

# Urban Poverty in Contemporary Cities

The determining role of land policies and instruments

March 2021

## INDEX

1. Introduction
2. Concept Note
3. Agenda
4. Day 1
  - Introduction to the Webinar
    - William "Billy" Cobbett
    - Georg Jahnsen
  - The institutionalisation of Slum Upgrading in Latin America - Programmes and tools
    - Cynthia Goytia
    - Tereza Herling
    - Jose Alfonso "Pepe" Iracheta
  - Case in India
    - Kochi, Kerala - Rajan Chedambath
  - Panel Discussion
5. Day 2
  - Reflections on Slum Upgrading in India
    - Renu Khosla
    - Ajay Suri
    - Dr. Prasanna Kumar Mohanty
  - A global perspective on Slum Upgrading
    - Inês Magalhães
    - Ahmed Vawda
  - Cases in India
    - Odisha - Sangramjit Nayak
    - Pune - Sharad Mahajan
6. Conclusions

## Introduction

As part of the series of webinars “ReThinking Cities” hosted by INHAF, the Cities Alliance and GIZ India co-organised two sessions dedicated to exploring the role of land policies and instruments in realising slum upgrading in India.

INHAF is an organisation that works in developing human settlements, cities, towns, and villages. It works through advocacy and demonstration action to influence change in policies, institutions, plans, programmes, projects, allocations, governance, and management systems for the above purpose. Its purpose is not only to bring the members together and facilitate sharing and joint action among them. INHAF has its vision set on socially just, economically productive, culturally vibrant, politically participatory, environmentally sustainable, technologically advanced, and receptive cities and settlements.

For over 60 years, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been working jointly with partners in India for sustainable economic, ecological, and social development. The burgeoning population and accelerated urbanisation in the country have resulted in an environment at risk and greenhouse gas emissions that continue to spiral upwards. The thematic areas of GIZ in India are Energy; Environment, Climate Change and Biodiversity; Sustainable Urban and Industrial Development; and Sustainable Economic Development.

Cities Alliance is a global partnership fighting urban poverty and supporting cities to deliver sustainable development. The Cities Alliance seeks to improve the lives of 60 million urban poor across 200 cities in 20 countries by 2030. To be a leading agent for urban change by supporting and implementing comprehensive programmes in countries and cities where it matters most. We leverage the collective expertise of our partnership to catalyse urban transformation at a global level.

## Concept Note

Discussions on urban poverty revolve around specific topics such as squatter settlements, resettlement colonies or public spaces that the urban poor use for their livelihoods. These discussions have focussed on the difficulties that poorer groups have to access housing and/or work to generate an income. Housing is dominantly understood in policy and programmatic language more as a physical structure or, to borrow Turner's terminology, as a noun or a product and less as a process or a verb. Similarly, poor people's livelihoods tend to be viewed more through the lens of the informal sector. Research on urban governance has illustrated the impact of land policies in reducing poverty in cities (Benjamin and Bhuvanewari 1999, 2001, 2006; Benjamin et.al 2005; Raman 2010, 2011; Roy and Ong 2008), concluding that the democratisation of land access is critical to ensure the right to the city, and that no-one is left behind.

Subsuming the question of land under housing, the State's policies, and programmes with respect to urban development and low-income housing have increasingly moved towards eviction and resettlement of the urban poor to the outskirts. Whereas urban poverty should be situated within the wider politics of the ways in which we build our cities, rather than have a sectoral focus such as housing. Evidence from the ground establishes that in-situ slum upgrading is an affordable, flexible, and viable strategy in improving the lives of the urban poor, however, it has not gained traction in the national housing and urban policies. In India, between the years 1985 and 1994, policies addressing squatter settlements focussed on redevelopment. These policies were funded through Central Government programmes - the National Slum Development Programme (NSDP) in the mid-nineties, followed by Rajiv Awas Yojana (RAY) and the Housing for All Mission launched in June 2015. These have a dominant focus on house construction at the city's edge, and developers among others have been instrumental in pushing the redevelopment schemes to vacate inner city lands. In recent times, governments across the world are using National Urban Policies (NUP) as an instrument to define vision, guiding principles, and set of linked actions to steer inclusive growth. The integration of aspects of spatial equity and procedural upgrading of slums together with spaces for work into the NUP can be key to promoting sustainable urban growth.

Land has a central role in urban policy. It is not just a backdrop against which urban economic and social activities are enacted, but a tool in wealth generation. Land also has a broader social role. However, in India this has not been captured in the spatial land use policies yet. Land use planning remains limited as a technical exercise focussing on producing statutory plans as a product rather than a process. In recent times there have been attempts to contemporize the discipline, but these efforts are not enough. Additionally, the use of land as a financing instrument has led to significant changes in the institutional and legal strategies of Indian cities, but not always in an inclusive manner. In the current times, with the advent of new technologies and digital medium, it is possible to

make urban planning processes better informed and evidence based. However, this would imply reforming the existing land legislations and spatial planning instruments. This aspect calls for urgent attention in public policies.

Globally, there has been increasing success in implementing inclusive policies in informal settlements. In some cities, such as São Paulo, the social role of land is recognised as critical to the success of slum upgrading. In Argentina, a series of efforts in recent years is providing the financial means necessary to upgrade slums – but more studies are needed to understand the effects of regularisation to the formal and informal land markets. Most Latin American countries have undertaken reforms in spatial planning legislation, beginning in 1976 in Chile with the General Planning and Construction Law. In South Africa, there have also been some very successful initiatives in which the urban poor have been given access to water, sanitation, and access to housing with a significant impact on poverty.

In India, as well, the State of Odisha has implemented the biggest land titling program for urban poor in all small towns. The interconnection between titling, service provision, and upgrading yields better upgrading results and improves household health. The Kerala Government has initiated the LIFE Mission as a flagship programme for addressing the issues of homelessness in the State. It focuses on an ecosystem-based approach of addressing the ground level real issues and aims to improve the quality of life in the State by not only providing homes with allied facilities, but also raising the standard of living through skill building, job-based training, employment opportunities and livelihood interventions.

The webinar on “Urban Poverty in Contemporary Cities: The Determining Role of Land Policies and Instruments” was part of a series organised by INHAF, with support from GIZ India and the Cities Alliance Global Programme on Informality. The two sessions discussed the issues of land accessibility, right to urban commons, urban development strategies and its impact on poverty using case examples from India, Latin America, Asia, and Africa, with input from global experts and academics.

The webinar promoted a dialogue amongst global stakeholders based on their own personal experiences, and provided a moderated debate amongst practitioners, academics, and experts.

Key Guiding Questions

1. What efforts in slum upgrading, using diverse land instruments, have seen the most improvement in household wealth?
2. What have been the principal shortcomings in NUPs and urban land policies that have constrained achieving slum upgrading? What types of policies can ensure the realisation of the social role of land?
3. What land policy measures should be taken to make slum upgrading a priority in the post-COVID19 recovery process? How may land and accessibility priorities shift in the post-COVID19 scenario?
4. What benefits and shortcomings have been seen when developing in-situ new-housing? What have been the impacts of formal housing provision versus informal housing upgrading?

**RETHINKING CITIES 43**

**URBAN POVERTY IN CONTEMPORARY CITIES: DAY 1**  
**THE DETERMINING ROLE OF LAND POLICIES AND INSTRUMENTS**

**DATE- 9 FEBRUARY 2021**  
**TIME- 6.00-8.00 PM (IST). 12:30-2:30 PM (UTC)**

REGISTER AT- [www.inhaf.org/webinar/](http://www.inhaf.org/webinar/)

**ANCHOR**  
**APARNA DAS**  
 GIZ India

**SPEAKERS**

**GEORG JAHNSEN**  
 Project Manager, SUD-SC, GIZ India

**WILLIAM COBBETT**  
 Director, Cities Alliance

**ADV. M. ANILKUMAR**  
 Hon. Mayor of Kochi, Kerala

**SHIRISH PATEL**  
 Founder, Shirish Patel & Associates

**TEREZA HERLING**  
 Former Joint Secretary for Urban Development in Sao Paulo, Brazil

**CYNTHIA GOYTIA**  
 Chair MSc in Urban Economics, Torcuato di Tella University, Argentina

**PEPE IRACHETA**  
 Director INSUS – National Institute of Land, Mexico

**ANINDITA MUKHERJEE**  
 Senior Researcher, Centre for Policy Research

**RETHINKING CITIES 44**

**URBAN POVERTY IN CONTEMPORARY CITIES: DAY 2**  
**THE DETERMINING ROLE OF LAND POLICIES AND INSTRUMENTS**

**DATE- 10 FEBRUARY 2021**  
**TIME- 6.00-8.00 PM (IST). 12:30-2:30 PM (UTC)**

REGISTER AT- [www.inhaf.org/webinar/](http://www.inhaf.org/webinar/)

**ANCHOR**

**ANACLAUDIA ROSSBACH**  
 Regional Manager LAC, Cities Alliance

**KIRTEE SHAH**  
 President, INHAF

**SPEAKERS**

**RENU KHOSLA**  
 Director, Centre for Urban and Regional Excellence

**P. K. MOHANTY**  
 Professor of Economics, University of Hyderabad

**AJAY SURI**  
 Senior Advisor, National Institute of Urban Affairs, India

**INES MAGALHÃES**  
 former Minister of Cities, Brazil

**AHMEDI VAWDA**  
 Advisor for the Department of Human Settlements, South Africa

**SHARAD MAHAJAN**  
 Executive Director, Mashal

**SANGRAMJIT NAYAK**  
 DMA, & ex-officio Additional Secretary & Mission Director, Swachh Bharat Mission (Urban)

## Agenda

The final agenda of the webinar

Session 01: February 9, 12:30 – 14:30 (UTC) / 18:00 – 20:00 (IST)

Speakers	
<i>Opening remarks and Introduction</i>	Kirtee Shah INHAF
<i>Overview</i>	Georg Jahnsen Project Manager, SUD-SC, GIZ India
<i>International Perspective on Slum Upgrading</i>	William Cobbett Director, Cities Alliance
<i>Discussion of presentations, Questions and Answers:</i> Moderator: Aparna Das, GIZ India This discussion will ponder on the opportunities for India to adopt learnings from international experience in land legislations and spatial Planning.	
<i>Kerala's Experience with the LIFE Mission</i>	Rajan Chedambath City of Kerala, India
<i>The social role of land in Sao Paulo</i>	Tereza Herling former Joint Secretary for Urban Development in Sao Paulo, Brazil
<i>Formal and informal land markets and their effects on land policy</i>	Cynthia Goytia Chair MSc in Urban Economics, Torcuato di Tella University, Argentina
<i>Land policy and financing, generating affordable land in Mexico</i>	Pepe Iracheta Director INSUS - National Institute of Land, Mexico
	Shirish Patel Founder, Shirish Patel & Asoc.
<i>Closing remarks and rapporteur for Session 01:</i> Anindita Mukherjee, Senior Researcher, Centre for Policy Research	



Session 02: February 10, 12:30 - 14:30 (UTC) / 18:00 - 20:00 (IST)

<b>SESSION 02</b>	
<i>Opening remarks and Summary of Session 01</i>	Dr Souvannic Roy Director, School of Ecology, Infrastructure and Human Settlement Management in Indian Institute of Engineering Science and Technology (IEST), Shibpur.
<i>Discussion of presentations, Questions and Answers: Moderator: Anaclaudia Rossbach, Regional Manager LAC, Cities Alliance This discussion will ponder on the opportunities for India to adopt learnings from international experience in slum upgrading and land policy.</i>	
<i>To tenure or not to tenure</i>	Renu Khosla Director, Centre for Urban and Regional Excellence
<i>Resolving land access issues to facilitate scaling up of slum upgrading in Indian cities</i>	Ajay Suri Senior Advisor, National Institute of Urban Affairs, India
<i>National policies on Slum Upgrading in Brazil</i>	Ines Magalhães former Minister of Cities, Brazil
	Sangramjt Nayak Odisha, India
<i>Policy and planning for Human Settlements in South Africa</i>	Ahmedi Vawda Human Settlement Policy Specialist, South Africa
<i>Case Study: In situ Slum Upgrading Project in Pune</i>	Sharad Mahajan MASHAL, Pune, India
	Dr P.K. Mohanty
	Kirtee Shah INHAF, India
<i>Closing remarks for session 02 and closing remarks for the webinar: Kirtee Shah, INHAF</i>	



## Day 1

The Two - Day Webinar was introduced by Banashree Banerjee on behalf of INHAF. The Day 1 session was moderated by Aparna Das of GIZ, India, while the Day 2 session was moderated by Anaclaudia Rossbach of Cities Alliance and concluded by Kirtee Shah of INHAF. On the First day, Aparna Das introduced the webinar and stressed on the opportunities for Indian cities to adopt learnings from international experience in land legislations and spatial planning. The two planned sessions revolved around the issues of land accessibility for the urban poor, right to urban commons, urban development strategies and the impact on poverty in India and countries across Latin America, Asia, and Africa.

This was followed by an introductory remark by Georg Jahnsen, Project Manager, SUD-SC project of GIZ India. He first started with an overview on the importance of access to land and spatial planning in contributing to solving the urban poverty challenges of including everyone. Secondly, he presented the challenge of urban sprawls. Through the case of the Urban Design Competition, he shared the experience of engaging a participatory approach towards spatial planning. He suggested a dual approach in planning our cities; integrated spatial planning to manage urban expansions and compact planning for regenerating and repurposing land in the inner-city areas.

William Cobbett, director of the Cities Alliance, spoke through his international perspective on slum upgrading. He highlighted the fact that despite three decades of slum-upgrading, in India and globally, success stories have remained piecemeal and not reached the required scales. Although technicality has not been an issue, political will has been of utmost importance. In the context where planning practices have been exclusive, slum upgradation provides an immediate physical step towards inclusivity. Slum upgrading is a city-wide process that impacts all the citizens; therefore, participation and inclusivity of the elite and middle class is as important as the poor. So far, state driven approaches have tended to be top-down and technocratic, with inadequate attention to sustainability. Three key approaches therefore become important to reach the required scale and impact poverty reduction, one, the need to recognise the social function of land and the right to the city of slum dwellers; two, the need to garner political will and a change in city government priorities to address decades of inequality, and third, allocation of a focussed budget.

## The institutionalisation of Slum Upgrading in Latin America - Programmes and tools

*With input from the presentations of Tereza Herling, Cynthia Goytia, PhD, and Jose Alfonso "Pepe" Iracheta.*

### The social role of land in Sao Paulo:

The Integrated Planning System of Social Housing in Sao Paulo, presented by Tereza Herling, provided an example of a city's approach in recognising the social function of land through its planning, zoning, financing, and regularising land approaches. With one fourth of the city population living in peripheral zones on unserviced land, there was a need to develop a programme that integrated action parameters of slum upgrading, regularisation of irregular and squatter settlements and prioritising interventions based on existing infrastructure and risk areas. The programme identifies the importance of aligning investments at all three levels of the government for this purpose. Instruments to regularise the possessions and resources from the real estate developments contribute to the urban fund, through onerous grant of building rights (CEPACs). The Sao Paulo experience further stressed on the need for supporting legal instruments in the master plans that provide for social interest zones, where people have the rights to stay and intervene in the urban development or infrastructure projects.

### Formal and informal land markets and their effects on land policy:

The insights into the social role of land in Sao Paulo, was followed by an insight into formal and informal land markets and their effects on land policy by Cynthia Goytia. With a large variation in the proportion of people living in informal settings across the 120 cities of Latin America, an integral upgrading programme, although identified as a best practice, is still not completely effective. The need for addressing informality, which is recognised as not rising out of poverty but as a consequence of poorly functioning land markets, was required through effective land market management. This includes planning, regulation and provision of affordable land use. Land instruments to improve supply, as well as affordability help address the dysfunctionalities in land markets. Land policies and their effective implementation for land management also require land-capture instruments, permissibility of occupations, and other instruments as a "Robin Hood" approach to help finance infrastructure development. Cynthia suggested reviewing land use regulation; designating land with less restrictive standards; reducing transaction costs; shifting focus towards growth and finance; and conversion from rural to urban with additional FAR as important instruments to reduce informality. Slum upgrading itself is not sufficient, it should be coupled with preventive policies, such as land use regulations and planning to provide more affordable land at scale.

### Land policy and financing, generating affordable land in Mexico:

With 7.5 million houses not having tenure titles or access to secured land, Jose Iracehta highlighted the condition of around 23% of the total population in Mexico. As a measure to generate affordable land, the National Housing Program, National Strategy for Spatial Planning and National Land Policy, together form a framework for land and urban development instead of approaching merely the access to affordable land or generating affordable housing. This approach has helped address several strategic challenges ranging from recovery of the social and environmental function of urban land and property to promotion of the implementation of land management, and urban development financing instruments, including updating the slum-upgrading policies, and the advancement towards better land governance. The Urban Improvement Program is intended to recover worn-down city areas where poverty is most salient. Whereas the Land Management Program's goal is to provide land and housing solutions for potential slum dwellers, within integral urban development projects that will reduce the growth of the slums and tackle the root of the problem.

### Case in India

Dr Rajan Chedambath presented the ambitious LIFE (Livelihood Inclusion and Financial Empowerment) Mission rolled out by the Kerala government. It is a flagship programme for addressing the issues of homelessness in the state of Kerala. This mission focuses on a multi-pronged approach of addressing the ground level real issues and aims to improve the quality of life in the State by not only providing homes with allied facilities, but also raising the standard of living through skill building, job-based training, employment opportunities and livelihood interventions. The Kudumbashree act, a women's SHG collective, acts as the nodal agency.

The mission provides housing for the homeless poor and the landless in the state of Kerala. Under the mission, which is a comprehensive rehabilitation program, the programme aims at sustainable livelihood through skill development leading to financial self-reliance and ensuring inclusivity. Almost 1.5 million beneficiaries have been identified under the mission.

The mission's activities have been structured into three phases:

1. Incomplete houses/dilapidated houses: Aid is provided to people to repair or complete the construction of the houses and make them liveable.
2. Financial Assistance for construction of houses to those who have pre-owned land.
3. Rehabilitation of landless people, migrants and locals.

In addition, in 2010, the Migrant Worker's Welfare Scheme was launched which has several provisions for housing and employment to the migrants. A separate fund was created to provide education and health care support as well.

## Panel Discussion

1. While land plays a central role, it is also understood as the most contentious issue in urban policies and subsuming land under housing could be misleading. Importantly, with land being a commodity, the poor are unable to access land through the market but rather through social or political negotiations.

Cynthia stated that decisions on the formal market impact the informal market and vice versa. With spatial plans being either very inclusive or extremely exclusionary, many cities with elitist regulations can put a constraint on the supply of land resulting in people resorting to informal markets. Similar to the Latin American context, Indian cities are growing very fast with a huge deficit of physical infrastructure. Many cities are trying to invest in infrastructure based on value generated through land.

Considering this, where land does tend to become a commodity, Shirish Patel emphasised that given the rules of demand and supply, the limited availability of land makes it unlike other commodities. Its value gets determined by location and intensity of use. He further elaborated that when land is owned by the government, it is to be shared and used for the benefits of the people and should not be monetised. Similar to public amenities like streets, parks, schools, public hospitals etc, land for low-income housing should also be off the market. He suggested the adoption of the concept of 'community land reserves' to avoid price competition where the value of the land belongs and is beneficial for the community.

2. Are zoomed out instruments like zoning, to demarcate slum settlements at the city level, more effective than a sectoral focus on provision of housing?

As stressed by Cynthia, good plans and visions should necessarily include instruments for providing land for affordable housing. Shirish Patel further added that the problem of housing cannot be seen in isolation and needs to be interlinked with the provision of affordable transit and other amenities in the city. In addition to the need to balance accessibility of amenities and physical infrastructure, Tereza stated the need for socio-economic functions in the city to address the existing inequalities by extending social security benefits. The need for a common social agreement, a consensus in the society for the betterment of the poor was emphasised with land being not just a commodity, but guaranteeing their right to the city. To enable this, Jose put forth that, in addition to the vision and corresponding policies of the master plan, it was essential to adopt a participatory approach for envisioning the city with every decision regarding land and

urban development be that of the community as a whole in order to implement the master plan as a social agreement.

3. With poverty often seen as an outcome of regressive land policies, how does one interpret the social function of the land and implement suitable instruments.

Cynthia explained informality is an issue of land market management; making people live in places without connectivity and basic amenities is the reason, in peripheral locations; thus, highlighting the need to think of how land policies can reverse poverty. Shirish Patel further added that land policy may not be the sole cause of poverty, but it certainly drives it deeper. Jose emphasised that land is the base on which housing occurs. In the absence of land management instruments and tools, housing and urban development problems cannot be fixed.

## Day 2

### Reflections on Slum Upgrading in India

*With input from the presentations of Dr. Renu Khosla, Ajay Suri, and Dr. Prasanna Kumar Mohanty.*

Why has Slum Upgrading not been institutionalised and scaled up in India?

There is global evidence that Slum Upgrading is the most affordable and sustainable way to achieve cities without slums. The lack of upscaling in slum upgrading is, therefore, a political issue, and political determination, backed by an implementing budget, is key in realising cities without slums. With a wide spectrum of tools available, the main challenge remains changing the mindset of decision makers and urban elites to form a city-wide pact that fosters upgrading and growth. Cities that play “Robin Hood” end up internalising their negative externalities and market failures, redistributing better their assets, placing themselves better globally and leaving no-one behind.

In a country where only about 34% of the population lives in urban dwellings, the problems of urbanisation are more complex than what was previously thought. Rural-urban migration is still an ongoing process, and India must accommodate cities for an influx of 470 million people by an urban 2050.

Along with the absence of tenure security, the lack of technology and capacities at the local level to retrofit network services in these settlements is another impediment for in-situ slum upgrading. There is also a disconnect between the local governments, implementing agencies and the communities. Communities are not being engaged with during the slum upgrading process. From planning to implementation to monitoring and evaluation, communities have not had their voices recognised.

In the 1950's, the Indian government pushed for land assembly mainly for industrial development. With that objective, it instituted three instruments: compulsory land acquisition, negotiated land acquisition and land pooling. While these land instruments are institutionalised, none of them were perfectly suited for slum upgrading. Compulsory land acquisition has seen some degree of success for in-situ slum redevelopment in Mumbai. But other tools, like land-pooling, could achieve a similar success if, through land readjustment, the land-owning agencies were able to reclaim a part of the occupied land.

The lack of integration of land policy and management tools has hindered the potential of Indian urbanisation. Land is not a homogeneous good, no two plots of land are the same, hold the same value nor characteristics, and it is highly inelastic in supply. Land is valued, above all, by its externalities -- location, environment, infrastructure, and services play the

biggest part in its valorisation. The sole intrinsic characteristic that provides land of value is its zoning, its regulated formal use. A change in zoning from rural to urban has been shown to lead up to an increase of 4 times the original land value, whereas increases in permitted density can result in an increase of up to a 100% of the land value (Smolka, 2013). By letting land acquire its highest and best use indiscriminately, the negative externalities are borne citywide, and specially by the urban poor.

Improving the access of slum dwellers to network services prompts households to invest in upgrading the quality of their dwellings. But tenure security becomes a catch-22 when rolling out an in-situ slum upgrading programme - neither service providing companies, nor the households will invest if they fear eviction. There is a wide spectrum in tenure rights that can be used to assure the slum dwellers that they will not be evicted, the service providing companies that they can make fruitful investments, and land-owning agencies that they will not be at loss.

CURE India conducted a research study to determine the costs and impacts of tenure and relocation. Taking the value of land out of the equation, CURE India found that the cost of in-situ titling is around 2500 crores (25 billion) in Indian rupees. To calculate the benefits, the study factored in the savings of infrastructure extension, the revenue of new taxing and stamp duties, and the enhanced productivity of women workers. The results yielded a benefit of around 35000 crores (350 billion) yearly, 14 times the investment in titling.

The impact of relocation on poverty compared GINI coefficient between relocated slum dwellers and the ones who remained at their original settlement. It showed that the relocated became poorer, even slipping below the poverty line. Resettlement produces a negative impact when evaluated through a gender lens, women become disempowered due to a lack of demand that matches their skills; thus, losing not only income, but the ability to control their lives. When analysed by cost, resettlement cost about twice as much as the benefits it reaped.

The study also shed light on three issues that hinder tenure programmes:

1. The bureaucratic and legal complexities, especially with the involvement of the Revenue Department.
2. Notional land value. The perception that the land re-acquired through slum resettlement will be allocated to its highest and best use. The study shows this has not always been the case, mostly being utilised for parks and green areas.
3. There is an early mover's advantage where tenure is usually given to citizens already inserted in the social fabric of the city. A case in point was about new migrants, who usually rent, were the ones most affected during the COVID-19 crises and had to relocate.

It is important to emphasise that tenure security does not equal slum upgrading. It is only a tool within the array in existence, and, by itself, does not promote growth. The aftermath of de Soto's titling programme in Peru, and the titling in Delhi show that without any accompanying improvement in services, or access to loans for home improvement, there



are no improvements in the quality of life of the slum dwellers. Titling only may lead to a future reintroduction to informality – when the costs of property succession, division, acquisition, and disposition outweighs what households are willing to pay, and property tenancy becomes once again deregulated.

Land markets are riddled with failures, but lack of planning and integration has failed the poor. As apparent from the studies, it is not that tenure by itself produces improvement, but rather, the security of non-eviction and better location in access to opportunities. This is not necessarily conceded by tenure, it can be kick-started by other processes such as service provision or through other land management instruments. The provision of urban infrastructure has shown to have a comparable effect to titling in household improvement (Goytia, Pasquini, Sanguinetti, 2011). With the wide set of tools available, such as vacant land taxing or value capture instruments, infrastructure can be built and developed. One of the most important types of urban infrastructure in fostering inclusion is transport.

In an effort to steer away from the false dichotomy between densification and expansion, it should be stressed that it is accessibility that provides the means for growth and inclusion. This translates to the need to plan land use and transport simultaneously. Resettlement schemes tend to fail as there is a lack of accessibility to labour opportunities, usually highlighted by the lack of transport to labour markets.

One of the key issues in planning in India stems from its post-colonial adoption of the 1947 town and country planning act of the UK. Following a western model of land occupation, housing and land usage are calculated through population projection, and services, workspace and transportation derived from the calculated demand. This leaves transport as a residual product of land planning.

Transport planning has been neglected for a long time in India. The relations between transport and planning are two-way, and there is an opportunity to develop India in developing public transport. If the urban poor are located on public transport routes, they may access jobs and opportunities. This calls for a re-engineering of Indian cities, incorporating transport, tenure, land management, sanitation and education while mainstreaming the inclusion of the urban poor.

Local governments, land-owning agencies and communities need to establish partnerships to reach feasible solutions. With most land informally occupied belonging to various government agencies, land instruments and de-facto options can be utilised to provide security for the settlers and a value reacquisition for the agency. De-facto tenure has been provided under UBSP, whereby LOA committed to no eviction for a period of 7 years. Home improvements were allowed, and services were delivered to the settlements.

To re-engineer Indian cities, we need to redefine planning. Spatial planning is a powerful tool that can help urban integration, but nowadays the focus of these efforts tends to exclude the urban poor. What is needed is a change in the political consensus and political terminology. Rather than provide relocated pucca housing (permanent pre-planned housing), governments need to shift towards integration of slums to the formal city as a

means of city-wide growth. With a city-wide pact to promote upgrading and growth at its core, the provision of infrastructure and land security through land instruments can foster the integration of the urban poor.

## A global perspective on Slum Upgrading

*With input from the presentations of Ahmedi Vawda and Inês Magalhães*

### Slum Upgrading from a National Government perspective in Brazil

The social role of housing emerged in Brazil in the 1930s, with the re-democratisation of the country, and further developed in 1988, where a new constitution established the social function of property. The new constitution also established a third level of government in municipalities, instituting on them the responsibility of planning land usage and establishing regulatory urban frameworks. However, housing was still the competence of the national government.

Between the years 2003, when the Ministry of Cities was created, and 2006, the governments set a new institutional framework to ensure the proper implementation of housing and slum upgrading programmes. In terms of numbers, slum upgrading was adopted by more than 100 municipalities, and 404 million households were provided housing solutions by the year 2017.

Some of the key points that helped establish an operative framework to scale up housing and slum upgrading:

1. Political decision and commitment. The inclusion of housing as a pillar in an agenda promoting a broader economic development.
2. Legal and institutional reform to ensure the implementation of the programmes. Understanding the interests, capacities, and competences of municipalities to ensure accountability of the programmes.
3. Improvement of the regulatory framework for the real estate financing system. Creating conditions where the private actors can participate in social housing and slum upgrading.
4. Increasing mechanisms and instances for social participation. The inclusion of the social movements, national and subnational governments in a council, helped shape the programmes both with a top-down and bottom-up perspective.
5. The revision and improvement of programs to address housing needs. In order to give coverage to the Curative and Preventative aspects of the policy, four programs were created in this period.
  - a. Pac-Favelas: Slum Upgrading programme.

- b. Minha Casa Minha Vida: Subsidies for low-income housing, coupled with scaled housing production and increased assistance.
  - c. Urban land regularization program.
  - d. Program of prevention and mitigation of risk.
  - e. All housing, slum upgrading, and sanitation programmes were provided with social work support.
6. Capacity Building, setting an institutional agenda for training, technical cooperation, and research.

In the context of COVID-19, this change of proceeding can help in providing housing solutions and slum integration where needed the most.

### Slum Upgrading and Housing in the context of COVID-19

How do we scale up and establish slum upgrading as a normative practice in governments? And how has the COVID-19 pandemic accentuated the need for this?

The global pandemic has brought about a series of challenges and possibilities regarding informal settlements. While the disease impacts citizens indiscriminately, slums bear higher degrees of contagion due to overcrowding. A new set of skills based on shared knowledge by epidemiologists must be implemented when designing housing and slum upgrading policies.

Civil obedience is necessary for the containment of COVID-19, and in doing so we have reached a momentary global pact in fighting against the pandemic. The relationship on organising informal settlements during the pandemic is twofold. On the one side, top-down approaches will be needed to demarcate areas of inclusion and exclusion, while bottom-up approaches will be needed to ensure accountability, the following of rules, and community organisation. But in the context of COVID-19, what can be done through housing that is disruptive to economic growth and creates a demand and supply shock? And how does that coalesce with climate change and the fourth industrial revolution?

1. Reviewing the spatial organisation of informal settlements. A reconfiguration of private space and density, and its relationship to the social public space, re-blocking as called in Cape Town. Spatial re-integration is necessary for slum dwellers, as this helps bring about their citizens' rights. This provides access to their entitlements and helps build their capabilities and responsibilities to create a flourishing mixed income neighbourhood.
2. Suspending evictions as a measure during and after the pandemic. The suspension of evictions has occurred globally in the period during the pandemic, but a new pact is needed to shift the paradigm towards an inclusionary practice. For the following five years, and as a measure to foster economic reactivation, all evictions must stop.
3. Rezoning of land that is otherwise unutilised. Due to lack of supply of land in proper areas for moderate and low-income households, there is a spatial disequilibrium in

land occupation. To foster new solutions, rezoning must take place. This should be done while being mindful of new paradigms such as nature-based solutions, green growth, and the circular economy.

4. The unit of household analysis must change. In re-understanding the composition and movements of households, governments can better provide a range of solutions. These may not only include ownership, but long-term and short-term rentals as well.
5. Build on government-cycle plans to foster long term investment. With pension funds being the biggest housing financiers, we must ensure they produce housing for the poor.

Without stability, and without mainstreaming the right to housing and the city, we cannot win the COVID-19 war.

## Cases in India

*With input from the presentations of Sharad Mahajan and Sangramjit Nayak.*

### Pune:

Is providing new formal housing the best solution for the urban poor?

With 60% of the population of Mumbai living in slums, 36% in Pune, and a mean of 20% in other cities, providing new housing to the urban poor seems like a never-ending quest. National programmes such as the BSUP-JNNURM, SRA and PMAY have fallen short in providing adequate housing timely.

As an example of innovation at the local level, Mashal in Pune is integrating national programmes, subsidies, and a financial framework to provide solutions for slum upgrading.

In all government led efforts for new housing, land tenancy comes out as a primary issue. In general, construction of 300 ft<sup>2</sup> houses cost up to 15 lakhs of rupees, with the urban infrastructure amounting to 3 lakhs of rupees. With these numbers Mashal proposes that it is not sustainable to provide new formal housing for the urban poor as the only solution, even if the land is given for free. They propose that in-situ improvement of informal existing housing is much more efficient, with subsidies needed for new housing being around twice what needed for in-situ development.

Working with a microfinance company, Mashal completed 2300 houses under this scheme at Yerwada, Pune. The infrastructure provision in the area is already good, which also fosters a sense of belonging and a desire for improvement. Houses of 25sq.m. were constructed

at the exact same location with community participation (Rs. 30,000 as beneficiary share). All alterations were done according to the requirements of the owner.

In conclusion, slum dwellers have an immense capacity to improve their dwellings. If land issues are resolved, technical support is provided, and a good framework for household growth and investment is institutionalised, slum upgrading is a viable housing solution that warrants the slum-dwellers' right to the city.

### Odisha:

Odisha has hailed a success story in slum integration by combining a series of initiatives. The agreements on how to proceed were achieved thanks to the political will from the top level, and the will of the communities of slum dwellers.

In contrast to the national average of urban dwellers of 32%, Odisha's urban population amounts to 17% of its total. This makes Odisha a sparsely populated state, where just one out of four people live in cities, and one out of four of those people live in slums.

Coming into force on the 30th of August of 2017, Odisha signed off "The Odisha Land Rights to Slum Dwellers Act". The Jaaga mission, as it is also known, encompasses a participatory slum upgradation programme based around land right provision to slum dwellers in the NACs and municipalities of Odisha. With a vision of transforming encroachers to settlers, and evictions to settlements, the programme has provided land rights and infrastructure to slum dwellers. To fund the programme, the state of Odisha has earmarked 25% of its yearly budget towards slum upgrading efforts.

Land has played a crucial role in determining the success of the programme. As per the Act's definition, the programme acts over state owned land, usually in hands of the Revenue Department. While a good part of the programme is settled on tenurable land, many others are settled on land with impediments to tenure, for example, land under the Forest Act. This prompted the creation of two titling mechanisms, LRCs and LECs. Land Entitlement Certificates (LEC) are an interim instrument of land right provision that constitutes a future right to land given when it is not possible to give out a Land Right Certificate (LRC). This two-fold mechanism helps secure the status of permanence of slum dwellers while buying time to resolve the legal impediments. It should be noted that while these titles are inheritable and mortgageable for housing finance, they are not transferable or subject to lease, thus households do not have an easy or legal way of moving out of the slums.

Relocation is rarely implemented in the programme, only in cases of defence necessities or hazardous land, and even in these cases the relocation is carried out in a participatory approach with community consensus. As part of the participatory identification process, drones were used to photograph the slums from above. Afterwards, the community of slum dwellers and the local authorities identified each household on the map, thus avoiding mistakes of inclusion and exclusion.



Cities Alliance  
Cities Without Slums



Implemented by  
giz

## RETHINKING CITIES 43 - 44

Besides water, sanitation, and drainage infrastructure, two key elements are built in the slums to foster better integration. The first is a Parichaya, an identity development structure where slum-dwellers can sit and discuss their future or utilise it for cultural or communal events. The second one is the development of communal open spaces, to foster a better upbringing for children and safe spaces for the elderly.

The initiative has been recognised around the world, earning a World Habitat Award, an India Geospatial Application Excellence Award, and a Janaagraha City Governance Award.

## Conclusions

Kirtee Shah from INHAF provided the final commentary and conclusion to the webinar. He stressed upon the need to talk about cities as a way to reduce urban poverty. He elaborated the definition of urban poverty reduction as challenges of reducing inequality and exploitation, misery and creating more humane conditions for the marginalised. It is also the task of adequately feeding, educating, housing, and employing the under-nourished, illiterate, unskilled, unemployed, and impoverished city dwellers. Slum dwelling conditions are borne the worst by women, children and the disabled living on pavements, unhygienic slums, and other forms of degraded settlements. The struggle to make a living from low-paying and unstable occupations is the essence of the urban poverty-reduction challenge.

He further emphasised that poverty alleviation could happen two ways, through an indirect approach i.e. trickle-down effect of rapid economic growth or a direct approach i.e. target-group focussed strategy through investments, assets creation, livelihood improvement, infrastructure development and basic services provision.

He concluded that land is not to be understood only in the context of cities, or slums, rather it needs an understanding in the larger geography in the whole dynamics of economic growth. The discussion ended on the note that cities without slums are possible and doable, but it needs political will, political resort, and political decision-making.

There are governments that are taking up the steps needed for a future without slums. In Latin America, national frameworks and participatory instances have helped realise the right to the city. Furthermore, extensive research on land instruments have provided means of financing inclusive infrastructure. In India, the cases in Kerala and Odisha show that with political will, the combination of existing frameworks, and the implementation of new land instruments, the present roadblocks can be circumvented. The socioeconomic benefits of integrating slums have a city-wide impact, and thus, a city-wide pact that compromises all citizenship should be achieved. This pact can be summarised in eight points that comprise the main findings of the webinar:

1. PROMOTE CITY-WIDE UPGRADING
  - a. Achieve scale
  - b. Promote the inclusion of the poor to the city
  - c. Establish a long-term, city-wide financial model for slum upgrading
  - d. Build consensus with urban elites and the middle class on slum integration
  - e. Political will and implementing budget
2. REALISE THE SOCIAL FUNCTION OF THE CITY
  - a. Promote the Right to the City
  - b. Prioritise value of use over trade value
  - c. Innovative tools to finance and allow for development i.e. social zones, densification bonds, betterment levies, property and zone change taxes



- d. Integrate slums while fostering economic growth
3. IMPROVE LAND MARKETS
    - a. Land is a commodity full of market failures, that needs pro-poor regulation
    - b. Promote land value-capture instruments that estimate the social function of land
    - c. Review standards in planning and housing
    - d. Reduce transaction costs to ensure land is affordable
    - e. The formal and informal markets impact each other and policies for one will have implications for the other
  4. STOP RESETTLEMENTS - THEY INCREASE POVERTY AND REDUCE AGENCY
    - a. Relocated slum-dwellers become poorer
    - b. Relocated areas lack urban infrastructure and economic opportunities
    - c. Women in resettlement projects are disempowered due to a lack of job opportunities
    - d. COVID 19 has deepened poverty, economic reactivation should focus on in-situ upgrading
  5. BUILD INCLUSIVE INFRASTRUCTURE
    - a. Unlock inclusive infrastructure finance
    - b. Investing in infrastructure and services generates land valorisation, promotes land supply
    - c. Infrastructure provision creates a similar effect of safety in tenure as titling
    - d. Infrastructure provision impacts growth, health and learning
    - e. Access to Transport provides accessibility to opportunities - jobs, education, health; enhances demand and supply that lowers land price
  6. EXPLORE LAND TENURE OPTIONS
    - a. Security of permanence fosters household investment in upgrading and health
    - b. Tenure security alone does not equal Slum Upgrading or catalyze house upgrading
    - c. Titling without socioeconomic integration may lead to a future reintroduction to informality
    - d. Integral Slum Upgrading leads to land valorisation, land tenancy may be solved through land readjustment provided owners are allowed to reclaim a part of land
    - e. Other tenure schemes, like Community Land Trusts and Leaseholds should be explored
  7. INCLUSIVE TERRITORIAL / REGIONAL PLANNING
    - a. National Urban Policies should provide framework for territorial/regional planning
    - b. Planning can be successful in including, but can also exclude through restrictive bylaws
    - c. Review the spatial organisation of informal settlements
    - d. Rezoning of unutilised land
    - e. Zones of Social Interest (ZEIS)

- f. Planning must listen to the voice of communities and be participatory
8. ESTABLISH A SUSTAINABLE OPERATIVE FRAMEWORK
- a. Promote legal and institutional reforms to ensure inclusion
  - b. Develop technology and capacities at the local level
  - c. Establish partnerships to reach feasible solutions
  - d. Create conditions where the private actors can meaningfully participate in slum upgrading