

# UN-HABITAT

THE CHALLENGE OF SLUMS



## Slums: Past, Present and Future *the Critical Role of Policy*

The eleventh United Nations Millennium Development target (under Goal 7) of achieving significant improvement in the lives of at least 100 million slum dwellers by 2020 indicates a strong consensus on the part of the international community that adequate shelter is a fundamental human right. The fact that nearly a billion people live in slums today is a testament to the failure of slum policies around the world.

Many policy approaches to slums and to housing for the urban poor in general have been tested during recent decades. They range from formal public housing programmes, through passively ignoring or actively harassing men and women in slums, to interventions aimed at protecting the rights of slum dwellers and helping them to improve their incomes and living environments. According to the UN-HABITAT'S new publication *The Challenge of Slums: Global Report on Human Settlements 2003*, cities are still practising many of the approaches to slums that were in use decades ago. Approaches employed even more than a hundred years ago can still be seen today, such as the use of summary eviction and slum clearance – a 19<sup>th</sup> century practice in European cities and elsewhere that can still be witnessed today somewhere in the developing world.

### Public Housing

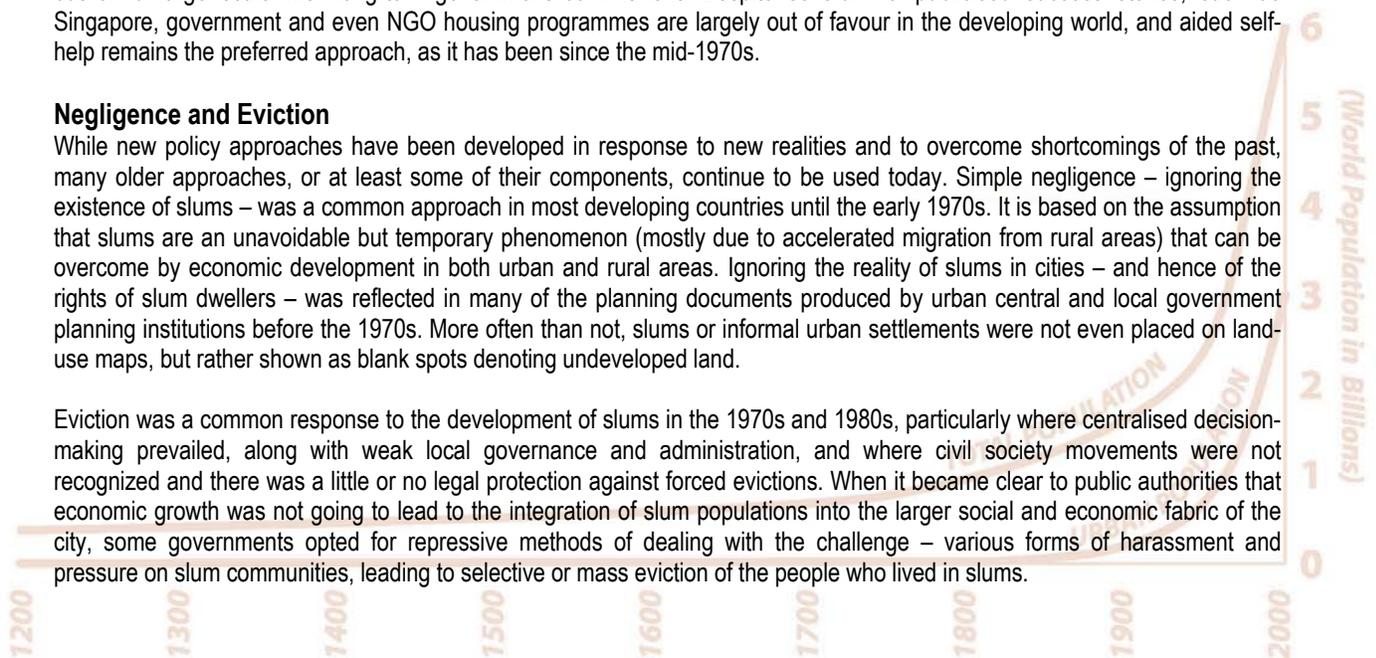
The first attempts to solve the housing problem in developing countries, particularly in the 1960s and 1970s, were to copy Europe and begin to build public housing. This rapidly stalled as it became clear it would not provide a hundredth of what was needed. It is estimated that no more than a hundred thousand dwellings were built in developing countries, and most of those went to government employees, such as police or teachers.

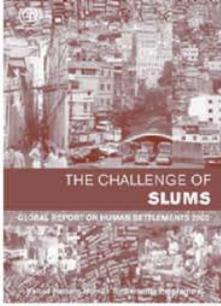
A recent study concludes that there is no particular case favouring either public or private housing provision, in terms of efficient production or management. Appropriately configured, not-for-profit producers can (and do) perform as efficiently and effectively as private producers, and actually enjoy an advantage in times of housing shortages or national trauma. However, it seems difficult for many developing countries to provide public housing without encountering corruption, political interference, inefficiency, inflexibility, unfair allocation and extensive delays. Most importantly, the resources available for housing are rarely enough to make more than a dent in the housing problem – and it is very clear that public housing only works when it is carried out on a large scale with long-term government commitment. Despite several well-publicised success stories, such as Singapore, government and even NGO housing programmes are largely out of favour in the developing world, and aided self-help remains the preferred approach, as it has been since the mid-1970s.

### Negligence and Eviction

While new policy approaches have been developed in response to new realities and to overcome shortcomings of the past, many older approaches, or at least some of their components, continue to be used today. Simple negligence – ignoring the existence of slums – was a common approach in most developing countries until the early 1970s. It is based on the assumption that slums are an unavoidable but temporary phenomenon (mostly due to accelerated migration from rural areas) that can be overcome by economic development in both urban and rural areas. Ignoring the reality of slums in cities – and hence of the rights of slum dwellers – was reflected in many of the planning documents produced by urban central and local government planning institutions before the 1970s. More often than not, slums or informal urban settlements were not even placed on land-use maps, but rather shown as blank spots denoting undeveloped land.

Eviction was a common response to the development of slums in the 1970s and 1980s, particularly where centralised decision-making prevailed, along with weak local governance and administration, and where civil society movements were not recognized and there was a little or no legal protection against forced evictions. When it became clear to public authorities that economic growth was not going to lead to the integration of slum populations into the larger social and economic fabric of the city, some governments opted for repressive methods of dealing with the challenge – various forms of harassment and pressure on slum communities, leading to selective or mass eviction of the people who lived in slums.





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Evictions were usually justified by the implementation of urban renewal projects (especially during the redevelopment of city centres and by the construction of urban infrastructures), or for health, sanitary and security reasons. The highest pressure was therefore exerted on inner-city slum dwellers occupying prime locations for development.

This approach, of course, did not solve the problems of slums, but rather shifted them to the periphery of the cities, to the rural-urban fringes, where access to land was easier and land-use planning controls non-existent. The continuing expansion of cities brought about an endless cycle of new evictions and the creation of new slums at the periphery, outside the municipal boundaries. It also tended to accelerate overcrowding of dilapidated buildings within cities.

## Slum Upgrading and Self-Help

Over a long period, other solutions that try to make use of the labour and resources of slum dwellers, and which seek to preserve and involve communities, have become preferred solutions to slum improvement. One popular alternative is “slum upgrading”. Upgrading consists of regularization of the rights to land and housing and improving the existing infrastructure, such as the availability of water, sanitation, storm drainage and electricity. Typical upgrading projects provide footpaths and latrines, street lighting, drainage and roads, and often water supply and limited sewerage. Usually upgrading does not involve home construction, since the residents can do this for themselves, but instead offers loan options for home improvements. Other actions include the removal of environmental hazards, providing incentives for community management and maintenance, as well as the construction of clinics and schools. Tenure rights are usually given to the slum occupants. Those who must be moved to make way for infrastructure may be given new sites on which to build.

Upgrading has significant advantages. It is not only an affordable alternative to clearance and relocation (which costs up to 10 times more than upgrading), but it also minimizes the disturbance to the social and economic life of the community. The results of upgrading are immediate, highly visible, and make a significant difference in the quality of life of the urban poor.

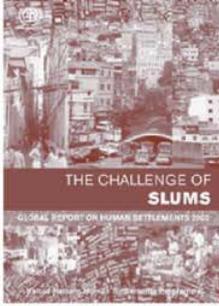
However, cheap solutions can have poor outcomes. Like other aid projects focusing purely on construction, early slum upgrading projects tended to be carried out in isolation. Governments often did not follow through with services, communities did not maintain the facilities, and governance structures disappeared once the international experts involved were gone. Overall, environmental conditions in many upgraded settlements remained substandard, with standpipes frequently not functioning and other water sources often suffering fecal contamination. Most waste remained uncollected. Communal toilets and washing blocks were mostly ineffective because of poor maintenance, unreliable water supply and poor location.

From the late 1980s, with the launch of the UN-HABITAT's Global Strategy for Shelter, self-help programmes reached a new level of sophistication. It became clear that the resources of the private sector and the people themselves needed to be mobilised and that the role of the government should be to remove bureaucratic obstacles, provide plans and advice, and generally facilitate the process. However, this promising strategy was never really implemented. It became something of an interim step on the way to the comprehensive poverty reduction programmes of the late 1990s.

The problem with self-help is that it is relatively slow to implement and depends on the cooperation, goodwill and resources of residents, as well as their governments and other stakeholders. Self-help has been an important feature of housing and service provision only in circumstances where formal government institutions are unable to cope, such as in post-war emergencies. Unfortunately, much of the developing world is effectively in the midst of an urban housing emergency where formal structures have failed. It is not surprising that, in some countries with rather more resources, wholesale attempts to solve the housing problem through direct interventions have been and are being tried on a large scale.

## Enabling Policies

The progression of slum upgrading, dealing with the issues of secure titles and economic development in slums, brought an awareness of the need to involve slum dwellers, not only in the construction aspects of slum improvement, but also in the decision making and design processes that establish priorities for action and support for implementation. Thus, from the mid-1980s to a culmination in the Habitat Agenda in 1996, an “enabling approach” to co-ordinated community mobilisation and organisation developed, and the argument was made for state withdrawal from the delivery of housing in favour of providing support to local initiatives. Enabling policies are based on the assumption that, to be efficient, decisions concerning the investment of resources in domestic economic, social, and physical development have to be taken at the ground level.



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For the majority of activities in connection with the improvement of slums the ground level means the community and neighbourhood. However, it is recognised that for decisions to be rationally and responsibly made at this level, many communities need support in the form of training, organisational assistance, financial help, and managerial advice. The governance role, be it through local authorities or agencies of the central administration, is to ensure that such support is provided.

## Resettlement Programmes

Resettlement has been associated with virtually all approaches to dealing with slums. It embraces a wide range of strategies, though all are based on the desire to improve the use of the land and property on which slums are located. At best, relocation is undertaken with the agreement and cooperation of the slum households involved. At worst, resettlement is little better than forced eviction with no attempt to compensate or consider the social and economic consequences of moving people to distant, often peripheral sites with no access to urban infrastructure, services or transport.

## Current Best Practice: Participatory Slum Improvement

Today, the accepted best practice for housing interventions in developing countries is “participatory slum improvement” – but so far, such initiatives have mostly been adopted on a limited scale or comprise demonstration projects. The best examples are holistic approaches to neighbourhood improvement, taking into account health, education, housing, livelihood and gender. Government largely adopts a facilitative role in setting things moving, while maintaining financial accountability and adherence to quality norms.

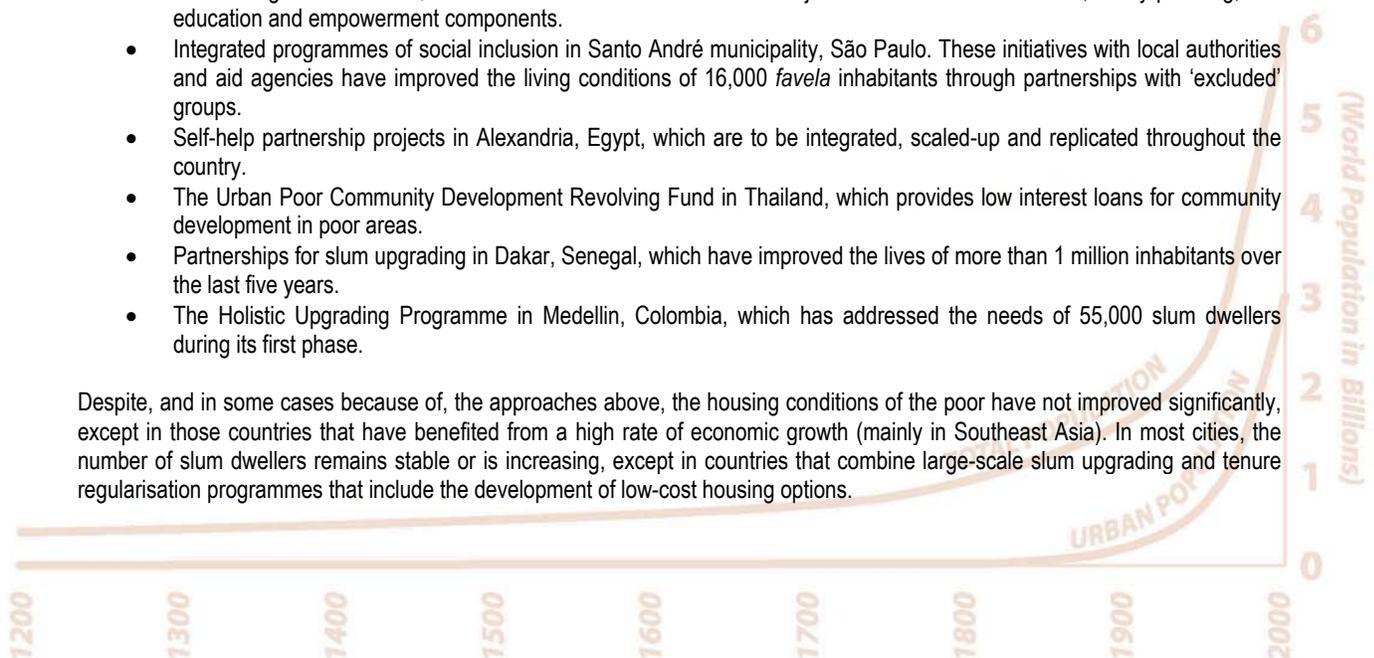
It is now good practice to involve the communities from the outset, often through a formalized process, and to require a contribution from the occupants, which gives them both commitment and rewards. The more sustainable efforts appear to be those that are the main plank of a city development strategy with planned, rolling upgrades across the city and a political commitment to maintenance. As a general rule, the more marginalized or culturally separate the group being assisted, the more participation and partnerships are necessary.

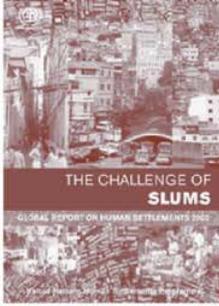
Many agencies have been involved in slum upgrading over the past 25 years in all regions of the world, along with thousands of local governments and NGOs. Much organization, local goodwill and cohesion, and political will are necessary to make projects of this type work, and it remains to be seen whether they are replicable on a wider scale.

Some of the more sustainable examples of participatory slum upgrading programmes include:

- The Orangi Pilot Project in Karachi, where residents constructed sewers to 72,000 dwellings from 1980 to 1992, contributing more than US\$2 million of their own resources. The Project now includes basic health, family planning, and education and empowerment components.
- Integrated programmes of social inclusion in Santo André municipality, São Paulo. These initiatives with local authorities and aid agencies have improved the living conditions of 16,000 *favela* inhabitants through partnerships with ‘excluded’ groups.
- Self-help partnership projects in Alexandria, Egypt, which are to be integrated, scaled-up and replicated throughout the country.
- The Urban Poor Community Development Revolving Fund in Thailand, which provides low interest loans for community development in poor areas.
- Partnerships for slum upgrading in Dakar, Senegal, which have improved the lives of more than 1 million inhabitants over the last five years.
- The Holistic Upgrading Programme in Medellin, Colombia, which has addressed the needs of 55,000 slum dwellers during its first phase.

Despite, and in some cases because of, the approaches above, the housing conditions of the poor have not improved significantly, except in those countries that have benefited from a high rate of economic growth (mainly in Southeast Asia). In most cities, the number of slum dwellers remains stable or is increasing, except in countries that combine large-scale slum upgrading and tenure regularisation programmes that include the development of low-cost housing options.





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All the approaches to slums described above continue to be used in different locations around the world, including the less enlightened approaches of neglect and eviction. Still, the UN-HABITAT Report argues that there has been an evolution of policy approaches to slums. In general, it is increasingly recognized that effective approaches must go beyond addressing the specific problems of slums – whether they be inadequate housing, infrastructure or services – and must deal with the underlying causes of urban poverty.

## Pressing Issues

A number of pressing issues confront policy makers who strive to confront the slum challenge. These include financial constraints, contradictions between economic and social objectives and the need for more effective coordination and cooperation.

### *Financial constraints*

Insufficient financial resources are one of the main impediments to dealing effectively with the problems faced by urban slum dwellers. In part, this can be attributed to increased public sector austerity in many developing countries – austerity resulting from global economic inequalities, as well as structural adjustment and liberalisation programmes. Beyond these realities, however, financial limitations are exacerbated by other factors:

- The lack or misuse of financial resources at the national and city levels (including weak tax systems);
- A growing pressure on municipal budgets from new jurisdictions on their periphery;
- A shortage of adequately trained personnel in most municipalities, meaning that resources are not used effectively;
- Limited access to credit for the poor and inadequate housing finance systems; and
- The misuse and poor targeting of subsidies for the urban poor.

Furthermore, the financial impact of international aid should not be over-estimated. "...at no time in the past 30 years has international aid exceeded US\$ 60 billion a year... The reality is that US\$ 60 billion for more than 2 billion very poor people in low and middle income countries is hardly likely to have a major impact on the global scale..." Moreover, urban aid has been a small proportion of total international aid contributions, and pales still further when compared to the efforts made by low-income and middle-income countries themselves.

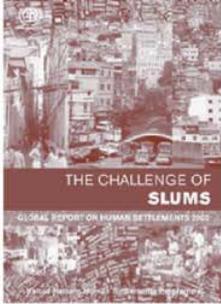
### *Contradictions between economic and social objectives*

A key lesson that has been learned, and is reflected in the increasing convergence between the market-oriented international financial institutions and the human rights-focused UN agencies is the contradiction between economic and social objectives. Market-oriented approaches tend to increase the exclusion and marginalisation of the urban poor, exacerbating the problems that socially oriented approaches are meant to address. On the other hand, socially oriented approaches – which admittedly have achieved limited impact – are criticised for a heavy reliance on indebted public sectors and under-funded public agencies. While there is a growing awareness in both camps that there is a need to reconcile these two approaches, tensions between them persist. Even where attempts are made to link social and economic objectives, such measures as providing social safety nets and poverty alleviation programmes are often seen as too little, too late.

### *Coordination and cooperation*

On a more optimistic note, the increasing convergence between actors working in slums has led to more opportunities for cooperation, promoting cross-fertilisation and avoiding wastage of resources through duplication and competition. Agencies working on the slum challenge have sought better coordination and collaboration in project implementation in recent years. Perhaps the most significant initiative of all is the Cities Alliance – a global alliance of principal multilateral and bilateral agencies that has enormous potential to influence support provided to urban poverty reduction efforts and the improvement of slums.

The Cities Alliance is committed to improving the living conditions of the urban poor. It was launched in 1999 with initial support from the World Bank and UN-HABITAT, four leading associations of local authorities and 10 governments – Canada, France, Germany, Italy, Japan, the Netherlands, Norway, Sweden, the UK and the US. The Asian Development Bank joined the Alliance in 2002 and the United Nations Environment Programme (UNEP) joined in 2003. These partners have joined forces to expand the level of resources reaching the urban poor, by improving the coherence of effort among on-going urban programmes, and by more directly linking grant-funded urban development with investment follow-up.



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The Alliance was formed to realize the vision of "Cities Without Slums", principally through action in two key areas: (1) City development strategies that link the process by which stakeholders define their vision for their city, analyse its economic prospects, and establish clear priorities for actions and investments, and (2) City-wide and nation-wide slum upgrading to improve the living conditions of at least 100 million slum dwellers by 2020, as called for by the Millennium Declaration and the Cities Without Slums action plan.

In the end, the Cities Alliance embodies a growing consensus on the part of the international community that adequate shelter is a fundamental human right. UN-HABITAT serves as the focal point within the United Nations System for promoting this concept, searching for and advocating solutions to the slum challenge that will ensure adequate shelter for all.

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