidence began accumulating concerning the urbanization process in the developing world. While much of the development community grappled with the issues of rural development, enormous and rapidly growing proportions of the poor were relocating to the cities. This raised the question of how to create rural alternatives for people contemplating migration to the metropolitan areas, and at the same time create economic opportunities for the growing population. The attention of many development professionals had shifted subtly from agriculture-industry dichotomy issues to rural-urban issues; that is, from purely sectoral issues to questions of how sectors interact within the geographic space of an economy.

By the mid-1980s, it was accepted in many quarters of the development community that urban and rural development are inextricably interwoven and that the focus had to be on increasing the returns to farming for small and medium-sized farmers, for these farmers tended to spend more of their incomes on locally supplied goods and services. The availability of nearby markets and marketing channels through which to sell agricultural surpluses, obtain inputs from increased agricultural productivity, and obtain consumer goods and services that motivated increased production were understood as,

indeed, necessary for broad-based agricultural development. But at the same time, the viability of enterprises that performed these functions in nearby urban centers depended on growing local demand associated with increasing incomes of many households in the surrounding areas (Rondinelli, 1984).

Although its incipence was in 1973, it was not until 1985 that “rural-urban linkages” or some similar term has become the buzzword in the development literature, in the agenda of international development conferences, in the policy papers of development assistance organizations, and throughout the development circle. The significance of these linkages to both rural development and the urbanization process in developing countries is now essentially uncontested (Bendavid-Val et al, 1988).

The Evolving Theme of Rural-Urban Linkages Among the International Development Assistance Organizations

Following the evolving paradigms in sectoral and spatial dimensions of development, international development assistance organizations, such as the United States Agency for International Development (USAID) and the World Bank, are increasingly interested and concerned about the rural-urban linkages in an attempt to develop an alternative approach to regional development.

The roots of the USAID interest in rural—urban linkages may be traced back to 1973, when the US Congress, through the Foreign Assistance Act, issued a “New Directions” mandate for USAID. This mandate directed that international assistance be targeted to the

“poor majority” who are residing largely in rural areas.

The Office of Rural Development responded to the mandate by launching an Integrated Rural Development (IRD) Program which included three major thrusts. The first was an attack on poverty, and entailed a concern for the rural poor: their empowerment, and the provision of their basic needs. The second involved a multisectoral approach that represented an alternative to the sectoral approaches in the 1960s. The third was aimed at ameliorating the disparities in the levels of development among regions of countries and between urban and rural areas within regions.

The 1973 Congressional mandate, then, essentially relegated urban development to a subsidiary role within USAID. This came at a time when a new Office of Urban Development was researching and debating the central urban issues upon which the USAID should concentrate. Its staff pointed to the explosive rate of urban population growth in developing countries, and the attendant joblessness, squalor, and overtaxed public services; as well as the rapidly growing portions of the poor in urban areas. They argued, moreover, that what happened in cities was an integral aspect of the larger development process. Therefore, solutions to rural development problems lay in the cities as well as in the countryside.

The Office of Urban Development launched a new research program with a regional perspective. Like IRD, the regional development program was concerned with equity issues, rural-urban linkages, and multisectoral approaches. Attention was likewise given to participatory

planning. But under this program, research turned to the problems and opportunities found in small towns and intermediate cities. It was envisioned that investments in lower order settlements would create alternatives to the main metropolitan areas for rural-urban migrants. At the same time, investments in urban centers that supported agriculture would foster the economic integration of towns with their hinterlands, thereby promoting rural development. For the first time, the focus explicitly encompassed the roles of urban centers in rural development.

The Urban Functions in Rural Development (UFRD) project, initiated in the late 1970s, reflected the sorts of concerns targeted and methodologies tested by the Office of Urban Development under its regional development program. UFRD was based on the proposition that the lack of an articulated hierarchy of economic functions in urban settlements was an obstacle to rural development. The solution, it suggested, was to improve the supportive role that urban centers play in rural development by introducing key services and facilities where they are lacking in selected centers at appropriate levels of the urban hierarchy. This would enhance the growth potential of these centers, rationalize the distribution of service facilities, and increase accessibility of rural populations to goods and services. UFRD raised critical questions concerning the best way to identify and strengthen mutually beneficial linkages between rural and urban areas.

In 1987, the Science and Technology / Rural Development (S&T/RD), which took over many of the research concerns of the former Office of Urban Development related to secondary and smaller cities,

issued a state-of-the-art report entitled: "Agriculture, Employment, and Enterprises: Rural Urban Dynamics in USAID Development Strategy". This report, authored by Dennis Rondinelli, brought together empirical findings and theoretical advances related to integrated rural and urban development. It examined the role of rural-urban dynamics in sustainable agricultural development. It also examined the role of rural-urban dynamics in sustainable agricultural production and in fostering private enterprises that support agriculture and generate employment opportunities for rural and urban populations. The weight of the evidence is clear. As summarized in the Report:

"Given the rapid pace of urbanization in developing countries, and the urgent need to increase food production and expand employment opportunities in both rural areas and urban centers, policies that focus on strengthening rural-urban marketing systems and the relationships among agriculture, employment, and enterprise development will become crucial to the economic progress of developing countries over the next two decades..."

At the World Bank

In an internal Office Memorandum at the World Bank's Urban Development Division under the Policy, Planning and Research Staff (PPR), Kyu Sik Lee (1986) noted that even though the notion or "rural-urban linkages" has drawn a good deal attention within the Bank, especially in two African and South Asian regions, the overall

conceptual framework is still unclear and the strategy to conduct research and/or sector work is yet to be worked out.

Kyu Sik Lee pointed out that the increasing interest in "rural-urban linkages" can be characterized as an attempt to develop an alternative approach to "regional development". He noted that the Bank's lending program aimed at "regional development" has been rather limited. Lee attributes this to the absence of a good conceptual and analytical framework in this field, arguing that the state-of-the-art in "regional economics" or "regional development" is such that one can rarely find such a framework. For instance, growth pole or growth center approaches proved to be flawed without much analytical content; the two sector regional (trade) models tended to be too abstract to be operationalized; no one seems to have offered any sensible approaches to deal with problems of "lagging regions".

According to Lee, the seemingly novel notion of "urban-rural linkages" seems to have its base on the need to better understand the interrelationships between different sub-areas in a country in terms of "flows" of goods and services. Different sub-areas (e.g., urban versus rural) tend to have different comparative advantages, specialize in certain economic activities or offer opportunities for exploiting underdeveloped potential. Since no city or region by itself can be sufficient, Lee argues that the development of individual sub-areas and the overall level of productivity of the country would require a sufficient flow of goods and services between them. An efficient flow of goods and services, in turn, will depend on the extent of various

markets for goods and services, and the nature of their operations, and institutional support - including infrastructure provisions and financial markets.

In his research report on "Rural-Urban Linkages: Macro and Regional Implications", Jean Marie Cour (1988), of Africa Technical Infrastructure Department (AFTIN) at the World Bank, came up with the following conclusions and recommendations:

- a.) Rural-urban linkages are at the core of many developmental problems, and their study deserves more attention at all levels of the World Bank's work: economic and sector work, country strategies, policies, and project identification, implementation, and evaluation;
- b.) By definition, rural-urban linkages studies are multi-disciplinary and require inputs from and coordination among many sectors. Some improvements in the present organization of the Technical Department regional studies should seek to effectively undertake multisectoral work (the various studies managed by the Technical Divisions have had very few interactions so far);
- c.) The study in rural-urban linkages draws attention to the importance of the spatial and regional dimensions of development, and to strong interactions between population redistribution, and structural changes in an economy. Cour, therefore, recommended to undertake a long-term demographic-economic country assessment, as a standard component of country

economic reports, and to fully take into account these country assessments in the preparation of country strategy papers; and

d.) It appears from the analysis of rural-urban linkages issues that the present way of undertaking program reviews should be intersectoral consistency and complementarity of investments and expenditures at the local and regional levels.

The Philippine's Interest in Rural-Urban Linkages

In the Philippines, the initial articulation for strengthening rural-urban linkages can be gleaned from its declared key regional development policies and strategies (see Chapter 2, Medium-Term Philippine Development Plan (MTPDP), 1987-92 published by the National Economic and Development Authority (NEDA) in 1986.) The MTPDP incorporates the Ten-Year Plan, 1987-1997.

These Key policies and strategies are summarized below:

a) *Rural development and rural employment promotion.* The country will adopt an employment-oriented, rural-based strategy to attain sustainable growth and development. The emphasis on rural development is intended not only to rectify the widening gap in levels of development and income between urban and rural areas but also to enable the 60 percent of the population in the countryside to maximize their contributions to the economy.

b) *Pursuit of desirable regional population*

distribution. Greater attention will be focused on the indirect and unintended consequences of investment and macroeconomic policies on the movement of population and the resulting spatial distribution. Strategies which will influence population distribution include industrial dispersal, rural-based development, and the reallocation of resources in favor of depressed and lagging regions.

c) *Dispersal of industries to the regions.* The dispersal of industries to the regions shall be pursued to create employment and income opportunities in the countryside and to slow down rural out-migration. Emphasis shall be given to labor-intensive, rural-based industries that are consistent with the nation's natural and human resource endowment. Specifically, the development of micro-cottage, small and medium resource-oriented and agro-based industries shall be supported. Efforts in industrial dispersal will focus on the promotion of rural credit, the selective decentralization of government services to facilitate administrative processes and procedures, and the provision of better and more reliable industrial support, product development, and skills upgrading.

d) *Development of urban settlements.* Consistent with the priority accorded to rural development efforts, attention will now be given to small and medium-sized cities particularly in their role of providing urban-based rural facilities and services. The need to link rural communities to urban centers, especially in the delivery of necessary inputs for agricultural development and provision of non-farm employment, highlights the complementarity of urban and rural areas. Thus, with the focus on small and medium-sized cities as service centers to their satellite towns, the

government shall adopt a policy supporting and leading to a decentralized pattern of urbanization. Decentralized urbanization provides a decentralized pattern of urbanization. It is a vehicle for dispersed urban services and facilities, particularly those that support agricultural development. One of the factors critical to the success of a decentralized urbanization development strategy is the development of a necessary linkage pattern between urban and rural areas, particularly road networks. This is crucial in increasing accessibility, linking the centers to each other, distributing agricultural inputs and consumer goods and in the collection of agricultural products.

*The Incipience of Regional Development Planning
in the Philippines: Setting Up the Machinery*

The very first signal for the consciousness of regional (or at least subnational) planning began when the Philippine leadership first envisioned a government reorganization in 1955-56 — specifically in the Reorganization Plan 53-A submitted by the Government Survey and Reorganization Commission (GSRC). In 1968, another major reorganization was authorized under Republic Act No. 5435 which created the Commission on Reorganization to spearhead the effort. The Commission's major accomplishment was the Integrated Reorganization Plan (IRP) which was adopted on September 24, 1972 by virtue of Presidential Decree No. 1 — the very first decree issued by then President Ferdinand E. Marcos, under Martial Law. Notwithstanding the Martial Law Regime, the IRP was the very first effort at regionalization — the first time ever to create Regional Development Councils (RDCs) throughout the country. RDCs are extensions of

the National Economic and Development Authority Board (NEDA Board) which is the central planning body of the Executive Branch of the Philippine Government. As such, the RDC's serve as the planning boards at the regional level. The same Integrated Reorganization Plan (IRO) paved the way for the creation of Local Development Councils (LDCs) at the provincial, city, municipal and local levels.

Regional development planning process formally began when regional offices of the National Economic and Development Authority (NEDA) were established.

Because of its incipience, regional development planning was really no different from the general approach taken at the macro-national planning level. In other words, sub-national planning in the early 1970s was only a step-down in terms of introducing the spatial dimension of development. By and large, the process adopted can be properly labeled as "macro-regional planning". And the macro-regional planning system proceeded along sectoral lines (i.e. detailed planning for agriculture, industry, infrastructure, and social services). Of course, every effort had been exerted to provide intersectoral coordination in order to effect comprehensive planning. The early 1970s regional planning, however, did not have as much spatial dimension, except for the application of growth pole theory as the theoretical and operational framework for space planning. Indeed, the incipience of regional development planning followed the sectorally dominated paradigm which contended that for economic growth to take place economies must follow the industrial-led growth — and, therefore, should follow the steps of the economically

advanced nations by investing and locating industries in the growth poles — with the expectation of industrial “trickle-down” to the peripheral space economies.

The earlier struggle for physical planning was started with the Department of Public Works and Highways (DPWH) through its Physical Planning and Development Projects Office (PPDO). The PPDO's approach, however, was slanted particularly in terms of planning for the support infrastructure to the economic plans laid down at the macro-national level. It was not until the creation of a full-blown department — the Ministry of Human Settlements (MHS) — that the massive planning for urban and rural settlements was carried out. The full attention given to spatial development planning was influenced, in part, by the attendance of the then First Lady Imelda Marcos in the Habitat Conference in Vancouver, Canada, sponsored by the United Nations Centre for Human Settlements. The “Vancouver Declaration” was made the rallying principle for the First Lady's effort to establish the MHS. And to complete the deliberate effort, President Marcos appointed the First Lady as the Minister of the MHS.

Thus, in the late 70s up to the ousting of the dictatorship, the major planning processes were undertaken by two departments/ministries working hand in hand through their respective Boards — the NEDA for socio-economic sectoral planning, on the one hand, and the MHS in the physical and spatial planning, on the other. To forge coordination in planning, the NEDA and MHS had to create working committees and task forces at the national, regional, and local levels.

In sum, the experiences in the late 70s until the mid-eighties ushered in the increasing concern for the strengthening of rural-urban linkages as an alternative strategy for regional and national development planning.

How It Works In Southern Mindanao Region

Without totally ignoring the Perrouxian development paradigm, which was anchored on growth pole theory, Southern Mindanao Region's development vision leans on two key strategies, namely: The Countryside Agro-Industrial Development (CAID) Strategy and the development of East ASEAN Growth Area (EAGA). The CAID Strategy, which has been implemented for the past three (3) years, shall continue to be pursued to achieve the vision and objectives of Southern Mindanao. The strategy aims to spur socio-economic growth and development in the countryside by promoting greater complementarity between the urban growth centers and rural areas through processing of agricultural products and other indigenous raw materials.

The other key strategy which the Region has adopted is the strengthening of its direct trade and economic links with the East ASEAN countries and other parts of the world. This outward-looking approach to development is consistent with the national strategy towards global competitiveness. It aims to sustain the Region's agri-industrialization by expanding its traditional and non-traditional export markets.

In support of the two key development strategies of CAID and the East ASEAN Growth Area (EAGA), three

independent spatial strategies are being operationalized in Region XI. These are the economic zones, bipolar, and concentric strategies.

Under the economic zone strategy, the Region is delineated into two integrated areas for development. Each area has a designated primary growth center. Davao Oriental, Davao Province, Davao del Sur and Davao City make up the Davao Integrated area with Davao City as the primary growth center. South Cotabato, Sarangani Province, General Santos City and Sultan Kudarat form the SOCSARGEN Economic Zone with General Santos City as the center. In line with the development of the SOCSARGEN Economic Zone, two growth corridors have been proposed for establishment; namely: the Sarangani Bay Growth Corridor and the Isulan-Tacurong (SULTA) Growth Corridor.

The Bipolar Strategy entails the full implementation of the Regional Agri-Industrial Center (RAIC) in Davao City and the Industrial Estate in General Santos City. These cities have been chosen as the major economic growth centers of the Region because of their relative advantage in terms of infrastructure support facilities and strategic location for the establishment of trade, tourism and other economic linkages with the East ASEAN countries.

The Dispersed Concentric Strategy involves the establishment of 11 Provincial Agri-Industrial Centers (PAICs) throughout the Region to provide support to the 2 major agri-industrial centers. This is also being promoted to attract investments in other parts of the Region, thus contributing to the socio-economic upliftment of the

countryside.

Statement of Policy Principles

From the foregoing review and assessment, the following statements of policy principles can be laid down:

- a) Policy and program formulation should consider the interdependence between rural and urban areas;
- b) National governments (and international development assistance agencies) should play an important role in ensuring that non-spatial economic policies support rural-agricultural development, employment generation, and the growth of small and intermediate cities;
- c) Encourage the growth of small and intermediate urban areas from below so that the expanding urban system is organically linked to the target population throughout the development process;
- d) Strategies for the small and intermediate cities should primarily be concerned with the promotion of small and medium-scale industries;
- e) Because rural towns and small urban centers may act as focal points for the development of non-farm economy, adequate economic and social infrastructure must be assured;

f) Rural-urban development programs should select target areas on the basis of criteria related to strong rural-urban linkage or exchange potentials; and

g) Research on rural-urban relations, linkages, or exchange should be considered a continuous policy for purposes of undertaking an "ex-ante" as well as an "ex-post" evaluation of rural-urban and regional development programs.