CITIES WITHOUT SLUMS

The Case for Incremental Housing

Patrick Wakely & Elizabeth Riley

Cities Alliance Policy Research and Working Papers Series No. 1 | June 2011

dpu

Cities Alliance
Cities Without Slums

About Cities Alliance Policy Research and Working Papers Series

Publications in this series capture rigorous research and analyses of trends and innovations in urban development. These are designed to inform as well as to stimulate focused debate and discussions on the issues among all city stakeholders, from national and local policy makers to federations of the urban poor, to contribute to the overarching goal of enabling the transformative role of cities in poverty reduction. Papers in the series are normally subject to a robust peer review process by recognised experts in the fields of discussion, and are produced to the highest editorial standards. They are normally published on-line but few available hard copies can be requested for by sending an email to: info@citiesalliance.org.

Series Editorial Director: William Cobbett
Managing Editor: Chii Akporji

1818 H Street, NW, Washington, D.C. 20433, U.S.A.
www.citiesalliance.org

Cover Photo: Policarpa Salavarietta, Bogota, 1976. © DPU Associates
The architectural styles and standard of construction of each floor of this house in Barrio Policarpa Salavarrieta in Bogotá, Colombia clearly reflect the growing fortunes and changing preferences of its owner over the twenty-year period of its incremental construction. Right from the start he/she built a second entrance door with the ambition of being able to sublet part of the house sometime in the future in order to supplement his/her income. The neighbours on either side have chosen not to invest so much in their dwellings, or they have been unable to do so.

Design: The Word Express.

Contents

Abbreviations and Acronyms

ACHR	Asian Coalition for Housing Rights
Asian	Coalition for Community Action (ACCA)
ADB	Asian Development Bank
CHF	Cooperative Housing Foundation International
DBP	Development Bank of the Philippines
DfiD	Department of Foreign International Development
DPU	Development Planning Unit, University College, London
GIS	Geographic Information Systems
GTZ (now GIZ)	Deutsche Gesellschaft für Internationale Zusammenarbeit
HUDCC	Housing and Urban Development Coordinating Council, the Philippines
IADB	Inter American Development Bank
IDRC	International Development Research Center, Canada
IHC	International Housing Coalition
IIED	International Institute for Environment and Development
MIT	Massachusetts Institute of Technology
NGOs	nongovernmental organizations
NSDF	National Slum Dwellers Federation
SDI	Shack/Slum Dwellers international
SiDA	Swedish International Development Agency
SPARC	Society for the Promotion of Area Resource Centres
S&S	Sites and Services
UN-Habitat	United Nations Human Settlements Programme
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WB	World Bank

Acknowledgements

The need to re-make the case for public sector support for incremental housing processes in the context of current urban policy initiatives and practices was conceived by Billy Cobbett, Manager of the Cities Alliance, who commissioned the study in 2009. The scope and structure was developed in discussions with Julian Baskin and Andrea Merrick, Cities Alliance' Senior Urban Specialist and Urban Specialist respectively. These discussions served to confirm the importance of reviewing the ways in which affordable housing is procured informally by low-income urban households, and of revisiting 'what went wrong' with sites-and-services and slum upgrading in the 1980s as a starting point for the study. Julian Baskin and Judy Baker, Lead Economist in the Finance, Economics and Urban Department of the World Bank, made valuable comments on early drafts of the study particularly by providing experienced insights into the role and potential of the formal private sector in incremental housing processes. Chii Akporji, Cities Alliance' Communications Specialist managed the design and editing of the final publication with great professionalism.

Foreword

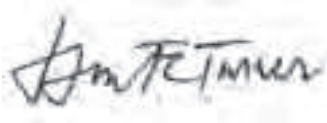
The study makes an irrefutable six-fold case for realizing the full potential of a most successful way of building: 'informal incremental urban settlement'. It describes procedures by which millions of low-income people develop their homes and neighbourhoods, often to surprisingly high standards as the series of excellent photographs prove. Half a century ago virtually all squatter settlements were seen as slums and city cancers. Few saw the difference between "Slums of Hope" that have the potential for development, and "Slums of Despair" which did not. Failures of eradication and resettlement policies strengthened the view that many informal settlements solved more problems than they created. The emergent policies described in this publication followed international agencies' recognition of this fact, reinforced by some pioneering national government agencies.

The facts and the potential for incremental housing are stated clearly here but they have yet to be learned by many. It is hugely encouraging that the Cities Alliance is publishing '*The Case for Incremental Housing*'. It is a 'must read' for all concerned with sustainable development and justice, both by those struggling for their rights to do what they are able to do for themselves as well as by those who support them. Translations are essential.

The way in which the clearly stated series of incremental housing strategies are introduced and set out identifies the key principles evident in the practices: subsidiarity; assigning actions to the lowest levels at which they can be competently carried out; the variety of forms required to meet motivating priorities and the economic use of human and material resources that follow. As these principles are universal they raise a very important issue: obviously they apply to incremental housing in low-income contexts, so what can be learned from that experience for adapting that and other community-building ways of creating homes and neighbourhoods in the same and in other contexts?

It's this last part of the question that drew me back to England, my own country where I and other associates have had only very modest success in our efforts to work with community groups. We learned the hard way that a society with such a deeply eroded community base poses greater and deeper challenges than those that have strong reasons to cooperate.

There can be few better starting-points for learning from incremental housing in its 'informal' and integrated states.



John F. C. Turner

Author of the seminal paper: ***'Uncontrolled Urban Settlement: Problems and Policies'*** prepared for

the United Nations Centre for Housing, Building and Planning and presented at the Inter-Regional Seminar on Development Policies and Planning in Relation to Urbanization, organised by the United Nations Bureau of Technical Assistance Operations and the Bureau of Social Affairs, in co-operation with the Government of the Unites States of America at the University of Pittsburgh, Pittsburgh, Pennsylvania, USA, 24 October–7 November 1966. This paper was also reproduced in many important subsequent publications.

Executive Summary

The issues

Informal settlements accommodate more than 50 percent of the population of many cities. They are characterised by flexible, responsive, and affordable housing processes that enable families to extend and improve their dwellings over time. At the same time, their legal status is usually insecure, they are under-serviced by urban infrastructure, are often unhealthy living environments, and in some cases are physically unsafe.

Government efforts to address these problems through the construction of subsidised completed dwellings for low-income groups are seriously limited by cost and management capacity. By comparison, slum-upgrading programmes can provide security of tenure, adequate infrastructure, and local management capabilities to households and communities in existing informal settlements, at a fraction of the cost. In addition, sites and services (S&S) programmes can redress the growth of new informal settlements and the proliferation of slums (which are growing by 5 percent per year in many cities) by providing secure access to land and services and enabling households to construct their dwellings incrementally as their resources allow at a significantly lower cost than conventional public housing programmes.

Incremental housing strategies in context

Many S&S projects were implemented in the 1970s and '80s. They went out of fashion for a variety of reasons, however, significant among which was that they were not given enough time to mature before being evaluated. The consolidation of low-income houses and neighbourhoods is a slow process. Projects were often sited on the urban fringes where land was cheap but isolated from centres of employment and urban social services and networks. The cost of services, planning standards, and mandatory building controls rendered many projects unaffordable to their target groups.

The case for supporting incremental housing strategies

With a better understanding of urban poverty and new approaches to urban planning and management, there is a strong case for governments to initiate and support incremental housing strategies as a major component of integrated urban development. The case rests on six major arguments:

- *The numbers case*. By engaging householders in the production and management of their own dwellings and neighbourhoods, far more legal,

safe, and healthy dwellings affordable to low-income groups can be procured than by conventional approaches.

- *The financial case*. By providing security of tenure and access to services, even poor households are able to invest in housing and neighbourhood development through saving and borrowing, thereby sharing the cost of urban development with the government.
- *The urban management case*. By recognising the most effective levels of decision-making and delegating the authority that is required for incremental housing development, partnerships that enhance the efficiency of urban management and the administration of urban services can be built.
- *The urban development case*. By planning areas of legitimate low-income housing development as part of an integrated urban development strategy, governments can set strategic priorities for an entire urban area rather than resorting to *ad hoc* measures.
- *The governance case*. By engaging households and community leaders in the incremental development of their housing and neighbourhoods, a system of good governance that helps ensure transparency and accountability in decision-making can be created.
- *The social and economic development case.* By encouraging cooperation through incremental development, local communities are built and strengthened. Furthermore, by creating job opportunities through the provision of training and technical support, household incomes can be increased.

Components of incremental housing strategies

National or citywide incremental housing strategies entail the adoption of new approaches to public sector support in seven key areas of intervention: (i) land and location, (ii) finance, (iii) infrastructure and services, (iv) beneficiary selection, (v) site planning and building controls and supports, (vi) community organisation and asset management, and (vii) citywide strategic planning. An integrated housing policy framework must address each of these components in conjunction with the others.

Conclusions, capacity building & the way forward

About half the population of the developing world live and work in towns and cities and a third of them (830 million) in informal settlements or slums. Though there are many 'slums of despair'—seemingly hopeless neighbourhoods of poverty and environmental degradation—the majority are 'settlements of hope'—informal neighbourhoods and communities in the process of building their cities through their own endeavours and ingenuity. They demonstrate a process that has been shown to be both effective and efficient in terms of its responsiveness to their occupants' fluctuating needs and fortunes. However, they are often constrained by a lack of official or recognised supports that would extend the effectiveness and efficiency of incremental housing processes for the development of the city as a whole. As pointed out above, the starting point for this is the understanding of the principle of subsidiarity and a political will to devolve authority down to the level of organised urban communities, coupled with investment in innovative capacity building.

* UN-Habitat, 2003 (Second Edition, 2010)

SECTION 1

The Issues

This report has two purposes: to demonstrate that governments and international development institutions should support informal incremental housing processes and to explore how best they can do this. In supporting the incremental building and improvement of housing by and for low-income groups, governments must recognise that the majority of low-income households gradually erect and change their homes as their needs evolve and their resources allow. Informal, incremental housing processes are household driven, enabling low-income people to acquire, extend, improve, and service their dwellings and neighbourhoods over time.[1]

Virtually all permanent and serviced housing is procured as an incremental process that takes place over relatively long periods of time. Only a minute segment of any society—that is, the very wealthy—has the resources to purchase outright or construct their dwellings as a one-off event. Upper- and middle-income households with regular incomes and collateral have access to long-term credit—housing loans and mortgages—that may take between 15 and 30 years to redeem. Households with low or irregular incomes and no access to formally recognised collateral construct minimal basic dwellings, which they extend and improve as resources become available and as the need for bigger or better structures becomes a priority. This process of extension and modification can take decades—or may be never ending.

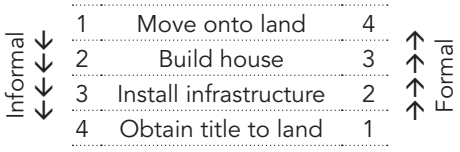
1.1 INFORMAL URBAN HOUSING PROCESSES

In general, housing procurement processes for low-income households in the informal sector take place in the opposite order of those in the formal sector (figure 1).[2]

There are many variations to each of these stages in the informal process of settlement development. That said, the stages may be usefully characterised and summarised as follows:

[1] CHF, 2004.
[2] McLeod and Mullard, 2006.

FIGURE 1 **Sequence of procurement processes for formal and informal housing**



Source: McLeod and Mullard (2006).

1.1.1 Acquiring land

The informal settlement of urban land falls into two broad categories: squatting and unregistered land sales.

Squatting occurs when households or groups of families settle on vacant land by constructing rudimentary shelters. If they are not immediately evicted, they gradually consolidate their dwellings. Encouraged by the success of the original squatters, other households join them. The settlements usually exhibit a high degree of community cohesion borne out of solidarity during the illegal process of squatting. In some situations, notably in some Latin American countries in the 1960s and '70s, squatters settled on large tracts of urban and peri-urban land literally overnight, relying on the security of numbers to make eviction technically and politically difficult, if not impossible. These large-scale events are known as land invasions, and they often have politically motivated organisational support. Squatting occurs on any vacant or undeveloped land within urban areas or on the periphery of towns and cities. The land may be suitable for development, or it may have been left vacant because it is not safe, such as steep slopes subject to erosion; land prone to flooding; or road, rail, river, and coastal reserves.[3] Although squatting occurs on both public and privately owned land, in most situations squatters choose government land. They feel that public institutions, which have a weaker sense of ownership or opportunity to gain financially from the sale or rental of their land, are less likely to evict them than private and commercial landowners. In many cases, informally organised squatting is done in plots with some semblance of regularity to allow for access ways and the eventual installation of water and drainage lines. The majority of squatter settlements, however, particularly in South Asian and African cities, have been irregularly developed with high densities, making servicing difficult and creating serious obstacles to both access and escape in the case of fire, flooding, or other emergencies.

The other form of informal land settlement—*unregistered land sales*—differs significantly from squatting. It is based on an exchange of money at a price that is agreed on by both the landowner and the purchaser. What renders this land affordable to the lowest-income groups is that the land use is not legally recognised. This is either because it is unsafe or inappropriate for habitation or otherwise in contravention of official regulations, or because the vendor lacks a recognised title to the land that he is selling. Furthermore, informal developers, recognising the potential risk that such transactions entail, tend to sell their land in small plots that are affordable to lower-income groups. The process of parcelling land varies, ranging from direct sale by the owners of peri-urban agricultural land, to the wholesaling of tracts of land to informal developers, who then subdivide it and retail it to households, sometimes even providing credit facilities. A common characteristic of parcelling is the high density of saleable plots, which allows only minimal provision for access ways and little, if any, for service buildings (such as schools and clinics) or recreational space, though the provision of public infrastructure and services at a later date is generally anticipated, if not informally "finessed" by the developers in the first place.

[3] UN-Habitat, 2003.

1.1.2 Construction

The building of houses in informal settlements is invariably an incremental process. Households start with the most basic and affordable shelters. They then invest in the extension and improvement of their dwellings as their circumstances allow and in accordance with their priorities for the investment of their time, energy, and resources and their assessment of the risk of eviction. In many circumstances, the development of a permanent house is a lower priority than investment in other assets, such as a business or a child's education. Extension or improvement of a house may be confined to times of good fortune when a surplus income is available and may be constrained by hard times of unemployment or sickness.

A universal constraint to investment in informal settlements is the insecurity of title to land and property. The threat of eviction or demolition accounts for the creation of slum conditions in urban areas. At the same time, the low quality of housing and service facilities in informal settlements keeps the cost of rental housing affordable for the poorest families. The extent of buildings developed by landlords who rent rooms to poor households in informal settlements is often under-estimated. The rental housing market is a major source of income, not only for large-scale landlords who may own many slum properties, but also for individual subsistence landlords and households that rent rooms to supplement their incomes.

The standard of construction in informal settlements if often cause for concern. Although frequently this is due to the appearance of non-permanent and second-hand building materials rather than a real danger of structural collapse, there clearly is a need for technical advice. Local skilled artisans and non-governmental organisations (NGOs) can provide technical advice in some cases, but in others, as when structures are built for rent rather than owner occupation, dangerous buildings are erected. This practice is especially dangerous in seismic or unstable areas such as slopes, river banks, and uncompacted reclaimed land.

1.1.3 Infrastructure and services

Many new informal settlements have only the most precarious access to water, sewerage, and solid waste disposal, and many illegally hijack power. Utility agencies and service departments are torn between their duty to provide adequate services to all citizens and the implications of giving *de facto* recognition to illegal settlements by providing them with facilities. (In many cities this dilemma has been inadvertently eased by the process of privatising service delivery, since private sector suppliers tend to have little interest in the legality of their customers as long as service charges are paid). Yet over time—and with political pressure—infrastructure is upgraded and services are provided: water lines are laid, sewerage disposal systems are installed, access to power is provided, streets are paved and lit, and in some cases schools and clinics are built. However, these interventions cost substantially more and inevitably cause greater social and physical disruption than if they had been provided at the outset of the settlement process.

1.1.4 Secure title

Early slum-upgrading projects tended to be confined to the supply, extension, and improvement of physical infrastructure in under-serviced settlements. Little or no attention was paid to community development, engagement in local governance, or the legal status of the households' title to their land and property. Increasingly, however, security of tenure has been recognised as crucial to householders' sense of ownership and stewardship of their neighbourhood assets. Unfortunately, where land has been squatted on or sold for development that does not conform to its statutory use category or the prevailing planning standards (such as plot sizes and road widths), formalisation of title in the name

of the incumbent households or even the granting of collective title to a community is difficult, particularly when the original occupation took place several years (or generations) back. There are many examples of complex legal arrangements for the transfer of title to land involving the claims of long-term absentee landowners, the sharing of property between *de jure* owners and *de facto* users, the establishment of fair compensation for land that has lost its value by being squatted on, and so on.

In summary, the incremental construction process of the urban informal sector, while generally being commercially viable (affordable) and socially responsive (flexible), is beset by inefficiencies and insecurity that stem from its informality, which is generally equated with illegality.

1.2 STRATEGIC APPROACHES TO LOW-INCOME URBAN HOUSING

Governments and international agencies have adopted three broad approaches to ameliorating the deficiencies in the informal incremental housing procurement process. Each approach ultimately aims to extend the formal housing supply to embrace households with lower incomes or with less collateral than is conventionally acceptable in the private housing market. Although none of them has met with outstanding success or universal acclaim, and some need further development, each has merits that should not be ignored.

1.2.1 Public social housing

The first approach that dominated urban public housing policies in the 1960s—and still exists to some extent in most countries—is often referred to as conventional or social housing. The approach is based on the idea that the government must intervene in the formal housing market to enable lower-income groups, excluded from it by poverty or lack of secure collateral, to join it. To do so, the public sector constructs dwellings and applies subsidies to make them affordable for low-income households to rent or buy with long-term repayment terms.

While this approach generally provides good-quality, fully serviced dwellings of permanent construction, it has many drawbacks, the most prominent of which is its high cost to the state. For instance, in 1972 during the heyday of conventional public housing construction, the Tamil Nadu Slum Clearance Board in India set a target to rid the city of Madras (Chennai) of its slums over the following five years. By 1977 it had built 17,450 subsidised housing units. Impressive though this was, a further 200,000 households (1 million people) were left in appalling and unserviced slum conditions. In the same year, the Karachi Development Authority set a target to construct 3,000 minimal apartments to re-house slum dwellers. By 1980, when the project was abandoned, only 800 units had been constructed.[4] More recently, the South African government set a target to eradicate slums by 2014 by providing subsidised serviced housing for the country's lowest-income groups. That ambitious target resulted in the doubling of the country's housing budget from R5 billion to R10 billion (US$0.7 billion to US$1.4 billion) between 2004 and 2009—an increase of nearly 20 percent per year. Despite the enormous investment, by 2009 only half of the required output of 500,000 new subsidised housing units per year had been achieved.[5]

Public housing agencies throughout the rapidly growing cities of developing countries have had similar results. Governments and municipal administrations of rapidly growing cities with large and growing housing deficits simply cannot afford to subsidise

[4] Wakely and Aliani, 1996.
[5] Ndaba, 2008.

decent housing for all of the low-income urban population. Furthermore, their efforts are often left open to opportunistic abuse in the open market.

1.2.2 Slum upgrading

The second approach to low-income urban housing is slum upgrading, which international agencies began to promote in the 1970s. Slum upgrading encompasses public sector support to households that have been denied access to the formal land and property markets and have instead taken the initiative to house themselves informally (illegally) either individually or through unregulated developers, as outlined in Section 1. 2.1 above. The upgrading process can entail the granting of secure title to land and property to encourage household and community investment; the installation or extension of public infrastructure (such as water, sanitation, and power); the provision of services (such as schools, health facilities, and recreation space); and the development of effective local governance and management mechanisms.

Slum-upgrading processes have successfully reached many low-income households and stimulated investment in the development of regular low- to middle-income neighbourhoods. However, even where slum upgrading has been effective, it has not necessarily been efficient, as most informal settlements have not been planned with the provision of access and services in mind, which often makes the installation of infrastructure both costly and environmentally disruptive. Furthermore, many settlements are built on peri-urban land that has been informally subdivided by its former agricultural owners or on inner-city sites that have been spontaneously squatted by their occupants, and therefore are not located in accordance with the optimal distribution of land uses for the city as a whole. In short, while the upgrading of informal settlements addresses existing housing inadequacies, it cannot accommodate the provision of affordable decent housing for the growing low-income populations of developing cities.

1.2.3 Sites and services

The third approach relies on urban sites and services (S&S) programmes, which combine elements of the other two approaches. S&S programmes abounded in the 1970s and ’80s but have gone out of fashion for reasons that are discussed in Section 2.3 below. Conceptually the S&S movement sought to minimise the public costs and subsidies required by conventional social housing programmes by providing only those components that individual households could not easily procure for themselves—land, infrastructure, and services. The low-income homeowners to whom serviced plots were allocated had to use their own resources, labour, and time to build their houses. The interpretation of publicly provided services varied widely, ranging from pegs in the ground demarcating plots with access to communal public water points and latrines, to fully serviced starter homes that the beneficiaries could extend.

The S&S programmes were beset by many problems, including the imposition of standards of design and construction that were unaffordable, speculation and gentrification, high rates of default on loans and rents, and social problems such as unemployment and exclusion. Many of those problems arose because S&S schemes were located on cheap land on the urban periphery, far from jobs, transport, and social facilities. Poor financial planning and mismanagement also caused problems. Nevertheless, the concept of state-supported incremental housing remains valid.

The S&S approach has the potential to build upon the affordable and flexible incremental housing construction and improvement practices of low-income groups within the framework of planned interventions that boost the supply of housing at a cost that

is acceptable to both the governments and the poor. With a better understanding of urban land markets, housing finance, urban planning requirements, governance, and poverty, there is considerable scope for contemporary S&S schemes to contribute to the housing of low-income people in suitable locations at affordable costs and to socially and environmentally acceptable standards.

In conclusion, liberal democratic governments in rapidly urbanising countries (except Singapore and Hong Kong in the 1960 and '70s) have been unable to construct conventional subsidised housing that is affordable to the lowest-income groups in significant numbers. Regardless, many governments continue to pursue the political rhetoric of such policies. Successful slum-upgrading programmes that provide security of tenure to land and acceptable standards of service provision—even while respecting and supporting responsive incremental housing construction and neighbourhood development—have demonstrated many innovative approaches to officially recognised incremental housing strategies. Providing informal neighbourhoods with water supply and sewerage networks, adequate access ways, schools, and clinics after they have been developed—although technically cumbersome and socially disruptive—has been shown to be a more economical use of public resources than the construction of conventional public housing. The best S&S projects ensure that adequate facilities are available and that households have secure title to land within a framework of strategic urban development plans before incremental construction begins. Nevertheless, the success of the S&S approach hinges upon providing the right support for incremental housing processes without over-institutionalising and formalising them to the extent that they become inflexible and restrictive.

SECTION 2

Incremental Housing Strategies in Context

2.1 THE EMERGENCE OF POLICIES TO SUPPORT INCREMENTAL HOUSING

Government projects to assist the poor in self-building have been common since the mid-twentieth century.[6] In Nigeria, for example, the colonial government acquired large tracts of land and laid out and installed basic infrastructure before allocating the serviced plots to individuals and corporate bodies for development.[7] In the mid-1940s, the government of Mexico authorised private developers to lay out vast residential housing estates (without imposing planning requirements and development controls) and sold plots at costs affordable to very low-income households. For example, Ciudad Netzahuacoyotl, on the outskirts of Mexico City, was developed in 1958 with minimal services, had a population of over half a million by the 1970s, and is now fully developed with a population of over 2 million.[8]

Early state-supported incremental housing initiatives tended to be piecemeal, one-off projects. Official programmes for the construction of subsidised completed housing dominated public housing policies. At the same time, urban squatter settlements and slums grew rapidly on illegally invaded and subdivided land, but those highly visible, informal, and incremental processes were in no way seen as a legitimate means to provide housing. It was only in the 1960s that this view began to change. Largely due to the research and writings of a small group of academics, the incremental approach began to be recognised as a logical and effective strategy employed by the poor to house themselves. Notably, John F. C. Turner[9] and William Mangin[10] looked at and analysed the highly organised and effective informal urban housing strategies of poor people in Peru. Charles Abrams also recognised the effectiveness of informal housing processes and suggested state support for incremental housing projects as early as 1964.[11] Encouraging and supporting the poor's approaches to meeting their own housing needs began to be recognised as a way forward for policy makers, who were struggling to build sufficient public housing units at affordable prices to shelter rapidly growing low-income urban populations.

6 UN-Habitat, 2003.
7 Adedeji and Olufemi, 2004.
8 Gattoni, 2009.
9 Turner, 1967.
10 Mangin, 1967.
11 Abrams, 1964.

The origin of state involvement in incremental housing strategies was therefore the reluctant acceptance that informal housing delivery systems performed much better than public attempts to build dwellings in a number of respects: they were affordable without recourse to public subsidy, they were flexible and responsive to the changing needs and unstable fortunes of poor urban families, they were self-managed and made few demands on hard-pressed public administrations, and they met the needs of the rapidly growing urban populations of developing towns and cities.[12] As a result of this acceptance, the early 1970s saw a conceptual shift from slum clearance to slum upgrading. The destruction of dwellings was replaced with the recognition of the value of the informal housing that constituted a major proportion of many cities' total housing stock. Slum-upgrading projects were initially confined to the provision of physical infrastructure and service buildings. Only later was the importance of security of tenure and the development of a collective sense of ownership and community asset management properly understood. The upgrading process almost invariably entailed the demolition of some dwellings to make way for infrastructure runs, sites for schools and clinics, and the removal of dangerously located dwellings. Even in the best projects, land had to be made available for re-housing adjacent to the upgraded area in order to minimise the disruption of community cohesion. As serviced land was made available to re-located families, S&S projects began to develop independent of the slum-upgrading programmes, though many remained linked.

S&S projects stimulated the self-building processes that were evident in squatter settlements in two ways. First, they gave residents control over their houses. More importantly, they gave the state control over the location of settlements and the standards of development within them. Lower standards (in terms of infrastructure, residential densities, services, and the construction of core houses) meant lower costs, which allowed S&S projects to target low-income groups, including those already in squatter settlements.[13] However, many of the earlier state-supported incremental housing initiatives tended to impose relatively high standards that were unaffordable to the lowest-income groups, many of whom sold upmarket to middle-income groups. In response, the incremental housing initiatives that emerged in the 1980s assumed that the poor could only afford to spend 15 to 20 percent of their disposable income on housing and infrastructure costs. Projects therefore had to keep standards to a minimum, striking a balance between affordability and the negative perception of the "officially sanctioned construction of new slums."[14]

2.2 RANGE OF SITES AND SERVICES PROJECTS

In the early 1970s, multilateral donors and banks, most notably the World Bank, began to support incremental housing by launching a series of S&S projects (and, soon after, squatter-settlement-upgrading programmes). Other significant multilateral lenders and donors in the housing sector included the Inter-American Development Bank (IDB), which funded S&S projects in Central America, and the Asian Development Bank (ADB), which funded projects in Asia. The United States Agency for International Development (USAID) was also heavily involved in S&S but later shifted to funding slum-upgrading projects in Africa and the Middle East.[15]

[12] Van der Linden, 1992.
[13] Cohen, 2007.
[14] Cohen, 2007.
[15] IHC, 2008.

By 1983 the World Bank had supported more than 70 S&S projects.[16] The key components of each project were a plot of land, infrastructure (roads, water supply, drainage, electricity, or a sewage network), and sometimes part of the superstructure of a house. Government agencies were thus involved in acquiring land, dividing it into plots (leaving land available for the construction of service and amenity buildings), providing basic infrastructure, and setting up the financial mechanisms to sell or lease the land and its services to the intended beneficiaries. The beneficiaries were responsible for building the house (sometimes with the exception of a pre-constructed core) using their own resources, such as informal finance or family and community labour. Occasionally, the project provided loans to cover at least part of the cost of construction.

Some S&S projects extended the provision of services even further. For example, some included a "wet services" core on each plot with connections for water, drainage, sewerage, and electricity, while others had a full sanitary core consisting of a bathroom/toilet and a kitchen to foster household and community health. Still others provided beneficiaries with a complete room or a plinth on which to build.[17] Projects with more extensive provisions of a superstructure resulted in more expensive units and therefore either required greater subsidies or demanded a higher income level from the project beneficiaries. Similarly, plot sizes ranged enormously, from 25 square metres of bare land with ungraded access roads, communal water points, and community latrines in the big World Bank schemes of Chennai (Madras) in India; to 250 square metre plots with bathrooms, kitchens, and two rooms in a World Bank project in Amman, Jordan. In Tanzania and Zambia, experimental "sites-without-services" projects were carried out to keep costs low.[18] The boxes below provide examples of four S&S programmes in the developing world.

2.3 PERCEIVED PROBLEMS

Many of the early S&S projects were judged to be problematic. This was partly because the length of time for the projects to mature was not understood and so they were evaluated on the basis of unrealistic short-term objectives. But there were also very real problems on the ground. The failure of the first World Bank-funded S&S project, Parcelles Assainies in Dakar, dampened the initial enthusiasm of donors and governments for S&S and pushed them into the upgrading of existing slums and the wider-focus, "softer" approach of urban policy and management.

Some projects did not reach lower-income levels as intended, for a variety of reasons. First, corruption in the beneficiary selection process allowed upper-income speculators to benefit from subsidised developed land. The fragility of household budgets and the inability of households to meet the cost of construction on top of paying the basic land and infrastructure costs were also under-estimated. Mandatory house designs and construction standards often required the use of house plans and high-quality building materials that were not affordable. Furthermore, projects were located on the urban fringes, where land prices were low but transport costs to centres of employment and social facilities were high, if available at all. Finally, beneficiaries could not meet deadlines for construction because they were either unable to raise funds or had higher investment priorities.

A World Bank evaluation of S&S projects in El Salvador, the Philippines, Senegal, and Zambia claimed that they were affordable down to the 20th

[16] Cohen, 1983.
[17] Srinivas, no date.
[18] Choguill, 1995.

BOX 1

Parcelles Assainies, Dakar, Senegal

The first urban World Bank S&S project, Parcelles Assainies, began in Dakar, Senegal in 1972. The site for the project was a vacant area north of Dakar dominated by sand dunes. The Office d'Habitat de Loyers Modérés (OHLM) planned to use a 50-year, $8 million interest-free loan from the World Bank to develop 14,000 house plots of 150 square metres each on 400 hectares of land, with an average occupancy rate of 10 people per household. The project included minimal infrastructure and sufficient public spaces, schools, health clinics, and community centres to serve 140,000 people. Beneficiaries would buy their plots and infrastructure through their savings or a 15-year loan at 7 percent interest, and then build their home.

The project was intended for the very poorest families, but initially it only reached down to the 47th income percentile. After some adjustments, the majority of plot purchasers fell between the 20th and 65th income percentiles. The project start was delayed due to disagreements between the government and the World Bank. By 1978 only 20 households had moved in. Major cuts to the project budget were made in 1976, reducing the size of the site to 300 hectares and cutting back on education, health, and community facilities. The political need for plots to be occupied, coupled with corruption, meant that better-off occupants dominated the site—1,000 families never even went through the selection process. The project wound up in 1981–82, five years later than planned.

There were two main reasons behind the project's difficulties. First, the project designers "did not explicitly examine the projected level of density of the project from the perspective of the medium or long term time frame; and secondly, [they] did not consider the planned settlement in terms of the wider patterns of land use existing in the city at the time. Rather decisions on density were project-specific [and] disconnected from the urban context as a whole."[a]

[a] Cohen, 2007.

BOX 2

Las Presita, San Miguel, El Salvador

The S&S Las Presita project in San Miguel, El Salvador, began with the supply of 900 units by the implementing agency FUNDACIÓN SALVADOREÑA DE DESARROLLO Y VIVIENDA MÍNIMA (FUNDASAL) in the 1970s with a World Bank loan. It had an innovative clustered land development pattern (36 clusters, each with a large central yard surrounded by 12 to 15 houses), legal land tenure, phased infrastructure, and core starter housing. Core starter options varied in design and had water, sewerage, and electricity. Each core house was built by 15 to 20 families through officially organised mutual aid. Participant families were selected through a long vetting process. Community facilities included a primary school, park/playground, and community centre.

BOX 3

Dandora, Nairobi, Kenya

The Dandora project was the first major World Bank S&S venture in East Africa and the first to give major emphasis to community development as an integral part of the project's design and management. It grew out of the far-sighted Nairobi Metropolitan Growth Strategy formulated within the Nairobi City Council (NCC). The project site was on the eastern fringes of the city with easy access to its main industrial area. The project's first phase made 6,000 plots available, each with a "wet services" core for three different income groups, the majority of which comprised just a toilet, tap, and shower. Loan financing for the construction of two rooms using unpaid self-help labour was provided. Community facilities included six primary schools, two health centres, markets, two community centres, and a sports hall. Trunk infrastructure included paved roads with street lighting, water, and a waterborne sewerage system. The project included 330 plots sold at market prices to subsidise the cheapest plots.

The agreement with the World Bank stipulated that a special project department be set up within the NCC to manage the project. The department comprised four divisions: administrative, legal, technical, and community development. The community development division was responsible for all aspects of public participation, including working with and providing training for allottees before, during, and after the occupation of their plots. It also coordinated independent non-governmental organisations working with the project.

income percentile.[19] However, an independent review reported that the bottom 40 percent of households were excluded from most World Bank projects.[20] This led to criticisms that S&S projects mostly benefited the better-off within squatter settlements, leaving a "sharply defined underclass" without housing.[21]

Low rates of cost-recovery were frequently cited as a failure of S&S projects. This was in part due to the imposition of short-term cost-recovery regimes that belied the very nature of incremental development and that low-income households were unable to meet. Other causes included delays in the provision of services, inadequate or unmanageable collection methods, lack of sanctions for non-payment, and the absence of political will to enforce payment.[22]

In sum, there was an expectation that S&S projects would produce orderly, well-serviced, well-built, and uniform housing estates within just a few years of initiation. Many government officers were still wedded to the unrealistic image of conventional public housing, and politicians, wary of being branded as public slumlords, could not cope with supporting incremental housing that could take years or decades to mature. Furthermore, there was a lack of trust in the construction skills of the poor people that the projects sought to target. As a result, officials, unable to devolve responsibility to the most effective levels of authority (that is, the beneficiary households and communities), meddled and provided too much unsought guidance from above.[23]

[19] Kearne and Parriss, 1982.
[20] Choguill, 1995.
[21] Peattie, 1982.
[22] Srinivas, no date.
[23] Choguill, 1995.

BOX 4

Khuda-ki-Bastee, Hyderabad, Pakistan

In 1986 the Hyderabad Development Authority (HDA) set out to simplify the provision of affordable housing to the lowest-income groups by imitating the informal housing process. It subdivided land on the city's urban fringes into 3,000 plots and advertised them. Eligible applicants were then housed in reception areas for two weeks under very basic conditions to test their seriousness. Those who passed the test were then allocated an 80-square-metre plot with no infrastructure for a payment of US$30. Water was delivered by tanker. Beneficiaries had to live on their plots, but no construction standards were imposed. To avoid speculation, plots that were not occupied were repossessed by the HDA. Beneficiaries were encouraged to pay instalments into a savings account to cover the cost of infrastructure, which was provided once payments had been made. Non-governmental organisations provided organisational and managerial support and training.

After 8 years, the project had achieved strong results. Around 2,800 plots had been allotted with a total population of around 18,000. Five doctors provided health services in a permanent health-care unit of the Family Planning Association of Pakistan. Private buses took residents to central Hyderabad and industrial locations every 30 minutes. The development had 110 shops, and more than 247 carpet looms provided jobs to at least 600 people. In terms of infrastructure, residents had collected and spent some US$1.5 million on water supply, sewerage, and electrification, and every house had electricity and indoor water supply. Finally, more than 2,000 houses had been built with permanent materials (nearly all families had started with reed huts), and around 70 collateral-free loans for enterprise development with a total value of $27,000 had been disbursed to some 150 families.

The approach to low-income housing provision in Hyderabad had several significant characteristics. First, the programme required only minimal capital outlay and management overheads by HDA. By mimicking the informal settlement process, the programme was affordable and sustainable. Finally, the scheme was most successful in the blocks where non-governmental organisations had helped to organise community leadership and management. The HDA used several instruments to ensure the success of the programme: the incremental nature of the scheme; the continuous availability of plots; the issuing of dwelling permits so that only vacant houses and plots could be reallocated; and a simple, single-window bureaucratic procedure, which was performed on the spot.

2.4 THE SHIFT AWAY FROM SUPPORT FOR INCREMENTAL HOUSING

The perceptions and problems that plagued the S&S projects of the 1970s and '80s triggered policy shifts away from direct support to low-income urban housing procurement. By the mid-1990s, only Sudan and Tanzania included S&S as part of their national housing policies.[24]

Although the World Bank has maintained a fairly consistent level of funding for housing, in 1992 it shifted from S&S and upgrading loans to large-scale policy-related loans for housing finance, adjustment, and the privatisation of public services (table 1).[25]

[24] Choguill, 1995.
[25] IHC, 2008.

TABLE 1

Regional breakdown of World Bank shelter loans by type, 1992–2005, in 2001 US$ millions

Region	Sites & services	Slum upgrading	Housing policy	Housing finance	Disaster relief	Total	Percentage in region
Sub-Saharan Africa	16.32	42.42	2.47	17.04	2.92	81.26	1.2
East Asia and Pacific	35.80	40.78	36.12	439.05	33.92	585.66	8.6
Europe & Central Asia	16.46	10.61	311.34	235.20	305.37	878.98	12.9
Latin America & Caribbean	00.0	128.97	656.73	1,584.89	397.34	2,773.29	40.8
Middle East & North Africa	358.26	94.42	48.37	290.43	549.82	1,341.31	19.7
South Asia	79.00	21.18	2.37	145.32	883.95	1,131.81	16.7
Total	505.84	338.38	1,057.40	2,711.93	2,173.32	6,792.31	100
Percentage by programme type	7.4	5	15.6	39.9	32	100	

Source: Buckley and Kalarickal (2006)

Currently, the IDB spends 47 percent of its housing sector loans on upgrading and titling, 18 percent on the development of long-term mortgage credit, 20 percent on one-off demand-led subsidies or vouchers to individual households, 3 percent on subsidised core home construction, 3 percent on institutional reform, and only 2 percent on serviced sites.

The ADB has implemented many housing projects across Asia through loans and technical assistance programmes that have supported mortgage systems, the reorganisation of housing authorities, housing finance strategy development, market-based housing finance loans, and upgrading.

The USAID, the Swedish International Development Agency (SIDA), and the UK Department for International Development (DFID) have all downgraded or dismantled their housing and urban departments and units over the past decade. Since 2003 housing has been a minor component of their activities, often confined to disaster reconstruction efforts. Assistance to housing rarely constitutes more than 2 percent of bilateral funding (table 2).[26]

According to the International Housing Coalition (IHC),[27] the reasons for the decline in donor country funding for urban housing since 1990, including incremental S&S and slum upgrading, include the following:

- Housing is a long-term investment, so visibility is hard to maintain.
- Donors want short-term results, but housing development is slow and complicated.
- Housing initiatives are riskier to implement than other types of programmes.
- Housing programmes do not have a large supporting constituency in the donor countries such as that for HIV/AIDS programmes.
- Land titling and local politics make housing programmes difficult.

[26] IHC, 2008.
[27] IHC, 2008.

TABLE 2

Housing as a percentage of all official development assistance and official aid, 1995–2003

Institution	1995	1996	1997	1998	1999	2000	2001	2002	2003
Multilateral	0.001	0.177	0.233	0.072	0.023	0.015	1.254	0.314	0.253
Bilateral	0.247	0.147	0.508	0.461	0.344	0.160	0.168	0.180	0.164

Source: IHC (2008) from unpublished UN-Habitat report.

- Many agency staff retain a rural focus.
- Most donors are unable to maintain a long-term focus.

This section has emphasised the changing role of international donors because of their influence on national and municipal housing policies and strategies in the 1970 and '90s. Nevertheless, the impact of donor funding on the scale of urban housing is limited. From an operational perspective, only national and local governments can provide the necessary support for housing the lowest-income urban groups. Regardless, the international community still has an important role in supporting policy change and helping to develop local innovations, initiatives, and capacities to tackle both the complexity and scale of urban housing and related problems.

2.5 SUPPORT FOR INCREMENTAL HOUSING NOW (2010)

Despite the shift away from housing projects and programmes to investment in urban management and governance, support for incremental housing has continued on an *ad hoc* basis. Much of it has been implemented without donor backing and as component projects of broader poverty alleviation programmes. The Millennium Development Goals all have implications for policies that address urban poverty. In particular, Target 7D aims to achieve a significant improvement in the lives of at least 100 million slum dwellers. Poverty Reduction Strategy Programmes, promoted by the World Bank and the United Nations Development Programme (UNDP) are beginning to distinguish between urban and rural poverty and to recognise the importance of urban housing, not only to alleviate the social impacts of poverty but also as a proactive poverty reduction strategy. The effects of climate change on urban areas and particularly the urban poor are already beginning to be understood and have influenced approaches to securing housing and infrastructure for lower-income urban populations. Examples of current urban-housing programmes in developing countries can be found below.

The ADB is working with the Development Bank of the Philippines (DBP) and the Housing and Urban Development Coordinating Council (HUDCC) to house 20,000 poor urban families outside of Metro Manila through a US$30 million loan and US$1.5 million technical assistance grant. This includes a component for local government to develop sites and to distribute land titles to informal settlers so that they can develop incrementally, as well as credit facilities for shelter finance and small enterprise development and capacity building for communities, local governments, and government housing agencies to decentralise shelter delivery. The shelter finance component of the project provides incremental financing for plot purchase on terms appropriate to the circumstances of the poor and through financing mechanisms linked to the formal financial system. To make the plots

affordable, the project avoids distorting interest rates. It instead uses targeted land cost subsidies while retaining an incentive for the poor to pay and for financial institutions to be proactive in ensuring repayment.[28]

In Zimbabwe, housing cooperatives are officially sanctioned housing delivery mechanisms for low-income earners in Harare. Government statistics show that 11,500 housing plots have been provided to cooperatives. Over the past 10 years, 2,350 housing units have been built in the city through S&S programmes and incremental housing schemes. The S&S programmes include serviced plots with superstructure and title deeds, and the incremental housing schemes provide unserviced plots with layout plans.[29] For example, Nehanda Housing Cooperative in Dzivaresekwa has 5,300 planned residential plots of which more than 600 have been developed with houses ready for occupation.

In Central America, the SIDA is working with a range of NGOs to deliver housing microfinance. Some NGOs are actively involved in developing new sites and supporting incremental housing processes. As part of its urban poverty and housing strategy, the SIDA provides micro-credit for the repair and extension of houses with loans in the range of US$500–US$1,500 over 18–36 months, with flexible guarantees.

In India, housing corporations have been established in some states to cater to the housing needs of the rural and urban poor. In Karnataka, for example, the Rajiv Gandhi Housing Corporation was set up in 2000 to harness government funds, administer loans, organise the manufacture or bulk procurement of building materials, and implement new housing projects founded on self-help housing construction. These projects set up savings organisations to assist residents in repaying loans and to build model houses that demonstrate good design and construction. One such project, the Ashraya Urban Housing Scheme, provides free plots of land (up to 60 square metres) to low-income people registered on the municipality's "siteless/houseless" list. Title deeds are generally registered in the name of female household members, and each family is responsible for building a house on the plot with financial and technical support from the corporation.[30]

In South Africa, Ivory Park is a planned, informal, low-income settlement established in 1991 to provide S&S accommodation for overflow from the Alexandra and Tembisa areas in Johannesburg. It houses 240,000 people and features a variety of housing projects ranging from contractor-supplied capital subsidy houses to People's Housing Process schemes that promote, organise, and support community-based house construction and unassisted self-help housing. Private companies, NGOs, and cooperatives are central to the delivery of housing and housing services. Since 1996 the government has built 3,600 houses in the Kaalfontein area, of which 600 were built through S&S projects managed by the People's Housing Process.[31]

In addition to projects on undeveloped land, there are even more examples of upgrading projects that support ongoing incremental housing processes by "formalising" informal settlements. Current initiatives tend to be small in scale, and delivered through partnerships with local governments, NGOs, cooperatives, and the private sector. There are no examples of national, metropolitan, or municipal housing polices or strategies to support incremental household or community

[28] ADB, 2003.
[29] *The Herald*, 2009.
[30] http://ashraya.kar.nic.in.
[31] Omenya, 2004.

initiatives for the procurement of secure access to urban housing. But unlike their predecessors in the 1970s and '80s—most of which were stand-alone initiatives divorced from the wider urban context—recent and current projects tend to be part of larger poverty alleviation programmes. This is evidence that some of the failings of early S&S and upgrading projects have been heeded and that understanding of housing processes and poverty has advanced over the past 30 years.

SECTION 3

The Case for Incremental Housing Strategies

The overall objectives of public sector engagement in the procurement of housing by the lowest income groups are to:

- Stimulate the development of formally recognised and affordable urban housing in approved locations and in sufficient quantities to reduce urban housing deficits and meet the needs of urban growth.
- Build partnerships between the local government and private sector landowners and developers to bring affordable serviced plots to the market.
- Optimise public sector investment in the provision of infrastructure and services to emerging low-income neighbourhoods, including the development of partnerships with private sector infrastructure and utility providers.
- Develop and support local organisational capacity for incremental development and community asset management and maintenance, including the development of partnerships with NGOs.

The six cases discussed below are based on the understanding that to be effective and sustainable, public sector support of incremental housing production must include technical and financial assistance, income generation opportunities, and community and individual capacity-building and community facilities, delivered through partnerships with government agencies, NGOs, private bodies, and the low-income communities themselves. This applies to both the upgrading of existing informal settlements and the incremental development of new urban areas and communities. The photographs in this chapter illustrate that with the right supports (and sometimes without them), low-income urban settlements can become stable communities with good-quality houses and adequate services.

3.1 THE NUMBERS CASE

Between 20 percent and 70 percent of the urban population in developing cities already produce their housing incrementally, the majority of them informally (illegally) with little or no security of tenure. If government strategies are not put in place to recognise and support this process, the world's urban slum population will more than double in the next 30 years—from 925 million to 2 billion.[32]

Experience over the past 40 years clearly shows that neither countries nor cities have the financial or technical resources to consistently produce affordable subsidised housing for more than a minute fraction of their low-income urban populations. Therefore,

[32] UN-Habitat, 2003.

the only realistic strategy for public housing agencies is to build upon and formalise the informal processes that are already in place. These have already been shown to produce enough affordable housing, even though it is often imperfect in terms of security, health, safety, and amenities.

The case of Lagos, Nigeria, demonstrates the consequences of a lack of state support for incremental housing—indeed, the lack of any effective housing policy. Between 1976 and 1985, approximately 850,000 new housing units were required in the Lagos metropolitan area alone, but only 82,000 formally recognised units were actually built. Although around 100,000 people arrive in Lagos each year, building plans for 1991 anticipated just 4,800 new housing units.[33]

The National Shelter Strategy of Ghana states that very few attempts have been made to harness and supplement the population's own non-conventional strategies for procuring shelter. It goes on to point out that the underlying problem that besets the country is that although the government has realised the significance of non-conventional strategies of housing procurement, articulating such a complex issue into a refined process that can be promoted and implemented on a nationwide basis is a monstrous task.[34] As a result of the lack of support for incremental housing, approximately 90 percent of the housing stock in Ghana is produced informally.[35]

Even in countries that have supported incremental housing, the scale of the support has been so limited as to barely make a dent in housing needs. In Senegal, for example, in addition to the Parcelles Assainies project, S&S projects were developed in Thiès (1980) and Kaolack (1992) along with the Malika-Keur Massar project in Dakar (1989). In 1998 a third major project was started in Dakar comprising 23,000 plots planned on 624 hectares.[36] These initiatives have had little impact. The government has largely reverted to subsidising the building of finished homes for a small proportion of the middle- and upper-income groups, and by 2007 squatter settlements housed more than 60 percent of the metropolitan population.[37]

In sum, many governments still need to be convinced that investment in housing is a critical response to urbanisation that can lead to national economic growth and reduce poverty. However, housing policies based on the construction of subsidised conventional dwellings in the formal sector have virtually no impact on urban housing needs, which are instead met by informal construction. In other words, if you can't beat 'em, join 'em—and in doing so improve them.

3.2 THE FINANCIAL CASE

The financial case for support to incremental housing is based on securing household investment in housing and community facilities. Secure housing is the greatest financial asset available to most urban families. Better-quality dwellings have greater exchange values, more value as collateral for borrowing, and a higher price when sold. At the same time, home ownership provides social security and status to its owners and occupants. Therefore, it is in the best interest of householders to invest in their housing as long as their investment is secure. Few people will invest in property if there is any ambiguity in the legality of their title or the physical safety of their asset. To a large extent, it is the insecurity of title and the location of informal settlements that create

[33] Adedeji and Olufemi, 2004.
[34] CHF, 2004.
[35] CHF, 2004.
[36] ENDA-RUP, 2005.
[37] Cohen, 2007.

slums. Experience shows that where security is ensured, all but the poorest will invest time, energy, and resources to extend and improve their house and its surroundings. Thus, by securing land titles, governments can create good urban environments at a relatively low cost to the state as well as enhance public revenue in situations where local taxation is based on property values.

It is estimated that small loans to low-income beneficiaries of the Sri Lanka Million Houses Programme in the 1980s generated returns 4 to 6 times their value through the investment of family savings and informal borrowing, in addition to the value of labour and other material inputs by the beneficiaries. In Kenya the credit provided by the Dandora S&S project was augmented by a factor of 4 to 5 by individual household inputs.[38] In the Parcelles Assainies project in Dakar, the World Bank's Project Completion Report found that for every US$1 of Bank money provided, US$8.2 of private funds were invested on-site.[39] By 2006 many houses in the project had two floors each with six rooms and often had a third floor under construction, evidence of the willingness and capacity of households to invest in their homes.[40]

Security of tenure is not necessarily sufficient to generate the return on public sector inputs cited in the above examples. Many financial issues affect householders' capacity to develop their dwellings. In many early S&S schemes, households were unable to afford the plots allocated to them—in addition to increased transport, infrastructure, and food costs, as well as the resources needed to build a new house. However, other evidence suggests that residents on appropriately located plots with cheaper and easier access to services and financial support packages can mobilise enough resources to build and improve their homes over time. This is not possible when poor families are committed to fixed-term payments on conventional, fully completed dwellings.

3.3 THE URBAN MANAGEMENT CASE

The urban management case for incremental housing strategies is premised on the principle of subsidiarity—in other words, the recognition of the most effective level or location of decision-making and authority for each component of an activity. It entails the identification of all public, private, and community sector actors and their competencies, and the casting of their roles accordingly.

In this context, the construction, maintenance, and management of dwellings are logically the responsibility of households, not of government. Only the owners and users of housing understand their own priorities for investment, their available resources, and their changing housing needs. The government's role in the procurement of housing is that of facilitator, banker, or guarantor, providing those inputs that households and communities cannot effectively or efficiently provide for themselves. NGOs often have key roles as advisors to, organisers of, and intermediaries between low-income households and various departments of local and central government. In turn, different levels and departments of government have key roles in the supply and subdivision of land and the extension and management of infrastructure and urban services.

The process of supporting incremental housing strategies is a unique vehicle for rationalising many urban management processes by devolving or delegating many of the government's traditional responsibilities to the most appropriate actors and developing partnerships with private and civil society actors. A key role for government is the acquisition of suitably located land for low-income groups.

[38] Lee-Smith and Memon,1988.
[39] Rowbottom, 1990.
[40] Cohen, 2007.

GUACAMAYAS, BOGOTA, COLOMBIA

A sites and services project started in 1976 by the Caja de Vivienda Popular on the city fringes but with good access to the city centre and industrial areas.

1976

Core service units with one room on each plot were provided. Many households moved into the site with second-hand building materials and components to start extending their dwellings immediately.

Patrick Wakely

1977

Within one year several families had extended their houses to include a second floor.

Patrick Wakely

2009

Barrio Guacamayas has become fully urbanised, with traffic confined to perimeter roads and pedestrian precincts in the interiors of the blocks. Houses continue to be extended and improved. Guacamayas has its own community website, http://www.barrioguacamayas.com.

Maria Victoria Echeverri

Governments have the critical ability and authority to allocate public land for housing, acquire it from private (illegal or legal) owners, or work with owners to develop the land for low-income housing. Most significantly, governments are often large-scale urban landowners themselves. Public agencies and corporations—such as railways, ports, and airport authorities and nationally owned industries—own large tracts of often vacant or under-utilised urban land. Based on the principles of subsidiarity, however, poor households also have a potential role in finding and negotiating the transfer of land. For

example, with NGO support squatters in Mumbai have mapped vacant land and successfully negotiated its transfer so that they may resettle away from dangerous railway trackside slums.[41]

Management of the incremental extension and upgrading of infrastructure is not easy, especially since it is generally undertaken by different utility agencies and enterprises. Nevertheless, as examples such as the Orangi Pilot Project in Karachi, Pakistan, have shown, by co-ordinating organised community groups with different levels of government, effective and responsive systems can be developed that are affordable in both managerial and operational terms.[42]

In sum, state-supported incremental housing can catalyse the decentralisation of government in ways that improve urban management and the administration of urban services, including the development of partnerships with the private sector and community actors. Examples exist in which the private sector, both large companies and small and local enterprises, have been contracted for the installation of infrastructure and the delivery of some services, while NGOs frequently take responsibility for social and community development.

Public-private partnerships have been formed to legally develop and manage land for low-income incremental housing. NGOs have also worked with private enterprises to promote the effective use of infrastructure and support cost-recovery procedures, as in the Favela Bairro programme in Rio de Janeiro, Brazil, which featured partnerships between local NGOs and the private electricity company, Light.[43]

3.4 THE URBAN DEVELOPMENT CASE

Incremental housing strategies provide the government with an opportunity to regulate ongoing informal urban development processes and to ensure adequate and relatively efficient provision for infrastructure and service delivery and the rational use of urban land. They allow the government to shape the development of towns and cities in accordance with strategic priorities developed for an entire urban area, rather than engaging in small-scale fire-fighting. Supported incremental housing can be a means to reduce uncontrolled low-density urban sprawl in favour of high-density compact development.

In Dakar, the absence of concerted, large-scale support for incremental housing has resulted in low-density urban sprawl, which causes high infrastructure, energy, and transport costs; environmental problems; and low levels of urban productivity and economic growth.[44] By contrast, in Aleppo, Syria, informal settlements housing some 45 percent of the population cover some 30 percent of the developed area of the city, embracing both centrally located and peri-urban land. While much of it serves the occupants well in terms of location, it distorts land markets and presents a significant problem for the city's planners and departments responsible for the management of urban services. To address these constraints, the city established a municipal Informal Settlements Department to begin to formalise the settlements within the framework of a city development strategy.

Over time, the concern that government-supported incremental housing would amount to "building official slums," particularly in central locations, has largely been refuted. Three decades after the first S&S projects were implemented, many settlements are

[41] Burra, 1999.
[42] Pervaiz et al, 2008.
[43] Riley and Wakely, 2005.
[44] Cohen, 2007.

NAVAGAMPURA, COLOMBO, SRI LANKA

A sites and services project initiated by the National Housing Development Authority as part of the Sri Lanka Million Houses Programme in 1985 on an inner-city site.

1985

The project was laid out as terraced housing with shared "party walls" between each dwelling—an innovation in Sri Lanka, where detached houses on individual plots were the norm.

Patrick Wakely

1986

The uniform roof level was spontaneously maintained in the initial construction stages.

Patrick Wakely

2009

Navagampura has become a regular part of the urban fabric of Colombo and is still being developed by its residents.

Kumudu Jayaratne

indistinguishable from "regular" neighbourhoods.[45] While 30 years may be enough time for houses in unregulated squatter settlements to also reach high standards without any state assistance, many are still characterised by disparities in housing standards, unsafe construction, illegal land tenure, and precarious infrastructure and service levels. Officially supported incremental housing, on the other hand, provides for long-term service planning and the anticipation of future needs. It can provide the financial and technical assistance and security needed to accelerate the local development of regular neighbourhoods within

[45] Gattoni, 2009.

the context of planned urban growth. Incremental housing can therefore contribute not only to better urban development on a local scale but also to the development of cities as a whole, provided that they are planned as integrated components of the urban fabric rather than isolated entities on the city fringes.

3.5 THE GOVERNANCE CASE

The organisation and management of incremental building processes—and particularly engagement in the installation and extension of neighbourhood infrastructure—provides a means to the development of decentralised participatory decision-making and governance. Good governance not only helps to ensure transparency and accountability in the management of the financial and physical aspects of housing and neighbourhood building, it is also a vehicle for community development that can stimulate a wide range of local capacity-building activities. Participation helps to create a sense of ownership and pride in the local environment among residents that can engender a feeling of responsibility for the maintenance and management of community assets (such as streets, drains, street lighting, public open space, schools, and clinics). It also reinforces the advantages and power of collaboration over competition for access to resources within urban low-income groups.

Appropriate engagement in incremental housing processes, either through slum-upgrading programmes or S&S projects, can introduce mutual understanding into the normally antagonistic relationship between local leaders and government officials. For example, the Busti Baseer Odhikar Surakha Committee (BOSC) was set up in Dhaka, Bangladesh, in the late 1990s by the Coalition for the Urban Poor (CUP), an alliance of 53 NGOs. The committee has established a citywide network of "accountability mechanisms" to include the urban poor in urban governance by working with the city's ward commissioners, the lowest level of public administration. The BOSC structure is a hierarchy of elected committees, the base of which are primary committees, which represent some 50 to 1,000 households. The primary committees are then represented on the 90 ward committees, which in turn send representatives to the 29 *thana* committees and then on to the Dhaka City Corporation (DCC). The ward commissioner, who is elected by his/her constituents, is the link to the city's service providers. This interface between government and organised representative non-governmental bodies has become a widely accepted model that works well in many of the city's wards, reducing corruption and giving voice (and confidence) to residents.[46]

Slum/Shack Dwellers International (SDI) in Africa and India and the Asian Coalition for Housing Rights (ACHR) are two examples of international federations of NGO-supported slum dwellers. They both have a strong message of developing mutual understanding between urban low-income communities and government by nurturing mutual appreciation of the aims, ambitions, strengths, and constraints faced by the other.[47] Ideally, such appreciation leads to mutual understanding, the development of trust, and—eventually—active city-building partnerships. These are the foundations of progressive urban governance that grow out of direct government engagement in incremental housing policies.[48]

3.6 THE SOCIAL AND ECONOMIC DEVELOPMENT CASE

Closely related to the fostering of good governance, incremental housing processes can be important

[46] Banks, 2008.
[47] D'Cruz and Satterthwaite, 2005.
[48] Riley and Wakely, 2005.

CIUDAD BACHUE, BOGOTA, COLOMBIA (LOW-RISE HOUSING)

Begun in 1977 by the government housing agency Instituto de Crédito Territorial (ICT), the incremental housing project has two components: high-rise apartments (see next page) and low-rise terraced housing of concrete post and beam construction with pre-cast wall and floor slabs, which householders can extend by building a second floor.

1979

Pre-fabricated core houses. At this time, households were already assembling building materials for extensions, replacing doors, and installing security grilles.

Patrick Wakely

1985

Many of the pre-fabricated panels were replaced with conventional block and brick construction.

Patrick Wakely

2008

Roof terraces and third-floor extensions are being added.

Patrick Wakely

CIUDAD BACHUE, BOGOTA, COLOMBIA (HIGH-RISE HOUSING)

Apartment blocks with pedestrian access in the front provide two-story maisonettes in which the ground floor can be extended in the rear; second-story flats, accessible by an open gallery, can be extended by building on the roof.

1978
Column and beam construction.

1979
Maisonettes and flats ready for occupation.

Patrick Wakely

1981
Extension of flats on roof and maisonettes extending on plots in the rear.

1987
Two-story extension on roof and extensive personalisation.

Patrick Wakely

2008
Owners select the paint colour.

Patrick Wakely

CHINAGUDALI, VISAKHAPATNUM, INDIA

A sites and service project on the urban fringes meant to resettle squatters from the centre of Visakhapatnam. Only communal water points and individual pit latrines are provided for each plot.

1988
Private building material suppliers arrived at the site on the first day of occupation.

Patrick Wakely

1989
Pour-flush pit latrines were supplied on each plot. Construction still utilised temporary materials.

Patrick Wakely

2009
Chinagudali has developed into a thriving suburb of Visakhapatnam.

P. Rambabu

and effective catalysts for the social and economic development of poor households and communities. By organising themselves (or being organised) to engage in developing their housing and local environment, households inevitably come together in a "common cause." This is especially important in S&S projects in which the beneficiaries are randomly selected (that is, projects that are not the result of slum re-location in which existing communities are moved as a whole). This presents

an opportunity to develop and consolidate social solidarity and to introduce and support local enterprise initiatives and employment, notably in the infrastructure and housing construction activities of the project itself. They can also build social capital around issues that are not related to the immediate urban environment, such as sporting or cultural activities that engage the youth and NGO programmes for anything ranging from women's literacy to environmental health, nutrition, and home economics.

There are numerous successful examples of such strategies. For example, central to the Dandora S&S project in Nairobi, Kenya, was the establishment of a Community Development Division of the Project Department that managed the organisation of house builder groups and made links to other citywide welfare organisations and social programmes.[49] Specially trained community workers played a similar "citizen-building" role in both the S&S and upgrading components of the Lusaka housing projects of the mid-1970s[50] and in Indonesia's extensive Kampong Improvement Programme.[51]

The strategic importance of locally managed savings groups as a vehicle for community building and the nurturing of solidarity, particularly among women engaged in incremental house building, is becoming well understood. Not only can regular savings of very small amounts of money generate significant capital funds for borrowing, but the process of collecting, banking, lending, and recovering loans is a powerful means of community building and the development of grassroots collective management capacities. Such savings schemes underpin the activities of the National Slum Dwellers Federation (NSDF) and Mahila Milan in India and their partners in SDI.[52] In Cambodia, the Urban Poor Development Fund supports a growing number of community-based savings groups and provides loans and grants for land acquisition, upgrading, house building, income generation, and food production; it also aims develop better relations with the government.[53] By 2007 the Sri Lanka Women's Bank, which began as a small housing-related savings scheme in Colombo in the early 1990s, had over 60,000 active low-income members and total assets of over Rs. 800 million (US$8 million), managed through 160 branches in 22 of the country's 25 administrative districts.[54]

Both the location and the provision of facilities for income-generating activities in incremental housing projects can have an important impact on poverty reduction and householders' capacity to improve their housing. For example, workshop facilities were planned as part of the Shivaji Park S&S project in Alwar, near New Delhi, India. Together with the project's central location, these facilities allowed many women to start new enterprises—mainly tailoring and other dress-related activities—working from home and supplying local stores. This increased the number of working family members from less than 1 to an average of 2.5. Household incomes increased by 6 to 8 times between 1985 and 2000.[55]

In conclusion, support of incremental housing processes can provide the basis for the wider social and economic development of low-income households and communities. However, it also requires many government and municipal departments responsible for housing and works to take

[49] Lee-Smith and Memon, 1988.
[50] Jere, 1984.
[51] Silas, 1984.
[52] Mitlin, 2008.
[53] Phonphakdee et al, 2009.
[54] Sevanatha, 2007.
[55] Lall, 2002.

on or develop their capacity to provide social and economic support and acquire new skills and professional competencies. For example, the 1970s Dandora S&S project in Nairobi, mentioned above, led the City Council to establish a new permanent Housing Development Department with a strong Community Development Division. Similarly, to implement the national Million Houses Programme in the early 1980s, the Sri Lanka National Housing Development Authority had to retrain its cadre of building technicians to enable them to take on new roles as community support advisors.

SECTION 4

Components of Incremental Housing Strategies

4.1 LAND AND LOCATION

Land is perhaps the principal component of government support for urban, low-income housing. Government influences availability of land through allocating and using publicly owned land; expanding infrastructure and services to new sites, enabling their development; administering rules and regulations such as planning laws, building permits, and developmental controls that impact land price and availability; and ensuring efficiency and transparency when any of these actions are taken.[56] Government should consider three basic aspects of any land it plans to make available for incremental development: its location, its price, and the title conditions under which it is transferred.

4.1.1 Cost and location

Selecting the right land for the incremental development of low-income housing is difficult, but it is crucial to the success of any incremental housing policy or project. Peri-urban land has often been acquired for this purpose because of its relatively low price, but the cost of extending infrastructure to it renders it unaffordable to the target groups. When projects have been built in poor locations, as was the case with many S&S schemes in the 1980s, the lack of affordable transport links to employment centres, commerce, and community facilities has led to empty plots and rapid turnover of residents.[57]

There are many anecdotal accounts illustrating the importance of location to low-income families living on minimal and precarious incomes. For instance, a squatter in an illegal and insecure shanty in Mexico City, who made a living from casual employment as a semi-skilled mason (at building sites in the city centre), was awarded a secure title to "affordable" and well-serviced—though basic—housing on the urban periphery for him and his wife, who ran a kiosk serving tourists. Living in the new residence, however, increased his transport and housing costs from 5 percent of household expenditure to 55 percent, forcing him to abandon his new dwelling and seek rental accommodation in another centrally located informal settlement.[58] Similar stories come from cities as far-flung as Nairobi, Kenya; Johannesburg, South Africa;

[56] E&U, 2009.
[57] Van der Linden, 1992.
[58] Turner, 1976.

Phnom Penh, Cambodia; and Ahmedabad, India. Despite having secure title on their dwellings, households commonly abandon serviced sites and subsidised housing on the urban fringes and return to the precarious existence of squatting in shacks with no infrastructure because the latter are closer to job opportunities and offer more community ties.

In Guyana, one of the failings of the IDB-supported Low Income Settlements Programme (LISP) was the location of the land—sites were on agricultural land in distant locations. People could not afford to build houses so far away from population centres, and because of the high cost of extending trunk infrastructure to the sites, support services such as schools, clinics, and playing fields were planned for but not built. There was no commerce on-site and no employment nearby.[59] Food was more expensive in these peripheral locations and added to overall increases in household expenditure.[60] As a consequence, occupancy rates were low. Similarly, in El Salvador, FUSAU-Integral, a company that promoted integrated housing solutions, found that the main constraints to scaling up its work were the lack of suitable and affordable land, the high cost of basic services, and the distance of available land from employment sources.[61]

S&S projects have often ignored the social impact of settling thousands of people far from urban centres and have failed to support the building of new community networks or to foster social cohesion and local management capacities. Re-location involves the loss of socio-spatial support networks, a loss that the poor are least able to absorb.[62] New settlements near existing centres of commerce, employment, and housing have almost invariably done better than distant ones. For example, many of those moving to Khuda-ki-Bastee near Hyderabad in Pakistan had relatives nearby, suggesting that this influenced their decision-making.

Thus, evidence indicates that successful new incremental housing projects—ones that generate stable and vibrant low-income communities—are sited within existing city conurbations and near existing employment sources, services, and infrastructure. Moreover, they thrive despite the cost constraints and concerns about the relatively long-term "unsightliness" of low-income settlements in the process of construction.

The successful Shivaji Park project in Alwar, close to New Delhi, is located just 3 kilometres (km) from major office complexes (where all major services and social and physical infrastructure are easily accessible), 4 to 6 km from schools, and 2 km from a main hospital. Retail and wholesale markets are also nearby, and high- and medium-income public and private housing complexes surround the settlement. Those working in micro-enterprises stimulated by the project travel less than 1 km to work. Those working for home-based manufacturers travel no more than 3 km to fetch raw materials from central neighbourhoods. The maximum workplace commute, travelled by about one-third of the residents, is 6 km. Thus the project has sparked local economic development not only by fostering workplaces within the settlement but also by being near the city centre. The central location of Shivaji Park also enables greater access to educational facilities, resulting in a much lower drop-out rate among students 7 to10 years of age than that found in other resettled low-income communities located on the outskirts of Delhi.[63]

S&S projects within urban areas usually entail developing relatively small parcels of land, in contrast to the vast projects of the 1970s and '80s that benefited

[59] Gattoni, 2009.
[60] Cohen, 2007.
[61] SIDA, 2007.
[62] Van der Linden, 1992.
[63] Lall, 2002.

both from the relatively low cost of land on the urban fringes and from economies of scale. Higher costs are associated with working at a small scale on more central sites, but these are offset by relatively easy connections to existing trunk infrastructure and access to existing services. While individual land parcels may be small, the number of suitable sites within cities is usually large, enabling overall programme scales to be significant.

In sum, identifying land on which to develop S&S for low-income housing requires a rigorous analysis of its location and benefits—its initial price and the cost of servicing it are merely starting points. It also entails an assessment of the social and economic costs of the intended beneficiaries in a context of often wildly fluctuating family fortunes, insecure incomes, and changing household priorities. Attempts may be made to model such variables, but it is unlikely that any such exercise would have much use in practice. However, more down-to-earth analyses methods do exist and have proved highly successful. For instance, with the assistance of the NSDF/Mahila Milan/Society for the Promotion of Area Resource Centres (SPARC) coalition, organised groups of pavement dwellers in Mumbai, India, have themselves identified vacant land that meets their requirements, as far as location is concerned, for a low-income settlement and have negotiated with the government on the terms for its acquisition and development.[64] A similar approach has been adopted in Phnom Penh, Cambodia, with the support of the Asian Coalition for Housing Rights. Here, squatter households not only have sought out appropriate land for the government to acquire but also, with the assistance of young architects, have presented proposals for its subdivision into plots as well as a financial development plan.[65]

Because the examples above involve the relocation of existing urban communities, these communities may participate in the development process. By contrast, in "open application" programmes and projects, only the development agency—the government or a partnership between government and landowners and/or developers—may identify potential sites. Which ones are chosen depends on their "marketability," a concept that embraces all the criteria and priorities of the potential takers and the beneficiary selection process.

4.1.2 Land acquisition and law reform

Well-located, privately owned land within an existing built-up area is likely to command a high price, normally well beyond the means of local governments. Compulsory acquisition for low-income housing requires a level of political will that few politicians possess and involves more risk than most can afford to take. So governments have to negotiate with private landowners using incentives to encourage them to make land available or to develop it themselves on terms that are affordable to low-income householders, even if doing so yields suboptimal market returns. For instance, the Maharashtra Slum Rehabilitation Authority in India administers an incentive scheme of transferable development rights through which landowners and developers can obtain attractive terms for the development of commercially marketable land in exchange for the release of their land for low-income housing development. The Malaysian government requires private sector developers to make land or houses available to low-income households at undermarket prices as a condition for the issue of development permits for commercial housing.

Through local-level strategies such as "land sharing," the government negotiates with landowners who possess land that has been made almost worthless by squatters. Landowners transfer a portion of the squatted land to the government in exchange for having the other portion cleared of squatters

[64] Patel and Mitlin, 2004.
[65] ACHR, 2004.

and thus made available for commercial development. The other part of land-sharing negotiations is with the squatters to get their agreement to trade space, resulting in higher residential densities, or relocation, for secure tenure to their portion of the "shared" land. Such land-sharing strategies were highly successful in Bangkok, Thailand, in the early 1980s[66] and have also been employed in Chennai, India, among other places.

The lack of planning and budgeting for future low-income settlements remains a persistent problem. Working with community organisations to develop land cadastres can provide powerful information to help push an agenda for land market reforms, which are usually complicated and often inequitable. Not only do poor households drive incremental house construction and improvement, but they are often active agents in getting land for housing, either through negotiating tenure for the land they occupy or through negotiating new sites on which they can build, as illustrated by the NSDF in India (and described above). Federations of community organisations can make cadastres of land, conduct surveys, and estimate the cost of the work that needs to be done to develop new sites. In Bangladesh it has been argued that NGOs should take a more active part in S&S schemes, help negotiate land deals, advocate for the decoupling of land titles from service provisions, promote techniques such as plot reconstitution and guided land development, verify land records, supervise procurement, and validate transactions, as well as provide housing microfinance and support the development of building skills and materials production.[67]

The nature and scale of the challenges of national land law reform, especially in urban areas that have grown in a spontaneous and chaotic fashion, are complex and daunting, but they are becoming better understood by programmes such as the UN-HABITAT Global Land Tool Network,[68] which is able to demonstrate workable strategies and pressure governments to introduce reforms in this politically sensitive and volatile area.

Many cities have extensive "reserves" of under-utilised urban land in public ownership. While the central location of such land may once have been important to its nominal owner—which is often an agency, such as a port or railway authority or the military—that is rarely the case anymore, and much of it could now be used for low-income housing. However, such are the complexities of inter-agency relations that negotiating such transfers is rarely easy.

Strategies such as city land banking—in which central or municipal governments buy peri-urban agricultural land at low prices and then sell or develop it once the city has expanded and the land's price has risen—can be used to profitably control future growth. The city of Stockholm, which acquired extensive rural land at the beginning of the twentieth century, famously employed this long-term strategy. But there are others. For example, in the 1970s Syria conducted an extensive programme of compulsory peri-urban land acquisition that left municipalities with vast reserves of state-owned urban land. By default, it also brought large areas of land onto the informal market at prices affordable to the lowest-income groups.[69]

4.1.3 Land tenure

In many societies individual freehold ownership of land and property is the only form of title considered absolutely secure. However, it has been criticised for enabling households to sell their plots upmarket, in effect making a profit off government

[66] Angel and Chirathamkijkul, 1983.
[67] Rahman, 2005.
[68] www.gltn.net.
[69] GTZ, 2009a.

subsidies. Collective titles such as housing associations, co-operatives, and condominiums not only are acceptable alternatives to individual freehold ownership but they contain mechanisms to prevent such speculation. These forms of ownership do not necessarily prevent individual householders from transferring their property, but they can delay such transfers until the property's full cost (or value) has been redeemed. Such alternative forms of tenure and collective management can provide low-income groups with protection from market forces and support the building of a community, as well as improve affordability.[70]

Long and renewable leasehold titles to land have occasionally been used for incremental housing, but they are rarely socially acceptable. The Sri Lanka Million Houses Programme in the 1980s issued plots on 20-year leases, as it was argued that the government should be able to use the land for other purposes if future circumstances so dictate. Initially there was no indication that this deterred households from investing in the construction, extension, and improvement of their houses. However, leaseholders later pressured the government to extend the tenure periods first to 30 and then to 50 years, until finally all were transferred to freehold title in 2006.[71]

In conclusion, all the evidence to date suggests that a sustainable supply of well-located, affordable land is essential for successful state-supported incremental housing initiatives. Innovative tools and techniques are available to acquire land, while plot sizes and densities can be manipulated to bring down costs. But ensuring the supply of land for low-income housing also requires a political will to reform urban land markets. Community organisations and NGOs can play a significant role in building and sustaining that political will over time and across changes in political regime.

4.2 FINANCE

In early S&S projects government was generally not expected to provide financing to enable the construction process. (Indeed, in many slum-upgrading programmes, government financing for construction is still not included in the package of support to households.) Yet the lack of such financing sometimes delayed construction, as households did not have the resources to build after paying their contributions to the cost of land and infrastructure, and such delays, in turn, drew criticism. As pointed out above, however, the opposite was frequently true in other projects: households were able to raise considerable amounts of funding independently. Policy makers should thus think carefully before offering access to credit in a support package, and if it is included, it should take the form of small short-term loans.

The credit needs of low-income families engaged in the incremental construction of housing differ significantly from those seeking funding (a mortgage) in conventional supply-driven housing. The large, long-term loans that enable conventional borrowers to buy or build a home—and commit them to sustained debt—are a burden for low-income families, who are making their way in the urban economy and society. Incremental house construction requires flexible, relatively small short-term loans that are responsive to the intermittent demands of households' changing fortunes and priorities. For instance, many years may elapse between the different stages of house building—small loans may be needed to waterproof a roof and larger ones may be needed to build a second floor. Yet such financing is rarely available. The closest approximations tend to be schemes that provide small-scale credit for enterprise development, assessed on the risk rating of the

[70] Payne et al, 2009.
[71] Wakely, 2008.

proposed business returns and not on the collateral provided by the borrower's property.

Even the most 'socially responsible' banks are cautious of treating a small plot in the middle of an informal settlement or low-income housing estate as collateral for a loan. The cost of repossession and resale may well outstrip the value of the default. However, there are indications that some progressive banks are prepared to experiment with small housing loans secured by evidence of householders' ability to save money on a regular basis over a sustained period of time, reinforced by community organisations that can provide peer group support or pressure to underwrite repayments. The effectiveness of this approach is widely demonstrated by the Asian Coalition for Community Action (ACCA) programme that is supported by the Asian Coalition for Housing Rights (ACHR) in 150 cities 15 countries in the region. It is also the basis on which successful 'community banks' such as the Sri Lankan Women's Bank work with considerable success.

There are financing (security) advantages to making even initial starter loans for construction available on an incremental basis, requiring borrowers to "qualify" for the next stage of credit by completing the first. For example, the Sri Lanka Million Houses Programme, referred to above, issued credit for construction in three instalments (foundations and floor slab, structure and eaves, and the roof) that would cover the cost of a basic dwelling; any additions had to be financed by the house builder.[72] This worked well even though, in the early stages of the programme, monitoring construction and authorising successive instalments put a heavy administrative burden on already over-stretched government housing officers. This responsibility was subsequently devolved to local community-based organisations.

To ensure that monetary support is invested in house construction as intended—and as an alternative to financial credit—building materials have been bought in bulk and passed on to authorised house builders at or below cost. However, it has often been found that such schemes are open to exploitation. For instance, in the 1970s Camplands S&S project in Kingston, Jamaica, many householders sold their project-allocated cement, steel, timber, and roofing sheets on the open market for a profit and constructed their dwellings with new or second-hand materials that they could acquire more cheaply on the informal market. In other instances, this has not been a problem and on-site organised depots of building materials (who buy and store in bulk) have been able to lower the cost of construction materials and serve as one-stop shops for materials, advice, and housing loans, though they have been known to drive out small-scale local suppliers who are a source of local employment and incomes.[73]

In more recent programmes, independent credit facilities and management have been shown to be more efficient and effective than those administered by government. For example, the micro-credit programmes supported by the SIDA and managed by NGOs in Central America provide credit specifically tailored to housing and infrastructure needs, with their administration providing technical advice to house builders along the lines described above.[74] While NGOs in Bangladesh provide little credit specifically targeted at housing, the loans they administer to foster income generation are often used to fund housing improvements.[75] The plethora of micro-finance initiatives (both small and large in scale, and either community managed or supported by

[72] Government of Sri Lanka, 1983.
[73] Goethert, 2009.
[74] Stein and Vance, 2008.
[75] Rahman, 2005.

NGOs or banks) attests to the ability of poor people to mobilise resources and apply long-term financial strategies at low risk to lenders. However, credit is rarely offered specifically for the construction, extension, and improvement of housing.

4.3 INFRASTRUCTURE AND SERVICES

The success of incremental housing initiatives in large part depends on the timing, standard, and level of infrastructure and services provision. Where projects have provided infrastructure and services at too high a level, costs have proved unaffordable for low-income households, who have been bought out by middle-income groups. Where infrastructure and service standards have been too low or their installation delayed, plots have remained empty and have failed to attract any income group. So a careful balance has to be struck.

This is best done by adhering to the principle of subsidiarity. In theory, the level of infrastructure provision can only be equitably and effectively decided by the community of users, provided that they fully understand the trade-offs of initial capital costs, use and maintenance costs, and the tenets of environmental health and safety. Community action planning, pioneered in Sri Lanka in the 1980s, is one of a series of techniques to engage low-income communities in establishing priorities and setting standards for infrastructure and service provision based on a thorough understanding of the costs and benefits of their decisions.[76]

In the S&S resettlement components of the 1970s project in Lusaka, Zambia, infrastructure layouts were planned by groups of 25 households sharing a common sanitary facility. This joint decision-making was effectively used by community workers to develop a sense of collective identity and solidarity early on.[77] In the Khuda-ki-Bastee project in Hyderabad, Pakistan, residents decided the extent to which they were prepared to save in order to continue to upgrade neighbourhood services. In several blocks, the funds accumulated exceeded requirements, which sped up the development process.[78]

But such decision-making may not always be practicable where new communities are being formed. Where decisions on the levels and type of infrastructure provision have to be made without community consultation, it is a mistake to assume that service standards should always be low or that, unlike the dwellings they serve, services necessarily have to be upgradeable over time. There are strong arguments in favour of providing high standards right from the start of an S&S or upgrading project. This has been shown to stimulate good-quality construction and a sense of pride in the neighbourhood, which in turn motivates care and maintenance of public facilities.[79] In addition, many low-income neighbourhoods need relatively large public spaces and children's play areas, in part because of the low levels of private space in homes. This is particularly in cultures and climates that value social interaction and outdoor living. Furthermore, security lighting, bus-stop shelters, and police posts all tend to be needed more in these communities than in upper- and middle-income residential areas, where security is less of an issue.[80]

The costs of a high standard of initial provision may be recovered in several ways. These costs can be spread beyond the confines of the project through local taxation schemes, or recovered over the long term via user charges. It has been observed that the

[76] Hamdi and Goethert, 1997.
[77] Schlyter, 1995.
[78] Siddiqui, 2005.
[79] Cotton and Franceys, 1991.
[80] UN-Habitat, 2007.

full cost-recovery required at the level of individual projects by aid agencies, notably the World Bank, has disadvantaged the poor beneficiaries of many S&S and upgrading projects, who are expected to bear the capital costs of their infrastructure and service installations. Meanwhile, the costs of capital works in formal upper-income neighbourhoods is spread across the city as a whole, through the property tax system or levies on user charges.

Another way to keep the cost of infrastructure low is to depend on community labour for construction. This practice takes many forms. In some cases, volunteers organise (usually with NGO managerial assistance) to provide "sweat equity," contributing their time and skills to community works.[81]In other cases, formal contractors engage local labour in their workforces, a strategy as much aimed at income generation as the procurement of infrastructure. Some communities establish neighbourhood design and management and implementation committees, such as the highly successful "lane committees" that effectively serviced the vast settlement of Orangi in Karachi, Pakistan, with virtually no public sector intervention.[82]

Such participatory approaches to the procurement of public infrastructure and services vary widely in terms of efficiency, product quality, and cost savings. Casual volunteering can work well in upgrading projects where an established community exists and there is a strong, locally perceived need for the installation of infrastructure. In Aleppo, Syria, the occupants of many informal settlements have successfully installed relatively sophisticated waterborne sewerage systems with no formal technical assistance and at no capital cost to the government.[83] However, where strong community ties do not exist, as in many S&S projects, and where there is an entrenched perception that infrastructure provision is a government responsibility, attempts to mobilise voluntary labour and organise self-help are rarely satisfactory and do not involve significant cost savings. Such attempts have, on occasion, even prompted bad political press and accusations of unpaid "slave labour" practices. Nevertheless, many organisations continue to recommend that access to basic services be generated largely through self-help efforts and the use of community builders, as in the case of Cooperative Housing Foundation (CHF) in Ghana.[84]

A strategy to minimise the initial capital costs of infrastructure and services is to improve them incrementally, alongside the construction of dwellings. The rationale for this approach is that while basic services must be provided right from the beginning of an S&S project, they should be kept to a minimum—including, for example, communal water points and pit-based sanitary facilities, unpaved roads, unlined drains, and so on. Such services may then be upgraded over time in response to the development of a community's cohesion, demand, and increasing ability to pay for higher standards. However, despite the savings in initial costs, there are drawbacks to this approach: (1) maintenance requirements are high where a lack of community cohesion results in neglect, rapid deterioration, and vandalism; (2) basic public facilities do not instil the sense of pride needed for community development and investment in house building; and (iii) new neighbourhoods are launched with the stigma of being "substandard."

In sum, the planning of infrastructure works has to be managed carefully. A lack of coordination among the various implementation agencies responsible for infrastructure often leads to delays in service provision

[81] Cotton and Sohail, 1997.
[82] Hasan, 2009.
[83] GTZ, 2009b.
[84] CHF, 2004.

and in the installation of water supply, sanitation, and access.[85] Reduced service provision, as in the case of the Parcelles Assainies project in Dakar, stores up problems for the future and on occasion justifies the fear of officials that their projects are little better than slums. In this project, because of cuts in the provision of education facilities and a lack of long-term planning, today there are only 22 public primary schools for a primary-school-age population of 87,000, with 80 students per classroom.[86]

4.4 THE PRIVATE SECTOR

The formal private sector can have an effective role in the installation of infrastructure and service delivery in both upgrading and sites and services projects through conventional subcontracting arrangements. Virtually all official agencies are legally required to contract formally registered companies or operate through recognized NGOs. Community groups and individual households, however, are at liberty to employ informal contractors who are not constrained by the obligations of 'formality' (conditions of employment, quality control, capital recovery, tax obligations, etc), giving them a commercial advantage over their formal sector competitors.

Not only is the formal private sector's involvement in low-income development inhibited by its commercial disadvantage, it also tends to be intimidated by perceptions of the high risk of such involvement, stoked by the reputation of slums as harbingers of crime and extortion—perceptions that are often unjustified. Nevertheless, there are opportunities for formal sector enterprises to participate productively in incremental development processes, particularly those that are prepared to the responded to the often relatively slow, irregular and unpredictable nature of incremental development by low-income communities and households.

An interesting example of incremental service delivery is the 'Aguateros' of Asunción in Paraguay who are relatively small scale entrepreneurs who provide potable pipe-born borehole water to some 400,000 inhabitants of low-income settlements (approx. 17 percent of all connections in the city) who would otherwise not be served by the municipal supply system. Anticipating the informal or officially sanctioned occupation of peri-urban land, an Aguatero sinks a borehole and starts to extend a polythene pipe network, making connections to client households at costs that are comparable to the subsidized official public sector suppliers. They also provide credit on mutually agreed terms. A typical Aguatero serves up to around 100 customers on a single borehole. They are subject to official water quality certifications every six months that guarantees their safety and constancy of supply. Aguateros have joined forces and created an association to protect their interest, strengthen their public image, and prevent attempts by the large utility companies to drive them out of business[87]

Another innovative example of the formal private sector specifically addressing the construction needs of low-income incremental development is that of the Mexican cement and construction materials conglomerate Cemex through its '*Patrimonio Hoy*' programme. This is a commercially profit-making scheme in which householders pay approx. US$14 per week over a period of 70 weeks for which they receive architectural and engineering advice and building materials for the construction or extension of their dwellings delivered to their properties at stable prices as and when they are needed. If a family's fortunes change so that it cannot make payments or use or store building materials they can 'pause' the process and 'bank' their materials. In the

[85] Srinivas, no date.
[86] Cohen, 2007.
[87] MIT (2001).

decade since its start in 2000 *Patrimonio Hoy* has been used by over 250,000 low-income households to construct 160,000 10m² rooms to a total value of US$135million with a default rate on payments of less than one percent. *Patrimonio Hoy* beneficiaries consistently claim that their building is easier, cheaper and of a better quality than if it had been done it on their own. Cemex has benefited extensively from a previously untapped market, creating solid and expanding 'brand loyalty' and exploiting the company's reputation for social responsibility.[88]

A third area of formal private sector engagement in affordable urbanisation, though not specifically confined to incremental development, lies in the complexities of land markets for low-income housing. Universally, there is a blurring of boundaries between formal and informal dealings in land and the role of agents and brokers in land and property title transfers. An interesting solution to the dilemma of the conflict between affordability and legality is provided by ARGOZ a private for-profit firm established in 1977 in San Salvador, El Salvador. ARGOZ identifies and purchases privately owned peri-urban land at agricultural prices, subdivides it and lets plots on a ten-year rent-to-own basis to householders with monthly incomes of c.US$170. Payments range from US$5–20 per month, depending on the amortisation period. In addition ARGOZ provides purchasers with design and technical advice and helps secure the provision of urban infrastructure and services. In the twenty three years to 2000 over 300,000 low-income households had obtained secure title to affordable properties and ARGOZ' assets had grown from US$50,000 to over $140 million.[89]

In summary, the formal private sector has attributes of managerial expertise, access to capital and commercial networks that can contribute to low-income incremental housing processes. However, in many urbanising countries, particularly those where the indigenous private sector is weak, it has not seen the opportunities presented by low-income housing development or has shied away from the perceived risks. Thus its role has tended to remain on the safe ground of government contracts or partnerships that do not require great entrepreneurial initiatives. Where they have innovated, as in the examples described above, there is significant evidence of win-win outcomes that benefit both low-income households and communities and private sector enterprises.

4.5 BENEFICIARY SELECTION

The selection of beneficiaries for existing settlement upgrading and S&S on new land presents a plethora of challenges as policy makers seek to balance priorities, issues of political patronage, and the potential for corruption.

The support given to upgrading existing informal settlements should be based on an analysis of factual evidence such as geographic information system (GIS) indicators of "housing stress" and the potential return on investment. Of course, a complex range of political pressures inevitably influences the rationale of any such exercise, but it should not negate it. While housing stress is relatively easy to appraise, social and economic indicators that can be addressed by slum upgrading are less easy to evaluate. Similarly, potential returns on investment should be estimated with an eye to the complex web of social costs and benefits as well as physical and environmental gains. Meanwhile, some settlements are destined for demolition and their inhabitants to relocation due to danger to life and limb or totally inappropriate land use.

[88] Business in the Community (2010).
[89] Ferguson and Navarete (2003); also MIT (2001).

S&S projects fall into two broad categories: (1) those that re-house existing urban communities that have to be relocated, and (2) open-access projects in which any eligible household may apply for a plot. The first is, in theory, relatively straightforward—people evicted from their previous dwelling or that have had to abandon their homes due to disaster receive a plot and whatever other compensation has been agreed upon. But there are invariably winners and losers in this process, not only within the relocated community but beyond it. For instance, disaster victims may end up better off than many who were more deserving but not affected by the disaster. But this is a general dilemma and one not specifically related to the beneficiaries of incremental housing programmes and projects.

Eligibility criteria for beneficiary selection for open-access S&S projects are generally based on household income levels and assets. Defining and justifying such criteria can be difficult and have often led to excessively complicated application and verification procedures that are cumbersome to administer. As described above, the Khuda-ki-Bastee project in Pakistan overcame such complications through stringent processes of self-selection and by flooding the market with small plots to satisfy demand. However, this process excluded many low-income families who were less desperate and less able to fend for themselves in the informal sector.[90] Thus, while administration should be kept to a minimum and controls should be as flexible as possible, restrictions may have to be imposed to ensure that government-supported incremental housing does not primarily benefit middle-income groups. In Senegal's S&S programme, measures taken against speculation (included prohibiting the sale of plots for five years plus a fee for changing ownership) increased the total plot cost to more than the purchase price of land in the open market.[91] In the context of its work in Central America, the SIDA found that migration was changing the way in which its partners had to work, requiring shifts in conventional definitions of the household and eligibility criteria. With fixed abode, proof of residence, and income verification all increasingly difficult to obtain, there was a demand for new, more flexible (and perhaps less accountable) ways of thinking.[92]

Some S&S projects have been designed to accommodate a range of low- and middle-income beneficiaries and to make plots available on the open market. With the hopes of encouraging a social mix and avoiding the creation of a single-class neighbourhood, in some cases upmarket plots are used to subsidise those meant for lower-income groups. But such projects, even those that meet their goals, have proved difficult to administer and prone to exploitation. In the Dandora project in Kenya, different plot sizes were designed for a corresponding range of eligible income groups. The subletting of rooms was encouraged to supplement household incomes and provide accommodation for families not willing or unable to get on the property ownership ladder. However, it was found that the lower-income householders tended to be squeezed out of the subletting market by the better-off owners, many of whom developed their larger plots exclusively for commercial subletting.[93]

In sum, selecting the beneficiaries of open-access incremental housing projects is inevitably a delicate process that involves both commercial and political interests. Because of this, every effort has to be made to develop clear indicators, transparent procedures, and accountable management processes. Projects for the resettlement of established informal settlement communities are somewhat easier, particularly as

[90] Hasan, 2000.
[91] ENDA-RUP, 2005.
[92] SIDA, 2007.
[93] Lee-Smith and Memon, 1988.

the selection and plot-allocation process can, and should be, undertaken in close collaboration with communities and their leaders, if not exclusively led by them.

4.6 SITE PLANNING AND BUILDING CONTROLS AND SUPPORTS

Site planning is almost invariably undertaken as a centrally controlled technical service, though on a micro level it has occasionally been done with the participation of project beneficiaries. In the Lusaka project, groups of 25 households made decisions on the distribution of public and private land and the layout of common sanitary facilities.[94] The distribution of land use, plot sizes, and access layouts are normally determined by prevailing norms and regulations. However, incremental housing projects, which are treated as experimental exercises, have often been used to test and/or demonstrate the rationalisation of excessively generous planning standards, even while maintaining adequate health and safety conditions. The Sri Lanka Million Houses Programme is an example.

Allowing for mixed land use, both at the outset of incremental housing projects and in their future development, is an important principle that applies to all low-income settlements. The extent to which low-income groups depend on home-based industries for their livelihoods and for their integration into the urban economy at large is now well understood.[95] The provision of dedicated workshop space within settlements is similarly important and invariably used by local residents, as in the Shivaji Park S&S project in Alwar, India.[96]

Planning and building standards also tend to present problems. Unable to break away, either psychologically or legally, from long-established planning and building codes, government officers have on occasion sought to impose un-realistic (and un-affordable) standards on S&S projects—insisting, for example, on large plot sizes, mandatory standard house designs, high-quality construction materials, and low densities. In some cases, the private sector has also become involved in projects, further pushing up standards and costs.[97] Some S&S schemes even prohibited income-generating activities on residential plots, including the renting of rooms, thereby limiting the opportunities for residents to earn additional income to help cover the cost of their plots and houses.[98]

Planning for higher densities of land use can also reduce costs. Smaller plot sizes have been recommended as part of a reform programme in Ghana[99] to reduce the cost of servicing land by achieving greater economies of scale and enabling smaller infill sites that are already served by trunk infrastructure to be used. Changing building codes to enable additional floors to be added over time can increase densities considerably (as seen in Dakar), but this should be achieved without compromising safety, especially in earthquake-prone areas. High-rise incremental housing is also a possibility, as demonstrated by the vast Ciudad Bachue project built in Bogotá, Colombia, in the 1970s, but this can pose long-term challenges as communities seek to expand and maintain their structural safety.

As has been stressed in the earlier sections, building controls should be confined to those necessary to ensure the health and safety of households and the wider community, and to facilitate incremental construction processes. Many early S&S projects were not successful because their target groups could not

[94] Jere, 1984.
[95] Tipple, 2004.
[96] Lall, 2002.
[97] Van der Linden, 1992.
[98] Srinivas, no date.
[99] CHF, 2004.

afford the cost of meeting the conditions set for their development. The Dandora project required at least two rooms to be completed using permanent materials (concrete or dressed stone) within 24 months of plot allocation.[100] By contrast, in the Khuda-ki-Bastee scheme, the Hyderabad Development Authority deliberately sought to free householders from planning controls. Only the layout of schemes was fixed and absolutely no standards were imposed on the plan or quality of the houses to be built.[101] It was rightly assumed that self-builders are conservative and risk averse, tending to avoid new construction materials and methods.[102] They naturally aspire to high standards and would not wilfully build dwellings that are unsafe or a threat to the health of their families. However, to achieve their aims, self-builders needed technical information and advice on how to evolve their homes (often over very long periods of time), which was largely provided by NGOs.

In sum, revised planning and building codes and procedures to support self-builders are needed in many countries. These should be proscriptive, setting the limits of good practice, and not the more common prescriptive legislation that stipulates what has to be done in detail, leaving little room for innovation. Effective outreach is essential for households to be able to make informed and technically sound choices and to achieve good returns on investment. Thus, there are strong arguments for a shift from the concept of official developmental control to the establishment of planning and building advisory services that provide technical guidance on good practices specific to incremental housing programmes and projects. A building clinic that performed this function was set up and staffed by architectural and engineering students in the vast Thawra City incremental housing project in Baghdad, Iraq, for a short time in the early 1970s.[103] Some NGO-run urban resource centres also provide this sort of on-site technical assistance to house builders.

But there is still a need for development control functions to police illegal development and unsafe buildings put up by unscrupulous speculators. Squatting on land reserved for service buildings or public open spaces is common. Speculators planning buildings to sublet often have little regard for the quality of construction—to the extent that low-income rental housing constructed in official S&S projects as well as in informal settlements can be unsafe. Ideally, the primary functions of development control policing should be undertaken by the community of residents, though enforcement must remain the responsibility of the state. While NGOs may be best placed to provide neighbourhood-level planning and building advisory services and to strengthen the capacity of community-based organisations that administer first-stage development control functions, it is important that the government has the capacity to ensure their complicity.

4.7 COMMUNITY ORGANISATION AND ASSET MANAGEMENT

That a sense of ownership over local community facilities engenders a degree of collective responsibility for their maintenance and management is now well understood. What is often less clear is the link between this sense and the participation of households in all stages of the project-planning process. Few of the upgrading and resettlement projects of the 1970s and 1980s engaged with the communities served, least of all at the appraisal and planning stages of project implementation. User needs and demands for land and services were assumed with little or no consultation (with the notable exception

[100] Lee-Smith and Memon, 1988.
[101] Siddiqui, 2005.
[102] Goethert, 2009.
[103] Wakely, et al, 1974.

of the Lusaka upgrading and S&S project referred to above).[104] In new open-access S&S projects, where the beneficiaries are not identified until after the site-planning stage, such participation is obviously not possible, so community building should be a high priority right from the first days of occupation. The administration of the Dandora S&S project in Nairobi, Kenya, was conducted by the Community Development Department especially established for the project.[105] In the Khuda-ki-Bastee project in Pakistan, the most successful neighbourhoods in terms of developing and maintaining public infrastructure and services were those that received NGO community development and management support from the first days of settlement.[106]

Over time, community-based management organisations may develop to cater to local collective needs. In Dakar, for instance, insufficient infrastructure was installed and future growth was unplanned, but cultural and religious organisations that developed within the community gradually built the capacities required to deal with deficits in education, health care, and rubbish and sewage collection.[107] This was, however, a slow process that, with more support in the initial stages of the project, would probably have been more effective.

In short, it is essential that the capacity to support local organisations in the management and maintenance of community assets be present right from the start of the incremental development process. In most cases, this entails educative processes that in the long run lead to permanent local governance structures.[108] Clearly, these should be targeted around specific issues and user groups—for example, parents' associations concerned with school facilities and committees concerned with the maintenance of roads, access paths, and drains—whose membership and roles will change as the incremental development process evolves.

4.8 STRATEGIC PLANNING

For state-supported incremental housing initiatives to have a significant impact on the enormous low-income housing deficits of most cities and towns, they must be located within a broader framework. At the national level, there needs to be a clear poverty reduction strategy[109] that recognises the detrimental significance of urban poverty on national and regional development and the role that housing can play in reducing it. At the level of the city, small-scale incremental projects that are divorced from the wider housing market will become subject to speculation and rapid gentrification. This was the case in Dakar, where plots were quickly sold to higher-income groups because these groups had no safer investment opportunities. The same problem is also evident in Pakistani cities, where higher-income groups bought plots intended for low-income housing development as a hedge against inflation. By contrast, in India's Shivaji Park, one of the reasons for the high retention rate of original low-income residents was Alwar's fairly balanced housing market.[110] Unfortunately, most urban housing markets are far from balanced.

In Ghana, it has been recommended that non-conventional strategies should be developed in each of the four different market segments to improve housing supply and finance. It has also been argued that within each sector there are different groups of developers, households, and communities, each of which drives housing supply—and that comprehensive strategies must therefore involve all these actors. Projects should encompass the high- and

[104] Jere, 1984.
[105] Lee-Smith and Memon, 1988.
[106] Hasan, 2000.
[107] Cohen, 2007.
[108] Max Locke Centre, 2005.
[109] Gattoni, 2009.
[110] Lall, 2002.

upper-middle-income market to maximise the use of local building materials and formal sector borrowing. Recommendations have also been made for the provision of S&S for lower-middle- and low-income groups, informal settlement upgrading, and wholesale lending among commercial banks, state banks, and microfinance institutions.[111]

Situating incremental housing initiatives firmly within the context of broader land market reforms and programmes to facilitate housing supply for all income groups is essential to their long-term success and their potential to have a significant impact.

[111] CHF, 2004.

SECTION 5

Conclusions: Capacity Building & The Way Forward

Experience and analysis has demonstrated the efficiency and efficacy of incremental housing for and by urban low-income households and communities. John Turner coined the phrase *"housing as a verb"* in 1972[112] to focus attention on the *processes* by which urban low-income families house themselves, and away from the prevailing preoccupation with housing solely as a *product*. Yet, four decades later this understanding is yet to be absorbed by many national and municipal housing authorities where conventional attitudes to the clearance of 'slums' and the unrealisable ambition to replace them with ready-built public housing persist.

As a result informal settlements in many towns and cities continue to expand[113]. The principle of subsidiarity, set out in Section 3.3, and the need for the empowerment of low-income communities and households is often not understood, or is resisted because it is erroneously perceived to undermine the authority of established political interest groups.

However, in many situations the dominant constraint to devolving responsibility for the production, maintenance and management of affordable housing to urban low income groups is the lack of appropriate technical and professional resources rather than the failure to devolve. It is more a problem of 'enabling' than one of 'empowering'.

Empowering is about devolving authority. It is about increasing the efficiency, enhancing the effectiveness and ensuring the sustainability of development by passing responsibility to those people, communities and enterprises to whom efficiency, effectiveness and sustainability really matter.

Enabling, on the other hand, is about ensuring that those who are empowered have the information, technology, skills, finance and supports to exercise their new authority responsibly. It is also about roles—who should do what and in partnership with whom. It is building capacity—a process of equipping all actors to perform effectively, both in their own job and by working in collaboration or partnership with others who operate in other fields and at other levels of housing and urban development.

[112] Turner, 1972.
[113] UN-Habitat, 2003.

5.1 CAPACITY BUILDING

To many, capacity building means only training or human resource development. Certainly this interpretation is a very major component of it. However, if decision-makers, managers, professionals and technicians are to operate at full capacity, they need to rely on more than just their own abilities. They need an institutional and organisational environment conducive and supportive of their efforts, energies and skills. Institutional and organisational constraints present as great an impediment to the effective management of support to incremental housing processes as the incapacity of professionals, technicians and householders. Therefore to be effective capacity building must embrace all three aspects—human resource development, organisational development, and institutional development.

5.1.1 Human resource development

Human resource development is the process of equipping individuals with the understanding, skills and the access to information and knowledge to enable them to perform effectively. Because of the often unpredictable nature of devolved informal settlement upgrading or the participatory development of sites and services projects, the traditional boundaries between professional and technical disciplines (for example, architecture, planning, engineering, community development) become blurred and overlap. Interdependent multi-disciplinary team work is essential. Therefore, in addition to acquiring new skills that are needed to support incremental housing approaches in their own discipline, managers and technical professionals must also acquire a broad understanding of the full range of issues and activities outlined in Section 4 above concerning: land; finance; infrastructure and services; beneficiary selection; planning and building controls; community organisation and asset management; and city-scale strategic planning.

At the start of the Sri Lanka Million Houses Programme in 1983, the National Housing Development Authority had to re-train and 're-tool' its entire decentralised professional and technical staff. Construction managers became the directors of support and supply teams providing advice, finance and building materials to community-based endeavours; housing officers became the field administrators of incremental loan funds; technical officers became the supervisors and trainers of household and community building processes. This was largely a learning-by-doing-and-sharing process of capacity building that included the development of new job descriptions, formal training, and the opening of new career opportunities[114].

5.1.2 Organisational development

Organisational development is the process by which things get done collectively within an organisation, be it a central government ministry, a local authority department, a private sector enterprise, a non-governmental organisation or community group. It is to do with management practices and procedures; rules and regulations; hierarchies and job descriptions—how things get done. It is also to do with working relationships; shared goals and values; team-work, dependencies and supports—why things get done. In many situations flexible and responsive management styles are needed, requiring entirely new organisational structures, particularly within local government. It also often calls for the establishment of new relationships between different organisations, for example those responsible for poverty reduction programmes, community development, environmental health, adult education, enhancing the role and opportunities for women that hitherto have had little engagement with housing departments or authorities.

[114] Lankatilleke, 1986.

As described in Section 2.2, in 1975 Nairobi City Council in Kenya established a Project Department (up-graded to a Housing Development Department (HDD) in 1978) to design and manage the vast Dandora sites and services project to the east of the city. The creation of a whole new department was deemed necessary because the management and professional skills and relationships that were required differed significantly from those of the Council's existing Housing and Social Services Department and other related departments, notably Engineering and Water & Sewerage. A pivotal component of the HDD was its Community Development Division that took on functions and professionals that had not existed in the City Council before. The HDD built its own capacity as it developed with considerable success—again, learning-by-doing—even though political rivalries between the new organisation and the longer-established Council departments to some extent obstructed its operation in the early stages[115].

5.1.3 Institutional development

Institutional development encompasses the legal and regulatory changes that have to be made in order to enable organisations and agencies at all levels and in all sectors to enhance their capacities. It embraces such issues as: regulations controlling the financial management and the borrowing and trading capacity of government agencies and municipal authorities; the ability of local government to negotiate contracts and form partnerships with private enterprises and community organisations; land management, tenure and use regulations; statutory building standards and other development controls; and democratic legislation that allows, enables and encourages communities to take responsibility for the management of their own neighbourhoods and services. Such institutional and legal issues generally need the political and legislative authority of national government to bring about effective changes.

The 'City Statute' promulgated by the Federal Government of Brazil in 2001, supported by a new Ministry of Cities and National Cities Council, established two years later, provides a 'Toolbox' of legal instruments that enable municipal governments to manage their own affairs within the tenets of Brazil's progressive 1988 national constitution. Emphasis is given to the social use of urban land with a particular focus on informal settlements and the land needs of low-income households and communities. Though the City Statute has been subjected to some political opposition from entrenched conservative interest groups at all levels, there is little question that it has had, and continues to have, a significant impact at the urban grassroots level. Processes such as municipal participatory budgeting, the regularisation of tenure to land and property in informal settlements, state-private-civil society partnerships in urban development and management have been enabled by legislation emanating from it[116].

5.2 PRIORITIES

As indicated above, capacity needs to be built at every level and across all fields of activity that impinge upon the development and management of cities and settlements. However, in every situation there are priorities which, for reasons of urgency or deficiency, take precedent over others in their need for attention and resources. These vary with the particular circumstances of any specific country or region, though it has become increasingly apparent that the weakest link in the chain is generally at the level of local government and municipal administration.

Municipal governments and administrations are the key actors in the management of towns and cities. Yet,

[115] Lee-Smith & Memon, 1988.
[116] Fernandes, 2010.

over the last 40 years, in all but a handful of countries they have been starved of authority and resources. They have tended to be constrained by obsolete legislation, restrictive practices, outmoded equipment and inappropriately trained staff. Many of their traditional development and management roles have been usurped or bypassed by central government corporations and utility companies—as well as by low-income households and communities that they have failed to serve. But the paradigms are changing and calling for an urgent and massive exercise in re-building the capacity of local government and administration.

Capacity building of community-based organisations and local NGOs to support incremental housing processes is next in importance to that of formal local government in the league of priorities for capacity building in support of incremental housing processes. The emerging role of neighbourhood and community groups, as a new tier of local governance that comes between individual households and municipal authorities, is almost without precedent. Although urban community organisations are rightly taking on many of the traditional management functions of municipal authorities, it is important that they remain 'non-governmental' so that they can maintain an independent watchdog role over municipal authorities, holding them to account and guarding the demands and interests of their constituents.

The private sector generally takes responsibility for building and maintaining its own capacity to compete. There are situations, however, where the informal private sector and some formal sector enterprises need assistance in the form of legislative deregulation and incentives that encourage and enable them to enter the market for the production of low cost housing and infrastructure. In many situations there is also the need for easy access to management training for small and informal sector enterprises. This is often as much in the interests of small and medium scale enterprises' and contractors' clients as their own competitive ability.

5.3 CONCLUSION

Almost half the population of the developing world live and work in towns and cities and a third of them (830 million) in informal settlements or slums[117]. Though there are many 'slums of despair'—seemingly hopeless neighbourhoods of poverty and environmental degradation—the majority are 'settlements of hope'—informal neighbourhoods and communities in the process of building their cities through their own endeavours and ingenuity. They demonstrate a process that has been shown to be both effective and efficient in terms of its responsiveness to their occupants' fluctuating needs and fortunes. However, they are often constrained by a lack of official or recognised supports that would extend the effectiveness and efficiency of incremental housing processes for the development of the city as a whole. As pointed out above, the starting point for this is the understanding of the principle of subsidiarity and a political will to devolve authority down to the level of organised urban communities, coupled with investment in innovative capacity building.

In recent years such approaches have been applied to the remedial upgrading of existing informal neighbourhoods in many cities. Less common are strategies that address the growing needs of new low-income urban households through the provision of appropriately located, affordable, serviced land—sites and services. A recent study in Bogotá, Colombia has shown that the cost of developing serviced land for low-income housing is almost one third the cost of regularising established informal settlements[118].

[117] UN-Habitat, 2003 (Second Edition, 2010).
[118] Fenandes , 2011–05–21.

References

Abrams, C. 1964. *Housing in the Modern World: Man's Struggle for Shelter in an Urbanising World*. Cambridge, MA: MIT Press.

ACHR (Asian Coalition for Housing Rights). 2004. "Negotiating the Right to Stay in the City." *Environment and Urbanization* 16 (1). pp 9–25

ADB (Asian Development Bank). 2005. "Providing Affordable Housing for the Urban Poor in Philippines." http://www.adb.org/media/Articles/2003/3958_Philippines_Urban_Housing/.

Adedeji , D. S., and A. Olufemi. 2004. "Planning Policies and Affordable Housing in Nigeria: An Analysis of Abuja Master Plan Scheme and the Re-Validation of Certificate of Occupancy." http://*www.york.ac.uk/inst/chp/hsa/autumn04/daramola.pdf.*

Angel, S., and T. Chirathamkijkul. 1983. "There are Realistic Mechanisms for Sharing the land." In *Land for Housing the Poor*, ed. Archer Angel *et al*. Singapore: Select Books.

Banks, N. 2008. "A Tale of Two Wards: Political Participation and the Urban Poor in Dhaka city." In *Environment and Urbanization* 20 (2). pp 361–376

Buckley, R. M., and J. Kalarickal, eds. 2006. *Thirty Years of World Bank Shelter Lending, What Have We Learned?* Washington, DC: World Bank.

Burra, S. 1999. "Resettlement and Rehabilitation of the Urban Poor: The Story of Kanjur Marg." DPU Working Paper no. 99, London.

Business in the Community (2010) http://www.bitc.org.uk/resources/case_studies [accessed Feb 2011]

CHF. 2004. *Strategic Assessment of the Affordable Housing Sector in Ghana*. Silver Spring, MD: CHF International.

Choguill, C. L. 1995. "The Future of Planned Urban Development in the Third World: New Directions." In *Housing the Urban Poor: Policy and Practice in Developing Countries*, ed. B. C. Aldrich and R. Sandhu. London: Zed Books.

Cohen, M. A. 1983. "The Challenge of Replicability: Towards a New Paradigm for Urban Shelter in Developing Countries." *Regional Development Dialogue* 4 (1): 90–99.

————. 2007. "Aid, Density and Urban Form: Anticipating Dakar." *Built Environment* 33 (2). pp145–156

Cotton, A., and M. Sohail. 1997. "Community Partnered Procurement: A Socially Sensitive Option." *Journal of Appropriate Technologies for Water Supply and Sanitation* 16 (2): 24–27.

Cotton, A., and R. Franceys. 1991. "Services for Shelter." In *Liverpool Planning Manual 3*. Liverpool: Liverpool University Press.

D'Cruz, C., and D. Satterthwaite. 2005. "Building Homes, Changing Official Approaches: The Work of Urban Poor Organisations and their Federations and their Contributions to Meeting the Millennium Development Goals." *IIED Poverty Reduction in Urban Areas Working Paper* 16, London.

E & U (Environment and Urbanization). 2009. "Getting Land for Housing: What Strategies Work for Low-Income Groups?" *Environment and Urbanization Brief* No.19. pp1–6

ENDA-RUP. 2005. "Parcelles Assainies." http://www.hicnet.org/document.php?pid=2611.

Ferguson, B., Navarete, J. (2003) 'A financial framework for reducing slums: lessons from experience in Latin America' in Environment & Urbanisation, Vol.15, No.2, London.

Fernandes, E. (2010) "The City Statute and the legal urban order" in *The City Statute: A Commentary*, Cities Alliance, Washington, pp.55–70

————. (2010) 'The City Statute and the legal urban order' in *The City Statute: A Commentary*, Cities Alliance, Washington, pp.55–70

Gattoni, G. 2009. "A Case for the Incremental Housing in Sites-and-Services Programs." Paper presented at the IDB conference, Washington D.C., 28 July. http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM-2062811.

Goethert, R. 2009. "Brief Comments on 'A Case for the Incremental Housing Process' by Goerge Gattoni." Presentation at IDB conference, IDB, Washington, D.C., 28 July. http://events.iadb.org/calendar/eventDetail.aspx?Lang=En&id=593.

Government of Sri Lanka. 1983. *Housing Options and Loans Package (HOLP): Million Houses Programme.* Colombo: National Housing Development Authority.

GTZ. 2009-a. "Memorandum on Sustainable Urban Development in Syria." GTZ, mimeo, Damascus.

————. 2009-b. "Informal Settlements in Aleppo: Rapid Profile of All Settlements." GTZ, Municipality of Aleppo, mimeo.

Hamdi, N., and R. Goethert. 1997. *Action Planning for Cities: A Guide to Community Practice*. Chichester: John Wiley & Sons.

Hasan, A. 2000. *Housing for the Poor: Failure of Formal Sector Strategies*, 263–98. Karachi: City Press.

————. 2009. *Participatory Development: The Story of the Orangi Pilot Project—Research and Training Institute and Urban Resource Centre, Karachi, Pakistan*. Oxford: Oxford University Press.

Herald, The. 2009. "Co-operatives Build over 2,000 Houses for Low Income Earners." *The Herald*, May 4.

IHC (International Housing Coalition). 2008. *Multilateral and Bilateral Funding for Housing and Slum Upgrading Development in Developing Countries*. Washington, D.C.: IHC.

Jere, H. 1984. "Lusaka: Local Participation in Planning and Decision-Making." In *Low Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, ed. G. Payne. Chichester: Wiley.

Kearne, D. H., and S. Parriss. 1982. "Evolution of Shelter Programs for the Urban Poor: Principal Findings." World Bank Staff Working Paper no. 547, World Bank, Washington, DC.

Lall, S. 2002. "An Evaluation of a Public Sector Low Income Housing Project in Alwar: India." Working Paper 6, Society for Development Studies, New Delhi.

Lankatilleke, L. (1986) "Training and Information for Institutional Development for the Implementation of the Million Houses Programme of Sri Lanka", Habitat International, Vol.10, No.3, pp.109–129

Lee-Smith, D., and P. Memon. 1988. "Institution Development for Delivery of Low Income Housing: An Evaluation of Dandora Community Development Project in Nairobi." *Third World Planning Review,* Vol.10, No.3: 217–38.

Mangin, W. 1967. "Latin American Squatter Settlements: A Problem and a Solution." *Latin American Research Review* Vol.2, No.3 : 65–98.

Max Locke Centre. 2005. *The Rough Guide to Community Asset Management*. London: MLC Press.

McLeod, R., and K. Mullard. 2006. *Bridging the Finance Gap in Housing and Infrastructure*. London: ITDG Publishing.

MIT (2001) Upgrading urban communities: a resource for urban practitioners. http://web.mit.edu/urbanupgrading/index.html [accessed Feb 2011]

Mitlin, D. 2008. "Urban Poor Funds: Development by the People for the People." IIED Poverty Reduction in Urban Areas Working Paper 18, London.

Ndaba, D. 2008. "South Africa's Affordable-Housing Programme is Maturing but the Delivery Pressures are Mounting." Engineering News, Johannesburg. http://www.engineeringnews.co.za/author.php?page=49&u_id=133& (screen 50, 11 July)

Omenya, A. 2004. "Housing Networks in Different Political Economies: The Cases of Ivory Park, Johannesburg and Dandora, Nairobi." Paper presented at the Institute of Housing for South Africa, International Housing Conference on Housing in the Next Decade: Quo Vadis? Cape Town, October 3–6.

Patel, S., and D. Mitlin. 2004. "The Work of SPARC, the National Slum Dwellers Federation and Mahila Milan." In *Empowering Squatter Citizen: The Roles of Local Governments and Civil Society in Reducing Urban Poverty*, ed. D. Mitlin and D. Satterthwaite. London: Earthscan.

Payne, G., A. Durand-Lasserve, and C. Rakodi. 2009. "The Limits to Land Titling and Home Ownership." *Environment and Urbanization* 21 (2), London, pp.443–462.

Pervaiz, A., P. Rahman, and A. Hasan. 2008. "Lessons from Karachi: The Role of Demonstration, Documentation, Mapping and Relationship Building in Advocacy for Improved, Urban Sanitation and Water Services." IIED Human Settlements Discussion Paper, Water-6, London.

Phonphakdee, S., S. Visal, and G. Sauter. 2009. "The Urban Poor Development Fund in Cambodia: Supporting Local and Citywide Development." *Environment and Urbanization* 21 (2), London, pp.569–586.

Rahman, M. 2005. "Role of NGOs in Urban Housing for the Poor in Dhaka, Bangladesh." *Global Built Environment Review* 15 (1): 16–29.

Riley, E., and P. Wakely. 2005. *Communities and Communication: Building Urban Partnerships*, 85–110. Rugby: ITDG Publishing.

Rowbottom, S. 1990. "Senegal Case Study, Parcelles Assainies: From Project to Place—After Three Decades." CHF Occasional Paper, International Development Matters: Framing a New Perspective on Urban Development: Back to the Future, volume 3, CHF International, June.

Schlyter, A. 1995. "Squatter and Slum Settlements in Zambia." In *Housing the Urban Poor: Policy and Practice in Developing Countries*, ed. B. C. Aldrich and R. Sandhu. London: Zed Books.

SIDA (Swedish International Development Agency). 2007. "Increasing Access to Housing and Financial Services: SIDA Experiences in Central America." 1st Asia-Pacific Housing Forum, 24–26 November, Singapore.

Siddiqui, T. A. 2005. *Incremental Housing Development Scheme (Pakistan): An Innovative and Successful Scheme for Sheltering the Urban Poor*. Karachi: Action Research for Shelter.

Silas, J. 1984. "The Kampong Improvement Programme of Indonesia: A Comparative Case Study of Jakarta and Surabaya." In *Low Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, ed. Payne. Chichester: G. Wiley.

Soliman, A. M. 1995. "A Tale of Informal Housing in Egypt." In *Housing the Urban Poor: Policy and Practice in Developing Countries*, ed. B. C. Aldrich and R. Sandhu. London: Zed Books.

Srinivas, H. "Sites and Services." Global Development Research Centre. http://www.gdrc.org/uem/squatters/s-and-s.html.

Stein, A., and I. Vance. 2008. "The Role of Housing Finance in Addressing the Needs of the Urban Poor: Lessons from Central America." *Environment and Urbanization* 20 (1) (London) pp.13–30.

Tipple, G. 2004. "Settlement Upgrading and Home-Based Enterprises: Discussions from Empirical Data." *Cities* 21 (5): 371–79.

Turner, J. F. C. 1967. "Barriers and Channels for Housing Development in Modernising Countries." *Journal of the American Institute of Planners* 33 (3), pp.167–181.

————. (1972) "Housing as a Verb" in Turner, J.F.C. & Fichter, R. (eds), *Freedom to Build*, Macmillan, New York, pp.148–175.

————. 1976. *Housing by People*. London: Marion Boyars Publishers.

UNCHS (United Nations Centre for Human Settlements). 1991. *The Incremental-Development Scheme—A Case Study of Khuda-ki-Basti in Hyderabad, Pakistan.* Nairobi: UNCHS, Nairobi.

UN-Habitat. 1993. *The Urban Poor as Agents of Development: Community Action Planning in Sri Lanka*. Nairobi: UN-Habitat.

————. 2003. *Global Report on Human Settlements: The Challenge of Slums*, Chapter 5, 79–95. London: Earthscan.

————. 2007. *Enhancing Urban Safety and Security: Global Report on Human Settlements,* pp.96–107.

van der Linden, J. 1986. *The Sites and Services Approach Reviewed.* Aldershot: Gower.

————. 1992. "Back to the Roots: Keys to Successful Implementation of Sites-and-Services." In *Beyond Self-Help Housing*, ed. K. Mathéy, 341–53. London: Profil Verlag.

Wakely, P. 2008. "*Land Tenure in Under-Served Settlements in Colombo Sri Lanka.*" IDRC Urban Poverty and Environment Report Series 6, Ottawa, Canada.

Wakely, P., and A. Aliani. 1996. "Where We Have Come From: Historical Perspective and Major Trends." In *UN-ESCAP "Living in Asian Cities*." New York: UNDP.

Wakely, P., H. Schmetzer, and B. Mumtaz. 1974. "A Building Clinic in Baghdad." In *Architectural Design* 6 (74) (London), pp.627–629.

Bibliography

Housing policy

- Buckley, R. M., and J. Kalarickal, eds. 2006. *Thirty Years of World Bank Shelter Lending, What Have We Learned?* Washington, D.C.: World Bank. http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552–1153163100518/Thirty_Years_Shelter_Lending.pdf.

  An extensive review of the World Banks' record in the shelter sector, based on the outcomes of over 278 projects in 90 countries, this examines the evolving objectives and outcomes of Bank projects. Policy instruments are also reviewed in the areas of land market issues, housing finance, housing subsidies, and the Banks' direct involvement in low-income housing.
- IHC (International Housing Coalition). 2008. *Multilateral and Bilateral Funding for Housing and Slum Upgrading Development in Developing Countries*. Washington, D.C.: IHC.

  An overview of funding trends for slum upgrading and housing finance by bilateral donors and multilateral organisations and the results of interviews with representatives of foreign assistance agencies.
- Nientied, P., and J. van der Linden. 1988. "The 'New' Policy Approach to Housing: A Review of the Literature." *Public Administration and Development* 8 (2): 233–40.

  A review of the sites and services approach within the context of a discussion of 20 years of housing policy. The article reveals the powerful political, administrative, and economic interests that acted against the large-scale implementation of such project and favoured the status quo of informal self-help housing development.
- UN-Habitat. 2003. *The Challenge of Slums, Global Report on Human Settlements 2003*. London: Earthscan.

  Broad review of the phenomena of slums, their types, causes, context, and workings, as well as policy responses to them. Illustrated with city case studies from around the world.

Self-help housing processes

- Pugh, C. 2000. "Squatter Settlements: Their Sustainability, Architectural Contributions and Socio-Economic Roles." *Cities* 17 (5): 325–37.

  Examines the reasons for urban squatter settlements and the objectives of policy responses in terms of improving sanitary services and legality. The article looks at the dilemmas of institutional and organisational approaches to the improvement of squatter settlements.
- Payne, G. (ed) (1984) 'Low income housing in the developing world: The role of sites and services and settlement upgrading', Wiley, Chichester.

Though nearly 30 years old, this book provides a range of still relevant strategic approaches to incremental housing by governments working with low-income communities, pointing to transferable successes and drawing cautionary lessons from practice.

- Tipple, A. G. 2000. *Extending Themselves: User Initiated Transformations of Government Built Housing in Developing Countries*. Liverpool: Liverpool University Press.

  Examines the scale and nature of housing shortages and poor people's coping strategies. The book looks at the meaning of housing to occupants, its financial importance, its impact on sustainability, how poor people transform their housing, and how they can be supported to do so in a way that improves the productivity of houses and their occupants.
- Turner, J. F. C. 1976. *Housing by People*. London: Marion Boyars.

  A classic book that examines the self-help housing strategies pursued by poor people, showing that such strategies can be highly organised, flexible, and effective.

Housing finance

- E&U (Environment and Urbanization). 2008. "Finance for Housing, Livelihoods and Basic Services." *Environment and Urbanization* 20 (1).

  Numerous articles on finance for shelter, including microfinance for housing improvement, community development, and service provision and financial exclusion, with case studies from many countries and regions.

Land

- Durand-Lasserve, A., and L. Royston, eds. 2002. *Holding Their Ground: Secure Land Tenure for the Urban Poor in Developing Countries*. London: Earthscan.

  Presents and analyses the main conclusions of a comparative research programme on land tenure issues at a global level, looking at how innovative solutions can be found and implemented to respond to the demands and needs of the majority of urban households living in informal settlements.
- E&U. 2009. "Securing Land for Housing and Urban Development." *Environment and Urbanization* 21 (2).

  Various articles that examine, using case studies, issues surrounding poor people's access to urban land for housing, including conflict over land, effective strategies for acquiring land, and the roles that community-based organisations can play.
- Payne, G. 2002. *Land, Rights and Innovation*. London: ITDG.

  Looks at 15 **cases** from around the world where authorities have recognised the complexity of land problems and evolved practical, innovative approaches to providing tenure for the urban poor. Also includes a chapter on the legal issues of security of tenure.

Urban management

- Cooke, B., and U. Kothari, eds. 2001. *Participation: The New Tyranny?* London: Zed Books.

  Examines the rhetoric of participation and the reality that it can be exploitative of poor people, showing the complexities of social and political relations dominated by inequality while advocating a deeper form of empowerment.
- Chambers, R. 1997. *Whose Reality Counts? Putting the First Last*. London: Intermediate Technology.

Argues that the central issues in development have been overlooked and that professionals need new approaches and methods for interacting, learning, and knowing in order for the skills and knowledge systems of poor people to receive greater recognition.

- Development Planning Unit. 2002. *Sustainable Urbanisation*. London: Development Planning Unit.

  Advocates sustainable urban development through linking the green and brown agendas; examines more than 70 case studies.
- E&U. 2008. "City Governance and Citizen." *Environment and Urbanization* 20 (2).

  Articles that illustrate the social and political basis for citizen action to reduce urban poverty, looking at new approaches for people-centred development and for building bridges between citizens and the state.
- ————. 2009. "City Governance and Citizen Action II." *Environment and Urbanization* 21 (2).

  Examines the role that local authorities can play in strengthening local democracy and the relationships between government and citizens, with case studies from various countries and regions.
- Jenks, M., and R. Burgess, eds. 2000. *Compact Cities: Sustainable Urban Forms for Developing Countries*. London: Spon Press.

  Examines sustainable urban forms in developing countries, looking at the implications of the compact city debate on various countries and regions, and the need for compact development—including from an environmental perspective. Contains a section on infrastructure and transport.

Infrastructure and services

- Cotton, A., and K. Tayler. 2000. *Services for the Urban Poor: Guidelines for Policymakers, Planners and Engineers.* Loughborough: WEDC/GHK.

  A set of manuals that offers detailed guidance on the planning, design, implementation, operation, and maintenance of basic services for the urban poor—based largely on experience from South Asia. It emphasises the need to integrate participatory approaches at the local level with strategic improvements to city-level infrastructure.

CITIES
WITHOUT
SLUMS

Cities Alliance
Cities Without Slums

1818 H Street, N.W. | Washington, D.C. 20433 | USA
Tel: 202.473.9233 | Fax: 202.522.3224
linfo@citiesalliance.org | www.citiesalliance.org