QUICK
GUIDES
FOR
POLICY
MAKERS

housing
the **poor**
in Asian
cities

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2

LOW-INCOME HOUSING:
Approaches to help the urban poor
find adequate accommodation

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Low-income housing: Approaches to help the urban poor find adequate accommodation

QUICK GUIDE FOR POLICY MAKERS NUMBER 2

This guide describes several ways of addressing low-income housing at the programme and project level. It focuses on well-tried methods of improving the housing and living environments of people living in slums and squatter settlements, and providing adequate housing for future generations of urban poor.

The first part presents concepts essential to understanding low-income housing, and explores the reasons behind the serious lack of decent, affordable housing — and hence the problem of urban slums. Key approaches to address the housing needs of the urban poor are outlined next, by examining alternative strategies for what to do about existing slums and how to avoid future slums through the production of new housing. Finally, the guide examines the main considerations needed to address the improvement of slums and production of adequate and affordable low-income housing on a city-wide scale.

This guide is not aimed at specialists, but instead aims to help build the capacities of national and local government officials and policy makers who need to quickly enhance their understanding of low-income housing issues.

What are slums and squatter settlements?

Not all of Asia's urban poor live in slums, and conversely, not all those who live in slums are poor. However, the poor quality of housing and lack of basic services that are common in slums represent a clear dimension of urban poverty. This guide will therefore look at slums as the main focus of low-income housing.

Urban poor settlements come in a variety of sizes and shapes, and are called by a variety of names — not only 'slums'. The word **slum** traditionally describes a neighbourhood of housing that was once in good condition but has since deteriorated or been subdivided into a state of high crowding

and rented out to low-income groups. A **squatter settlement**, on the other hand, is an area of poor quality housing built on illegally occupied land. A third kind of settlement is an **irregular subdivision**, in which the legal owner subdivides the land into sub-standard plots and sells or rents them out without following all relevant building bylaws.

UN-HABITAT defines a slum household as a group of people living under the same roof in an urban area who lack one or more of the following conditions: durable housing, sufficient living area, access to clean water, access to proper sanitation and secure tenure. (*See Quick Guide 1 on Urbanization*)

What makes an urban community a slum?

- It lacks basic services such as adequate access to safe water, paved walkways, drains, sanitation and other essential infrastructure.

- It contains dilapidated and poor quality housing structures that break the various building bylaws.

- It is overcrowded or characterized by extremely high density of dwellings and population.

- It has an unhealthy living environment and may be located on hazardous or "undevelopable" land.

- Its residents have insecure land tenure and may be evicted.

- Its residents experience high levels of poverty and social exclusion.
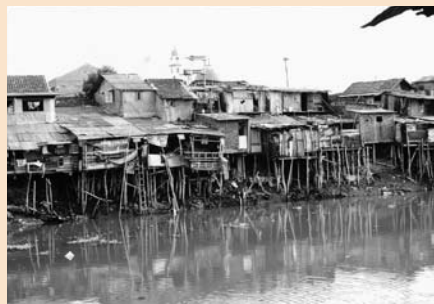
PHOTOS: ACHR

No two are alike

Informal settlements in Asian cities come in all shapes and sizes, but the common denominator is their highly dynamic, highly resourcesful response to an absolute lack of other options

A KATCHI ABADI IN KARACHI, PAKISTAN, a city ringed with public land, where people have laid out and built their own city-sized settlements.

A "GER AREA" IN ULANBATAAR, MONGOLIA, where the city's rural migrants have brought their nomadic-style, felt-lined ger tents along with them.

A ROOFTOP SLUM IN PHNOM PENH, a city where even the roof terraces of derelict apartment buildings were used for poor people's housing.

A FOOTPATH SLUM IN MUMBAI, INDIA, a city where 55% of the population lives in slums, and many can't even afford to buy houses in slums.

A GARBAGE DUMP SLUM IN MANILA, where 35,000 households earn a good living gathering recyclable waste, but must still live in poor conditions.

A CANAL-SIDE SLUM IN BANGKOK, THAILAND, where the long stretches of public land along canals has been occupied by some 220 communities.

Why do slums exist at all?

In most cities, the main problem is access to suitable land

> "Slums are the products of failed policies, bad governance, corruption, inappropriate regulation, dysfunctional land markets, unresponsive financial systems and a fundamental lack of political will. Each of these failures adds to the toll on people already deeply burdened by poverty and constrains the enormous potential for human development that urban life offers."
>
> *http://web.mit.edu/urbanupgrading*

Slums and squatter settlements exist because the poor cannot afford or access even the most minimal housing provided by the formal land and housing markets. Many also face enormous barriers in accessing housing and land because of the time, red tape and difficulties involved.

There are slums of one sort or another in most cities and towns throughout the world. In many Asian cities, such as Mumbai, Manila and Karachi, slums are home to over 50% of the city's population. In some places, the systems for distributing and acquiring land and housing are still governed by traditional or indigenous land tenure systems that exist outside the market, yet even in these places, slums exist.

More and more, urban land and housing markets are coming under enormous economic competition, and this is driving up the cost of all housing, so that even the most minimal standard of formal-sector housing is unaffordable to the poor. Forced out of the market, low-income households are left with only one option: to build, buy or rent dwellings of relatively small size, low quality of construction and minimal service provision in an informal settlement.

Low-income households need to live close to income-earning opportunities in the commercial and industrial centres of cities and towns in order to minimize the cost and time spent in getting to work. But good land in these central places is generally in high demand and therefore expensive. So poor households are forced to occupy land that is not in demand, because it is inappropriate or dangerous, such as land prone to flooding or landslides or along railway lines, canal banks and roadsides. They are also forced to occupy as little space as possible, which leads to very high densities and unhealthy levels of overcrowding in their settlements. Or alternatively, they may be forced to settle on land at the edge of towns and cities, where land may be more accessible, but is beyond the urban infrastructure networks and far from centres of employment.

An important role of governments is to intervene in land and housing markets to ensure that the lowest income groups in the city have access to secure land and decent housing. Political will within government and civil society is essential to resolve the problems of slum populations.

PHOTO: USAID FIRE PROJECT

PHOTO: ACHR

More than meets the eye:

To outsiders, slums may look like crowded and disorganized groups of dirty shacks. But when you start to look beneath their outer layers and begin to examine what's going on underneath, you will find all sorts of complex and human life-support systems at work in slums, in which the prominent note is resourcefulness, not hopelessness.

What to do about slums?

Before policy-makers, NGOs or donors do anything in slums, they first need to understand what's going on inside slum communities

For some policy-makers and professionals, slums embody all things negative: disease, crime, political unrest, misbehaviour and ignorance. But research over many years has revealed that slums are highly organized human settlements, both spatially and socially. Their occupants participate fully in the urban economy, bringing immense cultural diversity and dynamism to their city. Contrary to popular belief slums are not characterized by laziness or delinquency but by energy, creativity, resourcefulness and entrepreneurial skills.

Some established slums contain within themselves entire vibrant local economies, with their own informal housing and land markets and their own diverse social and cultural groupings. While conditions in some slums may indeed be squalid, unhealthy, impoverished and socially excluding, these conditions only come about because of the absence of alternatives and opportunities for their residents. Because of this rich diversity of slums within cities and regions, it is important that governments and NGOs seek to

first understand the characteristics of any slum in which they plan to intervene. Slum-dwellers hold the key to that understanding, if outsiders can only listen to them.

To understand what to do, policy-makers have to appreciate the diversity within and between slums. Slum residents have the best knowledge of how their settlements work, the characteristics of their communities and the nature of their needs and priorities.

PHOTO: UNESCAP

4 key aspects of informal housing development

1   HOUSING

Informal settlements are filled with a wide variety of housing and building qualities, ranging from extremely solid concrete-frame constructions with all services, to squalid windowless shacks made of bamboo, mud and hammered biscuit tins.

Slums — and the people who live in them — are not all the same. Many degrees of poverty are contained within each slum. Some owner-occupants will be able to mobilize enough funds to improve their housing up to middle-class standards, while others will continue living in the most basic huts, unable to afford any improvements at all.

Although the health and environmental risks are greater, one advantage of building a house in a slum is a degree of freedom from the bylaws of formal building practices. Since almost every aspect of their lives is technically "illegal", instead of following someone else's idea of what should be allowed, informal residents are more or less free to build creatively, according to their needs and constraints of space and budget.

2   INFRASTRUCTURE

In many cities, governments have taken steps to provide at least some basic infrastructure in informal settlements, but these programmes are often piecemeal, poorly planned and implemented, and many settlements end up being left out.

The authorities may provide some water supply via tankers or public water taps, but the taps may run dry for part of the day or week, and many people may not be able to access them. For local governments, it costs little to install electric meters in informal settlements, but many slum-dwellers have to buy electricity at inflated rates informally from nearby houses and shops.

Solid waste is rarely collected inside informal settlements, but when residents bring their waste to bins outside the settlement, municipal waste collectors will usually collect it. Drainage and sanitation are major problems in informal settlements, where insecure tenure and low-lying, steep or hazardous land may make cities reluctant to invest in installing drains and sewerage lines.

PHOTOS: ACHR

PHOTOS: UNESCAP

CONCEPTS

3 LOCATION

The location of their housing is extremely important for the urban poor. They will almost always try to locate themselves in areas of the city that are as close as possible to income-earning opportunities.

This often means being near the commercial city cores, near industrial zones, or near markets and transport hubs. But the land in these places is in high demand and extremely expensive, so if the poor can't find land to squat on in these areas, they will likely be forced to occupy land that for very good reasons nobody else wants, such as hazardous sites liable to flooding or landslides, along roads and railway lines or on the banks of canals and rivers.

Because even in these high-risk areas land is at a premium, the informal settlements that develop there tend to be very densely populated. Alternatively, some poor households may opt to settle on land in the urban periphery, beyond infrastructure networks and far from the centres of employment, where land may be available, but jobs and survival will be more difficult.

4 LAND TENURE

Without a doubt, one of the most serious problems being faced by the millions who live in Asia's informal urban settlements is insecure tenure.

Without legal permission to occupy land, they can be evicted by the landowner or public landowning agency at any time. Besides making life uncertain every day, this constant threat of eviction makes residents of informal settlements reluctant to invest in improving their housing or settlement. And without legally-recognized land rights, utility companies (such as water and electricity) and other service providers (such as credit agencies) are likewise reluctant to go into informal settlements. As a result, informal settlements often remain squalid and unimproved for years.

Land tenure is not simply a matter of legal or illegal

Most countries have a range of different land tenure arrangements, all offering different degrees of tenure security. As informal settlements age and consolidate, unless there are very clear signals of impending eviction, the residents will gradually feel more secure from the possibility of losing their land. Squatters often collect documents and evidence that they have been living in the same settlement for a long time, which can often strengthen their claim to remain on that land. Plus, when the authorities bring basic infrastructure such as walkways, drains, metered water supply and electricity into an informal settlement, it is often perceived as bestowing a greater degree of security — or at least recognition — on that settlement. Through all these means, squatters try to gradually consolidate their land tenure security, even without any legal title to the land.
(*See Quick Guide 3 on Land*)

PHOTO: ACHR

In the project to rebuild the Taa Chatchai Community, on Thailand's Phuket Island, after the devastating tsunami washed the village away, the reconstruction of houses was supervised by an all-women team of skilled masons. After the project was finished, the team went on to train in other tsunami-hit communities to take a greater role in the technical aspects of rebuilding.

Source: www.codi.or.th

Women and low-income housing:

The full involvement of women is the best guarantee that any housing project will be a success

The key stakeholders in any community housing process are always women, whether the project involves resettlement to new land or on-site upgrading. So it is important that space be created for women to play a full role in all stages of the planning and implementation. They are the ones who have the most intimate knowledge of their community and its problems, and they are the ones who already have strong social networks within that community. Often the primary caretakers of the community's homes and households, they are the ones who have the most to gain from a good community housing project, and the most to lose if their housing conditions are bad or precarious.

It is women who have the greatest ability to mobilize support for — *or opposition to* — any intervention in their settlement. So their full participation is a key to any project's success. The involvement of women in a process which brings improvements in the quality of everyone's lives can also build capacities and confidence, while it enhances their status and helps undermine entrenched patterns of inequality. When women play a central role in planning, constructing and paying for their new houses and improved infrastructure, it not only ensures the new designs match real household needs, but it brings them out of their houses and enhances their status in the community as key actors in their community's long-term development.

"Poo-ying power"

In Thailand's Baan Mankong Community Upgrading Programme, which is now actively under way in 200 Thai towns and cities, you won't hear much overt talk of "gender equity". But you'll find that it is overwhelmingly women ["poo-ying" in Thai] who dominate the ranks of the savings groups, the community planning committees, the building materials price negotiations, the construction teams, the financial management and auditing sub-groups and the community cooperative boards. It's no exaggeration to say that the country's poor community upgrading movement is strongly poo-ying-driven.

Discrimination in access to housing and land

Women often face both hidden and open discrimination when they try to meet their own and their family's housing needs. Because women (and especially women-headed households) often experience lower levels of income and higher levels of poverty, it makes housing all that more difficult for them to access.

Women also face all kinds of barriers to secure housing through the laws and customs in their countries, which can restrict their ability to legally own, lease, inherit or control the use of property. Even within the same household, women and men often have sharply different relationships to the land and housing they occupy. Many common law systems in Asia restrict a woman's right to land in different ways by denying her access to property ownership through inheritance and marital property systems, which favor male family members. In many Asian countries, only the name of the man is included on the title deed or loan documents for a house or piece of land. Women who are single or who are single heads-of-households are especially vulnerable in these places. Since women's access to land is often through their husbands or fathers or brothers, they may loose such access after becoming widowed, divorced, deserted or left alone when their husbands migrate elsewhere.

Several organizations in Asia are tackling the issue of women's property rights, revising inheritance laws, negotiating new land tenure practices which protect women's access to land and housing and opening space for women to be involved in making these systems more equitable.

1 IN INDIA: The National Slum-dwellers Federation (NSDF) and Mahila Milan (MM) women's savings collectives have focused their work for the past two decades on finding many ways to improve the housing conditions and tenure rights of some of the country's poorest, most vulnerable women in urban slums. In all the NSDF/MM housing initiatives, it is primarily poor women themselves who are the designers, builders, financial managers and project supervisors, and it is mostly in women's names that the finished housing units are registered.

2 IN LAO PDR: The Lao Women's Union works both at national government and at grassroots levels with poor women's village savings collectives throughout the country to ensure that women's rights to land and property are recognized and enforced under the country's land titling programmes. This is particularly important as many rural and urban poor women are illiterate or lack the confidence to deal with written documents and official transactions individually.

3 IN BANGLADESH: The Grameen Bank has for many years provided modest housing loans to rural families to build one of its two standardized "cyclone-proof" house designs. But the loans are given only on the condition that the land title is in the name of the woman head-of-household, as a means of helping improve her financial security and status within the family and society.

"Forced evictions are a gross violation of human rights."

United Nations Human Rights Commission, 1993, Resolution Number 77

Eviction and slum clearance

Forced eviction is the term which describes what happens when people are removed from their homes and communities against their will — sometimes with, and often without, provisions to resettle them somewhere else. At their worst, evictions can be extremely violent, brutal procedures, in which people's houses, personal property, communities, livelihoods and support structures are all destroyed. When the residents evicted from their slum communities are provided with alternative places to live, such relocation sites are often so far away from their jobs and support networks, so under-serviced, so environmentally hazardous and unsuitable for human survival, that the evicted people are effectively rendered homeless.

The demolition of slums became common practice by many governments from the 1950s onwards. But even with international recognition that forced evictions should be outlawed, many governments continue to sporadically or systematically evict urban poor households with force from their homes. *(See Quick Guide 4 on Eviction)*

In recent years the decentralization of power to local government mechanisms has meant that city authorities can adopt policies of forced eviction and resettlement, with central governments having little scope to stop such a backwards step.

Forced evictions take place for many reasons. Slum-dwellers may be evicted to clear valuable land for commercial redevelopment, to 'beautify' an area of the city by removing unsightly squatter housing, or to remove pockets of political resistance. Evictions are especially prevalent in times of economic growth, as developers look for land and new investment opportunities. During times of economic recession, forced evictions usually decline, and slum-dwellers have a better chance of getting a good night's sleep.

The story of two forced evictions

1   Metro Manila, Philippines

In February 2007, 141 poor households living under two highway overpasses in the city were forcibly evicted from their homes. According to local civil society organizations, the demolition crew, which comprised 200 municipal personnel and armed police, entered the community without prior notice. Community leaders, who were attending a meeting called by government officials nearby, rushed back to ask for time to collect their personal belongings. But the authorities denied these requests, and police fired shots in the air and began demolishing the houses. Many women and children were injured during the demolitions and five men were severely beaten with crowbars and sticks by municipal personnel.

Source: www.cohre.org

PHOTO: UPA MANILA

2   Phnom Penh, Cambodia

In Cambodia's capital city of Phnom Penh, the residents of the sprawling river-side slum at Tonle Basaac have been evicted in several brutal waves to make way for a commercial development project. City authorities had been trying for years to clear the slum. Nearly 2,000 households have already been evicted and their homes burned to the ground or reduced by demolition squads to rubble. Some residents were given small plots of land in a big government resettlement colony at the outskirts of the city, 22 kilometers away.

But many households were not allotted resettlement plots and many complained that the resettlement land was uninhabitable. 1,206 households remained in Basaac, living in open encampments, as their houses had already been demolished. Most had been renters in the old settlement, and because renters were not entitled to resettlement plots, they refused to leave. Finally in May 2006, these last households were forcibly evicted by armed policemen. Increasing commercial pressure on land, corruption and a lack of credible land records have made land disputes increasingly common in Cambodia, with many slums being demolished or burned in recent years.

Source: ACHR

PHOTO: ACHR

Eviction: the grim facts

Country	Number of evictions	Number of people evicted	Responsible group	Reasons for the evictions
Bangladesh	17	27,055	13 by government, 4 by private groups	environmental clean-up, building shopping complexes, land grabbing, infrastructure development
China	10	707,656	6 by government, 4 by private groups	shopping centres, infrastructure development, Olympics
India	24	854,250	17 by government, 4 by private groups, 1 by local government, 2 by state government	environmental improvement, removal of hawkers, new parks, redevelopment, tourism development, caste conflict
Indonesia	12	40,417	city government	infrastructure development, redevelopment of land occupied by hawkers
Japan	3	600	2 by private groups, 1 by local government	clearing up the area
Malaysia	4	200	national and local government	removal of illegal immigrants, road development
Philippines	7	43,488	4 by local government, 3 by government	infrastructure development, removal of hawkers, beautification

Figures cover January 2004 to June 2005 (Source: www.achr.net)

Forced eviction: a vicious cycle

Forced evictions may eliminate the slums nobody wants to see, but they do nothing to resolve the housing problems of the people who were forced to live there — in fact by leaving people homeless, they make the problems worse. When people are forcibly evicted from their homes without being provided with any alternative accommodation, they are likely to create new squatter settlements or become tenants, both of which only increase the population density and problems of existing slums *(see Quick Guide 7 on Rental Housing)*. Whatever the motive behind a forced eviction, it can never justify the kind of cruelty that characterizes them and only makes for even worse housing shortages.

5 alternatives to eviction

Here are five of the key alternative approaches to solving urban housing problems, which have been applied with varying degrees of success:

OPTION 1: On-site upgrading

On-site upgrading means improving the physical, social and economic environment of an existing informal settlement, without displacing the people who live there. When cities and governments support the process of upgrading informal communities, it is the least expensive, most humane way of enhancing a city's much-needed stock of affordable housing, instead of destoying it.

When most people think of slum upgrading, they tend to think only of technical programmes to install paved walkways, drains, water supply lines, street lights, electricity networks, sanitation and garbage disposal. These infrastructure items are definitely high up on the list of what's needed. But a more comprehensive version of upgrading can also assist the community's residents to do much more:

- **Houses:** to make improvements to their houses or entirely rebuild them.
- **Land:** to regularize and secure their settlement's long-term land tenure.
- **Incomes:** to upgrade their jobs, earning capacities and small businesses.
- **Common facilities:** to improve their facilities — such as community centres, playgrounds or community enterprises.
- **Access to public services:** to improve their access to education and health care.
- **Welfare:** to set up community-managed welfare systems which can take care of their most vulnerable members.

Upgrading: good for the poor and good for the cities they're part of

Unlike resettlement, upgrading causes minimal disturbance to people's lives and to the delicate networks of mutual support in poor communities.

Upgrading usually involves some changes to the existing community layout, to make room for installing improved infrastructure facilities. But these changes do not need to be huge, unless communities opt to totally rebuild their settlement, and start from scratch with a new plan, infrastructure and houses. Communities can find tactful ways to accommodate the needs of people who's houses must be demolished or shifted to make way for improvements.

There are many options, and the nature of any upgrading project depends on the priorities and resources of the people living in that community.

Why is on-site upgrading often the best option of all?

- **Upgrading keeps people together** in the same place where they already live, so it helps consolidate communities, enhance social stability and build on existing support mechanisms.

- **It encourages participation** in the many aspects of a community's redevelopment — first in the planning and implementation of the upgrading project, then later in many other spin-off social and economic activities managed collectively within the community.

- **It stimulates people to invest** in improvements to their housing and living environments, by endorsing their long-term rights to occupy that land through long-term, secure land tenure.

- **It improves people's well-being** and living conditions by improving their housing and living environments, and by freeing them from the looming threat of eviction.

- **It builds assets** and enhances the value of people's houses and land, by improving the land tenure security. As assets, the houses can be used for income-generating activities, rented or sold in a crisis, or used as collateral to get a loan.

- **It improves settlement layouts.** When people upgrade crowded, unplanned settlements, they can reorganize plots and make space for infrastructure, pre-schools, playgrounds, clinics and places of worship.

- **It builds morale and pride.** Upgrading a poor community's housing and basic services not only fulfils an important function of local government, but also raises people's morale, pride, civic engagement and ambition to invest further in their houses and neighborhoods.

- **It improves incomes** when people can use their improved, secure houses for income-earning: shops, room rentals and home workshops. Having a legal address also makes it easier to get better-paying jobs in the formal sector.

> For every dollar a government invests in community upgrading, poor households will invest an additional seven dollars from their own pockets, which they put directly into their housing improvement.
>
> *Source: web.mit-edu/ urbanupgrading/*

"But we need that land for other purposes"

One of the first arguments against upgrading informal settlements *in situ* is that the land they occupy is needed for other purposes. But housing professionals estimate that in most Asian cities, no more than 20% of the existing informal settlements are on land that is genuinely needed for urgent public development purposes, such as new roads, drainage lines, flood control projects or government buildings. And the changing nature of how mega-projects are being marketed, financed and designed in Asian cities means that even these projects are often poorly planned and could be adjusted to avoid evicting poor communities. The other 80% of the informal settlements provide a much-needed stock of affordable housing for the people whose hard work is fueling the city's economic growth. Enabling these communities to stay where they already are (rather than evicting them to put up a shopping mall, a fast-food franchise or an up-market condominium) constitutes a reasonable use of public land.

People-driven upgrading in Phnom Penh, Cambodia

In Cambodia, the community-driven *Urban Poor Development Fund (UPDF)* has been at the forefront of progress in housing policy. In 2003, the UPDF negotiated to win official government support for its community-driven savings and upgrading model. By mid 2005, UPDF-supported upgrading projects were completed or underway in 66 informal settlements, covering about 6,000 households. Most of these projects were in Phnom Penh. But through workshops and exchange visits, the idea of community-driven upgrading is catching on around the country. Projects are now underway in 13 provincial cities, including Poipet, Preveng and Siem Reap.

UPDF supports a process of *comprehensive upgrading*, which communities plan and implement themselves. This approach goes beyond making roads, drains, toilets and a few environmental improvements and includes providing communities with collective loans for housing improvement, income generation activities and community welfare schemes. These comprehensive upgrading projects in Phnom Penh have also led to the improvement of land tenure status in several squatter communities.

The upgrading process emphasizes networking between settlements in the same ward, district and city, and a process of learning between communities throughout the upgrading process, and collaboration with the city's 77 *sangkat* (ward) administrations. At this lowest and most local level of governance, the communities have gained the support of their ward officers in the process. The people survey all the informal communities in their ward. The selection of priority projects and implementation are managed by communities, in close collaboration with the *sangkat* unit, while the funds for the community upgrading pass directly from UPDF to the community organizations.

Source: www.achr.net

PHOTOS: ACHR

Before: *The Ros Reay community, before upgrading. Even in the dry season, run-off from people's kitchens, bathrooms and toilets turned this lane into a stinking, unhealthy swamp.*

After: *The same lane, after the underground drains have been laid, the surface completely paved with concrete and the houses repainted and decorated with planting beds in front for flowers and shrubs.*

APPROACHES & GUIDELINES

PHOTO: CASE THAILAND

Make upgrading an important part of the solution:

The upgrading of housing, infrastructure, and providing secure tenure in existing informal settlements should be an essential part of any government's strategy to meet the demand for affordable housing for the urban poor.

APPROACHES&GUIDELINES

7 principles
of successful upgrading

1 **It has to be participatory.** Upgrading has to be a participatory process, which addresses first and foremost the needs of the community, as identified collectively by its members. This is the key to a project's sustainability. Without this participation, infrastructure improvements will not be maintained, conditions will deteriorate, people will become disillusioned with their local government and the investment in upgrading will be wasted. The more a community participates in each stage of the process, the more successful the results will be.

2 **It has to be done in partnership.** Planning and implementing an upgrading project is always more effective when it's carried out by the community and the local government, in close collaboration. NGOs can also play a crucial role in supporting community organizations, as well as providing them with any technical support they need in designing housing improvements or developing income generation projects.

3 **It has to provide secure land tenure.** Providing secure tenure is a vital part of community upgrading. Without it, people's continued vulnerability to eviction will make them reluctant to invest further in their housing and living environment. Sometimes tenure is granted to individual households in the form of title deeds or lease contracts, after the boundaries have been measured and recorded. Granting tenure rights to the woman household-head instead of the man can protect and children from the threat of abandonment and homelessness and provide them with an asset they can use for income generation. Land tenure is increasingly being granted collectively, to communities as a whole, as a means of preventing gentrification and building stronger community organization. *(See Box on "Individual or collective land rights" on next page)*

PHOTO: ACHR

4 **Communities have to contribute.** It is essential that the community contribute to the cost of upgrading in some way. Experience shows this strengthens a community's sense of ownership of the upgrading process. The contribution can be financial (cash or community loans) or it can take the form of contributed labour or building materials, or some mixture of these. Upgrading works best when the community's contribution is supplemented by some kind of subsidy, from donor grants or public project funds. *(See Quick Guide 5 on Housing Finance)*

5 **Upgrading must be affordable.** The amount that households can contribute will help determine the scope and content of the upgrading package. If upgrading programmes come with high taxes or user fees which the people cannot afford, they will probably not use or maintain the facilities, or may simply move away to more affordable settlements elsewhere.

6 **The project must be financially sustainable.** Sustainability comes in part from how the upgrading is financed. It is best when funds from several sources are blended, including community member's contributions, subsidies and loans from government, and maybe support from international or local development organizations. To ensure the upgraded infrastructure is well maintained and managed over time, it is important that the construction of this infrastructure happen in ways which build community cohesion and organization *(see Quick Guide 6 on Community-based Organizations)* and promote local economic development.

7 **It should be part of the larger urban development strategy.** Community upgrading projects have to be seen as an important part of a city's larger vision of its future development. Projects shouldn't be *emergency* initiatives implemented in isolation, but should be part of plans for overall urban management that seek to address housing problems *at city-wide scale.*

Individual or collective land rights?

In inner-city communities with high population densities and small house plots, communal land tenure is becoming the first option for the poor, for many good reasons

In the past, most slum regularization programmes granted tenure rights to individual households. But regularizing tenure by granting individual title deeds to slum-dwellers can be time-consuming, costly and prone to corruption. Changing legislation can help. The legislature of Sindh province, Pakistan passed the Sindh Katchi Abadi Regularization Act, under which residents of most squatter settlements are to be given long term land leases. It also established an agency, the Sindh Katchi Abadi Authority to oversee the tenure regularization and settlement upgrading process.

But a serious drawback of individual tenure systems is that they fragment communities and make it easier for speculators to buy out residents individually, leaving poor communities on desirable inner-city land vulnerable to market forces and gentrification. When land tenure rights (by title or by lease contract) are held collectively, by a community organization or housing cooperative, it can act as a powerful buffer against these market forces, giving communities a structural reason to remain united, and ensure the land will continue to be available for housing the people who need it, in the long term. (*See Quick Guide 3 on Land*)

People-financed upgrading in Hue, Vietnam

A good example of a sustainable blend of subsidy and people's contribution comes from Phu Binh Ward, in the Vietnamese city of Hue. Phu Binh is a poor area often hit by floods during the rainy season, when water-borne diseases ravage the ward. A few residents living on the X'om Alley began discussing the problem with their neighbors in a series of meetings. As a result of these meetings, the community leader presented the local authorities with a proposal to upgrade the alley and a request for financial support. After obtaining the agreement of the *People's Committee* at national and city level, the local authorities agreed to the X'om Alley paving, but would provide only 30% of the required budget.

After more community discussions about how to come up with the remaining 70% of the budget, the people agreed that each of the 16 households living along the alley would contribute 140,000 Dong (about US$ 9). Instead of paying cash from their own pockets, the people decided that each household would borrow this sum (at no interest) from the community savings and credit group they were running in the alley, with support from ENDA (*Environmental Development Action in the Third World*). Loan recipients saved 3,000 Dong (US 20 cents) each day, which they deposited with their community leaders. Every ten days, the project management board collected the saved money from the community leaders. Those who couldn't afford to take loans, because of low or unstable incomes, contributed their labour instead.

When the paving of the X'om Alley was finished, everyone agreed that life had definitely improved and that the project encouraged residents to take on more improvements, starting with cleaning up some waste that had been dumped nearby. This project also stimulated the local authorities to apply the same "70%–30%" formula to another 18 alleys in the Phu Binh Ward.

Source: UN-HABITAT, 2006

PHOTOS: ACHR

Upgrading Do's and Don'ts

Things to do:

- **PROMOTE** good urban governance in the projects, in both communities and the city.

- **ESTABLISH** enabling institutional frameworks which involve all partners and stakeholders in the process.

- **IMPLEMENT** and monitor pro-poor city development strategies.

- **ENCOURAGE** initiatives which come from slum-dwellers themselves, and recognize the role of women.

- **ENSURE** secure tenure, consolidate occupancy rights and regularize informal settlements.

- **INVOLVE** tenants and owners in finding solutions that address collective interests.

- **ADOPT** a more incremental approach to upgrading.

- **ASSOCIATE** municipal finance, cross-subsidies and beneficiary contributions to ensure financial viability of the upgrading.

- **DESIGN** and negotiate relocation plans only when absolutely necessary, as a last resort.

- **COMBINE** upgrading with employment generation and local economic development.

- **DEVELOP** new urban areas by making land and trunk infrastructure available.

Things not to do:

- **ASSUME** that slums will automatically disappear with economic growth.

- **UNDERESTIMATE** the important contribution local authorities, landowners, community leaders or residents in the settlement can bring to the upgrading process.

- **SEPARATE** upgrading from investment in planning and urban management.

- **IGNORE** the specific needs of and vulnerable groups in the upgrading process.

- **CARRY OUT** unlawful evictions.

- **DISCRIMINATE** against people in rental housing or promote a single tenure option.

- **IMPOSE** unrealistic standards and regulations that can't work for the poor.

- **RELY** on governmental subsidies or on full-cost recovery from slum-dwellers.

- **INVEST** public resources in massive social housing schemes.

- **CONSIDER** slum upgrading solely as a social issue.

- **PROVIDE** infrastructure and services that poor people can't afford.

Source: UN-HABITAT, 2002

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7 stages of a typical upgrading project

1 | Selecting the settlement that is to be upgraded

Deciding which settlement to upgrade first involves weighing priorities. Usually it is government planners who identify suitable settlements for upgrading, much influenced by local politics. But it's better if local poor communities, NGOs and other stakeholders are involved. What should they consider in selecting settlements? A community's readiness to participate, the particular physical conditions in a settlement, costs, land tenure issues and the larger urban development context.

Achieving a good *demonstration effect* may also be a factor in choosing the community, especially if the project is going to be innovative in some ways. Often, slums that are the easiest to upgrade may be chosen first. These include settlements with transferable land titles, with well-established community organizations, or those easily connected with trunk infrastructure lines. Alternatively, settlements with conditions of the most extreme poverty or with the highest levels of environmental degradation may be the first priority.

PHOTO: ACHR

2 | Strengthening the community's internal organization

The strengthening of a community's internal organization is an important step in the upgrading process. To be a key actor in upgrading, a community must be able to ensure the process meets the needs of *all community members*, not just a few. And it must be able to negotiate with local government planners, identify and articulate its needs and participate in all phases of the planning, implementation and maintenance.

Sometimes, a new community organization may have to be formed, where none yet exists *(see Quick Guide 6 on Community-based Organizations).* But it gives a project a big head start if there is some kind of community organization already in place, which can become a partner in the project and enable the community members to fully participate in the improvement process. In some cases, the project may include more than one community organization, such as local youth groups, minority or ethnic groups, parents or elderly groups, or tenant groups. NGOs can play a vital role in building the capacity of these community organizations.

> An upgrading project can be a powerful opportunity for communities to develop their collective strengths, through practical concrete activities, and to build better relationships with their local governments at the same time.

3 | Organizing meetings to get stakeholders involved

A series of stakeholder meetings will be the most useful tool in helping launch the upgrading programme, make sure everyone knows what the programme offers, and set up the mechanisms that will be used during the project's planning and implementation stages. It is important that these meetings have an open agenda and an open time-frame, so people feel free to speak their minds and bring their ideas to the table. It should not happen that somebody presents a pre-determined upgrading package, that the stakeholders are only allowed to approve or reject.

It sometimes helps if a range of schematic upgrading options are presented by organizers and discussed in the meeting, as a means of breaking the ice and getting people thinking. Community members and other stakeholders can then respond to the ideas. With a little bit of sensitive technical facilitating from community architects and organizers, they can draft their own planning options, with ideas about housing, infrastructure, settlement layout and natural environment.

> The more room communities have to bring their needs and ideas into the process of planning an upgrading project, the better the quality of the final upgrading plans will be. Ready-made plans imported from outside are unlikely to be accepted by people in the community, who have had no stake in their preparation.

4 | Surveying all aspects of the community

The next step is to conduct a detailed survey and mapping of the community and draw up a good settlement map, showing all the houses, water points, amenities and problem areas. This is a way to obtain accurate physical and socio-economic information about it.

This information will play a vital part in the development of the upgrading plans. In fact, community members know their settlement better than any outsiders. So the best way to conduct this kind of survey is to allow the community organization to carry it out. This is another way to increase people's space for participation and build their skills to understand their own problems collectively. Some simple technical support from NGOs or local government can help residents to design a good questionnaire, draw up accurate settlement maps and gather data essential for upgrading. This survey and mapping process builds the capacities of community residents and at the same time stimulates the interest of all members of the community and strengthens their organizations.

PHOTO: UNESCAP

APPROACHES&GUIDELINES

Not only physical upgrading:

When communities prepare their own plans for upgrading their own settlements, it is possible for the upgrading process to cover much more than just the physical aspects of their communities like housing and infrastructure. If the upgrading can also cover environmental development, social development and economic developments, this more holistic kind of upgrading can lead to better lives for people in many ways.

5 Designing all aspects of the upgrading plan

This step includes preparing the final physical plans for the community layout and infrastructure, designing houses and community amenities, setting out the construction schedule and labour contracting system, and setting up systems within the community to maintain these improvements after the project ends. This stage also includes the preparation of financial plans, detailed cost estimates and plans for financing the whole project:

- How much everything will cost.
- Who will pay for what.
- How these funds will flow.
- Who will purchase the materials.
- How the finances will be managed.

It's best when all this planning is carried out jointly, by community members, their NGO supporters and local government agencies. When communities organize committees to manage various aspects of this planning, it becomes a trial-run for the longer-term management of the community's collective development in the years to come.

The more room there is for communities to take charge of this planning, the greater the chances are that the project will be a success.

Communities as planners

Bonkai is a 30-year old squatter community of 566 households, who used to live in extremely crowded conditions in central Bangkok, on public land belonging to the Crown Property Bureau. After a big fire destroyed half the settlement in 2001, the people used the crisis to negotiate a renewable 30-year "community lease" for their land and began making plans to upgrade the whole settlement in phases, with support from the Baan Mankong Community Upgrading programme.

In order to squeeze so many households onto such small land, the community worked with young architects to draft an extremely efficient layout plan with narrow lanes and compact 3-story row-houses built on tiny plots of only 24 square meters. To keep the new houses as cheap as possible, they designed an extra-tall upper floor with a half-loft, which can later be made into a full third floor. These fully-finished houses cost $5,500. The community opted to use a contractor to build the first phase houses, but to reduce house costs, the second and third phase houses will be built by community members themselves.

Source: www.codi.or.th

6 Carrying out the actual upgrading work

This is the exciting stage where the work actually gets done, and a slum is transformed into a clean, well-serviced new neighbourhood. During this stage, houses are built or improved, drains are laid, water pipe networks are buried and hooked up to individual houses, lanes are paved, electric poles are put up, trees are planted and fences are painted.

All this work can be done in different ways. At one extreme, all the work can be contracted out — by tender, to a builder or an NGO. Or at the other extreme, the entire project can be built by the community members themselves, who contribute their labour and manage everything collectively. Often, the final work is done by a combination of the two, with the people doing as much of the work as possible themselves, and contracting out only the more heavy or specialized or technically difficult tasks in the upgrading work.

When communities do it

When the Ros Reay community in Phnom Penh began upgrading their settlement, the first step was to move back fences and compound walls and straighten the lanes to make room for laying an underground sewage and storm drain system, which involved enormous labour. A system was worked out by which each household was responsible for digging up the ditch in front of their house. Many dug by lantern-light late into the night. The finished drains were given their first test during a heavy rainstorm. Everyone was out under their umbrellas, all eyes on the manholes, through which the water was reported "to flow beautifully!" The lanes were then paved, after which trees and flowers were planted along the lane-edges, and all the houses were freshly painted in "coordinated" colours.

Source: ACHR

7 Continue meetings as a platform for further work

The community process shouldn't stop when the physical work of upgrading is done. The long-term maintenance of the improvements is also an important task for communities to take on.

A good upgrading project can fill communities with confidence and inspire them to go on to plan and carry out all kinds of further development projects — not only physical improvements, but social and economic improvements such as community enterprises, community-managed welfare schemes, sports facilities, health care systems, youth activities and elderly groups. Continued community meetings can become a platform for planning these next-stage improvements in the community's life — hopefully in collaboration with their local governments and NGO supporters.

PHOTO: ACHR

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Check list

Questions you should ask about your upgrading project:

1 | About getting started

- How does it fit into the city's comprehensive development plans?
- How does it consider scaling-up?
- Does it address issues of sustainability?
- Is it sensitive to cultural factors?
- Do the institutional and staff capacities match the scope and scale of the project?
- Is the location appropriate to upgrade?
- Does the organizational structure include sufficient coordination and political support?
- Is it financially viable? Are there sufficient financial resources to carry through the programme?
- Is the scale affordable to the households, and are they willing to pay for the improvements?
- Will laws and regulations need to be modified?
- What will be the tenure arrangements?

2 | About setting up the project

- What are the basic issues and key trade-offs in the upgrading programme?
- What kind of institutional structure will manage the project?
- Have the different needs of women and men in the community been appropriately considered?
- How will renters and landlords in the settlement be dealt with in the project?
- What are the policies and procedures for realignment, readjustment and legalization of individual lots?
- What are options for financing the installation of basic services and infrastructure?
- How will costs be recovered?
- How will costs be collected?
- How will house improvement loans be structured: cash/materials, collateral, repayments?
- What will happen if people default on their loans?
- What service standards will be used?
- What are alternative service options, like using small-scale informal sector providers?

3 | About carrying out the work

- Does the process support local initiatives in the construction process?
- How to assure continuity of staff and community representatives?
- What are the roles of various public sector stakeholders during construction?
- What is the role of NGOs and community members during implementation?

4 | About monitoring, evaluating and learning

- How are lessons of the project being noted and recorded? Who does this?
- How are lessons being incorporated?
- What are the indicators for evaluations?
- Whose interests are being served? Who pays?
- How will the reporting system be set up?
- What are the policies on displacement and spill-over?

Source: Upgrading Urban Communities website

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OPTION 2: Resettlement

Providing alternative housing for ALL slum-dwellers in a city is something no government alone can do. In the 1970s, the Tamil Nadu Slum Clearance Board in India had a notion that it could actually build enough subsidized housing units to re-house all the millions of slum-dwellers in the state and thus "eradicate" slums. However, the construction of large numbers of new, subsidized housing units proved to be far beyond their financial and managerial means, as it is beyond the means of most governments around the world. The rate of urbanization and rural-urban migration in most developing countries is just too high, the numbers are too great, the need for affordable housing is too overwhelming, and the money is just not there to construct housing for all these poor urban citizens — neither for the slum-dwellers already in the city, nor the migrants who continue to pour in. *(See Quick Guide 1 on Urbanization)*

But in reality, the resettlement of informal communities is sometimes unavoidable. When resettlement is the only option, it should always happen with the agreement of most residents. Without agreement, resettlement can easily become *forced eviction*. In recent years, large projects in many Asian cities have displaced thousands of poor households. Many of these projects are funded by multilateral lending agencies like ADB and World Bank which have strict guidelines to ensure people are resettled properly and voluntarily. Even so, most of these projects have not gained the cooperation or support of those being resettled:

- **India:** the Kolkata Canal Improvement Project, the Jumuna River Banks Redevelopment in Delhi

- **Pakistan:** Lyari River Expressway

- **Bangladesh:** Slum clearance in Dhaka

- **Indonesia:** the River Flood Control project in Surabaya; the Jakarta Bay Reclamation Project

- **Philippines:** North and South Rail, Pasig River Rehabilitation, Laguna Lake Ring Road and Camanava Flood Control projects in Metro Manila.

Resettlement should not be the first choice

Removing people from their homes in slums and re-housing them on alternative sites should never be the first-choice option for policy makers. Resettlement almost always destroys social networks, breaks up communities, dramatically reduces people's earning capacities, increases their transport costs, interrupts their children's schooling and generally increases their poverty.

Because urban low-income housing is so scarce, demolishing slums and relocating their inhabitants causes a net loss of housing units nobody can afford to replace, and compounds the problem of housing shortages.

"Experience shows that it costs 10 to 15 times more to develop new housing than it costs to upgrade the housing, living environments and settlements in which people haved already live and have already invested."

Source: www.achr.net

Managing the resettlement process in a participatory way

The disruption caused by resettlement affects everyone living in a slum very much. So it's important for whoever is managing the resettlement that trust be quickly established. How can this be done? If the residents oppose the resettlement and refuse to leave their homes, attempting to demolish their houses constitutes forced eviction. The most essential trust-building strategy is to involve the affected residents in all aspects of planning for the move, from the **first notice of eviction to the final move into new** houses. Community participation is essential to avoid destroying people's livelihoods and the social networks which help them to survive. Only with participation can a resettlement process **with minimal conflict be achieved.**

Participatory resettlement in Surabaya, Indonesia

The Indonesian government introduced the *Kampung Improvement Programme (KIP)* in the 1970s to upgrade informal settlements *in situ*. In Surabaya, several households in one *kampung* had to be relocated, to reduce the settlement's density and widen its roads and walkways.

The government allocated a plot of land next-door for relocating people in government-built walk-up apartments. With technical assistance from the faculty and students of the *Laboratory for Housing and Human Settlements, Surabaya Institute of Technology (ITS)*, the affected households designed the apartment buildings themselves.

PHOTO: ACHR

Their scheme included wide corridors which recreated a communal "street" space on each floor and a community market on the ground floor, where stalls were allocated to residents interested in running food and vending businesses.

Source: The Clean and Green Kampungs of Surabaya: KIP in Surabaya. 1991

PHOTOS: ACHR

A "win-win" solution:

The railway relocation project in Mumbai shows that improving the city's infrastructure need not be done at the cost of poor people being forcibly removed, but with some investment of creativity and cooperation, it is possible for the city to provide secure, permanent homes for the poor people who are displaced by the project.

Resettlement with partnership in Mumbai, India

Large-scale resettlement doesn't have to be marked by conflict and opposition. In order to improve Mumbai's suburban train system, some slums close to the tracks were earmarked for demolition under a World Bank-financed urban transport project. With help from the local NGO Society for the Promotion of Area Resource Centres, the National Slum-dwellers Federation and Mahila Milan 's Collectives, 1,400 slum households were able to negotiate good alternative housing with long-term secure tenure a few kilometers away.

This resettlement process was managed entirely by the affected people, in close partnership with all the stakeholders. The process has become an important demonstration model, showing that when affected communities are key actors in every step of the resettlement planning, the final solution can meet both their own housing needs and the development needs of the city as a whole.

As part of the process, the residents surveyed households in the railway settlements, numbered the houses, mapped the areas to be demolished, identified needs and organized people

to form 27 cooperative housing societies. Each society then visited the resettlement sites they had taken part in identifying, and began building the temporary housing they had designed and would occupy, in phases, while their new apartments in 5-story walk-up blocks were being built by the state government (which would be partly subsidized by the state and partly paid for by the households themselves, through soft loans). On the appointed day, the households locked their old houses and carried their belongings in municipal trucks to the temporary houses on the new site.

Source: www.sparc-india.org

PHOTOS: ACHR

PHOTOS: ACHR

No conflict necessary:

When the roadside squatter community at Toul Svay Prey in Phnom Penh, Cambodia, agreed to cooperate with the municipality and voluntarily relocate their housing to make way for a drainage project, a highly collaborative resettlement project was developed, in which the community members were key actors in choosing the new land and designing their new housing.

Putting people at the centre of the resettlement process

Most poor communities have no wish to obstruct an important urban development project which threatens to displace them if the project is truely for the larger public good. But if their needs are not respected, and the process to relocate them to make way for that project is done without their participation, they may not be so willing to cooperate.

The direct, meaningful involvement of residents in every stage of the resettlement is the best way to ensure that the stressful process of losing a home and relocating is characterized by cooperation and not conflict. Residents should be involved in all aspects of planning, including setting dates for moving, organizing transport, choosing the relocation site, designing the community layout, housing units and infrastructure systems and managing the allottment process. Residents should also be supported to organize their own small area-based groups, which can manage the move, help dismantle the old houses and carry

with them any building materials which might be useable in the new houses.

When affected communities are at the centre of the planning, resettlement can be a friendly, cooperative process which preserves people's livelihoods, social groupings and dignity. And the resettlement negotiation process itself can be a community-empowering process which builds more cohesive, confident and resourceful community organizations along the way.

PHOTOS: ACHR

The resettlement site:

The land chosen can make or break a resettlement project

The two keys which ensure a successful resettlement process are:

1 **Quality:** A suitable piece of land for resettlement should provide the affected people with access to basic infrastructure and should have no physical, environmental or health hazards.

2 **Location:** The new land has to enable people to maintain or rebuild their livelihoods, social networks and survival strategies with minimal disruption, so the site should be close to job opportunities, with easy access to public services such as schools, clinics, banks and transport links.

If the new land is of good quality and at a good location, then the cooperation and participation of affected residents will be easier to get. Attempts to resettle people to land that is far from job opportunities will always be met with hostility and lead to declining levels of trust between residents and government authorities.

Within all towns and cities, tracts of vacant land are often held by various public sector bodies. Negotiations between public agencies, community groups and supporting NGOs to identify good land for resettlement near the old slums can take a long time. But it is possible for communities to end up with a decent piece of land for resettlement if they organize and prepare themselves, search for land they like and have the stamina to see these negotiations through.

Resettlement **by people** in Khon Kaen, Thailand

For 40 years, a community of 146 poor laborers, trash recyclers and pedicab drivers had been renting flimsy timber rooms from the Dynamo Saw Mill, on the outskirts of Khon Kaen, in northeastern Thailand. Although the rent kept going up, the landlord never made any improvements to the rooms or provided any basic services besides a few pit-latrines. The people had to buy all their water and electricity informally and at inflated rates from nearby shops. When the saw mill again raised the rent, the community decided enough was enough and began organizing themselves to plan and carry out their own resettlement project, with support from the *Baan Mankong Upgrading Programme*. They first set up a savings group, formed a cooperative and began searching for

PHOTO: CODI

affordable land nearby. With a loan from the *Community Organizations Development Institute (CODI)*, they bought a small piece of land, which they subdivided into plots and then developed, using the Baan Mankong infrastructure subsidy, doing all the work themselves.

Source: www.codi.or.th

OPTION 3: Government - built new public housing

Public housing that is built by the state is still an option, but there is increasing evidence around the world that this solution is too expensive for most governments.

The belief that governments should take responsibility for constructing housing for urban poor households has been surprisingly durable. When governments design, build and deliver low-income housing (for sale or rent), it is seen as a way of ensuring that the housing is of good quality and developed in an "orderly" manner.

In order to make such public housing affordable to the poor, though, the costs of constructing and managing it must be heavily subsidized. Very few city or national governments have the political will or the financial resources to pay for this subsidy, or to build enough housing to meet even a fraction of the housing needs of the city's poor.

Despite these drawbacks, many governments around the world have continued to pursue state-built housing policies, and large developments of subsidized public housing continue to appear here and there in cities, while financial systems to capture savings and generate resources to pay for these housing programmes continue to be set up.

The sad fact, though, is that the impact of these conventional programmes has been minimal, their ambitious targets have not been met and their costs have been too high. Little or no per-unit subsidy was given, so that more units could be built. Often the new housing became too expensive and could only be afforded by relatively well-off households. At the same time, if a larger per-unit subsidy was given, which would allow poorer groups to afford them, this meant that relatively few could be built.

Creating state-built slums

There have also been plenty of complaints about inaccessibility, poor services, bad design and sub-standard construction in many state-built housing programmes. In many projects, people move in and out very rapidly, with higher-income groups invariably moving in and the poor moving out and returning to squatter settlements.

Where this gentrification has not happened, the housing often falls into disrepair and becomes a new kind of slum, due to lack of maintenance by the state and lack of involvement by residents. In India, for example, a large part of the Tamil Nadu Slum Clearance Board's slum upgrading programme in the late 1980s was to renovate the crumbling apartment blocks it had built itself to resettle slum-dwellers just 15 years earlier.

PHOTO: UNESCAP

Can governments provide housing for all?

Experience shows that large-scale public housing delivery is not a solution

Large-scale programmes to construct subsidized, standardized, fully-complete housing units for existing and future poor households are too costly for the governments in most developing and developed countries. Public resources are better spent on improving the existing stock of affordable housing (no matter how sub-standard) and implementing a range of innovative and flexible approaches to create new stock. Where did the idea then come from that governments should be the chief providers of affordable housing to the urban poor?

1 From public housing in Europe

In European cities, there is a long history of public housing schemes being developed to resettle large numbers of inner-city slum-dwellers. But these days, many of the high-rise public housing estates, built at low cost and usually in their own isolated corners of the city, are often plagued with endemic poverty, crime, economic and social exclusion, ethnic and religious tensions, and fast declining physical environments and local economies.

2 From public housing in Singapore and Hong Kong

True believers in state-built public housing policies will frequently bring up the success stories of Hong Kong and Singapore in the 1960s and early 1970s, to support their claim that governments can supply decent, affordable housing to all the poor in their cities.

What they won't tell you is that Hong Kong was a "show-case" colony and that Singapore is a city state, neither of which had to work within tight public budgets, like much of the rest of the world. Unlike virtually all other Asian cities, the affluent Singapore has no countryside and therefore no rural migrants constantly flowing into the city, putting a strain on the urban housing stock. And in Hong Kong, public housing still constitutes 50% of the city's housing stock, but instead of being praised for this, the government's continued high production of subsidized flats for sale has been blamed for the collapse of the city's property prices and private housing market. Mass production of public housing in the context of economic globalization has implications that nobody predicted when polices of public housing construction were first advocated.

The state as facilitator, not provider:

Sites-and-services are an attempt to strike a balance between minimum, socially-acceptable housing conditions and what their low-income beneficiaries can afford. In these projects, the state plays a lesser role than it does in fully-built public housing.

OPTION 4: Sites-and-services

As a reaction to most governments' inability to provide adequate, ready-built shelter to all the urban poor households who need it, there has been a shift in thinking around the world, from seeing the state as *provider of housing* to seeing it as a *facilitator of the self-help housing efforts by the poor themselves.* One form this facilitation takes is when governments provide plots and basic services in a planned manner, but let people build their own houses on that land. These are called sites-and-services schemes.

The strategy in sites-and-services is to share the responsibility for providing decent, affordable housing in the city, between the state and the people. The government agencies take responsibility only for preparing the plots and bringing in certain basic infrastructure. The individual plots are then sold, leased or allotted to the beneficiary households, whose responsibility it is to build their own house — sometimes with soft loans, basic building materials and technical support provided by the project, and sometimes on their own. In some projects which take a cost-recovery approach, the people may be expected to repay the costs of land and development gradually, but in other projects, these are provided free, as a public subsidy. How much the projects provide to the beneficiary households varies: in some, only an empty plot is provided, while in others, an already-built floor slab with utility connections, roofs or one-room "cores houses" might be provided. Utility services also vary, from communal pit latrines and shared water standpipes at the most basic, to full piped services to individual plots.

The benefits of sites-and-services

- Sites-and-services enable governments to share responsibility for providing housing with low-income groups and thus save scarce public resources.

- Because they are planned, the provision of infrastructure and services is cheaper to build and maintain.

- The beneficiaries are in control of the pace and form of house construction.

- They can reach large numbers of people, while maintaining some minimum safety and public health standards.

- They can be useful in accommodating essential resettlement projects.

- If properly planned and implemented, they can provide a flexible way of meeting future housing needs.

5 ways to make sites-and-services schemes work better:

1 **Provide land in a good location.** The location of a sites-and-services project can make it a success or a disaster. Land should be close to employment centres, in order to offer viable earning opportunities for people who live there. Land should also be close to existing infrastructure trunk grids, to reduce the costs of extending these grids to the project.

2 **Recognize that sites don't have to be huge or at the city edge.** Sites-and-services schemes are often developed on large pieces of land at the outer edges of the city, where large numbers of house plots, schools, recreational and social amenities can be developed in a planned way. But in reality, most cities have many smaller available sites right inside the city, with easier access to existing infrastructure and services. These inner-city sites can be developed more cheaply, without having to invest in costly trunk infrastructure extensions.

3 **Keep plot sizes small.** That way, more people can be accommodated and costs kept low. When determining plot sizes, it's good to plan for meeting a variety of needs and to study how low-income households use their domestic space and how much land they need, minimally. Existing standards and bylaws are often inappropriate and have to be challenged, to make projects affordable to the poor and prevent them from being gentrified in future.

4 **Reduce services costs through good planning.** The cost of laying infrastructure within sites-and-services schemes can be greatly reduced by planning rectangular housing plots with narrow frontages. Square plots are the most uneconomical. The design of roads, lanes, water supply, sewage and electricity should be decided according to how affordable and how socially acceptable they are to the people who live there. As in all low-income housing, the key to making this happen is the full participation of beneficiaries in planning, implementation and maintenance.

5 **Develop incrementally to reduce people's costs.** One way to make sites-and-services projects more affordable and more flexible is to develop them in phases, starting with basic infrastructure that can be improved over time. For this to work, you have to know how minimal to make your infrastructure, to ensure people's health, safety and well-being. Projects should plan for schools, clinics, religious buildings and police posts, even if they are not provided immediately. This incremental approach is especially useful in sites-and-services schemes targeting vulnerable migrants new to the city.

PHOTO: ACHR

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The problems of sites-and-services

Starting in the 1960s, many sites-and-services projects began having serious problems. Many feel that the sites-and-services approach is based on some misconceptions about what urban poor households need, what they can afford and what they can achieve. Despite their good intentions, many sites-and-services schemes have failed to be affordable and accessible to the lowest-income groups who were their targets. Plus, many sites-and-services schemes are plagued by poor cost recovery. At a time when they have lost jobs and income after moving into the scheme, residents must also make payments for their land and pay to construct a new house. Transport, water and electricity costs only add to this burden. Cost recovery problems also arise when services are delayed, repayment collection methods don't work and political will to enforce repayment is absent.

Sites-and-Services problems in Karachi, Pakistan

In the early 1970s, the Karachi Development Authority (KDA) developed a large sites-and-services scheme to provide housing to poor households. Metroville I included some 4,113 plots, designed to accommodate more than 35,000 people. The land where Metroville was sited was considered to be an ideal location for poor households to be — right next to a large existing squatter settlement and close to an industrial estate and to higher-income neighborhoods of the city, offering a variety of employment opportunities.

But it took the KDA four years, from the time the plots were allotted, to provide basic infrastructure like water supply and electricity. Even 10 years later, in a city with such acute housing shortages, only 700 out of the 4,113 plots had been occupied. What went wrong? Research in 1984 revealed that some poor households who had been allocated plots in Metroville couldn't wait four years for a new house and had sold off their plots to higher-income groups who already had housing elsewhere in the city. Others found it too expensive to pay both the monthly installments to KDA for land and infrastructure and the cost of building their new houses.

Meanwhile, as Metroville remained unoccupied, the nearby squatter settlements of Baldia and Orangi continued to grow and thrive, and now house over a million urban poor people.
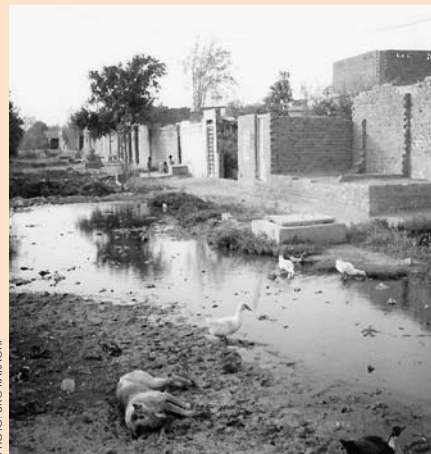
Source: Aliani and Yap, 1990

PHOTO: UIRC KARACHI

Not quite as cheap as we thought

Sites-and-Services success in Hyderabad, Pakistan

At some point, the urban planners at the *Hyderabad Development Authority (HDA)* began asking themselves why their *legal* sites-and-services housing schemes were failing to attract the poor, while the *illegal* squatter settlements organized next-door by informal power-brokers were flourishing.

One thing they realized was that while government schemes required time-consuming paper work, a person could approach the local power broker in a squatter settlement and occupy a new plot the same day. They also found that since the land in squatter settlements came without infrastructure, it cost less and was affordable. As the settlement developed, people worked together to install infrastructure and services incrementally. They also built their houses incrementally. At the same time, the informal process could be very exploitative, with local strongmen selling occupied plots to higher bidders, evicting the first households.

The HDA planners decided to adopt the squatters approach and launched the *Incremental Development Scheme* in the 1980s. Interested poor households had to stay in a designated reception area for two weeks, after which they were given a plot. Only tanker water was provided, and the household paid only for the land. The only condition was that they live on their new plot continuously. Titles of absentee occupants were revoked. As people settled in, they were encouraged to organize themselves within lanes and decide what infrastructure they wanted first. Residents managed construction of infrastructure themselves and paid the HDA for bulk infrastructure delivered to the edge of the settlement.

Within a year, the settlement had all basic services such as water, sanitation, electricity and paved roads. It also had schools and clinics and several residents had opened manufacturing and retail businesses. By adopting the strategies poor communities use to provide their own housing and by removing the exploitative elements of that process, HDA succeeded where others had failed.

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PHOTO: HOMELESS INTERNATIONAL

Solving housing problems in our cities is possible:

But to do it, all the stakeholders — the local and national governments, the aid agencies, the support NGOs, the technicians and the communities themselves, need to be involved and need to find space to collaborate and develop innovative solutions.

APPROACHES&GUIDELINES

OPTION 5:
City-wide housing strategies

Developing and implementing strategies which set a target of housing all the poor households in the whole city

If you decide to take a city-wide approach in solving low-income housing problems, you will have your hands full. Besides coping with the cumulative backlog from years of housing shortages and upgrading all the under-serviced areas in the city, you will also have to address future housing needs. Current needs for affordable housing in most cities are alone so overwhelming that the challenge of meeting future housing needs can seem an impossible task. In fact, solving all the housing problems in a city is something that is possible. However, if you want to do it — in a city-wide way — several things are needed:

1 **More horizontal links between poor communities:** Networks of mutual support and mutual learning between poor communities within countries and between countries are essential. Some of the most innovative housing initiatives in Asian cities now are not coming from engineers, architects, politicians or bureaucrats — but from poor communities themselves. When they develop something that works, those experiences need to

be shared and spread around, so that others need not re-invent the wheel.

2 **More room for innovation in the policy environment:** Local and national policies on land and housing need to be loosened and adjusted, to make room for innovation in how the poor can access land and housing, and how the poor settlements which already exist can be improved in practical and sustainable ways.

3 **More public investment in infrastructure:** This investment, across the city, can also be stimulated by adjustments to urban and national policies and regulations.

4 **More investment in building vision and capacity:** To reach the large scale that is essential to keep low-income housing problems in cities from getting worse, huge investment is needed — in the housing itself, and in building the capacities of communities, architects, NGOs, governments and all the other stakeholders to implement large-scale housing initiatives.

City-wide solutions to water in Mandaue, Philippines

The industrial city of Mandaue, near Cebu in the southern part of the Philippines, makes a good illustration of how a little regulatory reform and innovation can encourage investment in infrastructure at a small scale, and then stimulate change at a larger scale.

A thriving federation of poor squatter communities in Mandaue (which is part of the national Philippines Urban Poor Federation) runs six large community savings schemes under their San Roque Parish Multipurpose Cooperative. This cooperative provides a legal umbrella for a number of community-managed development projects in land acquisition, employment, savings and credit, community provision stores and the construction of common toilets and access roads in some settlements.

In most of these settlements, access to water is a huge problem. Up to 500 households must share a single water tap and the rates they pay for water are expensive. One of the San Roque Cooperative's most urgent projects has been to install and manage community water taps, using the Metro Cebu Water District's *Community Faucet Programme*, which gives poor communities permission to tap into the mains and get water at a low cost, as long as

PHOTO: ACHR

they lay the pipes, install the taps and pay for it all themselves. Responsibility for planning, implementing, and managing the water taps rests entirely with the residents.

Community groups borrow money from their savings schemes to buy the pipes and materials, and undertake the often difficult task of negotiating with factory-owners and subdivision-developers for permission to run water pipes across their land. The community tap programme has sparked off other community-built improvements, including communal toilets, road-paving and small community stores funded by the profits earned from the communal taps.

Source: UN-HABITAT, 2006

Country-wide solutions to land and housing

It is also possible that large-scale transformations of slums — on a country-wide scale — can come about by eliminating some of the change-preventing aspects of land-markets, land policies, infrastructure extension planning and the design and administration of subsidies. The Community Mortgage Programme in the Philippines, for example, is a subsidized land

and housing loan programme which helps squatter communities to buy the land they have been occupying and provides financing for infrastructure improvements. This programme relies on intermediaries such as NGOs, which help with the process of buying and registering land on behalf of the communities.

Source: web.mit.edu/urbanupgrading/

City-wide slum upgrading in Thailand

One of Asia's most prominent and most successful city-wide slum housing initiatives is the *Baan Mankong* ("secure housing") programme, a national slum and squatter settlement upgrading programme launched in 2003 which operates not only in large cities but also in most of Thailand's smaller urban centres. It targets the upgrading of the housing, infrastructure, living environments and land tenure security of 300,000 urban poor households, in 2,000 poor communities in 200 Thai cities and towns.

The Baan Mankong programme is implemented by the *Community Organizations Development Institute (CODI),* an autonomous public organization under the Ministry of Social Development and Human Security. The programme provides infrastructure subsidies and soft housing loans directly to informal communities, which survey, design and implement their own housing and settlement improvement projects — in the same place wherever possible, or on land very close by. Support is provided not only to community organizations but also to their networks, to work with municipal authorities and other local stakeholders and with national agencies to develop city-wide upgrading plans in each of these 200 towns and cities, which should solve all their housing problems within 3-5 years.

Within this national upgrading programme, households in illegal settlements can negotiate to get legal land tenure in several ways. They can negotiate to buy the private land they occupy (with soft loans from CODI), to get a long-term community lease where the land is publicly-owned, to relocate to another piece of land provided by the same agency on whose land they are now squatting, or to redevelop their housing on a portion of the land they occupy now and return the rest to the land owner, in exchange for secure tenure on their portion.

Baan Mankong encourages municipalities to collaborate with urban poor organizations in these upgrading initiatives in different ways. In some cities, local governments have provided land for resettling households living in scattered "mini squatter settlements" around the city, and leased this land to the new communities on a 30-year community lease. These kinds of solutions can only develop when there is a city-wide process in which urban poor communities are the key actors.

As of December 2006, 773 community upgrading projects were finished or underway in 158 Thai cities, affecting 45,504 households.

Source: www.codi.or.th

PHOTO: ACHR

Baan Mankong is achieving this national-scale solution only by unleashing the energy and creativity that already exists within poor communities, by supporting thousands of settlement upgrading initiatives that are totally designed, built and managed by the urban poor themselves, in collaboration with their local governments and other local actors.

What do you need to go up to city-wide scale?

1 **POLITICAL WILL:** Solving housing problems on a city-wide scale requires political will on the part of government and on the part of society as a whole.

2 **INTEGRATED APPROACHES AND A CITY VISION:** Long-term, sustainable housing planning has to be driven by need, and needs are different in different areas.

3 **A SUPPORTIVE LOCAL POLICY ENVIRONMENT:** Including a good information base on the city's informal settlements. Regulatory and procedural bottlenecks, building and land-use bylaws which make it difficult for poor communities to plan and implement their own self-help housing must be adjusted and made more flexible.

4 **THE RIGHT NATIONAL REGULATORY FRAMEWORK:** There has to be a national regulatory framework that stimulates on-site upgrading and provision of services for the poor, including effective land and housing rights and land registration systems, flexible infrastructure standards, formal planning which recognizes informal participation, clear responsibilities for after-project supervision and evaluation, and regulations which make it easier for finance institutions to lend to the poor.

5 **RESPONSIVE LAND AND HOUSING POLICIES:** There have to be mechanisms to release un-used public land for low-income housing in cities — for today's and for future needs.

6 **POLICIES TO SECURE LAND TENURE:** Policies and procedures to help communities in informal settlements to regularize and secure their land tenure are essential. *(See Quick Guide 3 on Land)*

7 **MECHANISMS FOR FINANCIAL SUSTAINABILITY:** Subsidy systems and cost recovery strategies that are clear and transparent make a housing programme more financially sustainable. *(See Quick Guide 5 on Housing Finance)*

8 **STRATEGIC ALLIANCES:** Big housing problems are impossible for any one group to solve alone. City-wide solutions require partnership, and should include poor communities, local authorities, utility companies, land owners, formal and informal land developers, NGOs, academics, religious groups and the private-sector.

9 **STRONG AND WELL-COORDINATED INSTITUTIONS:** Developing institutional arrangements in cities which effectively support city-wide housing solutions requires strong coordination that is acceptable to all parties.

10 **TECHNICAL CAPACITY:** City-wide housing solutions require a wide range of special services: social and technical support to communities, participatory planning, architecture and engineering, guidance on appropriate technologies, programme coordination, project and contract management, construction skills that match needs in informal areas, engineering and construction, affordable building materials and micro-finance services.

APPROACHES & GUIDELINES

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An annotated list of key websites: *For an annotated list of websites which offer more information about the key issues discussed in this Quick Guide series, please visit the Housing the Urban Poor website, and follow the links to "Organizations database".*

www.housing-the-urban-poor.net

RESOURCES

PHOTO : UNESCAP

The pressures of rapid urbanization and economic growth in Asia and the Pacific have resulted in growing numbers of evictions of urban poor from their neighborhoods. In most cases they are relocated to peripheral areas far from centres of employment and economic opportunities. At the same time over 500 million people now live in slums and squatter settlements in Asia and the Pacific region and this figure is rising.

Local governments need policy instruments to protect the housing rights of the urban poor as a critical first step towards attaining the Millennium Development Goal on significant improvement in the lives of slum-dwellers by 2020. The objective of these Quick Guides is to improve the understanding by policy makers at national and local levels on pro-poor housing and urban development within the framework of urban poverty reduction.

The Quick Guides are presented in an easy-to-read format structured to include an overview of trends and conditions, concepts, policies, tools and recommendations in dealing with the following housing-related issues:

(1) **Urbanization:** The role the poor play in urban development (2) **Low-income housing:** Approaches to help the urban poor find adequate accommodation (3) **Land:** A crucial element in housing the urban poor (4) **Eviction:** Alternatives to the whole-scale destruction of urban poor communities (5) **Housing finance:** Ways to help the poor pay for housing (6) **Community-based organizations:** The poor as agents of development (7) **Rental housing:** A much neglected housing option for the poor.

This Quick Guide 2 describes ways of addressing low-income housing. It reviews well-tried methods of improving the housing environments of people living in slums and informal settlements, and providing adequate housing for future generations living in Asia's cities. The guide examines considerations needed to improve these settlements, and to produce housing at a city-wide scale.

More information can be found on the website **www.housing-the-urban-poor.net**

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