

**URBAN POOR
HOUSING RIGHTS
IN SOUTH KOREA
& HONG KONG**

Fact Finding and Assessment Mission Report
on Urban Poor Housing Rights in
South Korea and Hong Kong
7-18 September 1990

Asian Coalition for Housing Rights

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This Fact Finding Mission was organized
by Asian Coalition for Housing Rights
(Habitat International Coalition for Asia)
in close collaboration with
Habitat International coalition in Mexico.

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A Fact Finding Mission is an information gathering as well as a social process requiring the participation and cooperation of many individuals and organizations. People and organizations who, in this case, share the same concern for the struggle of the urban poor, people who work and interact in their various roles in the process of achieving the basic right of all people to have adequate shelter or a place to stay.

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Korea

to the urban poor communities in Korea who continue to struggle with strength and dignity for their basic housing rights.

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Hong Kong

to the urban poor of Hong Kong including the Cage People, Boat People, Aged People, Squatter people as well as all the poor people in private or public housing in Hong Kong.

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INTRODUCTORY MESSAGE FROM HABITAT INTERNATIONAL COALITION

A place to live is a basic human need, as is food and clothing. The lack of any of these or the existence of precarious conditions in their satisfaction deprives human beings of a life lived in peace and dignity. Physical and psychological health, and even life itself, depend on the possibility of individuals and families to use and enjoy a secure place to live.

All States are responsible for granting the possibility of meeting their basic needs to all members of their society; in this perspective, a place to live is a human right.

In today's world, we see an increasing number of struggles in support of human rights. Movements of liberation, for self-expression, for freedom from discrimination and for self-determination are recognized and grow everywhere. However, one crucial precondition for the enjoyment of all other rights has been overlooked. Without a place in which to live, no other right has any meaning.

Despite the recognition of the right to adequate housing within the "Universal Declaration of Human Rights" and other international laws binding the signatory states to varying degrees, this right is infringed upon or denied daily for

millions of people all over the world.

Habitat International Coalition, HIC, an independent, international, non-government and non-profit organization integrating community-based and non-government organizations from over 60 countries around the world has placed the right to a place to live as its highest priority.

For this reason, HIC has launched a global campaign to promote international, regional, national and local-level actions for the recognition and implementation of the right of every child, woman and man to a secure place in which to live in peace and dignity.

This Global Campaign for the Right to Housing consists of a wide range of actions, from interventions in United Nations human rights bodies to concrete work at the grassroots level to support people's struggles and efforts worldwide in defending their right to a place to live. Campaign actions include research and documentation, dissemination of information on evictions and housing rights violations, the promotion of direct dialogue between people and their governments, the mobilization of concerned solidarity groups and the promotion and implementation of alternative policies and projects.

In certain, extreme, cases of housing rights violations, HIC promotes and participates in the organization of fact-finding missions to specific countries. There, first-hand information on housing conditions and the violation of housing rights is collected, and concrete suggestions for improvement are offered to city and national governments. The results of these missions are then publicized through local and international media.

The fact-finding missions organized to Seoul and Hong Kong by the Asian Coalition for Housing Rights, in coordination with HIC and local non-government organizations

UPRI and SOCO, are examples of both the extreme conditions which lead to fact-finding missions, and the utility of organizing international teams to examine local situations.

As long as forced evictions, the violation of housing rights and rigid policies that prevent access to dignified housing continue to exist, HIC will continue to support at the local, national and international levels the struggles of local populations for a secure place in which to live in peace and dignity.

Enrique Ortiz
Secretary General
Habitat International Coalition

Mexico City

HONG KONG AND SOUTH KOREA

FACT FINDING TEAM REPORTS

SEPT 8-19, 1990

INTRODUCTION

Over 300 million poor people will move into Asia's cities before the end of the decade. Most large cities will be at least 50% squatter and slum areas. Governments, as in the past, will not be able to provide basic services for the new arrivals, so the urban poor may well become the continent's number one social problem.

The future is dark for most of urban Asia, but not necessarily for Hong Kong and Seoul. These countries have the resources and experience to do much better for their poor. The near 100% employment rates of the two cities guarantee that migrants will be at least well fed and clothed, even if housing is inadequate. After a visit to Seoul, one of the urban poor of Bombay remarked: "The Koreans are poor only in housing, but in every other way they are well off."

There have been large differences in the philosophies behind the housing programs of Hong Kong and Seoul. Hong Kong built for the poor from the beginning. Seoul built for the well-off, in the hope that the law of demand and supply would eventually make housing accessible to all.

Economically, both Hong Kong and Seoul have enjoyed tremendous growth due to the foresight, hardwork and discipline of their peoples. They have differed significantly, however, in the ways they have dealt with the dissent aroused by their industrial and housing programs. Hong Kong rarely had to use force against its people; it seemed to be able to have dialogue with, and find reasonable solutions acceptable to protesters. South Korea often confronted labor and urban poor protests with police action, sometimes resulting in severe injuries and deaths.

It is beyond the scope of these reports, but it might prove useful to investigate the extent to which low income housing programs, such as those of Hong Kong, operate to diffuse dissent.

The two countries are alike in that the shadow of re-unification with socialist neighbors falls over both. The re-unification of North and South Korea is desired by nearly all ordinary citizens, but Koreans told the fact finding team that the leaders on both sides of the border may not be as eager. Re-unification is a dream in Korea, but not necessarily an important influence on day to day events.

China's resumption of sovereignty over Hong Kong in 1997 does influence here and now activities. It was hard for the team to find any Hong Kong resident eager for that day. The coming change in government affects nearly all of the colony's decisions. It is difficult, for example, to know if decisions on matters like the new airport or the trend to private ownership in the government housing program are based on economic or political considerations. Are these plans well thought out and soundly researched or are they principally brave political gestures?

In both cities much more can be done to allow people to participate in decisions that affect their lives. Few technocrats anywhere, see the value of people's participation. For

them it is a brake on action and leads to impractical planning. The United Nations Centre for Human Settlements (HABITAT), however, believes that only through joint official-citizen planning and implementation can satisfactory solutions be found to urban problems.

There are many ways of looking at the housing situations in these cities; housing is as complicated as society itself. The Asian Coalition for Housing Rights (ACHR) seeks to look from the point of view of the poor. It asks, How do poor people benefit or fail to benefit from housing policies? How can the situation of the poor be improved?

This point of view inclines ACHR fact finding teams to be more critical of governments than other observers might be. It may cause them to hurry over the achievements of governments, in order to see how the policies affect the poor, which is the bottom line as it were of the team's mission.

Finally, this peculiar point of view is the reason for the attention given to the conversations with the poor included in these reports. ACHR believes governments neglect the urban poor because they have stereotyped them as lazy, unproductive, latent criminals or radicals. If the urban poor can be seen as hardworking, decent, family people who are needed for the city's well being, governments may be more willing to help.

In Seoul and Hong Kong the fact finding team was assisted by local groups who deserve the credit for whatever is useful in the following reports. The members of the team wish to thank everyone who helped them in any way. Needless to say the weaknesses of the reports are the team's fault.

**FACT FINDING AND
ASSESSMENT MISSION
REPORT
SOUTH KOREA**

FACT FINDING AND ASSESSMENT MISSION REPORT

On the Urban Poor's Housing Rights and

Eviction Situation in

SOUTH KOREA

September 7 - 12, 1990

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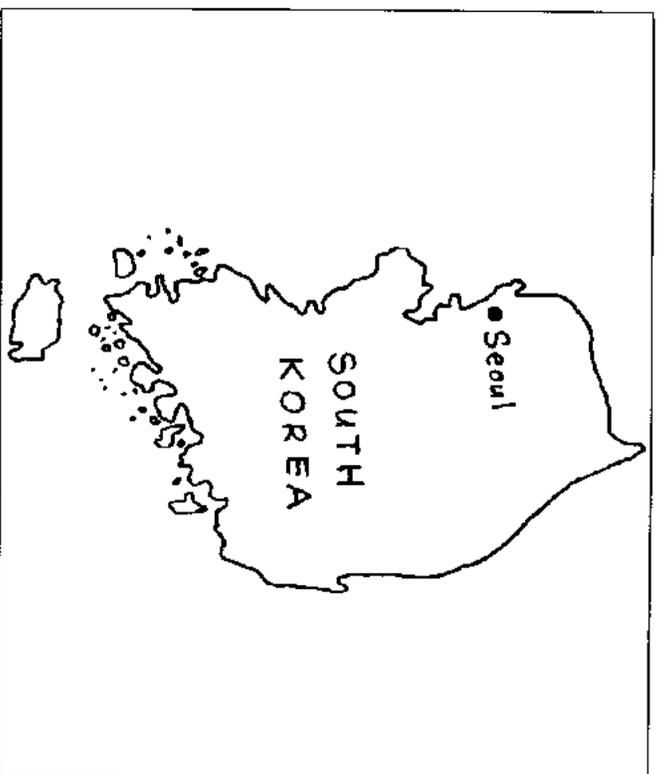
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SOUTH KOREA

Area	99,200 km ²
Population	42.6 million
Urban population	65%
Infant mortality	30 per 1,000
Life Expectancy	68 years
Literacy	86%
Workers in Agriculture	22%
Per capita income	\$2,826
Public foreign debt	\$35 billion
National budget	\$27 billion
SEOUL	
Population (1990 UN est.)	11.7 mill
Pop'n growing at (1965-85)	6% p.a
Density (1981)	138 per hect.
Slums & squatter areas	15% (1980)
Conversion rate	US\$1 = 710 Won

Seoul — South Korea

Seoul has grown enormously in population, wealth and sophistication since the end of the Korean War in 1953. The city has been at the heart of South Korea's 37 years of exceptional economic growth, one of the great economic success stories of modern times. National wealth increased twelve times in that period. Seoul's population has grown from about 900,000 in 1953 to over 11 million today. For wealth and sophistication it rivals Tokyo. Like Tokyo it is densely populated: 18,300 persons per sq. km. One reason for this is a 15 km green belt around the city that constrains outward expansion.

Seoul has been Korea's premier city for nearly six centuries. "Seoul" means capital. Kings had their palaces there. If Korea were united it would be in the middle of the country, so an ideal place for a capital. The city grew rapidly in the 1930s and after World War II when further war and other disorders drove hundreds of thousands of people to the city for safety. Later as the economy began its rapid growth the main reasons for migration were economic.

Korea was isolated from the rest of the world for centuries as was Japan. In the 1870s and 1880s treaty ports were opened, and a railroad was constructed from Seoul to Pusan on the southeast coast. This period is usually considered the start of the country's modern era.

Seoul's squatter colonies sprawl on the sides of the hills that surround the city. Most houses are detached single story, fairly well built units, but very overcrowded, with two and sometimes three families in a house designed for one family.

Housing conditions for the poor are bad, but the people eat well, have jobs, and send their children to school. Further, nearly all have TVs, refrigerators and washing machines.

The sheer amount of construction and overall development in Seoul amazes visitors from other Asian countries. In preparation for the Olympic Games, for example, the city completed infrastructure projects that would have taken other cities decades, including the completion of a new subway system.

Perhaps no other government has pursued more ways to try to limit the growth of its capital and to decentralize. Still, despite all the efforts, Seoul will grow to at least 13 million by the end of the century, far beyond what planners had hoped to see in the mid 1970s.

The partial failure to control growth illustrates the difficulty of controlling population movements, even in a small, ethnically homogeneous country with a strong central government and a history of implementing programs efficiently.

I. Housing Strategy and Results

Every country has its own housing strategy adapted to the needs and culture of the people, at least as these are understood by the planners. In South Korea the government has followed what may be called a "trickle down" strategy. Put simply, the government has concentrated on providing thousands of housing units for the middle and upper income groups, believing the forces of supply and demand would eventually take hold and address the housing needs of the poor. The Hong Kong government began with the provision of homes for poorer people, allowing the private sector to care for the well-off families.

Korea's strategy seemed to harmonize well with the hard driving, laissez faire nature of the country's economic policy in the years up to the Olympic Games of 1988. The policy rewarded economic success. The hope of attaining a decent home was a powerful stimulus for hard work.

Further, the fact finding team was told by social scientists that ordinary Koreans do not expect the government to provide welfare, such as, subsidized housing. For Koreans, welfare is a matter for the family, not the government. Government agents, evicting poor people, often taunt them by asking, "Why haven't you been working?", implying the poor are lazy and that all it takes to have a good house is hard work.

Studies in various parts of the world have indicated that the trickle down process, as a national economic strategy, tends to stop at a level of income well above the poorer groups. This has also been true in the Korean housing experience. The well-off families tend to own more than one home, the middle income groups have to scramble to find adequate housing, and the poorer groups are shut out of the market altogether. Fifteen years ago, the team was told, a university professor could afford a decent apartment. He can't any longer.

New housing in Korea is well beyond the reach of the bottom 50% of income earners, though from time to time the government has experimented with building or rehabilitating houses for the poor.

The government's past decision to subsidize the construction of units as large as 80 sq. meters effectively made that size the norm, though the cost of such units was well beyond the finances of poor people. Contractors found it more profitable to build large and expensive units rather than smaller and cheaper ones.

Statistics suggest that nearly all new housing units are bought by the top thirty percent of earners, three quarters of whom already own a house. Additional units earn substantial speculative profits.

The Korean National Housing Corporation built 40,000-

60,000 units a year between 1970-1990. This was 20% of the housing built in Korea during the time, the rest being financed and constructed with private resources.

Despite many impressive achievements, the government recognized in 1987-1988 that its housing program had fallen short of its goals. A housing deficit of 15%-30% was found to exist, depending on how statistics were analyzed. In addition, a great increase in land prices exacerbated the situation. Despite Seoul's rapidly growing population, the number of small and cheaper dwellings has decreased in absolute and relative terms over the last 20 years.

In May 1989, changes in housing policy were made. These will be discussed below.

Guarantee money and down payments

A uniquely Korean practice plays an important role in the country's housing situation. It is called "guarantee money". Ordinarily when tenant and landlord negotiate a rental period, the tenant gives the landlord a substantial sum. He or she pays no further rent and the money, the guarantee money, is returned when the tenure period runs out. The landlord's income is derived from the interest earned from investing the tenant's money.

Poorer families who cannot raise large amounts of guarantee money, pay a lower initial deposit and monthly rent.

This system requires higher amounts of ready cash. It is also common for house purchasers to put down more than half the value of the property in cash. Even government programs with elements of subsidy require participants to make big cash advances. For example, to buy an 18 pyong apartment (one pyong = 3.3 sq. m.) valued at Won 36 million (\$US 50,704), built by the government and designed for lower

income families in one of the new satellite towns, the purchaser is asked to make a cash downpayment of Won 18-20 million (\$US 28,170).

Land

In Seoul, prices of housing units are more costly than in the satellite cities because the land is more than eight times as expensive. The cost of land for housing continues to rise because of population pressures, demands for office and other non-residential uses, and because the green belt tends to limit the expansion of the city outward. As a result, sharp increases in land and house prices have taken place, for example, in Spring 1990, as companies and individuals with capital resources speculated in earnest.

Land prices in Seoul are amongst the highest in the world. A square meter can cost up to US\$ 43,000 in the central area. In the poorer areas it can be as much as US\$ 8,000.

The cost of even the cheapest new housing is beyond the reach of most Koreans. They become renters, and the poorest rent in slum areas. Overall the number of families renting has grown from 51.9% in 1970 to 59.3% today. Renters are living in even more crowded and cramped conditions: in 1985, 70% of renters were occupying less space than they had in the past.

Several causes have been cited above for the escalating land costs, but the greatest cause is undoubtedly speculation. In recent years, the fact finding team was told, the major source of profits for the larger business corporations was land speculation. Much of the money borrowed by business from banks goes to land speculation, not to re-investment in production capability. The South Korean government, like most Asian governments, seems to be unwilling or unable to check rising land costs fueled by speculation.

Complicating the land issue in South Korea is the very small percentage of land owners in the general population. Some 5% of the population owns 80% of the land.

II. The Urban Poor

Cardinal Stephen Kim Soo Whan of Seoul told urban poor people from 11 Asian countries meeting in Seoul in June 1989:

In your faces and your eyes, through your words and your gestures I see and hear many things:

I remember I am Asian:
I long for my roots;
I feel homesick for our ways.

You make me remember the beauty and richness of the traditions of Asia; the original human-ness and spirituality of our culture; the mystery of the family and community which give new life and the strength to go on.

You show us gentleness, compassion, industry, intelligence.
You show us pain, sorrow, and a just, a righteous anger.

The most frequent cry of the urban poor of Korea is:
"We are human beings. We want, we demand to be treated as human."

Few in South Korea would see the urban poor as sympathetically as Cardinal Kim. Most share the view of well-off people in other Asian cities that squatters are unproductive, dependent, unstable and often criminal people.

Seoul and the urban poor have grown and multiplied side by side from the end of the Korean War, when large groups of poor refugees migrated to the city, including many from North Korea. The first settlers developed their areas, worked hard, prospered and in many cases moved up the economic ladder and out of the squatter areas. Success stories such as these rarely happen today in Seoul, or any other Asian city. Few families can escape from the slum areas.

Later migrants to Seoul were usually rural poor people seeking jobs in the new industries in and around the city. They lived principally along river banks and on hillsides.

President Park Chung Hee tried in the 1960s and 1970s to control the growth of the squatter areas. Thousands of families were evicted and relocated to edge of the city and beyond. The mayor of Seoul at this time forced thousands of families to resettle in Songnam 25 kms from Seoul.

In housing, the 1980s were dominated by the Joint Redevelopment Program. This program encouraged large construction companies, in cooperation with house-owners and national and local government officials, to clear and rebuild areas occupied by the urban poor. The 1988 fact finding team centered its criticism on this program. Between 1985-1988, over 700,000 urban poor people were evicted, but only 10% were admitted to the new housing that replaced their homes.

In its report the former fact finding team said of this program:

"We believe the program was fashioned into its present shape by agreement at the highest levels of the Korean government and the giant construction companies, such as Hyundai, Taerim, and Woosong, and others.

"Several factors coincided. The construction com-

panies were under-utilized as construction contracts ended in the Mideast due to falling oil prices. Government officials needed money for the Olympics and other purposes. The ministries executed the plan: land was sold at very low prices, the manipulation of cooperatives was allowed, and gangsters did violence to civilians unmoled, since it was clear that this was all on behalf of a project blessed at the top. No matter that it was ruinous to the city's housing stock and more importantly to the city's people."

Despite such campaigns there are at least 2 million urban poor people in Seoul, dispersed throughout the city, with 70% still living on government land. More than half are renters, while a third own their homes. The urban poor, like most residents of Seoul, are highly mobile - a third of the city's population moves each year. In Spring 1990 many moved because they couldn't pay the increased rents landlords asked.

The average urban poor family monthly income in Seoul is Won 430,000 (\$US 605) according to a survey by the Korean Research Institute for Human Settlements. This is about half of the national average income. Many urban poor people are self-employed, for example, as vendors. Others are construction workers, janitors and small scale factory workers. Some 45% have regular salaried work. The income of those who don't have regular work is very irregular. In some months income may be high, but at other times, such as in winter when construction work stops, the income of many families drops off. Vending earnings also rise and fall irregularly.

Contrary to the stereotype that the poor are lazy, studies show that on the average they work 239 hours a month, or 9.9 hours per day, contrasted with the 176 hours or 7.3 hours a day put in by middle-class people.

About 45 per cent have debts of Won 1 million (\$US 1,408) or more. Another 45 per cent have small savings, averaging Won 62,000 (\$US 87). Approximately 20 per cent of expenses are accounted for by rent, in addition to guarantee money of about Won 5.3 million (\$US 7,465).

Urban poor areas are characterized by a general spirit of sharing and camaraderie among old residents and newcomers, owners and renters. The following is a quote from a study made by the Urban Poor Institute of Sogang University:

Although life in urban poor areas is difficult and burdened with the hardships of poverty, there is nowhere else they can go. First of all, it is only in these areas that they can afford to rent some kind of accommodation. Secondly, the very concentration of the poor in one area makes it much easier for them to find work - since these areas are the first place contractors and subcontractors go to find laborers. Word quickly spreads through the community when jobs are available. The poor help each other find employment by exchanging information. Thus, urban poor areas are not just places to live. They also help the poor secure and maintain their livelihood. At the heart of all the positive functions, these areas provide the people with the breadth, depth and richness of community life.

The urban poor are often organized, but are not politically influential. Until they can support their demands for better housing and services with votes, it is not likely that government will pay great attention to them.

There have been efforts by groups to organize the poor, especially in the face of redevelopment projects. However

the same projects, by dividing house owners and renters, made organizing difficult. There is general frustration in urban poor areas because people are aware of their problems, yet feel helpless. Twenty urban poor people committed suicide in 1990 because of rapidly rising rents and guarantee money rates, and the threat of eviction.

Social scientists say that poor people are now "cemented" into the slum areas, whereas in earlier decades they could escape through hard work. It is no longer possible to save little by little and move gradually up the ladder of better and better housing. The present structure of rising land prices and low incomes ensures a family remains where it is, or slips to a worse situation.

The fact finding team met scores of urban poor evicted from their homes in Seocho Dong and left on the sidewalks in the rain. Some 800 families were evicted. Many moved in with relatives in other areas. About 100 families were on the sidewalks. The eviction was more violent than those four or five years ago, the people said. Before, the gangsters the government employed to intimidate the people used fists. Now they use knives and iron bars. Ironically the land is to be used for the Supreme Court of Justice. About 5,000 policemen, thugs and government officials came to manage the eviction, people said.

The land was used years ago for greenhouses to grow flowers, until it became more profitable to divide the greenhouses into cubicles to rent to urban poor families. A family has to pay guarantee money of about 350,000 Won (\$US 493) to rent a 4-6 sq meter cubicle.

Government demolition teams displayed a peculiar vindictiveness. Families on the sidewalk had covered their furniture with plastic. The teams cut up the plastic so the rain would wet the furniture and sleeping places. People milling

about told the team they had no idea where to go. The government had given them a few days to get off the sidewalks or they would be removed. "We can go into the river or into the sea. Maybe that's what the government wants," a woman said.

"We never know what the government is doing", a woman complained as she peeled apples for the children in long curling strips. People said they were willing to move if the government provided an alternative site. She looked at her children. "Yes", she said, "children make poor people feel they are in heaven, but the riot police make us feel we are in hell."

One woman was told she would get an apartment in a public housing estate, but officials couldn't tell her where or when, or even show her her name on any list. The demolition began at 4:00 A.M.

The team was told by the people the average family income in Seocho Dong was Won 400,000 (\$US 563). The debris left in the field that had once been their home was similar to that found in destroyed squatter areas all over Asia: children's writing pads, letters, shoes, rags, shampoo bottles, cardboard boxes, baby bottles, empty cans.

The team is aware that people sometimes have to move to make way for important public projects and that demolitions take place in most Asian countries. Still Korea is richer than other countries and could do better in terms of alternate housing and compensation. Wealth carries obligations.

The people we met were hard working, decent, family centered people whom any society would be proud to have as members. They only asked to be left together in simple housing.

The 1988 fact finding team came to the same beliefs. It ended its report with a quotation from a young married man in Sang Kyei Dong community. He and his neighbors had resisted government eviction efforts. His words are still pertinent:

"At times we were tempted to give up. We were tired of being beaten. But we realized that if we gave up and went away, we'd be alone again and, being alone, we'd be helpless. We determined to carry on. Really what we were doing is forming a community. We're peaceful people. If the government will let us build our houses and live together in a simple way, we'll be happy and peaceful. Till then we'll resist."

III. New Housing Programs

As indicated above, from 1988 on there have been new housing efforts. By 1992, with private sector cooperation, 2 million units will be built. Some 900,000 of these will be put up by the government itself, including units for office and industrial workers, and 250,000 for families among the poorest tenth of the population. The countries first-ever housing subsidy will be given to these units.

The program began in 1988 and is on schedule. The number of households in Korea is about 9.5 million, so 2 million units will provide for a significant percentage of the whole population.

PUBLIC HOUSING PROGRAM 1988-1992

(unit: 1,000)

	TOTAL	1988*	1989*	1990-92
PUBLIC SECTOR	900	115	161	624
Permanent Rental**	250	—	43	207
Factory Workers	150	—	—	150
Office Workers	100	—	—	100
Long Term Lease	150	52	39	59
Small Size				
Apartments	250	63	79	108

* Already built

**Categories are explained below

As indicated in the chart, the public sector offers five different programs.

1. Permanent Rental Housing. These units provide low rent housing for the poorest 10% of the urban population, mostly, those on government welfare, earning less than Won 240,000 (\$US 338) per month. The units range in size from 7-12 pyong (23.1 to 39.6 sq.m.) and they are equipped with separate kitchen and toilet facilities. Deposit or guarantee money is Won 1 to 2 million (\$US 1,408 - 2,816), while the monthly rent is Won 30,000 - 40,000 (\$US 42 - 56) which is about 70% to 80% lower than similar houses on the open market.

A word of caution however. While the permanent rental housing is cheaper than that available on the open market, prospective beneficiaries who are very poor and living rent-free now or at very low rents may not be able to pay even the modest rent the program demands.

Another problem concerns criteria for admission to the welfare system, especially the requirement of a 5-year residency in a locality. This can be extremely difficult for low income renters who continually move in search of cheaper rentals.

Plans to ask welfare families, whose income rises over the maximum limit of Won 240,000 (\$US 338), to vacate the units is problematic. It presents families with the dilemma of having low income and decent housing, or higher income with the risk of losing the decent housing.

The urban poor who are not on welfare, that is the 20-30% of the people just above the poorest 10%, will not benefit from the new public housing program, since other housing packages available are beyond their means. The majority of the urban poor in Korea fall into this income category. It is these people who suffer most from eviction.

Government planners told the team it might not be possible to retain housing subsidies beyond 1992. Would this mark the end of the low cost housing program?

2. **Factory Worker's Housing**, none of which has yet been constructed, is intended for workers earning less than Won 800,000 (\$US 1,126) a month. A 50% down payment is required with balance payable in 20 years at a low interest rate of 8%.

3. **Office Worker's Housing**, is intended for office workers but none has yet been constructed. Government provides employers with a soft loan at 8% interest for the construction of housing units of 18 pyong. There is a down payment equivalent to 50% of the total price with the balance payable in 3 years.

4. **Small Size Apartments** are for the open market. They are between 10-18 pyong, require a 50% down payment with

the balance to be paid in three years.

5. **Long Term Lease Housing** is also directed toward the open market. The units are from 10 to 18 pyong in size. Buyers pay rent with an option for full purchase after five years.

The price of these units varies with the cost of the land and the size of the units. Some guess at cost can be made by recalling that an 18 pyong (59.4 sq. m.) apartment in one of the new satellite towns costs approximately Won 36 million (\$US50,704). The buyer must put down 15 million (\$US 21,126) and pay a monthly amortization of Won 500,000 (\$US 704) for three years. In city areas, costs are much higher.

IV. Recommendations

The fact finding team was impressed with the housing plans of South Korea to produce two million homes from 1988 to 1992. The team particularly praises the government plan to build 900,000 homes for the lower income groups, including industrial and office workers, and 250,000 units of public rental housing for the poorest tenth of the people.

The team, however, regrets that large sectors of the urban poor are left out, especially the income groups just above the poorest 10 per cent, that is, the second, third and fourth poorest tenths of the population. Their income is too high to qualify for the subsidized rental units, but too low to afford other decent housing available.

Government housing strategies should be sharpened. The official housing deficit is 30% based on the 1987 figures of 6.45 million dwelling units and 9.32 million households. One should be careful in interpreting these figures because housing in Korea is classified mostly on the basis of the legality of the building procedure rather than the functional condition of the units. A single detached building is classified as one

unit even if it is occupied by three households having separate entrances, kitchens and toilet facilities.

If the necessary adjustments are made, a more exact figure for the supply deficit may be 15%. The greatest shortage is of homes for low income people. Awareness that the deficit is not as large as it sometimes appears and is concentrated among the poor should cause officials to review their overall housing strategy. It is based now on the belief that all income brackets need houses in big numbers.

Expensive units, no matter how many, will not go to the poor who are in greatest need. A shotgun strategy should be replaced with more selective weapons, for example, scheduling more housing for the poor.

South Korea is among the few nations of Asia with the resources and management systems capable of eliminating homelessness by the end of the decade.

South Korea has resources for housing. For example, 2.45 million households have joined some form of home ownership savings program, generating savings of Won 6.4 trillion, which is six times the 1990 budgetary appropriation for housing. This indicates a tremendous housing demand. Little, however, is known about how and to what extent this potential demand can be actualized.

In the light of these truths we respectfully propose the following to the government of South Korea:

1. Stop forcible evictions which continue in large numbers and are sometimes more violent than ever.

We urge the government to consider instead community upgrading and other alternatives that prevent the displacement of people from their existing homes. Evictions should be limited to absolutely necessary cases, such as people

living in areas where their lives are in danger, for example from flooding, or people directly obstructing very necessary public projects.

We urge the government to foster the creation of tenant cooperatives as a concrete and feasible way for elaborating and protecting tenants' rights. Cooperatives can be a channel for extending credit to tenants for acquiring new housing. They are also a good mechanism for allowing the tenants to participate in decision making; the cooperatives can represent the tenants in all negotiations.

We recommend, in connection with this, that further study be made of tenants' rights.

Evictions, if they have to happen, should be implemented in a just and humane manner. Those affected should be informed ahead of time, given compensation and helped to defend themselves legally when there is scope for legal action. People should not be evicted until a permanent housing alternative is prepared.

The public rental housing scheme should be extended to all evicted families.

2. We ask the government not to over-generalize the claim that the urban poor are lazy, beggars or speculators. Some may be, but the majority are hardworking people with the same sense of dignity and commitment that has made Korea an economically developed country in a short time.

The poverty of the urban poor is a by-product of the model of development Korea has followed. The poor, for example, are the principal victims of the speculation that has hit all sectors of the population.

3. Encourage the construction of smaller housing units the poor can afford. Can government provide incentives to

private or cooperative contractors for the construction of smaller and cheaper housing units for sale and for rent? Earlier government decisions to grant subsidies for the construction of large units would have to be revised.

4. We urge the government to introduce a more flexible financing scheme offering loans to the poor on soft terms. Current financing schemes require very large amounts of money at the start, which effectively excludes the poor. Down payments and advances can be reduced. Amortization rates are also high and could be reduced, possibly by extending the length of the repayment period.

5. We suggest the government respect people's participation. Ordinary people's organizations should be recognized and allowed to participate in the planning, implementation and monitoring of housing programs which affect them. People's organizations should be given access to all available information about the housing programs and policies concerning them. Cooperatives should be given the necessary administrative freedom and financial incentive to stimulate their participation.

6. Non-government organizations and professionals should be encouraged to help the initiatives of people's organizations.

7. The government is asked to work to curb land speculation. When land is scarce and subject to unbridled speculation, it is usually no longer available for the poor.

A Suggestion to the Urban Poor:

The team respectfully proposes that the urban poor strengthen their organizations to gain for themselves an effective voice in the decision making processes. They need to examine the present situation and identify solutions, and to participate

with more vigor and unity in common actions on the local, national and international levels.

The process of democratization in South Korea should offer the urban poor the opportunity for better housing. In a democracy, the social demands of the poor can be pressed more effectively and receive more attention from a government which is answerable to its people.

The final word on Korea's housing problem may be that, like the country itself, it is at a crossroads. Only in 1989 did the government agree to subsidize poor people's housing. Already there is some talk, even in official circles, of stopping subsidies after 1992. Future directions are uncertain.

After years of authoritarian rule the Korean people voted for democracy in 1987, though there still haven't been local elections. Like the country's low cost housing program, democracy has made a tentative start, but the future is not clear.

The fact finding team believes that the future of low cost housing is tied up with the spread of democracy to all levels of Korean political life. The future of independent, democratic people's organizations is also linked to the spread of democracy. Only in a democratic Korea can people influence government decisions on housing matters. It is no coincidence that the first public subsidies for housing came after the 1987 elections.

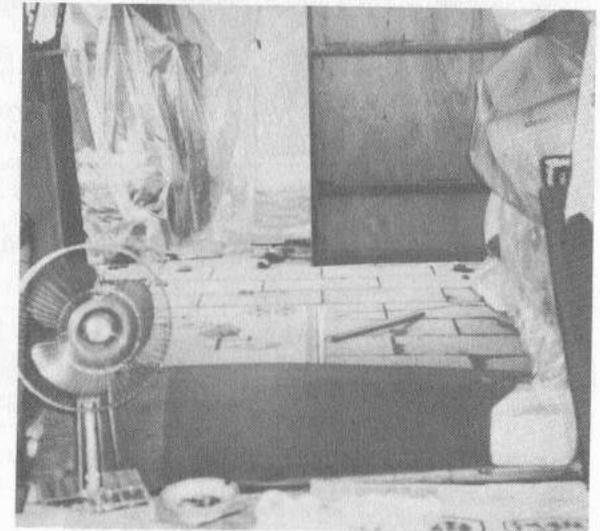
The team's final word is really one of hope, therefore, that democratic elections will be held on the local levels and that people's organizations will flourish. If these two things happen, decent public housing will be produced for all poor people, and the right road will have been taken at the crossroads.



Mr John Battle MP from UK, Mr Enrique Ortiz HIC Secretary, Fact Finding Committees, investigate eviction in So Cho Dong area where the community were evicted by force and dwellers who have no place to go have to remove to stay on the side walk.



The eviction in So Cho Dong is for the construction of Supreme Court of JUSTICE. The building in the picture is a part of this court of justice.



Inside the shack on the side walk. A place to live to survive.



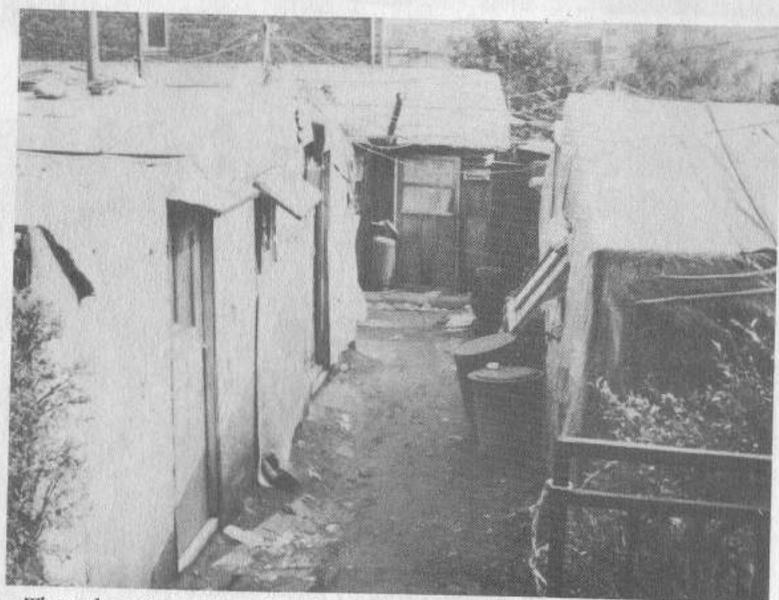
Lives, daily lives on the side walk.



A crying young mother holding a small son who was asleep who was also evicted.



Picture of eviction in So Cho Dong by force. Hundreds of families have to stay temporarily on the side walk for do not know where to stay.



The other side of So Cho Dong. Area where thousands of families waiting for next eviction to come.



Construction of New Town, miles and miles of construction work for new town.



Causing eviction to former settlements where former peaceful renters have no share in the new huge development only to become homeless caused by eviction.

**ASIAN COALITION
FOR HOUSING RIGHTS
HABITAT INTERNATIONAL
COALITION
ASSESSMENT MISSION TO KOREA
September 7 - 12, 1990**

**INTERNATIONAL HOUSING TEAM
PRAISES, CRITICIZES GOVERNMENT**

Important changes in favour of the poor have been made in South Korea's housing policies, but large sectors of the urban poor still seem to be left out, according to an international fact-finding team of the Asian Coalition for Housing Rights which was in Seoul September 7-12.

The team said they were impressed by the government's plans to build 900,000 housing units for the lower income groups, such as industrial and office workers, including 250,000 units for part of the poorest 10 percent of the people, which will have the first direct subsidy in Korean housing history.

However, they felt the 20-30 percent of the people just above the poorest 10 percent will not benefit, since payments for the new housing are too high. The great majority of the urban poor would fall into this income category. It is these people who suffer most from eviction.

Except for those on government welfare programs, the units that will be built seem to require downpayments (guarantee money) and rates of amortization that the urban poor cannot

accumulate.

For example, an apartment of 18 pyong (59.4 sq.m.) in one of the new satellite towns, sold on the open market and designed for lower income occupants, will cost approximately Won 36m. (US\$50,000). The purchaser is required to make a downpayment of at least Won 15m. and monthly amortization of Won 500,000 (US\$700) over three years. In city areas, these costs are much higher. The average urban poor salary is in the range of Won 300,000 to Won 400,000.

ACHR is the regional organization of Habitat International Coalition, which is recognized by the United Nations as the leading non-government world housing body.

An ACHR team visited Seoul on the eve of the 1988 Olympics. Its report was critical of the government's housing policies.

The present team, which included housing experts, parliamentarians and officials from several countries, also criticized the continued large-scale often violent evictions of urban poor people.

They suggested people should not be evicted until permanent alternative housing is prepared, and that at least temporary housing should be provided.

The team met evicted poor people and their families who are living in the rain on the sidewalks of Sochodong.

They also asked the government not to overgeneralize its claim that urban poor people are land speculators. A few may be but the vast majority are hardworking decent poor people who do not deserve to be smeared by charges of speculation.

Indeed the urban poor have been principal victims of the

speculation that hit all sections of the population this year. Twenty even committed suicide.

The overall number of houses produced in the country is not matched in most major countries, the team said, but they asked if the government could find ways to enable the next to the poorest groups of poor to find housing. These could include:

- A more active land acquisition program for poor people's housing;
- Relaxation of the high downpayment required, and greater flexibility in all financial agreements;
- More use of community upgrading programs for poor areas that would allow all poor people who want to remain in the area.

The team also suggested that it would be helpful if ordinary people could participate more fully in the planning and implementation of programs that affect them, and if the government would make clearer to all citizens the exact nature of all housing programs and the conditions attached to them.

The United Nations 'Global Strategy of Shelter to the Year 2000' seeks to end homelessness by the end of this decade. It was approved by the General Assembly in December 1988.

The delegation will leave Seoul for Hong Kong where, between September 14 and 18, it will look at the worsening housing conditions of the territory's urban poor. The issues they will examine include the eviction of aged tenants, the so-called 'cage people', boat communities, the problems of squatter communities, and public housing estates scheduled for redevelopment.

Schdule Assessment Mission

Korea

September 7 - 12, 1990

Date September	Time	Activities
7th		Arrival Seoul
8th	Morning	Meeting, Orientation, Briefing of the progress of situation and the program
	Afternoon	Visit Soe Cho dong Community
9th	Night	Discussion with NGO and CBO groups
	Morning	Discussion with citizen's coalition for Economic Justice, a coalition of professionals on economic, social and housing issues
10th	Afternoon	Visit New Town Project
	Night	Discussion with Prof. Kwon of Seoul National University, Chairman of Seoul National's Professors Committee for Social Justice.
11th	All day	Meeting with government organizations
12th	14:00	1. Economic Planning Board 2. Ministry of Construction 3. Seoul City Government (Municipality)
	Night	Concluding Session
13th		Press Conference Report writing Leave Seoul for Hong Kong

FACT FINDING MISSION

REPORT

HONG KONG

FACT FINDING MISSION REPORT

On the Urban Poor Housing Situation in

HONG KONG

13 -18 September 1990

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HONG KONG REPORT

Hong Kong's public housing program which now shelters half the population is a marvelous achievement, a result of wise land use, professional building skills, political sense and good administration. But it isn't perfect.

The program worked wonders — some say its wise provisions saved Hong Kong from social turmoil — but too many people fall between the cracks in the program or are overlooked all together. The program began creatively, but now may be threatened with a heavy dose of bureaucratic rigidity.

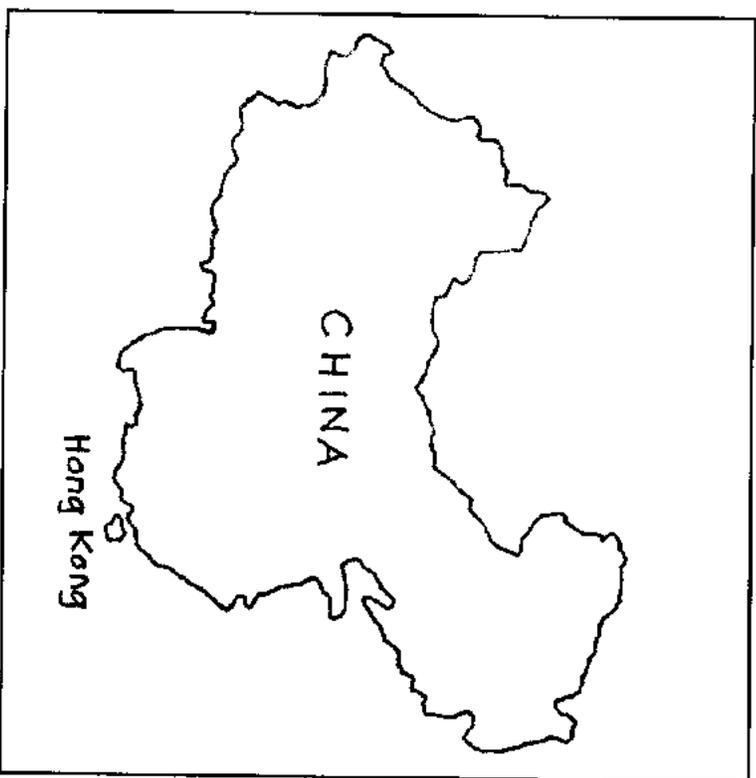
Two older men whom the fact finding team met during its stay in Hong Kong can typify the Hong Kong housing world with its great successes and sometimes weaknesses. Sir David Akers-Jones is chairman of the Housing Authority and former acting governor of the colony. Ku Yam Wah, 86, was being evicted from an old building in downtown Kowloon the night he met the team.

Akers-Jones is justifiably proud of Hong Kong's housing work. He has been knighted for his long years of service. He is admired and respected everywhere.

Ku Yam Wah came to Hong Kong 50 years ago to work as a coolie. Later he became a small craftsman.

He and his son were "cage people", that is, they lived in dormitories where the cots are enclosed in wire cages for security reasons. The caged cots are stacked in dark, foul smelling rooms. Ku and his son shared a dormitory with 16 older and three younger men.

The team met Ku on the sidewalk outside the building where he had lived. He and the other older men were on a sit-down protest. They would not move to other housing unless the



Area	1,0000 km2
Population	5.7 million
Urban Population	93%
Infant mortality	7.7 per 1,000
Life expectancy	76 years
Literacy	n.a.
Workers in agric.	1.6%
Per capita income	\$8,292
Public Foreign Debt	n.a.
National Budget	\$7 billion
Pop'n growing at	0.8% p.a.
Density	53 p. hectare
Slum/squatter areas	10% (estimate)
Conversion rate	US\$ 1 = 7.80

government allowed the younger men to go with them. The landlord had sold the building to a developer.

Different as their situations are now, people like Akers-Jones and Ku Yam Wah, along with the rich Chinese industrialists who fled the communists in 1949, are responsible for the economic marvel that is Hong Kong.

The island's only natural resource is a sand useful for making cement, yet the three groups by sheer hard work and ingenuity, created one of the world's economic success stories. Average family income in the city is over US\$8,000.

A pure, even raw form of capitalism, which was believed to have been buried under welfare programs in the west, reappeared in Hong Kong in the 1950s and 1960s. There were no minimum wage or legislated holidays. Industrial accident rates were among the highest in the world. Taxes were minimal. The city prospered beyond the wildest expectation.

However, as often happens in periods of such progress, thousands, even hundreds of thousands of people were left behind. They no longer fit into the economic program. They were insufficiently educated or too old, for example, Ku Yam Wah.

But it wasn't really pure capitalism at work, for as Akers-Jones told the team, Hong Kong's housing program was a huge socialist or welfare program. The housing program is ambivalent, a socialist island in a fiercely capitalistic sea.

This report will cover achievements as well as weaknesses. It will recount what both Akers-Jones and Ku Yam Wah told the team. If the report seems to dwell on weaknesses, this is traceable to efforts of Asian Coalition for Housing Rights fact finding teams to see housing programs from the viewpoint of the poor and marginalized people.

From the poor person's point of view, Hong Kong's housing program is far superior to that of South Korea. From the beginning it provided affordable housing to lower income peoples, while South Korea cared for the upper income categories, hoping market forces would operate and good housing would "trickle down" to all groups.

Commentators may say the Hong Kong government and business community offered cheap housing to workers in order to deflect pressures for higher wages and keep Hong Kong goods competitive in world markets. Hong Kong salaries are still relatively low compared to the value of the goods they produce.

In South Korea hundreds of thousands of urban poor have been violently ejected from their homes and left in the streets to find their own way. Some have been killed or wounded. In Hong Kong on the other hand, despite evictions, relocation moves and protest demonstrations, there hasn't been violence anywhere near the level found in Korea.

The fact finding team praises the Hong Kong government for its care of its workers and poor. Respectfully, the team urges the government not to rest on past laurels.

The worst housing in Hong Kong is in private rented apartments, such as Ku Yam Wah occupied. The team conservatively estimates 400,000 people live in old, overpriced, overcrowded run down, private apartments. It's an estimate because government agencies admit they have no accurate statistics on the poor renters in private apartment buildings.

Government has traditionally avoided any responsibility for private rental arrangements. But is this a legitimate position? Couldn't a government that has shown a great concern for poor people's housing not take a more activist position in private housing arrangements that affect the poor? Also, how well founded are government plans for the future if it is

unaware of the extent and nature of the private rental world?

Hong Kong's housing bureaucracy has been especially enlightened, but it is still a bureaucracy with its own special forms of red tape and arbitrary rules. Its unwillingness to place Ku and his son together seems a good example of this. Thousands of other families are left out of public housing because of residence and financial criteria that at times seem very rigid.

The housing administration which Akers-Jones represents did creative ground-breaking work, but rigidity in policies could be fatal at a time when control of the colony is passing to China and new and unforeseen challenges will probably arise.

HONG KONG'S HOUSING — A BRIEF HISTORY

The most acute demands for housing in Hong Kong have been generated by uncontrolled immigration from China. After the Chinese civil war ended in 1949, for example, Hong Kong's population rose from 600,000 to 1.5 million in 18 months. Further waves of migrants arrived in 1962, 1971 and the late 1970s. In 1977-1981, 400,000 people came from China. Many immigrants found rooms in private sector housing, but the big majority lived in shanty, squatter villages. The hills of Hong Kong like the hills of Seoul were covered with squatter homes.

In a conversation with the fact finding team, Sir David Akers-Jones recalled those days. Whenever the government thought it had the situation in hand, he said, momentous political changes, such as, the Cultural Revolution in China, brought new waves of immigrants and the planning process had to begin all over again. Planners proposed but Chinese politics disposed, he said. He said he thought the strength of the housing program lay in its ability to react quickly and

flexibly to different levels of challenges.

Uncontrolled immigration ended in 1981 (approximately 27,000 immigrants per year are now allowed in legally). Soon afterwards severe squatter control policies were applied. People registered as squatters in 1981 were permitted to remain in their houses while awaiting demolition and resettlement, though they were not permitted to extend or improve their properties. All squatting after 1981 is illegal. The government put in basic services, but there are no play areas for children, and the houses are infested with rats, snakes and insects.

In Face to the Sun Village, a squatter colony near Shantih Pass Housing Estate, huge rats paused nonchalantly in the drainage canals to look at a fact finding team member.

Women in another area said the rats were the biggest problem. They crawled over people asleep at night and sometimes bit children.

Since squatting is forbidden, new buildings or extensions on old shacks are torn down. Despite demolition and squatter clearance programs over the years, the number of squatters remains high. In 1988 there were still 300,000 squatters, by official reckoning. In 1980 there were half a million.

Hong Kong's public housing program dates to Christmas Day 1953, when fire razed the squatter area of Shek Kip Mei. The government launched an emergency program of shelter which was replaced within a year by permanent housing.

For the first 20 years the program's emphasis was on providing accommodation in low-cost, high-density estates for victims of natural disasters and for squatters displaced by clearance of land for urban development. By 1971, 44 percent of the population was housed in the public sector.

The original units were only 11 sq. meters in size with communal toilets and kitchen. Officials hardly worried about density or noise levels, for what the people received was far better than what they had had, nor were there many complaints.

A little later in the 1970s the Society for Community Organization (SOCO) and other groups campaigned for better conditions, for example, for replacing doors on the common toilets and lights in the corridors, where women were being abused on the way to the toilets. SOCO believes most improvements in housing standards came as a result of citizen pressure.

In 1972 the emphasis changed from quantity to quality. Space standards were raised, all units were self-contained (kitchen and toilet in each apartment) and estates were developed as complete communities, with schools, shopping centers, recreational facilities and other amenities. By the mid-1980s, 1.5 million people were accommodated in the new units. Rents were higher than before, but were still affordable by the majority of families because of the economic prosperity of Hong Kong.

The government started a home purchase program in 1976, and since then it has steadily increased its support for private ownership. In 1989, there were 91,000 purchased units, or about 14% of the total public housing flats. Home purchase means families can buy their units instead of renting them.

The housing program changed the colony's population distribution. Historically, people were concentrated in Kowloon and on Hong Kong Island. This is still where the overwhelming majority of people would prefer to live. Given the density of settlement in these areas, the pace of economic development there and the cost of land, the government decided to move its new estates elsewhere. After 1973 it embarked on a massive program of social engineering, moving large num-

bers of people from the old urban areas into the New Territories, creating the cores of new towns to receive them. The New Territories, near the China border, are so called because they are the latest parcels of land leased from China by Great Britain. Till recently the land was used for agriculture.

Shantun, Tuen Mun, Yuen Long and other sites have virtually been created from scratch. The fact finding team, travelling from the old urban areas to the New Territories, saw how Hong Kong has been spacially and socially re-organized by its planners, sometimes with striking visual effect.

LONG TERM HOUSING STRATEGY

A new plan for the years up to 2001, called the Long Term Housing Strategy (LTHS), was approved in 1987. The Housing Authority was reorganized to implement the plan.

The plan's stated aim is "to ensure that adequate housing at an affordable price or rent is available to all households" by 2001. This plan takes several stages further the policies that were laid down in the 1970s. It hopes to build about 1 million units by 2001.

The plan is based on surveys that indicate a growing demand for home purchase. It believes the demand for public rented housing, from squatter or urban development clearances and from the redevelopment of older public sector flats, will be satisfied by 1995. Squatters and boat people will then be in public housing. By 1996-97, the housing waiting list will be trimmed, so the production of rented housing can be cut back. Emphasis will then be put on satisfying the demand for purchase. All this presumes rising or stable economic conditions in Hong Kong, even after China takes over.

A powerful weapon of Hong Kong in its housing and urban planning efforts is its absolute control of all land. It derives

direct income from leasing land. It uses land as an economic regulator since the government can determine how much new land it releases to the market. In order to increase revenue, the government has kept land prices high. Land is customarily released only for designated use and as it is required.

Before leaving the public housing sector which in many ways is very impressive, it should be noted that 600,000 people live in government flats that the government itself intends to tear down as inadequate and replace with new buildings. This is about 25% of all the people in government housing.

The Private Sector

The private and public housing sectors are seen by government as separate and distinct worlds, though the government manages land distribution in both sectors and a few large private companies undertake the majority of public as well as private construction contracts. The government has relied on the private sector to satisfy the demand for more expensive rented and purchased housing.

The private sector is also expected to build at least 30,000 of the 70,000 units targeted for construction every year until 2001. By mutual consent government and private contractors have shared the housing market.

Geographically, the bulk of private sector accommodation has been in the oldest areas of occupation on Hong Kong Island and in Kowloon. Densities in central residential districts (such as Mong Kok, Wanchai and Tai Tsui) are extraordinarily high. The average density in Hong Kong as a whole is 5,192 persons per sq. km, compared with 230 in Britain and 22 in the United States. In Monkok, it is estimated that people live at a density of 140,000 per sq. km.

Buildings in the old urban areas are a mixture of old and new. New ones, which are subject to strict government building regulations and standards, are mostly built for purchase or office space. Older properties have mixed uses. Some floors are used for housing, while others are factories. This practice in old and overcrowded buildings is exceptionally dangerous.

The government's relationship to private and public sector housing is strikingly different. Controls on private rents, safety and health conditions are extremely minimal. No government department was able to provide detailed figures about the number or condition of these privately rented units.

The team estimate of up to 400,000 people living in overcrowded, over-priced, run-down tenements was mentioned above. It is the unofficial opinion of the Housing Authority officers — a view the team shares — that living conditions in these tenements are often worse than in squatter areas. In so many words officials said that government housing care ends at the point where private housing begins. The team was nevertheless surprised by the degree to which this *laissez faire* philosophy has extended in practice.

The team found the conditions of people living in these private rental housing units shocking, especially when seen in contrast to the splendors of downtown Kowloon and the Hong Kong Central area.

A 56 year old cage dweller told the team he has no contact with the 30 or so other men in his crowded, damp dormitory on the 8th floor of a Kowloon tenement. On other floors are small factories and printing shops. "I come here only to sleep", he said. "I don't talk to anyone. I lived in a factory before. I slept and worked there. I have TB, but I can survive here. I get some welfare help. I dare not ask any questions."

He said he has been 30 years in Hong Kong, having left a young wife in China, whom he hasn't seen in years. He lay on the bottom of the three cot levels. It was hard to make him out in the darkness. He pays \$389 a month for the space and \$12 for electricity. Dollars in this report, unless noted otherwise, are Hong Kong dollars (US\$1 = HK\$7.80).

Near him was an old man who goes out only two times a month. The old man pays people to bring him food. If they forget, he eats biscuits. He was born in Hong Kong before World War II.

He said he has tried to commit suicide but failed. "If you give me poison now, I'll eat it," he said. The team was told by social workers the suicide rate of the old is very high. The old man said his biggest wish was to find a place on the first or second floor, so he could go out more.

Ku Yam Wah on the sidewalk outside his building said his wife was dead. "We worked very hard for years, but now we have no place to go, so we are here. We looked for other cages but there are none." Asked if he thought he had made a mistake coming from China, he said: "I don't regret coming. I have my son."

His building is one of a block that will be purchased by a big developer and eventually converted to offices or high rise luxury apartments.

Although the government has required "cage" landlords to reduce density, increase corridor areas and separate cooking from washing areas, cage living fails almost every imaginable test of human housing. It is grossly overcrowded, dirty, exploitatively expensive, unhealthy, a fire hazard, and degrading — especially for the old.

The team was told the government is preparing a detailed report on the conditions of the 4,000 to 5,000 "cagemen" in

Hong Kong. This is to be welcomed. The government should not seek to justify inaction by arguing that it does not like to intervene in private sector housing. It is already charged by law to intervene for health and safety reasons. It should simply do a better job.

Housing experts in Hong Kong say the government's reluctance to build flats for single person occupancy, including senior citizens, is at the root of the cage people and other housing problems.

The government said its surveys show single people including older people do not object to living with relatives, friends or others. SOCO says its surveys show just the opposite results.

Almost as bad as the cagemen are the small boxes or cubicles rented by families. We saw families with young children packed into a space less than 6 sq. m. Other individuals lived in a similar box above their heads. The rental for these boxes is as high or higher than the rent for self-contained two-bedroom flats in the public sector. In illustration, we met one family who paid about \$660 per month for a box in Central Kowloon, and another in public housing in Yuen Long who paid about \$600 a month for a two bedroom 35 sq. m. high-rise flat with separate kitchen and bathroom. The two families earned approximately the same amount: \$7,000 per month.

The family at Yuen Long has other problems. It takes a long time to get to work and travel is expensive. They are also far from their old neighborhoods.

Cubicles are no more acceptable than the cage system, especially when children are involved. To give a small insight into the deprivation generated by such overcrowding, the team was told by one parent that her children were impatient to go to school simply because at school there was space for

them to run about and play.

SQUATTERS

Squatters and boat people still exist because sufficient public units are not available. Government says it can't build more units, though some scholars disagree. This point will be discussed later.

In general, what distinguishes squatter communities from people living in the private rental sector is the squatter's hope the government will one day tear down their areas and move them into public housing. Some of the families we met have been waiting for more than ten years. All squatters the team met expressed a desire to move into permanent housing as soon as possible.

Two reasonable general grievances were brought to the team's attention. First was the government's refusal to permit repairs. This grievance was shared by the boat people who are not allowed to repair their boats, since authorities do not want them to stay as they are. A boat dweller said most boats are old and people are always bailing out water.

The government says it will remove all squatter shacks and houseboats by the mid 1990s. Those now living in them have been promised accommodation. If this is the government's intention, there does not seem to be any justification for preventing the occupants from making their inadequate shelters safe. Indeed, the present policy positively endangers people, since shacks and boats are both unsafe during bad weather.

Squatter area residents told the team that at night rats mice and snakes run over the bodies of their children. "Mice are friendly, but not the snakes. Who wants to meet a snake in her house?" a woman said.

People the team met wanted permission to repair their homes — some of which are 16 years old. Compared to squatter huts in other Asian cities the houses are fairly comfortable. Some had air-conditioning.

Government says it allows repairs if the same types of materials are used. Squatters the team met seemed to be unaware of this.

Temporary Housing

Those in temporary housing are in a sort of staging area from which they will move to permanent housing in one of the estates. The team was impressed by the morale of those it met — all of whom hope to have a home of their own.

Bitter disappointment is often caused by the inflexible application of regulations. The team met a woman whose family applied for public housing after several years in a temporary housing site. In 1989 her application was considered by government and rejected on the grounds that the family income was \$100 more than the official limit. A few months later that limit was changed. Even though they would now qualify, the family has to wait a year or two until their turn comes around again. By then their earnings may be slightly over the limit once again. How often do such cases arise? Would some flexibility — balanced by proper monitoring — render the system considerably more humane?

BOAT FAMILIES

The team talked to boat families in the Chen Kam Ho typhoon shelter. There are about thirty boats in the shelter which looks across the harbor to the splendid buildings of downtown Kowloon. The boats, shaped like old junks, have a living deck of about 10 sq. m.

A mother of two boys and a baby girl told the team her main problems were the children's safety, fire and the smell. Over the years many children have fallen from boats into the water and drowned. The woman's baby girl was tied by a rope to the boat's railing. The smell of industrial and human waste poured into the harbor is often over-powering. Fires started when the sea became rough and knocked over the kerosene lamps used on the boats, she said.

That day the air was surprisingly fresh and the shelter quiet, but the woman said these weren't important considerations. She wants a house on land, but, though her family were fisherfolk in and around Hong Kong for years, it was only in 1987 that she and her husband got ID cards. They have a long wait before becoming eligible for public housing. She is from China. Her husband grew up in Hong Kong. "Here or China is the same for me. I follow my husband," she said.

The husband earns \$5,000 a month as a construction worker. She earns \$400 mending nets, working ten or twenty days a month.

She is illiterate and believes her two boys are therefore not intelligent. When the boys arrived home from school in a little rowboat, they began doing their homework. They seemed fine.

Thousands of boat people have been accommodated in public housing, though in the beginning they were not eligible. Protests and demonstrations in 1971-1972 won their right to housing.

ROOFTOP PEOPLE

On rooftops near the buildings where the cage men live are thousands of old men and women living out their lives. For example, on Portland Street a member of the fact finding

team met Lo Yuet Ho, 68, who came to Hong Kong from Canton as a young girl just before World War II. For 25 years she has lived in a 10 sq. m. hut with a widow friend. Around her on the roof are the huts of other old women.

The women rarely married because as Lo Yuet Ho asked, "Who would marry a poor coolie girl?" They sent all their savings home to their families. They don't complain of their housing, but ask that they be left in downtown Kowloon if the government evicts them for a redevelopment project. Their jobs are near their rooftops and they know it's unlikely they'll get work in the housing estates in the New Territories. Moving there would impoverish her.

The following chart is a means of quantifying Hong Kong's housing problem. It is based on government figures.

Squatter population	300,000
Temporary Housing Area population	110,000
Population in old public housing estates earmarked for redevelopment	600,000
Marginal community groups (street-sleepers boat people and cage men)	15,000
Single people in private flats waiting for rehousing	50,000

	1,525,000

There are then 1.5 million people or 25% of the total population awaiting adequate housing.

Public Sector Kafka-isms

An outstanding example of administrative malfunction involved a family of four who were unable for seventeen years to persuade the Housing Authority they were not three

single men. The family made numerous representations, all in vain.

The flat in which they lived, about 20 sq. m. in area, was originally registered in the name of three men. One of the men then left, but another bought his family to the apartment. The third single (and unrelated man) continued to live in the same room. He was present for the birth of a daughter and saw her grow to adulthood. Efforts to remedy the situation got nowhere because in the official records the family didn't exist. Officially there were three men in the flat and that was that.

Another issue concerns single and elderly people, many of whom resent being forced to share a room. Government recognizes there will be increasing numbers of old and single people in Hong Kong. It also knows that caring for the needs of this group is expensive and complex. The team recognizes it is reasonable to establish priorities which favor families with young children. Nevertheless, the experience of individuals we met indicates that great suffering was caused by forced or involuntary sharing. Can the Authority review its policies and accept that tenants especially the aged, should decide with whom they share their lives?

The team found that people in public housing were rarely encouraged to participate in decisions that affect them. On occasions they were not even consulted. The team met, for example, a group of elderly women who had been told months earlier they would be moved when their estate was redeveloped. There was no subsequent communication, no information, no timetable. Not surprisingly, they became increasingly anxious. It seems that all too often decisions are simply handed down by planners and officials without consultation. Even if these decisions are good, such an approach is not good. Small and simple actions — the provision of more information, for example — can make a significant

difference in increasing a sense of participation and reducing anxiety.

PRIVATE RENTALS

If there is a chink in Hong Kong's housing armor, it is the poorer private rental sector. Some of the worst aspects have been described above. The private sector has played a role similar to that played by squatter areas in other Asian cities, namely, it absorbs those who lack the money, eligibility or awareness to live elsewhere.

Hong Kong's very efficient administrative departments can, if they want, do a better job of enforcing decent minimum levels of space, sanitation, upkeep and safety in the private sector — and even set fair rental fees.

Government has sufficient legal basis for doing so, as it already looks after fire and health conditions and carries rent control legislation on its books. A more activist role for government in this matter needn't conflict with general respect for the private sector's autonomy and free enterprise, any more than its entry into public housing in the first place conflicted with valid private interests.

Poor People and their Jobs

Workers with less education and skills have to be near the jobs they can secure, since these jobs are often casual and sometimes part time. Older workers fit into this category, for example, people like Lo Yuet Ho, now 68 years old, on her Portland Street rooftop. She works as a waitress in a nearby restaurant till 3:00 A.M. It is unlikely she would get work in new businesses in the New Territories. When plans are made to redevelop the urban downtown areas, can some provision be made in the urban areas for these poorly educated and

unskilled workers? Boat dwellers also fit here, for while they can find work in construction they cannot find work in factories where employers often tell them they are "uneducated and untrainable". New flats in the New Territories will be of little use to all these people since there would be little nearby work.

Aside from jobs, older workers and retired persons who have spent decades in familiar neighborhood surroundings say it is soul-wrenching to be relocated to a completely different world. Can they be accommodated where they are or nearby?

Flexibility

Enough has been said above of the rigidity in housing policies, which is not to say the Housing Authority is worse than similar bodies elsewhere in the world; in fact it may be much better. But can't something be done to soften the edges of income criteria, especially for admittance to the public rental system? Can the seven years eligibility criteria be reduced to four when need demands? There is nothing of long standing value here. The figure was once ten years. Flexibility seems especially possible now because the LTHS indicates demand for public rental units will decline as prosperity rises: demand will no longer overwhelm supply.

Can the government and Housing Authority find more humane solutions for single older people, solutions that take into account their fears and needs? They say they need a place of their own, no matter how small that may have to be. For an older person, his or her residence is part of their identity: obscure their clear claim to a place to live and you trouble them deeply. One group of old women in Lower Sau Mau Ping said: "We have lived here for 25 years, all of us. We don't wish for anything but to stay here, a little place for each of us."

Less units for the poor

The LTHS calls for fewer units for rent, that is, for poor income groups, and more for home ownership programs catering to better off families. Squatter areas, houseboats and temporary housing quarters are scheduled to disappear by the mid 1990s. Redevelopment of the downtown urban areas will result in offices and luxury apartments for the most part. Thousands of existing private rental units in these areas will disappear and not be replaced. The result of all this will be fewer apartments for the poor.

Economic trends in present day Hong Kong may indicate this is the road to take, but the team has two hesitations. One has to do with the accuracy and thoroughness of the LTHS if the government is not aware of the full extent or condition of the poor private rental sector. The team estimated 400,000 people in these units, but it could well be much more, maybe even double the figure.

Secondly, how sound are the economic projections on which the LTHS is based? The strategy presumes economic prosperity will continue more or less as it has since the 1970s when the first steps were taken to upgrade public housing. But is this presumption sound, given the present out-migration of professionals and businessmen, and dollar flight, and the unpredictable effects on the economy of China's sovereignty after 1997?

If the economy falls off, will the Housing Authority reverse LTHS directions and shift back to an emphasis on public rental flats? Can it do so easily enough to avoid extreme housing shortages?

How quickly housing shortages will be felt remains to be seen, but they are likely to come when the city is least prepared.

More units

The team asked Sir David Akers-Jones if it weren't wiser to produce more units of all classes, but especially rental units, since an adequate supply would guarantee against shortages and quickly bring an end to cages, squatter areas, house boats, roof top shacks, temporary housing etc.

Sir David said he agreed fully, but financial resources were not available. Several academics and housing experts told the team there was money available, if the government thought more rental units were a priority. It's an old debate in almost every country, and one beyond the expertise of the team to sort out.

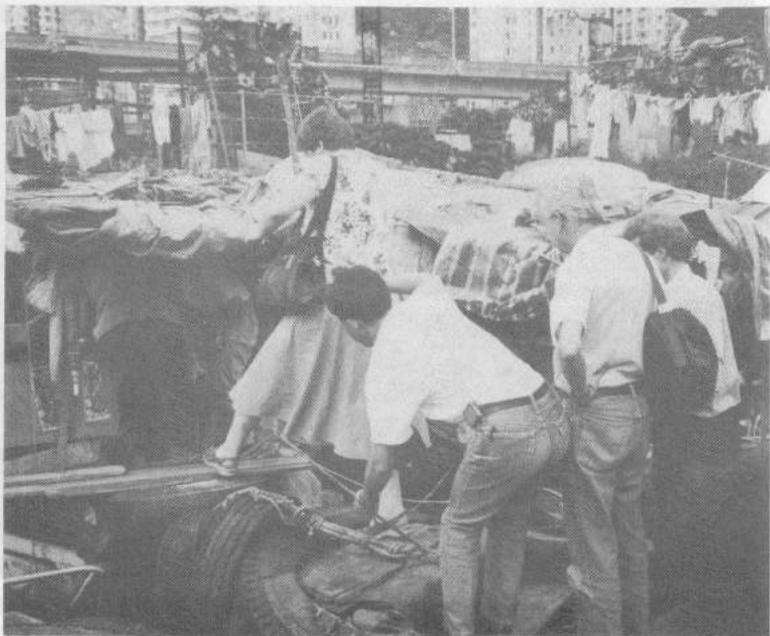
A phrase in the LTHS sums up much of what the team wishes to say: "Housing policy should be sensitive to changing needs and aspirations and should not lose sight of the need to give priority to those in need." The LTHS uses this to argue for increasing the number of home purchase units. That's legitimate, if other "changing needs and aspirations" are also attended to. Can the government continue to assess what are the actual needs and aspirations of the Hong Kong people?

An intriguing question, but again beyond the scope of this paper, is: What role will Hong Kong play in China's housing programs after 1997?

The team senses that the LTHS is a political statement aimed at instilling confidence in Hong Kong's people as much as it is a sound and sensible housing program. In this it is similar to the new airport. This is fine, but constant care must be given to such programs to make sure they are attuned to fact, and not solely political creations.



Fact Finding Team members investigate redevelopment program of old public housing in Tze Wan Shan where former cheap public housing will be replaced by more expensive apartments.



Fact Finding Team visit to Boat People



FFT interview with people in public housing.



FFT visit the cage people who are evicted by landlord at night.



Cage people.



Old residential area where the private informal housing arrangement situated. In this picture it is the area of cages and rooming houses.



Rooftops huts, another type of informal private housing for the urban poor.



Protest of the elderly for single person unit in government public housing.



A meeting of FFM member with councillor.



Ms Robina Rafferty, Director Catholic Housing Aid Society, London present the FFM finding in the Press Conference on 18 September, final session.

PRESS RELEASE

**ASIAN COALITION FOR
HOUSING RIGHTS
HABITAT INTERNATIONAL
COALITION
FACT FINDING MISSION TO
HONG KONG
September 13-18, 1990**

Though Hong Kong's public housing program is justly praised throughout Asia, there are large groups of people left to survive in substandard housing. Lower income renters in the private sector are the largest of these groups.

There may be 0.5 million people in this group, though it is very difficult to know much about them because the government has not collected detailed statistics. Even senior government officials who work in the housing field say they do not know how many such people there are or in what condition they live.

Officials say, in so many words, that government housing care ends at the point where private housing begins.

Private renters range from the very rich in luxury flats to the cage people. From visits and conversations with housing experts and government officials, it appears that about 400,000 private renters are living in overcrowded, overpriced, run-down conditions.

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Fine public housing apartments in Tuen Mun rent for \$600 a month, whereas a family paying twice or three times that sum in a private rental situation would probably live in one room of about 10 sq. meters and have to share kitchen and toilet with several other families. Lower down the scale, we met families paying \$600 for box rooms no larger than 5.5 sq.m.

The Government's Ten Year housing strategy has the objective of providing adequate housing at comfortable prices to all Hong Kong residents. It is possible that the demographic projections behind the government's strategy may be off if the government does not know in more detail the total numbers and other characteristics of the private rental sector.

All that seems certain for these people is that they will be the first to be affected by the up-coming redevelopment of the urban area by private developers in cooperation with the Land Development Corporation. This sector seems to play the role of urban slum areas in other countries: it absorbs people who, for one reason or another, cannot fit into government housing or into decent but expensive private housing.

We are concerned that this group may be especially squeezed as government clears the squatter areas and temporary housing and encourages private sector redevelopment of the urban area.

The Fact Finding Team found some government and housing authority procedures rather inflexible and wondered if the harm they caused was justified. Examples they met during their visit included:

— An 86 year old man was evicted from his cage quarters along with his adult son. The old man was offered rehousing by the government, but told he

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would have to be separated from his son, who cares for him.

- Old people we met have a very decided preference for living alone, rather than sharing an apartment with other people. Though recognized by government, this preference is not being met.

- A woman at a temporary housing site told us that, after years of waiting, she was refused public housing because her income was \$100 over the allowable limit. Though the allowance was raised a few months later, she was not allowed to take advantage of the change, but must wait another year before re-applying.

- Registered squatters told us that they are not allowed even to repair their properties when these become unsafe.

The team examined the problems of the so-called "sandwich groups". These are people over the maximum income permitted for entry into a rental unit, or below the income level needed for the Authority's home ownership program, or over the income parameters of the program. The team feels that the official figures may underestimate the size of this group, which may number over 150,000 families.

The fact-finding team was deeply impressed by the Housing Authority's officials and program, and is grateful for the help and time they gave the team.

A longer report will detail these observations. At this point, the team makes the following comments:

- Hong Kong has the resources to build more low-income rental housing and home-ownership units,

which is the best way to ease whatever housing shortages exist.

- The government should study the specific character of the private rental sector and assess the needs of those living in it.

- Redevelopment programs in both the private and public sector should take care that the poorest and most marginal groups are not discarded without suitable housing.

- Special attention should be given to solving the specific problems of very marginal groups, such as the cage people.

- Registered squatters should be able to maintain their homes in adequate repair.

- Channels for communication should be improved and public participation increased.

FACT FINDING TEAM TIME SCHEDULE
HONG KONG
September 13 - 18, 1990

Date	Time	Place	Item
14/9 (Fri)	6.30 - 7.30pm	Caritas Blanchy Lodge	Meeting with media
	9.00 - 11.30am	SOCO	Briefing on Hong Kong Situation
	1.15pm	Shau Kei Wan Typhoon Shelter	Visiting boat People
	2.30 - 6.00pm	Kowloon & New Terrories	Site visit
15/9 (Sat)	7.30 - 10.00pm	Cages in H.K.	Visiting Cage People
	10.00 - 11.00pm		Meeting with professionals on urban problems
	11.00am	Tze Wan Shan old public housing estate	Visit
	3.00pm	Sau Mau Ping Squatter Area	Visit
	3.30pm	Sau Mau Ping old public housing estate	Visit

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Date	Time	Place	Item
16/9 (Sun)	5.30 - 8.00pm	Hong Ning Road Temporary Housing Squatter Area	Visit
	10.30 - 12.30pm	Marine's Club Tsimshashui	PUBLIC HEARING Presentation of the HK Housing Research
17/9 (Mon)	2.00 - 5.30pm	Marine's Club Tsimshashui	Discussion with pro- fessionals & local com- munity groups
	10.00 - 12.30pm	Headquarters of Housing Authority	Meeting with Aker Jones, Chairman H.A.
	2.30pm	Central Government Office	Meeting: officials Home & Welfare Bch Home Affairs Branch
18/9	3.00pm	Marine's Club	Press

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MOST LARGE CITIES in Asia will have at least 50% squatter and slum areas in the 1990s. Governments, as in the past, will not be able to provide basic services for the new arrivals, so the urban poor may well become the continent's number one social problem.

The future is dark for most of urban Asia, but not necessarily for Hong Kong and Seoul. These countries have the resources and experience to do much better for their poor. The near 100% employment rates of the two cities guarantee that migrants will be at least well fed and clothed, even if housing is inadequate. After a visit to Seoul, one of the urban poor of Bombay remarked: "The Koreans are poor only in housing, but in every other way they are well off."

There are many ways of looking at the housing situations in these cities; housing is as complicated as society itself. The Asian Coalition for Housing Rights (ACHR) seeks to look from the point of view of the poor. It asks, How do poor people benefit or fail to benefit from housing policies? How can the situation of the poor be improved?

This peculiar point of view is the reason for the attention given to the conversations with the poor included in these reports. ACHR believes governments neglect the urban poor because they have stereotyped them as lazy, unproductive, latent criminals or radicals. If the urban poor can be seen as hardworking, decent, family people who are needed for the city's well being, governments may be more willing to help.