

Understanding Asian Cities



A synthesis
of the
findings
from eight
case study
cities.

Asian Coalition for Housing Rights
October 2005





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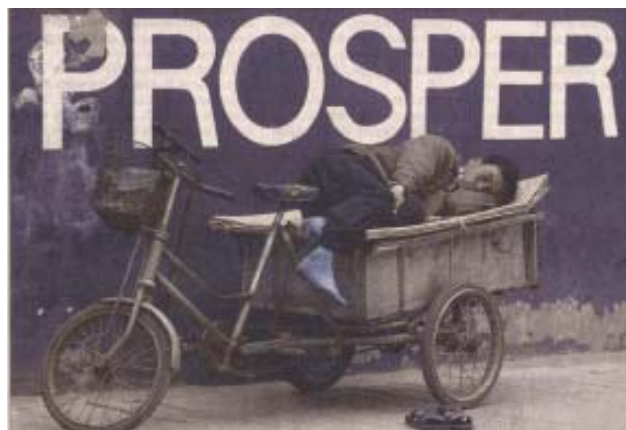
A synthesis of the findings from the
city case studies

by David Satterthwaite
October, 2005

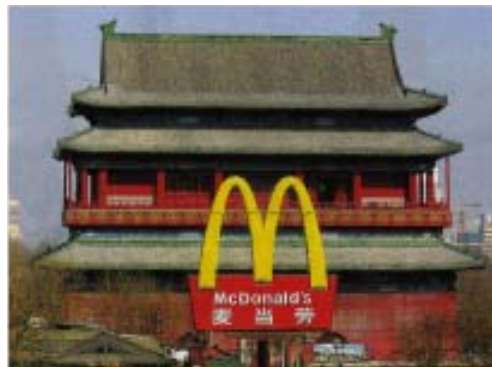
*This synthesis is based primarily on case studies commissioned by the Asian Coalition for Housing Rights as part of its work programme on **Understanding Asian Cities**. Unless otherwise stated, the text in this synthesis is drawn from these following sources:*

- **Beijing** : Alexander, André, Yutaka Hirako, Lundrup Dorje and Pimpim de Azevado (2004), *Beijing Historic City Study*;
- **Pune** : Bapat, Meera (2004), *Understanding Asian Cities: the case of Pune*;
- **Chiang Mai** : Charoenmuang, Duongchan, Apavatjrut Tanet Charoenmuang, Wilairat Siampakdee, Siriporn Wangwanapat and Nattawoot Pimsawan (2004), *Understanding Asian Cities: the Case of Chiang Mai*;
- **Phnom Penh** : Crosbie, David (2004), *Understanding Asian Cities: Phnom Penh, Cambodia*;
- **Karachi** : Hasan, Arif and Asiya Sadiq (2004), *Understanding Asian Cities: the case of Karachi*;
- **Muntinlupa** : Karaos, Anna Marie and Charito Tordecilla (2004), *Understanding Asian Cities: the case of Muntinlupa City in the Philippines*;
- **Hanoi** : Thi Thu Huong, Nguyen (2004), *Understanding Asian Cities: the case of Quynh Mai Ward, Hai Ba Trung District, Hanoi, Vietnam*.
- **Surabaya** : Johan Silas, Andon, Hasian and Wahyu, the Laboratory for Housing and Human Settlements, ITS, Surabaya, (2004), *Surabaya and people's role* (a powerpoint presentation. Case study paper is pending).

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Forward :

An introduction to understanding Asian cities

The decision for creating the Asian Coalition for Housing Rights (ACHR) was taken in 1987. Its founding members were professionals and NGOs working with poor communities in Asian cities. The organisation was formalised in 1989 in Bangkok. Conditions at the local and international level at that time were very different from what they are today. The ACHR senior members have been very conscious of this reality and as a result have, over the years, stressed the need for understanding the changes that have taken place in the last decade and a half in Asian cities.

As a result, it was decided in the first quarter of 2003 to carry out a research on a number of Asian cities, so as to identify the process of socio-economic, physical and institutional change that has taken place since the ACHR was founded; the actors involved in this change; and the effect of this change on disadvantaged communities and interest groups. Eight Asian cities and eight researchers were identified for the purpose of this research. The case study cities are: Muntinlupa (a municipality in Metro Manila), Beijing, Hanoi, Phnom Penh, Chiang Mai, Surabaya, Pune and Karachi. The objectives of this research and the terms of reference for it are given on page 2, along with the names of the researchers. All of the researchers did not strictly follow the terms of reference. However, an enormous amount of material, running into hundreds of pages, regarding these cities has been generated and is available with the ACHR secretariat. The research and logistics related to the Asian cities project have been funded by the German funding agency Misereor.

During the period of the research, a number of meetings were held for discussions between the researchers. An introductory meeting was held in Bangkok in June 2003, followed by additional meetings in Bangkok and Hanoi. At these meetings, researchers presented the findings of their research and identified differences and similarities between these cities. A final meeting was held in Bangkok in October 2004. David Satterthwaite, from the International Institute for Environment and Development (IIED) in UK, was requested to facilitate this final meeting and to prepare a synthesis of the findings of the eight city case studies. This synthesis forms the subject of this publication.

The research has identified many differences between the eight cities. However, there are a number of strong similarities which are the result not only of how these cities have evolved historically but also of the major changes that have taken place in the world in the 1990s. These changes are the result of structural adjustment, the WTO regime and the dominance of the culture and institutions of globalisation in the development policies (or lack of them) at the national level.

The most important finding of the report is that “urban development in Asia is largely driven by the concentration of local, national and increasingly, international profit-seeking enterprises in and around particular urban centres” and that “cities may concentrate wealth both in terms of new investment and of high-income residents but there is no automatic process by which this contributes to the costs of needed infrastructure and services”.



The more negative aspects of the changes identified in the reports that adversely affect the lives of the more disadvantaged groups in Asia's cities are given below :

- 1** **Definitions of what is urban are determined by political considerations** that seek to support the political and economic status-quo, in favour of more powerful sections of society.
- 2** **Globalisation has led to direct foreign investment in Asian cities, along with the development of a more aggressive business sector at the national level.** This has resulted in the establishment of corporate sector industries, increased tourism and a rapid increase in the middle classes. Consequently, there is a demand for strategically located land for industrial, commercial and middle class residential purposes. As a result, poor communities are being evicted from land that they occupy in or near the city centres and are being relocated, formally or informally, to land on the city fringes, far away from their places of work, education, recreation and from better health facilities. This process has also meant an increase in land prices due to which the lower middle income groups have also been adversely affected.
- 3** **Due to relocation, transport costs and travel time to and from work have increased considerably.** This has resulted in economic stress and social disintegration as earning members have less time to interact with the family.
- 4** **Due to an absence of alternatives for housing, old informal settlements have densified,** and as such, living conditions in them have deteriorated in spite of the fact that many of them have acquired water supply and road paving.
- 5** **An increase in the number of automobiles in Asian cities has created severe traffic problems** and this in turn increases time taken in travel, stress and environment related diseases. New transport systems (such as light rail) that have been or are being implemented do not serve the vast majority of the commuting public and in most cases are far too expensive for the poor to afford.
- 6** **As a result of structural adjustment conditionalities and the culture of globalisation, there are proposals for the privatisation of public sector utilities and land assets.** In some cities the process has already taken place. There are indications that this process is detrimental to the interests of the poor and disadvantaged groups. An important issue that has surfaced is the question of how the interests of the poor can be protected in the implementation of the privatisation process.
- 7** **The culture of globalisation and structural adjustment has also meant the removal or curtailing of government subsidies for the social sectors.** This has directly affected poor communities who have to pay more for education and health. In addition, private sector involvement in education, both at school and university levels, has expanded, creating two systems of education: one for the rich and the other for the poor. This is a major change from the pre-1990s era and can have serious political and social consequences for the future, especially since the largest section of the population of Asian cities is young, increasingly better-educated and with aspirations that cannot be fulfilled by unjust political and social systems.
- 8** **As a result of these changes, there has been an enormous increase in real estate development.** This has led to the strengthening of the nexus between politicians, bureaucrats and developers, due to which building bye laws and zoning regulations have become easier to violate, and due to which the natural and cultural heritage assets of Asian cities are in danger or are in the process of being wiped out.
- 9** **There are multiple agencies that are involved in the development, management and maintenance of Asian cities.** In most cases, these agencies have no coordination between them. In addition, in most cities there are central government interests that often override local interests and considerations.





However, the city case studies also bring out a number of positive changes and trends that have taken place or are taking place now. Some of the more important changes are given below :

- 1 Over the last two decades, urban poor organisations have emerged in most Asian cities.** These organisations are backed by professionals and/or NGOs. Where they are powerful, governments are forced to negotiate with them. Their involvement in the planning and decision-making process is increasing.
- 2 Civil society organisations have successfully come together in a number of cities** so as to put pressure on governments for the development of more equitable development policies and/or to oppose insensitive government projects.
- 3 There are now a number of government-NGO-community projects and programmes.** It is true that the lessons from these programmes have yet to become policies in most countries, but the lessons learnt from them have been understood and appreciated by politicians and city planners whose attitudes to the disadvantaged urban populations have changed considerably since 1987 when the ACHR was formed.
- 4 In all the case study cities, there has been a process of decentralisation.** This has opened up new opportunities for decision-making at the local level and for the involvement of local communities and interest groups in the decision-making process. In some cases, this has also meant a weakening of the community process in the face of formal institutions at the local level. In this regard, this synthesis paper asks two important questions: *Does decentralisation give city governments more power and resources and thus capacity to act?* and *If city government does get more capacity to act does this actually bring benefits to urban poor groups?*

The ACHR partners have to discuss the issues that the case study synthesis paper has raised. They have to see how the negative aspects that the case studies have identified can be minimised and how the positive aspects can be supported and promoted. In Asian countries, there are now enough examples from which one can learn and which relate to both the positive and negative aspects identified above. How can one increase this learning process? The ACHR partners are important people and institutions in their countries both at the city and national level. They have like-minded friends in academia and in multilateral and bilateral development agencies, and the ACHR itself is respected in the development world. This was not so in 1987. The ACHR needs to reflect on how all these positive aspects can be brought together to promote not just projects and programmes but policies that can create a more equitable society in Asia.

(Forward by Arif Hasan, September 15, 2005)





Introduction :

Asia's urban centres house around 1.5 billion people. A quarter of the world's population and around half its urban population. By 2025, around a third of the world's total population is likely to live in Asia's urban centres. Thus, how these centres function and serve their populations has great significance for a large part of the world's population.

Asian urban centres also have most of the world's urban poverty, most of its 'slum and squatter settlement' population and most of the urban population that lacks adequate provision for water, sanitation, drainage and good quality health care and schools. Thus, how Asian urban centres function also has major implications for whether poverty is reduced and international development targets such as the Millennium Development Goals are met.¹ But Asia also has many of the most innovative responses to such problems, including some that have been implemented on a scale that show how it is possible to combine rapid urban development with improving living standards for lower-income groups.

Asia also has a large and growing concentration of the world's largest cities – and here too, there are significant examples of innovation in local governance and urban management. Asia has half the world's 'million cities' (cities with one-million or more inhabitants) and more than half of its 'mega-cities' (cities with ten million or more inhabitants). The concentration of the world's urban population in Asia and of its largest cities reflects the region's large and increasing role within the world economy. Asia's urban centres contain a considerable part of all new (domestic and foreign) investments made over the last 30-40 years, although this is concentrated in relatively few cities in a few nations. Asia has seven of the world's 20 largest economies, including the second, third and fourth largest (China, India and Japan).²

Most Asian nations are also much more urbanized than they were twenty or thirty years ago (i.e. with a much higher proportion of their national population living in urban centres). This reflects the much increased role of urban-based enterprises in their economies. Almost all Asian nations now have more than half their GDP produced by industry and services, most of which is concentrated in urban areas. In general, the higher a nation's per capita income, the more urbanized its population. Also, the more rapid its economic growth, the greater the increase in the proportion of their population living in urban areas. Thus, there is an economic logic underlying most urban change. Asia's largest cities are heavily concentrated in its largest economies (see table on page 8).

However, this major role for Asian cities within the world's urban population is not something new; for most of recorded history, Asia has had most of the world's urban population and most of its largest cities. Most of Asia's largest cities also have long histories. More than two thirds were already important cities 200 years ago; more than a quarter were founded more than 2000 years ago.

1. The *Millennium Development Goals* are a set of eight goals and 18 targets to which most international agencies and national governments have committed themselves. The targets include major reductions in poverty, ill-health and premature death by 2015 and large improvements in provision for schools, health care, water and sanitation. Also significant improvements in the lives of at least 100 million 'slum' dwellers by 2020.

2. This is based on calculations of the size of each nation's economy, based on GNP figures adjusted for purchasing power parity.

Table 1: The distribution of Asia's largest cities among its largest economies in 2000

<i>Nations (listed by the size of their economy in 2000/2001)</i>	<i>No of 'million cities'</i>	<i>No of cities with 5-9.99 million inhabitants</i>	<i>No of mega-cities (with 10 million plus inhabitants)</i>	SOURCES: <i>For population statistics, United Nations (2004), World Urbanization Prospects: The 2003 Revision, United Nations Population Division, Department of Economic and Social Affairs, ST/ESA/SER.A/237, New York. For the size of nations' economies, World Bank (2001), Building Institutions for Markets; World Development Report 2002, Oxford University Press, Oxford, 249 pages.</i>
China	90	3	2	
Japan	6		2	
India	32	3	3	
Republic of Korea	6	1		
Indonesia	6		1	
Turkey	5	1		
Iran	6	1		
Thailand	1	1		
Philippines	2	1		
Pakistan	7		1	
Saudi Arabia	3			
Total for Asia	194	13	10	

3. United Nations (2004), *World Urbanization Prospects: The 2003 Revision*, Population Division, Department for Economic and Social Affairs, ESA/P/WP.190, New York, 323 pages.

4. See for instance how in the USA, cities such as Los Angeles, Houston, Dallas, Miami and Phoenix grew to compete with the older large cities in the Northeast; in Mexico, the cities in the Northeast that compete with Mexico City; in Brazil, the cities in the Southeast attracting new investment away from Sao Paulo and Rio de Janeiro.

Asia also has many of the world's fastest growing large cities, both over the last few decades and during the 1990s (the latest period for which there are census data for most Asian nations).³ However, over the last two decades, there has also been a notable deceleration in most major cities' population growth rates. Many of Asia's largest cities have slow population growth rates. One important reason, for most cities, is much reduced rates of natural increase. For successful cities with low rates of natural increase, this means that net in-migration becomes a more significant source than natural increase in the population growth – as, for instance, in Hanoi and many successful Chinese cities. However, natural increase still accounts for most of the growth in Asia's urban population.

Another reason for slower population growth in many major cities is that, especially in the larger Asian economies, they are facing competition from smaller cities for new investment, and this is producing more decentralized patterns of urban development – just as it has done so in other regions.⁴ More than half of the 194 Asian 'million cities' had population growth rates of less than 2 percent a year during the 1990s and some had population declines. Only 12 had population growth rates of 5 percent or more a year during the 1990s.⁵

Unintended cities . . .

5. Note that very large cities can have relatively low population growth rates yet still have large annual increments in their population. Annex Table 2 lists the annual average increments in city populations during the 1990s, as well as their compound growth rates – so, for instance, cities such as Calcutta/Kolkata and Manila had relatively slow growth rates but still had a city population that grew by an average of around 200,000 inhabitants a year during the 1990s.

The tens of thousands of urban centres in Asia have certain obvious shared characteristics – a concentration of people and their homes combined with a concentration of enterprises that provide income-earning opportunities. All have some form of 'government' body, virtually all have some public services (for instance schools, health services). The larger urban centres generally have higher concentrations of government employees and services. These are also characteristics that Asian urban centres share with virtually all urban centres in other regions. Indeed, most governments define urban centres by one or more of these criteria: a minimum population threshold, status as a local government centre and a concentration of non-agricultural employment or density above a defined threshold (often faulty definitions for political reasons).

Although all urban centres may share certain social, economic and physical characteristics, in another sense they are all also unique – produced by their own unique local physical/ecological, economic, social and political context and the interaction there of local and extra-local influences. What actually developed within and around each urban centre was in large part unintended. When some Hindu merchants founded Karachi in 1728, they did so for obvious pragmatic reasons – the port they were using was silting up. They produced an urban centre by investing in productive

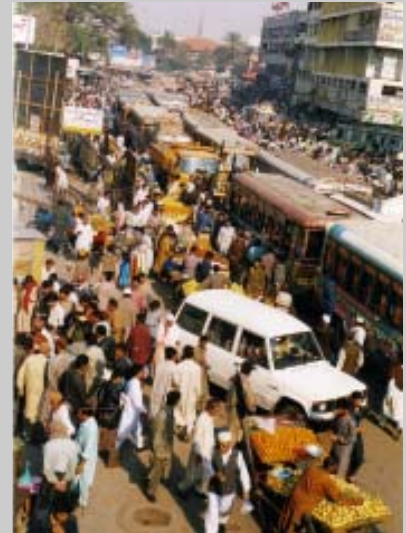
activities there (a port and other facilities) and this attracted other people and investments. They did not foresee that the port they founded would become one of the world's largest cities. Subsequently, in deciding to use Karachi as a port and a military base, the British may have made provisions for their troops and civil servants but they did little for the growing population attracted to Karachi by employment prospects. And Karachi's development, like those of virtually all major cities, was much influenced by factors far beyond the control of those who lived there.

Karachi :

The interplay of local and international influences on the city's development . . .

Karachi's origin is as a port, set up in 1728 by Hindu merchants because their existing port was silting up. Its early growth in early 18th century was underpinned by its role as a transit trade route between the Indian peninsula, Central Asia, Africa and Eastern Europe. In 1839, it was occupied by the British and used to land troops and armour for campaigns in Afghanistan to contain the Russians. In 1843, the British annexed Sindh to their empire and Karachi became an important administrative centre. Its role as an export port increased greatly when a railway linking it to the agricultural areas of the Punjab was completed in 1870. Czarist and later Soviet pressure on the western frontier of British India increased Karachi's importance as it became a strategic naval and army base. During World War 2, it became a landing port for troops and materials of the eastern front. In 1947, it be-

came the first capital of independent West Pakistan and received 600,000 refugees from India between 1947-1951. In 1958, it lost its status as national capital, as Islamabad was developed. It received further very large waves of migrants during and after the war that led to East Pakistan becoming Bangladesh and then during the civil war in Afghanistan, as it became a major centre for Afghan refugees (some 600,000 of whom settled in Karachi) and a landing point for munitions. It was also a key port and organizational centre for when, in 2001, the Pakistan army joined the USA in its war on terror in Afghanistan (in spite of civil society and populist objections). Inevitably, the very large population movements into Karachi brought many political conflicts – including those between long-term city dwellers and immigrants from India, between Pakistanis and Afghans, and



between urban interests and rural interests. In recent years, structural adjustment programmes, privatisation and the removal of trade barriers, all promoted by international agencies, have had major impacts in Karachi – for instance the decline in many industries unable to compete with cheap Chinese products and the rapid increase in prices for water, sewers, health care, electricity and transport.

In addition, once a city has been founded and has developed a concentration of residents and enterprises, it is rare for it to cease being a city, even though it (or the nation or region within which it is located) undergoes very large social, economic and political changes. Once a city has developed, it concentrates economic and political interests that are tied to it and committed to its future success.⁶ As a city develops, so too does the demand for goods and services it concentrates and the transport and communications networks that connect it to other places and give it some comparative advantages over other locations that lack these. Cities that were formed primarily as political/military centres often attract new investments in industry and services, so the political role that underpins the city is enhanced (and sometimes overtaken) by an economic role.

The Indian city of Pune developed first as a cultural capital for its local population – and in part because of its strategic location (on a ford across the river) – and later developed as an important administrative centre under colonial rule. But its rapid growth in recent decades owes more to its success in attracting new enterprises than to its political role, as it has become one of India's most important industrial and service centres. Chiang Mai's origins are as the capital of the Lanna Kingdom, established over 700 years ago, and although the factors that underlie its economy have changed much since its foundation, it has always been an important city. Chiang Mai is now not only an important tourist centre but also the main administrative, financial, trading and educational centre for the northern region of Thailand.

6. There are exceptions – for instance mining towns and towns developed to exploit forests that decline, once the resource base on which they depend depletes.

The contradictions within cities :

Cities grow as private investment concentrates there. But there is no automatic development of any capacity to govern the city and ensure that growing populations and economic activities can get the land, infrastructure and services they need. Cities may concentrate wealth, both in terms of new investment and of high-income residents, but there is no automatic process by which this contributes to the costs of needed infrastructure and services.

Two characteristics shared by most Asian urban centres are the inadequacy in provision for the basic infrastructure and services needed in all residential areas – including provision for piped water, sanitation and drainage, roads, schools, electricity and health care – and the poor quality of the housing for large sections of the population. UN estimates suggest that in 2000, more than 500 million urban dwellers in Asia lacked adequate provision for water and more than 600 million lacked adequate provision for sanitation.⁷ Asia contains most of the world's urban population living in slums and squatter settlements.⁸ In many Asian urban centres, a high proportion of the population lives in illegal (informal) settlements where the inadequacies in provision for infrastructure and service are usually worst. Again, there is great variation between cities in the proportion of the inhabitants living in poor quality housing lacking infrastructure and services, in the form these illegal (informal) settlements take and in the extent to which their inhabitants are at risk from forced evictions. There is also great variation in regard to whether conditions have improved or got worse. But in very few Asian cities can the majority of their lower-income population find reasonable quality, secure accommodation with basic services.

All cities and most smaller urban centres face a contradiction between what drives their economic development (and the in-migration this generates) and what contributes to adequate accommodation for the workforce on which they depend. Urban development in Asia is largely driven by the concentration of local, national and, increasingly, international profit-seeking enterprises in and around particular urban centres.⁹ This in turn produces a concentration of people who work there or who seek work there and their families who have obvious needs for housing with infrastructure and services. But many of these people get low incomes and thus limited capacity to pay for housing and services. The larger the concentration of new investment, the greater the competition for the best located sites between non-residential (commercial, institutional and some industrial demand) and residential demand; the increasing concentration of households with high-incomes also pushes up housing and land-for-housing prices. Thus, large sections of the urban population that have low incomes seek accommodation within cities whose land-markets in all but the worst locations price them out of conventional housing markets – whether as tenants or as prospective owner-occupiers. The more unequal the income-distribution between households, the larger the proportion of households that have incomes too low to be able to pay much for housing. Low-income groups can seek accommodation in less convenient (cheaper and usually peripheral) locations, but are constrained by the time and monetary cost of getting to and from income-earning opportunities. In most Asian cities, there is no legal housing or land-for-housing they can afford that still allows them access to income-earning opportunities.

7. UN-Habitat (2003), *Water and Sanitation in the World's Cities: Local Action for Global Goals*, Earthscan Publications, London, 274 pages.

8. UN-Habitat (2003), *The Challenge of Slums: Global Report on Human Settlements 2003*, Earthscan, London.

9. Political change is often a powerful influence on urban development and was probably the most powerful influence for most Asian nations, when they gained independence from colonial rule, as the very structure of government was reformed and much expanded (with this expansion having a strong influence on expanding urban populations) – but now, in most Asian nations, it is economic change that has the dominant influence on urban development.

The commercialization of land in **Phnom Penh** :

For instance, in Phnom Penh, the demand for land has grown rapidly driven by commerce, foreign corporations, international tourism and middle and upper income households' demand for housing and all land in good locations is being purchased by the private sector and developed or kept for the profits that rising land prices bring. Almost all this land is government land but it is being sold off because of pressure from a powerful nexus of politicians, bureaucrats and local and international developers. This means few if any possibilities for lower-income households to find land on which they can build housing in central locations and great pressure from this nexus to evict those living in most centrally located informal settlements as the land on which they are located increases in value.





The enterprises that concentrate in and around urban centres produce no solutions to this contradiction of housing and land markets that are too expensive for large sections of the population, including those on whose labour and small-businesses these enterprises depend. Indeed, the more successful a city is in attracting new concentrations of private investment, in general, the greater this contradiction. In the absence of effective local governance, this contradiction is usually 'solved' by large

sections of the city population either sharing accommodation in existing buildings which produces extreme overcrowding and many three-generation households (and settlements that are often referred to as 'slums') or developing homes and neighbourhoods illegally, either on illegal subdivisions or on land they occupy illegally.

There are many measures that governments can take to lessen this contradiction. For instance good quality public transport systems, measures to keep down land-for-housing and infrastructure costs, and financial support for households and communities in acquiring land and developing homes including support for negotiated solutions between those living in informal settlements and land-owners. But there are obvious political and often economic limits on the extent to which these can be implemented. Even if city governments (or communities) can acquire land, they usually have to pay full market rates. Obviously, there are powerful real estate interests that oppose any government intervention that may reduce or put at risk their profits from real estate markets. In addition, in all successful Asian cities, there are strong pressures to expel low-income groups from central locations, because of the demands from commercial and financial interests to improve infrastructure or because of the profits that would be generated by their redevelopment.



In regard to extending and improving service provision, some government body is usually responsible for ensuring provision of such services as water, sanitation, drainage, garbage collection, schools, health care and electricity. These government bodies generally ignore all these 'illegal' settlements or provide very inadequate provision (for instance a few standpipes and perhaps public toilets). These government service providers may not be permitted to provide services in informal settlements. Where provision for some of these services has been privatised, the privatised utilities rarely extend provision to informal settlements; even if they are allowed to do so, there is not much profit in doing so and the terms of privatisation agreements rarely have conditions demanding that they do so.

This contradiction between what drives city development and what ensures adequate provision for its population has been further increased by globalisation – both by local and national forces eager to make cities more competitive and to attract new investment and by the changes promoted or demanded within low- and middle-income nations by international agencies, including the World Bank, the IMF and the WTO. It is widely accepted now that all nations need to develop some comparative advantage within the world economy and that good economic performance (and some success in attracting foreign investment) is a key part of this. Inevitably, the investments that produce such economic success are concentrated in or around cities – but it does not necessarily produce the political and institutional means to address the contradiction between local economic success and the housing, infrastructure and service needs of the local population. Indeed, it often increases it.¹⁰

10. This is not to suggest that market forces do not have key roles in helping to resolve this contradiction – as will be discussed later.

Public goods

As cities grow – i.e. as enterprises, institutions and people concentrate in space - so there is also an urgent need to protect public goods - public space, the quality of the environment (for instance through pollution control), law and order and the protection of each city's built and natural heritage (and many Asian cities have a very rich historical heritage). The redevelopment of sites that are already occupied and that involve relocating those who live there is also often justified as being in 'the public good' especially if these sites are considered to be 'slums' by city governments. But it is rare for much account to be taken of the 'public good' of those who are forced to move. Ensuring that the protection of the public good also serves those with limited incomes is also politically difficult, especially for low-income groups living in informal settlements in central locations that governments and developers want to clear for redevelopment.

For instance, in Pune there was a large relocation programme to move families living in 'slums' close to the inner city to peripheral locations. This was justified by claiming that these settlements were contaminating a canal. But it was not only the settlements slated for relocation that produced this contamination and the contamination they produced could have been solved easily and far more cheaply by installing provision for sanitation. In fact, the clearance was not for the public good but because of a combination of anti-poor attitudes within government and the valuable real estate that would be made available as these people were pushed out. As will be discussed in more detail later, large-scale evictions are increasingly common in Asian cities and most evictions are justified for the 'public good' or the 'national interest' when actually the benefits are heavily concentrated among the richer and more powerful groups and the costs borne by the (mostly) poorer groups forced out of their homes and away from their livelihoods.

A city's historic heritage may also not be considered by something worth protecting by developers and most of those in government – as is evident in Beijing, in recent years, through the loss of the historic central city residential districts to redevelopment. Alternatively, a drive to protect a city's historic heritage may also seek to drive out 'the poor.'

Cities need governance systems that have the capacity to address these issues, including being able to broker agreements in which everyone's interests are addressed. This must also include agreements that involve lower-income groups and that meet their needs.



The actors that should contribute to solutions

It is assumed that governments should address the fact that formal urban land markets exclude large sections of the population from legal housing and infrastructure. This includes changing the ways that government rules, procedures and investments act to increase the price of land for housing. In some cities, governments have done so with considerable success – for instance by a series of direct and indirect measures that help increase the supply and keep down the price of land for housing in locations that serve lower income groups. These measures include efficient financing of and investment in infrastructure and services (which increase the supply and lower the cost of serviced plots for housing) and support for housing construction designs and methods that serve lower-income households. But in most Asian cities, they have not done so. The rest of this paper explores this contradiction between the market forces that drive most city development (and the concentration of people there) but that do not, of themselves, contribute much to the mechanisms for ensuring that this same concentration of people have their needs met for housing, infrastructure and services.

In one sense, markets do provide some kind of 'solution' because virtually all low-income households find some kind of accommodation and get some access to services. But most such housing and service provision is of very poor quality and helps underpin high levels of premature death and high disease and injury burdens. There are generally high levels of overcrowding. Most of this land development is illegal, so the inhabitants are often at risk of eviction, unable to get infrastructure and may be denied access to public services. Much of the land that is occupied in these ways is dangerous (for instance on sites at risk from floods or landslides or right beside railway tracks). Where there is no formal provision for water, schools and health care, informal private sector providers are often important for low-income households. But such services are usually of poor quality, reflecting the very limited capacity of residents to pay for these.



As the case studies on Phnom Penh and Karachi describe, informal markets have provided the 'solution' for housing for low income groups – including not only the land but often the housing, the building materials, the transport services and local financing mechanisms. In Hanoi, there is a large informal market for land and housing that operates through the sale of housing possession, since the occupier does not own the land or the house.

Governments need to recognize why these informal systems, with their many illegal aspects, produce land for housing and services at prices that large sections of the low-income population can afford, while formal systems do not. It is also important for many low-income households to be in settlements where their houses can be built and expanded incrementally, because they cannot afford complete, legal houses or the cost of constructing a complete house. This also helps highlight how government rules, regulations and procedures and government's failure to expand infrastructure networks elevates the price of legal land for housing, forcing so many households to move to illegal markets. But as examples given later will show, governments can make these informal processes work better - producing better quality housing and services and allowing a much increased proportion of the low-income population to get legal accommodation and legal access to infrastructure and services. This includes allowing civil society organizations (especially those formed by the urban poor) more scope in developing legal housing solutions for themselves and even developing partnerships with government to do so.



In addition, as informal land for housing markets becomes increasingly important, including the means by which many non-poor households get land for housing, the price of this informal land increases too, so even low-income households are being increasingly excluded. For instance in Karachi, during the 1980s, most low-income households could get land for housing, and the government's investment in serviced sites and infrastructure expansion helped keep down prices. But now land prices in squatter settlements and illegal subdivisions have gone up so much that most low-income households can no longer afford to purchase land there.

The discussion in the following sections consider how governments are addressing these issues, drawing on case studies in Beijing, Chiang Mai, Hanoi, Karachi, Muntinlupa, Pune, Phnom Penh and Surabaya. This discussion pays particular attention to the influence of city governments, civil society and external (international agencies). For city governments, the interest is in changes in their approaches to addressing this contradiction, including those that are largely the result of or depend on national government initiatives – for instance for decentralization and local government reform. For civil society, the interest is in what civil society organizations have developed to represent the needs of those whose housing, infrastructure and service needs are not met by formal systems and the nature of their relations with city governments. Certainly, one of the most important trends in city development in Asia over the last two decades has been the emergence of organizations formed by



the urban poor that increase their influence on city-government and, where political circumstances permit, form powerful and effective partnerships with local governments to reduce the cost and increase the supply of housing and infrastructure and to make legal housing more affordable. In discussing the eight city case studies, there is a particular interest in better understanding the extent to which urban poor organizations can become more influential in getting more pro-poor development and less anti-poor development at city level. This implies more influence not only on government but also on moderating anti-poor market pressures. Consideration is also given to the current and potential role of international aid agencies and development banks, both in their role in promoting or supporting global changes (especially globalisation) and in addressing poverty reduction in urban areas.

How poorer groups manage to get housing outside the formal systems :

11. ACHR (Asian Coalition for Housing Rights) (2004), "Negotiating the right to stay in the city", *Environment and Urbanization*, Vol. 16, No. 1, pages 9-26.

In the case-study cities, as in most cities in Asia, large sections of the low-income population cannot afford the cost of legal housing and have to find or build their own accommodation outside formal, approved housing and settlements (see box below). In Karachi, the largest of the case study cities, with over 10 million inhabitants, more than half the housing stock is in squatter settlements or illegally developed informal settlements. In Pune, Muntinlupa and Chiang Mai, around two fifths of the population live in unauthorized settlements. In Beijing, it is not so much the market as government systems that exclude a large proportion of the population from legal housing – some 3.8 million 'unregistered' inhabitants cannot acquire or rent housing legally in that city.

Housing conditions in some of the case study cities :

- 1 PUNE :** Despite being one of India's most economically successful cities, around 40 percent of Pune's population live in over 500 unauthorized settlements, many of which are on poor quality land such as floodplains, steep slopes or narrow strips of land along railway tracks or on land without proper access to roads – and so is unattractive to real estate development. The proportion of the population living in 'slums' increased from 7 percent in 1951 to 39 percent in 2001.
- 2 MUNTINLUPA :** Around two fifths of the population of Muntinlupa, one of the 14 municipalities which make up Metro Manila, live in informal settlements. In 1997, there were 124 such settlements, with populations ranging from 20 to 1000 households. Most are on private land, although there are several thousand households living along the railway tracks. In many of these settlements, the inhabitants have negotiated with private service providers, landowners and government agencies for incremental improvements – for instance many draw water from deep wells, often installed by local government or by politicians.
- 3 KARACHI :** More than half of Karachi's housing stock is in illegally developed informal settlements (*katchi abadis*) and the proportion is probably increasing. The annual growth in housing needs is estimated to be around 80,000 units. The formal sector produces less than a third of this so the rest of it is met by new squatter settlements, illegal subdivisions or densification in inner city areas (for instance through the illegal construction of multi-storey dwellings). However, this informal process is so long-established that many good quality houses are developed in these informal settlements, and the government has earmarked some 70 percent of these settlements for regularization.
- 4 CHIANG MAI :** There are some 70 urban poor communities, housing 400,000 people. Initially, most urban poor communities settled on land around temples (with permission from the temples) but over time, more communities have settled on public land or land of abandoned temples or along rivers or creeks.
- 5 PHNOM PENH :** In 2003, there were 62,249 households living in 569 urban poor settlements. In this same year, 12% of these households were under eviction and 28 percent were threatened with eviction by development plans. Speculative land markets are pushing increasing numbers of the poor to the periphery.¹¹

In all cities, there is a powerful nexus between formal sector developers, politicians and bureaucrats which profits greatly from land developments and which opposes any land policy that would better serve low-income groups. This is even the case in cities where much of the land is under public ownership. For instance in Karachi, this nexus acquires not only vacant land, but even land that has been set aside for recreational and amenity purposes and its developments encroach onto land that was set aside for infrastructure. In addition, government land and properties are often sold at far below their market value through political patronage and then the developers make a 'joint venture' with the party. In Pune, there is a long-established process by which land that had been earmarked for housing for low-income families or for public amenities is reallocated to real estate developments. In both Pune and Karachi, through this nexus, developers are able to violate bye-laws and zoning regulations. In Karachi, as in most other Asian cities, there is also a profitable informal land development process; in Karachi, this is undertaken on government land with the benefits shared between the middlemen that undertake these illegal developments, government officials, the local police stations and local politicians.

In Muntinlupa, there are a range of groups that benefit from informal land markets, including not only the illegal land developers but also people and institutions that are part of law enforcement agencies, including chiefs of police and the land developers' allies in the official bureaucracy, including judges and prosecutors. Despite the illegality of these informal markets and the fact that it is richer groups that gain most from them, they have made land and housing more accessible to lower-income households. The system is sufficiently well developed for there to be informal rules on who gets rights, from whom and how and this creates a sense of order in informal settlements. In many informal settlements, basic service provision has been negotiated by the residents – for instance through water mainly by deep wells supported by politicians or local government. Some urban poor communities have negotiated to get legal electricity supplies. Many urban poor communities have learned to negotiate with private service providers, landowners and authorities for incremental improvements of their neighbourhoods.

The fact that large sections of the low-income population develop their homes on dangerous or unsuitable sites (for instance along railway tracks or river bank sites prone to flooding) is not necessarily due to any shortage of more suitable undeveloped land sites – as is evident in Chiang Mai, Pune, Muntinlupa and Phnom Penh. In Phnom Penh, a land availability study found sufficient undeveloped land within the city to allow for relocations of those displaced by infrastructure projects. In Muntinlupa, there is sufficient government-owned vacant land in good locations to allow many of those living on land that cannot be upgraded to be rehoused – but the government agency that owns this land wants full market value for it, which makes it too expensive for the city authorities to use. Even if government measures are in place to acquire land for low-income groups, as in Muntinlupa (supported by the national Community Mortgage Programme), landowners still get market rates for compensation.



Housing conditions in Quynh Mai Ward, Hai Ba Trung District, **Hanoi**



This is an inner city ward with 12,217 inhabitants. Most of the economically active population work in garment industries or government agencies. Most of the housing is 3-5 storey apartment blocks and most were built 30-40 years ago and are in poor condition. The apartments are also small (16-18 square metres), especially since many households have three generations living there. Many are poor quality designs that make it difficult to upgrade. In many apartments, bathrooms, water taps and toilets are shared (one for ten households) Many buildings are dilapidated with cracked

walls and floors. Out of the 3200 households in the ward, 400 have obtained housing ownership certificates – but the process of getting these is slow and many doubt whether they will receive this. There is little land to allow an expansion in new housing and there is much discussion about whether some existing blocks should be redeveloped – although with worried from many residents about the financial implications for them if this was to happen. In addition, those living on the ground floor who have been able to extend their homes are less supportive of redevelopment plans.



In Hanoi, much of the poor quality housing is a legacy of housing stock built with government funds under central planning that was allotted to workers and public employees of plants, enterprises and government agencies. These housing blocks are generally still managed by the plant or agency that employs the residents and little attention has been given to maintenance and repair, in part because rents paid by households are low (see Box on the previous page for an example). Responsibility for the maintenance of these housing blocks is being shifted to municipal or district housing administration agencies but the process is incomplete. In addition, many households have not paid rent for years.

It is also easier for governments to change their economic policies towards market-oriented systems than to change the legal and institutional basis for land-use management so these ensure poorer groups' land for housing needs are accommodated. Both Beijing and Hanoi have been affected by the economic reforms that moved from centrally planned economies to economies with much greater reliance on market forces – although state directed policies on housing and land use allocation remain important and it has been difficult to reshape these to fit within the new emphasis on the market economy. For instance, in Hanoi, the government has sought to improve land management and to support poorer groups to acquire housing but it is difficult to change housing provision from a centrally planned, state directed system to a market system and to adjust the state-controlled land allocation system to serve housing provision that poorer groups can afford. In Phnom Penh, the liberal market economy and economic success have brought a very rapid increase in the number of informal/illegal settlements for which the government's capacity to plan and manage land was ill-equipped to cope with.

Another consequence of inadequate land-use management that is evident in most of the case-study cities is the unplanned expansion of the urbanized area, driven by illegal land developments, relocations and illegal land occupations. This produces a patchwork of new developments on the urban periphery and a low-density sprawl to which it is expensive to provide infrastructure and services. This often results in unnecessary loss of agricultural land and also of land that should be protected because of its ecological or cultural value. This also means increasing numbers of urban poor households living far away from city centres and from jobs, either because they were relocated here or only here can they afford land. For instance, in Beijing, it is common for income earners within low-income households to be two hours travel from their source of employment. Without better land use management that delivers more options for lower-income households, the poorer groups will increasingly be pushed to those parts of the city periphery that middle and upper-income groups do not want for themselves. And as cities grow, what were formed and initially developed as peripheral poor settlements will become locations that are desirable to higher income groups or to commercial development and once again, their inhabitants will be pushed to wherever the city periphery has moved to.

Government structures and decentralization :

Before discussing what governments do to address the kinds of housing problems and large backlogs in deficiencies in provision for infrastructure and services noted above, some consideration needs to be given to government structures and how these have changed, especially as a result of decentralization.

What 'government' does in any city is a mix of the policies, practices and investments of a range of different government bodies – usually including not only city and sub-city levels of government (district, ward or barangay) but also some that are national government agencies and/or provincial/state government agencies. Effective mechanisms to coordinate these are rare and the development of such mechanisms is usually inhibited by inter-agency competition, very different (political and economic) agendas and unclear jurisdictional boundaries. Government agencies

responsible for, for instance, the railways, airports or the courts or the Army, Navy or Air force may have unused land much needed for low-income housing, but they will not want to allocate this to housing for low-income groups. These same agencies may also strongly oppose any local government action to provide services to the illegal settlements that have already settled on their land or to develop plans to provide those living in these illegal settlements with tenure. So even a city government committed to regularizing tenure in informal settlements and to upgrading may not be permitted to do so in many informal settlements by other government agencies.

In addition, the greater the role of national, state and provincial government agencies, in general, the less accountability of government policies and actions to city residents. Even in cities with elected local and national governments, there is little possibility for citizen and civil society organizations in a city influencing the state and national government agencies working in that city. As later sections will describe, it is often government agencies at national or state/provincial level that promote large infrastructure or city redevelopment projects that devastate the homes, lives and livelihoods of large sections of the urban poor or that have unused land but oppose any measures to use this for housing for low-income groups.

Decentralization reforms have produced important changes in most of the case study cities – but in terms of addressing the needs of low-income groups, the two crucial questions are: Does decentralization give city governments more power and resources and thus capacity to act? And if city governments do get more capacity to act, does this actually bring benefits to urban poor groups?

In Karachi and Chiang Mai, there have been important local government reforms that are too recent to be able to ascertain the extent to which these change government policies towards urban poor groups. In Karachi, the 2001 Sindh Local City Government Ordinance has transferred power and resources from provincial to city government. Before the enactment of this ordinance, Karachi was divided into five districts, each with its own council. The Karachi Municipal Corporation was the parent institution to these, but its functions were limited to operation, maintenance and management of most infrastructure and services. Development planning and the implementation of physical and social facilities was carried out by agencies that were under the control of the provincial government. There are also a number of autonomous development authorities in Karachi that belong to various federal government institutions, such as the Karachi Port Trust, Airport, Railways, and the Armed Forces that exert a strong pressure on city affairs. Thus, much of what government did in Karachi was not under the control of the city government or accountable to city inhabitants. The 2001 ordinance made Karachi a district with its own mayor and deputy mayor and decentralized revenue generation to the district level although executive decision making for large projects still lie with the provincial government. Karachi is now divided into 18 towns and 178 union councils, each with its own mayor and deputy mayor.



The problem of **central control over local planning** in Chiang Mai . . .



Chiang Mai is an important regional capital, but has long been ruled by officials appointed by the central government. Many of its government units are local offices of central government ministries with their staff appointed from outside (and with many regional government personnel rotating) and owing their accountability upwards to the central government rather than to local populations. There are also many government agencies with unclear and often overlapping responsibilities. Local government has no authority over housing issues (which are the responsibility of a central govern-

ment ministry) or over the city plan (which is prepared by a department within the Ministry of Interior in Bangkok). Conservation (which is particularly important in Chiang Mai because of its rich historic and cultural heritage and its importance for tourism) and the construction of most major roads also comes under national ministries. However, important political changes during 2003-4 meant that a greater proportion of the government budget is now being allocated to local government units. Mayors are directly elected for the first time, and there is now a directly-elected provincial administration.



In Pune, the Commissioner who has most power is appointed by the state government, not elected, and there is a constant friction between the Commissioner and the elected city government. However, Pune is also a reminder that elected local governments do not necessarily produce a more pro-poor agenda. Decentralization (through the 74th amendment) has not made local government more responsive to low-income groups and may have increased the power of local real estate interests.

In Muntinlupa, decentralization reforms by the national government have been important for allowing the city government to develop a social housing programme for the poor and to increase its own revenue base. But the city authorities and other groups involved in this programme face difficulties in getting land to support this. National legislation and national agencies support local authorities in identifying and acquiring land for social housing – but most land is privately owned and expensive to acquire. As noted earlier, even where land is in public ownership, the government agencies that own it often want full market value for it – for instance for vacant land belonging to a local prison which is well suited for local housing development, the Department of Justice wants market value for it.

In Phnom Penh, most senior government personnel are still appointed by national government, including the governor and the vice governor, and the governor appoints the head of each district. The municipal government has more autonomy but little funding and it needs national government approval for its initiatives. In Cambodia, the decentralization programme was designed primarily for rural areas, not for urban areas.

City government development policies :

12. Patel, Sheela, Celine d’Cruz and Sundar Burra (2002), “Beyond evictions in a global city; people-managed resettlement in Mumbai”, *Environment and Urbanization*, Vol. 14, No. 1, pages 159-172.

13. Boonyabanha, Somsook (2005), “Baan Mankong; going to scale with ‘slum’ and squatter upgrading in Thailand”, *Environment and Urbanization*, Vol. 17, No. 1, pages 21-46.



The combination of a globalizing world economy and the recognition by city and national governments of the need to be competitive within this has meant that most city governments give a high priority to trying to attract new investment. This usually results in infrastructure and city redevelopment projects that are meant to make the city more attractive to such investment. In any successful Asian city, there is also a constant need to improve and extend the infrastructure to support expanding economic activities and the expanding population’s needs – for instance for water, sanitation, drainage, roads, electricity, transport and communications.

Through this process, the redevelopment or relocation of some ‘urban poor’/illegal settlements is inevitable. The key issue in regard to housing and basic service provision is the extent to which urban poor organizations are permitted to influence what is done – both in seeking solutions that avoid relocation wherever possible (which is generally what urban poor groups prefer) and in developing relocation options in which those to be relocated can influence and that actually improve their conditions. This in turn depends in part on what influence urban poor groups can bring to bear on city government and in part in the attitudes of senior government staff to the urban poor – i.e. do they see them as ‘the problem’ or recognize that they are citizens with rights and also a critical part of the city’s economy. In effect, the issue is whether the government bodies responsible for city infrastructure investments and city redevelopments see the needs and priorities of lower-income groups in the areas where they are to invest as central parts of their brief or as obstacles that have to be removed. At one extreme, there are government programmes that work with those people and settlements who are affected by new developments to meet their needs and priorities – as in the resettlement of households living alongside the railway track in Mumbai¹² and in the policies of the *Baan Mankong* programme in Thailand¹³; at the other extreme, there are government policies which simply bulldoze their settlements so large scale evictions are common. Evictions remain a threat for large sections of the population in all the case-study cities, although there are large differences in the extent of this threat and in how many people are at risk.

Government policies in Phnom Penh are particularly interesting in this regard, because of the change from one extreme to the other. In Phnom Penh, there is now an official recognition of the importance of supporting community-driven processes to address the housing problems faced by poorer groups; upgrading is now national policy rather than the previous policy of forced relocation, with those evicted relocated far from the city centre (and thus also from their sources of livelihood). As will be described in more detail later, the Solidarity for the Urban Poor Federation in Cambodia had a key role in promoting the change in policy, as it had helped poor communities within their districts come together, pool their own resources and develop their own solutions – and then seek partnerships with government in implementing these on a larger scale. This received support from Phnom Penh’s government and then received support from the national government – as the Prime Minister announced the change in policy in 2004 and initiated an ambitious government programme in Phnom Penh to upgrade “100 slums a year” over the next five years.¹⁴

Government policies in Thailand have also changed to support upgrading of urban poor settlements wherever possible or other forms of community-driven redevelopment (for instance urban poor groups agreeing to redevelop their homes on part of the site they occupy in return for tenure or agreeing to move to another site close by). The precedents for these within government policy go back to the late 1970s – and received strong support during the 1990s through the national government agency, the Urban Community Development Office. In 2000, this organization was merged with the Rural Development Fund to form the Community Organizations Development Institute (CODI), which is now implementing *Baan Mankong* (‘secure house’), an ambitious national programme for upgrading and secure tenure. The programme has set a target of improving housing, living and security of tenure for 300,000 households in 2,000 poor communities in 200 Thai cities within five years.¹⁵ In Chiang Mai, urban poor communities that are part of this *Baan Mankong* programme have shown how they can, if well organized, take care of the canals and historic city earth walls that are beside their settlements, as well as improving their homes and local infrastructure.

14. ACHR 2004, op. cit.; ACHR/Asian Coalition for Housing Rights (2001), “Building an urban poor people’s movement in Phnom Penh, Cambodia”, *Environment and Urbanization*, Vol 13 No 2, pages 61-72.

15. Boonyabanha 2005, op. cit.



The Lyari Expressway : the clash between big infrastructure projects and people’s housing . . .

In Karachi, as noted earlier, there is a long-established official tolerance for the development of illegal settlements, and indeed government officials often benefit from these. However, large-scale infrastructure projects can still bring large-scale evictions. Most evictions take place in the name of ‘development’ – urban renewal, flyovers, mass transit and city beautification. But in reality, most of these are to make way for formal sector developers to build resi-



dential and commercial buildings. Many of these evictions violate state laws and procedures. Since 1992, some 16,470 houses have been bulldozed as a result of evictions and many more are under threat of eviction. There is also an increased incidence of fires in informal settlements sited on land that land developers want.

One example of an infrastructure project that brought large scale eviction threats was the plan to develop the Lyari Expressway. This threatened some 36,000 households as well as many businesses, and its construction would have brought serious negative impacts to Karachi’s economy. To date, over 6,000 houses and commercial properties have been demolished. The compensation offered to those who were forced to move is a tenth of the value of the average house – plus a plot far away from the city centre where land is cheap. This expressway was planned and was to be built by a national agency, and this agency’s refusal to accept local opposition was justified by the expressway being in ‘the national interest.’ Ironically, there is a cheaper, easier to implement road scheme that would actually be more effective at reducing congestion in the city (the main justification for the Lyari Expressway) and would need no evictions – but this would not be nearly as profitable for developers, contractors and many politicians and civil servants.

Hutongs in Beijing :

Traditional courtyard house neighborhoods are fast disappearing, along with the cheap, vibrant housing they offer . . .

Many city government drives to make their cities internationally successful allow private sector developments to trample all over the needs and rights of low-income groups in ways that often evict them and almost always diminish their housing options.

For instance, under the *weigai* system in Beijing, 200,000 families have been relocated as a result of redevelopment plans over the last ten years. Property development companies are allowed to redevelop residential areas if they house the original residents – and they do not have to rehouse them on the redeveloped site. Many companies relocate residents to distant sites far from the city centre where land is cheaper – and although those who are evicted get compensation, the new flats they are allocated are generally more expensive than the compensation they get.

Surveys in three *hutongs*, traditional inner city residential neighbourhoods within Beijing's historic and cultural preservation areas, found that despite the inadequacies in provision for services (especially toilets), the lack of investment in maintenance and the lack of space, most people wanted to stay and most wanted the *hutongs* preserved. It is interesting that the main 'lever' to limit the redevelopment of the *hutongs* in central Beijing is around their importance for Beijing's history (and tourism), not for how these meet housing needs for many relatively low-income households.



Despite the inadequacies in provision for services (especially toilets), the lack of investment in maintenance and the lack of space, most people wanted to stay and most wanted the *hutongs* preserved. It is interesting that the main 'lever' to limit the redevelopment of the *hutongs* in central Beijing is around their importance for Beijing's history (and tourism), not for how these meet housing needs for many relatively low-income households.



In Muntinlupa, several thousand urban poor households live along the railway tracks, and they know that they cannot develop permanent secure homes there. Many of these households are saving to allow them to acquire land and develop new homes elsewhere but the high cost of land inhibits this. The city government is supportive of pro-poor solutions but lacks the funding to support this. Without a stronger local government that exercises more initiative in directing urban development processes, the city authorities and the population will continue to be reduced to reacting to large land and infrastructure development undertaken by the private sector or central government agencies that are beyond their control and influence.

One final issue in regard to the link between city governments' development policies and the housing needs of poorer groups is what city governments do in regard to their cultural heritage. Many city governments in Asia have been so intent on modernizing their city that they have given little attention to protecting their rich historic and cultural heritage, and much new development has destroyed this. However, official attitudes are changing, in part because of a recognition that this heritage is important for city economies, as it supports revenues from tourism. But this too can produce anti-poor policies, as 'the poor' living in and around historic buildings and neighbourhoods are seen as 'the problem'. This is an important issue in many Asian cities, as historic city centres contain large numbers of low-income groups who rent accommodation there, because of the advantages that such a central location provides for finding work. Chiang Mai provides an example of this, as many urban poor groups have settled in historic areas such as the city's ancient earth walls and the areas surrounding temples or pagodas.



City government attitudes to “the poor”

Although not much discussed in the city development literature, the attitude of city politicians and bureaucrats to ‘the poor’, their settlements and the ways they earn a living is clearly an important influence on government policies and practices. For instance, if government policies move to support the protection of a city’s historic districts, is this done in ways that accommodate the needs of the low income population living there, or does it drive them out?

The influence of anti-poor official attitudes is most obvious where senior civil servants or politicians are explicit in stating that they think that the poor are a menace or poor settlements are ‘eyesores’ or centres of crime or environmental problems. These common attitudes form the justification for implementing redevelopment schemes that evict large numbers of low-income groups. But these attitudes also influence government practice right down the government hierarchy. For instance, how junior staff employed by water and sanitation utilities or solid waste collection services or schools and health centres or in police stations regard the poor influences whether the poor get services and the quality of these services. Discussions with urban poor households so often highlight their reluctance to use public services as, for instance, the staff at police stations, water companies or health care facilities, all of whom look down on them.

In most of the case study cities, there have been quite fundamental changes in official attitudes to informal or illegal settlements towards greater tolerance, as long as these settlements do not cause serious conflicts with powerful landowners. Those who occupy land illegally know this and generally avoid occupying sites that will create such conflict. This is usually accompanied by an official acceptance of ‘upgrading’ i.e. of some public investment in existing informal or illegal settlements to provide some basic infrastructure and services, although for squatter settlements, as noted above, this may be prevented by the land owners.

This change can be seen in Karachi, where upgrading and land regularization programmes for squatter settlements date back to the early 1970s, when the People’s Party made the rights of squatters an election issue and initiated a programme to provide squatters with leases and urban services. (There were also precedents for this, going back to the many emergency settlements that developed on private and government land in the late 1940s as millions of Muslims fled from India, after Partition). However, the provision of leases was never on a scale to make much impact, because the process of getting leases was too long and cumbersome. Meanwhile, the land developed by government agencies for ‘housing for the poor’ was usually too expensive for low-income households and also difficult to obtain. However, over the last 10-15 years, the upgrading programmes in Karachi underwent major shifts. A separate agency now runs this programme in Karachi – the Sindh Katchi Abadi Authority (SKAA) – and it understands the dynamics of low-income settlements and works with community organizations in each settlement. Working closely with the Karachi based NGO, OPP-Research and Training Institute, they have adopted this NGO’s well-established low cost sanitation methodology for its sanitation work, which means much lower unit costs, better quality work and more cost recovery. They have also made it much easier and quicker for squatter households to get leases - it now involves one step rather than 11 separate steps – and the result is that far more households apply for leases and the sale of leases generates revenues that are three times the cost of the investments.

But as noted earlier, ‘what government does’ in any city is a mix of what different government organizations and agencies do – so while the policies discussed above in Karachi certainly bring many benefits to large sections of the urban poor, there are still the eviction threats coming from the policies of other agencies. The different case study cities do show significant differences in how city governments view urban poor settlements and what provisions they make to accommodate the informal pro-



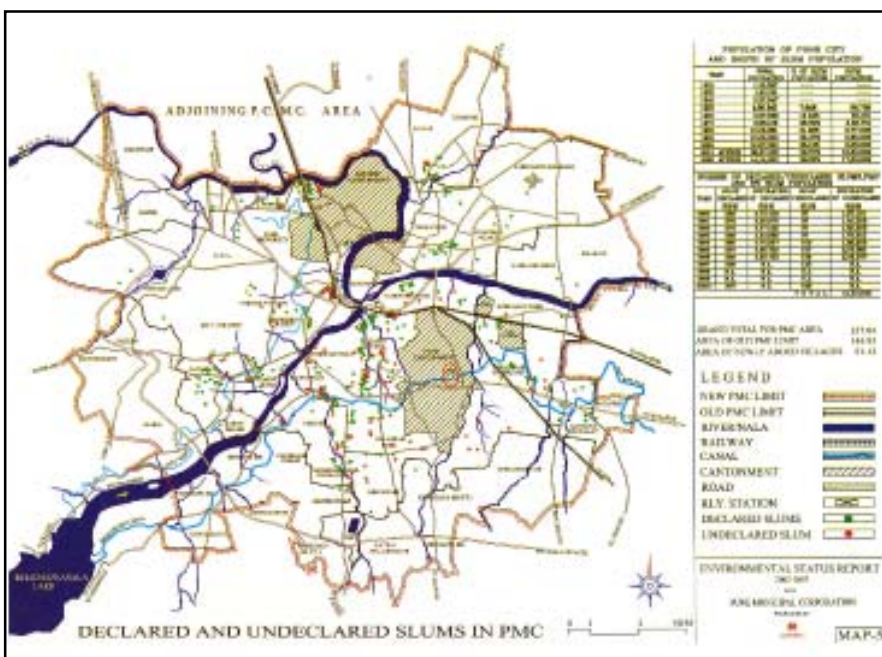
16. Burra, Sundar (2005), "Towards a pro-poor slum upgrading framework in Mumbai, India", *Environment and Urbanization*, Vol. 17, No. 1, pages 67-88.



cesses by which much of the low-income population get accommodation. In some cities such as Muntinlupa and Karachi, there is widespread government support for upgrading – and there have been important shifts in government policy in Phnom Penh away from eviction and towards upgrading. But these changes in attitude are not necessarily permanent. They are often eroded by the power of the nexus between large landowners, politicians and developers. Or they may change – as in, for instance, Mumbai, where there is a long history of partnerships between urban poor organizations (the National Slum Dwellers Federation and *Mahila Milan*) and local governments developing upgrading and new house developments together – yet suddenly, in December 2004, a new Chief Minister launched a massive eviction programme.¹⁶

In all cities, there are politicians and government staff who see 'migrants' as one of the main 'problems' – although there are major differences in the extent to which this actually influences government policies. It is also very common to see politicians or government staff inaccurately equating 'the poor' or illegal settlements with 'migrants' when large sections of the low-income population (and the population living in informal settlements or inner city slums) are city-borne or have been in the city for years or decades. It is still common to see migrants blamed for environmental pollution, health problems and other 'social evils'. The irony is that city governments have adopted market-led policies, but refuse to accept market-led population movements. All the case study cities are seeking to encourage new investment, yet it is still common for city officials or politicians to view negatively the fact that people move in to the city in response to these same market-led policies. In Beijing and Hanoi, despite the shift within the national economies and national government policies to market-led development, the influence of central planning is still in evidence in household registration systems that act to deny many migrants access to better quality housing and services. In Beijing, only registered Beijing residents can work legally, rent accommodation and send their children to government schools. Anyone without this registration faces the risk of being deported. Much of the unregistered population live in illegal settlements far from the city centre and some run their own (illegal) schools because they are barred from government schools.

In addition, when successful cities attract migrants, many governments still see the problems of poor quality housing and backlogs in provision for new houses and infrastructure and services as 'too many people moving to cities' not as their failure to develop appropriate policies. Among the case study cities, this anti-migrant policy is most explicit in Beijing with the 3.8 million unregistered people there and the deporting from Beijing of unregistered workers. But this capacity to blame city problems on 'too many migrants' is common throughout the region.



Of course, many anti-poor attitudes are rooted in self-interest. For instance, in Pune, as noted earlier, the relocation of families living in 'slums' close to the inner city to peripheral locations was justified by an inaccurate claim that they were responsible for contaminating a canal. Most middle and upper class neighbourhoods do not want urban poor settlements nearby, even though they do want the cheap labor and services provided by the inhabitants of these same settlements.

There are also the attitudes of politicians and civil servants to the poor that are not so much 'anti' poor but exploitative of them. For instance, most city

politicians rely on patron-client relationships with particular 'poor communities' to get these communities' political support, and they seek to exclude communities that did not support them from benefiting from any government programme. Many urban poor settlements depend on a particular politician or municipal official to avoid being evicted or to get services (or to ensure services remain). This can produce some spectacular examples of inappropriate policies, as with the politician in India who installed provision for water in the constituency where he sought election and then removed the water taps after being elected. In Karachi, there are many problems of local politicians supporting poor quality infrastructure improvements in their constituencies that are ill-coordinated with the plans and programmes of the various agencies responsible for infrastructure.

Elected councillors generally do not want their patron-client relationships with urban poor threatened by the urban poor organizing and wanting a more transparent and official relationship with government agencies that does not have to go through their patron. As urban poor groups develop their own representative organizations, this often means also questioning the legitimacy of the 'community leaders' who manage the relationship with the patron. One local politician in Mumbai even admitted that politicians don't want the facilities provided to 'the poor' to last, because promises to renew or repair these facilities is useful for getting re-elected.

Finally, there is the issue of politicians promoting 'solutions' they have seen or read about from other cities that are completely inappropriate. For instance, the public housing programme in Singapore has long exerted a powerful influence on Asian politicians, who do not notice the various unique factors that allowed Singapore to build and finance this housing. These include very slow population growth (the island city state had very little rural population to migrate to the city), among the world's most rapid economic growth (sustained over many years) and much of the land needed for this housing was already in public ownership (which greatly cut the costs of public housing and the ease with which it could be built). If Singapore had been located in any Asian nation with a large population, its economic growth would have attracted very large in-migration flows that would have swamped any government attempts to build such public housing.



The role of civil society, and especially organizations formed by the urban poor :

The extent to which anti-poor attitudes prevail in government policies and investments is obviously affected by the extent of the influence of democratic processes. Within nations with elected governments, in general, national and state/provincial agencies operating in cities have less checks on their 'anti-poor' capacities than city governments. City governments supervised by elected councillors generally have more checks on their anti-poor capacities than those where senior administrators are appointed by higher levels of government.¹⁷ Representative democracies within cities and nations are important for the checks they provide on anti-poor policies – but the evidence of the last 40 years in Asia show that of themselves, they are not enough to underpin sensible pro-poor policies. Pune in India is a successful, prosperous city with an elected city government in a nation that has had representative democracy for half a century yet the proportion of the population living in informal settlements and the number lacking adequate provision for basic infrastructure and services has grown rapidly. There is a recognition that urban poor groups need to be organized and to develop their own representative organizations to be able to take advantage of democratic systems – as recognized

17. Although with important exceptions; for instance, in India, some appointed city commissioners have proved more pro poor than elected city governments and have been important, both for moderating anti-poor pressures and in supporting urban poor groups' own initiatives and partnerships with local government agencies.



by the urban poor organizations and networks or federations in India, Cambodia and Thailand.

The different case study cities illustrate the variety within Asian cities in regard to the way political systems and structures encourage or limit greater voice and influence for the urban poor. They also show the differences in how the urban poor themselves organize and interact with government. One of the most significant developments in Asian cities over the last two decades has been the development of representative organizations and federations of the urban poor that not only organize to demand change from government agencies but also undertake initiatives themselves and offer themselves to government agencies as partners. Where city governments respond appropriately, the scale of what can be achieved increases dramatically – and usually with unit costs that are far lower than conventional contractor-driven city development projects. These partnerships also have importance for two further reasons. The first is that they encourage and support urban poor groups becoming organized and engaging with city government agencies (and without this, no major long-term change in government policies and attitudes towards the poor is likely). The second is that they help change the anti-poor attitudes of politicians and government staff.

In several of the cities, including Pune, Phnom Penh, Chiang Mai, Karachi and Muntinlupa, there are good examples of innovative civil society initiatives (including those undertaken by urban poor organizations/federations) that have demonstrated more effective ways of improving conditions for urban poor groups.

Community toilets in Pune and Bombay



In Pune, in 1999, the municipal commissioner invited NGOs and community organizations to bid for contracts for the construction and maintenance of community toilets in the city's low income settlements. This led to a very large-scale community toilet block

construction programme and with most such toilets being much better designed, maintained and managed than previously. The initiative had importance not only for Pune but also for demonstrating to government staff in other cities that this kind of partnership between local government and community organizations could deliver on a large scale. It encouraged government support for a comparable large-scale programme in Mumbai, when local government staff saw how much better the community-designed, built and managed toilets worked than the contractor-built public toilets they had previously built. Many of these toilets in Pune and most of the toilets in Mumbai were constructed and managed by the National Slum Dwellers Federation and its member federations and *Mahila Milan* (savings cooperatives formed by women slum and pavement dwellers) with the support of the Indian NGO SPARC; these three organizations have built around 500 community-designed and managed toilet blocks that serve hundreds of thousands of households in Pune, Mumbai and other cities.¹⁸

18. Burra, Sundar Sheela Patel and Tom Kerr (2003), "Community-designed, built and managed toilet blocks in Indian cities", *Environment and Urbanization*, Vol. 15, No. 2, pages 11-32.

In Phnom Penh (and also in other urban centres in Cambodia), organized urban poor groups have had an influence not only at project level but also on city government policies (and national policies) at the city-scale. The Solidarity for the Urban Poor Federation (SUPF) had a key role in this. SUPF was established in 1994 by women and men living in informal settlements in Phnom Penh and today it is active in half the city's informal settlements and in several other cities. The federation helped poor communities within their districts come together, pool their own resources and work out their own solutions to problems of land security, houses, toilets, basic services and access to credit for livelihood and housing. As in the urban poor federations in India and the urban poor networks in Thailand, the foundation for the organi-

zations were community-based savings and credit schemes. They also used similar tools and methods to those used in India and Thailand to develop projects and proposals for submission to government - community-driven mapping and data gathering about urban poor settlements, house model exhibitions (where life-size models of housing are developed to test the most appropriate designs and explore their cost implications) and community-to-community exchange visits (to learn from each other). In Phnom Penh, Federation groups are implementing many pilot projects to serve as learning examples and to set precedents, and are also intimately involved in an ambitious programme in Phnom Penh launched by the Prime Minister to upgrade 100 'slums' a year over the next five years.¹⁹

The different developments in Karachi described already show a complex mix of policies and practices, some of which bring major benefits to large sections of the lower income group population, some of which act to increase urban poverty. Karachi has a very active civil society, much of which has helped push for policies that better serve low-income groups. This developed as a result of constant struggles against undemocratic governments and inappropriate government policies and projects. Many civil society groups have developed new ways to address the problems in low-income areas. Perhaps the best known of these is the Orangi Pilot Project's widely adopted method of community-developed sanitation which is now not only implemented on a large scale in Orangi (an informal settlement in Karachi with 1.2 million inhabitants) but also in many other areas in Karachi and in many other urban centres in Pakistan.

Perhaps as significant as the hundreds of thousands of households that acquired good quality sanitation through this is the demonstration this model provides of 'component-sharing' for the provision of infrastructure and services. For low-cost sanitation, it shows how residents in low-income informal settlements are able to finance and manage the installation of good quality sewers and drains with no subsidy needed. But these sewers and drains need trunk sewers and drains into which to integrate. If government agencies concentrated on providing this trunk infrastructure, leaving communities to install the sewers and drains within their neighbourhood, there are very large cost savings to government and much lower unit-costs overall. This 'component-sharing' model can also be applied to water supplies (government providing the water mains with good quality, regular water supplies, resident groups installing the piped systems within their neighbourhood) and to other government services. The importance of such 'component-sharing' is that it shows the possibility of greatly increasing the proportion of city households with good quality, legal provision for infrastructure and services.

Karachi has another innovation that has great relevance for Asian cities – its own independent research and communications institution and supporting network. In recent years, different groups within Karachi's civil society have started to work together to press for change and reform – including professionals, academic institutions, NGOs, CBOs and other grassroots community organizations. This has been supported by NGOs such as the Urban Resource Centre as it provides space for interaction, networking and lobbying on key urban issues and keeps civil society groups informed of government policies and plans. This Resource Centre also arranges discussions and negotiations between civil society groups and political parties and different tiers of government (see *Box on next page*). Operating through these kinds of negotiations and also through court cases and demonstrations, civil society groups not only oppose inappropriate plans and projects but also propose alternative plans and develop lobbies to support them. Their influence in government plans and policies is evident in, for instance, the government's *katchi abadi* improvement programme, the redesigning of the city-wide sewer and drainage system and changes to a mass transit programme. Civil society representatives are now included in various government bodies and the setting up of Citizen Community Boards in the 2001 Local Government Ordinance shows the means by which civil society can be formally included in local governance. However, the difficulties of actually getting change is illustrated by the fact that to date, very few such boards have been created and those that have have created have yet to become effective.

19. ACHR 2001, 2004, op. cit.



Rethinking the role of research and information: The **Urban Resource Centre** in Karachi

The Urban Resource Centre was set up in Karachi in 1989 by urban planning professionals and teachers, NGOs and community organizations to serve as a centre of research, information and discussion for all civil society groups within the city.

It reviews all proposed major urban development projects from the point of view of communities and interest groups and makes these reviews widely available – for instance through quarterly reports, monographs and a monthly publication *Facts and Figures*. It organizes forums that allow different interest groups to discuss key issues relevant to Karachi – and by doing so, has been able to develop much more interaction between poor communities, NGOs, private (formal and informal) sector interest groups, academic institutions and government agencies.

For instance, research and forums have examined in detail the problems faced by flat owners, scavengers, theatre groups, commuters, residents of historic districts, working women, wholesale markets and transport companies. It also arranges discussions and negotiations between civil society groups and political parties and different tiers of government.

This Urban Resource Centre and the network of NGOs of which it is part helped to get the Lyari Expressway stopped twice, as it was uprooting 150,000 people and causing immense environmental damage to the city, and replaced with the Northern Bypass. Its proposal for the extension of the Karachi

circular railway into Orangi and other areas of Karachi has been accepted. It has also supported many other initiatives that changed government policies or the way government agencies work.

The Urban Resource Centre has five staff members and provides one year fellowships to young university graduates and community activists who help it undertake research, documentation and interaction with communities and interest groups. The annual budget of this important resource centre is the equivalent of only around US\$ 26,500.



20. See the case study listed on page 1; see also Parenteau, René and Nguyen Quoc Thong (2005), "The role of civil society in urban environmental rehabilitation: a case study (Thanh Xuan district, Hanoi, Vietnam)", *Environment and Urbanization*, Vol. 17, No. 1, pages 237-248.

In Hanoi, community-level organizations have importance, but mainly through local branches of mass organizations, such as the Women's Union and the Veteran's Union. These provide services to their members (for instance micro-credit) and help organize community action to, for instance, improve infrastructure. With the shift away from a centrally planned economy, these have become less top down although they are not independent of government since key staff in these organizations get government salaries and local groups and associations are in a hierarchical relationship with district, city, provincial and national levels of their organizations.²⁰

In most examples of participation, the 'participation' of urban poor groups is restricted to specific initiatives and not to broader governance structures. For instance, in Pune, the city government's support for public toilets allowed far more community influence on their design and management and far more toilets to be built, and this brought important benefits to large sections of the 'slum' population – but this did not mean more influence for this same population in other areas. Indeed, increasingly successful urban poor organizations in Pune faced strong opposition as they challenged established relationships between elected councillors and slum residents and between the bureaucracy, building contractors and councillors. Even where urban poor organizations do get more influence at city scale, maintaining this influence will always be a struggle; even city authorities committed to pro-poor development are frightened of allowing urban poor organizations influence beyond the project level.

The influence of the bigger picture on this and the role of international agencies

Powerful international agencies have been promoting the downsizing of governments and the 'globalizing'/neo-liberal agenda, and most governments in Asia have bought into this. Indeed, most of the examples used of nations that have been most successful in market-driven development are in Asia. It is also difficult to see how any government can meet its responsibilities to its lower-income population without a successful economy. However, many Asian governments support market-driven policies without addressing the contradictions that this produces in cities between what drives their economic growth and what contributes to adequate accommodation for their populations. This is not a problem concentrated in the poorer or least economically successful cities within nations but also in cities with increasingly prosperous economies such as Pune in India and Phnom Penh in Cambodia.

The conventional wisdom is that governments which create the conditions for economic success in a city or nation will then have a stronger economic base from which to compensate those who lose out by this, including those who lost their jobs from government downsizing. For instance, in Karachi, privatisation of government assets and utilities led to the loss of 120,000 jobs. Very large cuts in public sector primary schools and health care have worsened service provision for much of the low-income population, who cannot afford to use private services. In addition, prices for water, electricity, telephone, gas, sewerage and transport have all increased significantly - which has led to the closure of many small-scale informal industries. These reforms are justified by their potential to produce economic growth which then generates the resources that allow better provision of infrastructure and services. But Pakistan has only limited possibilities of maintaining any comparative advantage within Asian or global markets. For example, its light engineering industry, which employed 600,000 persons, is closing down as it cannot compete with Chinese products. The two important issues here are first, what happens in cities where the market reforms do not produce the basis for prosperity? And second, where they do provide the basis for prosperity? What needs to be done to ensure that poorer groups benefit?

International agencies, including both the bilateral aid programmes of high-income nations and the multilateral development banks, should have important roles in addressing both these issues. Their entire operation is justified in regard to the benefits that they will produce for 'the poor'. In many Asian nations, these aid agencies and development banks have considerable influence on government policies and priorities. What mechanisms (if any) have these international agencies used to ensure benefits for poorer groups? These international agencies certainly give little scope to allow the poor, who are meant to be their *clients*, any say or influence on what they prioritise and how they implement this. If the national governments to which they provide development assistance give little priority to addressing poorer groups' needs, then these international agencies also generally give poorer groups' needs little priority. For instance, Cambodia received some US\$ 2.6 billion dollars in development assistance 1996-2001, yet despite this and rapid growth in the economy, there is little evidence that the poor benefited much, even in Phnom Penh, where much of the economic growth was concentrated. And how much of this \$2.6 billion investment was influenced at all by any dialogue with the poor in Cambodia?

There are also many donors working in Asia that support rural poverty reduction, while ignoring the poverty and rising inequality in urban areas. In effect, they are still stuck in 1970s conceptions of development, when the problem of 'urban bias' in development first came to be discussed. Since 1970, Asia's urban population has increased by 321 percent while its rural population increased by 42 percent. United Nations projections suggest that virtually all the increase in Asia's population be-



tween 2005 and 2020 (some 650 million people) will be in urban areas. A large and growing proportion of those with unmet needs in Asia live in urban areas. Yet many international agencies working in Asia have no urban programme. In addition, for those agencies that do, rarely do these urban programmes give much attention to the needs and priorities of the urban poor – as they concentrate on the infrastructure to support economic growth.

Most international agencies working in Asia need to reconsider their policies (or lack of them) towards urban areas and urban poor populations. However, a growing role for international agencies supporting pro-poor policies in urban areas has to avoid the current tendency to support over-expensive solutions. Large official donors, by their structure and mode of operation, usually encourage unnecessarily expensive projects. This is especially the case with development banks, which rely on large loans to help cover their own management costs – although this tendency to prefer large, expensive projects is also evident in grant or soft-loan providing bilateral agencies, as they are pressed by the governments that fund them to keep down their staff costs. The national government agencies with whom international agencies work, the government staff responsible for managing the projects and the contractors who get the work, also benefit from expensive projects. A shift to supporting locally-driven development that is accountable to urban poor groups and that draws on their resources and capacities can bring very large reductions in costs and large increases in the proportion of these costs that can be funded by local sources.

There is also the issue of linking the social funds and other mechanisms used by many international agencies to support 'poverty reduction' with local organizations. Ironically, many of these social funds are meant to improve provision for the services that were formerly provided by government, but were then cut or stopped by government downsizing. Good quality basic services need competent, accountable local governments to ensure they are provided, even if particular services are contracted to private or voluntary organizations.

[Note that this section focuses on the role of the official bilateral aid agencies and development banks; no consideration has been given to the important and influential role of certain key international NGOs in this area, e.g. SELAVIP, Misereor, the Ford Foundation and Homeless International.]



Conclusions :

Drawing on precedents that have already been implemented in different Asian cities, it is possible to envisage city-government policies that are far more effective at improving housing and living conditions and at contributing to reducing poverty without requiring levels of external funding that are unrealistic. Indeed, in many cities, little or no international funding will be required. At the core of these precedents are changes in the way that city governments engage with urban poor households and communities (and the informal processes by which most of these groups get housing) and in the ways they support these households' and communities' capacity to act, to invest and to contribute to managing development.

The need for such changes is urgent, as much of Asia continues to urbanize rapidly and as most urban governments are failing to address the needs of large sections of their population. There is something wrong with city plans and city government land use management programmes if they exclude large sections of that city's population from legal housing markets and authorized land developments for housing and access to infrastructure and services. Yet in most cities in Asia, this is what is happening. This exclusion of large sections of the population is even happening in cities that have had rapid economic growth. Indeed, expanding city economies act to increase this exclusion, if governments do not act appropriately. It also happens in cities where much of the land is under public ownership, which highlights how the difficulties that poor households face in getting land for housing is as much a political issue as it is an economic one.

There is also something wrong with any government housing policy that fails to recognize the incremental processes by which much of the urban poor get housing and by which much of the urban housing stock in the city gets created. Without these informal processes, housing conditions would be much worse. In Karachi, these informal processes account for about 60 percent of all new housing (including virtually all the housing that poorer groups can afford) and have actually contributed much to a significant decrease in the proportion of Karachi's households living in one-room dwellings, a decrease in the average number of persons per room and large increases in the proportion of households with water supply and sewers. In most informal settlements in Asia, there is both a desire among their inhabitants for improvement and a capacity to invest and to manage upgrading programmes that, if supported with credit and technical expertise, can transform housing and living conditions *on a city-wide scale*. But this will need changes in the relationships between government agencies and community organizations. This will also need changes in planning methods and in the generation of basic data which is used to plan and set technical standards.

Among the eight cities on which this paper has focused, there is evidence of important changes in these directions but not on the scale needed to cope with growing demand, let alone to reduce the backlog. For instance, in Muntinlupa, there is a city government that recognizes the importance of the informal processes by which most housing that low-income groups can afford gets constructed and has various initiatives underway to support this – including a bridge financing facility to help poor communities acquire land – but the city authorities lack the resources to do so on the scale that is required.

In Karachi, the changes brought to the upgrading and regularization of squatter settlements by the Sindh Katchi Abadi Authority were described earlier. This is also an example of how government programmes can become more effective, larger in scale and more independent financially, through cost recovery. In Phnom Penh, there has been a remarkable change in policy from anti-poor evictions to pro-poor upgrading. In Thailand, the *Baan Mankong* upgrading programme shows how a national programme can support the kind of *city-wide* development processes in which urban poor groups are fully involved.



These are among the many precedents that show how governments can work with urban poor communities. The challenge is to get comparable community-driven developments in many more cities and to greatly increase the scale of their impact in each city. The key underlying issue in all this is how do the needs and priorities of lower-income groups get represented within what governments do (*or do not do*) beyond specific projects. Obviously, this is influenced by the political system. Undemocratic local and national political systems rarely give any priority to addressing the needs of lower-income groups in cities. Even in many Asian cities where there are representative democracies at national and local levels, the poor get little attention. In many instances, this is partly because elected city governments lack the power and resources to act. Decentralization is an important part of more effective solutions – and as this paper has noted, decentralization programmes have often given city and municipal governments more responsibility for such things as land use planning, urban development and housing, but too often, these lack the staff and the funding base. City governments need resources and often need national agencies to support this.

But there is also no automatic guarantee that elected politicians will address the needs of poorer groups. For instance, in Pune, politicians may sound pro-poor in what they say, but the political parties push through decisions that serve their own ends and support real estate developers. In India, in general, it is so common for what appears to be pro-poor policy change at national level to be hijacked by powerful vested interests.²¹

Many civil servants and local politicians still do not see the poor as a key, and as a legitimate part of their cities. It is almost as if they do not think that *the poor* have a right to live in the city or to move to *their* city. These ‘anti-poor’ attitudes are also evident in the way that urban poor communities are so often forced to move, to make way for projects in *the public good*: to allow infrastructure to be developed, to support city regeneration or to improve health and safety. But most of those who are relocated (usually against their will) want improved health and safety, better infrastructure and a more successful economy as well. Many would be happy to move, since they live on land at risk of floods or landslides or on pavements – as long as they can help determine *where, when and how*. In most instances, the problem is not the cost of resettlement (which is generally very low compared to the cost of the infrastructure) but the anti-poor attitudes of city authorities.

Even in cities where more progressive views of the urban poor prevail, the possibilities for the urban poor to engage at city level is usually very limited. The poor’s participation is still seen as happening only at project level. The influence of the urban poor and their organizations in Phnom Penh is one example of where this engagement has gone beyond project level. In Muntinlupa, there are also changes that allow more representation of urban poor groups in city-wide discussions, but these have not yet proved to be effective. In most instances, city governments are not ready to see urban poor communities as partners at a city-wide scale.

One of the most difficult issues for any city government is how to get land for housing markets to work better for those with limited incomes – both in addressing the backlog (the number of people living in illegal settlements lacking provision for basic infrastructure and services) and in ensuring there are alternatives to illegal settlements for new households. While in most of the case study cities, local governments have become more tolerant of the informal ways by which poorer groups get land for housing, they still play a largely reactive role. There is a need to find ways to help low-income households who want to develop their own homes to get land with services, in locations not too distant from their income-earning opportunities. Again, in several of the cities, there are precedents for this - but not on sufficient scale.

In some cities, an innovative methodology has been developed to help do this. In Phnom Penh, for instance, the city-wide survey that urban poor organizations helped to implement both identified the scale and location of all urban poor communities and also identified vacant land that might be used for low-income housing (a methodology that has also been used in many other Asian cities).²² In Karachi, the careful,

21. For instance, see the discussion in the Pune case study of the implementation of the Land Ceiling and Regulation Act, national legislation that appeared to be very pro-poor but that failed to be so. Progressive national legislation is not much use if city governments are resolutely opposed to using it, or can use it in ways to further their interests.



22. Boonyabancha 2005, op. cit.; Asian Coalition for Housing Rights (2000), *Face to Face: Notes from the Network on Community Exchange*, ACHR, Bangkok, 32 pages; Patel, Sheela (2004), “Tools And Methods For Empowerment Developed By Slum And Pavement Dwellers’ Federations In India”, *PLA Notes 50*, IIED, London.

detailed mapping of all informal settlements showing the location and quality of their infrastructure serves both to highlight the scale of community investments in infrastructure and to provide the basis for infrastructure improvements (including linking community-designed and implemented sewers and drains to city-provided trunks).²³

The 'solutions' to very poor quality housing and lack of infrastructure and services that most low-income groups suffer in Asian cities will have to be developed within each city. These are not problems that external funding from national governments or international agencies alone can address. External support can help a lot, but only if it supports urban poor groups to get more influence, more possibilities of better provision for housing, infrastructure and services, and better protection against anti-poor attitudes and policies. External support can also help if it supports local governments' capacities to develop locally appropriate, cost-effective interventions which minimize the need for external funding. There are also precedents to draw on that show how this can be done.

23. Rahman, Perween (2004), *Katchi Abadis of Karachi; a Survey of 334 Katchi Abadis*, Orangi Pilot Project Research and Training Institute (OPPRI), Karachi, 24 pages; Hasan, Arif (2005), *The Orangi Pilot Project-Research and Training Institute's Mapping Process and its Repercussions*, a paper prepared for UN Habitat.

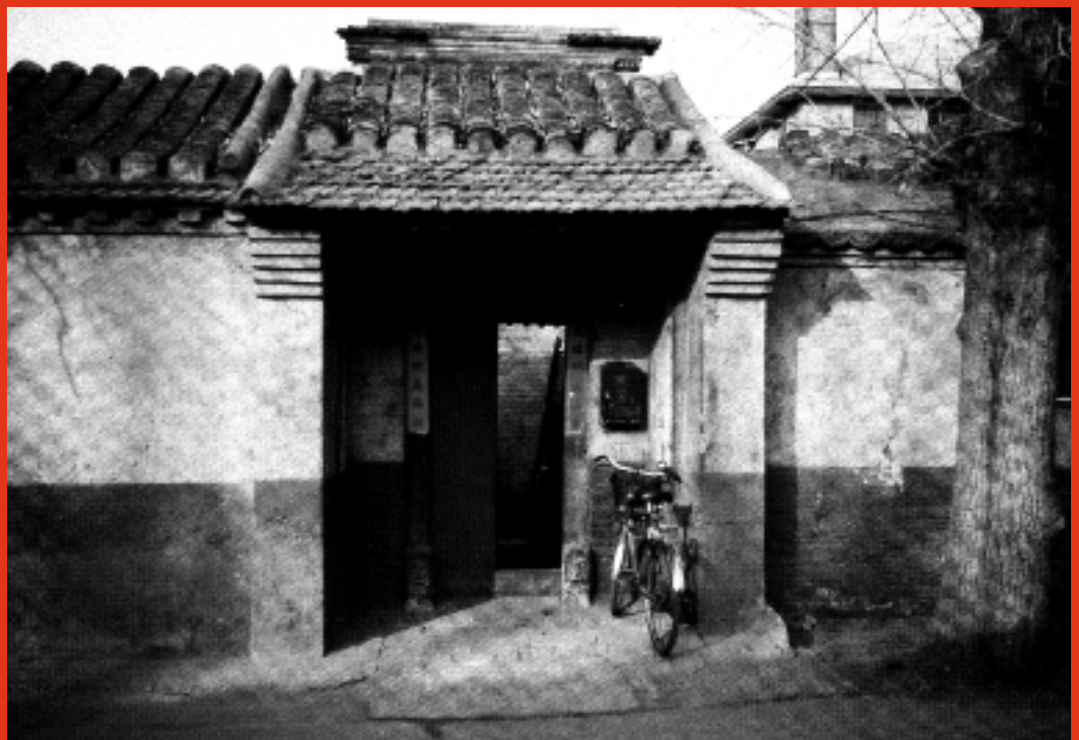
What is needed to make **Asian cities** work better for their low income populations:

- 1** Ensuring more influence for low-income groups and their organizations on what government does and how it spends its budget at a city scale, not just on individual projects. This acquires greater importance in a globalizing world, as more and more city governments actively compete for new investment and invest in 'big infrastructure' and other facilities designed to attract new investment, in ways that can be very anti-poor.
- 2** Local government commitment and capacity to sort out land tenure for those living in illegal and informal settlements in ways that are pro-poor (which can include resettlement where needed but this has to be done in partnership with those to be resettled).
- 3** Local government commitment and capacity to ensure that low-income households which want their own home can find suitable land sites with infrastructure and services at prices they can afford. (This is perhaps the most difficult for local authorities to implement.)
- 4** More commitment among all public and private service-providers that have responsibility for providing water, sanitation, drainage, health care, schools, electricity, law and order, etc. to extend and improve provision for low-income groups and in low-income settlements, as well as more flexibility in developing locally-appropriate models and more scope for urban poor organizations to influence what they do, including, where appropriate, working in partnership with them.





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