



Resource materials on selected aspects of urban planning and housing

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Contents:

EXECUTIVE SUMMARY

1. INTRODUCTION	1
2. INCLUSIVE PLANNING – CONCEPTUAL FRAMEWORKS AND BEST PRACTICES.....	1
CASE STUDY OF INCLUSIVE PLANNING: CITY DEVELOPMENT STRATEGIES.....	4
CASE STUDY OF INCLUSIVE PLANNING: ANKARA, TURKEY	8
CASE STUDY OF INCLUSIVE PLANNING: ORANGI PILOT PROJECT, KARACHI, PAKISTAN.....	10
CASE STUDY OF INCLUSIVE PLANNING: BOMBAY FIRST, INDIA	11
CASE STUDY OF INCLUSIVE PLANNING: 'E-CENTRES' IN HYDERABAD, INDIA.....	12
3. BEST PRACTICE IN SOCIAL HOUSING	13
CASE STUDY OF COMMUNAL LAND RENTAL HOUSING, BANGKOK, THAILAND.....	14
CASE STUDY OF SOCIAL HOUSING IN HONG KONG.....	15
CASE STUDY OF SOCIAL HOUSING IN SINGAPORE.....	17
CASE STUDY OF SOCIAL HOUSING IN JAPAN	19
4. TENURE AND PROPERTY RIGHTS.....	2120
CASE STUDY OF COMMUNITY LAND RIGHTS: PORTO ALEGRE, BRAZIL	22
CASE STUDY ON EXECUTIVE INTERVENTIONS: PRESIDENTIAL PROCLAMATIONS IN MANILA	23
CASE STUDY ON COMMUNAL LAND LEASE OR OWNERSHIP: BANGKOK, THAILAND.....	25
5. CONCURRENT EVALUATION AND PARTICIPATORY ENUMERATION.....	26
CASE STUDY ON CONCURRENT ENUMERATIONS IN PUNE, INDIA.....	27
6. REFERENCES AND FURTHER INFORMATION SOURCES	2928

Executive summary

The Government of India is adopting a positive and innovative approach to addressing the housing needs of its ever-expanding urban population. Part of this process is to seek information on good practice from other countries in Asia and elsewhere in the world. These efforts are being assisted by DFID-India and the following notes are provided as a contribution to this process. They cover four main issues: conceptual frameworks and best practices for inclusive planning; social housing; tenure and property rights; and concurrent evaluation and participatory enumeration.

Following general discussion on each of these four topics, case studies are summarised with examples of these approaches in practice. Following these examples, a summary with policy implications is provided for consideration by both the Government of India (GoI) authorities and DFID-India. The key points for each topic can be summarised as follows:

Inclusive planning – conceptual frameworks and best practices

Globalisation has encouraged a move from a direct planning and control approach towards housing and land market management, to a more indirect regulatory approach. As a result, the regulatory framework applicable to the housing market facilitates formal, rather than unauthorised, development. Where planning and building standards, regulations, or administrative procedures impose costs, delays, complexity or uncertainty, potential developers/investors will be discouraged and may invest elsewhere, or not at all. Under such conditions, the priority of policy has changed from one of direct provision to one in which government stimulates investment by others, with the public sector setting the regulatory framework and protecting the public interest.

A primary means of ensuring local acceptance and ownership of policy is to maximise opportunities for participation by all key stakeholders in the formulation and implementation of policies. Examples of such approaches are cited below and include City Development Strategies; the experience of participatory development in Ankara, Turkey; the Orangi Pilot Project, Karachi, Pakistan; and two examples from within India - the Bombay First initiative and the 'E-Centres' in Hyderabad.

Best practice in social housing

Social housing is an umbrella term referring to rental housing which may be owned and managed by the state, by non-profit organizations, or by a combination of the two, usually with the aim of providing affordable housing for those unable to afford full market costs. Public rental housing, which is intended for allocation to households unable to pay the full market cost of housing, conforms to officially acceptable standards and norms. As such, it often represents a welfare burden on the economy. It is for these reasons that many countries at different levels of economic development have sought to reduce public sector social housing to the minimum and develop a range of other approaches.

Examples are provided of public rental housing in Hong Kong, Singapore and Japan, all of which indicate that they are the result of particular local conditions which may not be easy to export.

Tenure and property rights

Research has shown that tenure security is largely a matter of perception. Where people feel secure, they are likely to invest what they can to improve their dwellings and the local environment. This begs the question of what measures are necessary and appropriate to achieve this status and demonstrates the importance of adopting culturally informed approaches to tenure reform for the urban poor. This is acknowledged by the Ravij Yojana Awas programme which states that the provision of tenure security through entitlement will be critical for the overarching aim of promoting inclusive cities and defines this as the provision of legal title to slum-dwellers. Certainly there is strong demand for home ownership and advocates proposing such policies have been approved in many. However, the empirical evidence for their success is highly restricted and whilst titling may raise property values considerably, in no cases in urban areas has it generated the improved access to formal credit which is one of the claims made for it.

Examples of innovative alternatives to full freehold titles are provided from Brazil, where the provision of communal land rights have enabled large numbers of informal settlers to obtain medium to long term use rights; the Philippines, where Presidential Proclamations have also made a major impact and; Thailand, where communal land lease or ownership options are available to low-income groups or others in need.

Concurrent evaluation and participatory enumeration

The diversity of urban communities and complexity of understanding what they need and can afford poses major challenges for the most enlightened and committed administrations. The Gol has committed itself to addressing these issues and is seeking ways of formulating and implementing proposals which meet local needs.

Unfortunately, evidence of such 'learning by doing' is rare. However, a start is being made by the Global Land Tool Network in UN-HABITAT which has developed 'participatory enumeration'. The Participatory Enumeration Model (PEM) requires a distinctly different approach by professionals and policy makers, some of whom may question the ability of local residents to provide sound information in good faith. An even more serious question is why local residents should collaborate in surveys or data collection without confidence that they will receive some benefit as a result. This suggests that it is an appropriate tool as long as government is willing and able to deliver what urban residents need and want. This implies a degree of trust on the part of communities in both government and government policies, which may not always be present.

A case study is provided of an approach to implementing concurrent enumeration practices in India, under with an alliance of NGOs has been working to coordinate the implementation of an in-situ slum upgrading scheme in Pune. This provides a foundation for taking such approaches further.

1. Introduction

The following notes are submitted to WSP Group, in response a request for information from DFID India on examples from international good practice on aspects of urban management and housing as part of ongoing discussions with by the Ministry of Housing and Urban Poverty Reduction, Government of India. They are not by any means exhaustive, but provide a brief outline of several aspects in the hope of contributing to discussions on options for implementing the Rajiv Awas Yojana (RAY) programme for a 'slum-free India'.

The RAY programme is a highly ambitious approach to improving the lives and living conditions of millions of residents living in slums and informal settlements throughout India. If successful, the programme will have resolved a problem which has plagued previous administrations over a period of more than four decades (the period during which this writer has been involved in India's urban development sector).

This challenge needs to address one simple question: will it work? A vital precondition for success - political commitment from central government – is clearly in place. However, success will also depend largely upon the means for achieving it being appropriate, affordable and achievable. This will require broad agreement from a wide range of stakeholders, particularly the affected groups, and the professional and institutional capability to put policies into practice.

The following notes are submitted as a contribution to these discussions.

2. Inclusive planning – conceptual frameworks and best practices

The context

During recent decades, the world has become a highly integrated, competitive and changing place. For example, in the last five years or so, more than 150,000 jobs have been created in just three Indian cities in call centres, taking many jobs away from the US and UK. China is taking jobs in manufacturing and the world's largest producer of washing machines and other electrical goods has closed its factories in Europe and moved its production to China and other parts of South-East Asia.

Globalisation has become a key issue in international development and one which has profound implications for the role of national and local governments in all sectors, especially urban areas, where much investment is concentrated. This has had a corresponding impact on housing and land management. Evidence of the impact that housing can have on the macro-economy can be seen in the way that a failure to manage the housing market in one country, the USA, was sufficient to provoke a collapse of global financial markets and contribute substantially to the current global recession.

The implications of the 'sub-prime' housing crisis in the USA will take some years to resolve, though it is now self-evident that market economies are prone to instability and occasional collapse without effective regulation. Similarly, centrally determined systems

for balancing needs and resources have been shown to be vulnerable to long term inefficiency and abuse.

A key issue facing all countries under changing conditions and when external forces are influencing domestic needs and resources, is how to stimulate investment and growth whilst at the same time identifying and protecting the public interest. This means managing a transition from conventional practices of public sector planning and provision to one in which the state adopts a regulatory role. For urban planning and development, this means formulating strategies that can stimulate domestic investment and attract inward investment and ensuring that the benefits of such growth are equitably distributed. For the housing sector, it means ensuring that private sector, civil society and individual suppliers compete on equal terms and in ways that facilitate access to affordable and adequate housing by all sections of the population, including the poor, women and other vulnerable groups, such as IDPs.

To achieve a successful transition from a direct planning and control approach to a more indirect regulatory role requires that the regulatory framework applicable to urban development and the housing market facilitates formal, rather than unauthorised, development. Where planning and building standards, regulations, or administrative procedures impose costs, delays, complexity or uncertainty, potential developers or investors will be discouraged and may invest elsewhere, or not at all.

In many countries, the regulatory framework is based upon inherited or imported norms and assumptions, rather than local needs and resources. The result is invariably that these norms reflect the attitudes and assumptions of planners rather than those for whom they are planning. Invariably, the outcome is the growth of unauthorised settlements and, in some major cities, these represent the most common option for low-income households and occasionally more than half of *all* households.

International research has demonstrated that the regulatory framework has a major impact on the costs of access to legal housing. Whilst planning and building standards in India are among the most realistic and affordable in the world, regulations and administrative procedures are in some cases, unduly restrictive and cumbersome. A regulatory review may be able to identify options for reducing the need for informal development. Any reforms which can reduce the time, cost and uncertainty in processing development applications will help to improve investment and increase public sector influence over land and housing markets.

This suggests that regulatory frameworks should focus on key elements which should be protected at all costs, such as public health and safety, and those which are less critical and on which some flexibility is possible. An equally important consideration is the ability and willingness of the relevant authorities to enforce such regulatory requirements efficiently, since any failure or abuse will only bring the whole regulatory system into disrepute.

It is important that the process of determining acceptability be made as efficient and responsive to needs and market trends as possible. Under conditions where the primary role of government is to regulate the activities of others in order to protect the environment and those less able to protect themselves from the rigours of the market, a review of the regulatory framework which includes a broad range of stakeholders, including representatives of low-income groups, is a sound place to start.

Urban planning and land management

Apart from China, where government controls over economic activity are pervasive and plans are implemented using the full authority of the state, most governments, especially during the current recession, have had to accept that it is not possible to simply prepare master plans or zoning plans and assume that investors, developers or land-owners will oblige by doing what planners expect or want. In fact, countries and cities are all competing within a global market economy for increasingly fluid resources and billions of dollars are moved around the world every day.

Attracting a share of such fluid, investment is taxing the imagination and skill of politicians, administrators, professionals and communities worldwide. The success of a country and city will therefore be determined increasingly by its ability to respond to ever changing opportunities. Such changes and opportunities cannot be anticipated far in advance, which renders the challenge facing municipalities and planners different from everything they have come to regard as their area of competence. In fact, planning in the old sense of predicting the future is ineffective and may even be counter-productive. We simply cannot know what pressures we will need to face and therefore cannot seek to control them.

The current situation therefore has profound implications for urban management and the role of planning. Experience shows that the state has generally been unable to control the decisions of investors, or finance the provision of social housing for all those in need. At the same time, the private sector has proved unable or unwilling to address the needs of the lower-income and other vulnerable groups. Even the informal sector, which has helped to bridge the gap by providing housing and generating employment for large sections of the population in many countries, only does so by ignoring or failing to conform to official norms, standards and official procedures. Such informality also has a price in that it makes communities vulnerable to exploitation and bribes.

Changes are therefore needed in the approaches available to the state in all countries to manage the processes of urban development, land management and housing provision. In particular, a 'twin-track' approach is needed to improve existing substandard housing and ensure that the supply of new land and housing developments are increased in line with the nature and extent of future needs. This will be essential to reduce the need any increase in unauthorised settlements.

Options for change

What form should these changes take? First of all, the state has a vital role to play in managing the form of urban development and housing provision, despite a change from control to regulation. At a structural level of urban management, the broad aim of planning and urban management should be to create pluralistic systems of supply which can respond to variations in demand and needs (see Figs 1 and 2).

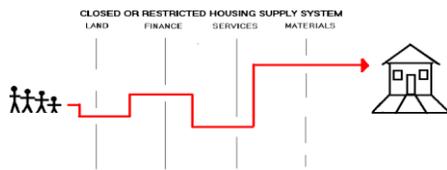


Figure 1 Restricted Housing Supply System

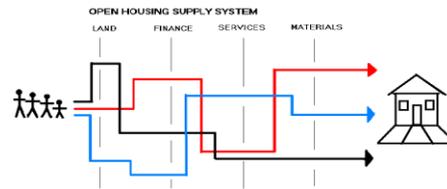


Figure 2 Open Housing Supply System

The role of the public sector in this context will require it to create and maintain a 'level playing field' in which different suppliers of land, services, credit and building components can compete on equal terms. It also suggests that planning needs to address structural issues in managing land and housing markets in order that different suppliers are competing on equal terms. In this context, individual projects cannot address the limitations of inefficient and inequitable land or housing markets. However, they can serve as experiments capable of testing innovations in costs, management, design, standards, regulations and procedures for possible wider application. The need is to involve all key actors in the process - public authorities, land-owners, developers, NGOs and communities in order to incorporate the legitimate needs of each.

Adopting such an inclusive, market-wide approach requires that careful consideration be given to the issue of subsidies as these place a heavy burden on scarce public resources and have market impacts which are not always those intended. For example, subsidising housing construction costs, or interest rates, for the poor may result in inflationary pressures which only serve to raise prices overall and require even more subsidies, creating a vicious spiral. However, subsidies on health, education or clean water, have no such negative external effects and improve the well-being of the whole society.

This suggests that initial proposals should be based on market costs in order to maximise economic viability and at least make clear the nature and extent of any external subsidy required to meet needs. Where such subsidies are not available, this will indicate the extent to which changes in provision are required. In cases where some form of subsidy *is* available, it can then be allocated to elements which will minimise market distortion and not undercut or discourage other suppliers.

Case study of inclusive planning: City Development Strategies

It is vital that a high degree of social consensus is reached on the way in which policy options are formulated and applied. Inclusive forms of planning are needed to ensure that strategies enjoy local ownership. An effective tool for realizing this is a City Development Strategy, or CDS.

City Development Strategies are promoted by the Cities Alliance, which is part of the World Bank. A CDS involves a collaborative decision-making process designed to help reduce poverty and provide the basis for sustainable development. The CDS approach

is increasingly being used to improve the quality of life in urban and peri-urban areas around the world. Examples include Quezon City in the Philippines, Da Tong in Vietnam and Calicut in India.¹

A key feature of a successful CDS is to consider implementation issues from the outset, rather than focusing solely on the preparation of a proposal. Another is the need to include *all* key stakeholders, including community groups in the process.

The goal of a CDS is to create a collective vision and action plan aimed at realising improved governance, increased economic growth and employment and sustained poverty reduction.

Goals of a CDS:

- Improved governance and management
- Increased investment
- Sustained poverty reduction

Outcomes of a successful CDS:

- Policy, governance and institutional changes
- Investment programmes (including social and cultural infrastructure)
- Monitoring mechanisms.

Organising a CDS:

It is vital to identify and include all key stakeholder groups at the outset. Once this has been done, an organisational framework is needed to provide a forum in which views can be exchanged and decisions agreed. The organisational group will then need to prepare a work programme. The steps therefore involve:

- Identifying all stakeholder groups
- Establish an organisation
- Build capacity
- Prepare a work programme

Stakeholder groups should include representatives of the business community, land-owners, finance institutions, services providers, finance institutions, professional groups, local officials and, particularly, local communities.

The CDS group can then be formed and meetings held to define objectives and roles. In assessing local capacity, it will be necessary to assess what technical and financial support is needed for the group to prepare a plan.

Assessment:

Conducting a comprehensive assessment is, in effect, drawing the socio-economic map of an area. It provides a community with basic information and involves:

- A resource audit.

¹ ADB (2004). City Development Strategies to Reduce Poverty. Manila. Online: http://www.adb.org/Documents/Books/City_Devt_Strategies/default.asp

- Demographic information
- Economic information
- Infrastructure information
- The comparative advantage of the area
- Relationship to global, national, provincial and local economies
- Cultural values and preferences of the local community
- History and physical characteristics.

Once these steps have been completed, the CDS will be able to provide the basis for an agreed vision, strategy and comprehensive plan for future development. However, to be effective, the process will need to be repeated in response to changes in the macro economic climate in which the area exists. The strength of the CDS approach is that the process of preparing and revising the strategy is a consensual process and one that can therefore command local ownership.

Vision:

A vision is important to give people an overall goal for their efforts, committing them and describing what they may be able to achieve in the future. It is a forward-looking idea of where a community wants to be and provides an image beyond the foreseeable future which reflects the shared strategic understanding of a community's goal.

Characteristics of a successful Vision:

- Long term (10-20 years) but motivates short term
- Is challenging but realistic
- Looks for competitive advantages
- Should indicate roles for key players
- Is easy to understand

Strategy:

Developing a strategy means setting different objectives and actions needed to reach the desired goals. Strategic planning is a collaborative decision-making process that focuses on available resources on shaping emerging opportunities averting challenges.

A strategy comprises policies, programmes, practices and actions aiming to produce measurable results. One product is a development action plan in which all stakeholders specify the measures to be undertaken to improve governance, increase investment and reduce poverty. The action plan should also specify actions needed by each stakeholder group.

The strategy formulation process is managerially the most challenging part of preparing a development plan. It includes the following steps:

- Selecting strategic initiatives by narrowing the focus
- Designing strategies for priority actions
- Designing and implementation work programme
- Prepare and action plan.

Implementation:

It is crucial to make clear to participants that implementation is the target.

An implementation plan may include:

- Creation of an implementation group
- Refining the action plan and work programme
- Negotiating priority initiatives
- Launching priority initiatives
- Monitoring the implementation process.

Monitoring:

Monitoring needs to be undertaken as an integral part of implementation. It requires:

- Benchmarks
- Planning and evaluation frameworks (Logframe)
- Performance measures.

And finally In preparing a CDS, it is important to;

- *See changes as opportunities, not threats!*
- *Encourage and lead, don't simply administer!*
- *Activate, rather than subsidise!²*

An equally important issue is how professional skills in the urban development and housing fields can help to improve access to shelter from either public or private sectors. Three examples of innovative approaches to inclusive planning are cited below.

² See <http://www.citiesalliance.org/ca/about-cds> for further information on City Development Strategies.

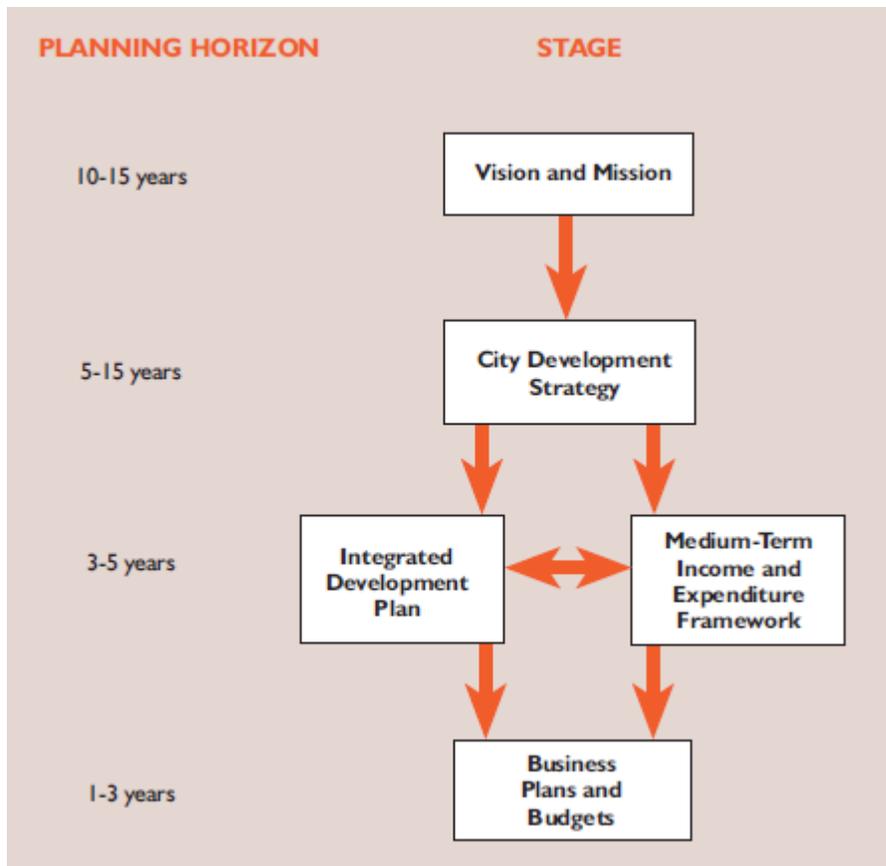


Figure 3 CDS Process and Development Planning. From: Asia Development Bank (2005)

Case study of inclusive planning: Ankara, Turkey³

Until the mid-1960s, successive government administrations in Turkey had shown a negative attitude towards informal housing areas and their populations, and largely considered them to be a drain on economic resources and a threat to planned development. During this period, urban renewal focused on slum clearance and redevelopment. This situation changed in the 1970s as a result of shifts in international policy and local government in Ankara and Istanbul, thus preparing the way for rehabilitation and upgrading.

The emergence of informal settlements, known as 'gecekondu' in Turkey's major urban centres during the 1970s and 80s, led migrants to follow traditional rural practices of self-help and campaign for government support only for those aspects, such as access roads and basic infrastructure, that they could not provide for themselves. In new peripheral settlements, this generally involved the improvement and paving of the main access road to the city centre. In response to appeals from the local muhtar, or community leader, a municipality would send engineers and surveyors to assess the best route.

³ For more information, see Payne, G. (2007) 'Making it home – Mehmet Ali and the growth of Ankara' Volume Three of Mengi, Aysegul (Editor) 'Kent ve Politika Antik Kentten Dunya Kentine', Imge Kitabevi Yayinlari, Ankara (six volume series in honour of Professor Rusen Keles).

Such plans were not, however, imposed on communities but sent to them for consideration. Muhktars and their committees would have two choices: reject the plan if some residents objected, in which case they knew nothing would happen, or accept it as presented or with minor modifications, in which case it would be put on a list for implementation. However, municipalities rarely had sufficient funds to implement all requests, so those in which the communities themselves became active participants in implementing their requests gained priority. Invariably, a wave of local investment followed quickly and individual houses on the main road were quickly replaced by apartment blocks, shops, cafes and other facilities.

During the 1980s and 90s, the pace of change increased steadily; land for building became increasingly scarce and the price increased dramatically. People started to realise that land was too valuable to allocate it at a discount to friends or relatives from their village and as the older generation began to retire or die, so rural ties inevitably weakened and commercial considerations assumed primacy in land transactions. As a result, the original settlers began to sell their plots to developers who would buy up several gecekondur houses, demolish them and erect apartment buildings in their place.

Local development plans by the municipality provided the basis for re-blocking informal layouts into regular street blocks and developers would make sure their new buildings conformed to these and would then regularise the development, transforming illegal into fully legal developments in the process. For the original settlers, the process was extremely profitable, since most would negotiate a number of apartments in the new blocks in return for surrendering their squatter or other rights. Of course, not everybody benefited from these developments at the same time. The transformations inevitably began in prime locations near main roads, but spread from prime to less accessible locations during the 1990s, enabling many low-income households to become suddenly wealthy beyond their imaginations.

During the early 1990s, Ankara had one of the highest proportions of informal or illegal development of any large city. As such, it was considered by some to have failed to manage the process of urban growth. However, few other cities growing at the rate experienced by Ankara have been able to provide jobs, land, housing and services on such a large and sustained scale. That it did so with minimal municipal resources is a testament to both the determination and ingenuity of local communities and the flexibility demonstrated by local municipalities. As such, the Ankara experience is a classic example of a city managing within its means to harness local community capability and tradition and channel it into processes in which everyone benefited. Developers were able to operate freely by dealing directly with local residents or land occupiers to prepare proposals in conformity with municipal plans; low income settlers became legal citizens with substantial economic benefits and the municipalities benefited from increased revenues and greater influence over land and housing markets at minimal cost. Sadly, these approaches did not find favour with the administrative or professional elite and as Turkey's economy expanded (thanks partly to such innovative approaches), more conventional 'top-down' approaches were imposed, leading to large scale commercially driven developments in which the role of community action and the benefits to low-income groups appears to have substantially reduced.

Case study of inclusive planning: Orangi Pilot Project, Karachi, Pakistan

Orangi is the largest katchi abadi or unplanned settlement in Karachi. People began living in the area in 1965 and after 1972 it grew rapidly. By 1989, there were about 94,000 houses with an estimated population of about 800,000. The population is drawn from a wide range of immigrant groups from India, Bangladesh, the Punjab, the northern areas of Pakistan, and local people. Most find employment as labourers, skilled workers, artisans, shopkeepers or clerks. Government-sponsored initiatives to regularize squatter settlements failed because of opposition by administrators and landowners. Frustrated by lack of progress, a local non-governmental organization launched the Orangi Pilot Project (OPP) in 1980.

The first focus was on the sanitation and sewerage problems. Without sanitary latrines and underground sewerage lines, both the health and property of the residents was being endangered. However, the households could not afford the current cost of conventional sanitation systems. The first OPP researchers rejected solutions based on foreign aid because the local residents could not afford to repay the large costs involved given the scale of necessary investments.

In 1980, bucket latrines or soakpits were the main means of disposal for human excreta and open sewers for the disposal of wastewater. The result was poor health with typhoid, malaria, diarrhoea, dysentery and scabies being common. Poor drainage resulted in water logging and reduced property values. Initial inquiries showed that residents were aware of both the sanitation and drainage problems and knew of the consequences for their health and property.

Under technical guidance from the OPP NGO team, local leaders in each lane organised other residents to dig the trenches and install pipes for a local sewerage network. These then encouraged other lanes to join the scheme to avoid excreta being deposited in their own area and the process continued until Rs57.2 million had been invested by the local residents on improved sanitation and drainage between July 1981 and November 1993. OPP spent some Rs3.8 million on research and extension, equal to about 7 per cent of the total invested by residents. The intensive training of masons in the technology of sanitary engineering and the widespread training of lane managers has resulted in an increased level of skill and a reduced dependence on OPP for social and technical guidance. Residents are increasingly willing to take on the costs and organizational challenge of secondary drains. Moreover, further research has shown that lane residents routinely maintain and repair their investments.

More recently, there has been further interest from a range of other agencies, including NGOs, bilateral and multilateral development assistance agencies, and state institutions. Since 1983, community organizations, activists and NGOs from other informal settlements in Karachi and other cities in Pakistan have applied to the OPP for help in replicating its Low-Cost Sanitation Programme. Since 1986, government and international agencies have also tried to replicate the OPP experience by integrating it into the planning processes they are sponsoring. To respond to this demand, OPP

converted these programmes into a Research and Training Institute (RTI) for the development of katchi abadis in a number of other areas in Pakistan.⁴

Case study of inclusive planning: Bombay First, India⁵

The role of CDS processes is to *shock* urban systems under controlled conditions, causing stakeholders to assess their situation in a truly objective manner, then deploy a very limited number of actions with strategic intent to enable the city to dramatically change its performance. The *Mumbai First* case is an excellent example of a bold, shock inducing strategy and was initiated by a citizen's consortium, led by the business community.

A good strategy is a prerequisite to performance change, but implementation is what ultimately counts. Successful CDS processes are almost always characterized by key stakeholders acting with intent, chasing the same Vision, within a framework of effective policies. The process works best when outsiders are included in the assessment of the city's situation, and subsequent strategizing. Cities need to learn from other cities, particularly cities that are in similar circumstances, or are subject to the same types of shocks. These learning needs to include not just "best practices", but also include cases in which events did not go according to plan. Perceptive outsiders often can see the reality of a city more clearly, unencumbered by vested interests, both in developing, and developed, cities. Strategies that are dominantly internally driven, ignoring outside forces and learning, are generally ineffective.

As noted by Cities Alliance⁶, "the redevelopment plan for the city of Mumbai is bold. Its goal is to transform Mumbai into a world class city by 2013, equaling or surpassing Shanghai. A core principle of the strategy is that incremental change doesn't work – reform comes in leaps. The Government of Maharashtra's plan builds on a report by McKinsey & Company on the future of Mumbai, originally commissioned by the citizen's group *Bombay First*, who were frustrated with urban development in one of Asia's most dysfunctional cities.

That report called for a \$40 billion USD ten-year redevelopment plan for Mumbai, including a \$1.2 billion USD plan to redevelop Dhavari, a slum community with the unenviable reputation of being among the largest in Asia. Covering an area of 220 hectares, and home to approximately 1,000,000 residents, Dhavari is also one of the most entrepreneurial communities in India. Hundreds of micro-factories operate within the slum, generating \$500 million in annual sales of pottery, leather, jewelry, and much more. Ideally situated near the international airport and the new Bandra-Kurla business district, it also attracts white collar workers who choose to live here among the rural

⁴ 'The Orangi Pilot Project in Karachi, Pakistan' The Best Practices Initiatives Human Settlements in Asia *Gateway to Urban Planning and Management in Asia* URL <http://www.hsd.ait.ac.th/bestprac/orangi.htm>

⁵ Notes drawn from Cities Alliance.

⁶ Sources: The Economist "Inside the Slums", Jan 27, 2005; Stewart, S., "Slum Inc.", Globe & Mail, Oct 1, 2005 p.F4; Cities Alliance Annual Report 2005, pp.36-37, Sharma, K., 'Rediscovering Dhavari: Stories from Asia's Largest Slum', New Delhi: Penguin Books India, 2002. Government of Maharashtra. *Transforming Mumbai into a World Class City*. First Report of the Chief Minister's Task Force. February 2004.

migrant manufacturing workers, to be closer to their place of employment, and avoid the horrendous daily commutes endemic to this highly congested city. The redevelopment of such a large and prime location, in a city strapped for land, is an important keystone in the planned transformation of Mumbai.

It is intended to be an achievable “fast win” to catalyze a positive cycle of change, and “transform the texture of life” in this city. The redevelopment plan calls for private developers and investors to build new upscale business and residential areas, with land set aside for low-income affordable housing for displaced Dhavari residents, as part of the land readjustment scheme.

To realize the transformation plan, the Government of Maharashtra formed a Citizen’s Action Group comprised of citizens from academia, the private sector, as well as the slums, and approached international agencies including USAID, World Bank, and Cities Alliance for financial and technical assistance. But bold moves invite controversy. Already highly contested, the development became especially controversial following the decision of the Government of Maharashtra to undertake a slum demolition program in 2005 in which 30,000 post-1995 homes were destroyed. The evictions were halted due to a strong public outcry, but not before it had severely jeopardized the support of a range of local and international actors, and damaged Mumbai’s international reputation for flexible, pro-poor development.

“As the transformation initiatives go forward, some slum residents, NGOs and community organizations remain skeptical about the government’s intentions and are calling for more incremental approaches, while others remain hopeful that the project will bring about a better quality of life for themselves and for Mumbaikars as a whole”.

Case study of inclusive planning: ‘E-Centres’ in Hyderabad, India

Another home-grown initiative in India is that of the ‘E-centres’ established in Hyderabad to improve access by all sections of the city’s population to public services, particularly those without routine access. The network provides a comprehensive network of offices throughout the city to provide access to information on a range of services. Young computer literate staff are recruited to assist local customers on all aspects of public services and these are organised in such ways that applications can be monitored to check progress and identify any blockages. This has generated a major improvement in public administration and improved urban governance.

Summary and policy implications

A key component of successful urban planning and management will increasingly be to identify and build on established systems and processes that work well and enjoy social legitimacy. Once this has been done, it will be equally important to market and promote towns or cities as widely as possible to ensure that the world knows what they can offer. Planning has therefore to be entrepreneurial as well as socially and environmentally responsible.

For these reasons, it is recommended that Gol encourage a wide range of supply options and partnerships with the private and civil society sectors to meet social,

economic and environmental policy objectives. In this situation, the state is both a referee and a player, a combination which is difficult, but necessary, to achieve.

The Kampung Improvement Programme in Indonesia, the Orangi Pilot Project in Karachi, Pakistan⁷ and the upgrading programmes in Ankara, Turkey, all illustrate that policy objectives of inclusive planning can be realised through a variety of processes. Alongside legal and policy changes described above, improvements in the physical environment, the installation of access roads, surface drainage, water supply, sanitation, energy supply and better solid waste disposal. The confidence that these services give to a community are often more than sufficient to offset concerns about possible eviction and encourage further investment by households in improving their homes when and as resources are available.

Innovative approaches can empower the poor at the same time as achieving government policy goals and strengthening government revenues from the land and property sectors.

3. Best practice in social housing

Traditionally, social housing is an umbrella term referring to rental housing which may be owned and managed by the state, by non-profit organizations, or by a combination of the two, usually with the aim of providing affordable housing for those unable to afford full market costs. It can include a range of housing forms and individual or collective tenure arrangements, but the predominant form is of public rental housing which is intended for allocation to households unable to pay the full market cost of housing which conforms to officially acceptable standards and norms. As such, it often represents a welfare burden on the economy rather than a self-financing and therefore more sustainable developmental process.

The full opportunity cost of state provided housing is rarely calculated, but should include the opportunity cost of the land and both capital and interest subsidies, all of which can alone represent major costs to the local and national economy even before the recurring costs of maintenance and servicing, plus administration and rent default levels are included. A further consideration is the type of housing and urban development commonly associated with large areas of social housing. Experience in the UK has demonstrated that public housing estates are prone to create ghettos of deprivation in which poverty reduction measures, involving further public expenditure, are invariably frustrated. They also all too often create single use forms of urban development which isolate housing from other aspects of urban life, such as work and leisure opportunities, thereby reinforcing a sense of isolation and alienation.

It is for these reasons that many countries at different levels of economic development has sought to reduce public sector social housing to the minimum and develop a range of other approaches, such housing associations in the UK or co-operatives as in many countries. Of those examples where publicly provided social housing represents a significant proportion of the total housing stock, such as Hong Kong and Singapore,

⁷ Hasan (2008)

institutional and cultural norms make such experiences difficult to export. Notes on social housing in these locations are included below.

Research by Tipple (2000) illustrates one method by which public housing developments can be adapted to meet resident needs through the extension of medium rise apartment blocks.

Experience shows that the role of providing housing for low-income households is often met effectively by the private rental sector. Private rental housing provides poorer groups with the 'room for manoeuvre' and poorer landlords with the opportunity to supplement their income. In all, it has given rise to a competitive and thriving rental housing market in cities throughout the world, including India.⁸ This is often not fully acknowledged or supported by governments, though it offers a far wider range of housing options in terms of cost, type, location and both terms and conditions than is provided by public sector social housing. This suggests that governments would do well to assess the ongoing and potential contribution of this sector and how scarce public sector resources can enable it to increase such contributions.

In India, the repeal of rent control legislation can be expected to make the provision of private rental housing more attractive to potential providers. Inevitably, the benefits to low-income households are likely to be greater in cases where a high proportion of private rental accommodation is by a large number of small landlords than by a small number of large developers or absentee landlords, as these are less likely to provide a degree of reciprocity in costs and benefits between tenant and owner. One variation on the private rental system is that of communal land rental, of which a case study is summarised below.

Under conditions where public finances are severely restricted, many countries have adopted a range of innovative approaches to meeting the needs of lower income or other vulnerable groups. These range from the provision of sites and services, on which households organise the construction of a dwelling, to be expanded in the future as resources permit, through the construction of basic 'starter homes' to the mandatory provision of a proportion of dwellings within commercial developments allocated to those in need. Also, Community Land Trusts have proved effective in several countries, though so far not in rapidly urbanising countries. Such innovative approaches do not depend upon scarce public resources and are both more responsive to varied and changing needs and also encourage a more sustainable, developmental basis for housing policy.

Such innovations do, however, require public agencies responsible for meeting social needs to be flexible, market-sensitive and open to participatory ways of operating. For professionals educated to state provided forms of social housing, such an approach may be difficult to adopt, though the benefits are considerable.

Case study of communal land rental in Bangkok, Thailand⁹

⁸ Kumar (2001), p.30.

⁹ From Mohit, R.S. (2000) 'An even playing field: Security of tenure and the urban poor in Bangkok, Thailand' in Payne, G. (Editor) (2000).

Rather than occupying a plot of land illegally, many urban poor communities in Bangkok negotiate with private landowners for permission to settle on their land for a given period. There are a variety of arrangements between renters and landowners that can be observed in these settlements. Because Bangkok's development is mostly unplanned, there are many plots of land, which are not worth developing until land prices are much higher, or they are connected to main roads. Landowners allow low-income families to occupy such land on a temporary basis.

The parties may or may not sign a contract document. Low-income families then occupy the land and build a (temporary) house. In the case of a signed contract document, the contract can usually be terminated with a 30 days notice. The occupants usually pay a nominal rent to the landowner. In some cases, a middleman rents a land parcel and with or without the knowledge of the owner subdivides it to rent it out to low-income households. Slum dwellers that rent from a landowner may further subdivide their house and rent it to another family. Some dwellers build single rooms for rent in a settlement.

Each community has different needs and negotiating capacities and landowners have different perspectives with regard to low-income communities. There are no blanket solutions. The role of the local authorities is crucial and quite different from what it has been used to. It needs to be a negotiator and facilitator and should be vested with the financial and regulatory power and capacity to take and implement such decisions. Centralised and hierarchical bureaucratic systems do not function well and it is imperative to make local authorities and institutions more flexible and adaptable to changing circumstances and equipped to lead by persuasion and incentives aimed at empowering citizens.

Summary and policy implications

India has a proud tradition of public sector housing provision, with agencies like HUDCO supporting a wide range of developments in most states. Design studies undertaken during the 1980s pioneered approaches to put land to efficient use. However, the RAY programme provides an opportunity to review the merits and limitations of such 'top-down' approaches in terms of the types of urban and residential environment they have created and the value for money which they represent.

Such a review would benefit from an assessment of alternative means of improving access to affordable housing which is less demanding of public sector resources and also gives residents a greater stake in the forms of housing available. Such a review should include a review of the current and potential contribution of the private rental sector and other locally developed options.

Case study of social housing in Hong Kong

In Hong Kong, the government provides public housing through rental flats and through the Home Ownership Scheme. Under both approaches, units are rented or sold below market prices. These are built and administered by the Hong Kong Housing Authority and the Hong Kong Housing Society. Nearly half of Hong Kong's 7 million population lives in public housing.

Public Rental Housing estates are the most numerous form of public housing estates, and are rented at discounted rates to low-income residents. They may be managed by either the Hong Kong Housing Authority or the Hong Kong Housing Society. Low-income eligibility criteria for public rental and subsidized-sale flats vary between families, the elderly and individual applicants.

Home Ownership Scheme estates are subsidized-sale public housing estates for low-income residents, usually built adjacent to or within Public Rental Housing and nearly identical in construction. They are managed by the Hong Kong Housing Authority and are earmarked for sale to low-income qualifiers at prices which are heavily discounted from market value, and the land value is similarly subsidized. The mortgage and resale of these units in the second-hand market are likewise restricted to eligible low-income residents. Within a public housing estate development, some blocks may be designated by the Authority exclusively for rental while others may be earmarked for sale.

In addition to these main forms of social housing, other options also exist in smaller proportions. These include:

- The Tenants Purchase Scheme, which allows existing tenants in the rented public housing estates to purchase their flats. As in the Home Ownership Scheme, the sale prices are set much lower than the market prices of private flats due to subsidies and restriction on selling.
- The Flat-for-Sale Scheme, which operates in a similar manner and makes flats available for sale at concessionary prices.
- The Sandwich Class Housing Scheme estates, which are built for sale to lower-middle and middle-income residents, who do not qualify for low-income public housing in the Home Ownership Scheme but still had trouble affording private housing.
- Interim Housing, which is temporary public rental housing for those who are awaiting placement into public housing estates or are not immediately eligible for flats in public housing estates. Interim Housing often accommodates residents who have been displaced by disaster, fire, redevelopment or other reasons. Some of the housing re-use old blocks in public housing estates while others use pre-fabricated building components.

The public housing policy dates from 1953, when a fire destroyed thousands of shanty homes and prompted the government to begin constructing homes for the poor. The Shek Kip Mei Estate was the first outcome of this policy and was completed in 1954. Unit sizes were based on 24 square feet (2.2 m²) per adult and half that for each child under 12. However, they were in reality often occupied by more than one family, due to the extreme shortage of available housing. Facilities and sanitation were rudimentary and communal. The Shek Kip Mei estate has now been extensively redeveloped and the space standard was later increased to 35 sq ft (3.3m²) per person.

In 1973, the Government introduced a ten-year plan to provide all low-income households with permanent, self-contained housing and in 1975, the Oi Man Estate was opened. The estate included 6,200 flats, constructed on a site of 21 acres, and capable of housing 46,000 people complete with commercial amenities ranging from markets and barber shops to banks. This represented an innovation in that the commercial premises served the estate, whilst paying a rent determined by public tender. Banks, restaurants, and other large premises were let out on 5 year contracts, competing on a monthly rental

offered, whilst tenants for smaller premises competed on premiums paid based on fixed monthly rentals. In 1980, the government launched the first batch of public housing in the Home Ownership Scheme, thereby allowing low-income families to own their homes for the first time.

Because of the high land costs in Hong Kong, public housing estates are typically built in remote or less accessible parts of the territory, though urban expansion has left some older estates now deep within the inner city. The vast majority of projects consist of high-rise buildings, and the recent developments usually contain 40 or more floors.

Summary and policy implications

Social housing in Hong Kong is a model which has attracted many admirers for the large scale and increasing quality of the housing provided over many years. A key issue is therefore the extent to which it is appropriate for adoption in other contexts, such as India. In making such an assessment, the following aspects deserve consideration. First, Hong Kong inherited on independence a well established, centralised civil service which has enjoyed considerable powers over many years, enabling it to exert a high degree of control over many aspects of economic life, including land markets. Second, it has a small land area with a population characterised by cultural homogeneity. Third, its historic status as an international entrepot has led to high levels of economic development which in turn enabled the government to accept high levels of subsidy for social programmes such as housing. Fourth, all land in Hong Kong is owned by the government which has raised revenue from the sale and taxation of land leased to private users to finance the construction of roads, schools, hospitals and other public infrastructure facilities and services. By restricting the sale of land leases, the government keeps the price of land at what some would say are artificially high prices and this allows the government to support public spending with a low tax rate.

All these factors make Hong Kong a very unique place in terms of social housing. Whilst India has a well established civil service, there are a number of public sector authorities at state and local levels with often overlapping responsibilities which compete for resources and influence. Many of India's urban centres are also far larger than Hong Kong with a culturally more diverse population, representing a wider and less predictable range of needs. Whilst the Indian economy is growing at a relatively high and sustained rate, it remains to be seen if Gol considers a large scale allocation of public resources into social housing to be justified in terms of value for money or the types of standardised housing and urban environment produced by centralised bureaucracies. In terms of land ownership, public sector agencies in India own a small proportion of urban land, despite the land banks created by agencies such as the DDA, and are therefore less able to generate the large-scale revenue base required to finance housing or other welfare needs.

Case study of social housing in Singapore

As with Hong Kong, Singapore is a small city state with a well established and highly centralised administration managing a developed market economy based on trade. Even before independence in 1965, it was one of the richest states in East Asia due to its strategic location as a port. At the same time, its continued high ranking in terms of attracting inward investment and providing financial services has made it the world's fourth leading financial centre. This combination has made Singapore the fourth wealthiest country in the world in terms of GDP per capita.

The total population is currently 5 million people and these live in an area of 690 sq km at what amounts to one of the highest density levels in the world. More than 80% of Singapore's population live in flats developed and allocated by the Housing Development Board (HDB), with 95% of them owning their flat on 99 year leases. More than 850,000 housing units have now been constructed in 23 new towns. These are located in housing estates which are developed in self-contained satellite towns with schools, supermarkets, clinics, hawker centres, as well as sports and recreational facilities. There are a large variety of dwelling types and layouts.

Since most Singaporeans reside in public housing, it is not generally considered as a sign of poverty. This is largely because it provides a better standard of living compared to public housing in other countries where land constraint is less of an issue and property pricing may be significantly cheaper.

As the national housing authority, the HDB adopts a comprehensive approach to secure sector wide public housing development within the country's economic and urban development framework. In strengthening effectiveness, the HDB plans and develops the entire production-consumption process of public housing towns and all their dwelling units and infrastructure. The construction of housing and infrastructure is contracted to the private sector. By centralizing its public housing effort under a single authority, Singapore has circumvented the common problems of duplication and fragmentation of duties, and bureaucratic rivalries associated with multi-agency implementation.

Even though extremely efficient, centralized housing supply systems have faced challenges. For example, to meet the rapid need for inexpensive housing, a strategy was adopted to standardize building flats and blocks. In addition, the HDB uses long-term supply contracts and bulk purchase strategies to ensure continuous supply of essential building materials at steady prices. While these pragmatic development interventions have facilitated the rapid construction of the dwelling units and towns, standardization of building blocks had led to criticisms of monotonous townscapes in many early public housing developments (see Motha and Yuen, 1999).

A key foundation for the provision of in-time housing and infrastructure is the state policy of compulsory land acquisition. The prices paid by the HDB for the acquired lands are usually much lower than the market price. This has helped the government to lower the costs of housing provision and has been particularly helpful in the early phases of housing delivery. It has also furthered the dominant position of the state in Singapore's urban development to the point where 85% of land is now in state ownership (ibid).

Since housing is regarded as a public duty, and the government's core policy is one of providing homes for the people at rents they can afford, the difference between rent

income and expenditure is covered by a grant from the state. In the early and mid-1990s, Singapore enjoyed a sustained property boom, when people regarded real estate as a risk-free investment. This came to an abrupt end with the outbreak of the Asian financial crisis in 1997. The years of economic volatility that ensued had a severe impact on both the structure and performance of the public and private sector residential markets. Although Singapore recovered from this, it has been adversely affected by the current global recession and it remains to be seen what impact this may have on social housing programmes.

Summary and policy implications

The Singapore case raises four questions for consideration in the case of India:

1. Is the dominant role of the state in land markets, in which the State acquires all land required for public housing at below market prices, acceptable to land-owners in and around India's urban centres? The experience of DDA in acquiring large reserves of land through land banking has not been without criticism and it has been estimated that about 2,500 acres of land remain vacant in areas of housing need in peri-urban Delhi.
2. Can the public sector afford the indefinite subsidies at the far larger scale applicable in India?
3. Does the sort of housing produced by centrally planned and managed public sector housing agencies meet the cultural and social needs of India's expanding lower income population?
4. Do Indian public sector housing agencies have the financial and technical capacity to maintain a large portfolio of social housing units and their associated environments?

In addressing these questions, it needs to be noted that a major advantage enjoyed for many years by both Hong Kong and Singapore is that, as autonomous city states, they have been able to allocate all revenues generated from private investment to meeting the needs of their own, relatively small, populations. Housing has therefore been defined as a welfare activity allocated by a paternalistic state to all those in need, not a developmental process by which individual investment can provide housing in a way which both meet variable needs and economic benefits. In India, a substantial proportion of the revenues generated by major urban centres such as Mumbai have to be reallocated to central and state authorities, reducing the scope for adopting a heavily subsidised welfare approach to meeting housing needs.

Case study of social housing in Japan

Historically, social housing in Japan has languished far behind that of its closest economic rivals, a source of much national chagrin and soul-searching. In the postwar period, when Japan's cities were being rebuilt, the most pressing task was the provision of basic housing in enormous quantities. Successive governments have largely been concerned with the number, rather than the quality of dwellings built, as this was regarded as an index of the success of economic policies. For many years, this kind of housing was referred to as 'rabbit hutches'. Site planning was based on the configuration of rows of middle-rise slabs, designed to provide a bare minimum of sunlight to each

unit. The exorbitant cost of land in urban areas only exacerbated the problem, with land often more costly than the buildings occupying it.¹⁰

Japan is one of many countries where economic factors have forced a rethink about public housing policies. Years of recession, increased unemployment, an ageing population and price deflation in the property market as a result of economic adversity and oversupply have all called into question the Government Housing Loan Corporation's longstanding role of providing long-term, fixed low-interest home purchase loans. There has been a gradual retreat by the government from active centralized housing policy control and the marketization of housing is now being promoted. In 1991, when land and stock-prices fell abruptly due to a tight money policy, finally the bubble economy (1987-1991) burst. At the same time, the two main pillars of the housing policy, the GHLC and the Japan Housing Corporation, (JHC) were privatised. JHC rental units were sold and new construction of housing units stopped. In 2004, the state changed the JHC to the Urban Renaissance Agency (URA). Its main work is improving sites for construction to support private enterprises and engaging in the work of management and maintenance for its public rental housing. The JHC had a sizable debt, actually the total sum of its total asset in 2002. But the URA has about 670,000 housing units where about two million people are now living.

Rental housing represents 33.4 % of the total housing stock in Japan, of which public rental is only 6.6%, most of the remainder being owner-occupied. On this basis, it is reasonable to conclude that public rental housing in Japan is a residual form of housing provision. Today, social housing in Japan has to address the major challenge of evolving new types of economic and planning policies that break with the dismal cycle of the past. Moreover, ways must be found to create communal urban space capable of mitigating the drabness and dreariness of most public housing developments. Soaring land values have ensured that the kind of public space common in Western cities simply does not exist and in view of this consistent and wilful neglect of the public realm, apparently modest gestures assume an increased resonance and importance¹¹. These issues are being addressed by subsidising private landlords who build and manage their rental housing units. The Japanese Tenant Association fears that the state is carrying out the housing policy for the benefit of private enterprises, prioritising efficiency and profit over social welfare and stable housing for those in need.

Summary and policy implications

Japan is one of many developed countries, including the UK, which has significantly reduced its public rental housing stock during recent decades to the point where it is now a residual form of housing provision. The costs of providing subsidised housing on highly expensive land in and around urban areas have proved to be difficult to sustain and policies have tended to move towards support for private landlords to take up the slack. It may suggest that India would do well to consider increasing support and incentives to expand the private rental sector, rather than continue with large public rental developments.

¹⁰ Chow, Phoebe (2001) 'Kitagata Garden City - social housing project', Architecture Review.

¹¹ Ibid.

4. Tenure and property rights

Recent efforts to regularise urban land tenure in many parts of the world demonstrate the importance of adopting culturally informed approaches to tenure reform for the urban poor. Whilst a number of standard models for tenure regularisation and adjudication are supported by various international organizations, varied experiences with policy implementation in different national contexts attest to local differences. These are linked with history, politics and increasingly rapid economic development, all of which interact in the urban context.

As has been noted elsewhere, the concept of tenure itself means different things to different people. Whilst for property developers, tenure means a legal right to reshape the urban space for profit, for the very poor, it is primarily a matter of being able to access any space where they can obtain a basic livelihood, such as street trading, without fear of eviction.¹² What policy makers in one country might consider to be concrete 'land rights' (*usufruct*) can often be identical to what citizens of another country or even a different city in the same country (eg. Brazil) consider to be simple 'housing rights'.¹³

A further, and operationally critical distinction, is what is meant by the term 'tenure security'. The most basic consideration is that it constitutes protection from forced eviction, or relocation without due process. Research has also shown that tenure security is largely a matter of perception.¹⁴ Where people feel secure, they are likely to invest what they can to improve their dwellings and the local environment. This begs the question of what measures are necessary and appropriate to achieve this status. RAY states that the provision of security of tenure through entitlement will be critical for the overarching aim of promoting inclusive cities.

However, it defines this as the provision of "legal title to slum-dwellers over their dwelling space", presumably on the assumption that this is the only means of achieving the desired objective. Certainly there are strong advocates proposing such policies and they have been approved in many countries and implemented in a few, notably Peru¹⁵. However, the empirical evidence for their success is highly restricted and whilst titling may raise property values considerably, in no cases in urban areas has it generated the improved access to formal credit which is one of the main claims made by its advocates as a means of reducing poverty. In fact, there is considerable evidence that titling has led to the market displacement of poor households, especially tenants and those who are unaware of the full market value of their properties.

Experience in Ahmedabad in the 1980s demonstrated that attempts to impose titling in urban areas led to conflicts and competition for potential windfall profits that led to a World Bank project being abandoned. According to Kundu (2001), the prospect of obtaining titles to potentially valuable urban land led to a dramatic increase in the registered

¹² Payne (2002), 300.

¹³ Leckie (2006).

¹⁴ See www.gpa.org.uk for research reports and publications on land tenure and property rights, including case studies in India.

¹⁵ See, for example, de Soto, H. (2000) 'The Mystery of Capital: Why capitalism triumphs in the West and fails everywhere else' Basic Books, New York.

population and in litigation between residents and other claimants, so that several settlements had to be excluded. Others were omitted because municipal authorities were unable to give any undertakings for the slums on private lands over which they had no jurisdiction. Parikh (1996) also noted that of over 2,000 slum settlements, only 43 were selected for the Bank project. These were eventually whittled down to 17, though even these could not be taken up and the venture was abandoned in the early 1990s.

In contrast to the World Bank programme, the Ahmedabad Slum Networking project, launched in 1995, was able to begin implementation within 18 months of an undertaking by the Municipality not to carry out any evictions for at least ten years and instead to concentrate on improving access to infrastructure, facilities and credit. What could not be achieved in ten years became possible in just over a year by adopting a flexible approach.

Case study of community land rights: Porto Alegre, Brazil

The concept of using legal tools for the provision of Concession of Real Rights to Use (CRRU) has been widely applied by Brazilian municipalities. In particular, the cities of Porto Alegre in the southwest and Recife in the northeast of the country have implemented these programmes, despite opposition from the municipal judiciary, and have successfully enforced newly acquired property rights for the urban poor.

Porto Alegre is the capital city of Rio Grande do Sul state, in the southeast of the country. With a population of over 1,400,000, almost one quarter of the city's residents live in low-income settlements.¹⁶ Adoption of a municipal CRRU bylaw in 1991 was intended to provide social housing rights without giving up public land, as well as providing effective security of tenure within the parameters of certain legal and urban planning conditions designed to minimise the likelihood of the beneficiaries being "forced" to leave newly adjudicated homes under pressure from the land market.¹⁷

The case of Vila Planetario, an informal settlement area in Porto Alegre, is exceptional in that the tenure regularisation programme was supported with significant public investment in housing. Since the initial housing programme was implemented, local residents have maintained and improved their homes with their own means and resources. As a result of municipal-level education and policy-awareness campaigns, access to informal and, in some cases, formal credit is increasingly recognized as an important source of financing, especially for the acquisition of building materials. Also, as a result of the tenure regularisation process, there have been improvements in the level of tax payments to the local administration.¹⁸

Initially, restrictive local legislation only allows for the CRRU titles - valid for 30 years - to be transferred *causa mortis* by the beneficiaries to their heirs, though there is currently a proposal supporting the possibility of *inter vivos* transfer.

Lessons learned

¹⁶ Moraes & Anton (2000)

¹⁷ Fernandes (2001:8).

¹⁸ Fernandes (2001:9).

Factors that both areas have contributed to the success of the CRRU programme in Porto Alegre have been the incorporation of key parts of the cities as Special Areas of Social Interest (AEIS) with corresponding urban planning legislation to support tourism in the neighbourhoods. The combination of formal legal recognition of CRRU status and economic policy support has played a significant role in minimising the pressure from land sub-developers and other parties who might seek to profit from irregular land transfers. Finally, although the CRRU does not provide access to formal credit through commercial banks, this has not adversely affected economic opportunities of poor households as loans are normally provided by local finance shops which do not require land or property as collateral.

Another factor in the success of the CRRU programme has been the continuous commitment of Porto Alegre's municipal administration to the tenure regularisation programmes since the late 1980s. Almost three decades of work on land tenure regularisation and pro-poor planning have been accompanied by the creation of specific institutional apparatus to manage and incorporate these processes into the city's participatory budgeting model. The success of CRRU scaling up to the national level will depend on the articulation of these issues, as well as on integrated action among planners, lawyers, city managers, and the residents of informal settlements.

Case study on executive interventions: Presidential Proclamations in Manila

The status of pro-poor urban tenure systems in the Philippines advanced significantly with Urban Development and Housing Act (UDHA) of 1992 and the Comprehensive Shelter Finance Act (CISFA) of 1994, both of which led to major changes in government housing policy. From a highly centralized and heavily subsidized (and unsustainable) approach to housing policy in the 1960s to the 1980s, the government moved to a market-oriented and more participative approach to housing.¹⁹

These reforms led to the creation of a number of new programmes which aimed to enable tenure regularisation while at the same time enabling the government to engage with rapidly expanding informal urban land markets in Manila, Quezon City and other major urban centres. The new policy approaches include:

(a) *NHA Resettlement Program*. Administered by the National Housing Authority (NHA), this initiative involves the acquisition and development of large areas of raw land into serviced home lots for informal urban residents who must be relocated following poverty development in central areas of Manila. The resettlement areas are provided basic facilities such as schools, potable water, and electricity while dislocated households are given livelihood opportunities. Each relocated family is entitled to P160,000, of which P100,000 covers for the land cost and P60,000 for the housing unit. The land cost is a loan package with interest rate of 6 percent payable in 30 years while the housing unit cost is part grant (P25,000) and part loan (P35,000) with zero interest payable in five years.

(b) *Community Mortgage Program*. The Community Mortgage Program (CMP) is a mortgage financing program which enables urban poor squatter communities to

¹⁹ Ballesteros (2009), 1

purchase the land they occupy or to purchase land where they choose to resettle. The beneficiaries of the loan program are organized associations of slum dwellers. CMP loans have a maximum credit per household of P120,000 for highly urbanized cities and P60,000 to P80,000 for other urban or urbanizing areas. The loan has a term of 25 years at a subsidized fixed interest rate of 6 percent. The program was first administered by the National Home Mortgage Finance Corporation (NHMFC) in 1988 but was later managed by the Socialized Housing Finance Corporation (SHFC), an NHMFC-formed subsidiary in October 2005.²⁰

(c) *HDMF Housing Loan Program*. The Home Development Mutual Fund (HDMF) is a social security fund collected from mandatory contributions of workers and their employers as well as from voluntary contributions of those in both the formal and informal sectors of the private sector. The HDMF aims to encourage its members to achieve homeownership through mortgage financing and the private sector to build socialized housing projects by making available a finance program for low-income households. HDMF housing loans have a maturity from 5 to 30 years, with interest rates varying on the basis of the amount of the loan applied for.²¹

(d) *Presidential Land Proclamations*. Under the Arroyo administration, the national government actively pursued the regularization of tenure of informal settler families occupying public lands through the issuance of Presidential Proclamations declaring parcels of public lands open for disposition to qualified beneficiaries.

The CMP and presidential land proclamations are programmes specifically intended to provide secure tenure to informal settlers onsite. Security of tenure usually takes the form of granting ownership rights to beneficiaries among informal urban dwellers, in the form of titles to their occupied lands, or through intermediate forms of tenure. These programs are targeted at informal settler communities residing in government lands in the case of presidential proclamations, and private lands in the case of CMP. The modalities of the two programs differ. The CMP offers loans to community associations for the purchase of privately-owned land. A presidential proclamation is a declaration of intent on the part of government to dispose of a given piece of land to its occupants, with the disposition process to be determined by an inter-agency committee especially created for the purpose.

Previous policies had emphasised the relocation of unauthorised settlements from inner city locations and the provision of individual titles to plots outside the metropolitan area, which left many poor urban households without security of tenure.²² Through the use of various Presidential Proclamations (PP), Executive Orders (EO), Memorandum Orders, Administrative Orders, and Deeds of Conveyance between government agencies, the government of President Arroyo has been able to provide *de facto* security for close to one million families nationally since taking office and for 645,000 within just two years.²³ Whilst widespread tenure insecurity and government preferences makes individual

²⁰ UN-Habitat (2010). 'Regional Project on Pro Poor Housing Finance in Asia and the Pacific: A Compendium of Select Countries of Asia Pacific Region'
http://www.nhb.org.in/Whats_new/Pro%20Poor%20Housing%20Finance%20in%20Asia%20and%20the%20Pacific%20-%20Draft%20Com.pdf

²¹ Ballesteros (2009)

²² Payne (2004).

²³ Ibid.

freehold titles the most popular option, there are signs that interest is increasing in other options.

A key consideration in achieving success is that local governments (e.g., Las Pinas, Marikina, Cebu City, Naga City, San Fernando, etc.) are generally efficient and proactive in dealing with their urban poor population through supportive of civil society and private sector players. These local resources enable municipal government to overcome the inefficiencies of central government bureaucracies and make the land proclamations work for the poor sector of the population.²⁴ On this basis, land proclamations can enable central and local government agencies to redistribute assets and reduce urban poverty.

Case Study on communal land lease or ownership: Bangkok, Thailand

The Bangkok Metropolitan Area (BMA) had a population of around 2.1 million inhabitants in 1960. Official records estimate its population in 2005 at over 6.6 million, and this figure has increased dramatically to 9.3 million today.²⁵

Adding to complications over urban tenure status within the municipality, the urbanized area of Bangkok stretches beyond the BMA over parts of five other provinces.²⁶ The jurisdictional competition and disagreement over approaches to land management has meant that simple yet functional approaches to informal land access have been adopted.

Land sharing approaches developed in the 1980s have evolved, and in 2003 the *Baan Mankong* (“secure housing”) programme was announced by the Community Organisation Development Initiative CODI.²⁷ The target was to improve housing and tenure security for 300,000 households in 2000 poor communities in 200 Thai cities and towns within five years. Focused on a number of informal settlements in and around Bangkok, the programme does not impose solutions, but rather encourages communities to develop solutions that are tailored to their needs, with the end goal of community land lease or purchase.²⁸

An important aspect of the secured land tenure that results from the Baan Mankong process is its collective nature: the community as a whole buys or leases land for development. The communal ownership status of the land is not simply a reflection of collective efforts to gain secure land tenure, but also a practical precautionary measure against the sale of land by individual owners to outsiders.²⁹ Once land tenure has been formalized through approval from the municipal authorities, local residents are able begin incremental construction projects and investment in infrastructure and services.

²⁴ Porio (2010)

²⁵ <http://www.un.or.th/thailand/population.html>. Rapid growth in population has been the result of rural-urban migration as well as the expansion of municipal boundaries.

²⁶ Yap, K.S. & de Wandeler, K. (2010).

²⁷ <http://www.codi.or.th/webcodi/downloads/english/Baanmankong/PilotProject/Bangkok.pdf>

²⁸ Boonyabanha, S. (2005)

²⁹ CODI (2008)

Conditions for successful for community land management and purchase

- A booming property market which encourages landowners to make concessions with occupants of developable land.
- A strong and cohesive community that can present a united front in negotiations with the landowner.
- A well-established community that over time has acquired bargaining power due to tenure rights, political connections and alliances between residents.
- Third-party intermediation that can broker and enforce a compromise agreement between landowner and community.
- A sufficiently large land area that can accommodate the needs and interests of landowner and community, while remaining more or less within local regulations.
- Financial arrangements that keep land and housing affordable for residents, while remaining profitable for the landowner or developer, without excessive public subsidy.

Source: Rabé (2006); 109-110

Summary and policy implications

International research and the case studies cited above show that urban tenure security can be achieved over time through the accretion of various legal rights, not just full, individual titles. Although many politicians and professionals often prefer to pursue a single dramatic policy initiative,³⁰ to the detriment of more mundane, intermediate options, the evidence shows that a range of options can improve access to affordable land and housing and lead to lasting change. It also suggests that incremental approaches may offer cost effective advantages in integrating informal settlements into the land markets.

One of the key challenges facing innovative policy makers therefore, is to avoid the short-term, and conceptually limited approach demanded by urban politics; if pro-poor tenure systems are to be implemented in the world's fastest growing cities, policy makers should consider a wider range of strategies to address diverse and changing needs. Experience shows that this is often the most effective means of improving security of tenure and livelihoods and access to services for the urban poor within the administrative and financial constraints that affect all municipalities.

5. Concurrent evaluation and participatory enumeration

The diversity of urban communities and complexity of understanding what they need and can afford poses major challenges for the most enlightened and committed administrations. For understandable reasons, many central and regional governments, and international donors, have fought shy of becoming involved in urban housing and

³⁰ Formal land titling is often the policy of choice. See Payne (2001) for further discussion of different options.

land markets for this reason. However, the GoI has committed itself to addressing these issues and is seeking ways of formulating and implementing proposals which meet local needs.

Unfortunately, evidence of such 'learning by doing' is rare. However, a start is being made by the Global Land Tool Network in UN-HABITAT which has developed 'participatory enumeration'. This is a process by which data is prepared and evaluated in collaboration between planners and the local residents who are being surveyed. It provides an effective system for professionals working in informal settlements to ensure local ownership of information and a sound basis for information on future planning needs. The merits of the proposal are its comprehensive scope and the wide range of options identified for policy makers.³¹

The Participatory Enumeration Model (PEM) requires a distinctly different approach by professionals and policy makers, some of whom may question the ability of local residents to provide sound information in good faith. An even more serious question is why local residents should collaborate in surveys or data collection without confidence that they will receive some benefit as a result. This suggests that it is an appropriate tool as long as government is willing *and able* to deliver what urban residents need and want. This implies a degree of trust on the part of communities in both government and government policies, which may not always be present. Finally, what happens if expectations, raised as a result of PEM, are not met?

In application, the systems proposed by UN-HABITAT are excessively complex and, as a result, are unlikely to be adopted by hard-pressed professionals in the public sector and may not be attractive to the private sector. The most likely uptake of the programme would be by NGOs. Within India, an Alliance between SPARC, the National Slum Dwellers Federation (NSDF) and Mahila Milan undertake ongoing community enumeration exercises which can inform slum upgrading programmes and advocacy activities. Examples are currently under way in Pune and Bhubaneswar.

Case study of concurrent enumeration: the In-Situ Upgrading Project in Pune³²

Since November of 2008, an Alliance of NGOs including SPARC, the National Slum Dwellers Federation and Mahila Mahan has been working to coordinate the implementation of an in-situ slum upgrading scheme, officially titled the "City In-situ Rehabilitation Scheme for Urban Poor Staying in Slums in City of Pune," in seven slum settlements in Yerwada, Pune. This project comes under the JNNURM sub-mission of Basic Services to the Urban Poor (BSUP), which earmarks funding for integrated slum development through projects related to housing and infrastructure.

The project was an outcome of continued negotiations with the Pune Municipal Corporation (PMC) in which the criticisms and issues surrounding existing upgrading schemes in Pune were challenged. According to the Alliance's philosophy, in order for slum redevelopment to be tenable and sustainable, investment must be incremental, projects must be integrated, and initiatives must be planned and implemented by a collection of stakeholders – including the community itself.

³¹ UN-Habitat (2010).

³² Information kindly provided by SPARC

The Alliance designed the project around community participation and empowerment, and challenged the limited requirements of the BSUP scheme by initiating a design, planning, and construction process led by Pune Mahila Milan. This involved bringing architects and engineers to the community, to initiate discussions about house design and settlement layouts. Over a year-long series of discussions and meetings, community members handled scale models of their slums, drew on blueprints and maps, built full-size house models of bamboo and saris, and through these activities developed their ability to articulate their needs in terms of design and planning.

During the process, some homeowners voiced concerns about fairness, potentially reduced floor size or land footprint, and eviction. House designs are standardized to reduce costs and provide equal amounts of space for all, but households with large existing footprints do not want their housing footprint to change. Some ineligible homeowners feared they would be evicted during the implementation of the project. These concerns have been addressed through participatory community meetings during which residents voiced their grievances and fears, and the group discussed ways to resolve or ameliorate them.

In early September 2008, Pune Mahila Milan constructed three model homes at-scale so that community members could get a better idea of the size and layout of the homes. This provided a huge boost of support from the community. Following the exhibition, over four hundred people opened bank accounts—the first step towards saving the ten percent beneficiary contribution to the project required under JNNURM BSUP. Another outcome of the event was that government officials visiting from Orissa were impressed with the project and convinced to take it up in their cities.

The resulting design is oriented towards preserving the existing settlement footprint. Houses will be developed in clusters to promote affordability through the use of shared walls. Each unit will have a ground floor and a first floor, a bathroom and a toilet; thus, all beneficiaries will be able to maintain some ownership of ground floor space – one of the community's highest priorities. Since the community has played an active part in the design and layout of upgrading, they have accepted and agreed to the project.

In the beginning of 2010, Pune Mahila Milan began preparations to start construction on the first set of houses. In February, groundbreaking happened for the first 9 houses in Mother Teresa Nagar. There have been many growing pains as construction has been taken up throughout Yerwada – construction is underway in 3 additional clusters, for a total of over 15 houses.

Summary and policy implications

The GoI intention to develop concurrent enumeration processes by which planners and communities can collaborate in improving the living conditions and livelihood opportunities of residents in urban slums and informal settlements is highly commendable. Whilst there appears, in preliminary investigation, to be a dearth of examples to draw on from international experience, this should not deter efforts for India to become a leader in such important activities. The fact that these approaches are already being undertaken in Pune and Bhubaneswar provides a foundation for taking such approaches further.

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