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Urban public housing
strategies in developing
countries: whence and
whither paradigms,
policies, programmes and
projects

Patrick Wakely

DPU60 Reflections working paper series

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Caren Levy and Barbara Lipietz
London, June 2014

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Urban public housing strategies in developing countries: whence and whither paradigms, policies, programmes and projects

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Abstract

Universally, the production, maintenance and management of housing have been, and continue to be, market-based activities. Nevertheless, since the mid-twentieth century virtually all governments, socialist and liberal alike, have perceived the need to intervene in urban housing markets in support of low-income households who are denied access to the established (private sector) housing market by their lack of financial resources.

This paper examines the range of strategic policy alternatives, employed by state housing agencies to this end. They range from public sector entry into the urban housing market through the direct construction of ('conventional') 'public housing' that is let or transferred

to low-income beneficiaries at sub-market rates, to the provision of financial supports (subsidies) and other non-financial incentives to private sector producers and consumers of urban housing, and to the administration of ('non-conventional') programmes of social, technical and legislative supports that enable the production, maintenance and management of socially acceptable housing at prices and costs that are affordable to low-income urban households and communities. It concludes with a brief review of the direction that public housing policies have been taking at the start of the twenty first century and reflects on "where next", making a distinction between 'public housing' and 'social housing' strategies.

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1. Introduction

It is only over the last six decades that governments have assumed any responsibility for the production of housing for their citizens. Prior to the mid twentieth century –the 1950s–, government housing production was confined to the provision of accommodation for military and some public sector civic employees, for the periods during which they were in government service in a particular locality.

Housing production was clearly seen as an engineering function and so, for civil staff, public housing production was the responsibility, and a minor activity of departments or ministries of public works. Its management was confined to routine maintenance and the administration of allocation procedures. Governments' intervention in the housing provision of the vast majority of citizens was confined to attempts to control private sector initiative in the interests of public health, safety and amenity by imposing standards that many low-income households could not afford to meet, and many city governments could not enforce.

In addition, in several countries, attempts were made to increase the supply of housing affordable to lower income groups and limit the extent of exploitation by private sector landlords; governments imposed rent controls on urban property. However in many cases, rent controls rendered the supply and maintenance of urban housing commercially uneconomic, leading to its abandonment and/or deterioration. In some countries, notably in South Asia, governments attempted to im-

pose a limit on the number of urban properties that any landlord was allowed to own¹.

As a consequence of increasing urban homelessness and the growth of slums, from the 1950s governments, throughout the world, started to intervene more directly in the procurement of urban housing by establishing housing authorities, departments or ministries or extending the mandates of ministries of works to embrace the formulation and implementation of new policies and strategies for the production of dwellings.

Over time the political and operational bases for public housing developed and took on wider objectives than simply the production of residential accommodation. Thus, the second half of the twentieth century was characterised by the design, development, testing and institutionalising of alternative strategies for public sector engagement and, in some cases, control of the production, maintenance and management of urban housing; explicitly engaging wider issues of social development of which the construction of dwellings and management of environmental infrastructure was but a component.

These approaches are reviewed in the subsequent sections of this paper, concluding with a brief analysis of the 'state of play' at the beginning of the twenty first century, which is marked by a fundamental reversal in the apparently coherent progression of policies and strategies, and some indications of the way ahead.

NOTES TO CHAPTER 1

1. Ceiling on urban property legislation in India and Sri Lanka was a measure to curtail extortionate profiteering, rather than influence the supply of urban housing on which it tended to have a negative impact.

2. Informal housing procurement processes

Before launching on an examination of alternative approaches to state interventions in urban housing markets on behalf of the lowest income groups, it is useful to briefly review the strategic mechanisms by which low-income urban households and communities house themselves informally using their own resources. Broadly, there are two basic approaches: Informal development of vacant land -

- The appropriation and/or illegal sub-division of undeveloped land followed by the construction of affordable shelter and installation of basic infrastructure, all with no explicit official approval governing standards of health, safety or amenity or the form and formation of the urban fabric of the neighbourhood being created or those of the city at large;
- The unauthorised occupation (squatting) of vacant or under-used central area urban properties (disused buildings or undeveloped land) that are apportioned (rented, sold or gifted) to households, typically leading to severe over-crowding, low levels of environmental health and, often, dangerous physical conditions

2.1 The informal sub-division, sale, and development of vacant land

This generally occurs on the peri-urban fringes of cities and varies widely with the topographical, economic and political characteristics of different geographies and societies. A universally common occurrence is the unauthorised subdivision and sale of peri-urban agricultural land by its owners, who recognise that higher financial returns can be made by selling small plots for development, even at prices that are affordable to low-income households, than from agricultural production (or quarrying, etc).

Land made available for housing in this way is affordable to the lowest income groups, by the 'risk-cost imposed by its' illegality'. Even though the purchasers have paid for it in 'good faith' and often have officially endorsed legal receipts to prove transaction, its sub-division into housing plots and building on it are officially considered illegal for one, or several of a variety of reasons, such as: 1) the transfer of ownership has not been legally registered; 2) its development for housing is in contravention of official masterplan land use zoning; 3) plot sizes and build-

ing construction are not in accordance with planning and building regulations; any of which may carry the threat of official confiscation of land and/or demolition of buildings.

A large part of the extraordinary growth of Bogotá, Colombia in the 1950s and '60s was due to the proliferation of 'Barrios Piratas' as farmers sub-divided and sold their land on the city's fringes (Vernez & Valenzuela 1974). Similar processes have been common in cities of the Middle East and North Africa, particularly at times of extensive rural-urban migration and periods of drought that has reduced agricultural productivity and, therefore, the value of agricultural land and threatened the livelihoods of those employed in agriculture, forcing them to seek alternatives in urban job markets (Wakely & Abdul-Wahab 2010).

2.2 Land invasions and squatting

This process, in which land is occupied and developed unilaterally without any form of negotiation, agreement or payment between the landowners and informal 'settler/developers', takes one of two forms: 1) The mass invasion of relatively large parcels of urban land by organised groups of households under common leadership, sometimes controlled and supported by formal political organisations that also provide technical and managerial expertise to the settlement process. This was common in Latin American cities in the 1950s and '60s; and 2) by accretion or the gradual take-over of land, plot-by-plot, by individual households, in some cities, gradually building up sizable squatter settlements

These processes may take place on peri-urban vacant land or on inner-city empty plots or on undeveloped land destined for public or private use or that has not been built upon because it is geologically unstable, such as steep slopes or land that is liable to inundation, or that is being retained as open space for a particular functional reason, such as railway or canal bank reservations. Clearly informal settlements on such sites can be subject to considerable danger to their occupants (Hardoy & Satterthwaite 1989).

The types of informal settlements discussed above tend to be on the fringes of towns and cities, where relatively large parcels of undeveloped land are available. Many

low-income households, however, cannot afford to be located at distances far from centres of casual employment or outlets for low-skilled enterprise and are therefore dependent on securing affordable accommodation in city-centre locations, such as are provided by abandoned buildings or squatting on road reservations, street side-walks and pavements.

In many cities, the demand, very often by the poorest of the urban poor, for city centre accommodation, has led to an often iniquitous informal market in high density (and usually high-rise) shelter provision. In towns and cities that have a sizable stock of abandoned or under-used buildings, that are unofficially let by their owners or squatted by informal real estate entrepreneurs who rent or sell rooms to poor households is particularly common in the older cities of South Asia and the Middle East and North Africa.

This has also led to the informal/illegal construction of multi-story blocks of small apartments and single rooms, often of dangerously low standards of construction that are rented to poor households, often built on the sites of demolished low-density, former upper-income group residential properties or land that has not been developed because it is geologically unstable (Wakely & Abdul-Wahab 2010; Simms 2010)

2.3 Incremental development of informal settlements

An important characteristic of both these informal development processes is the incremental nature of house building, infrastructure installation and provision of urban services. Householders construct, extend and improve their dwellings when these become high priorities for the investment of their resources and energy and when disposable resources become available to them. This incremental process may take several years to accomplish during which many informal settlements remain in a 'half-developed' state that typically is aesthetically offensive to much of the formal establishment that tends to refer to them as slums and vest them with frequently unjustifiable pejorative physical and social characteristics

The incremental housing process does not only have financial benefits that enable low-income households to access affordable housing when and where they need it². It is also important in building social capital (community cohesion and local governance and management capacities in otherwise socially disparate new urban communities) through the incremental development of locally controlled and managed neighbourhood infrastructure, services and amenities as well as the construction and improvement of individual dwellings

2.4 SWOT Analysis of costs and benefits of informal urban housing processes

Table 2.1: SWOT Analysis of costs and benefits of informal urban housing processes

Costs and Benefits	Strengths	Weaknesses	Opportunities	Threats
for Occupant Households and Communities	Affordable, socially acceptable Housing in Sufficient quantities in acceptable locations	No secure title and threat of eviction, causing reluctance to improve properties and neighbourhoods	Formal recognition on terms that allow security of title and the impetus to invest in housing and neighbourhood development	Inappropriate government policies that remove market advantages of informality, forcing low-income households into higher densities (overcrowding) and/or untenable locations
for City Government and Administration	Low-income group housing and neighbourhoods developed at negligible capital cost to government;	Non-compliance with planning (zoning) and building standards, occasionally leading to threats to public health and safety; high infrastructure maintenance costs	An experienced proactive resource for the management of low-income group housing procurement throughout the city; contributor to municipal revenue	Organised crime will take a stronger hold on informal markets preventing progressive initiatives to regularise them, leading to their increase
for City Society and Economy	Accommodation for the city's labour force, and for down-stream production that feeds formal industry and commerce, at no cost to government.	Perceptions of social and environmental degradation; fear of social instability.	The valorisation of property and the development of stable lower middle-income neighbourhoods and enterprises; contributions to municipal revenue.	Lack of appropriate policies will lead to the creation of slums, the deterioration of health and education and lowering of productivity and social unrest.

Inevitably, there is a danger of over-simplification and stereotyping in attempting to summarise the perceived attributes of informal housing processes globally in a single SWOT-table such as this. Nevertheless, it can be observed with some confidence that the preponderance of government and city administrations tend to give greater credence to the, often erroneous, perceptions

of the 'weaknesses' and 'threats' of urban informal settlements than to their 'strengths' and possible 'opportunities', despite the fact that numerically they constitute well over half the housing stock of many cities in developing countries and increase at rates that respond to demand in a way that formal housing production is typically unable to achieve.

NOTES TO CHAPTER 2

2. Incremental procurement of urban housing is not confined to low-income households. Almost all permanent and serviced housing is procured as an incremental process that takes place over relatively long periods of time. Only a minute segment of any society -the very wealthy- has the resources to purchase outright or construct their dwellings as a one-off event. Upper and middle-income households with regular incomes and collateral guarantees have access to long-term credit –housing

loans and mortgages- that may take between 15 and 30 years of incremental repayments to redeem. Households with low or irregular incomes and no access to formally recognised collateral, construct minimal basic dwellings at very low cost, which they extend and improve as more resources become available and as the need for bigger or better structures becomes a priority. This process of extension and modification can take decades, or may be never ending (Wakely & Riley 2011).

3. Construction of ‘conventional’ public housing - the public works tradition

The two decades 1950-1970 saw the political independence of many former European colonies in Asia, Africa and the Caribbean and a new economic independence, emerging from the significant industrialisation of many Latin American countries that occasioned

dramatic rates of urbanisation. At the same time, the 1951 and ‘61 rounds of national censuses revealed the extent to which informal settlements had consequently grown in and around towns and cities throughout the developing world.

Table 3.1: Table paradigm+policy+programmes+projects, 1950-1970

Paradigm	To enable all lower income-households to access appropriately located housing and domestic services of officially acceptable standards of space and construction and to ensure the appropriate use of urban land and the aesthetic quality of the urban environment, government must enter the housing market by constructing, maintaining and managing housing of an acceptable quality with security of tenure at affordable (subsidised) prices and costs, for the exclusive use of low-income households.
Policy	To establish and legislate on politically acceptable levels of subsidy to be devoted to urban housing; to formulate processes and procedures for the design, financing/budgeting, construction and allocation of social housing and the establishment and maintenance of public housing authorities (Ministry, Department, Quasi-governmental Organisation - Quango) responsible for the design, construction, allocation and management of public social housing. In many countries, housing as been perceived as principally the construction of buildings and infrastructure engineering, consequently many public housing agencies and authorities have grown out of, or been attached to Ministries or Departments of Public Works, generally at national government level, rather than at the level of municipal or local government.
Programmes	To identify ‘housing deficits’ (ratio of supply : demand) and compute needs for subsidised public housing and domestic services, by house-type and cost, in specific locations and over defined periods of time, and the resources required to meet them. Public housing construction programmes have often been linked to slum clearance programmes in order to re-house those made homeless as a result of the demolition of illegal informal settlements and/or overcrowded, unhealthy and dangerous central city slums.
Projects	To deign and build public housing on specific sites to satisfy programme requirements (cost limits, statutory standards of space, construction and servicing, etc) and topographic/urban characteristics of the project sites and, if relevant, those (cultural demands) that pertain to the particular target occupant groups. Many public social housing projects have been the construction of large apartment blocks; others have entailed the design and construction of relatively low-density housing estates of small individual housing units set in the (usually peri-urban) landscape.

The first post-colonial governments of newly independent Asian Countries, anxious to be perceived as 'progressive' and 'modern' by their electorate and internationally set in train programmes for the, clearance of 'unsightly and unhealthy urban slums' that tended to include all urban informal settlements and the construction of impressive 'modern' apartment blocks and housing estates resembling those of the recent post-war reconstruction of European cities, employing all the tenets of the then fashionable functionalism of the Modern Movement in architecture that offered a good vehicle for such gestures (Wakely 1988).

Many Latin American countries also launched their first public housing policies and set up public housing authorities in the same period. African governments started to intervene in urban housing markets soon after their political independence from colonialism in the late 1950s and 1960s, though generally not on the same ambitious scale as their Asian and Latin American counterparts. For instance, the first independent Government of Kenya created a national Ministry of Lands and Settlement though the procurement of subsidised urban housing was made the

responsibility of municipal government in the major cities. Similarly in Nigeria the clearance of slums and delivery of public housing was the responsibility of local government or local-level parastatal development authorities, such as the famous and ambitious Lagos Executive Development Board.

Such was the strain on national and municipal financial and managerial resources that few public housing programmes were able to meet their ambitious construction targets. In many countries, other sectors of the economy, such as import-substitution industrial development and national distribution networks, became higher political priorities for the investment of public resources in construction than urban low-income group housing. In addition, the managerial and financial cost of maintaining the stock of urban social housing, most of which was rented, rather than sold, to its low-income beneficiaries, became apparent and politically difficult to maintain. As a result, in many cities the relatively new public housing began to deteriorate rapidly with no way by which its cost could be recovered, thereby adding to political embarrassment³

NOTES TO CHAPTER 3

3. In the early 1970s the Tamil Nadu Slum Clearance Board in South India built blocks of small apartments to re-house families who had been displaced by slum clearance programmes in Chennai (Madras) that, before the end of the decade, the Board itself declared as 'slums' as a result of its own inability to maintain them, and demolished them.'

4. Support & non-conventional housing strategies

The Apparent inability of public housing agencies to meet targets for the construction of subsidised 'conventional' public housing and to maintain them in use was to search for ways to reduce construction costs and to off-load responsibility for the maintenance and management of public housing and latterly to link access to housing more directly with wider social policies for urban poverty reduction and the alleviation of its social impact. This and the extent of the proliferation of informal settlements, revealed by the 1971 round of national population censuses, in virtually all cities of the developing world.

The efficacy and productivity of informal housing processes of the urban poor: an existing resource that might be exploited to advantage by government housing authorities, was brought to the attention of governments and the international aid donor community, notably the World Bank, United Nations Development Programme (UNDP), the Regional Development Banks and European and North American bilateral aid agencies, in a paper by John F.C. Turner and Rolf Goetze that was delivered to a conference on Development Policies and Planning in Relation to Urbanisation at the University of Pittsburgh in 1966 and

Table 4.1: Table paradigm+policy+programmes+projects, 1970-1990

Paradigm	Subsidiarity: recognition of the need to distinguish between the roles of different 'actors' (decision-makers and implementers) in each of the different fields and levels of the production, maintenance and management of urban housing to achieve optimal economic efficiency and efficacy and to devolve responsibilities to them, or to contract their services. Simplistically, government housing authorities should confine their inputs to the acquisition of land to be transferred to its ultimate occupants/users and the installation of infrastructure and provision of urban services and amenities and the to provision of technical, managerial and financial supports to households, who should be responsible for the superstructure of their dwellings (Turner 1976)..
Policy	To establish or reinforce the capacity of urban development agencies and housing authorities to provide or acquire appropriately priced land for low-income housing, install basic infrastructure (water, power, recreation facilities, service buildings, etc) and administer technical and managerial supports to household-builders and community-based organisations (CBOs) and their hired (small/artisan) contractors. Policies generally embraced two components: 1) the improvement or upgrading of existing sub-standard and informal settlements; and 2) the development of new low-income neighbourhoods, generally through the provision of serviced land at affordable (subsidised) costs and technical, managerial and (limited) financial supports to individual households and CBOs.
Programmes	To establish the scale of provision of supports required for 'non-conventional' housing projects over time and the resources needed to implement them including those of potential private sector and NGO and CBO collaborating partners..
Projects	To identify, select and prepare low-income communities and households for participation or partnership in the implementation of a 'non-conventional' housing development. For many housing authorities, for the first time community development professionals and social workers held key positions in the implementation of public housing projects, alongside engineers and architects..

published by the United Nations in 1967(Turner 1968), and expanded upon later in Turner’s book ‘Housing by People’ (Turner 1976).

Thus, in the early 1970s a ‘non-conventional’ social housing paradigm that engaged the beneficiary occupants in the construction, maintenance and management of public housing, often referred to as ‘self-help’ was introduced in the housing policies of many countries, alongside the construction of ‘conventional’ public housing that was rarely, if ever, abandoned altogether by developing country governments or municipalities.

This change in paradigm and policies coincided with the proliferation of urban non-governmental organisations (NGOs) and international non-governmental development organisations (NGDOs), mostly with their origins and bases in the developed countries of Europe and North America, with institutional interests in urban housing and

other aspects of urban poverty reduction and alleviation in developing countries

The two decades 1970-90 saw a progression of development of ‘non-conventional’ urban housing strategies into clearly identifiable sub-strategies, programmes and projects. Each of these is outlined in the following sections:

4.1 Organised (aided) self-help

Organised Self-help, often referred to as Aided Self-help, urban housing programmes and projects were initially promoted in Latin America and, to a lesser extent in several Asian countries, by the United States ‘Alliance for Progress’ programme, administered by the then new US Agency for International Development (USAID) by the Kennedy administration in the early 1960s.

Table 4.2: Table paradigm+policy+programmes+projects, organised (aided) self-help

Paradigm	To reduce the capital cost of public housing and generate a ‘sense of identity/ownership’ in it by the beneficiaries by engaging their participation in its construction.
Policy	To enter into agreements between government housing authorities and beneficiary households, in which the households provide construction labour in exchange for a computed value of housing to which they would receive secure title on completion of its construction.
Programmes	As for ‘non-conventional’ housing programmes, above, but generally designed in response to the need to develop land zoned for ‘housing’ in a city masterplan than to meet the needs of any imputed housing demand.
Projects	As for ‘non-conventional housing projects, above. Site selection and planning and house design all undertaken centrally by housing authorities, with little or no consultation or other participation by the project beneficiaries.

As with other forms of ‘non-conventional’, participatory urban housing projects, a major objective of Organised Self-help was to reduce the cost of construction, in this case, by engaging the future occupants in the construction process as un-paid labour, often referred to at the time as ‘sweat-equity’ and to develop senses of ‘community’, ‘identity’, ‘ownership’ and ‘pride’ in the new residential neighbourhood that they were about to construct, in the expectation that these would lead to good local management of community assets (local public infrastructure and services) in use, after occupation of the housing.

Project beneficiaries who were selected on the basis of their level of income and/or other indicators of poverty and housing need, were compulsorily organised into ‘work groups’ that committed them to an ‘agreed’ input of labour over the construction period of the project. (In

many projects, to ensure ‘equity-of-effort’ housing authority project managers went to some lengths to ensure that individuals would not be assigned to work on the houses that they would eventually be allocated and occupy).

The Organised Self-help movement was short lived as it failed to satisfy its basic objectives. Projects were centrally planned and managed entirely by the government housing authorities; in effect they only differed from ‘conventional’, contractor-built public housing by the use of unpaid, theoretically voluntary, labour, which fuelled severe criticism by the programme’s detractors.

Construction costs were rarely, if ever, lower than the direct construction of ‘conventional’ housing projects as the savings gained by not having to pay the labour, provided by project beneficiaries, who generally had no experience in even the most menial of building site tasks,

significantly increased the cost of site supervision, rather than reduce it. Also the quality of the end product was invariably lower than that of 'conventional' public housing that was contractor-built by direct labour.

There is no evidence that the organised collective building activity ever led to better community relations than in any new neighbourhood composed of disparate urban, or migrant, households. Indeed, anecdotal accounts of disputes between neighbours over inequalities in the extent of labour inputs, etc, on occasions leading to serious social divisions and conflict, abound.

The micro-management of Organised Self-help projects was complicated and cumbersome, which impacted on the macro-management of government and municipal

public housing authorities and agencies. So the Organised Self-help approach was soon abandoned. Nevertheless, there are some successful examples, such as Ciudad Kennedy in Bogotá, Colombia that, 40 years after its construction by organised self-help is a thriving low-middle-income community and neighbourhood of high environmental quality.

4.2 Enabling supports - sites & services and informal settlement ('slum') upgrading

The paper, by John F.C. Turner assisted by Rolph Goertze, published by the United Nations, referred to above (Turn-

Table 4.3: Table paradigm+policy+programmes+projects, enabling supports - sites & services and informal settlement ('slum') upgrading

Paradigm	As for Support to Non-conventional housing as a whole, above. In the 1990s the Sites & Service and slum upgrading paradigm took on the title 'Incremental Housing' and shifted from its early emphasis on the construction and servicing of affordable housing to one of secure good quality housing being but one component of wider strategies to support urban poverty reduction or the alleviation of the impacts of poverty and social development processes, including participation in the promotion and practice of good urban governance and administration.
Policy	A shift of focus in the establishment and staffing of public housing agencies to include a strong 'community development capacity' and to re-equip engineers, architects and construction project managers with advisory and instructor skills in order to enable them be able to advise non-technician community leaders and householders on how to plan and build economically and efficiently, or how to instruct and supervise small (artisan) builders.
Programmes	To establish the scale of provision of supports required for 'non-conventional' housing projects over time and the resources needed to implement them including those of potential private sector and NGO and CBO collaborating partners..
Projects	<p>In basic <i>Sites and Services projects</i>, government housing agencies acquire land, develop it with basic infrastructure (water, sanitation, drainage, electricity, access ways and open recreation space), subdivide it into residential plots with land reservation for public service buildings (education, health, amenities, etc) and allocate plots, with secure tenure, to project beneficiaries on affordable financial terms, who then construct the superstructure of their dwellings and other buildings, within the framework of any statutory or project-based conditions that may be officially required. There are many interpretations of 'sites and services', ranging from sites consisting of four pegs on the ground, demarcating the corners of each plot and services being access to public water taps and pit latrines shared by as many as 30 households (150 people), un-surfaced access roads with minimal street lighting to substantial government-constructed 'starter-homes, each consisting of a wet-service core (kitchen and bath room), on-plot water-born sanitation and one or two living rooms that beneficiary households can extend.</p> <p>In basic <i>Neighbourhood Upgrading projects</i>, government housing agencies redevelop local, off-plot infrastructure and service provision to socially acceptable standards. Technical, financial and legal (security of tenure) supports may also be provided to individual householders for the upgrading of their dwellings. As with S&S projects, there is a wide range of standards and quality of infrastructure that is provided.</p>

er 1968), persuasively argued that informal settlements “solve more problems [of housing low-income families and communities] than they create”. So, the paradigm shifted to one in which public sector housing authorities and agencies explicitly provided technical, managerial and some financial support to low-income households and communities to house themselves – i.e. emulating the informal housing processes, outlined in Section 2 above, though improving the quality, safety and amenity of the product, which, unlike informal settlements, were legally recognised as formal urban neighbourhoods (Wakely 1986).

As indicated above, by the end of the Twentieth Century, for sites and services and neighbourhood upgrading had taken on a wider role in urban development strategies than just the provision of access to affordable housing. At least in theory, they became treated as significant components of urban social development and poverty alleviation and reduction. Though few national Poverty Reduction Strategies made clear distinctions between urban poverty and rural or ‘general’ poverty, the participatory processes of initiating and implementing urban sites & services and slum upgrading programmes and projects took on greater importance than the resulting housing products and were seen as fundamental to good urban governance and administration, fostering transparency and accountability in urban political decision-making and administrative practices.

Nevertheless by the late 1990s, sites and services projects had been declared “unsuccessful” and were virtually abandoned by governments and international aid agencies, alike. To a large extent this was due to their being ‘evaluated’ too soon (often only 2-3 years after occupation) against criteria used to evaluate ‘conventional’ contractor-built projects with little understanding of the incremental development processes or the time that it takes for low-income households and communities to build their dwellings and develop their neighbourhoods. Re-visiting sites and services projects 20-30 years after their occupation, however, generally provides a very different picture – often one of thriving urban communities and neighbourhoods, not of half-built, self-help settlements that they would have been a few years after the start of their initial construction stage (Wakely & Riley, 2011).

4.3 Limits of the ‘self-help’ & participation paradigm

Of course, not all sites and services projects ultimately led to success. Many mistakes were made, common amongst which was a lack of understanding of the importance of location. In their drive to reduce capital costs, many housing authorities acquired cheap undeveloped land on the city fringes at long distances from trunk infrastructure networks, transport routes and other services.

Thus the level of infrastructure provision, notably water supply, was invariably costly and frequently inadequate. In addition, beneficiary households were far removed from their city-based social networks and from potential centres of urban employment and markets. So, the initial take-up of many such projects was low and they remained under-developed (Wakely & Riley 2011, pp.29-31).

Another frequent mistake was the imposition of unaffordably high planning and construction standards. Fearful of accusations of officially condoning or supporting the development of ‘new slums’, many housing authorities imposed conditions on builder-households that dictated space standards, the use of stipulated (permanent) building materials and time limits for the completion of construction, many of which many low-income householders could not afford or meet, further jeopardising the take-up of sites and services projects. Financial conditions for the recovery of the capital cost of land and infrastructure were often based on erroneous understandings of affordability and poor urban households’ ability/willingness to pay for them⁴.

Such project-level problems compounded a more universal misunderstanding that in part led to the discrediting and eventual abandonment of participatory ‘non-conventional’ approaches to support incremental ‘self-help’ housing production in many cities. This was the process by which they were evaluated - too soon, using the wrong criteria. Many projects were evaluated only two or three years after the initial construction stages, using criteria based on those used to evaluate only the quality of the product, ignoring the length of time (15-20 years) that it takes most households and communities to develop their dwellings and neighbourhoods. Such evaluations tended to use the criteria/indicators that were generally employed to assess ‘conventional’ building projects – quality of construction and building materials. Almost invariably, in the first months and years after occupation, sites and services projects, have the appearance and character of illegal informal settlements under construction. Their occupants are living and working in temporary shelters, often put together with second-hand and impermanent building materials and components, while their permanent structures are being built around them.

Typically government supported housing programmes and projects were stubbornly regarded solely as construction activities and assessed by the quality (and capital cost) of the end product. The impact of the process by which the housing product was procured was rarely considered amongst the objectives of such programmes and projects. In reaction to this, in 1972 John F.C. Turner coined the conceptual phrase “housing as a verb – what housing does for people, rather than merely what it is” (Turner, 1972, (pp148-175)) to emphasise the importance of user participation in the processes of the production,

maintenance and management of housing to almost all aspects of urban social and economic development, as well as the quality and efficacy of the housing stock produced (Wakely & Riley 2011).

In addition to, and related to, the perceived problems with the 'products' of 'non-conventional' housing programmes and projects, they were generally judged as "messy" and difficult to administer. For example, a World Bank review of its lending for urban projects in the mid 1970s recorded that shelter projects (largely sites and services and some informal settlement upgrading) tended to take almost twice as long to disburse funds as other urban projects, such as urban transport, telecommunications and water supply⁵. It made a strong point of the political and managerial difficulties of assembling land and securing the recovery of the costs of non-conventional 'self-help' housing programmes and projects (Cohen 1983).

In the early 1990s, the World Bank, and many other multilateral and bi-lateral aid agencies began to withdraw much of their support for 'non-conventional' housing strategies, particularly sites and services projects, shifting support to the 'structural adjustment' of the management of national and metropolitan housing and urban policies as a whole, with some emphasis on easing private sector investment in housing and real estate development, financing and management (World Bank 1993), ultimately leading to renewed investment in 'conventional' contractor-built public housing and providing incentives to private sector developers, encouraging them to invest in new low-cost housing, accessible to the lower urban income groups at affordable prices. Government grants or guarantees were given to commercial banks and finance institutions to encourage them to provide mortgages to low-income borrowers at what was perceived to be higher levels of risk than was customary.

Participatory approaches to the upgrading of existing sub-standard housing and neighbourhoods (slums) did continue to be promoted and supported by international aid agencies and national governments in many countries, often as components of wider poverty alleviation and reduction programmes but these did little to expand the urban housing stock or meet the growing demand for new affordable housing in urban areas, though, in many

countries, it did re-awaken the understanding of the social processes and values of urban housing production, maintenance and management and of its role as a vehicle for the development of community organisation and participatory local governance and administration, thus shifting the emphasis of public sector support to low-income housing into the field of social development, whilst still embracing the importance of technical innovation and physical place making.

As described above, an important conceptual underpinning of the 'non-conventional' housing paradigm is the freehold ownership of land and housing by owner-occupiers. Yet, as Alan Gilbert points out: "One in three urban dwellers across the globe (one billion people) are tenants and in major cities [rental housing] often accommodates a majority of all households" (Gilbert, 2008). Whilst the importance of outright freehold ownership of property as a stimulant to investment in its maintenance and development, is recognised, a large proportion of the lowest urban income groups in any society or culture are unable or unwilling to take on the responsibility and imputed costs of the ownership of urban property, but are willing and able to meet the recurrent costs of renting accommodation. Though much of the earlier 'conventional' public housing built by governments was let on a rental basis to its beneficiary occupants, in many countries, housing authorities, unable to meet the landlord costs of managing and maintaining rental housing for low-income tenants, sold their stock by outright purchase or entered into hire-purchase arrangements with beneficiary households (Gilbert 2008) and/or launched into 'non-conventional' approaches to housing for urban low-income groups, leaving the production, maintenance and management of rental accommodation to the private sector. However, renting to the lowest urban income groups is rarely financially attractive to formal sector developers and landlords and has often led to widespread exploitation, thereby giving 'landlordism' and the whole low-income rental housing business a bad name, leaving it to the informal sector, where the renting of accommodation, not only fulfils a market demand for affordable housing, but also typically provides an important source of income to a new category of 'subsistence landlords', who are often in the same low income group, or poorer, than their tenants (Kumar, 2001).

NOTES TO CHAPTER 4

4. For instance, several World Bank financed sites and services programmes and projects used social survey data from existing low-income (informal) settlements to establish households' ability to pay for housing (e.g. 25 percent of income), which was used to compute the repayment rate for the recovery of the capital costs of land and infrastructure, ignoring the additional cost incurred by constructing habitable dwellings.

This led to severe financial hardship and/or the lack of take-up, or abandonment of the housing.

5. The 1981 World Bank Projects Review of Disbursements ranked Urban projects, as whole, sixth in terms of speed of disbursement, in the range of nine project types that were reviewed, including Agriculture, Forestry, Education, Water supply, etc. (Cohen, 1983)

5. The return to a new generation of ‘conventional’ housing strategies & incentives to private sector housing markets

The last decades of the Twentieth Century saw a distinctive change in paradigm, away from ‘non-conventional’ participatory approaches to low-income housing production and the re-emergence of government-sponsored and/or government-built public housing for urban low-income groups. As pointed out above, in the 19870s-‘80s, when the ‘non-conventional’ paradigm (sites and services and slum upgrading) was adopted as the preferred policy option for urban low-income housing procurement, many government housing authorities continued, to undertake or sub-contract the construction of ‘conventional’ ready-built public housing for rent and/or sale at subsidised rates to low-income households, in many instances only on a relatively small scale.

In other cases, the construction of ‘conventional’ public housing continued to be the official strategic policy, ‘non-conventional’ sites and services projects and slum upgrading programmes being treated as ‘one-off’, extra-ordinary, interventions. Therefore, the mind-set and operational systems were largely in place to revert to ‘conventional’ public housing production in the 1980s and ‘90s. This was frequently accompanied by new programmes for the disbursement of housing grants directly to low-income would-be homeowners in order to assist them in gaining access to the formal private sector housing market.

For instance, the South African ‘Finance Linked Individual Subsidy Programme’ (FLISP), launched in 1997 as part of the national government’s ‘Integrated Residential Development Programme (IRDP)’ made lump-sum grants of US\$5,000 (R54,238) available to low-income⁶ first-time-buyer-or-builder-households, who were eligible for a commercial mortgage or housing loan (by a bank), but could not afford it or were unable to obtain recognised collateral or guarantees, to buy or build a house in a development that was officially recognised as coming under the IRDP. In 2012 the upper limit of the eligible income category for FLISP subsidies was doubled and, as stated in a memo from the Director General of the national Department of Human Settlements (Housing Ministry):

“[In order to] standardise, streamline, align and centralise all the processes...of disbursing the subsidies, [the National Housing Finance Corporation and Provincial Departments

of Human Settlements are mandated] to introduce a ‘one-stop shop’ to work with [private sector] financial institutions and property developers to administer the implementation of the programme”. (RSA 2012)

In effect, the government subsidy was redirected from the low-income groups to low-middle income earners and then switched from individual householders –the aspiring consumers of housing, to the (profit-motivated) producers of housing –real estate developers and bankers.

Processes, such as this illustrative example of South Africa, by which state support was transferred from aspiring low-income home-owners to the formal institutions that control and maintain the private sector market in housing as a commodity, enabling them to reach down to lower, but not the very lowest, income groups, took place in many countries⁷ during the late 1980s and 1990s, in which the new generation of ‘conventional’ housing strategies, are dominated by the profit motives of private capital that excludes the lowest urban income groups and has little concern for the social impact of appropriate urban housing on its users, or for the form or amenity provided by urban agglomerations at large.

Studies of private sector ‘conventional’, developer-built, low-middle-income housing projects in Brazil and Mexico in the early years of the twenty first century demonstrate further problems created by the ‘new’ housing at the level of urban form and infrastructure provision and service delivery. In urban Mexico, the response to market demand for freehold ownership of individual houses, albeit on small plots of land, as opposed to apartments in larger blocks and at higher residential densities, has been the construction by private sector developers of extensive low-density housing estates on the peri-urban fringes of many towns and cities and in some cases several kilometres from the urban area (urban sprawl) (Solana Oses 2013).

Similar urban problems occur in Brazil, where a study of the impact of the new generation of ‘conventional’ private housing development in the city of Recife, encouraged and supported by the Federal Government ‘Minha Casa, Minha Vida’ (My house, My Life) programme to construct 1 million

dwellings, has revealed that the drive for profit-maximising has led to under investment in urban infrastructure and service provision in new municipally-approved low-middle-income housing developments by private sector developers and contractors (Fiori, et al, 2014).

The new generation of 'Conventional' housing strategies, as considered here, represents a significant shift in priorities for government support to the housing sector, giving

greater emphasis to the upper end of the low-income scale, rather than to the poorest urban households or those in greatest need. They are more concerned with the impact of housing markets and the construction industry on growth in national and municipal economies than with the social role of secure housing in the alleviation and reduction of poverty, though, of course, these can have a significant impact on productivity, economic stability and growth (Tibajuka 2009).

NOTES TO CHAPTER 5

6. in the income category US\$320-645 of (R3,500-7,000) per month, raised in 2012 to \$320-1,385 (R3,500-15,000) per month(RSA 2012).

7. For example, Mexico, Chile, Brazil and Sri Lanka, all of which had major 'non-conventional housing policies and programmes with strong social objectives in the 1970s and '80s.

6. Where next

Clearly the way forward lies neither exclusively in the construction of 'conventional' public housing nor only in government support to 'non-conventional' 'self-help' approaches to the delivery and maintenance of housing and urban domestic infrastructure and services by low income households and communities, nor does it lie solely in "enabling [private sector housing] markets to work", as expounded by the World Bank 1993 Housing Policy paper of that title (World Bank 1993).

In any developing city the need for official support to the production, maintenance and management of appropriate housing and community facilities, as a component of democratic urban development that is fundamentally redistributive and/or committed to urban poverty alleviation or reduction is so complex that no single strategic approach to housing production can possibly suffice equitably and effectively (Marcuse 1992).

Thus, the next generation of urban housing policies, and strategies for their implementation, must embrace a range of different programme and project approaches that include support to 'non-conventional' incremental social housing as set out by the World Bank-UN-Habitat joint Cities Alliance in 2011⁸ (Wakely & Riley 2011), and to the production of good quality public housing that includes socially controlled rental accommodation that is affordable to those households in the lowest income groups who are unable/unwilling to invest in fixed-capital assets - urban property⁹.

Such a holistic approach to supporting urban low-income housing that is sensitive and responsive to the particular social, economic and political circumstances of any urban area, neighbourhood or community must be administered at a level of government no higher than that of the municipality. However, as pointed out in the previous sections of this paper, in many countries housing policies and operational strategies for their implementation are administered by national-level authorities that rarely entertain the devolution of any real authority or decision-making down to the level of local government and municipal administration, and virtually never to levels of local organisation below

that (i.e. assigning real governance or administrative roles or responsibility to community-based organisations or other NGOs).

Thus, in many countries, the principle of subsidiarity¹⁰ and the devolution of authority in the housing sector is an essential starting point. However, as Fiori and Ramirez point out in their excellent analysis of the political economy of urban housing policies (1992), 'municipalisation' and the co-existence, not to mention the integration, of alternative policy approaches, pose some fundamental political/ideological contradictions. They also invariably call for radical changes in the management of urban development and the administration of urban infrastructure and service delivery that in many towns and cities require complex and often contentious processes to ensure inter-agency co-operation and collaboration.

To assist and enhance this, it is conceptually helpful to disentangle the production of dwelling units (e.g. the 'numbers game') from the contribution of good, safe and secure housing and domestic infrastructure to the wider social processes of equitable urban development, notably the reduction of urban poverty and the alleviation of its social impacts. Clearly, to be effective municipal housing policies and programmes must address both these issues simultaneously, also taking into account the enhancement of the urban structure (form) of the city to ensure coherence between different areas of the city and the functions and amenities that they provide for the city as a whole – integrated and sustainable urban development.

Housing for low-income families is a major component of all towns and cities in Asia, Africa, Latin America and the Caribbean, typically covering 60-80 percent of the developed land area of towns and cities and accounting for 50-70 percent of the value of the fixed capital formation of urban areas of which they are an integral part (UN-Habitat 2003). Thus, low-income group housing policies and implementation strategies cannot be divorced from policies and strategies for the development, planning and management of towns and cities as a whole, as they have been, and still are, in many countries.

NOTES TO CHAPTER 6

8. This defines six integrated components of any 'non-conventional' incremental urban housing (sites and services or slum-upgrading) project, each of them engaging several different agencies and/or departments of most municipal administrations:

1) Land and location; 2) Finance; 3) Infrastructure and services; 4) Site planning and building controls; 5) Community organisation and asset management; 6) Institutional development and strategic planning.

9. Strategies have been proposed for government incentives

and supports that encourage the beneficiaries of sites and services projects and upgrading programmes to provide rental accommodation (under close supervision of quality and rental cost controls) together with the development of their own dwellings (Kumar 2001). Such strategies have as much to do with supplementary income generation (by low-income subsistence landlords) as they do with the procurement of affordable rental accommodation (for the lowest income groups).

10. Recognition of the lowest effective (most appropriate) level of decision-making and authority.

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