



# UPGRADING OF URBAN SLUMS AND SQUATTER AREAS

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# Upgrading of urban slums and squatter areas



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### Notes

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2. *Official Records of the General Assembly, Thirty-Fourth Session, Supplement No. 8* document A/34/8.
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## Upgrading of urban slums and squatter areas



### Foreword

One of the most serious challenges that human settlements face today especially in the large cities of developing countries is the spread of urban slums and squatter areas. Before a viable solution can be found, there is a need to analyse the present situation to examine government responses to the problem, identify major trends in the policies of dealing with these settlements, and to pin point the main issues that have to be considered.

In view of the fact that the magnitude of problems posed by slum and squatter settlements is increasing, there is an urgent need for governments to give a higher priority to managing and programming urban development. The complex nature of living conditions in these settlements requires the formulation of policies that go beyond the provision of basic infrastructure. Attempts to deal with these problems through massive resettlement and public housing have proved to be of little success.

An overview of the existing situation demonstrates the need for upgrading and improving the various aspects of housing, living and environmental conditions. A careful examination of the main trends leads to a wider recognition of the need to formulate and apply supportive policies, like upgrading, rehabilitation or provision of credit to self-help efforts.

This publication is based on the report submitted to the third session of the Commission on Human Settlements held in Mexico City from 6 to 15 May 1980. The main conclusions and recommendations resulting from the Commission's deliberations as well as the action taken by the United Nations Centre for Human Settlements (Habitat) to implement the decisions of the Commission are reflected in the introductory chapter.

I commend this publication not only to political leaders, policy makers and senior government officials but also to other organizations and individuals concerned with the improvement of living conditions in urban slums and squatter areas.

Arcot Ramachandran  
Executive Director



# Upgrading of urban slums and squatter areas



## Chapter I. Introduction

1. At the second session of the Commission on Human Settlements considerable attention was given to the need to orient government action in the human settlements field primarily to satisfying the fundamental needs and aspirations of the lowest-income groups of the population of developing countries. The report on the work of the Commission's second session<sup>(1)</sup> states that *"these groups generally form the bulk of the population of developing countries and are disadvantaged, owing in large part to the poverty of the countries concerned."* The members of the Commission agreed that in spite of efforts made by several governments to improve the conditions of the poor living in deprived human settlements, *"by and large, the conditions of human settlements and of the poor in developing countries had worsened. While a few developing countries were adopting new legislation, institutions and expanded programmes to improve human settlements conditions, there remained much still to be accomplished."*<sup>(2)</sup> The view was expressed that a prerequisite for progress in alleviating the situation of the poor in human settlements was to persuade national governments to give greater priority to human settlements in their developing programmes and to increase the allocation of resources to this sector.

2. The members of the Commission recommended the upgrading or rehabilitation of the existing housing stock as one useful approach in dealing with the problem since *"such action at least equalled in importance the construction of new human settlements."*<sup>(3)</sup> As a result of the importance it attached to the matter, the Commission decided to include the topic "Upgrading of slums and squatter settlements" in the agenda for its third session, and this paper was prepared in respond to that decision.

3. The paper gives a summary of the situation in urban slum and squatter areas, government responses to the problem and some of the resulting unresolved issues. The intention was to provide the Commission with an opportunity to review the current situation, exchange views and consider and decide on the appropriateness of making recommendations to governments and international organizations.

4. It must, of course, be recognized that the problem of slum and squatter areas is only a part of the larger problems of development and of the poverty situation found in developing countries. The discussion of factors affecting these deprived areas and solutions must therefore, take place within this general context. It is not possible to improve the lot of the urban poor by physically upgrading urban squatter areas if other measures are not taken simultaneously to create employment opportunities, extend adequate credit to the informal sector of the population, and/or facilitate access to land and participation in the decision-making process affecting housing and living conditions.

5. On the other hand, urban and rural habitat problems are closely interrelated so that individual programmes affect each other. While planning should be comprehensive, there are strong reasons for analyzing rural and urban settlements separately, since the peculiar characteristics of each merit different conceptual approaches and strategies.

6. This paper is based on material drawn from reports and unpublished material as well as from a series of surveys that UNCHS commissioned and analyzed in conjunction with several studies on low-income urban settlements.

7. Following an Introduction in Chapter I, Chapter II discusses the policy context for the upgrading of urban slum and squatter areas including its relationship to rapid urbanization and national development planning, problem of definition and the inadequacy of data. Chapter III provides a review of existing conditions and major areas of need focussing on the overwhelming worldwide rate of urbanization and projected increase in urban slum and squatter areas, the occupation of land, land tenure and land use controls, the social service needs of slum and squatter area residents, their patterns of community organization and authority, their unemployment and underemployment and the importance of the informal sector, their housing conditions, and insufficiency of public utilities and infrastructure. Chapter IV is devoted to an analysis of the patterns of recent and current patterns of government responses to these needs which are clustered under three broad headings: (a) laissez-faire policies; (b) restrictive or preventive policies; and (c) supportive policies. The fifth and concluding Chapter summarizes the major remaining areas of need where conceited government

action must be taken at the national level. These pertain to upgrading as an integral part of urban development policy, the prioritization of human needs, accessibility of financing, affordability and cost recovery, security of tenure and allocation of land, support to the informal sector, standards of physical development and the needs and strategies of promoting greater public participation in self-help schemes. The rehabilitation and upgrading of urban slum and squatter areas are advanced as the most feasible overall solutions. A case for their wider and more effective adoption is made based on the following five major reasons:

- (a) The burden on public funds can be considerably less than for public housing and relocation, if upgrading programmes are designed using principles of affordability by the residents and the mobilization of popular action;
- (b) The provision of security of tenure and access to credit, and people's participation in terms of savings and labour can be mobilized and directed to upgrading activities;
- (c) There are political and practical reasons against relocating total communities on the scale that is common in most cities;
- (d) Given the precarious nature of the informal sector activities (community dependency, location, etc.), relocation removes people from employment sources and reduces their capacity for economic survival; it is hard to imagine how informal sector activities can survive in public housing and apartment blocks;
- (e) Social and economic survival of slum and squatter communities depends to a large extent on community organization and neighbourhood relationships. Relocation and public housing destroys the social fabric of poor urban settlements.

8. At its third session held in Mexico City from 6 to 15 May 1980, the Commission on Human Settlements, commended the Executive Director on his efforts to develop methods and techniques for the upgrading of slums and squatter settlements and noting with satisfaction the important contribution and analytical work of the past efforts of the Centre in helping countries solve those problems, decided that the subject should continue to receive high priority attention within the work programme and medium-term plan of the Centre and that efforts should continue to be made in developing and improving the research, demonstration work and training efforts and dissemination of information.

9. The Commission on Human Settlements also decided to request the Executive Director:

- (a) To place high priority on the development of approaches to the design of appropriate physical standards to be used in the upgrading process, especially as such standards would apply to the use of appropriate technologies and local materials in structure and to the fostering of public participation;
- (b) To give priority attention to (i) developing follow-up action based on the findings and recommendations of the United Nations Seminar of Experts on Building Codes and Regulations in Developing Countries, held in Tallberg and Stockholm from 17 to 24 March 1980, with particular emphasis on further articulating programmes for the improvement in the quality of life of the least advantaged and (ii) exploring the feasibility of holding similar seminars in other regions;
- (c) To place emphasis on assisting countries in practical programmes and pilot demonstration projects geared to the gradual improvement of slum and squatter areas.

10. Accordingly, the Centre's work programme, covering both technical co-operation and research and development activities continues to focus heavily on this area of concern. During the period 1981-1983 the following major activities will be undertaken:



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### Chapter I. Introduction

#### A. Technical co-operation

11. In addition to requests that will be forthcoming from member Governments for technical assistance, voluntary contributions to human settlements programme will be utilized to:

- (a) Implement housing, infrastructure and services programmes and projects;
- (b) Prepare and launch sites-and-services and settlement upgrading projects;
- (c) Develop techniques for labour-intensive construction, in particular those based on self-help activities;
- (d) Promote improved building technologies utilizing local materials particularly in connection with small contractors and self-help groups;
- (e) Support the provision of housing through co-operatives and other forms of non-profit housing associations for very low-income groups; and
- (f) Develop financial mechanisms for providing housing, infrastructure and services, with emphasis on the provision of credit for upgrading slums, squatter communities and rural settlements.



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### Chapter I. Introduction

#### B. Research and development

12. Research and development projects will focus on the development of:

- (a) Building materials, construction industry and technology;
- (b) Appropriate standards and technologies for infrastructure and services;
- (c) Financial resources for the provision of shelter, infrastructure and services to the urban and rural poor;
- (d) Decision-making processes in housing programming;
- (e) Training programmes to mobilize the urban poor for the construction, improvement and maintenance of their homes and neighbourhoods;
- (f) Demonstration projects on upgrading slums and squatter settlements;
- (g) Demonstration projects on the transfer of appropriate building technologies from construction industries to the informal construction sector;
- (h) Pilot projects on appropriate technologies and standards for infrastructure and sewerage;
- (i) Organization and management of self-help efforts in the provision of shelter, infrastructure and services;
- (j) Regional workshops on the use of audio-visual communication to mobilize public participation;
- (k) Guidelines and training for the institutional development and management of human settlements.

13. It is projected that during the period 1984-1989, the Centre's activities aimed at the upgrading of urban slum and squatter areas will be continued. These will focus on the following:

- (a) Information on global trends in shelter and community services will be collected, analyzed, disseminated and used as an input for the Quinquennial Global Report on Human Settlements. Further research will be undertaken on ways of improving the provision of shelter and community services for low-income groups, including public participation in the planning, decision-making and implementation phases of national programmes and the development of techniques for monitoring and evaluating low-cost shelter and community services projects. Assistance will be provided to Governments upon request for the training of national and local manpower for the management and integration of various services provided in shelter projects and for the development of appropriate policies, programmes, pre-investment analyses and project preparation techniques for low-cost housing and the upgrading of existing low-income settlements.
- (b) Research will be undertaken to test, evaluate and improve indigenous materials and products for possible import substitution, and criteria and guidelines will be developed and evaluated at expert group meetings and global seminars for distribution to Member States through publications, training workshops and technical co-operation programmes. National-level research on technological aspects of the construction sector will be promoted through the distribution of information materials and the convening of regional and subregional meetings.
- (c) Research will be carried out to determine appropriate standards and designs for low-cost infrastructure components to be manufactured by the informal sector and to determine energy requirements and methods for conserving energy and using renewable energy sources; research will also be carried out to determine appropriate intra-settlement and inter-settlement systems for the transport of persons and goods. The findings of the research will be reviewed at expert groups meetings and seminars prior to final revision and publication. Demonstration projects will be used to test alternative approaches to the improvement of infrastructure systems in low-income urban

and rural settlements; these projects will be evaluated by an expert group of consultants and discussed at a global meeting. Training workshops on these subjects will be organized at the regional and national levels using manuals, data sheets and audio-visual materials.

- (d) Evaluative studies will be carried out on institutions and regulations related to the control of land use in order to measure the effectiveness of public agencies dealing with land-use, the effectiveness of land-use planning and codes, the merits of alternative public land acquisition methods and procedures, alternative land-use control techniques and their impact on land markets and pricing mechanisms, and the impact of various ownership patterns on urban development. Case studies, expert group meetings, seminars and demonstration projects will be used to provide data for, and evaluate the results of the research activities. Technical assistance will be tendered to Governments upon request to formulate and implement effective land policies and programmes. Such assistance might include integrating the formulation of national land policies with overall settlements development policies and establishing land plans for the country and its regions and for individual urban and rural settlements; devising measures to improve the practicability of land-use plans and to give low-income families access to land for shelter, services and employment; improving methods of collecting and analyzing information on land through the use of, for example, remote sensing techniques, aerial photography, photogrammetry and computer storage and analysis of data, land registers, inventories and cadastres; drafting legislation to deal with public land control and regulations and to recapture increases in land value; testing (during the execution of UNCHS (Habitat) projects) recommendations and manuals of the United Nations system on land-tax administration, land valuation, standardized land-use statistics and uniform land classification; and holding training courses in the areas of activity described above. Exchanges of information and audio-visual materials on land will be organized, and support will be given to the regional commissions and Member States upon request to establish information systems on land. An interregional referral service will be established jointly with non-governmental organizations active in land-use matters.
- (e) Information on financial intermediaries and non-conventional financial institutions for settlements development in developing countries will be collected and analyzed. The findings in these two areas will be evaluated at two expert group meetings and then revised, published and distributed.
- (f) The Centre will organize and carry out training courses on managerial and technical skills for the personnel of intermediary financial institutions, emphasizing skills needed for project preparation, analysis and evaluation, and for the personnel of non-conventional finance institutions, emphasizing skills needed for financial management and customer and community relations. Technical assistance will be provided to Member States and finance institutions through both short-term missions and long-term projects.
- (g) During the period 1984-1989, research and analysis on institutions and management will be undertaken in connection with delivery systems for infrastructure and public services, primarily those provided by local government authorities to low-income groups. The outputs will be evaluated at *ad hoc* expert group meetings and used in workshop and training courses. During the period 1988-1989, the information and materials gathered from the training activities under way since 1980 will be further developed, refined and synthesized into a comprehensive training package on "The management of human settlements". Pilot and demonstration projects on settlements institutions and management will be designed and implemented with a view to increasing and directing the flow of funds from international sources for the development of large-scale programmes for settlements development. Reports and audio-visual materials will be prepared on the basis of the outputs from the demonstration projects in order to assist Member States in developing and strengthening their national human settlements institutions. Assistance will be provided to national Governments upon request on the formulation of settlements legislation and regulatory mechanisms, the establishment or strengthening of settlements institutions and the improvement of their management capability, and the mobilization of participation by target groups in the design and implementation of settlements development programmes. The human settlements information services of UNCHS (Habitat) will be upgraded

through the introduction of improved techniques for technical information services, the preparation of audio-visual materials for training programmes, the strengthening of distribution systems and the publication of a professional journal on human settlements.



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### Chapter II. Policy context

14. As a matter of convenience, slum and squatter settlements are often treated together despite the fact that this term represents a number of residential circumstances with considerable differences. An expert group convened by the United Nations to discuss strategies for the improvement of low-income settlements (December 1977) agreed that there were no uniform localities where the same kinds of people lived in the same kinds of houses, and that these could not be grouped into homogeneous settlements. On the contrary, any particular locality or set of similar types of locality, would subsume or 'contain' a highly variable set of constantly changing elements and subsystems. The mix and patterns of these sets of elements, components and subsystems were bound to change as the context grew (or shrank), or changed in the economic, social and political spheres.

15. The most that can be said about any particular type of urban slum and squatter area is that, at any one time, certain ranges of household types and situations, housing types or sets of housing services, and locality characteristics will be dominant. For policy formulation this concept is most useful because the different kinds of residential situations that can be found in mixed localities require different solutions to bring about their improvement. At the same time, this makes a full-scale approach very difficult. A given solution may not, therefore, be applicable to a whole slum or squatter locality, making it necessary to delineate policies, not on the basis of localities, but on the basis of the different situations in which low-income families find themselves in such localities. This is a paramount consideration to be taken into account in dealing with programmes for upgrading urban slum and squatter areas.

16. Similarly it is desirable to distinguish between slums and urban squatter areas. Slums are usually run-down housing in older, established, legally built parts of the city proper, generally located in the older parts of a city. Some institutional housing projects can be included within this category when their maintenance and upkeep have been neglected to such an extent that they have turned into slums. These housing projects are generally located far from places of work and from the central city areas.

17. Squatter settlements on the other hand, are mainly uncontrolled low-income residential areas with an ambiguous legal status regarding land occupation, built to a large extent with people's own means, and usually poorly equipped with public utilities and community services. The usual image of a squatter settlement, is that it is poor, underserved, overcrowded and dilapidated and consists of make-shift, improvised housing areas.

18. In the following an attempt will be made to present some of the characteristics of slums and squatter settlements which can help to clarify the basis for policies and which can identify the improvements needed for various aspects of living conditions.

19. Rapid urbanization has been a characteristic feature of the development process since the Industrial Revolution. Among the contemporary developing countries of Africa, Asia and Latin America, however, it has almost always been accompanied by the equally rapid growth of squatter and other uncontrolled settlements. This phenomenon has provoked a number of responses. In some instances, most particularly in Latin America and North Africa, where these settlements have been in existence longest, governments have, over the past two and half decades, periodically undertaken programmes aimed at improving living conditions in these areas.<sup>(4)</sup> In other countries, their presence has simply been ignored. In the vast majority of cases, however, squatter settlements have generally been regarded as anomalous or pathological phenomena, which ought to be suppressed or removed.<sup>(5)</sup> Whatever the official attitude, these settlements were rarely felt to play any role in the process of national development, and programming for them was not included in National Development Plans.

20. A reassessment of the relationship between slum and squatter settlements and the national development process was begun in the late 1960s. At that time, individuals and organizations, including the Centre for Housing Building and Planning, began to describe life in these settlements and analyze the links between them and the various processes associated with the achievement of national development.<sup>(6)</sup> In particular, these efforts emphasized the resourcefulness and ingenuity of the residents both in adapting to their actual situation and in finding ways to improve their personal circumstances without the benefit of government

or private assistance. It was learned that slum and squatter settlements and their residents displayed a potential to play a positive role in both national and urban development efforts.

21. This new way of looking at uncontrolled settlements was reflected in the work of Centre for Housing Building and Planning which began in the middle of the 1960s to sponsor slum and squatter upgrading programmes. By the end of the decade, other United Nations agencies had accumulated considerable experience in this field; and in 1970, the United Nations and the Government of Colombia jointly sponsored an Interregional Seminar on the Improvement of Slum and Squatter Settlements. The seminar provided the participating international agencies and governments with an opportunity to compare experience gained from their various efforts to ameliorate conditions in these settlements.<sup>(7)</sup> Indeed, slum and squatter settlements may be considered to have entered the international development agenda during this period.

22. The importance of this new way of looking at slum and squatter settlements also permeated the discussions held at HABITAT: the United Nations Conference on Human Settlements, held in Vancouver, Canada, in 1976. Both in the preparatory meetings and the actual conference sessions, there was growing evidence that government attitudes toward slum and squatter settlements were changing. In fact, HABITAT may be regarded as a breakthrough, since it was the first time that national governments universally acknowledged that slum and squatter settlements could play a significant role in the national development process. Such settlements were no longer considered to be "*an isolated and temporary phenomenon*", but were now regarded as "*an essential link between rural and urban development forces*."<sup>(8)</sup> More importantly, for the first time the governments participating in the conference officially recognized the necessity of taking appropriate measures to improve uncontrolled settlements and integrate their inhabitants into the national development process.<sup>(9)</sup>

23. Since governments have only recently begun to change their attitudes toward slum and uncontrolled settlements, the inclusion of specific policies directed at their improvement in National Development Plans where it has occurred, is also a recent phenomenon. As a consequence, any analysis of the policy context within which National Development Plans and Policies are formed with respect to the attention given to the residential circumstances of the urban poor living in slum and squatter settlements, must begin with an examination of the broader context of National Plans for housing and human settlements. Nevertheless, while such a change in focus facilitates the discussion, it does not remove all of the analytic difficulties deriving from the special nature of the housing and urban sectors.

24. In the first instance, although there is widespread agreement that most developing countries face an acute housing problem of enormous magnitude, there is no consensus about either the scope, nature or definition of the problem, nor about the best way to deal with it. Indeed, the precise role which housing should play in the development process has been the subject of extensive debates for decades. In reviewing the various arguments that have been advanced, Leland Burns identified four basic positions regarding the role of housing in planning for national development:

1. Investment should be concentrated in heavy industry and agriculture to the virtual exclusion of social overhead projects.
2. A fixed share of new investment in plant and equipment should be earmarked for housing as a necessary adjunct to industrial development.
3. Housing is justified along with alternative investments for its contribution to economic development.
4. A sizeable share of capital formed should be set aside for residential construction since housing is necessary for social and political stability.<sup>(10)</sup>

25. In previous decades, most policy-makers believed that the housing sector contributed only marginally to the process of economic development. The residential requirements of citizens were regarded as a social problem, the solution to which would come with the achievement of economic development.<sup>(11)</sup> Further, issues related to housing and urbanization were frequently treated as purely local concerns, with no national dimension. As such, they were usually excluded from National Development Plans. Nevertheless, although primary responsibility for these areas was shifted to local jurisdictions, local government authorities

were rarely given the necessary authority or resources to deal with them.<sup>(12)</sup>

26. In those cases where housing and urban development issues are actually included in National Development Plans, they are generally treated as part of other development sectors, such as public works, construction or social development; or the housing units proposed were earmarked for special groups, such as civil servants or industrial workers. The sectoral approach results in the artificial segregation of the various aspects of the housing and urban development processes, since the separated components are usually attached to different administrative units.<sup>(13)</sup> It also means that, in most cases, investment in the creation of urban infrastructure, when not directly related to industrial development, is given low priority.<sup>(14)</sup>

27. Recently, however, governments appear to have altered their approach to development planning, giving emphasis to areas previously ignored and reordering some priorities. A current United Nations survey of development plans adopted for the latter part of the 1970s revealed that the acceleration or maintenance of a high rate of economic growth for total development, although still a very important objective, is no longer so dominating a goal as it was in some of the earlier development plans. Many recent plans state or imply that economic growth is a necessary, but by no means sufficient condition of progress and that hand-in-hand with efforts to expand and diversify the production of goods and services, steps need to be taken to insure that the fruits of such expansion are better distributed among different sections of the population and among different regions of the country concerned.<sup>(15)</sup>

28. This shift in concern is also apparent in the policies and goals regarding human settlements in those National Development Plans adopted for the latter part of the 1970s, which contain components for housing and urban development. Clearly, a major objective continues to be that of meeting the ever-increasing demand for housing in such a way that the units produced are within the budget of potential consumers and not overly taxing on government resources. Nevertheless, the improvement of human settlements is not viewed as an end in itself, as they are important means for achieving a number of broad national development goals.<sup>(16)</sup>

29. Despite those changes in attitude, however, much of the ambivalence toward human settlements and urbanization, and their role in the development process, still remains. In this respect, the conclusions of the International Union of Local Architects (IULA) symposium were perhaps, premature. It is obvious that, in the post-HABITAT era, governments in developing countries have begun to view the question of human settlements and related issues from a new perspective. It is equally clear, however, that no consensus on these issues has been achieved. The lack of agreement is reflected in the failure to develop a universally accepted, working definition of what constitutes squatter settlements or a set of standards concerning human shelter requirements.

30. A second major difficulty associated with planning for human settlements derives from the fact that even when policy-makers are committed to solving their housing and urban problems, they are simultaneously confronted with competing claims for funds and attention from other economic and social sectors. As a result, plans and policies directed at the improvement of human settlements are generally drawn up with the knowledge that the resources to be allocated for their implementation will be insufficient for the task. In describing the policy-makers' dilemma, the former Centre for Housing, Building and Planning noted that the inclusion of a housing component in a National or Regional Development Plan required not only an *"extensive review of priorities and a reallocation of resources for which economic as well as social justifications have to be advanced;"* but also a weighing of the *"political and socio-economic trade-offs implicit in adopting one set of housing alternatives"* over another.<sup>(17)</sup>

31. Thirdly, policy-makers are confronted with a number of what may be described as intrinsic, technical problems. For example, the kinds of policy options likely to be chosen by officials are influenced by the nature and quality of the resources at their disposal. The guidelines for housing policy formulation developed by the Centre for Housing, Building and Planning, note the need for policy-makers to *"evaluate such economic determinants as the availability and cost of building materials and skilled labour, trends in interest rates and land prices, household income..."*<sup>(18)</sup>

32. The guidelines also call attention to the necessity of making certain that *"an adequate infrastructure and administrative apparatus to implement a housing programme already exists."*<sup>(19)</sup> The latter is an extremely important consideration, since in some developing countries, the necessary institutional structures are either entirely lacking or totally inadequate for the task at hand. The problem is further exacerbated in countries

subject to political and/or institutional instability, as the formulation of consistent and coherent policies is rendered even more difficult in a situation where either the political regime or administrative apparatus - and possibly both - are constantly changing.

33. Perhaps the most significant technical problem confronting policy-makers, however, is the overwhelming deficiency of data, on housing and related variables. Essentially, this situation is caused by the difficulties of measurement which act as an impediment to the collection and development of an adequate and statistically accurate data base for describing and analyzing issues regarding human settlements.<sup>(20)</sup> The problem is compounded by the limited technical, administrative and institutional resources on which most governments can rely to fill this gap; and is further exacerbated by a general lack of experience with data gathering and analysis. Thus, even in those instances where data on human settlements actually exist, they are frequently either not at the disposal of the relevant policy-makers and planners or not in a form that is immediately usable by them.

34. The special difficulties associated with planning for housing and urban development are readily apparent in the case studies which form the basis of a United Nations survey of slum and squatter settlements.<sup>(21)</sup> The responses to the policy-related questions show clearly the ambivalence with which policy-makers in many of the developing countries approach the formulation and inclusion of policies for these sectors in their National Development Plans. Similarly, the replies also reflect the impact which competing claims from other development sectors, particularly the rural sector, have on the housing policies which are ultimately adopted.



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35. The typically poor quality and insufficient quantity of the existing data on housing, urbanization and related variables in developing countries, sets limits to the depth of the analysis and the comparability of the information available from different countries. This is particularly true with a subject like slums and squatter settlements. Frequently the available data are either incomplete, and/or in rudimentary or preliminary form. Further, the reliability of the data which are available is open to question. Differences in the ways in which various countries collect and aggregate their housing and urban data also impede efforts to discuss housing and urban development policies systematically and on a comparative basis. Lastly, specific information about slum and squatter settlements is often hard to obtain or is not available at all, since governments have only recently began the separate collection of data about the characteristics of these areas.

36. In view of the difficulties and inconsistencies in making a clear distinction between slums and squatter settlements existing conditions and policy approaches presented in this paper are not grouped according to these two categories for classifying "marginal" and underprivileged urban settlements. Instead, an attempt is made here to characterize the main features of "slums and squatter settlements" in general, with a view to pointing out some of those problems in existing conditions which should have a direct bearing on the formulation of government responses. It should be made clear that a typology of existing conditions is only useful to facilitate an overview of different cases that represent actual situations along a multi-dimensional continuum of individual settlements.

37. The following conclusions are drawn from a global survey undertaken by UNCHS. The results will be presented as a comparative analysis and will soon be published by UNCHS.



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#### A. The urbanization context

Urban areas in the Third World now accommodate about 760 million people and during the next 10 years an additional 411 million persons will be added to these figures. By the year 2000 the urban population of the Third World will have tripled. Today, the rate of urban growth in the Third World is two and one half times higher than in industrialized countries, and projections indicate that this ratio will continue until the end of the century.

38. In 1950 there were only 71 cities with a million or more inhabitants in the world. In 1975 there were 95 in the developed regions and 90 in the less developed regions. By the year 2000 it is expected that there will be 290 such cities in the Third World alone.<sup>(22)</sup> Unless current income distribution trends are completely reversed, the majority of this new urban population will remain poor and continue to live in sub-standard conditions. Depending on the method of data collection and national definitions, between one and two-thirds of the inhabitants of most large cities in developing countries will live in slum and squatter settlements.

39. Present estimates suggest that squatter settlements are growing at twice the rate of urban areas as a whole. If growth rates of 8 per cent continue, some squatter areas will double their population in less than 10 years.

40. These data suggest that the growth of slums and squatter settlements is related to the massive migration of people from rural to urban areas. Further, most of these migrants have little money and not enough opportunity for regular employment, and they cannot afford (or choose not to) spend what little money they have on conventional housing.

41. Lower income urban residential areas form and evolve in a wide range of ways. At one extreme of this range are old inner city slum areas which have provided housing to the urban poor for centuries. At the other extreme are the sudden invasions of peripheral land which bring a residential area into being in a matter of days. Along the continuum linking these two kinds of formation process are many variants and combinations of formative processes. As well as invasions, squatter settlements form and grow by a more gradual accretion, with periods of rapid growth reflecting particular historical circumstances. Other lower income housing areas form by developer-sponsored quasi-legal subdivisions, by government-sponsored housing projects and by the building up of previously rural villages on the metropolitan periphery. Older slum areas change through redevelopment by government and private agents, including the urban poor themselves, by the succession of one population group by another, by the conversion of buildings to rooming houses, and by the addition of shanties on vacant plots and roof tops.



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#### B. Occupation of land, land tenure and land use control

42. The low priority authorities accord to the land needs of low-income and landless families in urban areas and awareness of the ever-present risk of eviction make squatter families tend to occupy land which is likely to attract public attention. Thus the land selected for squatting is characterized by difficult physical conditions, such as steep slopes, swamps, river banks and railway embankments. By contrast, the land occupied by "inner-city slums" represents priority land for urban development programmes with the prospect of high economic returns. Since the redevelopment of these old residential areas through "urban renewal" is too costly for developing countries, modern city centres are often shifted or completely planned outside the old and traditional urban centre, which accelerates the rate of residential decay. The heavy influx of migrants into those areas and the consequent overpopulation create poorly serviced low-income settlements.

43. The existing land legislation and its enforcement in urban areas are crucial factors in dealing with the spread and continued existence of uncontrolled settlements. In many cases, squatter settlements grow indiscriminately on urban land, and may be found on privately - or publicly-owned land, or land with undefined ownership or with chieftaincy titles. In addition to the influence of terrain, the patterns of control and enforcement of land titles determines the location and growth of squatter colonies.

44. Security of tenure is more important than ownership *per se*. Varying degrees of security of tenure have developed for squatter families usually as a result of their *de facto* occupation of a piece of land. This sharing and collective way of living produces a certain sense of security among squatters.

45. The spread of squatter colonies does not seem to be impeded by various patterns of land tenure and the existence of different land property titles. Slow and complex legal procedures, originally designed to protect the land property rights of governments, institutions and citizens, work to the advantage of the squatters and even facilitate the process of squatting.

46. The existence of squatter landlords and ownership is surprising when one considers that, in most cases, these areas have been declared illegal by the authorities. Since legal occupation of land cannot be enforced due to the acute shortage of housing property in squatter areas becomes an asset which is tradable under market conditions. One must distinguish, however, between ownership of a dwelling and the illegal - though tolerated - occupation of land. A typical feature of squatter settlements is that tenure of the dwelling and of the land are incompatible and represent a major problem to be solved when formulating improvement programmes.

47. Even where eradication of slums seems to be the "solution", an often intricate legal situation involving the invaded land may well prove to be a major obstacle. Comprehensive zoning regulations which combine land-use, subdivision and building regulations into a single system of land-use code is rather a new approach to a number of municipal authorities. In the absence of such regulations the land-use pattern of squatter areas develops gradually and follows closely the private and collective needs of inhabitants. Although such areas may be visually offensive, land-use patterns in slum and squatter settlements are not random but do follow a logic of their own. The main problem, however, is that the often extremely high percentage of residential land leaves little land for satisfying collective needs and hence these space allocations remain substandard.

48. Where urban land is invaded, the owner generally initiates police action and/or legal procedures. The situation can become complicated if the invaded land belongs to a governmental body, because the slowness of administrative procedures usually works in favour of the squatter families. Moreover, repressive actions by the authorities is very unpopular and often counterproductive as regards popular participation.

49. It may be concluded that the general ineffectiveness of land-use control in squatter settlements is caused largely by poor systems of land registration, and, paradoxically, the emphasis on private ownership of property. In Latin America, a series of laws and decrees on ownership rights, land-use and minimum standards have only complicated the situation. Procedures like public acquisition, transfer or expropriation can be dealt with comparatively easily under legal systems in which the government has, to a large extent, taken over

control over land formerly held in traditional forms of ownership. But here also, inadequate land registration and large unsurveyed areas facilitate land transfers in squatter areas almost at will. A sound land acquisition policy for squatter settlement rehabilitation programmes needs, apart from effective legal instruments, a functioning land registry in order to control growth, define and determine land use, and to curb speculation with unused or rehabilitated plots.

50. The acquisition of land for improvement programmes in inner-city slum areas is the greatest problem in cities where large parts of the land are in private ownership. Although governments usually possess the legal instruments to acquire those lands and properly kept land registers define properties accurately and control transfers, legal procedures are very lengthy and compensation too costly for most cities confronted with the need to rehabilitate their slum areas.

51. A number of cases demonstrate that land issues are very crucial in the attempts of governments to deal effectively with the problems of slum and squatter settlements and to embark on comprehensive programmes of upgrading and rehabilitation. While forms of land banking and land assembly may offer partial solutions to the problems of uncontrolled urban development, they do not strike at the core of the problem. It appears that only public acquisition of existing lands held in private ownership, combined with elaborate systems of leasehold in the allocation of plots offer the prospect of durable results. Although this is recognized by a number of governments, their financial resources are drained by compensation payments and their legal apparatus paralyzed by endless litigation. What may be needed then in many urban areas is some kind of total land reform if progress is to be made toward coping effectively with uncontrolled urban development and the management of urban areas.



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#### C. The residents of slum and squatter areas

52. Generally, the populations in developing countries are relatively very young owing to rapid rates of population increase. This is particularly true of the low-income squatter areas, although the slums, in the older and more established quarters, present a different age structure. The proportion of women is higher than expected among squatter populations, particularly in Africa, and also to some extent in Latin America. This appears to contradict conventional wisdom about the urban migrant populations being predominantly males of working age.

53. Inhabitants of slum and squatter settlements suffer from a variety of health problems, particularly gastro-intestinal and respiratory diseases. These are clearly related to the poor environmental conditions in which people live and to nutritionally poor and inadequate diets. In cases where such settlements have access to some type of potable water supply, sanitary waste disposal systems and health care services, the general health conditions of the resident seem to be better. Frequently, health care services are under-used, except where they are provided at no cost, due to people's inability to pay for them.

54. Slums have relatively stable populations because there are few new immigrants. Squatter settlements, by contrast, often have extremely high rates of population growth caused by in-migration, although the older squatter settlements have rates more like those found in slums. As a result, the overall population growth in urban areas in less developed countries is generally dominated by the growth in its squatter settlements.

55. The points of origin of most urban immigrants are rural villages or towns, although there is, also considerable migration between low-income urban settlements. The move from an inner-city slum or other form of low-income urban housing to a squatter settlement often comes after the migrant is established with an urban job and has developed a network of friends and understanding of the political and bureaucratic structure of the municipality and has need for a separate dwelling.

56. Perhaps the most important point to emphasize is that migrants end squatter settlements can only be understood as part of a larger urbanization process and in the context of national social and economic conditions. The movements of people and the growth, development and even demise of particular slum or squatter settlements must be viewed through time and in the context of the metropolitan, national and even international setting.

57. Slum and squatter settlements often have smaller household sizes than in the surrounding urban areas, although the actual size range extends from 3.3 persons/household to 8.4 persons/household. Lack of space, unstable economic conditions, and the newness of certain settlements are all likely factors which contribute to smaller household size in low-income settlements. Few settlements are characterized by newly formed and younger households, and by family-less migrants. If the affordable accommodation is very small, a large family may split up into two or more smaller units. Thus larger, and extended families may establish multiple households due to dwelling space limitations.

58. Nevertheless, frequently households include relatives from the origin areas. Thus, the traditional extended family is partially diminishing and partially being adapted to or replaced by a variant more suited to urban social and economic conditions. Single migrants often join an existing household in a low income area. In the vast majority of these cases such migrants find accommodation in the household of a relative, or a friend from the same village. Once a single person joins the household he or she contributes labour and/or income to the household's upkeep. Commonly brothers, sisters or cousins of the household head may be part of the household for differing lengths of time. Joint family households with two or more married couples sharing, with or without children, are also common. Another feature distinctive of many slums, and to a lesser extent squatter settlements, is the relatively high percentage of single person households. These are usually the recent migrants to the urban area.

59. There are many conclusions one could draw from these data, but it is difficult to see how policies to improve space standards, such as more than one room per family for example, could be achieved when the economic constraints are so great. One room, or less, is often all that families at these income levels can afford.

It is clear that there is a demand for single person accommodation. The ability to expand a house as the household grows, through self-help construction, is an obvious solution. Sites-and-services schemes are helpful here, but it should be remembered that the demand for shelter is so great that any space is likely to be filled up by whoever can afford it.



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#### D. Community organization and authority

60. The pattern of migration of rural and poor urban population between settlements, staying with relatives or people from the same area, leads to patterns of community organization which are often based on kinship or place of origin. These, however, shift to broader based political structures as the settlement ages and becomes part of the overall urban fabric.

61. Most settlements have developed their own form of community organization and leadership. In some cases this is linked to the overall political structure of the city or country. Generally speaking, organization grows around the need to obtain services for the residents. The form and focus of organization may be different in those settlements where there is already collaboration with authorities in the provision of services.

62. Squatter settlements usually have leaders whose base of authority stems either from traditional sources, such as tribal chieftaincies, hereditary elites and rural village headmen, or from political party sources where affiliation with a particular party gives a local leader power, prestige and channels of patronage. Leadership in a squatter settlement is sometimes developed in response to the need for continually dealing with and fending off the powerful external forces which threaten the very existence of such illegal settlements. This type of leadership is much less common in the urban slums, which is explainable by looking at the urban context in which they are situated. The sources of power and authority are often not located in the slum itself but outside it, and so also are the leaders. The government may even impose leaders upon a settlement either by appointment or election. The new leadership which arises in a number of slums, comes mainly from the younger generation whose allegiance to traditional leaders is weak. These new leaders tend to appeal to a different constituency, one which cuts across the older social and cultural divisions in the population.

63. In some cases there are community or social organizations which are weak, unstable and lack leadership, but show more identifications with local government in promoting and participating in local development projects. Such settlements are not really communities in a sociological sense but rather are a type of suburb which is integrated into the larger urban area economically, politically and socially. Local leadership and community organizations are missing because both of these elements are supplied by the larger urban context. This situation tends to occur where the legal status of a settlement is secure and there is a less urgent need for strong local leadership.

64. There is convincing evidence that new forms of leadership are developing in the majority of the low-income settlements. New leaders are beginning to emerge, and though not yet a powerful force, the fact that they exist is significant. These leaders are often from the younger, better educated generation and they seek a broader, basis of public support. Although such individuals often challenge the traditional or established leadership, in certain cases both types of leaders coexist, each having authority and influence with different sectors of the society. For example, the traditional leadership tends to help solve disputes and mobilize people for non-political, communal activities within the settlement, while the new leaders represent their constituency in the political arena and serve as links with government departments and other official agencies (often because they are literate, unlike the older leaders).

65. In almost all instances, when disputes arise, local mechanisms work to resolve the conflicts internally. The inhabitants of low-income settlements do not generally welcome the involvement of outside authorities in such matters, whether it is the police or the judicial officials. The illegal nature of squatter settlements is an important constraint on seeking assistance from outside authorities. In addition, the expenses involved in using the official law enforcement or judicial systems are a financial burden which low-income people cannot afford. The fact that conflicts are usually handled successfully within the settlements is clear evidence of a functioning social system among the area's residents. Even in the absence of any recognizable and/or formal community organization within a settlement, the fact that conflicts can be resolved internally constitutes evidence that some kind of social organization is, in fact, present.

66. Development committees are a form of community organization which frequently exist in squatter settlements to help their members obtain the urban services they require. Sometimes such committees are

established from within the community and sometimes by outside authorities. They are not a prerequisite for development, since such initiatives can occur on a smaller or less organized scale than that of the settlement as a whole. In the older slums, long-standing organizations are less common than short-term pressure groups formed around specific issues.

67. Sometimes the spatial organization of a squatter settlement will reflect its social organization, particularly where the inhabitants have had control over the settlements layout and where residents share a common region of origin together with physical propinquity in the squatter settlement.

68. Generally there is more stigma attached to a squatter settlement than to a slum, because the former are newer and illegal, whereas slums are older and perceived as being more integrated into the urban area, and less of a threat even though they are equally unhealthy and in need of renovation. Often squatter settlements are perceived as harbouring criminals, as drains on the urban economy, possessing significant health and safety hazards and frequently as politically volatile. In a few cases such settlements have gained a positive image as being peaceful and industrious, the residents seem as being capable of participating in the improvement of their conditions.

69. The degrees to which slum and squatter settlements are an integrated part of the urban community, and the extent of the shortage of services and resources, are related to the way official government programmes are administered at the settlement level. In general this depends on the nature of the relationship between official administrative mechanisms and the social organization of the settlement and the degree of harmony that exists between local and governmental leadership. Usually, the stronger and better organized the local organization, the more effective the arrangement of the settlement's development process.



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#### E. Unemployment and underemployment: the importance of the informal sector

79. Low incomes and weak purchasing power are manifestations of the extreme urban poverty that characterizes the majority of households living in slums and squatter settlements. The cause of this situation stems from the lack of sufficient opportunities for steady and gainful employment which is in turn the consequence of the national economy not growing fast enough to absorb the increasing supply of urban labour. Contrary to popular belief, absolute unemployment is a serious problem for only a relatively small percentage of slum and squatter settlement households. The major problem for most households is underemployment and the low fluctuating incomes which this entails. Underemployment, however, is difficult to measure, in part because of definitional difficulties; for example, one definition equates underemployment with low-productivity and this is defined as the under-utilization of labour.

71. Underemployment rates for the slums and squatter settlements can reach more than 60 per cent depending on the definition of "low productivity." "Visible" underemployment can be estimated on the basis of the proportion of the active work force which makes up occasional workers and the self-employed. The category "occasional workers" includes construction workers (carpenters, masons, etc.), artisans, "casual" labourers, and spouses producing secondary incomes through the preparation of home-cooked foods for sale, weaving and sewing, and other home-based remunerative activities. The "self-employed" are made up of shopkeepers, tailors, kiosk owners, butchers, hawkers, and the like.

72. "Invisible" underemployment, on the other hand, can be estimated on the basis of the percentage of households in each settlement whose incomes fall below the average wages earned in a country's non-agricultural sectors. From this, the percentage of unemployed heads-of-household must be deducted in order to arrive at an accurate estimate.

73. Despite the great variety of occupations cutting across all sectors of the urban economy, the majority of slum and squatter settlements heads-of-household work in the informal sector and in the lowest paying categories of blue-collar work to be found in the formal sector. Comparatively few are engaged in occupations requiring higher levels of skills and training. Usually, the skilled workers do not find employment within their squatter community.

74. The informal sector is the occupational context within which the majority of slums and squatter heads-of-household make their living. Although most individuals working in this sector are conventionally thought of as being underemployed, their sheer number alone makes the informal sector a force to be reckoned with in the urban economies of the developing countries. What is even more significant, this sector is growing at about twice the rate of the urban formal sector.

75. The informal sector owes its existence to the adaptability and creative energy of millions of urban poor who otherwise would face unemployment, and even possible starvation as a consequence of the formal sector's growing inability to absorb them into the labour force. In searching for suitable riches, informal sector entrepreneurs generally concentrate on those segments of the market which the formal sector cannot, or chooses not to, exploit itself. For example, inferior quality bricks, sewer pipes, doors and metal frames are produced by family-sized handicraft enterprises and offered for sale at low prices and in small volume to squatters wishing to improve and expand their dwellings. In other instances, informal sector production is often closely linked to the output of large-scale firms in the formal sector, in most cases through subcontracting arrangements. The characteristics which most distinguish informal sector enterprises from those of the formal sector, and which in some cases give them a competitive edge, are the small-scale, labour-intensive nature of their operations, their relative ease of entry into the market, their general freedom from union strife and government regulations and taxation, and, the low wages they pay. However, they are often handicapped by their lack of access to credit (bank loans, government loans to businesses, credit from suppliers, advance from buyers, etc...) and to raw materials.

76. While inner-city slums have relatively few artisan shops and industries, and offer limited scope at best for employing occasional construction workers in informal sector housing construction and betterment,

their proximity to downtown commercial areas provides inner-city slum dwellers with opportunities for other kinds of informal sector activities. For example, prototypical informal sector workers, such as street vendors, lotteryticket salesmen, shoeshiners, etc..., apply their trades most commonly in the central areas of the cities. However, entry into the most lucrative of such activities is extremely difficult, if at all possible, for newcomers. While clearly applicable in squatter areas, the notions that entry into informal sector activities is easy, and that local authorities do not regulate these activities, are at odds with the reality that it is difficult to undertake informal sector activities in choice central city locations.

77. On one level, the economically precarious conditions of the informal segment of the labour force can be attributed to lack of skills and insufficient formal education. However, the fundamental problem is more structural in nature. Obstacles to employment, for example, are created by such institutional practices as minimum wage legislation, educational requirements unrelated to productivity criteria, and ethnic and social barriers restricting access to jobs. These together with labour market imperfections, such as unsubsidized urban transport and governmental regulations and controls affecting the locational decisions of small traders, hamper the efficient utilization of the urban labour supply.



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#### F. Substandard housing

78. The makeshift appearance of most squatter housing and the squalid atmosphere of entire settlements can be attributed to three principal interrelated factors: the relative poverty of inhabitants; the insecurity of land tenure; and the household investment priorities of inhabitants.

79. It would be misleading to conclude that household investment priorities are reflected by the physical conditions of squatter settlements, i.e. that housing is given a lower priority than food, education, clothing, etc. There are several cases in Latin American countries and also from Turkey where squatters invest in housing as a priority in order to gain a bargaining advantage in tenure negotiations with the authorities. On the other hand, there are cases in South and Southeast Asia where the extreme poverty of inhabitants determines the very fragile appearance of the shelter in squatter settlements. Security of tenure and regular and sufficient source of income are necessary socio-economic pre-conditions to improve the quality of dwellings.

80. The range of squatter dwellings includes makeshift accommodation made from scavenged timber, tin scrap, cardboard or plastic sheets which are joined together to make a single room 2m by 3m which may house from five to eight people. Such dwellings are common in urban areas of all developing regions and terms like "*bidonville*" or "shanty town" are used to describe settlements composed of them. At the other end of the range are unplanned settlements, mainly on the outskirts of urban areas, which look like a transplanted rural settlement (traditional dwellings); walls are erected with sun-dried bricks, at times with a cement plaster to protect against the rains, or even with burnt bricks or cement blocks, which form semi-durable shelters with several rooms and some sanitary installations; covered with corrugated sheets made of iron, asbestos, zinc or aluminium. One would hesitate to classify these settlements with the shanty towns just described; as they seem to provide sufficient shelter and only lack infrastructure and community facilities.

81. To a large extent squatter housing relies on self-help methods of construction and locally available building materials, which together with the cultural and socio-economic situation of the inhabitants and the conditions of the natural environment, determine the size, layout and spatial arrangements of dwellings.

82. Broadly speaking, three main types of housing construction exist in squatter settlements. The first includes buildings erected with durable materials, usually concrete blocks, with foundations and water resistant roofing. This construction is normally accepted by the lending institutions for loan purposes provided that it is correlated with some form of land tenure. The second group is characterized by construction methods generally used in traditional rural environments. In this case, construction consists of mud bricks or compacted earth blocks with or without limited amounts of cement or other stabilizers to render the structure more durable and water resistant. These dwellings are commonly found in low-to moderate-density settlements on the outskirts of urban areas. Apart from their limited durability and size, these structures are often quite adequate and can be improved *in situ*. The third type is constructed from widely varying combinations of scrap and scavenged and re-cycled goods. These structures are usually inadequate for improvement as they are very temporary and lack privacy, security and weather protection. Reconstruction is generally more appropriate.

83. Dwellings in squatter settlements usually do not consist of more than two rooms. Only under conditions where squatters maintain strong rural ties and settle on the periphery of urban areas, is there an opportunity to erect larger buildings resembling the traditional rural pattern, as in parts of tropical Africa. These buildings may consist of several dwelling units embracing a number of households, and facilities like bathrooms, though the kitchen is commonly shared.

84. The ingenuity and imagination of squatters and other illegal occupants of large or tiny portions of urban land - the "marginal" urban dwellers - in solving their own shelter problem under unfavourable and hostile conditions has often been praised. It is clear that given the legal conditions regarding land tenure, these individual and collective efforts to erect shelter within the urban environment are bound to be substandard, illegal or at best non-conventional. However, despite all the enthusiasm aroused by these self-help endeavours, it must not be forgotten that by far the greatest number of squatter dwellings, even though they may satisfy an immediate and crude need for shelter, are quite unfit for human habitation. They lack basic requirements like

durability in terms of building materials and construction methods, weather resistance, privacy, sanitary and other facilities.

85. Since most squatter settlement inhabitants live under rather insecure tenure conditions, it is not surprising that the building materials employed are usually of very limited durability, which reflects the low investment priority a dwelling represents under these circumstances. The use of scavenged and scrap material in the construction of dwellings in squatter colonies is a very common sight in cities all over South and South East Asia. In the Tondo Foreshore (Manila), a large majority of the dwellings are built of second-hand materials which were bought at low prices or scavenged from demolition sites and garbage dumps. Such materials include galvanized iron sheets, wooden crates, plastic sheets, flattened tin cans, beer cases, and old wood. It has been noticed in the Tondo Foreshore that the quality of housing materials is improving slowly and the size of the dwellings is increasing gradually. Building a house involves for many a long process of upgrading from satisfying a very basic need for shelter to having a home, sometimes with even an economic value.

86. The use of a large variety of building materials is also a common feature in most squatter colonies of Latin America: weed, impregnated cardboard, plastic, galvanized tin-sheets, adobe bricks are mainly utilized in combination with different construction techniques. Again, home improvements and incremental construction are closely related to the security of tenure. Well organized squatter colonies with strong community leadership and neighbourhood structures have steadily improved their physical conditions, and expanded and developed into genuine communities, as can be seen in numerous cases in Latin America, the Caribbean, Africa and Asia.

87. Since most of the urban squatter settlements in sub-Saharan Africa have developed in close proximity to the rural environment, traditional building materials used for hundreds of years, such as sun-dried mud bricks are most commonly used. In areas with a high rainfall, mud bricks are replaced by wattle-and-daub.

88. Although the data are scanty and difficult to compare, building materials used in inner-city slums appear to be more of solid quality than those used in squatter settlements. However, it is not possible to conclude that maintenance in such areas is better, since buildings in inner-city slums have generally almost by definition) been neglected and poorly maintained. Although such houses are generally built with durable materials, the condition of the materials such as the stone and brick in old structures, has deteriorated as a result of poor construction, lack of insulation, and lack of maintenance.



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### Chapter III. The need for upgrading: Main features of existing conditions

#### G. Insufficient and inadequate public utilities

89. Squatter settlements have often been characterised by their lack of public utilities, including, rudimentary roads, absence of a piped water supply, inadequate sewage system, unorganized garbage collection, and the absence of electricity. While it may be true that these settlements usually do not possess public utilities of the standard of the local building code, hardly anywhere are they totally absent. Access to water, cheap transportation, electricity and sewage disposal is often obtained by squatter inhabitants in a variety of ways, most of them informal or even illegal. The populations of these areas have demonstrated their ability to improvise solutions. Popular attempts to overcome public restrictions in obtaining public services are usually foiled by the authorities who point to the illegality of the settlement. In other cases, the lack or inadequacy, of public utilities is mainly due to public opinion which considers the supply of services to low-income consumers living in an irregularly laid out settlement an impossible burden on the municipal economy. Investments are considered too high, installation of equipment, services and repairs too expensive to allow their amortization with the limited returns that can be expected from the consumers. Particularly in the absence of clear land titles, there are at times only small private companies which venture into squatter settlements in order to supply services like electricity, transportation facilities or garbage removal.

90. The network of roads, paths, and public space in squatter settlements develops gradually with the growth of the colony and its needs for public circulation and access. Spaces left open between dwellings are gradually transformed into a loose system of public lanes, and further construction activities are prevented. The socio-cultural background of communities and their living habits together with topographical and landownership constraints, are the main factors determining the gradual evolution of this network. Such public ways may be fairly wide and open, or very narrow, with hardly any room for vehicle access. Thus the road network may be both an obstacle or a guide when deciding on the details of an upgrading programme. The need to extend and standardize existing networks often leads to the resettlement of a number of families during the implementation of an upgrading programme.

91. The extent to which data on water supply are accurate and usable for country comparisons is subject to debate. Methods of data collection differ sharply from country to country, as in some, treated water is the only water recorded, while in others non-treated water supply is also included. Still, it is evident that the inhabitants of squatter settlements benefit from piped water to a much lesser extent than other groups of the urban population. In squatter settlements one may find only a few public water taps which must serve more than 1,000 inhabitants per water source. Fetching water at communal water taps is a daily occupation. The demand is so enormous that taps are open continuously throughout the day, and people have to stand in long queues sometimes for several hours. The whole process of fetching water is further aggravated by the low pressure of the water supply at most public taps.

92. Given the fact that most expanding cities with squatter areas are also faced with grave problems of water shortages, residents of squatter colonies usually receive the lowest service priority by communal water companies.

93. Residents of most squatter areas consider the regular supply of piped water a first priority basic need. To meet the demand for piped water, most municipal authorities install a number of communal standpipes on an *ad hoc* basis rather than as part of a settlement-wide improvement programme. As already mentioned, most of these taps, which are connected to the city mains, operate irregularly and at very low pressure. As a result, the problem with water supply is not the distance between the consumer and the public tap, but the insufficient quantity of water. As a consequence, it is necessary to supplement the piped-water supply with communal and/or private wells, and nearby rivers are frequently used for washing and bathing purposes.

94. The infrastructure for supplying water to buildings and dwelling units located in the central slum areas of large cities in developing countries usually exists. Most buildings are served by inside piped-water connections or from nearby public taps. Available figures can give the impression that the water supply in central slum areas is fair, but the figures only indicate the existence of supply facilities and say little about the actual availability of running water. In almost all cases, the facilities were provided at the time the houses were

constructed, often more than fifty years ago, and have had little or no maintenance or repair since. In addition, the municipal water supplies have become totally insufficient to provide for minimal human needs and the growing demands for domestic and industrial use. As a result, standards of daily water consumption and/or supply for domestic uses, set by the (local) authorities themselves, can rarely be met. This applies to the quantity and regularity of supplies, as well as to water quality. Water treatment is becoming a serious problem.

95. The provision of a water supply to settlements, if not accompanied by waste water systems will inevitably lead to the spread of communicable diseases along with a general degradation of the quality of the human environment. Another serious source of pollution within settlements is generated by different forms of solid waste. The common habit (particularly in settlements without organized forms of waste disposal) of mixing organic (biodegradable) wastes from the processing and consumption of feed., with inorganic (non-biodegradable wastes, such as plastics, metals and chemicals, only adds to the growing difficulties of proper and non-polluting forms of garbage disposal.

96. Organized garbage collection by municipalities is usually not extended to squatter areas. Common forms of unorganized disposal are burning or dumping in front of the house, in gulleys, drainage ditches, pits or nearby rivers and creeks. In some settlements burying of garbage is also common. Households in slum areas of Asian cities often pay coolies to carry their garbage to collection points where it is picked up by municipal services.

97. The use of energy for domestic purposes, such as in the kitchen or for lighting, reflects, the general pattern of energy availability in the urban areas. The most simple fuels, such as firewood often retrieved from the surrounding rural areas or charcoal, are the ones most commonly used in the squatter settlements in the outskirts of large urban communities in Africa. The promotion of alternative sources of domestic energy, may well be part of upgrading and improvement programmes, and this is discussed in detail in the theme paper on Energy requirements and conservation in human settlements (HS/C/3/6).

99. Families in squatter communities of large urban centres in Asia have to rely mainly on gasoline products or butane gas for their cooking needs. The use of firewood and charcoal is much less common, due to the extremely limited availability of this energy source. Squatter families in India and Pakistan traditionally use cakes of cow-dung which is sometimes mixed with coal dust to give a long-lasting and steady heat for cooking.

99. Kerosene and bottled gas is commonly used for cooking in most squatter settlements of Latin America. Larger communities, have developed their own distribution networks, and commercial trucks make regular deliveries.

100. Public authorities rarely provide street lighting to squatter settlements. Where they do, the service is usually inadequate and very unreliable; maintenance of the equipment is seldom carried out, and broken or stolen bulbs are seldom replaced.

101. The development of organized and adequate sources of energy to slum and squatter households leaves much to be done. In most urban areas of developing countries, adequate and reliable energy is a major problem, even for many high-income residential communities. Since cities usually lack gas mains, and electricity costs are high, households must develop their own sources of supply, and this is especially so in the case of families living in slum and squatter areas. In a number of countries, particularly in Asia, efforts are under way to use the organic wastes from plants and animals (biomass) to produce methane gas on a large scale. Although it is doubtful whether enough of this waste can be generated to replace firewood, charcoal, gasoline products or butane gas, the results obtained so far are quite promising and may lead to partial replacement of existing energy sources.



## Upgrading of urban slums and squatter areas



### Chapter IV. Patterns of government responses

102. Experience has shown that the inclusion of a housing or urban development component in a National Development Plan does not necessarily ensure implementation. The human or financial resources are either lacking or not provided, and the required administrative, political or technical support may not be available. By the same token, the absence of specific policies for housing and urban development in National Development Plans is not always an indication that there are no instituted programmes in these sectors. In other cases, however, the national policy on slum and squatter settlements has to be derived from an examination of the actual practices followed by the various public agencies and institutions responsible for implementing housing and urban development programmes. There are also many examples where policies for these settlements are *ad hoc* responses to the worst problems found in the most conspicuous slum and squatter areas especially if located in the principal or largest cities.

103. Government policies with respect to slum and squatter settlements can be grouped under three broad headings: *laissez-faire* policies; restrictive or preventive policies; and supportive policies. "Laissez-faire" is simply the descriptive term applied to the practice of some governments of officially ignoring the existence of slum and squatter areas and allocating public resources to other development sectors. Restrictive policies, on the other hand, seeks to eliminate, or reduce the size of low-income areas. One restrictive policy, closely related to the *laissez-faire* approach, is the use of exclusionary practices. These are generally employed in these countries where slum and squatter settlements are considered to be "illegal", either because of land tenure requirements or because of land-use policies or construction standards. This practice excludes these areas from being provided with such urban services as public utilities, education facilities, and health and social services. Another widely-used approach is the removal of residents from their existing homes and their relocation either in rural areas or in the urban periphery. In some instances, the relocation process includes the free transport of residents' belongings, and even the salvaged building materials used to build their homes, while in others, public authorities may also try to provide agricultural land and/or basic facilities. A third approach is used when the slum and squatter settlement is on centrally-located, and therefore potentially valuable, urban land. Residents are frequently evicted from their homes, which are then usually redeveloped for more profitable uses; and in some cases, the entire area is demolished and reconstructed.<sup>(23)</sup>

104. In contrast to the *laissez-faire*, and restrictive approaches are others which may be described as "supportive". Founded on the belief that slum and squatter settlements have an inherent potential for improvement, supportive policies seek the inclusion of slum and squatter areas in the national development process and, ultimately, the social and economic integration of the residents into the surrounding area. Some supportive policies are designed to improve the actual conditions in existing slum and squatter settlements. Thus, when governments accept the contention that security of tenure acts as a stimulus for residents to improve their own dwellings and provide for some of their needs as a community, tenure of their plots is legalized, either on an ownership or leasehold basis. In other instances, particularly where deteriorating inner-city areas are involved, existing structures are renovated. This approach not only preserves and extends the useful life of these buildings, but it is less costly than the demolition and subsequent replacement of these units.<sup>(24)</sup>

105. A second set of supportive policies seeks to provide urban land and housing for new low-income settlements. One of the most widely used approaches, which in spite of the fact that it does not reach the majority of the slum and squatter settlement dwellers is still regarded as the ideal solution by the majority of governments, is to build low-income public housing projects. Another commonly used approach is the provision of sites-and-services to low-income families. This is thought to make maximum use of the limited financial and professional resources available to governments. Public inputs into a sites-and-services scheme are supplying these elements of the urban infrastructure which the low-income segments of the population cannot provide themselves. The low-income groups, in turn, contribute their own financial resources and/or skills and labour to the improvement of their dwellings. Sites-and-services projects may simply involve the demarcation of a building plot together with public provision of minimal community services, or they may be more elaborate, providing individual water and sewer connections, electricity and paved roads. A third

approach, which may be regarded as an alternative to the construction of public housing projects and a complement to sites-and-services schemes, is the provision of assistance for self-help housing. Various forms of technical and administrative aid, ranging from the provision of building components, such as the sanitary core or the roof, to the granting of extended repayment loans for building materials, are provided by public authorities in an effort to reduce the actual costs of constructing a dwelling unit, while simultaneously, maintaining minimum building standard. Similarly, governments sometimes attempt both to limit speculation and eliminate or reduce the high cost of urban land for poor families by creating land banks, consisting of land purchased at public expense and held for later resale.<sup>(25)</sup>

106. A number of Governments have not adopted specific policies governing squatter settlements. The reasons for this are as follows:

(a) The problem is limited in its physical extent and social intensity which leads political authorities to hope that the phenomenon is of a temporary nature and may disappear with a general economic development of the nation;

(b) Governments have experienced such a dramatic increase in uncontrolled urban growth over the last few years that they are overwhelmed by the massive problems resulting from this development and are handicapped by their limited capacities to deal with issues. Also, they are often confronted with more pressing development problems.

(c) Unplanned urban growth and uncontrolled settlements do not pose particular legal or social problems. Since there are traditional rights of settling without legal title on unregistered land, these forms of urban growth are considered part of national development and are treated within sectoral development planning.

107. As already mentioned, among the various *ad hoc* policies employed by governments, three are widely employed: sites-and-services, squatter upgrading and aided self-help. The sites-and-services approach has much to recommend it, most particularly since it requires considerably less administrative, technical and financial resources than conventional public housing programmes and, when successfully implemented, can serve as the basis for future re-development as national incomes and living standards rise. Nevertheless, this approach does require a degree of institutional capacity and some capability to mobilize financial resources. In addition, despite its advantages, this approach does present some problems. On the one hand, the unrealistically high standards that are frequently employed in implementing sites-and-services projects make it "*wasteful of land use.*"<sup>(26)</sup> On the other hand, as many cases indicate, even if governments are successful in implementing sites-and-services programmes, the serviced sites are still expensive and are frequently beyond the reach of the majority of urban squatters.

108. For these reasons, it is likely that in the future, many countries, particularly those with limited resources, will rely on a combination of aided self-help and squatter upgrading to improve low-income living conditions. Generally, governments will provide basic infrastructure which may be gradually geared to the needs of the settlement, rather than to the standards of conventional physical planning.

109. The one clear pattern to emerge, from present policies and programmes is the rejection, at least in principle, of automatic slum clearance as a viable policy alternative. The prohibitive costs of clearance, which involve acquisition of the sites of slum properties, the relocation of the site residents and the provision of alternative housing in addition to the actual cost of demolition, have rendered this approach impractical and unacceptable. Nevertheless, most countries in their current policies, maintain the option of using clearance in cases in which the slum is located in a potentially hazardous area or where the site of the slum has been designated for another purpose.

110. In addition to the desire to remove overcrowded slums from high risk urban areas, there are also economic reasons why removal might be advocated. Since slums are frequently located on potentially valuable urban land in the centre of a city, the pressures to clear these areas for "more productive" use, such as commercial and industrial purposes, is overwhelming. From this perspective, as well, clearance may be seen as a "necessary" course of action.

111. The second notable trend is that given the pressing developmental needs of developing countries, and their limited resources, it is unlikely that they will consider the massive construction of conventional

public housing, on the scale undertaken in Hong Kong and Singapore, for example, as a viable policy option. The use of such an alternative becomes feasible only when sufficient financial and technical resources are available, or where the geographic configuration and population patterns make it a realistic possibility.

112. It is thus likely, particularly in developing countries where resources are especially limited, that some kind of urban upgrading programme will be used as a means of improving conditions in slums. The policies of three selected countries may typify the kind of approach that can be employed. In India, the Government's Minimum Needs Programme is designed to achieve a "*minimum level of improvement of the environmental quality of existing slums.*" In Egypt, the Government limits its direct action in slum areas to providing basic infrastructure and community facilities, and seeks to encourage the private sector to improve housing in slums by offering such inducements as tax credits and low-interest loans. In the case of Sri Lanka, the Government has adopted a multi-faceted approach in which the major emphasis is placed on improvement schemes for upgrading slums by providing basic physical infrastructure and community facilities. This is supplemented with limited new construction, the provision of serviced sites and the transfer of ownership to slum dwellers of the units they occupy, with the expectation that they will improve them.

113. In predicting future policy trends for the improvement of slum dwellers, however, the importance of political factors in determining which policies are selected by a Government must be stressed. Regimes may change, with the result that policies may be altered radically. Furthermore, the policy statements contained in National Plans are not always supported by commitment of the financial, material, administrative and political resources necessary to implement the stated policies. Perhaps, they may best be regarded as indications of Government intentions.

114. A third trend in national policies for squatter settlements can be seen in the promotion of regional development policies as opposed to specific squatter improvement policies. This trend is evident both in countries which have only just begun to tackle their squatter problems, as in the cases of Kenya and Ecuador, and in those that have experienced success in improving squatter areas, such as Colombia and Peru. This shift is confronting policy-makers with a real dilemma. Specifically, all of the countries have experienced rural to urban migration on a massive scale, and frequently directed to one or two major cities. In some cases this has brought about depopulation of the rural areas, and implementing policies of balanced economic growth has become very difficult. Some governments fear then improvements of urban services and housing will stimulate further migration, hence accelerating the growth of squatter settlements.



## Upgrading of urban slums and squatter areas



### Chapter V. Major issues

115. Policy approaches of the United Nations and the United Nations family of organizations on slums and squatter settlements have evolved as a result of practical experience with the efforts to improve the quality of life of the urban poor and to deal with people's basic needs. At the same time, the resourcefulness of communities in adapting to their circumstances and providing for themselves what is denied, for whatever reason, by government agencies is recognized. However, there is danger in distorting the positive potential of slums and squatter settlements when presenting the ingenuity of the poor in a way that may romanticize poverty because this may obscure the true misery and hardship of life in these communities. It is an illusion to hope that socio-economic conditions will improve if only due recognition and support is given to the life style of these communities and the informal sector activities which usually dominate their economic life. People's self-help potential should only be mobilized, if it is joined by a respect for people's knowledge of what is best for themselves, a willingness of government agencies to co-operate with popular action for improving slum and squatter settlements and the quality of life of their inhabitants, a clear commitment of government agencies to provide security of tenure; and, a government programme to extend public utilities and community services with standards that are based on their affordability in a low-income community.

116. Economic and Social Council resolutions 1224 (XL II) of 6 June 1967 and 1670 (L II) of 1 June 1972 are the bases of United Nations policy in the field of slums and squatter settlements. The substance of these resolutions was reiterated and supported by the recommendations of the Habitat Conference in 1976, and are reflected in the 1980-1981 work programme of UNCHS.

117. Supportive policies for slum and squatter settlements and specifically the various measures of upgrading represent the most appropriate forms of programming social and economic development of low-income communities. Alternative approaches ("repressive policies"), like public housing, slum clearance and relocation of whole communities, have not produced the desired effects on the improvement of living conditions. It must be noted that the examples of Hong Kong and Singapore, often cited as models for the public housing approach to the problem, represent peculiar situations and are not directly relevant to the vast majority of developing countries.

118. The following are the five main reasons why rehabilitation and upgrading offer the most feasible solutions to the problems presented by slum and squatter settlements:

- (a) The burden on public funds can be considerably less than for public housing and relocation, if upgrading programmes are designed using principles of affordability by the residents and the mobilization of popular action;
- (b) The provision of security of tenure and access to credit, and people's participation in terms of savings and labour can be mobilized and directed to upgrading activities;
- (c) There are political and practical reasons against relocating total communities on the scale that is common in most cities;
- (d) Given the precarious nature of the informal sector activities (community dependency, location, etc.), relocation removes people from employment sources and reduces their capacity for economic survival; it is hard to imagine how informal sector activities can survive in public housing and apartment blocks;
- (e) Social and economic survival of slum and squatter communities depends to a large extent on community organization and neighbourhood relationships. Relocation and public housing destroys the social fabric of poor urban settlements.

119. The general adoption and application of upgrading policies raises several central issues that must be resolved in terms of each country's overall economic and social situation, its urbanization context and the nature of its settlements problems.



## Upgrading of urban slums and squatter areas



### Chapter V. Major issues

#### 1. Upgrading as part of urban development policy

120. It is necessary to formulate rehabilitation and upgrading programmes as part of overall urban development policies. Early attempts to deal with problems posed by slum and squatter settlements have been piecemeal approaches to remedy some of the "negative effects" of uncontrolled urbanization. These *ad hoc* activities have been, and still are, the subject of the main criticism against squatter upgrading: the squandering of limited resources in small-scale action that does not have an impact on managing urban development. The sheer magnitude of the problem should prevent the continued use of the term "marginal." Long-term solutions cannot be found unless the concept of marginality is abandoned and slum and squatter settlements are understood as the typical results of governments' inability (policy, institutions, resources, etc.) to control and guide urban development. It follows logically that this view demands the integration of slum and squatter upgrading policies in comprehensive urban and national development plans.

121. Upgrading as part of an urban development policy is not only a matter of policy formulation. It also requires a co-ordinated effort of all actors in the planning and implementation process in order to strengthen the institutional ability to carry out an integrated urban development plan. Institutional constraints have, in a number of cases, contributed considerably to diluting the efforts of single agencies to find solutions to sectoral problems of slum and squatter settlements. There is a need to establish an efficient central government agency responsible for programming and implementing the upgrading policy adopted. In the cases of Peru and Turkey, well-conceived slum and squatter settlement policies could only be partially implemented because of institutional weaknesses within the executing agencies.



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#### 2. Actual needs of slum and squatter households

122. While approaches to slum and squatter upgrading must reflect the national urban development concerns, at the same time they must deal with the actual needs of the target groups. Basically, the needs of households in slum and squatter settlements can be determined by the degree of absence or lack of amenities, security, shelter, etc. It is common, and probably convenient, to define the short-term or immediate needs of families with respect to the long-term requirements for improving the quality of life. Immediate needs must be defined in a way that they can be dealt with by a rapid relief programme that aims at eliminating those elements, if not their cause, that determine the hardships of the every-day-life situation. Access to water and assurance of tenure are probably the most fundamental needs of households. It has been said that the basic needs of security of tenure in squatter settlements could be solved by the stroke of a pen that legalizes the existence of these communities. This would certainly represent the starting point of an upgrading effort.

123. In terms of priorities, housing as shelter is not perceived as the highest priority as it is tackled after other necessities have been satisfied. Without trying to diminish the importance of housing as a basic human need, it is necessary to discern its true importance within the totality of the problem. This criterion is supported by the WHO definition of housing as "residential environment", which includes, in addition to the physical structure that man uses for shelter, all the necessary services, facilities, equipment and devices needed or desired for the physical and mental health and the social well-being of the family and individual. <sup>(27)</sup>

124. It should be recognized that the nature and extent of basic human needs varies from settlement to settlement as it does from family to family. It is therefore, suggested that the orientation of a basic needs programme should be guided by the socio-economic circumstances of households rather than the physical conditions of a settlement. While this is certainly more complicated and complex than constructing a standardized pathway and drainage system, attempts should be made to formulate programmes that deal with a whole series of basic needs for the community as a whole as well as for different household groups.

125. Past community upgrading efforts have tended to concentrate on the physical components of the community. The provision of very basic infrastructure, resources for improving dilapidated shanties, and building materials loans have helped many people. However, these efforts have neglected the most important aspect of marginal settlements, namely the fact that they exist and persist mainly as a symptom of deeper economic and social factors directly traceable to large-scale poverty among a third to half of the residents of cities in developing countries. And it is here that the causes of and solutions to most basic needs are to be found. But experience has shown that so called "integrated approaches" aimed at improving basic living conditions in slum and squatter areas are difficult to translate into "integrated programmes", and even more difficult to execute. A strong institutional mechanism is required if basic needs are to be tackled in a comprehensive manner.



## Upgrading of urban slums and squatter areas



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#### 3. Financing, affordability and cost recovery

126. One of the most sensitive issues that governments have to face in the formulation of squatter upgrading programmes is the question of financing. Efforts to produce conventional housing within the paying ability of typical slum and squatter residents have been largely unsuccessful. The minimum cost at which conventional housing programmes can be executed is still far too high for the majority of slum and squatter residents, if economic rents are to be applied. Civil construction companies, unrealistic standards as well as protracted land subdivision and building codes are the main factors that conspire to push up unit costs beyond available resources. Upgrading programmes can substantially lower the costs of housing if the problem of shelter is essentially left to the residents and outside intervention limited to self-help assistance, adaptation of building codes and standards, provision of credit and security of tenure.

127. Still, public utilities, community services, economic development incentives, land acquisition, etc. must be financed and the issue is whether to consider upgrading a social welfare service to the poor, or an investment with integration of large parts of the urban society into the national social and economic development process as its aim.

128. In the recently established Philippines, National Slum Improvement Programme, beneficiaries are offered a 25-year transferable lease with an option to buy the freehold title after 10 years. Leases are designed to recover the cost of infrastructure and facilities such as sanitary cores, on the plots and are amortized to provide a 12 per cent return. Although carefully calculated on the basis of affordability, it remains to be seen whether full cost-recovery can be achieved. There are two main aspects to the discussion on cost-recovery for upgrading projects, namely the extent to which costs will be recovered from those who are to benefit from the investments, and how sufficient resources can reasonably be mobilized from the residents through cost-recovery. The main argument for cost-recovery is that the total cost of providing infrastructure and services to the urban poor are too high for most governments. It is also argued that people appreciate the benefits they receive more if they contribute financially to their delivery. The main argument against cost-recovery is made on social and equity grounds. Residents of slum and squatter settlements are too poor to pay for urban services. More important, it is unjust to require the poor to pay for services like the provision of drainage ditches, roads, etc., when others in the urban area are not also directly required to do so.

129. Basically, costs can be recovered in three different ways:

- (a) By direct payments from residents (purchase price or lease payment for the plot, or betterment taxes and surcharges on lease payments);
- (b) By surcharges on utility connections and consumption fees for water, electricity, sewage; and
- (c) By general tax revenues such as increased collection of property tax from all urban residents which would allow some form of cross-subsidies between various income groups.

130. Usually direct charges on beneficiaries are not feasible for the economically weakest groups, those residents without any income to speak of, or lacking ability to generate some economic activity. The introduction of subsidies for these groups may remain the only solution.



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#### 4. Security of tenure and allocation of land

131. Usually, the granting of security of tenure is considered to be the key to a successful upgrading project, as it removes the fear of eviction and mobilizes public participation in terms of financial and labour contributions to the various upgrading tasks. On the other hand, if the problem of tenure is not dealt with in an upgrading programme, the upgrading process may simply add to the wealth of absentee landlords. Two main problems which confront government agencies that want to formulate and implement a policy of granting security of tenure to squatter residents can be identified:

- (a) Upgrading produces an increase in land values which automatically affects the rents tenants have to pay. Those unable (or unwilling) to pay the higher charges will be replaced by higher income families and the settlement is thus gradually occupied by an income group of higher economic standing. Beneficiaries of newly granted freehold titles will be enticed to sell at a profit and will be replaced by higher income households. It would appear, therefore, that granting outright land ownership or upgrading a locality without first settling the land question leads inevitably to a turnover in population the lower income groups being replaced by higher income families. Thus the area is physically improved, but the beneficiaries are not those for whom the programme was intended; and,
- (b) It has been a common practice to keep squatters in an illegal state of land occupation to prevent and curb further squatting. There is a fear that granting any form of security of tenure, be it freehold or a form of leasehold, will be tantamount to legitimizing an illegal act and will encourage further squatting and continued migration to the cities. Since governments are currently unable to control the influx of new migrants, this action will only stimulate migration and produce a completely unbearable situation. The benefits accruing from security of tenure can be used as a counter argument.

The sheer magnitude of the problem calls for action by society as a whole. Certainly, ways must be found to prevent or control speculation in upgraded plots.

132. The granting of outright ownership has proven to be quite unsuccessful in most cases. More promising is the establishment of a leasehold system without sublease clauses. The terms of the lease agreement have to be worked out on the basis of the upgrading programme and can extend over a period of up to 25 or even 49 years. It may be useful to introduce an option to buy the lease after 10 or 15 years.

133. In most cases, it seems to be advisable for the government agency charged with the upgrading programme to acquire the land beforehand in order to avoid complicated agreements with single landowners. Acquisition of land usually follows established legal procedures, although it may be lengthy and protracted.



## Upgrading of urban slums and squatter areas



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#### 5. Support to the informal sector

134. It is generally accepted that the basic problems of slum and squatter settlements are social and economic. Deplorable physical conditions are only the visible manifestations of these problems. It follows that achieving lasting impacts from upgrading programmes will depend on improving the socio-economic conditions of households and, particularly, overcoming poverty and economic insecurity. Most upgrading programmes have not yet directly focused on these aspects and consequently many projects have failed. The improvement of socio-economic conditions must be co-ordinated with physical upgrading. But socio-economic developments have a planning and implementation rhythm which is totally different from the delivery of physical improvements. Even "integrated programmes" therefore do not always yield the desired results. The possibilities of markedly improving the overall economic conditions of the urban poor who work in the informal sector are slight due to the fact that the sector's very existence depends on the self-employed working long hours for low pay, and on labourers accepting wages well below the legal minimum.

135. Governments, however, can take certain measures to assist the informal sector at least to expand and thus continue its vital role of absorbing the ever-increasing surplus labour. For example, governmental regulations which hitherto have served primarily to restrict and curtail informal sector activities could be reduced. Credit and technical assistance could be made available to small enterprises based in squatter settlements. Encouragement could be given to handicrafts workers to organize co-operatives which would facilitate their access to raw materials and help to market their products. Legislation denying rights of land tenure to squatters could be relaxed thus stimulating housing construction, which would provide jobs for occasionally employed construction workers. The production of concrete pipes and other materials used in government-sponsored squatter settlement upgrading programmes could be contracted out exclusively to small firms utilizing appropriate technologies, i.e. local materials, labour-intensive production methods, energy and foreign exchange conservation practices, etc. Local governments could convert some of their own operations so as to utilize more labour-intensive practices. For example, solid and sanitary wastes could be collected from slum and squatter settlements by handcarts and labour-intensive methods could be used for picking, wasting and recycling usable solid wastes. Local governments could encourage rather than stifle the expansion of private and informal sector transport systems, thereby lowering transport costs, allowing greater labour mobility within the metropolitan area, and facilitating the expansion of jobs in the transportation sector.



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#### 6. Standards of physical development

136. Physical rehabilitation and development of slum and squatter settlements must not only reflect the actual needs of residents but also be adjusted to their ability to pay. It seems inappropriate to apply standards of physical development and building regulations which specify materials and dimensions that cannot be afforded by the residents and are inadequate for the needs of the residential situation. Instead, such building regulations should be replaced by more flexible "performance standards" which allow for progressive improvement, but also have an immediate improvement effect.

137. In a sense, standards are instruments of control. They can therefore, be useful guidelines if formulated and applied appropriately, but they can also be restrictive if they create obstacles to the upgrading process. Since the lowering of standards is usually seen by government agencies as accepting inferior quality and losing control, this question becomes a central problem in setting guidelines for upgrading. In fact, there are no definite and easily applicable rules to adjusting standards of density, dimension, building materials or public services. On the other hand, it is necessary to revise the restrictive character of standards, and make them more congruent with the conditions of low-income areas. Standards should contribute to an acceptable (and affordable) physical development. The setting of standards must be dynamic, flexible and allow for subsequent improvements. To make standards realistic, therefore, a continuous evaluation of their performance should be required.

138. Each household wants to build a shelter that expresses a particular living pattern within given financial means. Similarly, each squatter community's site planning and public services should be compatible with the particular socio-economic structures. Shelter provision for and physical layouts of communities are not only end-products, they are also means for the community to develop along certain guidelines. Standards must reflect these functions, otherwise they will be of little relevance to the majority of households. Therefore, unless the setting of standards is related to the development objectives and the aspirations of particular communities, they create more problems than they solve. The result may well be a built environment that restricts the poor from participating in a gradual improvement process.



## Upgrading of urban slums and squatter areas



### Chapter V. Major issues

#### 7. Modes and needs of public participation

139. Recognition of the people's initiatives to improve their living conditions with their own means and following their own aspirations is often hampered by political, administrative and legal restrictions. Public participation though recognized as essential to the development process, is too often limited to contributing labour and finance to the implementation of a government programme. The full involvement of communities in formulating an upgrading programme is a rare phenomenon. The restrictions to full public participation are usually institutional in nature.

140. It is evident that effective popular participation depends largely on well-functioning community structures. In cases of extreme poverty, the chances of establishing popular social and political organizations appears to be limited. Slum populations sometimes seem resigned to their fate and apathetic to the possibility of improvement. On the other hand, there are many instances where dissatisfaction with existing living conditions has provided the impetus for creating effective social and political organizations.

141. The rationale behind people's participating in formulating a development process is based on the conviction that residents must be involved in decisions affecting their lives. This is significant for three main reasons. First, generally speaking, programme results are more successful if beneficiaries have a share in deciding on the site layout, access by roads, location of standpipes, type of community facilities, etc. People will be more willing to participate in the actual project implementation and maintain the upgraded community. Second, people's participation in all phases of an upgrading programme has the effect of educating planners, administrators and politicians directly involved in the programme. It enables them to develop a better perception of the community's actual needs and the prospects of project impacts. Third, the process of participation builds self-confidence, community spirit and encourages residents to work actively on the improvement of their living conditions. These are important pre-requisites for successful socio-economic project elements in the upgrading process, elements which often remain the weakest part because they are paternalistically imposed with little active support from the community.

142. Perhaps the major obstacle to people's full participation in all aspects of the planning and implementation process is the belief that specialists know best when the issues involve technical and policy matters. Even when participation is deemed desirable, it is often difficult for experts to accept the views of technically less qualified people. This is not an easy problem to resolve, though it would appear that progress is being made towards achieving some balance between the two points of view.

143. The modes of participation can be summarized under three headings: local elite decision-making; people acting in an advisory capacity to elites in authority; and, people sharing in or controlling local decisions. The appropriateness of each mode and the type of participatory planning and decision-making that will be adopted depend very much on existing community structures, their leadership, and on the experience of planning and local political authorities.