

## Habitat : A Review of Recent Research

By Mathias Hundsalz

It is with great pleasure that I have accepted the kind invitation of the European Housing Research Network to speak, on behalf of the United Nations Centre for Human Settlements (Habitat) on the topic of Housing for the Urban Poor. When reviewing the scope of issues you have lined up for this international symposium, I felt that UNCHS (Habitat) can associate itself very well with the main purpose of the meeting, i.e. to establish a framework for further research and development work on this important global topic.

In fact, the subject areas you have proposed for this meeting are so comprehensive that it may be best, if I present you with an overview of current research activities in UNCHS as they relate to the main topic of the symposium. In doing so, I will touch on a number of the subject areas you have listed for discussion.

### Urban Poverty

The concept of urban poverty is not limited to a measurement of income in monetary terms. Its multi-faceted dimensions become evident through the settlements which provide the living environment for the urban poor: inadequate shelter and services, very limited access to sources of gainful employment, poor environmental health conditions, low levels of literacy, lack of social security, and often no legal claim to the land the poor occupy in the urban area. It follows that efforts of reducing the extent of poverty

and increasing the poor's survival chances in the urban context should be organised at the community or neighbourhood level. As most of the urban poor live and work in low-income communities, the issue of increasing their access to essential goods and services can be better addressed through settlement-oriented development efforts than through a welfare distribution system. It appears that poverty alleviation strategies which ignore their living environment and provide services and goods on an individual or family basis, remain expressions of a welfare concern only. Recent evidence has pointed out that reaching the urban poor through development-oriented strategies is dependent on the physical, economic and social conditions of the communities in which they live. Constructive forms of interventions which are expected to have a sustainable impact on the improvement of poor conditions and alleviation of poverty, can best take place through an integrated concept of urban community development. Such forms of assistance call for new forms of co-operation between public agencies, the private sector, Non-government Organizations (NGOs) and Community Based Institutions (CBOs).

### Enabling Shelter Strategies

On a world-wide scale, public sector efforts of providing housing, infrastructure and services to the urban poor did not have a significant and large-scale impact. Projects have often been over-designed, become too expensive and required mas-

sive subsidies. Moreover, they hardly ever addressed the needs of the poor as perceived by them and their own communities. The project-by-project approach, often supported by international assistance, is costly and elaborate in administration and planning, uncertain as to the availability of public funds, too slow in producing results and, moreover, hardly ever reaches the national scale of urban poverty problems. Even the more successful squatter improvement and sites-and-services projects were not able to overcome these basic deficiencies and did not reach affordability and replicability at national scales.

In recognition of this inherent problem of public sector projects, the Global Strategy for Shelter by the Year 2000 (GSS)<sup>1</sup> advocates a change of Government's role, i.e. to abandon direct involvement in the process of providing shelter, infrastructure and services. Instead, the GSS outlines the basic elements of a concerted action in which all actors have to be mobilized in a national strategy: the private sector, non-governmental organisations and communities themselves. The recognition of the specific role that communities and their organisations can (and have to) play, appears to be a significant step forward in the search for affordable and adequate shelter solutions. It has to be noted that, so far, the experience of community development in urban areas has had little impact on the formulation of national human settlement policies. It is necessary that policy makers charged with responsi-

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bilities of formulating national shelter policies learn from the experiences of working with communities, as regards establishing linkages between physical development, the provision of basic services, and people's participation.

The fundamental feature of the "enabling" shelter strategy is the creation on the part of the public sector of incentives and facilitating measures for housing action to take place to a greater degree by other actors. For the most part, the Government's role will be an "enabling" one, mobilizing the resources of other actors and facilitating their deployment through regulatory measures. Ultimately, an "enabling concept" implies that the people concerned will be given the opportunity to improve their housing conditions according to the needs and priorities which they themselves will define.

Shelter programmes for housing the poor can only operate in the context of a national shelter policy aimed at the delivery of shelter for all income groups. Specific programmes aimed at assisting low-income groups, particularly those residing in slums and squatter settlements, can only be successful if they are formulated within a comprehensive shelter strategy, they make provision for the fair allocation of resources and they eliminate the contradictions between various sectoral components and programmes. More often than not, the discussion of shelter options for the poor not only takes place in isolation but also assumes that higher income groups can satisfy their shelter needs in the existing housing market. This is often not the case: in many developing countries, in particular, substantial numbers of families and individuals in different income groups occupy shelter of a standard below what they can reasonably afford. They are unable to scale-up because existing governmental policy is not conducive to or actually discourages the construction of shelter. We all know of cases where middle and higher income groups acquired housing and

serviced sites which were provided for the poor at standards they were unable or unwilling to afford. What is needed, therefore, are policies that address latent effective demand and maximize the scale and options in shelter construction. At the same time, direct public sector support should only be used for the benefit of the neediest groups<sup>2</sup>.

## **Assessment of experiences with initiating enabling shelter strategies**

UNCHS has recently completed a comprehensive study of experiences in a number of developing countries which are in the process of re-organizing the shelter sector along the principles of enabling strategies as outlined by the GSS. With the help of detailed reports from Colombia, Nigeria, India and Thailand, the comprehensive study looks into all aspects of shelter development as part of a national programme which is to be reorganized through the enabling concept.

While it is important to develop accurate forecasts of shelter needs for particular income groups, it is never easy, and often downright misleading, to quantify these estimates in a rigid and inflexible way. Demographic change, new household formation, and variations in cultural preferences and economic circumstances make quantitative housing targets difficult to justify. Hence the widespread suspicion of the concept of the "housing gap". As the Global Shelter Strategy itself emphasizes, the goal of national housing policy should be to widen the range of housing choices available to all households so that they can adjust their shelter situation to their own needs and preferences. This is much more important than achieving pre-determined targets in terms of housing production.

There have been sporadic successes and advances throughout the developing

world over the last thirty years in terms of housing programmes which have managed to reach and utilize the energy and resources of the poor. However, prior to the Global Shelter Strategy, the general record of official housing policy and programmes had been very disappointing. These failures have been widely documented and need no detailed explanation here. Not surprisingly, many of these disappointments have been carried over into the first two years of implementation of the GSS. Most of the weaknesses of low-income housing policy and practice highlighted in the country case-studies were already manifest many years before the drafting of the GSS. By and large, the record even now is one of isolated successes set against an overall background of failures. Despite these failures, poor people themselves have continued to build or find their own housing, as they have always done.

I want to highlight at least in brief the major weaknesses of past shelter programmes and activities in addressing the needs of low-income groups at the national scale, relating these to current policies as described in the GSS case studies. At least five major sources of concern can be identified:

(a) **Misdirected efforts:** Although the era of large-scale public-sector investment in housing production for low-income groups is long past, it remains true to say that governments have been far too concerned with financing production (by themselves and other formal-sector builders) and too little concerned with facilitating inputs (such as land and credit) into the housing process. This is one of the most important messages contained in the GSS.

(b) **Inefficient use of scarce resources:** Another common theme in housing policy-evaluation is the mis-allocation of those scarce resources that do exist in the form of subsidies to land,

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services and housing among those who can afford to pay the market price. The experience of upgrading and site-and-service programmes during the late 1970s and early 1980s demonstrates the effect of this kind of subsidy in rendering investments non-replicable and in denying access to land and housing among the poorest sections of the community.

(c) Lack of access among the very poor: Programmes that have been successful in reaching the poorest groups in urban areas are comparatively rare. It is now clear that upgrading is a cheaper and more cost-effective approach than site-and-service schemes. But even in the upgrading programmes, the very poor have often been ignored or pushed out. In part, this is the result of a basic weakness of most housing policies in failing to address the needs and interests of tenants, who form the majority of low-income households in many cities. In addition, affordability criteria have been set too high, and insufficient account has been taken of speculative investment which can entice low-income residents to leave upgraded areas.

(d) Inadequate scale: The successful examples in addressing the needs of low-income groups exist in terms of community action, at times supported by NGOs, in shelter delivery, service-provision, legal frameworks, and institutional development. However, it remains the case that (by and large) these successes have been on a small scale and certainly inadequate to deal with the size of the problems at hand. Moreover, they have as yet not reached the policy level. "Scaling-up" successful enabling strategies is one of the most urgent priorities for the GSS in the next few years.

(e) Fragmented responses: Coher-

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ent and co-ordinated action at local levels to address the shelter needs of the poor remains the exception rather than the rule. Municipal planning is weak, and national policymaking still tends to exclude the participation of beneficiaries. Public sector responsibility for different aspects of shelter delivery and improvement remains divided, often among a bewildering array of official and semi-official agencies. This makes it very difficult to adopt consistent and effective policies towards the particular needs of low-income groups.

In conclusion, shelter programmes and activities intended to benefit low-income groups have often been misdirected, inefficient, inaccessible, inadequate and fragmented. The GSS is only just beginning to correct its policy issues. Lest this seems too negative a view, it is important to bear in mind the advances that have taken place, especially in the fields of community and NGO action, institutional and legal frameworks, and special programmes such as upgrading. The general record in other key areas, such as land and housing finance, has been much less impressive.

Most recently, there has been a more explicit acceptance of the central role of enabling strategies in shelter provision and improvement. This movement has been catalyzed by the *International Year of Shelter for the Homeless in 1987* and formalized in the GSS one year later. All the country case studies cited in this report make it clear that governments have accepted, and have committed themselves to, the enabling approach. In most cases, this was a gradual move over the last decade rather than a complete shift in the space of one or two years. The new National Housing Policy in India is a good example of this, focusing as it does on the facilitating role of government, the role of

the private and household sectors, the need for strong action in the fields of land and housing finance, the links between shelter and employment, and an emphasis on cost-recovery in service-provision.

In Colombia too, many elements of the enabling approach were present in the official shelter policy during the late 1980's. The two priority shelter programmes of this period (the "Programme on Human Settlements" and the "Re-densification and Consolidation of Cities") focussed on institutional consolidation and strengthening, increasing access to land among the urban poor via upgrading and the provision of serviced land, reducing planning and building regulations, and a tougher stance on the expropriation of land for low-income housing development. The latest developments in shelter policy have not yet been formalized, but in draft form they clearly maintain the emphasis of the previous five years, placing shelter policy explicitly within the enabling framework. Particular attention will be paid to strengthening co-ordination between public, private and "popular" sectors; improving the capacity of municipal government; and increasing the reach and efficiency of Colombia's complex housing finance system. The number of official institutions involved in shelter provision and improvement at the municipal level is being drastically reduced (from the level of 170 in 1973), and the financial capacity of local government is being strengthened in parallel with the political decentralization carried out two years ago.

Nigeria's New National Housing Policy takes a similar line. It is formulated very clearly within the GSS and marks an explicit change of direction toward supporting the private and household sectors as the focus of housing development. The structure of housing finance is being re-organized and rationalized, while the "Infrastructure Development Fund" is an interesting attempt to channel large quantities of long-term, low-interest funds to service-provision.

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The introduction of the enabling approach in Thailand has been clearly defined, though elements of the GSS can be found as far back as 1979, when the national "Slum Upgrading Programme" was launched. According to the country case-study for this report, this programme constitutes the "one bright spot" in Thailand's shelter policy. Site-and-Service projects followed in 1980, though on a fairly small scale. There was a more pronounced move towards privatization and private sector development around 1986, along with a continuation of the Slum Upgrading Programme and the inauguration of the first experiments in "land sharing". Although land-sharing has been much-discussed in the context of the enabling approach, it has occurred in Bangkok only on a small scale (4 projects with 6,000 households beneficiaries to date), and is in any case a slow and difficult process.

There is a gradual recognition of the role of rental housing in providing shelter to the urban poor. A decade ago, little was known about the nature or importance of renting, and there was little provision for rental housing in official shelter policy beyond the direct production of rental units by the state. Although policy still lags behind (and the GSS makes little reference to the rental market), there is at least a great deal more information about this type of accommodation. In October 1989, in collaboration with the Institute for Housing Studies (IHS) in Rotterdam, UNCHS held an expert group meeting on rental housing. The collection of a large number of papers presented at that meeting will be available as a publication before the end of this year.

The role of women in shelter provision and improvement is now explicitly recognized, even if it is not adequately supported and facilitated by official agencies. Again, this recognition came gradually over the years and was greatly advanced by the Nairobi Conference on-Forward-Looking Strategies in 1989. Also, the role of small and intermediate urban centres has been

brought into sharper focus over the last ten years, in relation to both shelter provision and industrial and commercial development. Finally, integrated approaches to shelter issues encompassing health, nutrition and employment have emerged as researchers and practitioners have recognized the essential links which exist between different aspects of the shelter environment. All these changes are reflected in the GSS, though to varying degrees. However, **implementation** of these new ideas has been very variable.

As a general and preliminary assessment, one can say that many countries have responded positively to the GSS and have already started to implement its recommendations in a wide range of areas. The most impressive of these components are (naturally) those which were already in existence and partially developed prior to the formal introduction of the enabling approach in the GSS. These components include community participation and the role of NGOs, support to self-help initiatives, withdrawal from direct production by the state, and a more co-ordinated approach to policy-making. The record in other and more challenging areas, such as the supply of serviced land and affordable housing finance, is less impressive. It is these areas which remain top priorities for more concerted action in the future.

## Relocation of the poor from inner-city areas

UNCHS (Habitat) is concerned about the generally negative experience concerning relocation of the inner-city urban poor. It is generally accepted that it is better to try to avoid the situation altogether - but when it is unavoidable, the question arises as to what would be the best practice to advise? This study was prepared, together with two supporting case studies from Mexico and Nigeria, to review the experi-

ence and to see whether it is possible to formulate any guidelines on the subject.

The basic problem is that urban growth causes considerable increase in the competition for scarce land in inner-city areas. This is reflected in high and rising land values. All predictions are for Third World Cities to continue to grow fast for the foreseeable future. The urban poor, in particular, find great difficulty in competing for these locations and are often forced out.

The public sector, the private sector and the residents may be involved in this process, either separately or together. When the public sector is involved it has a range of options. It may try to avoid relocation, it may relocate the population affected elsewhere in or near the city, or it may do nothing. If relocation is chosen, government rarely has sufficient resources either to obtain a good alternative location or to manage the process well. It may, in fact, have little will of its own or political backing to do very much.

The private sector is concerned primarily with business interests, but may be interested in co-operation with other actors if it can ensure quicker development. The community's role can range from passive to highly active, and can be critical either in preventing relocation, through protest, or in helping to manage it.

Inner-city relocation is normally taking place in a situation where some of the most powerful actors in societies are competing for the most valuable land. This means that the issue is first political, requiring the need to discuss policy. Only subsequently does it become a management and then a technical issue.

The report provides some illustration of the state of knowledge and, indeed, of gaps in knowledge. Many of the relocation experiences deal with cases where decisions were made a long time ago, often in the 50's and 60's; information is

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rather uneven in terms of geographical coverage - Africa, for example, is not well covered; many potentially useful documents were not accessible; and lastly there is very little in the sense of real evaluations - especially in terms of longitudinal studies starting before the relocation and covering the impact on those relocated. The report provides a brief overview of key areas where improved practice of monitoring and evaluation of relocation projects is important, and suggestions for further research in this area. Further research is important and will be useful to further our understanding of practice in relocation.

The report on relocation contains a number of conclusions and lessons learnt. The main conclusion suggests that, too often, relocations appear to have caused unnecessary suffering for the people involved. It is clear that any attempt to remove people from their existing physical, social and economic environment will have far reaching implications for their lives. However, on the basis of the more positive relocation experiences, it appears that negative implications can be limited if a number of conditions are fulfilled. This was, in fact, the case in relocations where a genuine concern for the interests of the people involved existed and was reflected in the allocation of sufficient financial and manpower resources. Unfortunately, the opportunity for participation in the decision making by the relocatees is in most cases rather limited, and this partially explains the lack of success. From the cases reviewed it seems that the interests of those relocated were more assured where CBOs or NGOs took an active role in the process. Their intervention seems to have been beneficial for both the government and the beneficiaries. Through CBOs, self-help power can be tapped, whereas involvement of NGOs lessens both the management burden for the government and supports the interests of those relocated.

The most essential condition for success,

however, seems to be to provide people with sufficient opportunities to rebuild a new source of livelihood. Too often people are dumped in a strange and hostile environment where they have to rebuild their lives from scratch without support in housing and employment. Much suffering is caused because most of the relocations reviewed took place over large distances, implying a loss of jobs while no alternatives for income generation were provided in or near the new site. Serious financial problems are involved, in the form of security of tenure, improved housing and facilities. Where these benefits have been realized by providing people with a satisfactory habitat and sufficient scope for consolidation, the negative impact on the relocatees appears to be much less. In this respect, the option which has been most satisfactory for the relocatees was not necessarily the most comprehensive or expensive. Because of the heavy claim on the management capacities of the leading actors and the lack of affordability of comprehensive options for the relocatees, they often proved not to be successful. Rather, options that realistically took into account the resources and priorities of the relocatees proved to work better.

Much can be learned from the positive experiences obtained in "voluntary" relocations, characterized by a strong involvement of the community, generally assisted by an NGO which is geared to their interests. By making a realistic assessment of their priorities and resources, communities proved to be well able to create a satisfactory new living environment for themselves. However, a strong community organization seemed to be a necessary condition for this success.

It appears that much remains to be improved in the planning of relocations. In most cases planning decisions were neither tuned to the social and financial needs

and potentials of the target group, nor to the administrative capacities and financial resources of the project agencies.

UNCHS will continue to pay attention in its future work on housing for the urban poor to the issues of relocation. We would very much welcome a more organized exchange of knowledge on the matter, in order to be in a position to provide better and more useful advice to governments who are faced with making key decisions. Jointly with the World Bank and the International Institute for Housing Studies, UNCHS is planning to hold a small expert group meeting on the subject in early 1992 in Rotterdam.

## **Assistance to urban low-income communities**

Beginning in 1984, UNCHS has gradually increased its attention to strategies for housing the poor which directly support the self help efforts of people living in urban low-income communities. The emphasis is to provide a practical meaning to the people's right to be part of decisions which directly affect their living conditions. By now, the concept of community participation is widely accepted as a useful tool to establish effective working relationships between the government and the community sector. The programme trains public sector officials, mainly housing officers and community development workers of local government institutions in communicating with and assisting the self-help efforts of poor urban communities. At the same time, and complementary to that, it trains community leaders and community representatives in dealing more effectively with public sector institutions, in order to make better use of public sector assistance.

The programme has by now developed a wide scope of training materials on the different technical and organizational subjects of settlement improvement, each of them outlining the scope for community participation. At the same time, the pro-

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gramme has assisted the national shelter programmes in Bolivia, Sri Lanka and Zambia, and is now about to extend its activities to Costa Rica, Ecuador, Ghana and Uganda.

Let me make brief reference to the practical benefits for the poor in urban areas which emerge out of such programmes:

- (a) With the help of the UNCHS/Danida Community Participation Programme in Sri Lanka, several poor urban communities have developed a capacity of carrying out small infrastructure contracts: upgrading the road network, improving the sanitation system, or constructing public wells. Through the community development councils of these communities, support was provided in enhancing the organizational and technical knowledge of community members in carrying out these jobs which otherwise would have been done by outside contractors. In addition, this system of community contracts enables the acquisition of skills and the creation of jobs.
- (b) The concept of "community action planning" has enabled the residents of poor urban neighbourhoods in Sri Lanka to carry out the reblocking of their previously unauthorized plots in a joint land regularization plan. Without the application of aerial photography or cadastral maps, residents organize the basic elements of a land development plan by placing pegs and allocating all land resources of their community for their private and communal uses. Once agreement on a "plan" has been worked out, they contract the services of a surveyor who records the reblocking result in a cadastral plan.
- (c) Community credit co-operatives, thrift societies or credit unions at the level of poor urban communities are

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excellent mechanisms for organized and community controlled development efforts. Also in this case, government intervention is limited to training community members and registering these organisations under a country's society or co-operative law in order to enable links to institutional finance. Once community credit mechanisms are established, practically all development assistance in support of communities can be channelled through such a system.

Through a new programme of strengthening community management in the development and operation of facilities and services, poor urban communities in Costa Rica, Ecuador, Ghana and Uganda will be assisted in establishing procedures of participatory provision of community facilities, services and housing improvements which are based on effective forms of co-operation between the communities, non-governmental organisations, the private sector and relevant government agencies. The programme is designed to contribute to establishing sustainable development in low-income settlements and will emphasize:

- (i) the assistance to developing viable and replicable strategies for community management wherein public agencies play an enabling and supportive role in an effective partnership with communities,
- (ii) address the specific needs and priorities of women in low-income settlements and to provide for their full involvement in formulating and implementing community improvement programmes and
- (iii) supporting public authorities in increasing their community approach

in local improvement and development programmes through the preparation of enabling policies and strategies.

There appears to be a clear justification to establish a programme which at the same time (i) strengthens community management and improvement through training and concrete actions in the communities and (ii) focuses reorienting government practices and policies in facility and service provision with emphasis on an enabling approach whereby the public sector's main role is to support community action. Such a programme concept will, through its institution building efforts at both community and local government levels, contribute to a sustainable development which will enable community-based efforts to continue and take place beyond the time period of this programme.

By providing a short overview of some research and development work currently going on in UNCHS (Habitat) on shelter and low-income groups, I am looking forward to establishing useful contacts with the European Network for Housing Research. I am eager to learn from the scope of your present involvement in the issues of housing the poor, and would very much welcome close contacts with your organization. ■

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## NOTES

1 The Global Strategy for Shelter to the Year 2000 was adopted by the General Assembly of the United Nations at its forth-third Session in Resolution 43/181 on 20 December 1988.

2 Global Shelter Strategy, p.9, paras. 15, 16, and 18.