

Housing the Urban Poor in Bangladesh: A Study of Housing  
Conditions, Policies and Organisations

MD. ASHIQ-UR-RAHMAN

MSc. Urban Development Planning, University College London

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Heriot-Watt University

School of the Built Environment

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## ABSTRACT

The rapid urbanisation process in developing countries has heightened the crisis of employment, shelter provision and urban services. The increased number of urban population and lack of institutional capacity is causing urban poverty, which has two-way cause-effect relationship with inadequate housing and service provision. In Bangladesh almost 30% of the urban population is living in slums and squatters. To address the housing issues of the urban poor, different programmes and policies have been designed and implemented internationally based on different macro-economic development approaches. The main development approaches are Modernisation, Keynesian, Basic Needs, Neo-liberal and Collaborative, which have been translated in different housing approaches like Conventional Housing, Public and Self-help Housing, Aided Self-help Housing, Enabling Mechanism and Community-led Housing. Thus the development approaches reframes the housing policies of a country and restructures the housing provision through different organisational arrangements to change the housing conditions of the urban poor. This study therefore examine the impact of development approaches for housing the urban poor in Bangladesh by analysing the housing conditions, policies and organisations drawing on the international theories, policies and practices. In analysing the recent context, the emphasis has been given on the impact of neo-liberalism as it is the current pre-dominant development approach in Bangladesh.

By reviewing theories, policies and practices, this research first addresses the question whether there is any interrelation between housing and urban poverty, which can be capitalised for poverty alleviation. This research also explores – how ideas on pro-poor housing have evolved over time and whether these have produced varied results under different development approaches. It also investigates the roles of different actors under different organisational arrangements of housing provision influenced by the recent development approaches. The research then applies the concepts drawn from the international perspective to build an understanding of the Bangladesh context. Thus the research is mostly qualitative in nature and the international perspective is based on a review of the literature. To understand the Bangladesh context, in the macro level policy analysis, grey materials (unpublished policy documents) and key informant interview were the main methods of data collection. To understand the housing conditions of the urban poor, at the macro level secondary information has been used, and in the micro level - information has been collected from two case study settlements. For the

descriptive statistics - census data of case study settlements has been collected in partnership with the Urban Partnership for Poverty Reduction Programme team. Sixty household interviews and four focus group discussions were performed to acquire qualitative information on the housing process of the urban poor including the role of different actors for service provision in those settlements.

The research found that theoretically there is an interrelation between housing and urban poverty, as housing acts as an asset for ensuring livelihood opportunities for the urban poor. The empirical evidence of Bangladesh also shows that there is a symbiotic relationship between housing and livelihood opportunity of the urban poor. The threat of eviction and lack of service provision affect this livelihood opportunity. Internationally to address the housing issues of the urban poor several attempts have been made based on different development approaches. In Bangladesh these practices were introduced under the pressure of external agencies rather than any endogenous attempt and failed to cater for the urban poor. Though different approaches exist internationally, in Bangladesh, neo-liberalism is the pre-dominant approach for articulating public policies. Most of the public policies thus refer to the market enabling approach for housing the urban poor. Internationally, the organisational arrangement of decentralisation has been seen as a pro-poor arrangement under the market enabling approach. In Bangladesh this arrangement failed to deliver housing and services for the urban poor. The co-existence of the 'participatory enabling approach' and 'market enabling approach' in Bangladesh is another major finding of this research. The 'participatory enabling approach' has been exercised through a few externally aided programmes and projects and the existing organisational arrangement is not conducive to this approach, which this research refers to as a policy failure. Moreover, this research identifies that 'market enabling approach' under the neo-liberal development approach failed to improve the housing conditions of the urban poor, failed to articulate pro-poor policy frameworks which affected the organisational arrangements and modes of housing provision for the urban poor. However, understanding the capability of informal networked actions of the urban poor, this research also advocates a 'participatory enabling approach' and a pro-poor housing policy in Bangladesh.

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## LIST OF PUBLICATIONS

1. Heriot-Watt Postgraduate Research Conference, 2011, Heriot-watt University, Edinburgh “Why housing acts as capital for sustainable livelihood in the low-income urban settlements of Bangladesh?” (Winner, Best Paper Award of the Conference)
2. 40 Years Governance of Bangladesh Conference, 2011, Organised by University of bath, Uk and BRAC University, Bangladesh, Dhaka, Bangladesh “Can Democratic Decentralisation Promote Good Governance for Housing the Urban poor in Bangladesh”
3. Network-Association of European Researchers on Urbanisation in the South (N-AERUS) Conference, 2011, Madrid, Spain “Can enabling approach promote the transformation for scaling up pro-poor housing initiatives in Bangladesh?”
4. European Network for Housing Research (ENHR) Conference, 2011, Toulouse, France “Evolution of Pro-poor Housing Practices: International Trend and Bangladesh Perspective”

# Chapter 1: Introduction

## 1.1 Introduction

This research focuses on one of the contemporary issues in urban development: the pro-poor housing which is enacted with the rapid urbanisation process in developing countries. Whilst there have been many studies on the issue of housing the urban poor, less attention has been given to the situation in Bangladesh. However Bangladesh is among the developing countries which are experiencing rapid urbanisation along with increasing urban poverty, resulting in a crisis in adequate shelter for the urban poor (UN-HABITAT, 2003). In the field of pro-poor housing, much work has already been done to explain the evolution of pro-poor housing practices and the challenges of those practices under the macro-economic environment (Wakely, 1988; Pugh, 2001; Gilbert, 2004; Jenkins, Smith and Wang, 2007). But few studies have been done considering the context of Bangladesh where urban development policy and practices are always devised by external agencies due to aid dependency and the provision of services is always dependant on the market (Ahmed, 2007). In addition there are a few theories about the importance of housing as an asset for transforming the livelihood opportunities of the urban poor (Moser, 1998; Smets, 1999; McLeod and Satterthwaite, 2001; Mitlin, 2003). Along with these theories, there are few other international studies, which have shown the different modes of housing provision and organisational arrangements of housing provision for the urban poor in the developing countries (Choguill, 1996; Jenkins and Smith, 2001; Keivani and Werna, 2001a; Keivani and Werna, 2001b). In this context, this research is an attempt to explore such realities in Bangladesh.

Currently in the field of pro-poor housing participatory planning and collaborative actions are becoming popular with community-led development projects in association with other stakeholders, which assumes that a participatory approach can bring significant changes for housing the urban poor (Satterthwaite, 2001; Mitlin, 2003; Burra, 2005; Hasan, 2006; Patel, 2007; Boonyabanha, 2009). In Bangladesh there are a few isolated projects by civil society organisations which are participatory in nature, and there are some top-down projects by government organisations (Rahman, 2002), which have been explored in this research as a methodological difference in different

approaches to housing the urban poor. Globally pro-poor housing practices have moved towards the enabling approach in the last three decades, which came forward after the withdrawal of government intervention in housing and relying on the market as the provider of housing (Burgess, 1992; Fiori & Ramirez, 1992; Wakely, 1988; Fiori, Riley and Ramirez, 2000). In contrast to the market, there are few projects underway which are led by community organisations as a reaction of the limitations of the market but there are no indications of how these isolated projects can be scaled up (Satterthwaite, 2001; Mitlin, 2003; Boonyabancha, 2009). Thus this research is an attempt to investigate the way for scaling-up the pro-poor housing programmes under the market economy, particularly in Bangladesh.

## **1.2 Background of the Research**

The rapid urbanisation process in developing countries has heightened the crisis of employment, shelter provision and urban services. The increased number of urban population and lack of institutional capacity is causing urban poverty, which has resulted in inadequate housing and service provision. According to UN-HABITAT, one third of the world's urban population lacked access to adequate housing and to safe water and sanitation, furthermore in the next 30 years the sharp increase in the urban population will be observed in developing countries which are already under immense pressure to ensure urban service provision for the urban poor (UN-HABITAT, 2003). "One out of every three city dwellers estimated as one billion people are living in a slum. The vast majority of slums; more than 90 percent are located in cities of the developing world which are absorbing most of the world's urban growth" (UN-HABITAT, 2006, p27). Whilst the above figures provide a fundamental reference, the situation could be even worse as "slum populations are often deliberately and sometimes massively undercounted" (Davis, 2004, p6). Moreover, the urbanisation of poverty has placed immense pressures on the resources of national and local governments, to improve living conditions of informal settlements, to improve access to a more affordable legal shelter and to reduce the creation of new slums (Payne & Majale, 2004).

In developing countries, for many complex and interrelated reasons, cities have experienced unprecedented growth, while there has been an inability of the public and private sectors to respond satisfactorily in providing adequate housing and infrastructure to the population (Choguill, 1996). Despite the global commitment of the Millennium

Development Goals to eradicate urban poverty by 2015, the current trends reflect an unprecedented increase of the slums in cities of the developing world, which will result in a 1.4 billion estimated slum population by 2020 (UN-HABITAT,2006; UNFPA, 2011). Bangladesh is not apart from this situation. In Dhaka city one-third of the population is living in slums and squatter settlements, who are mostly economic migrants<sup>1</sup> and contributing in the city economy in an informal way. Yet their role in the economy and their rights are overlooked by the formal sector; furthermore the slum and squatter settlement population is constantly subject to eviction, while most provisions in public housing end up with the higher income groups (Rahman, 1996). In the year 2005, around 25 percent of Bangladesh's population is living in urban areas and the projected urban population will be more than 40% by 2030 (CUS et al, 2006). In Dhaka around 35% of the people live below the poverty line, of whom around 20% were classified as "hardcore poor" (less than BDT 2500 =£25 per month) and lived in more than 4,000 informal settlements (BURT, 2005). Similar poverty levels have also been recorded in other cities. Poor quality of housing is a characteristic of these settlements: a study by CUS et al (2006) describes urban poor housing in six major cities of Bangladesh as consisting of more than 99% of poor quality structures (temporary, dilapidated) and densely crowded (more than 1,000 persons per acre), with more than 95% of the houses (one room dwellings) less than 150 square feet (14 square meters).

In most of the developing countries several attempts have been taken to address the issue of pro-poor housing based on different macro-economic development approaches (Payne, 2002). In most of the developing countries, pro-poor housing policy was blended with national development plans and followed the basic principles of macro-economic development approaches. Thus the housing policy shifted with the change of development approaches in a particular country (Pugh, 2001). This change was often endogenous and influenced by the philosophy of ruling political parties and in few cases due to the pressure of external agencies (Fiori, Riley & Ramirez, 2000). The pro-poor housing practices over the last few decades have been experiential followed by the ambitious government built public housing, self-help movement, aided self-help movement, slum upgrading, the enabling approach and currently the community based approach (Wakely, 1988; Pugh, 2001; Jenkins, Smith and Wang, 2007; Rahman, 2009).

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<sup>1</sup> In Bangladesh rural-urban migration is often considered to be a process of securing income by migrating in urban areas. It is evident that for those who live on the edge of extreme poverty in rural areas, migration to nearby towns may give them temporary relief from unemployment. Afsar (2001) estimated that, from no income of their own prior to migration more than 80 percent were able to earn enough to keep them above the poverty threshold after migration.



However these programmes had limited success, as the programmes failed to consider the nature of urban poverty as well these approaches failed to understand the importance of pro-poor housing in the macro-economic environment of urbanisation in developing countries (Fiori, Riley & Ramirez, 2000). The current projects in housing and slum upgrading are moving from the conventional isolated emergency initiatives, recognising the importance of holistic approaches followed by poverty alleviation in a broader perspective that can overcome the constraints of conventional project-based approaches which have been limited in scale and short-lived without lasting impacts (Hartman & Linn, 2008). In addition, the major criticism of the conventional approach is its failure to understand the context and repeating the same criteria of development initiative without contextualising the development discourse for the urban poor, which is associated with the political, economic, social and cultural context of developing countries (Jenkins, Smith and Wang, 2007).

To satisfy the global commitment of the Millennium Development Goals and to follow the objectives of the Global Shelter Strategy, most developing countries are attempting to develop national shelter strategies (UNCHS, 2006). In addition, with the national housing policy development the replication of good practices is a common phenomenon in current practices (Boonyabancha, 2009). Following this global trend, in Bangladesh—where poverty alleviation is predominantly focused on rural development programmes—The National Housing policy was formulated in 1993, and a pro-poor agenda was included in 1999. The policy was further revised in 2004, but it has yet to be approved due to various deadlocks arising from the volatile political situation (Key Personnel Interview 09, 2010). In Bangladesh, the government as early as in the mid-1980s admitted that “the majority's housing needs were not properly addressed while the rich availed most of the opportunities” (Rahman, 2009, p26). Yet the situation was not alleviated much as the public housing programmes, chiefly consisting of sites-and-services schemes and staff houses, were grossly inadequate compared to the huge need and misdirected with respect to the urban poor who needed those (Rahman, 1996). However, several organisations involved in the housing process, as well as different NGOs, are attempting to replicate in some slums the good practices learned from international experiences (Shafi, 2008). Moreover, reversing the current trends of urban poverty requires conceiving pro-poor housing as more than a simple replication of good practices, acknowledging and mainstreaming processes that become the foundations of coordinated actions for long term solutions (Mitlin, 2003). Thus, this research tries to

understand the context of Bangladesh at a case study level with references to the international theories and practices related to the interrelation of housing and urban poverty; housing policies and practices; and organisational arrangement of housing provision for the urban poor.

### **1.3 Aim and Objectives of the Study**

Whilst there have been many studies that apply on institutionalist approach to the understanding of housing the urban poor along with a political economy approach to articulate pro-poor housing policies in developing countries (i.e., Wakely, 1988; Jenkins, 1998; Pugh, 2001; Tait, 2001), there are few studies which focus on the housing sector on the basis of modes of housing production from an economic point of view (i.e., Lim, 1987; Rondinelli, 1990; Mayo, 1998; Keivani and Werna, 2001a). The current literature on pro-poor housing focuses on the operational methodology of community empowerment and participation (i.e., Satterthwaite, 2001; Mitlin, 2003; Burra, 2005; Hasan, 2006; Patel, 2007; Boonyanbancha, 2008). However, as stated earlier this research is an attempt to understand the context of pro-poor housing in Bangladesh in an international perspective, thus, this research integrates all the aforementioned field of studies under a broader perspective of development approaches. This research assumed that the development approaches (i.e., Modernisation, Keynesian, Redistribution, Neo-liberal and collaborative) have different impacts on the macro-economic policies and redefines the role of different actors (i.e., State, Private Sector, Civil Societies).

Thus the housing policies and programmes and the organisational arrangements for housing provision depends on the development approaches of a particular country. The housing policies and housing provisions define the nature and condition of housing of the urban poor, which is again related to their livelihood. Understanding this interrelation of housing policies, housing provision and housing condition and the dependency of these three on the macro-economic development approaches, the aim of the research was to explore the impact of development approaches on housing the urban poor. As this research is based on Bangladesh and conducted in the last three years, this research thus aimed to explore the impact of recent development approach (neo-liberal) which is determining the housing policies and programmes and organisational arrangement of housing provision for the urban poor in Bangladesh. In this context the **specific aim of the research** has been explained as follows:

- The aim of the research is to examine the impact of development approaches for housing the urban poor in Bangladesh by analysing the housing condition, policies and organisations drawing on the international theories, policies and practices.

Considering the aim, this research reviews the current international literatures related to housing the urban poor in developing countries under different development approaches. The theories related to define the interrelation of housing and urban poverty have been reviewed to understand the major challenges for housing the urban poor and the importance of housing for securing sustainable livelihood options of the urban poor. In addition, this research explores the paradigm shift of development approaches and the changing nature of policies and programmes related to housing the urban poor in developing countries. Later this research examines the recent generalised organisational arrangement of housing the urban poor and modes of housing provision in developing countries influenced by the recent predominant development approaches. Understanding these three attributes this research has conceptualised the Bangladesh context in an international perspective. In addition this research identifies the salient features of pro-poor housing in Bangladesh; which includes the impact of housing in livelihood, the housing situation of the urban poor, the ongoing projects and programmes for the urban poor and modes of housing provision. As stated earlier, this research is an attempt to understand the Bangladesh context in an international perspective. Therefore the **objectives of the research** are to:

1. Explore the interrelation of housing and livelihood opportunity for poverty alleviation in international literatures.
2. Explore the evolution of pro-poor housing policies and practices exercised internationally.
3. Understand the role of different actors and the organisational arrangement for housing the urban poor globally.
4. Investigate the salient features of housing and livelihood of the urban poor in Bangladesh.
5. Examine the evolution of development approaches and their impact on housing policies and programmes for housing the urban poor in Bangladesh.
6. Reveal the current organisational arrangement for housing the urban poor in Bangladesh.
7. Develop pro-poor policy recommendations for housing the urban poor in Bangladesh considering the international practices and local context.

Considering the objectives, this research answers some questions, which are related to the broader theoretical and analytical framework of the research. This research has three main foci, which are: the evolution of pro-poor housing policies and practices, the relation of housing and urban poverty, and the role of different actor and organisational arrangement for housing the urban poor. Considering the three main foci and the objectives of the research, the following **research questions** have been addressed:

1. How are urban poverty and housing related as a matter to address urban poverty?
2. How have ideas on pro-poor housing evolved over time and whether produced varied results under different development approaches?
3. What are the roles of different actors under the recent generalised organisational arrangement of housing provision influenced by the recent development approaches, and how these organisational arrangements is determining the modes of housing provision for the urban poor?
4. Why and how the existing practices need to be transformed to ensure scaling up of housing for the urban poor?

#### **1.4 Theoretical and Analytical Framework**

This study is based on different theoretical aspects to understand the theoretical explanation along with the practical implications. The study is comprehensive and explanatory in nature as it aims to understand the context of pro-poor housing in Bangladesh under the international theoretical and empirical perspective. As mentioned earlier in this chapter, this study assumed that there is an interrelation among housing policies, housing provisions and housing conditions and all these three aspects depend on macro-economic development approaches. Thus the theories that have been referred to explore three different aspects: interrelation of housing and urban poverty (based on Moser, 1995 and Ghafur, 2001), evolution of pro-poor housing practices (based on Jenkins 1998, Pugh, 2001 and Jenkins et al., 2007) and institutional framework (based on Brett, 2000, Keivani and Werna 2001a and Johnson et al., 2004).

The literature review and later the Bangladesh context have been analysed under these three different theoretical viewpoints. Later, these three viewpoints have been analysed under the most recent pre-dominant macro-economic development approaches of Bangladesh. The following section of this chapter provides the basic understanding of three different aspects: interrelation of housing and urban poverty, evolution of pro-poor housing practices, and institutional framework for housing the urban poor.

### 1.4.1 Housing and Urban Poverty

In the context of developing countries, researchers put more emphasis on the socio-economic meaning of housing the urban poor. To describe the form of urban poverty, the philosophy of wellbeing has been prioritised in different literatures as the basis for formulating policies. However this notion of well being is always contested in different theories. As noted by Kymlicka (1990), since the 1960s there have been a range of competing theories of the political philosophy of well-being. These include the economics-based ideas of *utilitarianism*<sup>2</sup> (i.e. maximisation of 'happiness' in society), a recourse to formulations founded upon egalitarianism (the major one of which is Rawl's theory of social justice), and Sen's ideas of *capability welfare*<sup>3</sup> (Sen, 1992; 1995). However these theories of well-being do not provide any significant contribution to housing for poverty alleviation. Thus this research considers pro-poor housing as an asset to ensure sustainable livelihoods by addressing vulnerabilities (Moser, 1995; McLeod, 2001; Rakodi, 2002).

Home ownership reflects the achievement of both economic and social goals. A housing environment can be an index of the social health, happiness, social justice, and dignity of the inhabitants (Hasan, 1999). Housing can hasten community development by improving equity and efficiency in the society. Income earning opportunities can be improved by locating low-income housing areas near employment concentrations (ibid, 1999). In most of the literature and policy paper the importance of pro-poor housing in social, economic and political dimensions have often been overlooked. Indeed, most development professionals still assume that poverty is caused by a lack of income or assets, but fail to recognise that poor quality overcrowded housing which lacks basic infrastructure, underpins or greatly exacerbates the deprivations associated with poverty (McLeod and Satterthwaite, 2001). Moreover, pro-poor housing has been explained in

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<sup>2</sup> Utilitarianism is the theory which describes the normative ethics of social actions that maximises overall happiness in the society. This concept of happiness later became the fundamental of Rawl's theory of social justice. These theories define the well-being of different group of people in the society. In the field of social science, these theories have been referred as 'social justice'. Young (1990, p15) defines social justice as a "morally proper distribution of benefits and burdens among society's members [and] the elimination of institutionalised domination and oppression". Young's (1990) predicated the need to evaluate social structures that enable or constrain individuals in a given space and time in order to understand; (1) patterns of material (e.g. income and wealth) distribution and nonmaterial (e.g. rights and respect) outcomes, (2) power relations which may themselves affect the social structure. However, this type of normative explanation of happiness has been criticised by environmentalists (e.g. Innes, 1998). These theorists argue that instrumental/objective rationality assists in the persistence of material distributional disparities and institutional oppression and domination because the quantitative techniques employed are based on 'modes of thoughts' and 'values' that do not question prevailing social structures (Healey, 1997).

<sup>3</sup> Sen (1992) developed the theory of 'entitlement and capability deprivation' through studying the poverty situation in general in South Asia. He examined the formal characterisation of entitlement relations and their use, which is dependent on the legal, political, economic and social characteristics of the society. It concentrates on the ability of people to command food through the legal means available in the society, including the use of production possibilities, trade opportunities, entitlements vis-a-vis the state, and other methods of acquiring food (Rahman, 2009). Sen (1992, p2) defined that "A person lives in poverty either because of an inability to obtain enough food or because of not being able to avoid poverty. An entitlement relation applied to ownership connects one set of ownerships to another through certain rules of legitimacy".

different literature as an asset to ensure sustainable livelihood opportunities of the urban poor (Moser, 1998; Rakodi, 2002). In this research sustainable livelihood<sup>4</sup> is defined as “Capabilities and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks and maintain or enhance its capabilities both now and in the future” (Chambers and Conway, 1992).

This study assumes that housing is an important asset that may generate income through, for instance, renting rooms and the use of its space for home-based production activities (Moser, 1995). While the urban poor may benefit from public sector service provision, poor quality housing and inadequate water supplies, sanitation, and solid waste disposal are all environmental hazards that often have a particularly serious impact upon the urban poor’s human capital, health and well-being (Chambers and Conway, 1992). Moser (1998) viewed housing as an important productive asset, which cushions households against severe poverty (Moser, 1998, p14). She explained, housing insecurity, such as when “squatter” households lack formal legal title, creates an extreme sense of vulnerability; in contrast, tenure security and legal title give households the incentive to invest in upgrading their homes and the security to use this asset productively, particularly when other sources of income are reduced (ibid, 1998).

The Bangladesh context reveals the practicality of such theoretical assumptions that pro-poor housing is an asset to ensure sustainable livelihood by addressing vulnerabilities (Ghafur, 2001). Understanding this theoretical context, this research identifies the impact of housing on creating livelihood opportunities in different contexts which include the geographical differentiation and home ownership pattern of the urban poor in Bangladesh. Another dimension of interrelation of housing and urban poverty is that- productivity varies with housing structure and location, which are linked with the housing process of the urban poor (Moser, 1995). Therefore the importance of the housing process of the urban poor on their livelihood has been analysed in this study. Thus, chapter six of this research on the interrelation of housing and urban poverty identifies the relation between housing and livelihood opportunities along with the overall situation of housing of the urban poor in Bangladesh.

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<sup>4</sup> DFID has adopted the livelihood approach as a key theoretical tool in understanding poverty. The assets that are generally recognised within sustainable livelihood theory include: HUMAN CAPITAL – skills, information, knowledge, ability to labour, health, SOCIAL CAPITAL -social resources (networks, membership of groups, relationships of trust, access to wider institutions), PHYSICAL CAPITAL – housing, basic infrastructure – (transport, shelter, water, energy and communications) and the means and equipment of production, FINANCIAL CAPITAL – financial resources available (savings, supplies of credit, regular remittances or pensions), ENVIRONMENTAL (NATURAL) CAPITAL –natural resources (land, water, wildlife, bio-diversity, environmental resources). See DFID (1999), Moser (1998), Sanderson (2000) and McLeod (2001).

### ***1.4.2 Evolution of Pro-poor Housing Practices***

Considering the complexity of urban informality of urban poor settlements there is an urgent need for a coherent solution. In addition the outstanding implications of urban poverty and the projected trends of a massive increase of slums in developing countries require solutions to tackle this issue. However, programmes that have been successful in reaching the poorest groups in urban areas are comparatively rare (UN-HABITAT, 2003). Under this situation it is important to look at the evolution of pro-poor housing practices and programmes to understand their limitations and successes within contemporary realities. To understand pro-poor housing, in this research the term housing refers to both the provision of houses and the process associated with the macro-economic development approaches (Jenkins, Smith and Wang, 2007). The macro-economic development approaches (conventional housing, public and self-help housing, aided self-help housing, enabling mechanism and community-led housing) have been changed over time and produced varied outcomes in sectoral policies and programmes (Peet and Hertwick, 2009). The policies and programmes related to pro-poor housing also followed the similar changes, which has been defined as paradigm shift in different literature (Fiori & Ramirez, 1992; Tait, 2001). Thus, it is more realistic to estimate the opportunities and limitations for change derived from the historical evolution of different process which is defined by Safier as *room for manoeuvre* (Safier, 2002).

To articulate pro-poor housing policies for developing countries it is essential to understand the concept of housing process in developing countries. To analyse the evolution of pro-poor housing practices in developing countries, this study attempts to identify this evolution from three different perspectives, namely political commitment and policy support, institutional transformations and financial sustainability (see for example Pugh, 1995; 1997; 2001; Wakely, 1988; Fiory, Riley & Ramirez, 2000; Keivani and Werna, 2001a; Gilbert, 2004). Further, this research looks at the development approaches that have also had a substantial effect on housing the urban poor. Peet and Hertwick (2009) explained 'Development' as a buzzword defining a process through which 'underdeveloped' societies should emulate in order to progress from destitution to prosperity through intentional social and economic initiatives (Peet and Hertwick, 2009, p21).

In general, five major consecutive shifts of the development ideology have been identified: conventional housing followed by the diffusion approach assuming the

success of the trickle down model under the modernisation paradigm in the period of 1950s to mid 1960s; the mixed practices in the period of 1960s to 1970s followed by the conventional housing through government intervention and investment under Keynesian approach and the non conventional self-help housing approach; the redistributive approach followed by aided self-help along with site and services upgrading programme; the enabling strategies under the neo-liberal era of development followed by the institutional transformation (SAPs) which responds to a profit oriented scheme of propulsive housing production from 1980s and finally from the mid-1990s to present the collaborative approach for achieving the Millennium Development Goals<sup>5</sup> (Fiori and Ramirez, 1992; Easterly, 1997; Riddell, 1997; Wakely, 1988; Jenkins, 1998; Pugh, 2001).

The aforementioned shifts in pro-poor housing practices guided by different development principles resulted in shifts in organisational roles from state-led investments, then private sector driven with government as the enabler and regulator, and to the inclusion of the civil society in governance and delivery of service. There has been a lot of debate around the pro-poor housing processes and the prescribed outcomes of development approaches which again give rise to varied propositions to assigning roles for ‘development’. Further, development theory has been criticised for the prescriptive universalistic, ‘western-expert-led’ and collective ‘remedial recipes’ for economic, social and political prosperity (Fiori and Ramirez, 1992) which are in most cases imposed on underdeveloped nations by the international funding institutions without regard to prevailing circumstances in those nations (Toye, 1993; Harvey, 2005).

In this context, this research analyses the evolution of pro-poor housing practices under different development paradigms to understand the impact of different development approaches in housing the urban poor. Moreover the historical evolution of Bangladesh has been conceptualised under this broad analytical framework. In addition the current practices happening in Bangladesh have been analysed under the neo-liberal paradigm of development, as the pro-poor housing practices in Bangladesh is overwhelmed by the market (Ahmed, 2007). In summary this study explores the varied outcome of different policies and practices under different development paradigms for sheltering the urban poor internationally, and then compares these with the Bangladesh context.

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<sup>5</sup> Appendix 1.1



### ***1.4.3 Institutional Framework of Pro-poor Housing***

As in many other developing countries, in Bangladesh the provision of housing is determined by several groups of actors. Internationally, there are generally three major groups of actors in development initiatives at national, regional and local levels - i.e. the State, the Private Sector and Civil Society - whose extent of involvement varies depending on the context in which the initiatives are undertaken (Jenkins and Smith, 2001). However, international agents sometimes (if not most often - for developing and underdeveloped nations) also play a crucial part in decisions concerning urban interventions. The functioning of the actors and the degree to which they participate in urban development are influenced by the institutions at play in any given context. These institutions influence the nature of inter- and intra-organisational relations (Brett, 2000). It may be argued that different organisational and institutional relations may produce varied results in a given context and that similar organisational and institutional relations may not attain equivalent goals and objectives if employed in different contexts. The same argument may be extended to production, investment, operation and maintenance of different housing systems (e.g. public, private).

In this context, this research adopts North's (1990) and Knight's (1992) explanation of institutions and organisations. Hence, institutions are sets "of rules that structure social interactions in particular ways, based on knowledge shared by members of the relevant community or society" (Knight, 1992 in Brett, 2000). And, organisations are "groups of individuals bound by some common purpose who come together to achieve joint objectives" (North, 1990 in Brett, 2000, p18). In any economic system, in general, the state is "a collective system of law and social management [that is supposed to] create the conditions required to solve the problem of order for the whole society" (Brett, 2000, p56). And, the state may engage in the production and provision of services with implementing public agencies falling directly under its control. Further, the private sector is a collection of actors that are not controlled but regulated by the state in accordance with prevailing institutions. The private sector mostly operates for private benefit (Jenkins and Smith, 2001). Civil society is "a system of voluntary - [built on solidarity] - agencies where individuals develop the interpersonal relations required to meet their needs" (Brett, 2000). These agencies provide the "goods [and services] that states are increasingly unable to provide and markets are increasingly uninterested [to engage in]" (Jenkins and Smith, 2001, p20). These agencies include Non Governmental Organisations (NGO), Community Based Organisations (CBO), pressure groups,

political parties and self help groups (Mitlin, 2001). And finally, the international agents may be profit-seeking multinational corporations, donor agencies (e.g. Department for International Development – DFID and UNDP) or International Financial Institutions (e.g. the World Bank and International Monetary Fund – IMF).

Nonetheless, institutional changes and transformations in socio-economic and political circumstances within a given context and time influence the degree of participation of the actors. As stated earlier, this research focuses on the current approach for analysing any attribute related with pro-poor housing. Thus the modes of housing provision have been analysed under the comprehensive approach of enabling strategies. A comprehensive approach to enabling housing strategies, therefore, combines adjustments to overall supply and demand conditions of the market with the identification and inclusion of all the related modes and agents of provision in appropriate policies aimed at expanded housing provision by the identified modes and agents to carefully selected target groups which form the most suitable submarkets for each mode (Keivani and Werna, 2001b). The comprehensive approach of enabling approach is based on the organisational arrangement of democratic decentralisation. Johnson et al. (2004) suggested that decentralisation can be based on four forms of organisational arrangement, namely deconcentration, delegation, devolution and privatisation. Understanding this organisational structure, this research identifies, which organisational arrangement is functional for providing housing for the urban poor in Bangladesh. In addition, this study identifies the generalised mode of housing provision<sup>6</sup> in developing countries which is often beyond the formal organisational arrangement that has been explained through different literature on institutional framework of housing provision for the urban poor (Keivani and Werna, 2001a). Thus it is essential to explore the non-conventional modes of housing provisions and their distinctive features in Bangladesh. Moreover the role of different actors in housing in Bangladesh has been analysed under the different form of organisational arrangement to deal with the challenges (e.g., tenure security, lack of basic services and access to finance) for housing the urban poor.

### **1.5 Policy Relevance of the Research**

Currently, it seems that housing for the urban poor in Bangladesh is a neglected issue. But with rapid urbanisation in Bangladesh the growing slum population is becoming a major concern for the urban planners and practitioners. There is no comprehensive

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<sup>6</sup> Figure 4.1

study about housing the urban poor in Bangladesh. Thus this research is a major input for further research and it will contribute in the research-policy continuum. This research is distinct by attempting to analyse the context of pro-poor housing in Bangladesh under different international theories and practices. This is the first attempt to describe the policy approaches related to housing for the urban poor in Bangladesh under different development paradigms. The major challenge the researcher faced for conducting this research is the lack of research in this field. Thus the researcher tried to pull together the policy agendas related to housing in Bangladesh by analysing a large amount of grey materials and analysed those policies under the international perspective. This could be the major contribution of this research to fill the gap which was caused by lack of organised research material and lack of theorisation of the Bangladesh context. In addition, this research has explored the heterogeneity among the settlements. The existence and causes behind this heterogeneity will provide necessary guidelines for the urban planners in deciding and distinguishing the macro and micro level policies for housing the urban poor in Bangladesh. Moreover, this study provides a clear theoretical understanding of the impact of neo-liberal development policies in housing the urban poor in a particular country (Bangladesh).

## 1.6 Structure of the Thesis and Overview of Research Process

The structure and methods of this thesis reflect the sequence of objectives of the research. The current chapter provides a general overview of the research. This includes the background, relevancy, objectives, research questions that are addressed, broader theoretical framework and structure of the thesis.

**Table 1.1: Objective-wise Structure of the Research**

<b>Aim of the Research</b>	<b>Objectives</b>	<b>Methods</b>	<b>Chapters</b>
To examine the development approaches for housing the urban poor in Bangladesh by analysing the housing condition, policies and organisations drawing on the international theories, policies and practices	Explore the interrelation of housing and livelihood opportunity for poverty alleviation in international literatures.	Literature Review	Chapter 02
	Explore the evolution of pro-poor housing policies and practices exercised internationally.	Literature Review	Chapter 03
	Understand the role of different actors and the organisational arrangement for housing the urban poor globally.	Literature Review and International Case Analysis	Chapter 04
	Identify and analyse the salient features of housing and livelihood of the urban poor in Bangladesh.	Analysis of case study settlements, Grey Materials	Chapter 06
	Explore the evolution of development approaches and their impact on housing policies and programmes for housing the urban poor in Bangladesh.	Qualitative Analysis and Grey Materials	Chapter 07
	Identify and analyse the current organisational arrangement for housing the urban poor in Bangladesh.	Qualitative Analysis and Grey Materials	Chapter 08
	Develop pro-poor policy recommendations for housing the urban poor in Bangladesh considering the international practices and local context.	Comparative Analysis	Chapter 09

\* In addition to these chapters, there is an Introduction (Chapter 01), Research Strategy (Chapter 05) and Conclusion (Chapter 10).

Chapter two provides a review of literature on the ‘interrelation of housing and urban poverty’, one among three theoretical aspects which have been identified in both the international and Bangladesh context. The chapter theoretically discusses the process of urbanisation and urban poverty in developing countries with an international perspective. Later on, this chapter reviews the literature and discusses the importance of housing the urban poor. Furthermore, this chapter identifies the major challenges for housing the urban poor in developing countries, which have been subsequently referred to in later chapters.

Chapter three is the compilation of different literatures on the evolution of pro-poor housing policies and practices. This chapter develops the criteria to analyse the evolution of pro-poor housing practices in developing countries under a common framework. The shift of different paradigms has been analysed under three different perspectives, namely political commitment and policy support, institutional transformations and financial sustainability. In addition, this chapter gives an overview of the evolution of international trends and critical analysis of different approaches for scaling up pro-poor housing initiatives.

Chapter four reviews the literature on the institutional framework for housing the urban poor. It reviews the literature on the changing nature of institutions and social change. Later on, this chapter identifies the role of different actors and modes for providing housing for the urban poor. This chapter provides these frameworks in a general international perspective, which has been compared to Bangladesh context in later chapters. This chapter identifies the theoretical explanation of different organisational arrangements for housing the urban poor, which has been used as an analytical framework for identifying the impact of different organisational frameworks for housing the urban poor in chapter nine.

Chapter five brings together the three theoretical chapters under a single analytical framework. This chapter develops the links between the evolution of pro-poor housing practices, the relation of housing and urban poverty, and the role of different actor and organisational arrangements for housing the urban poor. This chapter also explains the comprehensive framework of this research by defining the interrelationships of housing conditions, housing policies and housing provision and the impact of development approaches on these relationships and on the individual aspects. This chapter also

summarises the myths of the impacts. The latter part of this chapter outlines the methodology used for the research.

Chapter six analyses the housing conditions of the urban poor in Bangladesh. The chapter starts with a description of nature of urbanisation in Bangladesh, followed by the causes and consequences of urban poverty and its relation to housing poverty. This chapter identifies the major causes of lack of housing provision for the urban poor in Bangladesh. In the latter part of this chapter, the housing conditions of the urban poor have been analysed for the overall Bangladesh context and in the context of case study areas. This analysis provides broader and micro level scenarios along with the comparative analysis of two case study cities and case study settlements. This analysis has been further developed in chapter nine to merge with the findings of chapter seven and eight.

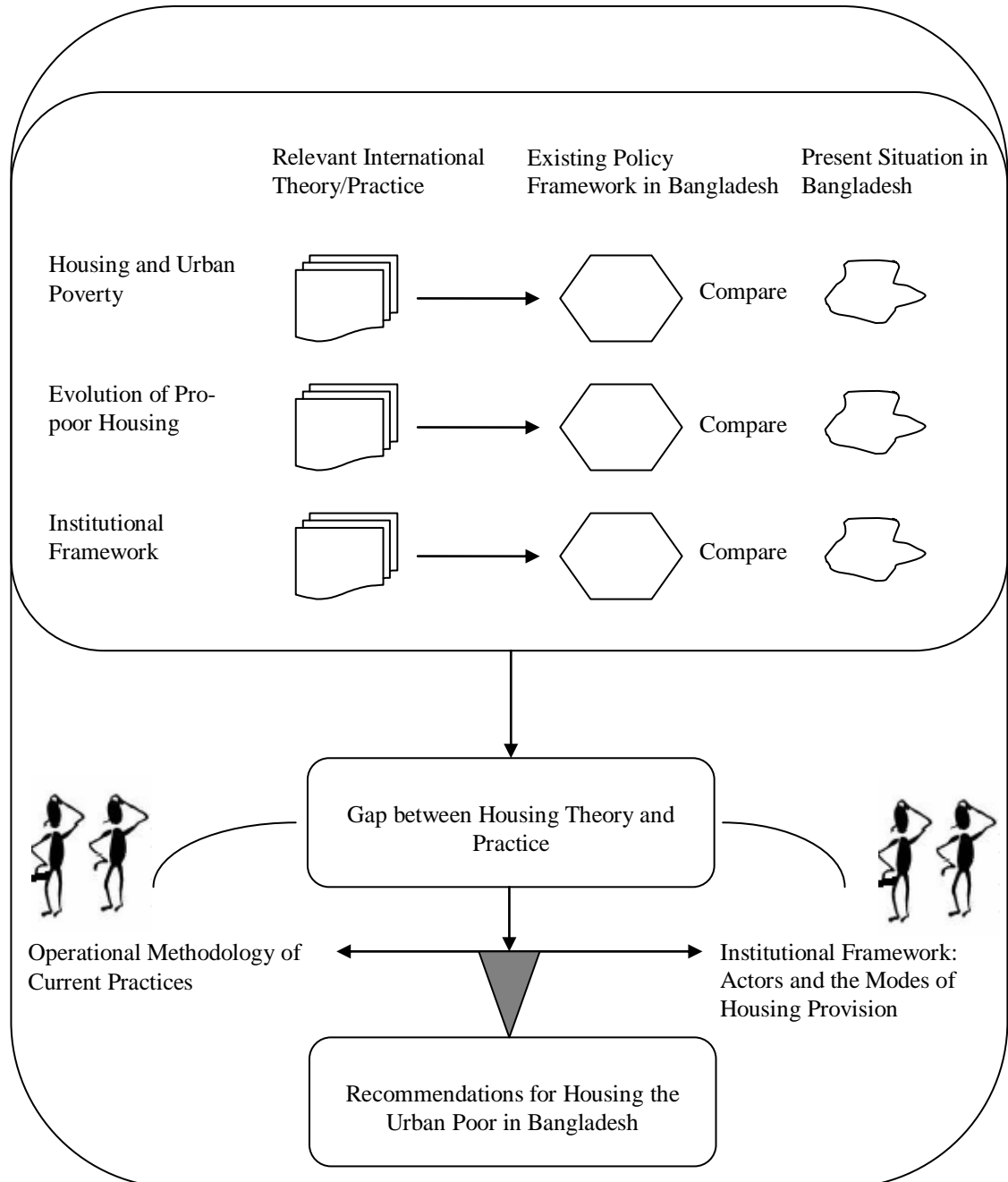
Chapter seven compares the evolution of pro-poor housing policies and practices of Bangladesh with international trends. The same criteria (political commitment and policy support, institutional transformations and financial sustainability) of chapter three have been used for this analysis.

Chapter eight identifies the different modes of housing provision for housing the urban poor in Bangladesh. Furthermore, this chapter explores how different organisations act towards the housing process for the urban poor and how these organisations fit in to the framework of organisational arrangement of democratic decentralisation. This part describes the different organisational arrangements of actors involved in housing the urban poor in Bangladesh; and how these organisational arrangements have addressed the challenges (e.g., tenure security, lack of basic services and access to finance) for housing the urban poor in two case study settlements.

Chapter nine brings together the findings of chapter six, seven and eight. Later in this chapter the links between these findings have been established. The last part of this chapter describes the impact of neo-liberalism on housing policies, housing provision and housing conditions. Furthermore, the last section of this chapter challenges the myths related to pro-poor housing with the empirical findings of chapter six, seven and eight.

Through chapter ten the research draws conclusions and suggests policy recommendations for housing the urban poor in Bangladesh. However, the whole research follows the similar pattern by constructing the Bangladesh context under the international framework (Figure 1.1).

**Figure 1.1: Overview of Research Process**



Source: Modified from Checkland and Scholes, 1990

## Chapter 2: Interrelation between Housing and Urban Poverty

### 2.1 Introduction

The aim of this chapter is to explore the interrelation of housing and urban poverty, which is the first objective of this research. The main assumption which supports the idea to explore the interrelationship - is identifying the vulnerability of the urban poor for ensuring sustainable livelihood opportunities, which is associated with their housing condition. This chapter first provides an overview of the urbanisation process in developing countries<sup>7</sup>, how urban poverty is occurring in developing countries, the implications of urban poverty<sup>8</sup> on the housing conditions of the urban poor in developing countries, the importance of housing for poverty alleviation, and finally, the major challenges for housing the urban poor in developing countries. The literature related to urbanisation process focusing urban poverty issues in developing countries provide the macro level understanding of economic, social and infrastructural vulnerability of the urban poor in developing countries. In the following part of this chapter this understanding has been used to define the interrelation of housing and urban poverty in an international context, which has been referred in order to analyse and understand the context of Bangladesh (Chapter 06 and Chapter 09). The last part of this chapter identifies the major challenges related to housing the urban poor in developing countries. This finding has been used in the subsequent chapters to understand the role of different actors for addressing these challenges in both an international (Chapter 04) and Bangladesh (Chapter 08) perspective.

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<sup>7</sup> There is an ongoing debate on the definition of developing countries. There is also confusion on the methodology to categorise the country (including as regards to choice of terminology). However in this research developing country has been chosen as the common term as most of the reviewed articles have used the same terminology. Reviewing most of the literature used in this research, the countries which are in the category of low-income countries defined by World Bank and low human development countries categorised by United Nations have been referred as developing country in this research. The country classification systems in selected international organisations and the list of the low-income countries (World Bank) and low human development countries (United Nations) have been shown in the Appendix 2.1.

<sup>8</sup> The definition of urban poverty has widened beyond conventional income-based or consumption-based definitions to include the health, social and environmental aspects of deprivation (Wratten, 1995; Rakodi, 1995; 2002). Previously urban poverty was generally defined in terms of a poverty line. A poverty line is considered to provide only partial explanations of the causes of persistent poverty and deprivation. Poverty line analysis reveals the characteristics of people and households associated with poverty including low educational levels, lack of skills, poor health and tenancy tenure (Rakodi, 2002). It does not reveal the underlying causes, especially processes of political and social exclusion, and does not examine the relationships between labour market position, health and environmental conditions (Songsore and McGranahan, 1998). The use of poverty lines may imply that the poor are passively waiting to become beneficiaries of trickle-down effects from economic growth or external interventions, when in practice they are active agents, adopting positive strategies for coping with impoverishment and securing improved well-being (Rakodi, 2002).

The urban neighbourhoods where poor urban households live are influenced by their poverty. It provides or excludes them from opportunities and influences their chances of becoming trapped in poverty (Rakodi, 2002). Considering this notion of Rakodi (2002) and housing as a major area of focus, this study adopts the following definition of urban poverty developed by the World Bank (2001):

Urban poverty is a multi-dimensional phenomenon, and the poor suffer from various deprivations, e.g., lack of access to employment; adequate housing and services; social protection; and lack of access to health, education and personal security (World Bank, 2001, p1).

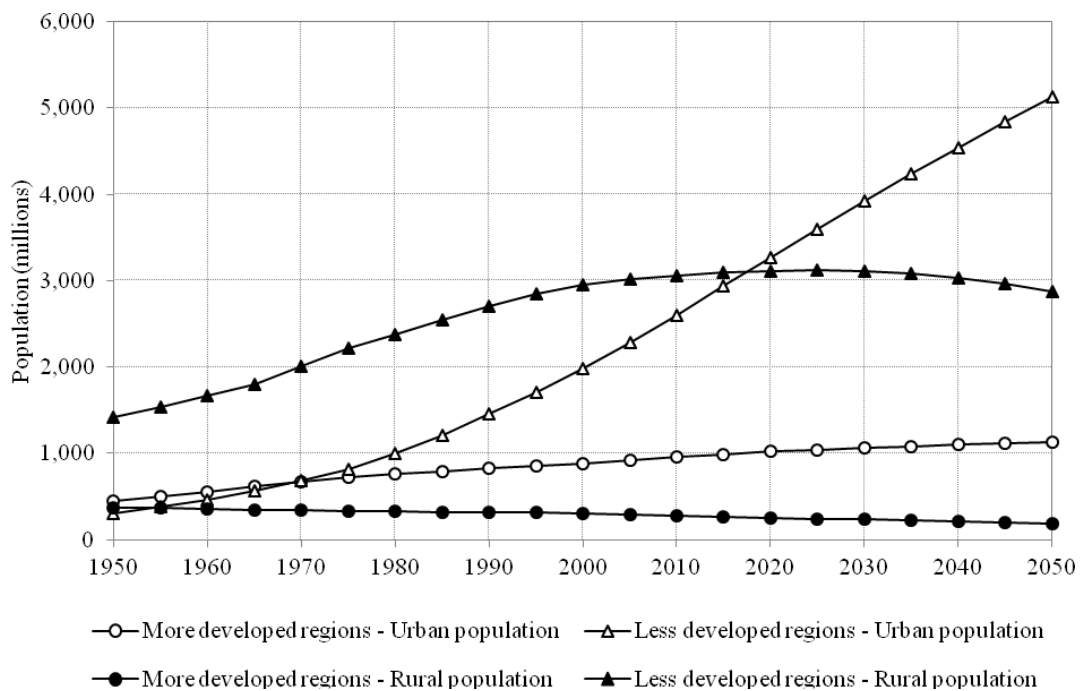
## 2.2 Urbanisation in Developing Countries

It has been observed since the post colonial era that urbanisation is mainly occurring in developing countries. Globally, the share of population living in cities has risen significantly over the past six decades. In 1950, roughly 38% of the world's population lived in cities. Since 2008, for the first time in human history, half of the humanity lives in the city - making the 21<sup>st</sup> century the century of the city (World Bank, 2001; Moreno et al., 2008; Butsch et al., 2009). The actual urban population has more than tripled from 960 million in 1950 to 3.3 billion in 2008. Between 2007 and 2050, the world population is expected to increase by 2.5 billion, passing from 6.7 billion to 9.2 billion. At the same time, the population living in urban areas is projected to gain 3.1 billion, passing from 3.3 billion in 2007 to 6.4 billion 2050 (United Nations, 2008). By mid-century the world urban population will likely be the same size as the world's total population in 2004.

## 2.3 Urbanisation Process

Urbanisation in developing countries is happening in different forms and through different processes and as a consequence of several actions happening globally and locally. The urban areas of the world are expected to absorb all the population growth expected over the next four decades while at the same time drawing in some of the rural population.

**Figure 2.1: Urbanisation Process in the Developed and Developing Countries**



Source: United Nations, 2011



The 'Urban Turn' is a consequence of rapid urbanisation in the last decades, especially in the less developed regions. In these regions the population is projected to increase from 2.4 billion in 2007 to 5.3 billion in 2050. The urban population of the more developed regions is projected to increase modestly, from 0.9 billion in 2007 to 1.1 billion in 2050. In fact, most of the population growth expected in urban areas will be concentrated in the cities and towns of the less developed regions. Asia, in particular, is projected to see its urban population increase by 1.8 billion, Africa by 0.9 billion, and Latin America and the Caribbean by 0.2 billion. Thus by 2050, the urban population of the developing world will be 5.3 billion. Asia alone will host 63 per cent of the world's urban population, or 3.3 billion people, while Africa, with an urban population of 1.2 billion, will host nearly a quarter of the world's urban population (World bank, 2001; Moreno et al., 2008; United Nations, 2011). Population growth is therefore becoming largely an urban phenomenon concentrated in the developing world (United Nations, 2011). Urbanisation is not an isolated phenomenon; rather it is a consequence of different processes. Thus urbanisation in developing countries can be categorised as demographic, economic and social processes.

### ***2.3.1 Urbanisation as a Demographic Process***

The trend of population explosion in the developing countries will surely prevent any substantial improvements in living standards there as well as threaten people in stagnant economies with worsening poverty (Moreno et al., 2008). In this consequence, cities are currently home to nearly half of the world's population and over the next 30 years most of the two-billion-plus people increase in global population is expected to occur in urban areas in the developing world (Cohen, 2006). This represents a significant departure from the spatial distribution of population growth in the developing world that occurred over the past 30 years, which was much more evenly divided between urban and rural areas (United Nations, 2011). Urbanisation in developing countries can be explained as the result of enormous population growth caused by natural increase and rural to urban migration.

Rural-Urban migration in developing countries has been prompted by a variety of events – not so much the 'pull' of city life in it, but often the 'push' of economic circumstances in the countryside, such as debt, natural disasters, landlessness, lack of employment opportunity (UN-HABITAT, 2001b). In developing countries this migration based urbanisation is happening in two ways; concentration in the

neighbouring cities as an initial entry point for the rural poor, and higher concentration in the larger cities for better income and employment opportunity (Gilbert and Gugler, 1992). Thus the population distribution in developing countries shows higher concentration of the migrant and urban population in larger metropolitan areas than the non-metropolitan cities.

### ***2.3.2 Urbanisation as an Economic Process***

Developing countries, the technologically less advanced or developing, nations of Asia, Africa, are generally characterised as poor, having economies, distorted by their dependence on the export of primary products to the developed countries in return for finished products. These nations also tend to have high rates of illiteracy, disease, high population growth and unstable governments. This combination of conditions in Asia and Africa is linked to the absorption of the developing countries into the international capitalist economy, by way of conquest or indirect domination (Peet and Hartwick, 2009). The main economic consequence of Western domination was the creation, for the first time in history, of a world market. By setting up, throughout the third world, sub-economies linked to the West and by introducing other modern institutions, industrial capitalism disrupted traditional economies and, indeed, societies. This disruption has led to the underdevelopment of these countries (ibid, 2009). Because the economies of developing countries have been geared to the needs of industrialised countries, they often comprise only a few modern economic activities, such as mining or the cultivation of plantation crops. Control over these activities has often remained in the hands of the corporate sector.

Understanding this dichotomy, the urbanisation of developing countries can be explained as an economic process, driven by the capitalist economy. Rapid industrialisation in developing countries since the post colonial era supports the above argument (i.e. China and other East Asian countries). Industrialisation based urbanisation happened in developed countries assuming densely populated urban areas can provide a pool of skilled workers, a network of complementary firms that provide forward and backward linkages for supply chain, opportunities for knowledge flows, and a critical mass of consumers (Henderson, 2003). Without contextualising the above conditions, developing countries deliberately went for industrialisation based urbanisation, which later failed to generate enough employment opportunity due to the absence of favourable conditions that have been observed in the case of developed countries (ibid, 2003).

Urbanisation as an economic process can be defined through the idea that government economic policies on sector composition affect urbanisation. Thus the urbanisation as an economic process has been referred in different literature as a matter of urban bias (Kessides, 2007; Jones and Corbridge, 2010). Urbanisation as an economic process occurs in the early and middle stages of development is determined largely by changes in national economic sector composition and in technology, and government policies tend to affect urbanisation only indirectly through their effect on sector composition (Fay and Opal, 1999). Fay and Opal (1999, p6) describes this process of urbanisation as a process to maximise growth, which initially causes rural-urban migration but emphasised that urbanisation does not even noticeably slows down during economic downturns, implying that people continue to move to cities even when economic growth is low. Thus Fay and Opal (1999) oppose that urban bias is not an outcome of economic policies rather urban bias is happening through skewing of resource provision in to urban areas by the urban elites. This drawback of resource provision signifies the lack of equitable distribution of resource under the market economy (Jones and Corbridge, 2010). This unequal resource distribution creates more urban bias to capitalise the maximum benefit of agglomeration (Kessides, 2007). Thus the growth in the urban areas pulling rural people into urban areas and the skewed resource provision is creating more urban bias, which portrays the real picture of urbanisation in developing countries. However, the poor rural economy and the initial growing urban economy initiated the rapid urbanisation in the larger cities of developing countries, which is still pulling people from the country side through informal economy in the absence of formal economy.

### ***2.3.3 Urbanisation as a Social Process***

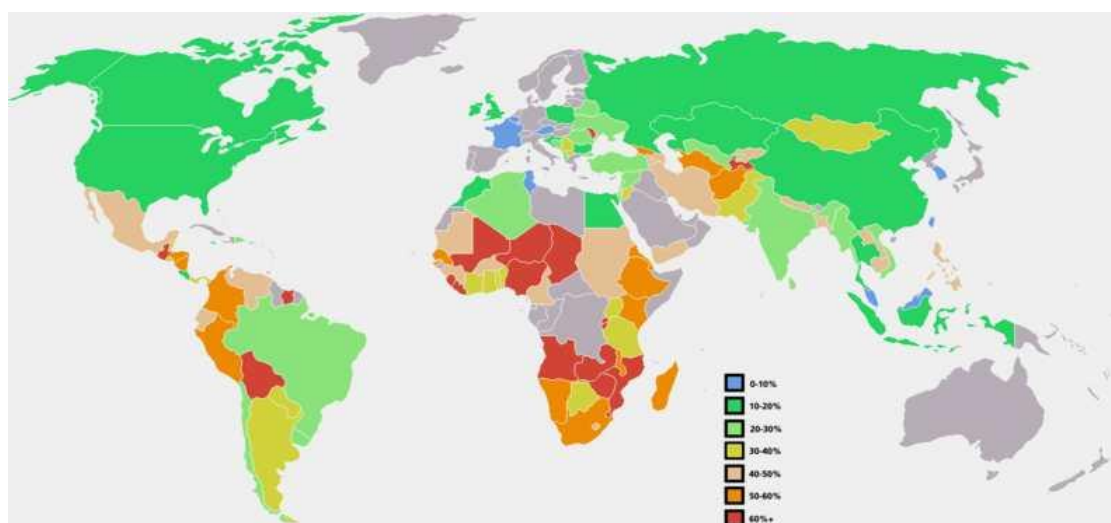
Urbanisation is one of the major social changes sweeping the globe, especially in developing countries, where urban growth rates are the most intense. Socially, urbanisation brings fundamental changes in the ways people live; in the number of people they see, in the places they work and often in the quality of the water they drink and the house in which they live (Giddens et al., 2003). This way of life has been termed as 'Urbanism' in different literature. Pragmatists defined urbanism as a culture of inclusion to promote pluralism, which recognises the right of the urban poor to enjoy the civic amenities of the city (Lefebvre, 1968). However, in the policies and practices related to urban development of developing countries, urbanisation has never been seen as a social process in a pragmatic inclusionary way. The rights of the urban poor for

getting access to civic amenities have been historically overlooked by understanding the existence of the urban poor as a resultant of demographic and economic process (Harvey, 2008). Urbanisation as a social process has been explained in the literatures advocates for modernisation; defining the process as a challenging one to fit the rural migrants in urban culture, as the urban poor often hold the rural way of life and have limited access to the formal urban economy (ibid, 2008). However pro-poor urban development seeks a pragmatic inclusionary way of understanding urbanisation as a social process. The modernisation view of urbanisation is dominated by professionals – the staff of NGOs, government departments and international agencies without acknowledging the capacity and need of the urban poor. However, the pragmatists advocate for an inclusionary way, which recognises “the importance of urban poor groups to develop their own local representative organisations that can influence poverty reduction programmes or develop their own – and for these organisations to be able to work together in larger federations at municipal, city, regional or national level to influence policies, laws and resource allocations beyond the local levels” (Satterthwaite, 2001, p135).

#### 2.4 Growing Urban Poverty in Developing Countries

Urbanisation is therefore happening in developing countries at a rapid rate. In developed countries rapid urbanisation brought prosperity and growth, but in the case of developing countries though the economic growth has been observed in urban areas, the increasing rate of urban poverty has prevailed as the other side of the coin.

**Figure 2.2: Percentage of Urban Poor in the World**



Source: UNFPA, 2011

The unequal distribution of the capitalist economy and lack of capacity of the urban poor for ensuring propulsive economic growth is causing extreme urban poverty (Butsch et al., 2009). Figure 2.2 shows that the absolute number of poor is higher in the cities of the developing country than the cities of developed countries, and the percentage is increasing over the time (UNFPA, 2011).

#### ***2.4.1 Causes of Urban Poverty***

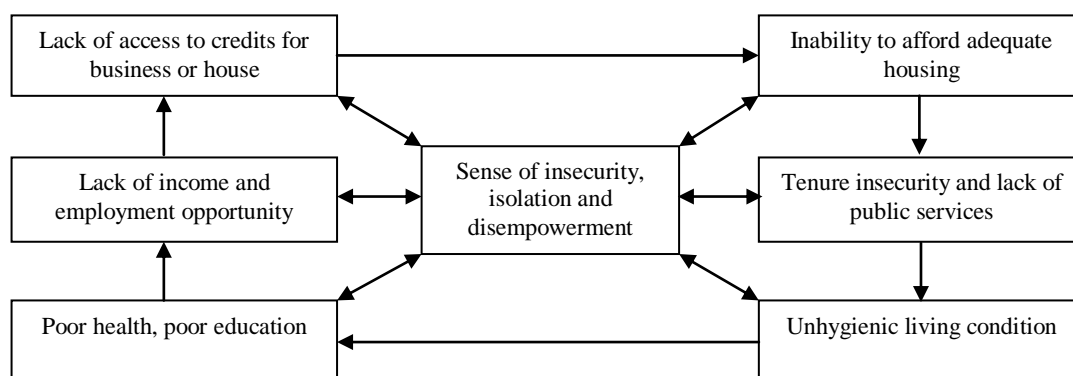
The fundamental cause for increasing urban poverty depends on the policy measures. As Moser (1998, p2) mentions “urban poverty has also been increasing its share in most countries subject to structural adjustment programmes, most of which are deliberately anti-urban in nature”. The urban poverty led by the massive urbanisation in developing countries is the resultant of policy failures from both the demographic and economic perspective. In terms of demography, the number of rural poor that is migrating towards urban areas is causing urban poverty. In addition, the economic crisis and structural adjustment policies introduced in the developing countries have had a disproportionate impact on the urban poor, due to rising food prices, declining real wages and redundancy in the formal labour market, and reduced public expenditure on basic services and infrastructure (Moser, 1998; Mitlin and Satterthwaite, 2004; Banks, Roy and Hulme, 2011). Besides most of the developing countries are ill-equipped to deal with the accelerating urban population growth, and the expansion of cities is outstripping the capacity and resources of governments and local authorities to plan and manage development, and provide infrastructure, housing and employment opportunities (Majale, 2008).

#### ***2.4.2 Impact of Urban Poverty***

Under the aggravating poverty situation in the cities of developing countries along with rapid urbanisation, a twin development process has emerged in which a *formal* and an *informal* city are developing in parallel. As discussed earlier that lack of policy measures is the pre-dominant cause of urban poverty; it is also causing urban informality. Thus informality can be assumed as a process for the survival of the urban poor, which connects different economies and spaces to one another (Roy, 2005). In many cities, the informal sector accounts for as much as 60 per cent of employment of the urban population and may well serve the needs of an equally high proportion of citizens through the provision of goods and services (Mumtaz and Wegelin, 2001). Apart from this survival strategy through informality there are many other negative

impacts of urban poverty. The following figure describes the cumulative impact of urban poverty.

**Figure 2.3 Cumulative Impacts of Urban Poverty**



Source: Adapted from UN-HABITAT, 2006

## **2.5 Impact of Urban Poverty on the Housing Conditions of the Urban Poor**

The major impact of urban poverty in the developing countries can be seen through the housing conditions of the urban poor. As Payne and Majale (2004) emphasise, the urbanisation of poverty has placed immense pressures on the resources of national and local governments, to improve living conditions of informal settlements, to improve access to a more affordable legal shelter and to reduce the creation of new slums. Thus, slum conditions are caused by poverty and inadequate housing responses, which are mutually reinforcing, to some extent (UN-HABITAT, 2003). As urban populations in most developing countries are growing rapidly, it is becoming evident that present policies for human settlements development fail to cater for the special circumstances of the groups affected by extreme poverty (UN-HABITAT, 1996). In addition to the existing situation in the developing countries the economic recession is pushing additional people in the slums and squatters, who are economic migrants<sup>9</sup> and contributing in the city economy in an informal way. However, the ideas of housing poverty and urban poverty are not simply extrapolations or straightforward applications of the idea of poverty as they are subject to factors and determinants that do not arise in the simplified idea of income poverty (ibid, 1996).

### **2.5.1 Housing Conditions of the Urban Poor**

The housing conditions of the urban poor settlements can be defined by the way the settlements are named. The legality and the physical condition is always defining the

<sup>9</sup>In developing countries rural-urban migration is often considered to be a process of securing income by migrating in urban areas. It is evident that for those who live on the edge of extreme poverty in rural areas, migration to nearby towns may give them temporary relief from unemployment. Afsar (2003) estimated that, from no income of their own prior to migration more than 80 percent were able to earn enough to keep them above the poverty threshold after migration.

housing of the urban poor in various ways namely as slum, informal settlement, squatter, shantytown etc. However, there are some common characteristics and in most cases the urban poor settlements are characterised by inadequate housing conditions; deficient urban services (water supply, sanitation, drainage, solid waste disposal, and roads and footpaths); unsanitary and dehumanising living conditions; extremely high densities (of both people and dwellings); and, frequently, long travel distances to job opportunities. In addition, the urban poor living in such settlements are under the common threat of eviction imposed by the illegality of such settlement. This section puts forward ideas to contextualise the type of settlement.

The poor urban districts that make up a large part of the urban agglomerations in the developing world are referred to by different terms. Most popularly the word slum has been used in different literatures, where the noun 'slum' is employed in popular usage to describe 'bad' shelter, considering anything from a house to a large settlement can be classified as a slum providing that it is perceived to be substandard and is occupied by the poor (Gilbert, 2007, p699). Considering the physical attribute of houses this type of definition is also significant in different literatures. As Hawkins and Allen (1991, p1369) have described slum as "an overcrowded and squalid back street, district, etc. usually in a city and inhabited by very poor people; and a house or building unfit for human habitation".

The delineation of slum remains a common attribute in pro-poor policy measures. Absolute measurement criteria have been followed to identify the slums, such as density, income level of the dwellers, housing condition, availability of services. However, this type of absolute techniques has been criticised; as Gilbert (2007, p701) mentions "there are problems in identifying slums through absolute measures, as the standards differ across the world so what is considered to be a slum by poor people in one country may be regarded as perfectly acceptable accommodation by much poorer people in another". However, considering quality based measurement criteria, UN-HABITAT (2003) refers to the following definition of slums: The term slum describes a wide range of low-income settlements and/or poor human living conditions and note that these inadequate housing conditions exemplify a variety of manifestations of poverty as defined in the programme of action adopted at the World Summit for Social Development.

**Table 2.1: Indicators and Thresholds for Defining Slums**

<b>Characteristic</b>	<b>Indicator</b>	<b>Definition</b>
Access to water	Inadequate drinking water supply	A settlement has an inadequate drinking water supply if less than 50% of households have an improved water supply: <ul style="list-style-type: none"> <li>• household connection;</li> <li>• access to public stand pipe;</li> <li>• rainwater collection;</li> </ul> With at least 20 litres/person/day available within an acceptable collection distance.
Access to sanitation	Inadequate sanitation	A settlement has inadequate sanitation if less than 50% of households have improved sanitation: <ul style="list-style-type: none"> <li>• public sewer;</li> <li>• septic tank;</li> <li>• pour-flush latrine;</li> <li>• ventilated improved pit latrine.</li> </ul> The excreta disposal system is considered adequate if it is private or shared by a maximum of two households.
Structural quality of housing	a. Location	Proportion of households residing on or near a hazardous site. The following locations should be considered: <ul style="list-style-type: none"> <li>• housing in geologically hazardous zones (landslide/earthquake and flood areas);</li> <li>• housing on or under garbage mountains;</li> <li>• housing around high-industrial pollution areas;</li> <li>• housing around other unprotected high-risk zones (eg railroads, airports, energy transmission lines).</li> </ul>
	b. Permanency of structure	Proportion of households living in temporary and/or dilapidated structures. The following factors should be considered when placing a housing unit in these categories: <ul style="list-style-type: none"> <li>• quality of construction (eg materials used for wall, floor and roof);</li> <li>• compliance with local building codes, standards and bylaws.</li> </ul>
Overcrowding	Overcrowding	Proportion of households with more than two persons per room. The alternative is to set a minimum standard for floor area per person (i.e. 5 square metres).
Security of tenure	Security of tenure	<ul style="list-style-type: none"> <li>• Proportion of households with formal title deeds to both land and residence.</li> <li>• Proportion of households with formal title deeds to either one of land or residence.</li> <li>• Proportion of households with enforceable agreements or any document as a proof of a tenure arrangement.</li> </ul>

Source: UN-HABITAT, 2003

The term slum includes the traditional meaning, which is, housing areas that were once respectable or even desirable, but which have since deteriorated, as the original dwellers have moved to new and better areas of cities. The condition of the old houses has then declined, and the units have been progressively subdivided and rented out to lower-income groups. A typical example is the inner-city slums of many historical towns and cities in both the industrial and developing countries. The term slum has, however, come to include also the vast informal settlements that are quickly becoming the most visual expression of urban poverty. The quality of dwellings in such settlements varies from the simplest shack to permanent structures, while access to water, electricity,



sanitation and other basic services and infrastructure tend to be limited. Such settlements are referred to by a wide range of names and include a variety of tenurial arrangements.

Most of the researchers of low-income areas in Latin America and Africa, although not generally in Asia, strenuously avoided the term *slum* (Gilbert, 2007). One of the major reasons for this is the negative associations that the term conjures up, the false hopes that a campaign against slums raises and the mischief that unscrupulous politicians, developers and planners may do with the term (ibid, 2007). The legality issue is another attribute, has been used to define slums when the idea of formalisation has been included in any policy measures (Payne, 2001). Tenure security concerns push those researchers to rephrase *slum* as *informal housing* (Abrams, 1964 and Payne, 2001). Housing has been described as informal when it does not conform to the laws and regulatory frameworks set up in the city in which it occurs (UN-HABITAT, 2003). Under this categorisation the illegal land tenure of the urban poor and the unplanned and unauthorised housing unit became the major criteria to define housing of the urban poor. As with the term *slum*, the use of *informal settlement* has also been criticised, as Charles and Niklas (2008, p39) mentions that “the term informal settlements misleading as it does not capture the realities of residents living in slums, which have been long neglected by the state”. The major criticism against use of the term *informal housing* is its applicability, as it has been noted that houses can be formal and *regularised* but have deteriorating living conditions, which hinder the economic and social prosperity of their dwellers.

Another dimension of the definition of housing of the urban poor is the difference between the perceptions in developed countries and developing countries. While industrialised nations regard inadequate housing as almost synonymous with homelessness, this congruence may be unhelpful in developing countries in which a large proportion of households live in housing which could be defined as inadequate (Tipple and Speak, 2006). There is still debate going on whether the housing of the urban poor across the world is homogeneous or heterogeneous. As, Gilbert (2007, p703) assumes that many low-income settlements in the world are anything but homogenous. In addition, UN-HABITAT (2003, p21) believes in heterogeneity by countering homogeneity as a common misperception that all slums are alike and that the people who live in slums conform to common stereotypes.

The debate has been extended in terms of service requirements and provision for the urban poor across the world. In addition to the provision of services, the access to the services by the urban poor is also becoming a major concern for defining the housing of the urban poor. As regards tenure, information from the slum case studies reveals a rich diversity among slums and slum dwellers, there are slums whose residents are exclusively or predominantly renters or a mix of owners and renters of units held in legal or semi-legal tenure (UN-HABITAT, 2003). In addition to this situation it is well evident that land owners in the developing countries are developing houses with or without the service provision followed by temporary structure to accommodate the urban poor with a minimum rent, considering the affordability aspects in both cases: the affordability problem of the urban poor to rent standard rental houses and the affordability problem of the land owner to construct standard houses. Thus, it is really important to understand and contextualise the definition and situation of housing of the urban poor for future policy measures.

### ***2.5.2 Impact of Housing on the Livelihood of the Urban Poor***

Though the housing condition of the urban poor is poor in quality, it has direct impact on the livelihood of the urban poor, as shelter reflects the achievement of both economic and social goals. A housing environment can be an index of the social health, happiness, social justice, and dignity of the inhabitants. To a great measure, these emanate from a liveable and decent housing environment. Where this does not exist, it usually reflects a sense of despair, deprivation, and deepening violence (Hasan, 1999). Although the urban poor remain in the deprived parts of the city but their existing housing plays an immense role for their livelihood opportunity. However, in policy measures this particular impact of housing on the livelihood of the urban poor has often been overlooked. Most development professionals still assume that poverty is caused by a lack of income or assets, but fail to recognise that poor quality overcrowded housing which lacks basic infrastructure, underpins or greatly exacerbates the deprivations associated with poverty (McLeod and Satterthwaite, 2001). Moreover, housing has increasingly come to be seen as a contributor to growth, as housing has social consequences with diverse economic effects (e.g. home based economic activities) (Harris and Arku, 2006). However, the following section will discuss that housing of the urban poor is not merely a shelter; rather it is an asset for addressing vulnerability and a source of production by using the diversified labour force.

### ***2.5.3 Pro-Poor Housing as an Asset for Addressing Vulnerability***

Housing is commonly identified as a basic need or item of household consumption. It is also an important productive asset (Moser, 1998; Tipple, 2005). In the urban context, housing is an important asset that generates income through, for instance, renting rooms and the use of its space for home-based production activities (Tipple, 2005). Housing insecurity, such as when squatter households lack formal legal title, creates an extreme sense of vulnerability; in contrast, tenure security and legal title give households the incentive to invest in upgrading their homes and the security to use this asset productively, particularly when other sources of income are reduced (Rakodi, 2002). Pro-poor housing provision enables the urban poor to deal with new income generating opportunities as the housing provision acts as a productive asset. Home ownership provides opportunities for home-based enterprises for the urban poor who rely on the diversified use of household labour for their sustenance need (Ghafur, 2001; Tipple, 2005). These are especially important for home-bound women, allowing them to contribute to household income, where the success of such enterprises, however, also depends on access to assets that complement home ownership, such as electricity, water, skills, and credit (Moser, 1995). However, the aforementioned literatures also provided the evidence that the outcome of poverty reduction strategies differ among the urban poor who have and who do not have access to housing as an asset for home-based production.

The role of housing in poverty eradication programmes is potentially significant because of the range and number of benefits that such investment can support (McLeod and Satterthwaite, 2001). Plenty of literature recognises housing as an asset through its productive nature as home-based enterprise can fundamentally assist poverty reduction strategies (Moser, 1998; Ghafur, 2001; Rakodi, 2002; Tipple, 2005). In the urban contexts of developing countries, where the poor are systematically excluded from formal sector jobs, and the capacity of macroeconomic growth strategies to generate additional jobs is limited, the removal of tenure-insecurity related obstacles that prevent or constrain households from using their housing effectively as a productive asset is possibly the single most critical poverty reduction intervention (Moser, 1995). The diversified use of labour in informal settlement creates the symbiotic relationship between the livelihood of the urban poor and the built environment, which changes with the housing structure and location of the urban poor. Historically, however it has been difficult to measure the complete range of potential or actual benefits quantitatively and

comparative analysis between initiatives has proved problematic as poor communities are not homogenous and have varying needs and priorities (McLeod and Satterthwaite, 2001). However in most of the developing countries the lack of pro-poor housing provision is obstructing the potential of home-based enterprises by undermining housing as an asset for the urban poor in pro-poor policy interventions.

## **2.6 The Interrelation between Housing and Urban Poverty**

Housing is a central aspect of urban poverty and well-being (Mitlin, 2003). Yet, to date it has not been included in the human development index, despite the work undertaken by the United Nations and World Bank on developing housing and urban indicators (UN-HABITAT, 2003). The really significant point in all of this is that, though related, income poverty and housing poverty are not the same thing; undoubtedly, low income is frequently a major cause of housing poverty, but housing-related conditions such as low supplies, ineffective land policies, inappropriate building codes, and imbalances in tenure and finance can also be significant in assessments of housing poverty and affordability (ibid, 2003). The criteria which determine the existence of housing poverty include high rent/repayment-to-income ratios, substandard and unfit housing conditions, and substantially blocked access to adequate housing (UN-HABITAT, 2003). Housing poverty is also significantly influenced by general economic conditions including inflation, unemployment, rapid changes in the structure of the economy (a phenomenon of the post-1970 world), and changes in the rate of interest (UN-HABITAT, 1996). High rates of inflation, recession-induced unemployment, the redistribution of the advantaged and the disadvantaged in structural change and increasing rates of interest can all bring adverse effects to the housing sector, and sometimes increase housing poverty (ibid, 1996). Moreover urban poverty and housing poverty is related with each other and housing for the urban poor is not only the shelter but it can be treated as the gateway for alleviating urban poverty. This section describes the interrelation from an economic and social point of view.

Through understanding the vulnerability of slum dwellers and the productive role of housing of the urban poor it can be concluded that an assessment of livelihood strategies is central to examining household vulnerability. Livelihood strategies are the ways households make their living through combining and transforming the various individual and collective capabilities and assets at their disposal into activities bringing valued outcomes (Kantor and Nair, 2003). The major interrelation between housing of

the urban poor and poverty eradication relies on the potentials of housing as a unit of production and self-actualisation.

The housing of the urban poor enables the immediate survival of the immigrant urban poor in to the cities. The house represents the address and identity of the urban poor as citizen. However, whether the slum can provide the dignity and right of citizenship is being always questioned. But many studies have suggested that housing is the determinant form of identity and self-actualisation, which establishes the confidence among the urban poor to act collectively for their survival in the cities from both the social and economic perspective (McLeod, 2001; Milton, 2001; Rakodi, 2002). Moreover, the level and diversification of assets and capabilities, determined in part by status and entitlements in a particular social context, protect households against risks from outside and enable them to adapt better when risks cannot be avoided (Chambers and Conway, 1992). Moreover, the role of housing as an asset has an important role for poverty alleviation, which may be analytically judged through the livelihood opportunities<sup>10</sup>.

It is well evident that many housing schemes have failed because they have ignored the community and livelihood basis of why people settle where they do in the dwellings they occupy (UN-HABITAT, 2003). Another major aspect of pro-poor housing is the social sustainability. Social sustainability implies an ability to maintain and improve livelihoods through maintaining and enhancing local and global assets and capabilities on which livelihoods depend (Chambers and Conway, 1992). Summarising the literatures, it can be explained that housing of the urban poor is associated both with their vulnerability and livelihood opportunity.

### **2.7 Major Challenges for Housing the Urban poor**

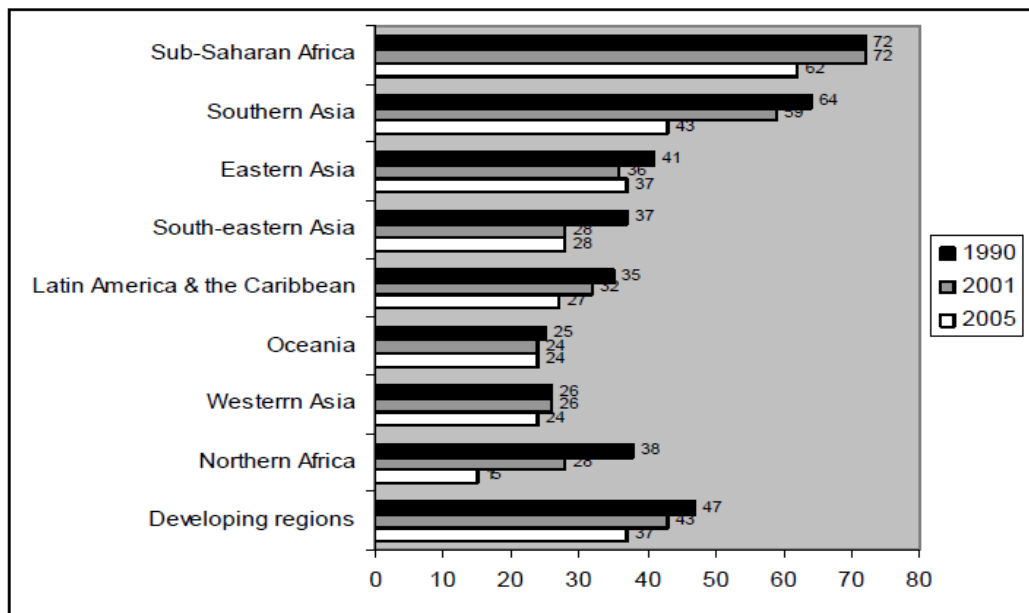
It has been evident that, despite advancement and improvement in city management, in most developing and transitional economy countries, cities cannot keep pace with their phenomenal growth and the increasing number of urban poor. Despite the global commitment of the Millennium Development Goals to eradicate urban poverty by 2015, the current trends reflect an unprecedented increase of the slums in cities of the developing world which will result in estimated slum population of 1.4 billion by 2020 (UN-HABITAT,2006; UNFPA, 2011). It has been estimated that as many as 31.6 per

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<sup>10</sup> Table 5.1

cent of the urban population in 2001 were living in inadequate housing conditions, where developing country cities have an estimated 43 per cent of urban residents living in slums, while for developed country cities the estimate is 6 per cent (ibid, 2006). The scale of shelter need is widely accepted. At least 900 million urban residents are in need of improved shelter in towns and cities in the global South (UN-HABITAT, 2003; UNFPA, 2011). Though affordability issues (Payne, 2002) has always been considered as the major challenge for housing the urban poor there are also several other challenges, which have been discussed in the following subsections.

**Figure 2.4: Distribution of Slum Population of the World**



Source: UNFPA, 2011

### ***2.7.1 Housing Affordability of the Urban Poor***

The inability to afford a regular housing unit leads the poor to find unconventional solutions to their housing problems, and some of these solutions are even illegal in certain contexts (Lim, 1987). Affordability is the issue which relates the income aspect of urban poverty with housing poverty in developing countries. In developing countries housing poverty is often considered as a causal factor of urban poverty. In housing, affordability can be understood in analogy to the blades of a pair of scissors, where one blade is the level of income, and among the urban poor in developing countries this is closely identified with low wage occupations and the intermittent and low earnings in the informal sector (UN-HABITAT, 2001a). The other blade is represented by the supplies and standards of housing which are available (ibid, 2001a). In this context, the extensive existence of squatter settlements and crowded slums in developing countries indicates that housing supplies are inadequate.

Though it is assumed in different literature that the urban poor are not paying anything for their accommodation, in most of the developing countries, as well as the floating population that pays rent, the more permanent slum dwellers also pay for their housing whether in a formal or informal way (Gilbert, 1996). Thus, the question of affordability is a question of the nexus between housing supplies from the housing sector and income levels from low-wages and informal sector earnings (UN-HABITAT, 2001a). This is the nature of the intersection point on the imaginary pair of scissors. In theoretical terms affordability is about rent/price-to-income ratios, occupancy rates, the qualities of housing, and security in being able to make medium-term choices in houses (Smets, 1999). This theoretical definition of affordability is impeding the urban poor from getting access to housing loans provided by the private and public housing (ibid, 1999). Thus, affordability depends on the market as well, with influencing factors being the availability of housing loan, available housing units and the cost of building materials.

### ***2.7.2 Tenure Security of the Urban Poor***

Under conditions of rapid urbanisation, competition for secure, serviced land is increasing in all developing countries, which is causing greater pressure on existing tenure systems and requires governments to formulate policies which encourage efficient land use and improve accessibility to it, especially for the urban poor (Payne, 2002). It is evident from the literature that the granting of secure tenure is the single most important catalyst in mobilising individual investment and economic development (Gilbert, 2001). Secure tenure represents a bundle of different rights and is related to a number of other important issues. The specific legal rights to which tenure refers include the right to occupy/use/enjoy; to restrict who develops or uses the property; to dispose/buy/inherit; to cultivate/produce/sublet/sublet with fixed rent; to benefit from change in value; to access services; and to access formal credit (UN-HABITAT, 2003). Tenure security promotes the rights and interests of the poor, recognising that the urban poor themselves provide the vast majority of their shelter (ibid, 2003). The problem of tenure security appears as a causal effect of illegality of the housing of the urban poor. Informality of land tenure is usually a key characteristic of urban slums in the cities of developing countries (Brueckner and Selod, 2008). Informal tenure often involves squatting, where households occupy a parcel of land that belongs to someone else while paying no financial compensation (ibid, 2008). Thus, this informal tenure has been referred to as squatting in different literature.

In urban space, the land market is structured by the state (either explicitly or implicitly) because it determines the rules that govern land use; in so doing it defines the scale of the supply of land and heavily influences its cost (Satterthwaite, 2009). Moreover, in the market based economy, this legality issue is reinforcing capitalism, which considers urban land as capital for future investment. Thus the urban poor are facing continuous threat of eviction and harassment. Nevertheless, tenure security remains a development priority, where titles, rather than being a route to financial market integration, are a route to security, social inclusion and political recognition (Muller and Mitlin, 2007).

With regards to legality and economic gain of the cities, a common assumption is that the urban poor are informally occupying valuable urban land, which hinders the economic gain of such land. But for decades, it has been overlooked that the informal economy is contributing as a major part of the city economy (Informal employment accounts for half of all non-agricultural employment in developing countries, in Asia it is 65 percent. Dharavi, the biggest slum of Asia has an estimated annual economic output to be \$600 million to more than \$1 billion) (Burra, 2005). In addition to its importance for the survival of the urban poor without having any structured mechanism for formal employment creation. Though the land occupied by the urban poor has been seen as valuable urban land, but often it does not have enough value considering the other built up area in the cities in developing countries (Rahman, 2002). Moreover, squatted land is usually not developed or serviced, leading to highly restricted and congested access to basic services for squatters; even more the poor are adding values and attraction to those land for future development (Davis, 2006).

Another assumption regarding the informality of the urban poor housing has also been proven wrong, which is related with the rent structure of such housing. It has been assumed that squatters do not pay a formal rent to an owner; however, the empirical evidence shows that often the urban poor pay rent for their accommodation to the land owner in the case of private land and to the local muscleman in the case of public land (Levy, 2007; Satterthwaite, 2009). The evidences of rental accommodation in urban poor settlements is the key mean for rental housing to formalise the tenure of the urban poor (Gilbert, 2004). Thus the ability of the urban poor to pay rent can provide different kinds of tenure security (Table 2.2) depending on the context.



**Table 2.2: Different Kinds of Tenure Security**

Legal tenure security	Security of tenure, according to this view, derives from the fact that the right of access to and use of land and property is underwritten by a known set of legal rules.
De facto tenure security	De facto tenure security refers to the actual situation on the ground. It constitutes different element and components, such as the length of time of occupation (the older a settlement, the higher the level of legitimacy and protection); the size of the settlement (the larger, the more critical mass); and the level and cohesion of community organisation. In addition, de facto tenure security is also generated by factors extrinsic to it, such as third-party support, the mobilisation of media, political acceptance or administrative practices that lead to a de facto recognition of occupancy without the provision of rights.
Perceived tenure security	This view of tenure security, in short, is nothing more or less than an individual's experience of his/her tenure situation.

Source: Adapted from Gelder, 2010 and Durand-Lasserve, 2006

Tenure security through property rights may be formalised for a range of different reasons. Objectives may include establishment of law and order, increased government control, greater institutional integration, increased economic efficiency, increased tax revenue, and greater equality (Sjaastad and Cousins, 2008). Tenure security through formalisation involves clear understanding of different attributes including the tenure system, legalities, customary norms, institutional framework to accommodate the diverse principles that inform extralegal systems (Cousins et al., 2005). In practice, a continuum of land tenure rights can be observed, especially in developing countries, where different sources of law and different ownership patterns may coexist (Payne, 2002). However, in most of the developing countries formalisation have been treated as the solution for tenure security through individual titling. The conventional approach of providing an individual land title is not necessarily the most appropriate or practical option and many others exist which meet the needs of the poor and enjoy social legitimacy (Payne, 2004).

Moreover, it has been observed from the past effort of different programmes and projects that upgrading is a solution for formalisation. Successful upgrading programmes boost the value of homes, especially if they are in a valuable location and the inhabitant get legal tenure, makes the housing attractive to higher-income groups and perhaps encourages residents to sell (Cross, 2002). In addition, the upgraded home with good infrastructure and secure tenure brings multiple benefits, but it can also mean increased costs for services (such as water and electricity) and, in some cases, liability

for local taxes that low-income households have difficulties affording (Satterthwaite, 2009). Thus, how upgrading initiatives can remain affordable and protect the urban poor from selling out their house and moving to the informal housing once again needs to be explored.

### ***2.7.3 Access of the Urban Poor to Urban Basic Services***

Lack of access to basic services has a knock on effect that constitutes a central feature of urban poverty (Mitlin, 2007). It is evident that restrictions on the provision of basic urban services such as water, sewage, roads, electricity and garbage disposal exclude the poor from access to basic services and result in their using scarce resources to cover basic needs that others obtain by right of their land tenure (McLeod, 2001). Thus the illegal status of informal settlements is the major obstacle for accessing urban services by the urban poor. In addition to legality, the urban poor's low capacity to pay is affecting the situation from the demand side and the institutional capacity of public and private organisations is affecting the situation from the supply side. Widespread corruption in all aspects of local service provision has also affecting whole community, particularly the most disadvantaged (UN-HABITAT, 2003).

Dealing with service provision to large numbers of people has proved difficult because of the large capital investments required, inadequate cost recovery, use of inappropriately high standards and technologies, and little attention to maintenance and life-cycle issues (ibid, 2003). Moreover, the emphasis on deregulation and privatisation in the advice from the international agencies has fostered a minimal role for the state in service provision, which has affected the urban poor as the private sector do not cater for the poorest segments of the urban population. Thus, in the absence of adequate formal provision of services within slums, there exist myriad examples of informal provision, ranging from illegal 'rented' service provision for electricity to water (Zamberia, 1999).

Considering the above barriers it is tough to identify a single issue as a barrier for access to urban services by the urban poor. It can be assumed that barriers to access to public services as problem of poverty, but as something that needs to be addressed quickly and not something that can be left to the trickledown effect of economic development. Another perspective of the barrier is the capability deprivation, which includes the capability of both the urban poor and involved organisations. The limited ability of the urban poor to access the private services and the lack of available resource of public

sector organisation causes capability deprivation. In addition, the lack of coordination among the public organisations causes capability deprivation. Thus the different forms of service provision and institutional framework have to be analysed for reaching to a comprehensive solution. In the developing countries, state agencies are the major actors for providing basic urban services. However, the state agencies failed to provide urban services in the urban poor settlement (Miltin, 2007).

In the absence of state agencies, in the neo-liberal approach, it is assumed that the private sector could play a significant role. Unfortunately, in poor urban settlements the private sector is not interested in providing the services, as in many towns and cities in developing countries the provision of basic services is conditional on clear land title and cost recovery (McLeod, 2001). In the absence of state and private sector, a few international agencies and NGOs are giving priority for the provision of basic urban services; though these are very limited in scale considering the demand of the urban poor (Ganpati, 2009; Hossain, 2011). In this context, slum residents are adept at producing the services that the formal sector fails to provide. Moreover, cost barriers to access the public service by the urban poor is affected by financial circumstances, creating different levels of access and situations in which the urban poor are disadvantageous from the outset.

#### ***2.7.4 Housing Finance for the Urban Poor***

The formation of slum' as the shelter for the urban poor is directly associated with the lack of provision of housing finance for the urban poor. The lack of housing finance can be explained in a tripartite view, the lower level of income and savings of the urban poor; lack of subsidy and capacity of the government; and the absence of the private sector for pro-poor housing finance. It is evident that, without the provision of finance, it is difficult to revolve housing schemes for the urban poor as the housing cost is always higher than the savings of the urban poor. Moreover, lack of access to formal sources of finance and household credit is emerging as one of the most significant obstacles to the reduction of urban poverty, hampering not only the improvement of shelter conditions, but also local economic development (Jha et. al., 2007).

The issue of housing finance became the major concern under the enabling paradigm, where the withdrawal of state from construction of public housing caused the greater need of housing finance for individuals. The Government lending organisations have very limited programmes targeting the housing sector for the urban poor in most of the

developing countries (McLeod, 2006). In this context, the aid from the international agencies and individual savings of the urban poor sought to be a solution in different programmes and projects, failed due to the ability of the urban poor and lack of continuation by the international agencies (Escobar and Merrill, 2004). Later on, private sector was considered as a gateway for housing finance through restructuring the rules and regulations. However, the private sector do not easily support the housing finance needs of the urban poor and this sector is relatively underdeveloped in most of the developing countries (ibid, 2004).

Access of the urban poor to resources such as housing finance remains constrained because they are not considered creditworthy and because their capacity to manage and develop complex projects is underestimated by the cooperatives and formal lenders (McLeod, 2001; Hoek-Smit, 2008). Conventional housing finance is usually only available to higher-income groups, resulting in the highly segmented housing markets that separate informal and formal housing markets throughout the developing world (UN-HABITAT, 2003). Over the last three decades, several attempts have been taken to introduce micro-finance as a provision for housing finance for the urban poor. Evidently, conventional micro-finance lends itself particularly well to trading enterprises, which typically require short-term loans; it is not well suited to housing, which is a long-lived asset with a high value relative to household income (UN-HABITAT, 2003). In this context, it is essential to identify different forms of housing finance provision for the urban poor to address the financial needs of people with limited or no access to credit.

#### ***2.7.5 Participation of the Urban Poor***

Provision for public participation in planning and designing housing provision has often been a result of either the direct importation of western planning legislation or the funding of programmes and projects by international agencies (Jenkins et al., 2007). Thus the level of participation is still remaining as an unsolved issue for housing the urban poor. Given that poor people often participate in politics along divisions which are based often on gender differences, language, ethnic and religious identities and geographic regions in which they live etc., it may be much more common for poor communities and individuals to participate in these ways than around certain issues and programmes or projects designed to directly improve their economic and social position in society (Joshi & Moore, 2004).

In addition to this view of participation, it has been assumed in different literature that participation enlightens the urban poor for social protection and economic gains. The proposition of participation for economic gain reveals that, once the communities are enlightened they will rise to act upon their interests of positions which are defined by the level of 'economy and finances', with regard to the concept of 'false consciousness', which is driven on the factious concept of achieving financial gain, thus the economic gains becomes a factor of building coalitions within and outside the community (Feinstein, 2005). Moreover, 'social networks and relations' through participation act as a factor behind uniting communities to act together for their right by regaining the 'social status' and 'social protection' (Mitlin, 2007).

In most of the programmes for housing the urban poor, participation have been introduced on programme and project basis as an ingredient to support local initiatives in a micro scale to promote better coordination and sustainability in projects (Hamdi and Goethert, 1997). The major problem perceived as affecting the participation of the urban poor in different pro-poor housing programmes is the willingness and commitment of the different actors involved in such processes (Balbo, 1993). In addition to this problem, the institutional framework is the major determinant, which determines the level of participation of the urban poor (Levy, 2007). The lack of mobilisation and awareness building activities is hindering the potentials of participation as the 'power of control' often remains unfamiliar to the urban poor (Lemanski, 2008). Thus the discourse of community participation arises in a two-fold nature, on one side the institutional level, where the institutional framework and willingness of the actors determine the level of participation; and on the other hand the capacity of the urban poor determines their representation. However, the lack of education, social deprivation and economic uncertainties are the major causes which hinder the capacity of the urban poor to ensure their participation in the pro-poor housing programmes.

## **2.8 Conclusion**

The review of literature of this chapter provides an overview of urbanisation, urban poverty, housing conditions and challenges for housing the urban poor in developing countries. The basic understanding of these issues in a global context has been used to develop a conceptual framework in chapter 5 (Figure 5.1) which will help to identify the salient features of housing and livelihood of the urban poor in Bangladesh (Chapter Six).

The review in this chapter starts with conceptualising the urbanisation process in developing countries. The review shows that urbanisation is happening due to demographic growth within the city and rural-urban migration. This dual cause creates a dilemma for poverty alleviation in terms of the spatial focus of the policies, whether the policy will focus on the urban phenomenon or it will focus on rural development to restrict rural-urban migration caused by the push factors. Thus the urbanisation process in Bangladesh has been analysed later in the thesis giving emphasis to the migration issue and the impact of macro-economic policy for urban concentration. The review of the literature also gave the idea that along with the growing urban population, the lack of institutional capacity is also contributing to urban poverty, which results in inadequate housing and service provision. This perspective has been employed in the case of Bangladesh by understanding the available options for housing the urban poor (Chapter Six and Chapter Eight).

Another major part of the review of the literature presented in this chapter reveals that the interrelation of housing and urban poverty relies on livelihood opportunities. Whether the improvement in the pro-poor housing causes significant changes in the livelihood opportunities of the urban poor or not, has often been overlooked in the developing countries. In this research this concept has been tested by answering the question – why does housing act as capital for sustainable livelihood in the low-income urban settlements of Bangladesh (Chapter Six). Understanding this relationship by conceptualising how households devise and develop strategies to harness and manage resources is, therefore, essential in the fight against poverty. The review also suggests that the characteristics and nature of urban poor settlements vary from country to country, location to location. Thus, an application of general policies without understanding the context often fails to reach the target. Keeping this view in mind, this research has compared two different case study settlements to take into account the heterogeneity among the settlements.

Housing for the urban poor is constrained by failed policies, bad governance, corruption, inappropriate regulations, dysfunctional land markets, unresponsive financial systems and a fundamental lack of political will. The review in this chapter identifies lack of affordability, lack of tenure security, lack of access to basic services, unavailability of housing finance, and lack of participation as the major challenges for housing the urban poor. These challenges have both perspectives, from the side of the

urban poor and from the institutional perspective. Thus this research has explored these challenges in Bangladesh context (Chapter Six) and analysed the organisational arrangement for addressing the challenges (Chapter Eight). Moreover, this chapter has shown that housing for the urban poor has been treated as part of macro-economic policy in most of the developing countries, and these macro-economic policies often remain far from the interests of the urban poor. Often these policies were formulated upon the advice of external agencies without acknowledging the interrelation between housing and urban poverty, which failed to reach the scale of housing need of the urban poor. Thus, the nature of housing policy and practices for the urban poor has to be explored in order to identify comprehensive solutions. The following chapter reviews the evolution of those policies and practices.

## **Chapter 3: Evolution of Pro-Poor Housing Policies and Practices**

### **3.1 Introduction**

The review provided in the previous chapter revealed that urban poverty - which is reflected in the continuously increasing number of slums or informal squatter settlements over the years - is not a temporary phenomenon, and therefore needs a comprehensive solution. To identify a comprehensive solution, it is essential to understand the past efforts for housing the urban poor. Thus, this chapter reviews the literature to explore the evolution of pro-poor housing policies and practices in developing countries. This international perspective provides a theoretical framework to analyse the policy packages of Bangladesh for housing the urban poor. It has been observed over the years, programmes that have been successful in reaching the poorest groups in urban areas are comparatively rare (UN-HABITAT, 2006). Under this situation it is important to look at the evolution of pro-poor housing practices and programmes to understand the limitations and successes that are carried out to our contemporary realities. Thus, it is more realistic to estimate the opportunities and limitations for change derived from the historical evolution of different processes which is defined by Safier as “room for manoeuvre” (Safier, 2002).

Considering the complexity for housing the urban poor, Safier’s idea to search for “room for manoeuvre” is the main concept to explore different approaches for housing the urban poor. Safier’s concept means collaborative options in practice for housing the urban poor. This concept of collaboration has been referred in different literature (Keivani and Werna 2001a; Levy, 2007; Benjamin, 2008) to combine different approaches, different actors and different modes of housing provision for the urban poor. The involvements of different actors having different priorities seek the idea to explore different development approaches for finding the strategic solution. Drawing on the idea collaborative idea of Safier, Levy (2007, p9) defines that “strategic action is essential which includes a clear vision of collective intent as a challenge to dominant discourses about power relations, their impact on governance structure to develop pro-poor development strategies; organisational and institutional capacity; and dialogue and advocacy to influence and persuade powerful actors for housing the urban poor”. Thus understanding the evolution of policies and organisational arrangements for housing the



urban poor can set precedents for housing the urban poor. The idea of collaborative action is also supported by Benjamin's (2008) idea of *occupancy urbanism*. Benjamin (2008, p724) identified that existence of urban poor settlements is the outcome of informal political connection, where the political elites remain as patron and urban poor remain as client. However, the collaborative action to ensure the right of the urban poor needs to overrule this power politics (Benjamin, 2008). The recent alternative development approaches (which are more inclusionary) and the rising potential of NGOs and CBOs can create a space of consensus and negotiation to reach a sustainable solution (ibid, 2008). Understanding these notions of collaborative actions this research attempts to explore the pluralist perspective of housing provision which requires the understanding of evolution of housing policies under different development approaches.

This chapter reviews the international attempts to house the urban poor in developing countries since 1950, as the previous chapter revealed that rapid urbanisation and slum formation started at the beginning of post-colonial period. To address the inadequacy of housing of the urban poor several attempts have been made globally since 1950. It is widely noted in the literature that past efforts to house the urban poor were limited in scale and short-lived without lasting impacts. However, it is essential to put forward a set of analytical criteria to analyse the past efforts and thus help find a comprehensive solution. Therefore, this chapter starts by exploring the criteria that have been used in to analyse past efforts for housing the urban poor. The later part of this chapter analyses past efforts following the criteria that have been explored in the beginning of this chapter. Both parts of this chapter have been used as the theoretical framework to outline the evolution of pro-poor housing practices in Bangladesh (Chapter Seven) under an international perspective.

### **3.2 The Criteria to Analyse the Evolution of Pro-poor Housing Practices in Developing Countries**

To articulate pro-poor housing policy for developing countries it is essential to understand the concept of housing process in developing countries. It has been observed that pro-poor housing policies and practices in developing countries have been transformed over the time being. The transformation<sup>11</sup> happens through a systematic process that re-frames policy discourse, policy processes, rules and resource efforts

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<sup>11</sup> In this research transformation has been perceived as a process which articulates series of processes that lead towards changes in the system in which development is shaped.

(Pinzon, 2009). Moreover, under which conditions these transformations can take place is determined by different factors such as time, socio-economic and political contextual realities, and more importantly by spheres of power that at different levels narrow down the opportunities for change. Hence to understand the evolution of pro-poor housing practices through the meaning of transformation, most researchers have tried to identify the evolution from three different perspectives namely as, political commitment and policy support, institutional transformations and financial sustainability (see for example Wakely, 1988; Fiori and Ramirez, 1992; Jenkins, 1998; Keivani and Werna, 2001a; Pugh, 2001; Gilbert, 2004; Jenkins et al., 2007; Sarfoh, 2010; Bredenoord and Lindert, 2010). Therefore in this research, political commitment and policy support, institutional transformations and financial sustainability have been used as the criteria to understand the evolution of pro-poor housing policies and practices.

### ***3.2.1 Political Commitment and Policy Support***

The political commitment and policy support in pro-poor housing process represent the willingness and political support of government for sheltering the urban poor. Political commitment and policy support as a criterion includes policy support and regulatory measures for housing the urban poor (Burgess, 1992; Keivani & Werna, 2001a). Political commitment and policy support significantly influence pro-poor housing processes facilitating or, if limited or non-existent, undermining institutionalisation and mainstreaming of gradual systemic changes (Pinzon, 2009). When both local and national governments are engaged and sustain their support to encourage both broad-based collaboration and more inclusive actions to address slums rehabilitation and upgrading, the impact of the interventions can be coordinated, consolidated and endorsed through policy, avoiding fragmentation, and isolated interventions that restrict the long-term vision of the eradication of slums in cities (ibid, 2009). It is also important to highlight that acquiring political commitment and policy support varies according to time, contextual and political realities. In the recent past, cities have become an important focus to test and develop innovative interventions for poverty reduction; hence political support of local governments is fundamental to promote new synergies and partnerships that acknowledge ongoing local dynamics.

### ***3.2.2 Institutional Transformation***

Institutional transformation has been perceived as the key analytical issue in different literature to make a distinction between different approaches and practices over the

time. Institutional transformation through participation mainstreams pro-poor housing as a process rather than a project or programme. As Turner and Bertha summarise “significant improvements in the lives of slum dwellers are not achieved by projects - a new water and sanitation system or even secure tenure - but such projects are (or can be) critical steps in the process through which their relationships with government agencies and other groups in the city change for the better” (Turner and Bertha, 1988, p60). Institutional transformation for ensuring participation represents the planning process which includes the decision making process and the actors involved in such process (Levy, 1997). Thus institutional transformation means the participation process of different stakeholder in the planning process which merely represents the urban governance in a broader perspective (Abbot, 1997). Institutional transformation can go in one of several directions (organisational arrangement, powers structure, legislative changes), but understanding lack of participation as a major challenge for housing the urban poor in previous chapter and reviewing the aforementioned authors, this research understands institutional transformation in a particular direction – towards wider participation of the urban poor.

### ***3.2.3 Financial Sustainability***

Financial sustainability of pro-poor housing is always a paradoxical issue which is encountered with the concepts of affordability and cost recovery in different literature (see for example Rondinelli, 1990; Gilbert, 1996; Smets, 1999). In addition, financial sustainability has been addressed in the terms of affordability and cost recovery at the individual project level, which only emphasised on the risks of continuity of the projects rather than developing a financial scheme that may enable a more enduring and flexible financial support (Pinzon, 2009). The urban poor have limited or no access to financial resources for housing, thus innovation in this area is a fundamental part for scaling up pro-poor housing initiatives that nourishes systemic transformations<sup>12</sup> in pro-poor housing interventions to reach the problem at a city or country wide scale (Mitlin and Satterhwaite, 2004). Financial sustainability can be analysed through the process of housing finance involved in particular programmes under the different policy paradigms. Based upon the aforementioned criteria (political commitment and policy support, institutional transformations and financial sustainability) the evolution of pro-

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<sup>12</sup> In this research, systemic transformation has been referred as a process which includes changes that achieve greater inclusiveness, power sharing, inter-sectoral-collaboration and participatory governance. (These transformations can be appreciated through building institutional capital, social capital, attitudinal transformations of stakeholders, broader collaborations for land access and housing regularisation, new partnerships for service provision and maintenance, broader collaborations for sanitation and waste management etc.).

poor housing practices in developing countries has been analysed in the following sections.

### **3.3 Evolution of Pro-poor Housing Practices in Developing Countries**

The evolution of pro-poor housing policies is not an isolated event; rather it is enacted with macro-economic change over the decades, starting after the post-war period in developing countries. The increased urbanisation rate in developing countries in the post-war period along with the inability of the macro-economic environment to cope with the increased urban population forced the urban poor to go for informal settlements. The evolution process is related to the development discourse for the urban poor, which is associated with the political, economic, social and cultural context of developing countries (Jenkins et. al, 2007). The quest of pro-poor housing in developing countries became prominent with the lifting of colonial control coincided with general demographic growth, which was followed by the continued fast growth of urban population and inadequate supply of conventional housing in relation to need and real demand that led to growing slum and squatter settlements and reinforced the demand for pro-poor housing in developing countries (ibid, 2007). Thus the evolution of pro-poor housing policies and practices has been analysed from the period of the 1950's up to the current practices. The name of each development paradigm has been adopted from the recent book by Peet and Hertwick (2009)

#### ***3.3.1 The Modernisation Approach***

In the period of 1950s to 1960s most of the developing countries experienced the transition followed by neo-colonialism along with the post war reconstruction for economic growth. The predominant development theories in this period responded to what is known as the modernisation paradigm. In the modernisation paradigm developing countries were expected to follow the historical pattern of development of the developed countries, which is stated by Peet and Hartwick (2009) as 'if you want to develop, be like us (west)'. Modernisation theories were most explicitly drawn out by geographers who saw modernisation as a spatial diffusion process, which includes different indices:

- (1) The development of transport networks;
- (2) The growth of integrated urban system;
- (3) The emergence of the money economy; and
- (4) Physical or geographic mobility.

Under the modernisation development approach, policy makers in developing countries assumed that these indices will lead development for the urban poor through the diffusion of the modernised spatial attribute (Peet and Hartwick, 2009). Thus, during the period of decolonisation and post war reconstruction, in most countries the modernisation paradigm dominated, based on neo-classical economic concepts, in which urbanisation was seen as the most visible element of modernisation (Bredenoord and Lindert, 2010). The maximum productivity of land and efficient labour supply became the prime concern under this development approach, which reshaped the urban structure by following the pre-conditions of economic growth (i.e. rapid industrialisation, availability of cheap labour, better transport network). In addition, the modernisation approach attempted to substantiate that the urbanisation process also provides a benign socio-cultural environment for capitalist development (Tait, 2001).

#### ***Modernisation Approach for Housing the Urban Poor (1950s to 1960s)***

In terms of housing, the modernisation approach was pre-occupied with the economic implications of housing in terms of structure and location to foster economic growth by adapting the standardised western model without any contextualisation. In the 1950s and 1960s, housing for the urban poor was addressed under conventional housing policies, where it was to be achieved through an interventionist state planning and using massive resources in the context of economic growth (Fiori, Riley & Ramirez, 2000). Moreover, in the initial neo-colonial period the approach to housing envisaged the provision of ‘modern’ housing based on Western cultural and technical standards, predominantly through modern construction (Jenkins et al., 2007). The associated visible achievement of ‘modernity’ in physical terms in urban areas was an important goal for many governments (Fiori, 2001), reflected in the dominant ‘International’ architectural style. The major focus of the modernist approach was to demolish slum and provide houses for the urban poor in an authoritarian style. The standard and location of the house became the prime concern, followed by the planning standards and regulatory application of land use zoning.

Programmes under this approach were aimed at demolishing old, substandard houses and replacing those with a new housing stock, which led to a loss in the total number of available housing units (Abrams, 1964). As a result, continued fast growth of urban populations and the inadequate supply of conventional housing in relation to need and real demand quickly led to growing ‘slums’ and squatter settlements (Jenkins et al.,

2007). Mukhija (2001) has identified two major criticisms of modernisation approach. First, the intended beneficiaries, the urban slum dwellers, were not benefiting. Their existing housing was being destroyed and the strategy was aggravating the housing shortage. Charles Abrams' often quoted observation sums up this critique: "In a housing famine there is nothing that slum clearance can accomplish that cannot be done more efficiently by an earthquake" (1964, p126). Second, critics disapproved of the Modernist strategy for its flawed belief in physical determinism and its unsubstantiated assumptions about the physical preferences of beneficiaries (Turner, 1963; Turner, 1968).

In general the capacity of the state to supply the rapidly growing demand for low cost housing in urban areas through conventional public housing and self-build (formal private construction) methods proved hopelessly limited in the 1950s and 1960s, producing a minimal number of units in relation to rapidly growing need, and exacerbating the situation through continued eradication of slums and squatter settlements (Jenkins et al., 2007). Both conventional and self-build forms of housing were expensive for the vast majority of the population and did not meet lower income groups' needs, but in fact tended to benefit the growing middle classes (ibid, 2007). Moreover, this approach was sought as a process to remove the poor from slum neighbourhoods and re-house them in low-cost shelter. However, conventional public housing was predominantly provided in peripheral locations having the lack of services and employment opportunities in the relocation sites, most of the slum dwellers quickly returned to the city to find out the non-conventional solutions, such as squatting and illegal sub-divisions in slums (Rondinelli, 1990).

The modernisation approach had created serious problems of social displacement and disruption for the residents of slum and squatter settlements. The livelihood opportunities and tenure security of the urban poor were rarely addressed in this approach. Moreover, the modernisation policies had rarely alleviated the housing problems of most of the poor and, indeed, exacerbated them in many countries with additional transport costs, lack of affordability of public housing and reduced income opportunities in the relocated sites (ibid, 1990). Considering this context of modernisation approach, in the following subsections the conventional housing policy has been analysed in terms of political commitment and policy support, institutional transformations and financial sustainability.

### ***Political Commitment to the Conventional Approach***

In terms of political commitment and policy support, “Conventional” housing policies as emphasised by Fiori, Riley and Ramirez (2000), manifested direct intervention of the state in the production and provision of finished houses with policies being limited to short-term political and economic objectives (Fiory, Riley & Ramirez, 2000). The narrow understanding of the realities on the ground shaped this approach as a reductionist intervention which failed to eradicate poverty and had detrimental consequences in the third world. In the late 1960`s, “the consequences of the state’s inability to fulfil its promises of trickle down and wealth creation became so glaring that the rhetoric was no longer sufficient to appease social pressure for change”(Ibid, 2000, p90).

### ***Institutional Transformations of the Conventional Approach***

This was a period of institution building as part of the creation of post-colonial states, including in many countries national institutes and/or directorates of housing and planning were introduced. However, no institutional transformations for ensuring participation were derived from this creation of national institutes. Vision of poverty alleviation was understood as an element for economic growth in rural areas only. Consequently, scaling up did not address the slums in cities since this reality was denied, thus “slums dwellers were not reflected in official planning documents” (UN-HABITAT, 2003). The denial of local realities and the assumption that poverty is a temporary phenomenon deluded the process as solutions proposed accommodate the interest of government and private developers, reinforcing the status-quo; hence those interventions could not find a niche in the urban- poor communities in order to be carried out forward in a long term and at the scale that was needed, but rather exacerbated evictions and spatial fragmentation in the city displacing poverty instead of eradicating it. Broad-base collaboration and participatory governance schemes did not have space under conventional policies.

This conventional approach maintained an incriminating attitude towards the poor and the slums, which lacked the understanding of realities on the ground, failing to recognise the needs of slum dwellers and to understand the social dimension of poverty alleviation. This reinforced an exclusionist unilateral approach, which led to evictions, demolitions and relocation of slums enabling the system to maintain a patron-beneficiary relationship that confined the urban poor to keep powerless and voiceless.

Moreover, the failure to eliminate poverty proved that economic development pursue, is not the only factor reliable to improve slum conditions and transform its populations productively in consistent and sustainable manner.

### ***Financial Sustainability of the Conventional Approach***

In terms of financial sustainability, this type of approach to pro-poor housing failed to provide appropriate houses affordable to the urban poor and did not reach the expected impact especially in developing countries, as the contextual conditions where this approach was conceived required high and steady economy growth. Whilst this type of intervention aimed to have a large scale impact, the high cost for maintenance, management and the limited community integration became part of the shortcomings for long term sustainability. Moreover, in most developing countries, the public housing schemes which aimed to target low and middle income groups never met the housing needs of the urban poor (UN-HABITAT, 2003).

### ***3.3.2 The Non-conventional Approach***

The development approach of the period of 1960s to 1970s has been labelled as non-conventional approach by Peet and Hertwick (2009) as this period has seen a mix of Modernisation and Keynesian policies. After the failure of modernisation policies for fostering economic growth in an equitable manner, Keynesian policies were adopted by the developing countries in the period of 1960s to 1970s. Keynesian policies argued that development problems were a result of insufficient demand, and could be remedied by government policies to expand public expenditure, reduce taxation and stimulate private investment through incentives (Jenkins, 1998). Under the Keynesian policies the role of the state was interventionist and the economy was a closed economy determined by the large scale of investment by the state to ensure redistribution of social services (Peet and Hartwick, 2009). Under this development paradigm the investment of state was the significant attribute. Thus, public housing became prominent in this era of development.

Though the idea of Keynesian policies was based on public housing similar to modernisation but there are differences in terms of development approach. Keynesian approach deals directly with economic development whereas conventional public housing is preoccupied with physical upgrading. Keynesian approach had a stronger economic aspect assuming that housing production generates more employment opportunity through the investment in this sector, which in the long run addresses the



issue of urban poverty. Keynesian approach was a long term approach with economic objectives, whereas conventional housing approach had short term political objectives to promote modernisation. Thus in Keynesian policies there were an option to maintain the non-conventional approach (considers the existence of informal housing units) but the modernist approach was based on the interventionist policies (formal provision of housing) only demolishing the slums in urban areas.

***Self-help Approach under the Non-conventional Policies for Housing the Urban Poor (1960s to 1970s)***

Whilst in modernisation policies, strong focus was made into replications - valuating pro-poor housing in terms of quantity of operations, failed to make significant impacts on poverty reduction and adequate housing supply put in evidence that urban poverty as a durable structural phenomenon - required different responses. In addition, in most of the developing countries rapid urbanisation surged ahead of economic development and related urban infrastructure and housing investment capacity, with growing gaps between supply and demand for conventional (or 'formal') urban housing, with 'informal' housing forms of housing provision filling these gaps (Jenkins et al., 2007). In the 1960`s and 1970`s the housing problem of the urban poor was expected to be solved by the state intervention. However, the limited resources and the weak taxation system in developing countries failed to attain public housing in scale. Thus, attention shifted to strategies and programmes of improving and consolidating informal housing initiatives, which was termed as 'self-help' housing by John Turner (1968).

Self-help housing has been the most reviewed approach in the housing literature since the 1960s. The Self-help approach had been observed as a 'non-conventional' approach of housing at the individual and collective level, where the propulsive initiative by the urban poor to house themselves was the main operational procedure. Internationally, the formal adoption of self-help housing is, to a great extent, believed to be the influence of the British architect J F C Turner and American anthropologist William Mangin's experience and writings on Peru in the 1960s (Sengupta, 2009). The notion self-help was defined by different themes, such as 'self-build' (Harris & Giles 2003), 'slums of hope' (Lloyd, 1981), 'sites and utilities' (Abrams, 1964), 'autonomously produced housing' (Connolly, 1982), having the common meaning of self-reliance and autonomy of the urban poor for securing shelter. However, Turner's proposals extended these ideas and promoted individual home-ownership and self-help involvement in

progressive housing provision over time, initially stressing self-help mainly as labour (i.e. self-build), but later as self-management (Jenkins et al., 2007).

Tait (2001) has defined self-help housing as a means of supplying housing with pre-dominant use-value character under circumstances that must seek ways to bypass the legal, financial and societal constraints set to its provision under the prevailing state and market led housing and labour market conditions. Thus the specific forms of self-help that people adopt for housing provision are subject to variance depending on the given conditions of the local market and the given administrative context. For instance, the shifting nature and form of self-help housing from the 1960s to the 1980s has been classified by Stein (1991) into different alternative approaches<sup>13</sup>: the 'Market Orientated', the 'Structural' and the 'Supportive'.

In the context of developing countries self-help housing is primarily regarded as a way to produce new housing, and a way for its occupants to upgrade substandard shelter (Mathey, 1992). Marcuse (1992) has explained that the shortcomings of self-help housing are particularly evident in the allocation of land and the planning of infrastructure, the provision of utilities, transportation modes, community facilities or services effectively provided only on a city-wide or national basis. Thus often in different literature self-help housing has been explained as a temporary solution to immediate housing problems which has limited potential to reach the city-wide or national scale. The self-help housing approach is also criticised in different literature for lowering housing standards, exploiting household labour, increasing costs to the users, manipulating the urban poor as an instrument of political co-optation and reproducing the bourgeois ideology of private property (Burgess, 1987; Marcuse, 1992; Fiori, 2001; Tait, 2001).

Beyond the criticisms, the self-help housing policy, in moving away from the narrow meaning to state-organised self-building, has increasingly acquired the wider connotation of an open-ended process of improvement by stages of housing and the

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<sup>13</sup> (a)The market oriented approach views the housing problem as a result of the inability of the state to intervene efficiently in the provision of goods and services and concludes that the only way to solve the problem effectively is by strengthening the market and unblocking the bottlenecks that inhibit its functioning (Mayo et al, 1986).

(b)The supportive approach permits a better understanding of the urban shelter problem in most underdeveloped countries and adopts a more realistic strategy towards a solution of the problem by incorporating the elements of devolution of authority and responsibility to the urban poor (Turner, 1987).

(c)The structural approach precludes the possibility of seeing any political benefit in self-help housing programmes, whether promoted by the state or by nongovernmental organizations and minimizes the role of community participation as one of its integral elements (Burgess, 1992). Self-help housing programmes are seen as a form of legitimizing the capitalist system of domination and exploitation. Thus, according to this approach, the only way to solve the housing problem is by transforming the economic and political structures of society.

habitat as a process of progressive development which ensures the participation of the users, individually or collectively (Fiori and Ramirez, 1992). However, it is not being tested whether the self-help housing policies are compatible under the market policies where tenure legalisation, access to finance, affordability of the urban poor determines the replication of this process from a micro scale project to macro scale programme as a follow up of national housing policy in developing countries. In the following section the self-help housing policy has been analysed in terms of political commitment and policy support, institutional transformations and financial sustainability.

### ***Political Commitment of the Non-conventional Approach***

Considering political commitment and policy support as a starting point, it is relevant to mention that critical studies by Burgess (1992, 1995); Soliman (1986); Jones & Ward (1994) highlighted clear distinctions between Turner's advocated self-help and the aided self-help implemented by international agencies and national governments. "Whilst the former envisaged dweller control through participatory policies for supporting and enabling the informal self help processes by increasing the direct access of informal low-income households to financial, material and technical resources. The latter, on the other hand, attempted to formalise and regulate the process largely through internationally financed government controlled aided self-help projects" (cited in Keivani and Werna, 2001a, p194).

Whilst Turner advocated a better understanding of the informal through a more co-operative development that brought into consideration the slum dwellers as centre of development processes, the adapted approach of the World Bank, which was widely implemented, envisaged the expansion of formal land housing markets failing to understand the informal processes. Despite the fact that Turner's original ideas implied a fundamental twist on the political and policy support as to support informal processes to enable more sustainable solutions at scale, the adapted approach from the World Bank - as argued by Fiory, Riley and Ramirez (2000), influenced policies on the immediate housing needs of the poor resulting in the neglect of their other needs and failing to address the causes of poverty in the context of the city as a whole.

### ***Institutional Transformations of the Non-conventional Approach***

In terms of institutional transformations for enabling participatory governance, the self-help approach pushed for accepting and strengthening the informal process of housing provision for low-income especially in developing countries. Under this approach

institutional transformations were imminent as it was a clear call for a change in paradigm which required sensitising the government, professionals and the urban poor in particular. This approach ran into conflict with the professions which held to high-standard, formal social housing and with political leaders who favoured technocratic modernisation in housing and urban building (Pugh, 2001). Partnership mechanisms were another important element in initiatives to house the urban poor during this period; however since these were project-focused they failed to enhance existing governance schemes, which is the fundamental platform for a systemic scaling up of interventions and addressing inequitable systems in land.

The isolated individual attempts had focused mainly on construction and proved to be expensive to replicate on a city-wide or national scale; also the fact that the attempts existed in isolation of government and communities, made maintenance and sustainability evident shortcomings (UN-HABITAT, 2003). Interventions that are limited to construction of infrastructure are not likely to succeed since maintenance, sustainability and going to scale require the articulation of social and institutional capital to enable processes that keep interventions rolling out. Thus self-help housing in the period of 1960 to 1970s had failed to coordinate the synergies of different actors at different levels under a clear long term vision.

### ***Financial Sustainability of the Non-conventional Approach***

In the self-help housing approach, financial sustainability was perceived in terms of affordability and cost recovery by individual project bases. This approach only emphasised the risks of continuity of the projects rather than developing a permanent institutional form of finance, where poor people have access to housing finance, and hence failed to ensure financial sustainability. Moreover, the individual financing and co-operative based finance had restricted the scope to replicate in national policies. Thus self-help housing in the period of 1960 to 1970s lacked a comprehensive financial system, which limited the opportunities to explore mechanisms to sustain these interventions locally in a more flexible manner by bringing together other funding sources and thus facilitating a more long term envisioned impact.

### ***3.3.3 The Basic Needs Approach***

In the mid-1960s modernisation policies were seen as failing to diffuse the infrastructure-led development basically meant economic growth, quest for the new

approach for the urban poor. The immediate priority became enabling decent living conditions by adopting 'basic needs' and 'redistribution with growth' approaches to development assistance, in which resources were given directly rather than having to trickle down to the poor (Peet and Hartwick, 2009). The basic needs and redistribution with growth approaches developed in the 1970s with the realisation that conventional development strategies implied social or regional inequality as a necessary price of growth, and the economic growth did not necessarily eliminate poverty (Jenkins, 1998). The ultimate goal of these approaches was to raise the productivity of the poor and enable them to be brought in to the economic system. These approaches became operationalised through ensuring resource availability to expand public services for the urban poor.

Redistribution with growth development strategies had proposed that the objectives of growth and equity should not conflict, with a broader pattern of growth being generated through paying special attention to targeted poverty groups (Jenkins, 1998). This was to be achieved through (1) increasing productivity, output and incomes; (2) alleviating poverty, inequality and unemployment; (3) redistributing income and investment increments derived from growth; (4) developing labour intensive and appropriate technologies; (5) deregulating the informal sector; (6) improving the access of small-scale enterprises to finance, markets, technical and managerial assistance; (7) introducing transfer strategies in public service expenditures in favour of the poor (i.e. infrastructure and social services); and (8) encouraging self-help housing policies (Burgess, 1988). As a result, supplying basic needs became the development approach of choice among international agencies.

#### ***Aided Self-help Approach under the Redistributive Policies for Housing the Urban Poor (1970s to 1980s)***

Under this era of aided development, it was assumed that breaking the poverty trap involved donor-based investment that raised the level of capital per person, producing a capital stock high enough that the economy is sufficiently productive to meet basic needs. Considering this notion of 'basic needs' and 'redistribution with growth' approach, these strategies came to dominate the lending strategies of international agencies in the 1970s and 1980s in developing countries and led to the direct promotion of 'self-help' housing policies as opposed to conventional housing delivery, as a significant proportion of aided self-help housing became internationally sponsored (Jenkins et. al., 2007).

After this momentum, aided self-help housing received a fresh and more substantial promotion in the early 1970s through the engagement of the World Bank in this sector under its director McNamara. The conceptual foundation of the bank's housing policy was derived from the various recommendations of John Turner and Charles Abrams towards more appropriate housing solution for the urban poor (Fiory, Riley & Ramirez, 2000). Largely conforming to the 'redistribution with growth' approach, their proposals for low-income housing provision included home-ownership, legal security of tenure and land, principles of progressive development, a self-help contribution, the reduction of housing standards down to affordable levels, access to loans, and the use of appropriate technology and materials (Tait, 2001). As the long term policy of the World Bank, the following evolution of ideas was evident in the aided self-help approach.

The policy evolution appears closely correlated with the aim of optimising the World Bank's strategic goals of attaining affordability and cost recovery followed by four different stages, (1) phase one's attention was almost exclusively focused on sites and services scheme as the politically most acceptable form of low cost housing provision; (2) phase two marked a shift of priorities to upgrading with a complementary site and service component required for essential resettlement and de-densification of the upgraded area; (3) phase three maintained priority on upgrading, but with additional components of integrated labour intensive employment promotion, more emphasis on community organisation and on dwellers' participation in project management; and (4) phase four paid exclusive attention to upgrading as part of 'programme' rather than 'project' lending (Burgess, 1988; Ramirez, et. al., 1992; Tait, 2001).

Sites-and-services policies of the 1970s and 1980s were designed to make shelter and community services affordable for the poor by introducing them incrementally, at standards that kept costs low, or by having community groups contribute labour, money and materials. During the 1970s many countries developed sites-and-services, upgrading, and integrated shelter and urban services projects with assistance from the World Bank and other international funding agencies (Rondinelli, 1990). Sites and services schemes usually involve the acquisition of urban land which can then be serviced to some degree and made available in large numbers of small plots to members of the target population. The individual households are expected to undertake the construction of dwellings on their own. The basic aim of site and service housing schemes was to facilitate the provision of as many houses as possible, as quickly as

possible (Fiori, 2001). Overall a large number of self-help housing projects, ranging from basic sites and services through to core housing and informal settlement upgrading were implemented in the period between the mid 1970s and the early 1990s (Mathey, 1992).

Although there were many different approaches to the design and implementation of sites and services projects and to the management of slums and squatter upgrading programmes, the principle underlying both was the devolution of responsibility to the lowest effective level (Wakely, 1986). Thus the role of public sector agencies was confined to the provision of those aspects of the production and maintenance of housing, infrastructure and services that cannot be undertaken by individual households or community based organisations – basically the provision of access to appropriate land, infrastructure and legal and technical support (Wakely, 1988). Overall the impact of aided self-help housing policies and practice for the poor has probably been more muted than its proponents had expected, although forms of aided self-help housing eventually became part of the repertory of government action in housing throughout the rapidly urbanising world (Jenkins et. al., 2007). In the following section aided self-help housing policy has been analysed in terms of political commitment and policy support, institutional transformations, and financial sustainability.

### ***Political Commitment of the Basic Needs Approach***

Considering political commitment and policy support, political and administrative problems with aided self-help housing are abundant. In most of the developing countries, self-help housing programmes are ridden with conflicts between the different sponsors, the project management, and the different municipal authorities. Slow bureaucratic decision making, lack of adequate dwellers' participation, and external political interference are among the most frequently reported problems of project accomplishment (Angel, 1983 and Mathey, 1992). Rondinelli (1990) suggested that to work effectively, self-help efforts must be supported by government agencies, which have often been reluctant to work closely with community groups. In many countries, making self- help assistance programmes more effective requires changing the attitudes of political leaders and public administrators about their roles in service provision, and creating new incentives and career rewards for professionals and technicians to respond to the needs of the urban poor (ibid, 1990).

The number of purely state-aided self-help housing projects in developing countries is very limited as the concept of this approach is advocated by the external agencies. Thus the political commitment of the state in most of the developing countries is overwhelmed by the aid dependency. Moreover in the multi-lateral programmes, the state agencies of the developing countries often deny for the devolution. However, through the self-help housing programmes, the World Bank and bilateral aid agencies have also supported the dissemination of progressive attitudes to the squatter problem (Tait, 2001). In addition to that, governments of developing countries are increasingly prepared to acknowledge the rights of dwellers living in informal settlements to the provision of service and infrastructure after the inception of the self-help housing approach. Furthermore, self-help housing projects have proved that informal communities have considerable untapped capacities for improving their housing situation, if financial support and legal recognition are given (Satterthwaite, 2001).

#### ***Institutional Transformations of the Basic Needs Approach***

In terms of institutional transformations, heavy reliance on assisted self-help as a deliberate government policy to provide shelter for the poor requires some degree of organisation and public promotion. The experiences in state low-cost housing projects, often implemented with the money and expertise of international aid agencies, have in most developing countries failed to produce solutions with mass 'replicability' at the national policy level, where, the main obstacles to scaling-up feasible projects solutions are found in political and economic decision making, in the constraints of bureaucratic implementation, and in housing price developments after project implementation (Tait, 2001). In the original recommendations of Turner, adopted by the World Bank, many of these problems were foreseen. Their proposals to incorporate extensive participation and community self-responsibility in all stages of housing project planning were devised to reduce support from the state and from the implementing agency and to ensure progressive development of the community after project completion (Mathey, 1992).

The introduction of a comparatively vestigial concept of participation and self-help by World Bank had largely reduced the approach to an instrument of cheap labour provision and community participation had dropped off everywhere once the projects terminated (Satterthwaite, 2001). However, in comparison to the structural limitations of state-aided housing projects, nongovernmental organisations (NGOs) have, in close



collaboration with residents' organisations, been much more successful in supporting and developing innovative self-help housing approaches in the past few decades (Walker, 1998; Patel, 2001; Mitlin, 2003). However, the conflict among the different actors in the self-help housing process is yet to be resolved for scaling-up the process at a national level.

### ***Financial Sustainability of the Basic Needs Approach***

In terms of financial sustainability, in the aided self-help approach tenure legalisation was treated as a key tool for promoting economic sustainability, but tenure legalisation (by raising the value of the property and its rents) can hurt the most vulnerable, namely, poor tenants for selling out the property (Angel, 1983; Burgess, 1987; Varley, 1987; Payne, 1989). Moreover, tenure in itself is not sufficient to lead to higher investments since housing finance is not available (Bruce, 1981 and Smets, 1999). In addition, the affordability of sites-and-services and slum upgrading schemes depends a great deal on how they are designed and implemented. A major limitation of sites-and-services strategies in many Asian countries has been the increasing costs of participation to join those projects as a beneficiary, which eliminated the poorest households (Rondinelli, 1990).

The aided self-help housing approach has been questioned for the financial sustainability where the 'enabling approach' demands a reassessment of both the potentials and limitations of low-income households and communities in contributing to settlement projects. The cost recovery principle of aided self-help programmes advised by World Bank had no incentive to address high default rates in loan repayment by the urban poor in developing countries. Rather to make it affordable the World Bank prescribed lowering the standard of the dwellings. But the constant lowering of standards, in conjunction with failure to consolidate the settlement, has in turn created rising problems of maintenance of poorly upgraded and cheap site and service housing stock (Burgess, 1987).

Moreover, the financial ability of the state and individuals may define the financial sustainability of aided self-help programmes. Aid dependency restricts the potential of sites and services schemes. Perhaps only 9 million people in developing countries were affected in the 1970s by aided self-help programmes, at a time when it was estimated that nearly 9 million units were necessary per annum to address housing deficits

(Burgess, 1992). Thus financial sustainability is the major concern for ‘replicability’ at scale.

#### ***3.3.4 The Neo-liberal Approach***

The neo-liberal market theory began to be taken seriously again in a context of economic crisis and political revision during the 1970s and early 1980s. The market theory assumes that a state may be necessary but its power must be minimised and, especially, laissez faire should be left unhampered to work its miracles of development (Peet and Hartwick, 2009). The technological and infrastructural enhancement in the period of the 1970s changed the economic system from its conventional closed economy to a global linked economic process. This changing context of economy, together with the perceived failure of many development approaches, led eventually to the reaction criticising state economic planning and intervention, stressing the positive effects of liberalisation of foreign trade as a basis for development (Jenkins, 1998). The neo-liberal position asserts that poor countries are poor due mainly to mismanagement, economic distortions and corruption, and stress the benefits of markets (Harvey, 2005).

The neo-liberal approach became popular in the developed countries and later the developed countries and the international agencies advocated market theory as the key instrumental policy for the development of developing countries. In a world of increasing economic liberalisation, capital mobility, and competitive disinflation, regardless of ideological predispositions, nation states are constrained to adopt economic policies which run with the international tide or face economic deterioration and political vulnerability (Pugh, 1995). Thus, the economic components of liberalism have traditionally placed such macro-economic aspects as market efficiency and dynamism in central positions (Harvey, 2005).

Though the notion of neo-liberal approach refers to the market and the withdrawal of state conceptually, however in practice there is a duality. As Peck and Tickell have observed, “Only rhetorically does neo-liberalism mean less state” (Peck and Tickell, 2006, p33). This understanding of neo-liberalism has been explained by Brenner and Theodore (2005) as “neo-liberalism is not a fixed end-state or condition; rather, it represents a process of market-driven social and spatial transformation” (Brenner and Theodore, 2005, p102). Understanding this notion of neo-liberalism, this approach is always intensely contested by diverse social forces concerned to preserve non-market forms of actions (ibid, 2005). This proposition is much more practical and

provides the scope to understand different forms of neo-liberalism. In an effort to clarify how neoliberal policy has developed, Peck and Tickell (2002) identify two interrelated phases or processes: “roll-back neo-liberalism” and “roll-out neo-liberalism” (Peck and Tickell, 2002, p36). “Roll-back neo-liberalism” refers to “the active destruction or discreditation of Keynesian-welfarist and social-collectivist institutions” (Peck and Tickell, 2002, p37). This process is often termed as privatisation and this process involves the retreat from previous governmental control of resources and state regulations, including public services, nationalized industries, and labor and social rights (Aguirre et al., 2006). The second neoliberal process, “roll-out neo-liberalism” refers to “the purposeful construction and consolidation of neo-liberalized state forms, modes of governance, and regulatory relations” (Peck and Tickell, 2002, p37). The concept of roll-back neo-liberalism has always been contested by the local context depending on the political regime and impact of the market to address urban social structures (Brenner and Theodore, 2005). In the context where the roll-back neo-liberalism fails to cater for the urban poor the roll-out neo-liberalism acts as an alternative form of urban governance by consolidating different actors (Brenner, Peck and Theodore, 2010). This approach of roll-out neo-liberalism is evident in the developed country in different urban upgrading and housing programmes (social housing programme in United Kingdom). However, roll-out neo-liberalism as a modality of urban governance still limited in developing countries and Brenner and Theodore (2005) mentioned it as a problem of political will of the political elites rather than criticising the idea of neo-liberalism.

### ***The Enabling Approach for Housing the Urban Poor (1980s to Present)***

Following the aided self-help housing, international agencies like the World Bank became really influential in developing countries in formulating the policies for housing the urban poor. Similar to aided self-help housing, the emphasis on ‘structural adjustment programmes’ was given by World Bank as key policy instrument for developing countries since the 1980s. The policy was based on the notion of free market economy, which assumed that the restructuring of legislation and financing mechanisms may led to foreign direct investment, which will create more income opportunity for reducing urban poverty in the developing countries. Thus the market economy will enable people to be mainstreamed in the economic growth process. This myth of enablement, which is derived from the political economy of liberalism, became subsequently the approach restructuring the socio-economic policy principles in

developing countries including the housing policy for the urban poor. In this context, housing policy of the developing countries, moved to a neo-liberal 'enabling market' perspective, allied to structural adjustment and the reconfiguration of state roles, including sector shifts from direct public production to households and private sector production (Jenkins and Smith, 2001).

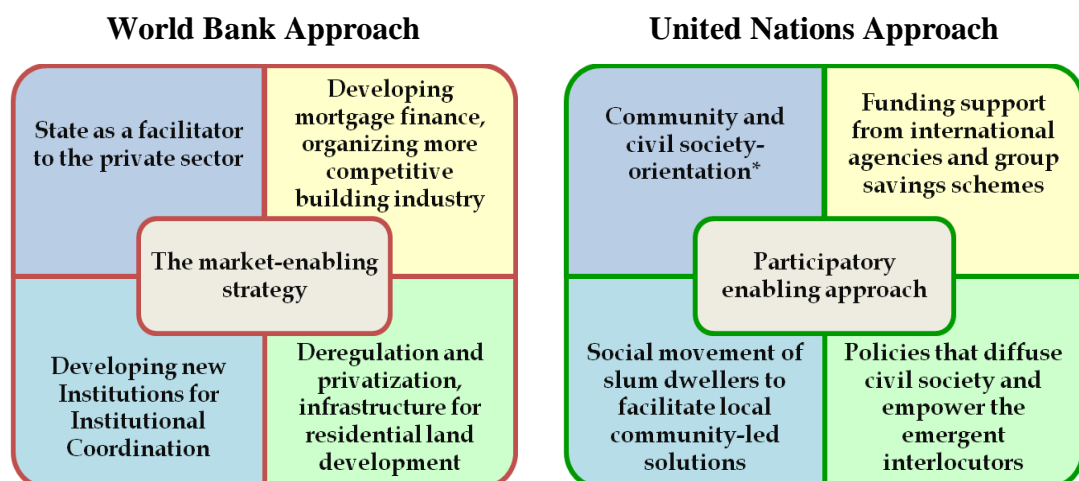
The consequence of such condemnations was a deliberate attempt by policymakers to make housing policies more market friendly and encourage market agents to be further involved in housing delivery. The government's direct involvement in housing was also ardently curtailed; in contrast to being 'a provider' of housing, it was redefined to be 'an enabler' of housing production (Mukhija, 2004). Deriving from international documents such as the Global Strategy for Shelter to the Year 2000 (UNCHS,1992) and later Enabling Markets to Work (World Bank, 1993), subsequent policy documents emphasised this paradigm shift towards an 'enabling approach' by enhancing and changing the roles of the public and private sectors.

The assumption behind such paradigm shift was based on the governments' limited resources and capacity. This provided the underpinning to abandon the role of government as a housing provider and turn towards an enabling approach by contributing to the restructuring of land and finance regulations, leaving housing production to people's initiative under the market economy (Berner, 2001). Moreover, the earlier approach where government was the direct provider of urban housing, had been questioned, particularly in terms of the scale of production achieved (Keivani & Werna, 2001b) and the financial resource constraints, quite apart from the inability of the construction industry and administrative systems to cope with rising demand (Chakravarti, 1998). These constraints resulted in gross incapacity of the government to deliver, mainly because the whole approach lacked a sound economic base due to the level of subsidies involved and failure to recover costs (Sengupta, 2009).

The enabling approach was defined and implemented differently by the World Bank and the United Nation (UN), with differing emphases, conceptualisation and operationalisation. The World Bank recommended that governments take on an enabling role by [moving] away from producing, financing, and maintaining housing, and toward improving housing market efficiency and the housing conditions of the poor (World Bank, 1993). The primary objective of the enabling approach was seen as

improving the efficiency of the housing sector by the public sector concentrating on eliminating constraints on both the supply and demand sides, noting that market friendly approaches are different from laissez-faire (World Bank, 1993 and Pugh, 2001). On the other hand, the UN's conception of enabling principles of housing policy acknowledges a direct interventionist role for the state in the event of the failure of the market to ensure adequate and equitable housing supply (Sarfoh, 2010). The UN's conception of the enabling principles was clearly articulated in the Global Shelter Strategy, putting the emphasis on community engagement and the onus of choice on households (Keivani & Werna, 2001a; Jenkins et al, 2007). Though both the World Bank and UN advocates for market but there are differences in these approaches. Initially World Bank's approach of enabling the market was blended with aided self-help housing programme, which was the precedent of roll-out neo-liberalism. Later in the 1990s World Bank clearly advocated the developing countries to withdraw state role as a provider of housing and viewed market as the only provider of housing (Smith, 2000). This transformation refers the World Bank approach similar to the roll-back form of neo-liberalism. On the other hand United Nation's conception of enabling principles of housing policy acknowledges a direct interventionist role for the state in the event of the failure of the market to ensure adequate and equitable housing supply. In addition United Nation advocates for community and civil society orientation in the policy sphere of pro-poor development. This idea of collaboration clearly indicates the preference for roll-out form of neo-liberalism. This varied nature of marked trajectories of World Bank and UN, reshaped the housing policy in developing countries and produced varied outcomes simultaneously. Overall, the enabling approach influenced the withdrawal of the state from direct housing provision in developing countries.

**Figure 3.1 Enabling Approach Prescribed by World Bank and United Nations**



Source: Adapted from Smith, 2000; Pugh, 2001 and Sarfoh, 2010

### ***Political Commitment of the Enabling Approach***

‘The market-enabling strategy’ has dramatically influenced political commitment and policy support since the role of the government was transformed from provider to facilitator giving a central role to the private sector in shelter delivery. This strategy was based on the neo-liberal development principle of restructuring and deregulating the legal and financial system to make the market more efficient, and was advocated by the World Bank. Developing mortgage finance, organising a more competitive building industry, providing infrastructure for residential land development and institutional coordination were the major responsibilities of the state under the market enabling strategy (Smith, 2000). Under the Structural Adjustment Programmes in the 1980s, these changes happened in most developing countries in terms of political commitment and policy support. On the other hand, the UN-advocated enabling approach was designed on the principle of alternative development guided by the ‘third sector’ approach, which carries the notion of roll-out neo-liberalism. The “third sector” approach privileged a civil society- orientation, proposing policies that diffuse civil society and empower the emergent interlocutors such as NGOs and other non-state actors (Sarfoh, 2010). This empowerment was intended to facilitate local solutions to be developed by these interlocutors and was characterised as an enabling approach (Smith, 2000).

### ***Institutional Transformations of the Enabling Approach***

Under the market-enabling strategy, institutional transformations were greatly influenced by the Structural Adjustments Programmes (SAPs) that reduced the role of the state in socio-economic development, endorsing deregulation and privatisation of the essential services (Keivani & Werna, 2001b). The enabling approach advocated by United Nations brought more actors such as the private sector, international agencies and NGOs on the scene to reach urban poor communities. The most important concern is that the market-enabling approach neglects urban poor people because it overemphasises the formal market process to the detriment of other existing modes of provision, it lacks specific consideration of informal markets and their particular requirements and it fails to consider who benefits from the increased market efficiency (Keivani et. al., 2008). In addition, this approach did not contribute directly to create the social capital needed to sustain initiatives locally as ground realities were overlooked.

In response to this failure, sporadic manifestations of a reactive social movement of slum dwellers victims of evictions over the years became more apparent; urban poor

and homeless federations got consolidated and demonstrated much more effectiveness in mobilising and organising community actions (ACHR, 2003). However, this federated effort of the urban poor depends on their strength as a community, which is affected by their social networking, duration of living in the settlement, presence of community based organisation, access to local political leaders. This federated effort has been defined by Levy (2007) as a representative political structure, which influences the institutional transformation to be more participatory.

### ***Financial Sustainability of the Enabling Approach***

In terms of financial sustainability, the market-enabling approach restricted the role of the government to supply housing directly and allowed delivery by the housing market. The "enabling" approach to housing markets promotes financing systems based on family savings, public subsidies and mortgage loans to unleash the potential of individuals and communities to produce and improve dwellings. However, the approach failed to benefit lower-income households, as they have less ability to generate savings or make mortgage payments (Hartman and Linn, 2008). Whilst this approach has contributed to bring into consideration new actors, it failed to address the uncertainty of the market in chaotic economic situations under inflation and recession. These factors have contributed to excessive speculative investment in land, and monopoly behaviour for maximising profits, which limits efficient market activity and drives up land and housing prices, without any significant lowering of the threshold for access by low-income households to mortgage or building finance (Keivani et. al., 2008).

Under the market-enabling strategy the private sector can in theory be the new source of funding, but the marginalisation of the state from providing subsidies and the affordability concerns of the slum dweller communities did not contribute to create a stable financial system, nor did they generate cohesive mechanisms to develop a solid system for financial sustainability to sustain scaling-up interventions.

The enabling approach advocated by United Nations depends on blended finance, which combines funding support from international agencies and group savings schemes of the urban poor. The uncertainty and project-based funding by the international agencies are the common problems under this approach. In addition to that, the major problem perceived in this process is the matter of legality of urban poor settlements, which restricts the urban poor's access to formal housing finance (Mitlin and Satterhwaite, 2004). Besides, creating collaborative efforts and participatory processes in community-

based programmes requires considering carefully the dimensions of fluid contextual realities at different levels.

### ***3.3.5 The Alternative Development Approaches***

Though in many developing countries, neo-liberalism is the pre-dominant approach for development (Ganpati, 2009), in the current era of development, it is difficult to identify the specific development theory which is leading the global economy and development policies. Currently in the period of financial crisis and economic recession, the mixed approach is a common phenomenon in developing countries in the period of transition. In addition the patron-client relationship between the politicians and the people determines the state intervention in human development, whereas the same relationship between the state and international agencies determines the market policy for economic development (Harvey, 2005). This dualism in developing countries has often been referred as a 'middle way of development' and transformed the roll-back form of neo-liberalism to a roll-out form of neo-liberalism. However it is really difficult to identify the most predominant development approach in the current period considering the varied nature of housing policies and programmes across the developing countries. However in different literature different development approaches have been referred, which are distinct from previous development paradigms by pulling different elements of those approaches. Thus in this research alternative development approaches have been referred as a mix of different approaches rather than its theoretical understanding, which refers empowered participation based bottom up approach.

In relation to housing policies these sort of mixed approaches have been termed as 'alternative development' where the proposition stands for different attributes including; (1) orientation of human needs; (2) endogenous practices; (3) self-reliance; (4) eco-friendly policies; and (5) participatory decision making (Peet and Hartwick, 2009). While there are various forms of alternative development (alternative to core approaches: Modernisation, Keynesian, Basic Need, Neo-Liberalism) approaches, in relation to housing the urban poor a 'third system' approach has been referred by different authors (Jenkins, 1998, Mukhija, 2004). However, the 'third system' is seen as structures of power represented by people acting individually or collectively through voluntary institutions and associations (Jenkins, 1998).

The 'third system' approach assumes that the development problems are often context specific and the participation of the local people is essential to reach the solution. In



addition, the issue of 'sustainable development' was another stream of alternative development which accepts the environmental and socio-economical interdependence among different actors. Both aim for a policy framework which ensures eco-friendly environment, sustainable livelihood, peoples' participation and collaboration among the different actors of development. The current housing practice in developing countries also reflects these principles of 'alternative development' which has been discussed in the following subsections.

### ***Alternative Approaches for Housing the Urban Poor (1990s to Present)***

The alternative development approaches for housing the urban poor are following the basic principle of United Nations' model of enabling approach in last two decades. To date, neither the market nor the states have accomplished much in terms of mass housing. Moreover, in both approaches, the recognition of the economic role of the urban poor and their rights are always suppressed; and they remain invisible in decision making and planning. In this context, the programmes and projects are always supply oriented and the demand and capacity of the urban poor have remained unattended. Moreover in the period of the 1980s under the enabling approach prescribed by World Bank, several countries cut back on the public provision of housing; however, the private market has not been able to fulfil these housing needs either because of the peculiar features of the land or because of housing market externalities (Baken and Linden, 1992).

To tackle this problem, in the 1990s community action planning was introduced which takes into consideration stakeholder interests and aims to put in place processes "which are problem driven, community based, participatory, small in scale, fast and incremental, with results which are tangible, immediate and sustainable" (Hamdi and Goethert, 1997, p116). Moreover, in the face of the public-sector retreat and the market inefficiency in 1980s, there is a greater onus on voluntary sector organisations in extending the welfare arm of the state to fulfil the housing needs of those excluded from the formal housing market (Ganapati, 2005). Since then, community action planning has been exercised by international development agencies in partnership with local NGOs and CBOs.

Community-led housing is perceived to be a housing initiative led by community organisations to secure land and housing on their own. The concept emerged in different

forms in different contexts but the common guiding principle was to ensure tenure security for better housing and livelihood. The community organisation within each community and the larger city-wide community network helps to link together and bridge their development plans with other actors in their cities or districts (Boonyabanha, 2009). However, the success of community-led programmes depends on urban poor groups having the capacity (and political space) to produce representative organisations able to work at national and international level, as well as in their own locality (Mitlin, 2007). Moreover, this process takes time and it is well evident that in India and Thailand the process takes more than twenty five years for mobilisation, negotiation and implementation (Levy, 2007 and Boonyabanha, 2009).

**Table 3.1: Elements of community-led housing and its impact**

<b>Elements</b>	<b>Components</b>	<b>Impact</b>
<b>Representativeness and Networking</b>	Group Formation (Self-help group), Developing Alliance with Different agencies(Local, National, International community organisations, development agencies, NGOs, Government agencies), Negotiation and Dialogue within community and with different agencies	Representative political structure, Negotiation of co-operative conflict, Representation and mainstream of the claim, capacity and interest of community, social capital development
<b>Collective savings and blending finance</b>	Self-help savings and credit groups, daily/weekly/monthly savings scheme, consultation and networking within community and with different agencies	Creation of resource base, accumulation of funding opportunities, financial liquidity, entrepreneurship development
<b>Participatory designing</b>	Participation in designing process, Applied research, Training,	Appropriation of space, Demand based design, Skill development, enhanced income generating opportunity
<b>Collective ownership</b>	Communal entitlement	Prevention of selling-out problem, Communal identity and belongingness
<b>Participatory monitoring and evaluation</b>	Observatory survey, Information collection and assembling, Negotiation and dialogue with service providing agencies, Group formation (ie, co-operative housing society), Incorporating Intermediate organisations	Accountability and efficiency, Empowering the community, Networking

Source: Adapted from (Mansuri and Rao, 2004), (Ribot, 2005), (Levy, 2007), (McLeod, 2001), (Boonyabanha, 2009), (Boonyabanha, 2005), (Burra, 2005), (Hasan, 2006) and (Patel, 2007)

### ***Political Commitment of the Alternative Approaches***

The major problem perceived in the process of housing the urban poor is the matter of legality. Slum dwellers are often treated as ‘illegal’ and their settlements as ‘informal’, this legislative vision to define a group of people is a hindrance to development initiatives (Rahman, 2009). Though community-led housing is a federated effort it still

requires greater political commitment from the state (Lemanski, 2008). Moreover, in the case of the developing countries, where the land is owned by state agencies and the services are delivered by state organisations, it requires political will of the state to promote community-led housing.

### ***Institutional Transformations of the Alternative Approaches***

Community-led housing focuses on participation, empowerment and social capital. Most of the empirical evidence shows the effectiveness of community-led housing programmes for sustainability as it considers the capacity of poor people through the institutional capacity, social networking, collective intent and attitude (see for example, Boonyabancha, 2005; Burra, 2005; Hasan, 2006). Community-led housing has enabled poor communities to organise with increasing sophistication, exchanging knowledge, experience and resources previously unattainable to those without political or socioeconomic status (Lemanski, 2008). Community-led housing creates synergy between different actors involved in the housing process of a city as it ensures the voice for voiceless.

### ***Financial Sustainability of the Alternative Approaches***

Community-led programmes can enhance sustainability, improve efficiency and effectiveness, be inclusive of poor and vulnerable groups, build positive social capital, and give them greater voice both in their community and with government entities (Dongier et. al., 2002). The technical skill of community is enhanced through the housing process, which has a multiplier effect in terms of social and technical capital for enhanced livelihood opportunities. Community managed savings and loan programmes are a powerful tool of community-led housing as the community manages the programme and creates a resource base (Boonyabancha, 2005). Collective savings constitute group formation followed by daily or weekly or monthly savings from each household. Collective savings allows people to network with a community for collective decision making. If savings groups are linked to institutions that provide capital, then they can offer an even more powerful route to expanding localised financial activities and can provide low-income communities with the financial liquidity that development requires (ibid, 2005). Thus the commitment and willingness of private financial institutions and government agencies remain as a pre-requisite for the financial sustainability in community-led housing programmes.

### **3.4 Summary and Conclusion**

One of the key messages found from this chapter is that these development approaches haven't replaced each other; rather they are overlaid and exist in different forms. The major question thus remains, which approach is predominant and how it is influencing the housing conditions, provisions and policies for the urban poor. It is evident from the above analysis that in different policy frameworks there was an attempt to address political commitment and policy support, institutional transformations and financial sustainability. The evolution of housing policy shows that the modernisation policy had significant impact on the built environment. The importance of modernisation was perceived being based on the demolition of the old crowded parts of the city and development of new, better housing that would improve the lives of millions of urban dwellers (Frampton, 1980). However, this approach had no option to integrate the capacity and choice of the urban poor, for whom the approach was meant to be. But this was the first attempt which recognised the need for a better living environment for the urban poor. Later on, the state-provided housing was attempted for mass housing to accommodate the urban poor but failed due to the financial crisis. This approach was an attempt to establish the concept of scale in pro-poor housing rather than a few piecemeal projects.

The state-subsidised interventions were not a sustainable approach, as it fell short in resources for regular provision and maintenance and limited the creation of institutional changes that could articulate processes for broad based collaboration and communities' substantive involvement. In the same period, due to the failure of the state, the propulsive attempt of housing was introduced in the form of self-help by the urban poor themselves. Later on this approach attracted the international agencies and was transformed in to aided self-help housing (Turner, 1968). The World's Bank adapted self-aid model failed to scale up due to its reductionist project focus, limited linkage to local governance and institutional structures, marginal involvement of the urban poor, and shortcomings for financial sustainability. This approach is still under operation in different forms due to the changing policy paradigms advocated by different international agencies.

In the 1990s, under market liberalisation the 'enabling approach' (World Bank, 1993) was introduced to minimise the role of state as a provider. Since then, the withdrawal of the state from housing provision is a common phenomenon in developing countries. But how the market can be an effective solution for housing the urban poor, given the

economic capacity of the urban poor and the profit motivation of private sector, is always questioned. However, the international agencies advocated this strategy, while the strategy failed to gain success in satisfying the rapidly increasing housing needs of the urban poor. 'The market enabling model' was not only limited in reaching scale, but also deteriorated the condition of the urban poor as it overlooked their realities. Moreover, this strategy confined the role of the state in housing the urban poor to restructuring the finance and legislative system and introducing privatisation.

In the previous approaches the state failed and remained confined under the new paradigm of development; and private sector failed to accomplish mass housing for the urban poor. One of the current approaches relies on the collaboration of different actors to regain the self-help culture in housing in association with voluntary organisations in the name of 'community-led housing' (Boonyabanha, 2009), where the collaboration of different actors, funding and participation of the urban poor is the main policy principle. It is evident from the above analysis that many different housing policies have been implemented in developing countries, which shifted from government built public housing to the self-help movement, aided self-help, slum upgrading, and enabling approaches. However, these policies and approaches had limited success, as they failed to consider the nature of urban poverty in different countries and the associated socio-economic and political context (Bredenoord and Lindert, 2010). In addition, these practices are happening in a context, where the macro-economic development ideas are predominantly occupied with neo-liberal approach (Mukhija, 2004; Sengupta, 2009; Bredenoord and Lindert, 2010). Thus these programmes are not replicating in a scale which can address the challenges for housing the urban poor in a city or national level. Moreover, the modes of housing provision and the organisational arrangements of housing provision is also following neo-liberal development approach (Smith, 2000; Mukhija, 2004; Sengupta, 2009; Bredenoord and Lindert, 2010; Sarfoh, 2010).

Understanding the international perspective it is essential to contextualise the housing policies and practices. In this research, the Bangladesh context (Chapter Seven) has been analysed to understand how different approach of development has created the provision for housing for the urban poor. To analyse the Bangladesh context, this review developed a theoretical understanding of different development paradigm and chapter seven of this research portrays, how these development approaches were translated in Bangladesh. Thus the following table summarises the evolution of housing policies and practices for housing the urban poor in developing countries, which has

been compared with the context of Bangladesh in later chapter. In addition, it is essential to understand how these approaches redefine the role of different actors and organisational arrangement for housing the urban poor. The following chapter of this research reviews the literature to understand the changing nature of institutions in relation to housing the urban poor under different development paradigm.

**Table 3.2: Evolution of Pro-poor Housing Practices in Developing Countries**

Period	Housing Approach	Development Approach	Criteria to be Explored
1950s to mid 1960s	Conventional Housing	Modernisation	<ol style="list-style-type: none"> <li>1. Direct action from the state as provider, policies focuses on economic and political objectives.</li> <li>2. No-Institutional transformation, sustain status- quo, no recognition of slum realities/ unilateral action, limited community integration.</li> <li>3. Formal finance (subsidies), did not reach the urban poor. Costly, difficult maintenance and sustainability.</li> </ol>
1960s to 1970s	Public Housing and Self-Help Housing	Keynesian	<ol style="list-style-type: none"> <li>1. The state as enabler, supporting a co-operative development (push for participatory policies).</li> <li>2. Institutional transformation to accept and strengthen informal processes (change paradigms), slum dwellers as centers of the development process.</li> <li>3. Mixture of formal and informal finance. Could reach the urban poor, (flexible and affordable), sustainability limited to government and household mutual support.</li> </ol>
1970s to 1980s	Aided Self-Help and Site and Services Scheme	Basic need and Redistributive	<ol style="list-style-type: none"> <li>1. Project-based interventions initiated by the state as well as international agencies policies aiming to regularisation.</li> <li>2. No institutional transformations, governance model limited to a project, in isolation from local structures, involvement of the communities is limited overlooked local realities as focused on construction.</li> <li>3. Mixture of formal and informal finance. Limited to cost recovery by individual projects, short comings on maintenance and sustainability.</li> </ol>
1980s to present	Enabling Mechanism	Neo-liberal	<ol style="list-style-type: none"> <li>1. The state's regulatory role is minimised becoming a facilitator to the private sector that has a central role.</li> <li>2. Institutional transformation (SAPs) responds to a profit oriented scheme rather than to a collaborative (is non-inclusionary). Did not reach the urban poor, the realities of the slums overlooked, fail to understand slum dwellers needs, create fragmentation</li> <li>3. Paradigm changed to a more comprehensive mechanism bringing new sources of funding and actors (marginalised state and communities), privately financed and managed; fail to create an articulated and stable financial support to scale-up.</li> </ol>
Mid 1990s to present	Community-led	Collaborative	<ol style="list-style-type: none"> <li>1. The role of the state diminishes by the influence of globalisation but MDGs bind the state commitment to address urban poverty, and policies aligned to support.</li> <li>2. Institutional transformations are enabled to create new synergies and spaces for collaboration with participation as core mechanism, create opportunities to strengthen the (primary) role of slum dweller communities in their development.</li> <li>3. Financial sustainability to be reached by articulating different resources (top-down (national/ international), bottom-up) into a system that ensure long-term support.</li> </ol>

1. Political commitment and policy support 2. Institutional transformations 3. Financial sustainability

Source: Adapted from Wakely, 1988; Fiori and Ramirez, 1992; Easterly, 1997; Jenkins, 1998; Keivani and Werna, 2001a; Pugh, 2001; Satterthwaite, 2001; Mitlin, 2003; Gilbert, 2004; Hasan, 2006; Jenkins et al., 2007; Pinzon, 2009; Sarfoh, 2010; Bredenoord and Lindert, 2010

## **Chapter 4: Institutional Framework for Housing the Urban Poor**

### **4.1 Introduction**

The literature review on the evolution of housing policies and the interrelation of housing and urban poverty has shown that housing for the urban poor is a composite phenomenon which includes different actors and institutions. The approach for housing the urban poor differs within a given context influenced by the macro-economic policy framework. Thus the role of different actors also differs. The involvement of different actors also articulates the modes of housing provision and the level of intervention in every step of the housing process<sup>14</sup>. Understanding this broader perspective of the organisational arrangement for housing the urban poor, it is essential to identify the actors involved in different housing processes and their role in relation to providing housing for the urban poor. Thus the aim of this chapter is to review the literature to understand the organisational arrangements for housing the urban poor in global perspective, which includes the type of the institutions, changing nature of the institutions, actors involved in the housing process, modes of housing provision in developing countries, and the role of different actors to address the challenges for housing the urban poor.

This chapter starts with conceptualising institutional frameworks, which provides the basic understanding of institutions and organisations. The following section describes the changing nature of institutions, which will define the organisational arrangement of democratic decentralisation. As the previous chapter reveals that neoliberal development approach is predominant, therefore this chapter defines decentralisation process of organisational arrangement to identify the changing nature of institutions in developing countries. The explanation of organisational arrangements developed on the basis of this chapter has been used as the theoretical framework for analysing the organisational arrangements for addressing the challenges of housing the urban poor in Bangladesh (Chapter Eight). Later in this chapter the general mode of housing provision in developing countries is explored, which provides the conceptual framework to identify the mode of housing provision in Bangladesh (Chapter Eight).

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<sup>14</sup> Housing process includes the concept of structures of provision which is based on the identification of social relations and interactions of agents involved in all aspects of housing provision, i.e. production, exchange and consumption (Ball and Harloe, 1992).

## **4.2 Conceptualising Institutional Frameworks**

This research adopts Brett's (2000) explanation of institutions and organisations to analyse the institutional framework. Hence, institutions are sets "of rules that structure social interactions in particular ways, based on knowledge shared by members of the relevant community or society" (Knight, 1992 in Brett, 2000, p21). And, organisations are "groups of individuals bound by some common purpose who come together to achieve joint objectives" (North, 1990 in Brett, 2000, p36). Furthermore, there are two most important sets of institutions – "mental models" – in any given context of urban development i.e. economic institutions (e.g. capitalist, socialist, and communist), and political institutions - e.g. autocracy, representative and participative democracy (Jenkins and Smith, 2001, p16). Other social institutions may include religious, educational and language. Organisational relations among the State, Private Sector, Civil Society and International Agencies – the different roles, functions and structures which these actors have in development – are greatly influenced by the adoption of particular combinations of the aforementioned institutions.

There are generally three major groups of actors in development initiatives at national, regional and local levels - i.e. the State, the Private Sector and Civil Society - whose extent of involvement varies depending on the context in which the initiatives are undertaken (Jenkins and Smith, 2001). However, international agents sometimes (if not most - for developing and underdeveloped nations) also play a crucial part in decisions concerning urban interventions. The functioning of the actors and the degree to which they participate in urban development are influenced by the institutions at play in any given context. These institutions influence the nature of inter- and intra-organisational relations (Brett, 2000). It may be argued that different organisational and institutional relations may produce varied results in a given context and that similar organisational and institutional relations may not attain equivalent goals and objectives if employed in different contexts. The same argument may be extended to investment, operation and maintenance of different urban systems (e.g. housing, electricity and water).

Further, it may be argued that development ideologies have also had a substantial effect on the institutions and organisational relations. One of the major vehicles through which development ideologies manifested are the Structural Adjustment Programmes (SAPs) whose general recipe was proposed cuts in government spending, external trade liberalisation, devaluation of currencies, privatisation of government enterprises,



increase in export of primary products, and high interest rates coupled with stringent credit control (Riddell, 1992 and 1997). The aforementioned shifts in development ideologies resulted in shifts in organisational roles from state-led investments, then private sector driven with government as the enabler and regulator, and to the inclusion of the civil society in governance and delivery of service. The following section defines the changing nature of institutions and its relation to development principles.

### **4.3 The Changing Nature of Institutions**

As described earlier in this chapter, institutions are the sets of rules to combine and define the role of different actors. Thus the change of institutions leads to the change of organisational arrangement. This change happens when the rules change. Thus development practices are patterned by principles adopted and continuously adapted within particular social and economic systems. And these principles are called 'structures' (Healey, 1997; Castells, 2000). Therefore change of institutions can be characterised by a dynamic modification of system of rules, flows of created and accumulated resources, modes of thought and action among different actors involved in the development process (Healey, 1997). This modification changes the macro-economic policies and carries the longitudinal consequences to sectoral policies (i.e. urban development, industrialisation, education, health). Moreover, this change brings about different organisational arrangements by redefining the role of the state, private sector and civil society in different combinations depending on the socio-economic and political circumstances in a given context.

From the 19th century to the mid-70s [and after], there have been substantial shifts in economic paradigms globally [e.g. globalisation] that are linked to changes in political attitudes in most parts of the world (Jenkins and Smith, 2001). These shifts have led to changing roles of the state and the market accompanied by an emergence and recognition of the civil society (ibid, 2001). This shift has often been termed as a pathway for 'Good Governance' (McCarney, 1996; Hye, 2000). The changing nature of organisational arrangements through defining governance and good governance has emerged in tandem with the changing global political and economic situation. This change has been seen politically in its broadest sense as 'the relationship between the civil society and the state' (McCarney, 1996). From the perspective of economic development, good governance has been interpreted by Hye (2000) as the undertakings of activities, management of resources, organisation of men and women by groups of

people, communities, local government bodies, business organisations and the branches of the state (Legislature, Judiciary and Government) through social, political, administrative and economic arrangements that meet the daily needs of people and ensure sustainable development. This interpretation of governance is an example of the concept being modified with the element of structural changes. Moreover, this approach to governance has provided the basis for arguing for decentralisation as a way to open up arenas where local actors can take part or influence local-level decision making. In addition to this interpretation there was an economic motivation to cope up with the neo-liberal development approach. As Jenkins and Smith (2001, p27) mentions that, through decentralisation certain responsibilities have been taken from central government to local government, but this transfer of responsibilities has not necessarily been accompanied by transfer of resources.

#### ***4.3.1 The Urban Management Paradigm***

In the field of urban development, the changing nature of organisational arrangements for promoting good governance has been observed since the neo-liberal era of development started in developing countries. This urge to promote good governance has emerged in response to two factors: firstly, the perceived success of market economies and inefficiencies of state enterprises and, secondly, the abuses of authoritarian regimes. In addition it was heavily promoted by The World Bank and international agencies (e.g. the urban management programme) (Sarfoh, 2010). Under the urban management paradigm, it has been assumed that decentralisation through the organisational arrangement of deconcentration, delegation, devolution and privatisation can aid better access to service provision for the urban poor in developing countries.

In addition to being seen as a key component of promoting good governance, two major arguments have been put forward to encourage decentralisation. Firstly, decentralisation is seen as important for accelerating the pace and spread of the benefits of growth, promoting regional integration and using scarce resources in an efficient manner that can promote development in economically marginalised and deprived areas which have the potentials to be developed (Rondinelli, 1990). Secondly, the poorest groups need a larger share of government services and means must be found to decentralise public service delivery and involve the beneficiaries in planning and decision making at local level (ibid, 1990). It is perceived by Johnson et al (2004) that the goal of democratic decentralisation is to ensure people's participation. Moreover people's participation is the fundamental instrument for promoting good governance.

The organisational arrangement of decentralisation under the urban management paradigm also refers to the duality of neo-liberalism. Over emphasising the role of private sector through privatisation refers the limited role of state that could be explained as a preferred form of organisational arrangement under the roll-back form of neo-liberalism. On the other hand, giving importance on the role of local government structures shows the form of roll-out neo-liberalism. However, both of these forms do not provide any space for accommodating the urban poor communities under the organisational arrangement of decentralisation, which has been discussed later in this chapter and in the subsequent chapter on Bangladesh.

#### ***4.3.2 Organisational Arrangements of Decentralisation***

Johnson et al. (2004) suggested that decentralisation can be based on four forms of organisational arrangement, namely **deconcentration, delegation, devolution and privatisation**. These forms of organisational arrangements produce varied outcomes for service delivery, thus it is essential to understand the effectiveness of a particular form in a given context. In most of the literature, **deconcentration** refers to handing over some amount of administrative authority or responsibility to lower levels within central government ministries and agencies (Abbot, 1997; Johnson et al., 2004; Morgan, 2011). Another organisational arrangement for decentralisation is **delegation**, which transfers managerial responsibility for specifically defined functions to organisations that are outside the regular bureaucratic structure and that are only indirectly controlled by the central government.

**Devolution** is the creation or strengthening financially or legally of sub national units of government, the activities of which are substantially outside the direct control of the central government. In this process of decentralisation, **privatisation** has been assumed as a tool for providing services and facilities (Devas, 2001). However, the success of decentralisation through deconcentration, delegation, devolution and privatisation has been questioned in different literature (Devas, 2001; Ha, 2004; Pal, 2006). The common argument behind the failure of such decentralisation processes was the lack of understanding of the context which represents the varied nature of actors and their functions, rather than the conventional organisational arrangements (deconcentration, delegation, devolution and privatisation) of decentralisation.

Understanding the above organisational arrangements for decentralisation, this research interprets decentralisation as a process that redefines the role of different actors for

providing services and facilities in a more collaborative and context specific way. Thus it is essential to understand decentralisation in a new dimension, which defines the organisational relations within and between the three actors (state, market and civil society). Therefore, it is essential to understand the determinants that define different organisational relations and transformation of such relations. In most of the literature, rules and resources have been defined as the major determinants of organisational involvement in any development process (Healey, 1997 and Morgan, 2011). However, the differences in the application of rules in accessing resources happen when the capacity of the members of a given society differ. Thus, the urban poor and their representation in policy-making for securing their housing rights become a major concern for decentralisation.

#### **4.4 Organisational Arrangements and Modes of Housing Provision for the Urban Poor**

It has been discussed earlier that rules and resources are major determinants of institutional involvement in any development process. This situation is evident in the housing process (housing provision by formal organisations and self-managed provision) of the urban poor. Moreover, pro-poor housing in developing countries is a complicated and intricate process. Any meaningful examination of pro-poor housing processes inevitably requires the examination of the dominant social, political and economic organisation and development processes of the society which have led to the situation being created in the first place and which define the legal and operating framework for housing provision (Keivani and Werna, 2001b; Devas, 2001).

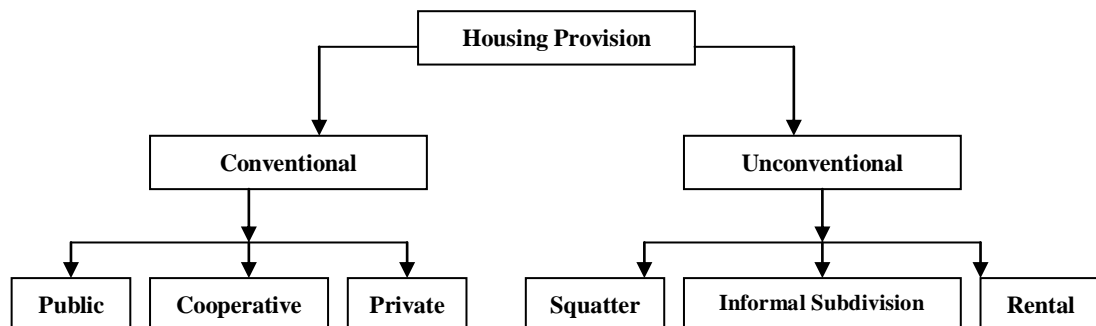
Different paradigm shifts in development policies have significantly transformed the institutional frameworks of pro-poor housing initiatives. During the past quarter century neo-liberal development policies, such as decentralisation, have significantly reshaped urban development and planning initiatives in developing countries (Harvey, 2005). Moreover, in most of the developing countries state, private sector and communities are playing the major role in housing the urban poor though in the last three decades NGOs are playing a substantial role in pro-poor housing (Fiori, 2008). In the field of pro-poor housing, decentralised governance in terms of institutional frameworks can be defined as the participation of public, private, and nongovernmental sectors (Devas, 2001). Overlooking the role of community is the major limitation of this decentralised structure though in developing countries they are the largest provider of housing the urban poor. However, the different forms of organisational arrangements of decentralisation provide

a theoretical understanding to explore different organisational arrangements for housing the urban poor, which at the end produces varied modes of housing provision.

The diversity of modes of housing provision in developing countries and the range of actors involved indicates that the process involves an intricate and complex network of relationships between various agents and the state (Keivani and Werna, 2001b). Housing provision in developing countries is classically divided into two main groups of conventional/formal and unconventional/informal modes of provision. These essentially represent a dichotomy between two opposing processes (Drakakis-Smith, 1981). The former group represents housing that is produced through the social channels of recognised institutions, e.g. planning authorities, banks and building and land development companies, and observing formal legal practices, building standards and land use and subdivision regulations (Keivani and Werna, 2001b). Moreover, as opposed to other public services, the provision of housing has been largely dominated by the non-public sector, which includes the formal and informal private sectors, private households and co-operatives in developing countries (UN-Habitat, 1996).

Unlike the other services where direct public provision has meant the actual physical provision of the service by public organisations, the physical production and in many cases design and consultancy work of public housing projects and sites and services programmes have in fact been carried out by private building firms and consultants (Batley, 1996). Though it seems that the formal private sector is playing a major role in housing in developing countries, the success and the initiative for housing the urban poor is limited. This situation minimizes the involvement of private sector for housing the urban poor. As Keivani and Werna (2001) describes “more importantly, perhaps, is the availability of a wide range of modes of housing provision through the public, community, co-operative and informal private sectors which to different degrees are already involved in low-income housing provision” (Keivani and Werna, 2001b, p11).

**Figure 4.1: Generalised Modes of Housing Provision in Developing Countries**



Source: Keivani and Werna, 2001b

#### **4.5 The Role of the State in Housing the Urban Poor**

The production, provision and consumption of goods and services are carried out by different organisations and individuals in any economic system. In most systems the state acts “through the collective system of law and social management to create the conditions required to solve the problem of order for the whole society” (Brett, 2000, p23). The role of the state is dominant in the organisational arrangements of deconcentration, delegation and devolution. In the modernisation era in most of the developing countries the state took a leading role in the ‘master plan’ approach with little room for the private sector and even less for civil society (Jenkins & Smith, 2001). In terms of housing and service provision central government determined the financial disbursements based on estimated infrastructural and social delivery needs (Jenkins, 1999). Thus the organisational arrangement of deconcentration was functional and still in most of the cases this top-down approach is pre-dominant. In the recent past, the role has been changed and state is not constructing houses as a mode of housing provision, rather supplying basic infrastructure to accommodate market effort (Fiori, 2001).

Considering the general modes of housing provision, the involvement of state can be defined as a conventional mode, where public housing was the most dominant mode in modernisation era. **Public housing** is one of the significant modes in developing countries, where Governments get involved in housing provision either to strengthen the state apparatus by building housing units for essential employees such as technocrats, middle-high managers and security and military personnel or for the lower income groups (Keivani and Werna, 2001b). These programmes are usually financed directly by the central government or parastatal finance institutions (UN-Habitat, 1996). In the past efforts, regarding pro-poor housing in most of the public housing programmes in developing countries, little planning was involved with regard to matching the needs of the low income population and the physical characteristics of such programmes (Drakakis-Smith, 1981).

Besides the direct construction of public sector housing two other main programmes has been observed for formal delivery of the low-income housing: (1) site and services scheme and (2) slum upgrading programmes. The actors involved in sites and services projects are international agencies, international consultants, central and local governments, local consultants, local planning organisations and officials, local construction companies for carrying out the actual work of land preparation, and the

households (Hasan, 1999). The main rationale for this mode of housing provision is to repeat the success of the incremental house building and improvement process of the informal settlements in providing affordable housing units for the urban low income households through government sites and services projects (Keivani and Werna, 2001b). Settlement upgrading, in itself, does not constitute additions to housing stock but, it leads the projects to higher standards of housing for existing informal settlements.

The role of the state in housing the urban poor was evident in the modernisation era, when state-constructed buildings were the initiative for housing the urban poor to ensure the labour supply in the city centres. Service provision including the land was also ensured by state agencies. Later on the self-help housing approach substituted the role of state as a provider of pro-poor housing. The financial crisis of the state agencies in developing countries was the major impediment for providing housing for the urban poor. Later on the enabling paradigm through decentralisation advocated by international agencies minimised the role of state in the process of housing the urban poor. As a consequence of decentralisation, pro-poor housing transformed from a highly state-controlled activity in the early 1980s to a much more participatory development activity by the late 1990s, where communities, often aided by NGOs as facilitators and intermediaries, participate at various stages of a project—identification, design, financing, construction, and maintenance (Mukhija, 2005). However, as described in previous chapter, these programmes were limited in few projects and programmes and the decentralisation only took place with privatisation.

Though decentralisation has minimised the interventionist role of the state, the statutory role of state is still important for housing the urban poor. In different literature the land tenure or supply of land, conflict resolution among different actors, long term policy frameworks, large scale service infrastructures, and financial reformation seeks state involvement (Payne, 2002; Levy, 2007). In addition to that, the limited involvement of the state in the process of housing the urban poor makes the question of scaling up a major challenge for alternative development.

#### **4.6 The Role of the Private Sector in Housing the Urban Poor**

Understanding the criticisms of state involvement in housing the urban poor several researchers have advocated private sector involvement for housing the urban poor (Mayo & Malpezzi, 1987; Lim; 1987; Pugh, 1997; Payne, 2002). The major criticism is

that Governments were not only using too much of their resources, they were misusing the resources as public housing was poorly designed: it was poorly located, did not provide opportunities for multiple uses or expansion, nor did it allow the beneficiaries sufficient flexibility in making their payments (Mukhija, 2004). Thus the participation of state as a provider in the housing market has been assumed as counterproductive. In this context, some scholars even documented empirical evidence that suggested that housing provision through private markets was the more successful strategy in improving access for the less affluent (Dowall, 1989). The consequence of such condemnations was a deliberate attempt by policymakers to make housing policies more market friendly and encourage market agents to be further involved in housing delivery (Mukhija, 2004).

**Private sector housing provision** is the most influential mode of housing provision through formal channels. To date formal private sector housing provision in developing countries has, by and large, been for urban middle and high income groups (Drakakis-Smith, 1981). The nature of formal private sector housing provision depends on the actors involved and the financing mechanism for land and construction. Housing provision through this mode can take many forms. Thus this form of housing provision can be categorised as (1) formal private housing development by individual owner occupiers; (2) commercial formal private housing development; (3) joint venture between small scale developers and land owners; (4) developer-community co-operation; and (5) public-private joint venture schemes (Keivani and Werna, 2001b). Among these categories it is evident that a public-private joint venture scheme is the pre-dominant mode for housing the urban poor in developing countries. The determining factor in this regard is the level of development of the private housing market and the presence of commercial housing developers whose function is the initiation and speculation in housing development (Drakakis-Smith, 1981).

Thus the success story of private sector in housing the urban poor is very limited. However, dependency on private market as the major mode of housing provision came forward as the policy makers of the developing countries were guided by the World Bank policy paper, *Housing – Enabling Markets to Work* (1993) for housing the urban poor. This policy paper advocated a major role for the private sector in housing the urban poor and confined the role of Government to enabling market agents to perform well, supporting the privatisation of housing delivery through market-responsive



deregulation. However, the private sector represents the market, which is the mechanism to meet individual demand by supplying the product guided by profit and the capital accumulation process (Mukhija, 2004). Thus the involvement and the scope of private sector in housing the urban poor has always been criticised as housing for the urban poor in developing countries is always subsidised in conventional modes of housing provision (Gilbert, 2004).

In the context of developing countries the operation of private land and housing markets is hampered by serious internal constraints which largely stem from severe institutional underdevelopment, scarce human and material resources and interaction with, and undue influence of, social, political and cultural factors which impinge on their efficiency (Keivani and Werna, 2001b). In most cases, such constraints are unlikely to allow the expansion of private markets to the degree that would satisfy the objectives for scaling up housing production to meet the needs of large sections of the low income urban households (ibid, 2001b). Moreover, it has been evident that private developer does not provide housing for the poor and that the most vulnerable groups are the most adversely impacted. Thus, in most developing countries, the formal market mechanism has systematically failed to satisfy the rapidly increasing housing needs of the population (Berner, 2001).

#### **4.7 The Role of NGOs in Housing the Urban Poor**

A prime example of NGOs being part of the actors addressing the housing problem can be observed in the aftermath of the neo-liberal discourse, of state withdrawal and market empowerment, which was widely adopted in the developing world (Mukhija, 2005). In this context neither the markets nor governments of developing countries were seen as able to provide basic services for poor people, as the trickle-down effect failed to materialise for the vast majority of lower income people and the state was inhibited from the provision of such services by structural adjustment and other minimalist policies (Sengupta, 2010).

Pro-poor housing with a significant housing component has seen limited NGO involvement because of the complexity of construction and related tasks (Mukhija, 2004). The lack of tenure security and property rights (De Soto, 1989; Payne, 1997) and the fallibility of the minimal state in dealing with unpredictable problems (Werlin, 1999; Mukhija, 2001) have restricted its overall success (Das and Takahashi, 2009). In

addition to the above, NGOs can assist squatter settlements through helping in the development of appropriate community organisations and mobilisation, providing technical and organisational skills for aiding self help house building and increasing their access to housing finance through creating financial co-operatives, providing loans directly or acting as intermediaries with formal commercial banks as guarantors for low income borrowers (Mitlin and Satterthwaite, 2004). However, in the current practices of housing following the alternative development approach, NGOs are playing a vital role for capacity building programmes to ensure the active participation of the urban poor.

#### **4.8 The Role of Community in Housing the Urban Poor**

In the absence of state, market and NGOs, urban poor community is the largest provider of housing for the urban poor. In the formal rules and resource based institutional framework, there is no acknowledgement of urban poor community as an actor and a provider. As discussed in chapter two about the impact of urban poverty on the housing condition of the urban poor, it is evident that the slums and squatter settlements provide the accommodation for the urban poor. These settlements are varied in nature but are propulsive in nature and in most of the cases constructed and managed by the urban poor community (Gilbert, 2004). These settlements are often termed as ‘informal’ (Gilbert, 2004; Roy, 2005). In this research, the modes of housing provision, which are provided and managed by the community has been referred as unconventional modes of housing provision. However, the only conventional mode of housing provision managed by the community is cooperative housing.

Apart from public housing, another form of conventional housing is **cooperative housing**. Keivani and Werna (2001b) mentioned that “housing co-operatives can be formed through different means depending on the socio-economic organisation of a country” (Keivani and Werna, 2001b, p23). This system allows groups of people to organise themselves and pool their resources and efforts into a formal organisation which can then negotiate on behalf of its members to acquire land from the government or the private market, apply for and receive credit or mortgage loans from government and formal sector institutions, receive building materials and commission contractors for building the housing units (Okpala, 1992; Vakil, 1996).

**Unconventional or informal modes of housing provision** in developing countries primarily exist due to the inability of low income groups to purchase high quality and

professionally designed and constructed housing produced through the conventional sector (Gilbert, 1996). The economy and income generating opportunity of the urban poor multiplied by the housing poverty in terms of affordable supply of housing units has resulted in the informal housing provision in developing countries. Thus, the unconventional mode of housing provision has become a necessary part of urban growth and development in developing countries in order to provide housing for the vast majority of urban poor who cannot gain housing through the formal sector (Drakakis-Smith, 1981).

The sub-sector of this provision can be classified by the legality of land occupancy and the legality of physical characteristics of the individual units-whether or not they meet the minimum government standards for building material, lot size, and floor area. Apart from these situations, some households are owners with unique or multiple occupancy, while others are renters (Lim, 1987). The exact form of unconventional housing provision depends on the political, socio-economic and cultural conditions of the relevant countries and cities within each country (UN-Habitat, 1996). In this regard the consolidation of state power and its willingness to use force to prevent invasions, much influenced by the main landowners, may be regarded as the main reason for the predominance of a particular type of informal housing provision (Gilbert, 1996).

The pre-dominant sub-sector of informal housing provision is **squatter settlements**, which primarily refer to the illegal occupation of land by households for their shelter purposes. The squatter settlements can be referred to as an invasion housing market as the occupancy of land and physical characteristics remain illegal in such settlements. Squatter invasions occur through two methods: organised mass invasions and gradual infiltration by individual families or small groups (UN-Habitat, 1996). The land of such settlements can be either private or public. This type of settlement has been termed as slum, when the occupancy of land is legal, which is either rented or leased by public or private sector. In both of these two modes there is a high degree of self building in the housing development process. This form of housing provision is still in search of a clear definition as different documents define these settlements in different way. Understanding this ambiguity, this research defines these settlements as per the UN-Habitat (2003) definition (Table 2.1, chapter two).

Another mode of unconventional housing provision is **informal land subdivisions**, which is pre-dominant in the African countries, where customary land tenure is a

common phenomenon. This mode of provision is dominated by private developers who either work with private land owners or take over and subdivide suitable public land (Keivani and Werna, 2001b). In this mode the private developer sub-divides the land and sells it to the higher income groups of the low income and also the middle income households who have been hit hardest by the withdrawal of government provision of direct housing and have saved up to gain access to land for housing. Similar to squatter housing there is a high degree of self building in the housing development process of informal subdivisions, provided that the developer undertakes all the negotiations with the related government agencies to ensure de facto security and service provision and with neighbouring land owners to ensure the right to pass an access road to the site (Angel, 2000).

In addition to squatter settlement and informal subdivision, informal low income rental housing is becoming a popular mode of housing provision in the rapidly urbanising world. In the squatters and informal sub-divisions the occupant of the house is mostly the owner. But in the case of low income rental housing, the occupant can have access by paying the rent to the owner. In this mode, landlord-tenant relationships have also been traditionally perceived as highly exploitative with minimum security of tenure, lack of rent control mechanism, bad living conditions and relatively high rents (Kumar, 1996). This provision is generated in several ways, through the social connections to join a squatter settlement as owner-occupiers; building own units on rented land; and constructing special rental areas, where major and minor landlords develop their land particularly for renting to low income migrants.

This mode of informal housing provision is the popular mode for migrants coming from the rural areas. The proportion of households in such rental accommodation tends to vary between different countries and cities depending on the household income and structured provision of formal housing. However, considering the social, economic and political situation and the level of income of the populations in different countries and cities, each of the main forms of squatter settlements, informal subdivisions and even informal rental housing has proved to be the most appropriate form of provision for the majority of the urban population in each given situation (Keivani and Werna, 2001a).

Considering the organisational arrangement of decentralisation discussed earlier in this chapter, the formal rules and resource based institutional framework does not

acknowledge the role of urban poor community and the importance of these modes for housing the urban poor. This situation is generating informality both in the modes of housing provision and access to service (e.g. water supply, electricity) provision. Several authors have seen this informality as a process of transformation, assuming it as process based on an organising logic and norms developed by the urban poor community themselves to support their sustenance need (Roy, 2005; 2009; Perera, 2009). The absence of state and private sector paved the way for these unconventional modes (Yiftachel, 2009; Hossain, 2011). However, community is acting as the most important actor for housing the urban poor and replaced the organisational arrangement of privatisation through their actions. These actions are creating synergy among other actors, which is the new dimension to understand the institutional framework for housing the urban poor. It has been observed in the literature that creating this synergy among the collective actors (public, private and civil society) community can put forward the idea of social change (Sandercock, 1998) through co-production or co-involvement (Ostrom, 1996) of different actors for making a *space of negotiation*<sup>15</sup> to address the challenges for housing the urban poor (Mitlin, 2003; Levy, 2007).

#### **4.9 Challenges for Housing the Urban Poor and Role of Different Actors**

It has been revealed in the earlier chapters that the challenges related to housing the urban poor are not merely depending on the capacity of the urban poor rather these are the resultant of institutional pitfalls. The review in chapter two identifies lack of affordability, lack of tenure security, lack of access to basic services, unavailability of housing finance, and lack of participation as the major challenges for housing the urban poor. Thus it is essential to understand the role of different actors in addressing these challenges.

##### **4.9.1 Lack of Affordability**

Affordability is at the heart of households' efforts to improve their housing situation. It has been widely recognised that employment, income generation and access to housing are highly interrelated (Adebayo, 2000) However, it is evident that most of the urban poor in developing countries are associated with informal activities. It is hard to find out the extensive effort from public or private sector to support such activities, which can

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<sup>15</sup> Space of negotiation has been referred in different literature as a process of social change, acknowledging the “*consensus notion of relations between actors, and seeks to build on ‘co-production’ (Ostrom, 1996) ‘complementarities’ and ‘embeddedness’ (Evans, 1996) of actors in civil society, the state and the private sector*” (Levy, 2007, p3). The space of negotiation can be viewed as a power (considering Foucault's view of power and it's implication as ‘a fundamental enabling force’ (McNay, 1994) to perform any action collectively.

ensure secured and consistent income generation for the urban poor. Though NGOs and other voluntary sector organisations are involved in enhancing the technical capacity of the urban poor along with the micro-credit programmes, but these initiatives are not on a large scale (Ganpati, 2010). Moreover, the continuing decline of formal urban income earning opportunities in most developing countries under conditions of globalisation and liberalisation mean that the deeply hostile attitude of many government officials to the informal sector must change (UN-Habitat, 2003). Thus there is a need of integrated effort to increase the productivity of the informal sector in developing countries.

#### ***4.9.2 Lack of Access to Basic Services***

It is evident that income alone is unlikely to result in improvements in well-being (Mitlin, 2008). Other factors include the lack of basic services, discrimination in labour and commodity markets and also in terms of access to services, and the lack of political and civil rights (Satterthwaite, 2001). In terms of service provision, all the main urban services in developing countries such as health, education, waste disposal and water and electricity supply have thus far been largely dominated, either completely or partially, by direct public provision (Ganpati, 2010). However due to management and resource constraints the public sector is not very successful in ensuring service provision for the urban poor.

In addition to the public sector, the role of the private sector has also limitations on both the supply and demand sides, as profit remains the major concern for supply and the affordability concern of the urban poor remains as an obstacle on the demand side. As the public and private sectors are increasingly unable to provide services to all of the people, the need to involve communities not only in crisis management but also in planning and the provision of services is becoming widely recognised (UN-Habitat, 2003). Community involvement in servicing can provide positive inputs to social cohesion, and will result in additional care being taken of infrastructure for which the community is responsible (ibid, 2003). However such community involvement requires training and empowerment, which is a major area of action of NGOs and voluntary sectors in developing countries.

#### ***4.9.3 Lack of Tenure Security***

In terms of tenure security and access to land, “in the conditions of developing countries, market faults can be observed on the one hand but on the other, poor

governance and lack of capacities can render the institutions incapable of market-enabling actions of any consequence” (Keivani et al., 2008, p1834). This does not bode well for an approach that counts on formal markets to deliver land for low-income housing and that calls for a reconfiguration of the state’s role which is centred on privatisation, withdrawing state regulation and management of the land and housing markets towards increasing the capacity of the formal market by concentrating public resources in institutional and infrastructure developments (Angel, 2000). However, the increasing price and scarcity of urban land has attracted the private sector for real estate business, which excludes the urban poor (Mukhija, 2004).

#### ***4.9.4 Lack of Housing Finance***

It is often assumed that due to resource constraints in developing countries, the state is not capable of providing housing loans for the urban poor (Davis, 2004). However, in the absence of the state, the formal private sector, micro-credit programmes of NGOs and individual savings of the urban poor can be treated as the source of housing finance. It is difficult to ensure access to formal private sector finance, as it is only possible when incomes of urban poor have raised substantially, which again excludes the urban poor. Conventional micro-finance lends itself particularly well to trading enterprises, which typically require short-term loans; it is not well suited to housing, which is a long-lived asset with a high value relative to household income (UN-Habitat, 2003). For housing to be affordable, loan finance must be offered for relatively long periods, thus raising lending risks (ibid, 2003). For these reasons, it is not easy to directly apply conventional micro-finance practices to house finance, except where small loans are needed for incremental construction, house extensions and house repair (Ferguson, 1999). Assuming the constraints, blending of each option has been exercised in a few cases, which is driven by the community-based organisations having the assistance of NGOs and the voluntary sector (Burra, 2005).

#### ***4.9.5 Lack of Participation***

In terms of participation, the role of the state is essential to ensure the participation of the urban poor. The urban poor may engage with the state directly through the local government structure (Mitlin et. al., 2010). But the essential element for ensuring such participation is the political will of central government organisations. The decentralisation process has to be democratic to reinforce the role of local government and participation of the urban poor (Mitlin, 2007). In another way, participation can be

achieved through social movement activity, which emphasises the collective nature of the process, with at least some explicit political demands and rich social interaction that extends beyond formal organisational processes and associated alliances and coalitions to organic activities that citizens commit to and participate in (Charles, 2004). However such movements require the capacity of the urban poor to ensure representative political structures. NGOs and the voluntary sector can be the key actor for developing such capacity within the urban poor community (Ganapati, 2010).

#### **4.10 Need of an Integrated Effort for Housing the Urban poor**

Urban development and poverty alleviation efforts in the developing countries, such as pro-poor housing, have been transformed by policy shifts towards more decentralisation, reduced state control, and greater civil society and community participation in local governance (Das and Takahashi, 2009). Moreover, decentralisation is a process that arrived under the urban management programme advocated by international agencies, which seeks good governance. The changing role of the state and the involvement of other actors formed a new dimension in a period when the developing countries are facing the challenges of globalisation. In the neo-liberal paradigm it has been assumed that the private sector can deliver some of the services alongside the government. For example, education and health services are provided by a combination of the government, the profit and non-profit private sector. However, there is no scaled up example of private sector involvement in housing the urban poor in developing countries.

In addition to the problems in the competitive market structure, housing for the urban poor remains as a subsidised process, where the investment and involvement of the private sector remains ambiguous considering the cost recovery and profit generation. Researchers (e.g. Majale, 2004; Gilbert, 2004; Sengupta, 2009) working on the agenda of neo-liberal housing policies have advocated rental housing provision as a key tool for private sector involvement in pro-poor housing process; however this approach has yet to be applied in developing countries. In the absence of the state and the private sector, international agencies and civil societies are trying to promote the concept of social structure in terms of community-led housing programmes through different cooperatives. But this approach is confined to a few isolated projects (e.g. Alliance Programme in Mumbai, for more please see Burra, 2005) and severely criticised for the



failure to reach scale. In addition, these projects are also indirectly subsidised and follow the principle of self-help approach. Thus, these projects can become the aided self-help housing process.

Considering the functional role of different actors it is obvious that the state role is essential for housing the urban poor to reach a meaningful scale. However, the neo-liberal housing policies have not clearly defined the role of the state in housing the urban poor. Thus, the role and goal of the state remained unclear. Similar things are also apparent in the case of NGOs and private sector. Without the state involvement the lack of coordination is prevailing thus hindering any projects or programmes to reach in the city or national scale.

It has been observed in a few cases (e.g. Baan Mankong programme in Thailand), sharing common goals and objectives within and between organisations can be instrumental for redistributing power relations and participation of people in decision making and implementation ensures freedom of power that may lead socially just pro-poor housing in developing countries. Moreover, globally, over the years, a shift of policies have been observed in the prominence of development strategies for promoting economic growth in such a way that may lead to equitable growth to satisfy the basic and sustenance needs of the poor people.

To achieve the above, wider participation of the people in decision-making processes is considered essential along with the partnership of different non-state actors. However, the partnership model is challenged by different levels of risk sharing, power structure and representation. The risk for cost recovery is still a major obstacle for private sector involvement, while the representation of the urban poor for empowered participation is hindered by the power structure. In addition, the incompatibility of ideas and working styles of NGOs isolates their efforts to house the urban poor (Majale, 2004). In addition, with the democratisation of local government, housing the poor has become a populist political issue, thereby creating political space for NGOs, CBOs, and CBO federations to press their agendas (Shatkin, 2009). This federated role of NGOs and CBOs creates the options to address the issue of power politics (occupancy urbanism by Benjamin, 2008) and may set the precedent for collaborative actions (room for manoeuvre by Safier, 2002). Thus an integrated framework is essential, the nature of which has to be

identified by analysing the local context and ongoing programmes of different actors involved in the process.

#### **4.11 Conclusion**

Reviewing the literature on the institutional framework for housing the urban poor, it has been revealed that the role of different actors and the organisational arrangement for housing the urban poor differs with the development approach. The organisational arrangements which could be functional for the urban poor is really context specific. Thus it is essential to identify the role of different actors and different organisational arrangement in each particular context. Understanding this theoretical assumption, this research has explored the role of different actors for housing the urban poor in Bangladesh (Chapter Eight). The organisational arrangements of decentralisation have been assumed as the compatible institutional frameworks under the neo-liberal approach to housing the urban poor in most of the literature. Therefore, this research has explored how different organisational arrangements are addressing the challenges related to housing the urban poor (e.g., tenure security, lack of basic services and access to finance) in a country like Bangladesh (Chapter Eight). This chapter has explored the roles of different actors and organisational arrangements for housing the urban poor; the previous two chapters have identified the evolution of pro-poor housing practices and the interrelation of housing and urban poverty. All of these issues are cross-cutting and depend on the development approach taken. Thus, this review will bring together the theoretical and conceptual attributes of the aforementioned issues to develop the analytical framework of this research in the following chapter.

## **Chapter 5: Research Strategy**

### **5.1 Introduction**

This chapter describes the research strategy of the research combining the analytical framework with the research methodology. The chapter starts with the analytical framework of the research, which has been derived from the theoretical perspective of the literature review (chapters two, three and four). The analytical framework has two different tiers; in the first stage it develops the analytical framework for identifying the interrelation of housing and urban poverty; the evolution of pro-poor housing practices; and the institutional framework for housing the urban poor in Bangladesh. In the second stage the interrelation of these three issues has been developed under the impact of predominant development approach. The later part of this chapter identifies the research methodology to fit the analytical framework of this research. This part includes the theoretical considerations for the research method; research design; unit of analysis and case selection; data collection techniques and process; and data analysis.

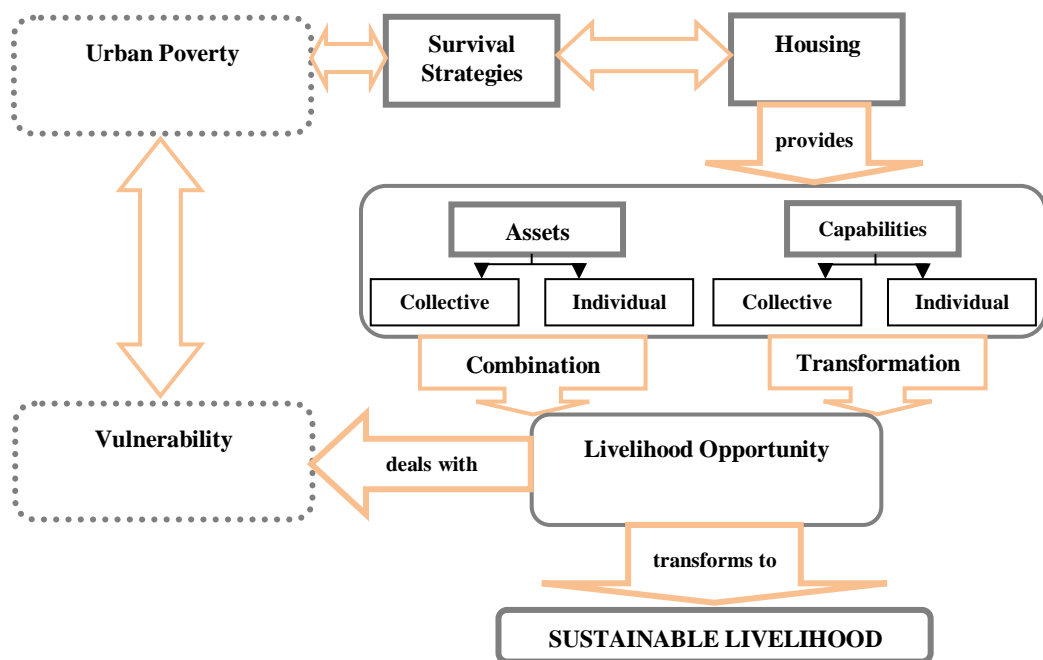
### **5.2 Analytical Framework**

As mentioned earlier in chapter one, this study will analyse the Bangladesh context in an international perspective. Thus the intention of the literature review was to explore, from an international perspective, the interrelation of housing and urban poverty; the evolution of pro-poor housing practices; and the institutional framework for housing the urban poor in developing countries. Therefore, it is essential to develop an analytical framework for each issue to study the case of Bangladesh using the same parameters. Understanding pro-poor housing in this research as a comprehensive process of economic policies along with social and political process; the identification of the aforementioned three issues was important. Housing conditions are related to housing provision and housing provision is related to housing policies. Hence there is an interrelation among these issues and all of these are directly linked with the development approach. Considering this interdependence among the three issues and the intention of this research, the following section describes the analytical framework for each attribute followed by the comprehensive analytical framework to address the aim of this research.

### 5.2.1 Analytical Framework for the Interrelation of Housing and Urban poverty

The theories to define the interrelation of housing and urban poverty have identified housing as an asset for addressing vulnerability and housing as a unit of production (Moser, 1998; Ghafur, 2001; Rakodi, 2002; Tipple, 2005). As explained in Chapter two, an ‘urban livelihood framework’ helps to define the role of housing within livelihoods analysis by identifying the main factors affecting livelihoods and the relationships between them. In this framework poverty is characterised not only by a lack of assets and inability to accumulate a portfolio of them, but also by lack of choice with respect to alternative coping strategies (Rakodi, 2002). Vulnerable households are forced to adopt strategies which enable them to survive but not necessarily to improve their welfare. In urban areas households seek to mobilise resources and opportunities and to combine these into a livelihood strategy which is a mix of labour market involvement; savings; borrowing and investment; productive and reproductive activities; income, labour and asset pooling; and social networking (Rakodi, 2002). Thus the housing unit where they live remains at the centre of their livelihood strategy. The following figure provides a breakdown of the theories into an illustration, which has been used as an analytical framework to define the interrelation of housing and urban poverty in context of Bangladesh.

**Figure 5.1: Conceptual Framework of Interrelation of Housing and Urban Poverty**



Source: Adapted from Moser, 1998; Ghafur, 2001; and Rakodi, 2002; Tipple, 2005

In this research by reviewing the literature, the aforementioned illustration (Figure 5.1) has been generated to understand the interrelation of housing and urban poverty. This illustration has been explained by the Bangladesh case studies later in chapter six. The theoretical explanation of this illustration states that the housing in urban low income settlements and the survival strategies of the urban poor are interrelated. This interrelation provides assets and capabilities, which can be individual and collective. Combining and transforming these assets and capabilities ensure different livelihood strategies. This livelihood strategy addresses vulnerability of the urban poor and creates the pathway for sustainable livelihood. Understanding this explanation, this research requires an analytical framework to explore livelihood opportunity as the conceptual illustration shows housing of the urban poor as a mean for their livelihood opportunity. Moreover to identify the interrelation of housing and urban poverty in a qualitative form, a sustainable livelihood framework (Table 5.1) has been used in this research as an analytical framework.

**Table 5.1: Indicators to Identify Livelihood Opportunity**

<b>1. Improved Economic Conditions</b>	<b>2. Greater Political Recognition</b>	<b>3. Increased Social Well-Being</b>	<b>4. Improved Environmental Conditions</b>	<b>5. Enhanced Living Conditions</b>
Full access to income earning activities	Full participation in community decision making	Full access to education	Full access to basic services (water and sanitation)	Good quality of housing
Improved ability to save	Heightened awareness of political rights	Full access to healthcare	Adequate and effective solid waste disposal	Full access to public transport
Affordability to maintain costs of services, maintenance and transport		Improved perceptions of safety and security	Low exposure to pollution	Full access to open / communal space
		Strengthened social networks	Low disaster vulnerability	

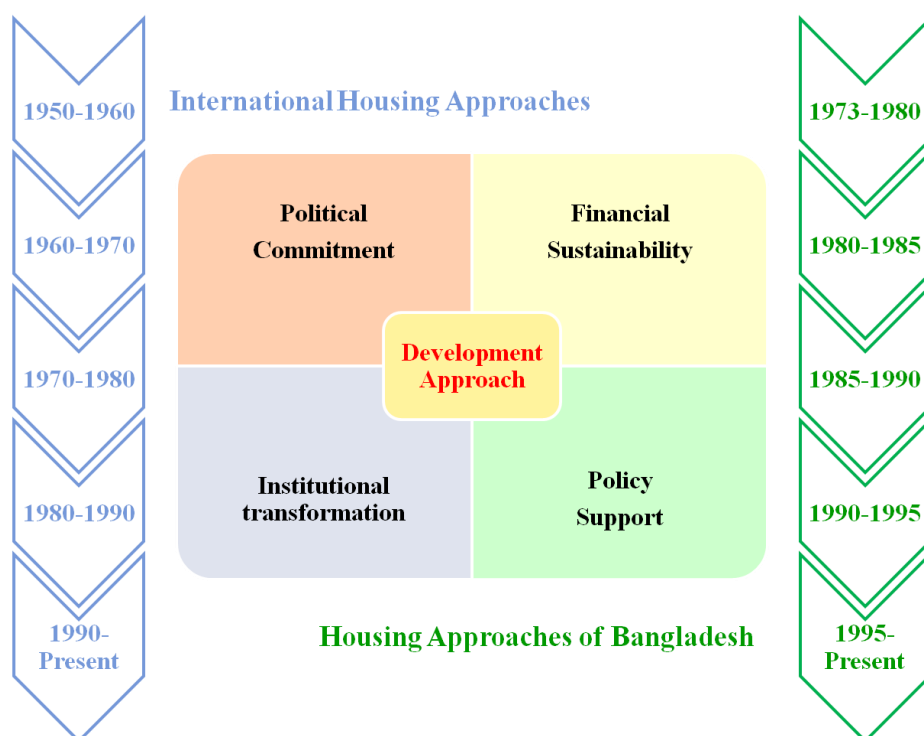
Source: Adapted from DFID, 1999; McLeod, 2001

### ***5.2.2 Analytical Framework for the Evolution of Housing Policies***

The review of chapter three reveals that the policies and practices related to housing the urban poor are changing over time. This change has been often termed as paradigm shift and is related to the changing development approach. The development approach does not only reshape the macro-economic principles but also changes the political will and social perception for housing the urban poor. Thus it is essential to understand how these changes took places and what were the outputs of such changes. Considering this

importance, this study uses the basic elements of modernisation approach, public housing approach, self-help housing approach, enabling approach and community-led housing approach as the major international influences to study in Bangladesh. The elements of these approaches have been identified in chapter three (Table 3.2) and have been mapped on to the pattern of the evolution of pro-poor housing policies and practices. To identify the impact of each paradigm, the criteria of chapter three (political commitment and policy support, institutional transformations through participation and financial sustainability) have been used in the case of Bangladesh (chapter seven). However, as Bangladesh became independent country in 1971, the policy analysis has been done since 1973 (Figure 5.2). The international trend has been analysed since the post war era following the shift of major paradigms and Bangladesh trend has been analysed on the basis of every five year plan (chapter seven, p165).

**Figure 5.2: Analytical Framework of Evolution of Pro-poor Housing Policies**



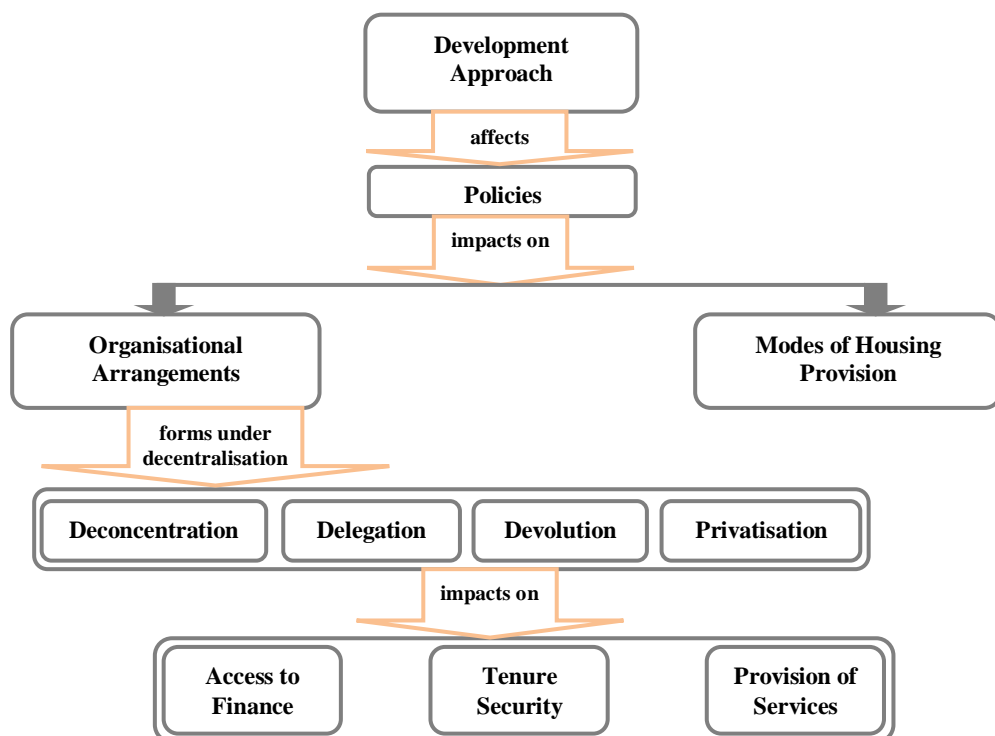
Source: Adapted from Pugh 2001; Jenkins et al., 2007; Pinzon, 2009; Bredenoord and Lindert, 2010

### **5.2.3 Analytical Framework for Organisational Arrangements for Housing the Urban Poor**

Reviewing the major theoretical aspects of the institutional framework for housing the urban poor, this research explores modes of housing provision; actors involved for housing the urban poor; and organisational arrangement for addressing the challenges

for housing the urban poor in Bangladesh from an international perspective. To explore the modes of housing provision, the generalised modes of housing provision (Figure 4.1) explained by Keivani and Werna (2001b) has been used in this research as an analytical framework. The literature review in chapter four provides the concept to analyse the organisational arrangements for housing the urban poor. This concept explains that development approach affects the actors involved in housing process. Thus it affects both the organisational arrangements and the modes of housing provision in a given context. As the literature shows the current form of organisational arrangement for service delivery in the developing countries is following the decentralisation process. Thus the different forms of organisational arrangement of decentralisation have been used as the analytical framework (Figure 5.3) for addressing the challenges for housing the urban poor. In this research, it has been conceptualised that each of the form of organisational arrangements of decentralisation has certain impacts on how different actors deal with access to housing finance, tenure security and provision of basic services, which in turn affect the housing conditions of the urban poor. To identify the actors involved in the pro-poor housing process and their interrelation, stakeholder analysis and mapping techniques have been used in this research.

**Figure 5.3: Analytical Framework of Organisational Arrangement for Housing the Urban Poor**



Source: Adapted from Johnson et al., 2004

#### ***5.2.4 Comprehensive Analytical Framework of the Research***

Reviewing the literature on the inter-relation of housing and urban poverty, approaches to pro-poor housing, and institutional frameworks of pro-poor housing, it is evident that housing for the urban poor is always determined by the development approaches that any country adopts for its macro-economic development. In all of the three reviewed aspects, the one thing was common and it was the impact of development approach on the housing condition, housing provision and housing practices for the urban poor. In much of the literature it has been referred that neo-liberal approach is still the most dominant approach and hence has a stronger impact than other approaches (Keivani and Werna, 2001b; Pugh, 2001; Satterthwaite, 2001; Gilbert, 2004; Jenkins et al., 2007; Pinzon, 2009; Sarfoh, 2010; Bredenoord and Lindert, 2010). The market-enabling approach under the neo-liberal policy framework neglects urban poor people because it overemphasises the formal market process to the detriment of other existing modes of provision, it lacks specific consideration of informal markets and their particular requirements and it fails to consider who benefits from the increased market efficiency (Baken and Van der Linden, 1992; Strassmann & Blunt, 1994; Jones and Datta, 2000; Keivani and Werna 2001a and 2001b; Mukhija, 2001 and 2004). The current housing conditions of the urban poor are directly associated with the neo-liberal policy, as under the neo-liberal paradigm of development, rapid urbanisation happened in developing countries without having enough employment opportunity and services provision. This impact exposed urban poverty with the consequence of housing poverty and informal settlement in urban areas.

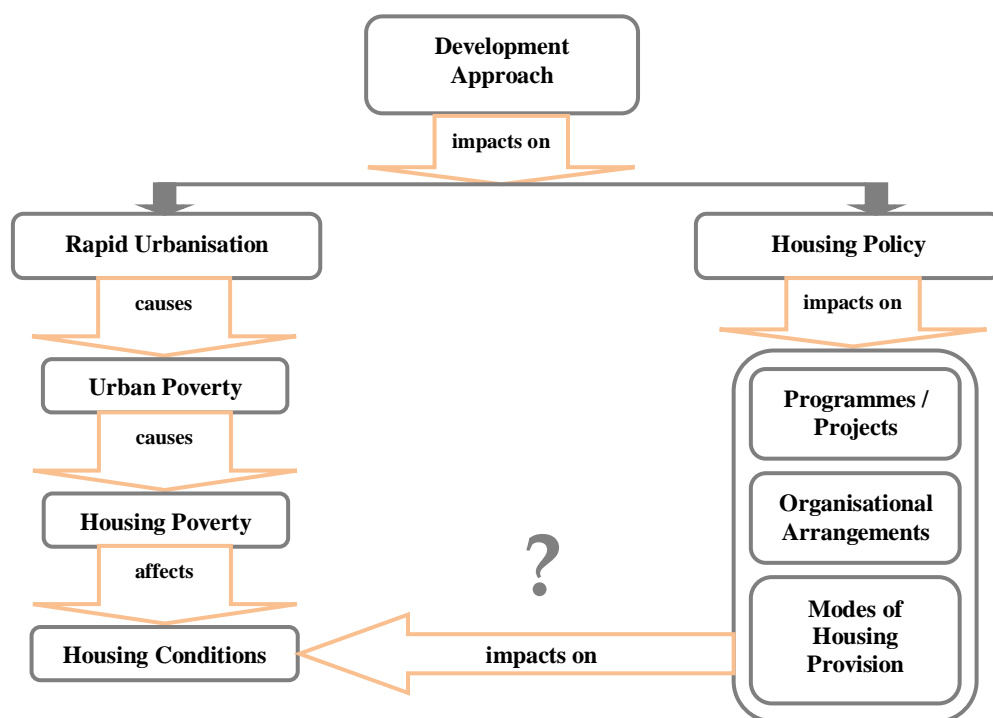
Then to address the problem of housing poverty, it is essential to have pro-poor housing policy. However, most of the developing countries followed the enabling approach as the major housing policy. As described earlier, the enabling approach follows the neo-liberal development approach by assuming market (private sector) as the solution. Keivani and Werna (2001a and 2001b) argue that, while markets can and should be supported as part of the wider spectrum of housing provision in developing countries, they need not necessarily be the focus of policy initiatives. Under this approach the role of state as a provider has been often criticised. Thus the withdrawal of state from providing direct housing provision was imminent, which made the vacuum of an actor for providing housing for the urban poor. The modes of housing provision and organisational arrangements for housing the urban poor have also been affected by neo-liberal policies. The reviewed literature shows that in developing countries the private



sector is the largest provider of formal housing, which is beyond the affordable limit. Other conventional modes of housing provision are not functioning under the neo-liberal paradigm. Thus all of the three aspects are inter-related and associated with the neo-liberal development approach.

Theoretically it has been assumed that the enabling approach under neo-liberalism has a pluralist perspective that necessarily assumes a multiplicity of actors in the housing sector, including governments and NGOs, where all actors are able to carry out their objectives and not some at the expense of others (Angel, 2000). However, in practice, when the enabling approach calls for all attention to be focused on the operations of formal markets, there is little room for consideration of what this multiplicity of other actors might otherwise be doing (Keivani et al., 2008). Moreover, for housing the urban poor under the neo-liberal principle conventional wisdom seems to suggest a very hands-off role, focused on privatisation, decentralisation, deregulation, and demand-driven development, but empirical research on developing countries suggest the need for a more engaged government involvement in framing successful policies (Mukhija, 2001). In this context it can be debated, whether the enabling policies under the neo-liberal approach are abandoning pro-poor housing programmes in an institutional perspective or not.

**Figure 5.4: Comprehensive Analytical Framework of the Research**



Source: Adapted from Jenkins, 1999, Jenkins et al., 2007, and Sarfoh, 2010

This comprehensive analytical framework will be used to examine the impact of development approaches for housing the urban poor in Bangladesh (chapter nine). The above illustration explains that the development approach has an impact on the housing conditions of the urban poor. In addition the development approach has an impact on housing policies, which reshapes the nature of housing programmes and projects, organisational arrangements and determines the modes of housing provision. Thus it is essential to study, how these issues are addressing the housing conditions of the urban poor. As it has been understood by reviewing literature in previous chapters that neo-liberalism is the pre-dominant development approach, thus the analysis in chapter nine follows the explanation of the above illustration (Figure 5.4) focusing on the impact of neo-liberalism.

### **5.3 Research Methodology**

Research methodology is a “structured set of guidelines or activities to assist in generating valid and reliable research results” (Mingers, 2001). The purpose of methodology is to describe and to examine the logic of research methods and techniques, revealing their powers and limitations, generalising successes and failures, finding domains of appropriate, and predicting possible contributions to knowledge (Krippendorff, 1980). In addition, research methods have been defined as tools to be used for answering specific questions and for solving different scientific and practical problems (Bryman, 2008). However, the definition of research methods differs with the subject which has to be analysed. Thus, it is always challenging to identify the appropriate research method when urban studies is the object of study; whether the emphasis should be on the social and cultural reality or the physical or material reality. In this context, the following section of this chapter presents a detailed account of the research methodology adopted in this study. The discussion includes a reflection on the philosophical stances of the research which accounts for the chosen research paradigm, approach adopted, strategies and methods employed.

#### ***5.3.1 Theoretical Considerations for the Research Method***

The strategies of ‘theory to research’ and ‘research to theory’ are widely used in scientific research depending on the discipline and the nature of research topics<sup>16</sup>. The present study used a ‘theory to research’ strategy because of existing theoretical and

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<sup>16</sup> There are two strategies of scientific research e.g. ‘theory to research’ and ‘research to theory’. The former strategy follows deductive logic as it derives from general (theory) to specific (data) and the latter strategy follows inductive logic as it derives from specific (data) to general (theory). For details please see Zetterberg, 1966; Reynold, 1971.

empirical approaches on urban pro-poor housing in developing country contexts. This research reviewed relevant theoretical premises on interrelation of housing and urban poverty; evolution of pro-poor housing practices; and the institutional framework for housing the urban poor. Later the three different analytical frameworks (Figure 5.1, 5.2 and 5.3 and Table 5.1) have been used to identify the Bangladesh context in an international perspective. Finally the impact of neo-liberal development policy has been used as the major guide of reference for analysing the myths and realities for housing the urban poor in Bangladesh.

### ***Research Paradigm***

The approach of the research (in this research qualitative approach) is characterised by the stance taken on paradigm, the strategies used to apply the design and the methods of data collection; particular paradigms, strategies and methods tend to be associated with each approach (Creswell, 2003). The research paradigm is basic belief system or world view that guides the investigator, not only in choice of method, but in ontologically and epistemologically fundamental ways (Bryman, 2008). Mikkelsen (2005) elaborates in asserting that all research should be driven by three ‘meta-science’ questions – namely the ontological question, epistemological question and the methodological question referring respectively to how reality is conceived or the nature of reality, what is to be regarded as valid or acceptable knowledge of such reality and the mechanisms for extracting such knowledge. Creswell (2009), based on four different schools of thoughts, defined four paradigms (knowledge claims): post-positivism, constructivism (also called interpretivism), advocacy/participatory and pragmatism, which differ in terms of ontology (nature of the knowledge), epistemology (way of knowing), and methodology (how we know). As ontology, epistemology, and methodology are interrelated and sequential thus it is essential to position any research in terms of understanding the reality to neutralise the bias of the researcher. The following description of the different paradigms provides necessary justification to choose the philosophical assumption of this research.

According to Creswell (2003), the post-positivist paradigm, (also called quantitative, positivist or empirical science) relies on a deterministic philosophy in which causes determine effects - objectivity. Due to this, it requires explicit, observable, and measurable information. To find the elements of reality, the phenomenon should be isolated and observations repeated with the manipulation of independent variables to form regularities and establish relationships between elements. Additionally to this,

researcher and informant are seen as detached from each other. The post-positivist paradigm is particularly associated with physical and natural sciences (Creswell, 2003; 2009). Contrary to this, constructivism/interpretivism aims to make sense of individuals' meaning in order to identify patterns (inductive) in a particular phenomenon. Contrarily to positivism, it does not aim to generalise information, but rather to obtain a deeper understanding of human phenomena. To constructivism, knowledge is possessed in the mind of individuals and is constructed in their everyday interaction with the world. Due to this, participants are the primary source of information about the phenomenon experienced, which should be studied in its natural setting in order to gather the truth of its elements.

The advocacy/participatory paradigm is simultaneously focused on developing research and has an inherent bias on how to support marginalised populations. When researching, it is also focused on developing an action agenda to change practices and emancipate populations (at the end an action agenda is put in place for change). Thus it is considered practical and collaborative and as such is essentially related to action-research (Creswell, 2003 and 2009). The pragmatism paradigm claims a commitment with the problem in detriment of any philosophical approach and methods. To pragmatics, researchers devote themselves to look for the 'what' and the 'how' of problems. In pragmatic research, researchers are free to choose several approaches or those strategies that seem most adequate in understanding the phenomenon in study (Creswell, 2003 and 2009).

Among the aforementioned epistemological standpoints- post-positivism and constructivism- appear dominant research ideology in the social science research. In contrast, the critical realism approach attempts to overcome the unproductive social science dualism of positivism and constructivism by involving both approaches to social research (Prowse, 2008). The basic understanding of critical realism is that reality exists; and it can be possible to describe it by developing theoretical frameworks (Creswell, 2009). Epistemologically, critical realism intends to explain relationships between experiences, events and mechanisms; and the perspective "emphasises questions of how and why a particular phenomenon came into being" (ibid, 2009). Critical realists believe that social science should make generalisable claims, but subjectivities of individuals are important to understanding the external world (Prowse, 2008).

Understanding these paradigms, this research bases itself on the assumptions of critical realism. Considering the aim and research question of this research, this research shows a clear intention of the researcher to question the role of macro-economic development approaches for housing the urban poor. The researcher's experiences, related policy documents and local context of the urban poor in Bangladesh, together with the literature review helped to redefine the main question of this research, which became the focus of this study. Thus the epistemology of the research clearly indicates that this research is based on critical realism philosophical approach.

### ***Approach of the Research***

Understanding different paradigms of research, another major issue remains, whether the research will follow the quantitative or qualitative or mixed methods (incorporation of both qualitative and quantitative elements). There has been an ongoing debate on the appropriateness of different approaches and methods in social research. As a matter of fact, many authors point to the heated discussions, sometimes even 'wars' (the so-called 'paradigm war'), between the adherents of quantitative and qualitative research designs (Creswell, 2009). However, Tashakkori and Teddlie (1998) suggested three approaches to research, also called inquiry (Holloway, 1997), namely quantitative, qualitative and mixed methods (incorporation of both qualitative and quantitative elements).

Qualitative data focus on subjective experience and seek answers to questions which are not easily quantified, such as land development processes. It seeks to understand the phenomena of "real world setting [where] the researcher does not attempt to manipulate the phenomenon of interest" (Patton, 2002). Denzin and Lincoln (1994) commented that qualitative research is difficult to define clearly, has no theory or paradigm that is distinctly its own, and does not belong to a single discipline. It consists of a set of interpretive practices and privileges, with no single methodology over any other (ibid, 1994). Qualitative methods provide access to the motives, aspirations and power relationships, existing in a societal context, that account for how people, places and events are represented. These are flexible methods of data collection that can be made to suit any society and enable the researcher to thoroughly understand the context of the society (Bryman, 2008).

Researchers who use positivism as the philosophy, employ experimental methods and quantitative measures to test hypothetical generalisations (Bogdan & Biklen, 1998), and they also emphasise the measurement and analysis of causal relationships between

variables (Bryman, 2008). Quantitative research is generally characterised by a methodology of formulating hypotheses that are tested through controlled experiment or statistical analysis (Kaplan and Duchon, 1988). To illustrate the meaning of quantitative research for its use of explaining social problems, quantitative research methods can be explained as a methodology that aims to determine the relationship between one thing (an independent variable) and another (a dependent variable) in a population (Creswell, 2003). A quantitative researcher attempts to fragment and delimit phenomena into measurable or common categories that can be applied to all of the subjects or wider and similar situations (Bryman, 2008). Thus, a quantitative researcher needs to construct an instrument to be administered in a standardised manner according to predetermined procedures.

Understanding these basic assumptions of qualitative and quantitative research, this research adopts the techniques of qualitative research approach. Understanding the above analytical framework, this research focuses on the interpretation of the interrelation between housing and urban poverty; evolution of pro-poor housing practices; and the institutional framework for housing the urban poor. Moreover this research identifies and interprets the impact of neo-liberal development policies for housing the urban poor in Bangladesh in a narrative form. However, descriptive statistics have been used in this research to understand the context of urban poor settlements at different levels (national and local). Thus the quantitative information in this research have been used to depict the context, mostly to portray existing housing conditions of the urban poor in Bangladesh both in national and case study level. However, the major analytical approach is based on qualitative tools and techniques.

**Table 5.2: Theoretical Position of the Research**

Research Strategy	: Theory to Research
Research Approach	: Qualitative
Research Paradigm (Epistemology)	: Critical Realism

### **5.3.2 Research Design**

As mentioned earlier, this research is qualitative and draws on the critical realism approach. The research focuses on the analytical frameworks (Figure 5.1, 5.2, 5.3 and 5.4 and Table 5.1) to understand the reality in Bangladesh. As per the nature of the analytical frameworks this study demands different type of data, which involves different types of data collection procedures. To contextualise the research at the micro

level, this research required case study settlements in Bangladesh. Thus, before explaining the data gathering process, it is essential to give a description of the case study settlements and their selection procedure for this research.

### *Case Study Settlements*

To generalise the research findings it is essential to explore an illustrative unit in the form of a case, which holds the characteristics of the generalised picture. In the case of pro-poor housing, the actual settlement development and construction varies widely across cities depending on the income level of squatters and the general socio-economic and political situation of the city concerned (Keivani and Werna, 2001). Considering this varied nature of pro-poor settlement this research looks at two different case study settlements. Understanding the analytical framework of the research it is noteworthy that this research demands different case studies to explore the heterogeneity among different settlements cause by social, political, geographical and economical differences. The common principles of case study selection methods in the field of human geography have been deployed to select the case study settlements of this research<sup>17</sup>. For analysing the interrelation of housing and livelihood structure along with the exploration of different housing practices two different case study settlements (Karail Slum, Dhaka city and Railway Slum, Khulna City) of Bangladesh have been selected. These case study settlements have been selected considering the differences determined by geographical variation, and economic and political significance of the two cities. Dhaka city is the capital of Bangladesh which is also the primate city experiencing the highest number of informal settlements, and Khulna city is a regional capital and under immense threat of de-industrialisation and climate change. Thus this selection of case studies provides the opportunity to explore the different institutional frameworks considering the varied form of organisational arrangements.

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<sup>17</sup> This research adopts the criteria of case study selection mentioned by Curtis et. al. (2000) for conducting qualitative research with critical realist approach in the field of human geography. The criteria are: (1) relevant to the conceptual framework and the research questions, (2) generalisability, (3) richness of information, (4) feasibility and (5) research ethics (Curtis et. al., 2000, p1003). Considering these criteria Karail and Railways slum were selected as case study areas. In terms of relevancy to research questions there was a need of geographical and administrative differentiation among the case study areas. As Karail slum is located in the capital city (Dhaka) of Bangladesh and Railway slum is located in the regional capital (Khulna), thus the selection of the case study settlements satisfies the criteria of relevancy. As Karail is the largest slum in Bangladesh (CUS et. al., 2006) and located on the public land it generalises the context of other slum settlements of the city. The similar consideration was also used to select Railway slum of Khulna City. These case study settlements also represent the general picture of Bangladesh as Karail slum is located in Dhaka where 55 percent of total slum clusters of Bangladesh are located. Among the other major cities Railway slum of Khulna city was selected as the regional capitals have similar number of slum clusters (Table 6.5). However, feasibility was another criterion to select these two settlements as the researcher had better institutional linkages in these two cities. These institutional linkages were helpful to accomplish the data collection in the limited period of time. In terms of richness of information, both of these settlements were under the UPPRP project, where the researcher volunteered and got the maximum information. The ethical issue was another consideration for selecting these two case study settlements. Institutional linkages paved the way for the researcher to work with the local people and international scholars, which considers the ethical issues for conducting research in an urban poor neighbourhood.

### ***Karail Slum of Dhaka city, Bangladesh***

Dhaka is the fastest growing mega-city in the world, with an estimated 300,000 to 400,000 new migrants, mostly poor, arriving to the city annually (BBS, 2001). This migration, however, also adds tremendous strain on an already crowded city with limited inhabitable land due to the city's topography, limited infrastructure, and a low level of public services. The poor mainly live in slums scattered throughout the city, with close to 80 percent of slums located on privately owned land creating considerable institutional challenges in terms of basic service provision (CUS et. al., 2006). Housing structures tend to be of poor quality, and access to basic infrastructure services is low. For the poorest quintile, only 9 percent of households have a sewage line, and 27 percent obtain water through piped supply (compared with 83 percent of the wealthiest) (World Bank, 2007). Spatial mapping shows that only 43 of the 1925 identified slums have a public toilet within 100 metres (CUS et. al., 2006). An estimated 7,600 households live in slums that are within 50 metres of the river and are in frequent risk of being flooded (World Bank, 2007). Secure shelter is a major challenge for Dhaka's urban poor. As migrants continue to arrive, they often end up in illegal settlements on precarious lands with major environmental concerns.

The informal settlement in Karail, considered to be the biggest slum in Dhaka, started to develop during late 80's on the vacant higher grounds. Eventually the settlement expanded, encroaching the highly vulnerable water edges. At present Karail covers an area of approximately 90 acres with an estimated population of over 100,000 (CUS et. al., 2006). The eastern and southern edge of the area is defined by the Gulshan-lake, a main water reservoir for the adjoining areas. Because of its location near the high-end residential and commercial areas of Dhaka (Gulshan, Banani and Mohakhali) it attracted low income people engaged mostly in service jobs like cleaners, household helpers, rickshaw pullers as well as workers in readymade garments industries. Security of tenure is one of the major concerns for the area. Since two government organisations own most of the land, ownership of land acts as a threat of eviction. The insecurity has caused reluctance among service providing authorities to give legal access to city wide systems although inhabitants pay higher prices for water and electricity to the illegal providers. Also the inhabitants living in the slum as long as even 20 years are unwilling to invest in improving the living conditions. High density self help housing in the area developed without any government intervention on vacant public land. Different NGOs worked in the area to develop segmented drainage, sanitation, garbage disposal as well

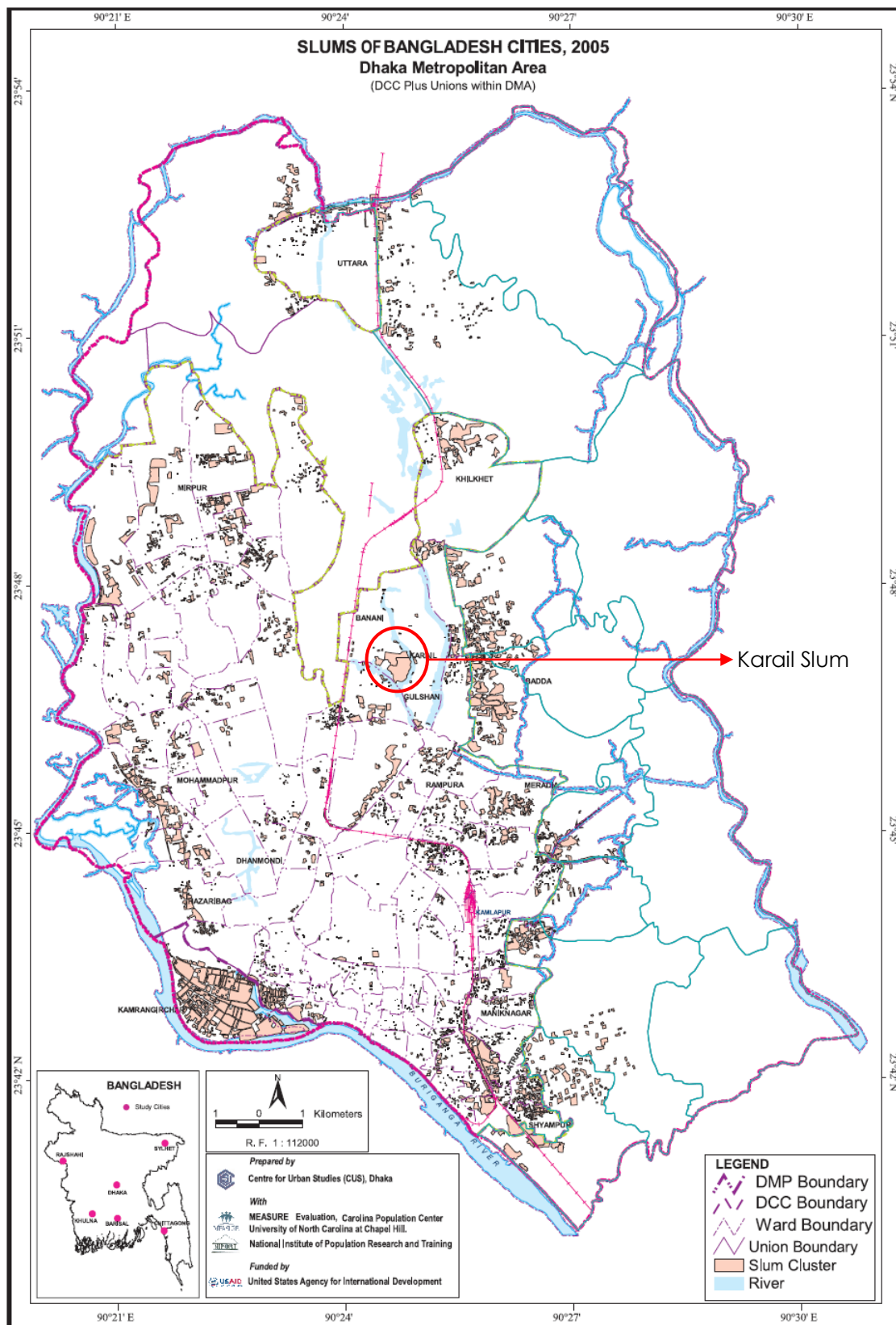


as non formal education and healthcare facilities. In terms of socio-economic and housing conditions, this settlement represents the general picture of the slums of Dhaka city in Bangladesh as already described in few literatures (Bartuzzo, 2009; Soltesova, 2011; Hossain, 2011, Hackenbroch, 2011).

### ***Railway Slum of Khulna City, Bangladesh***

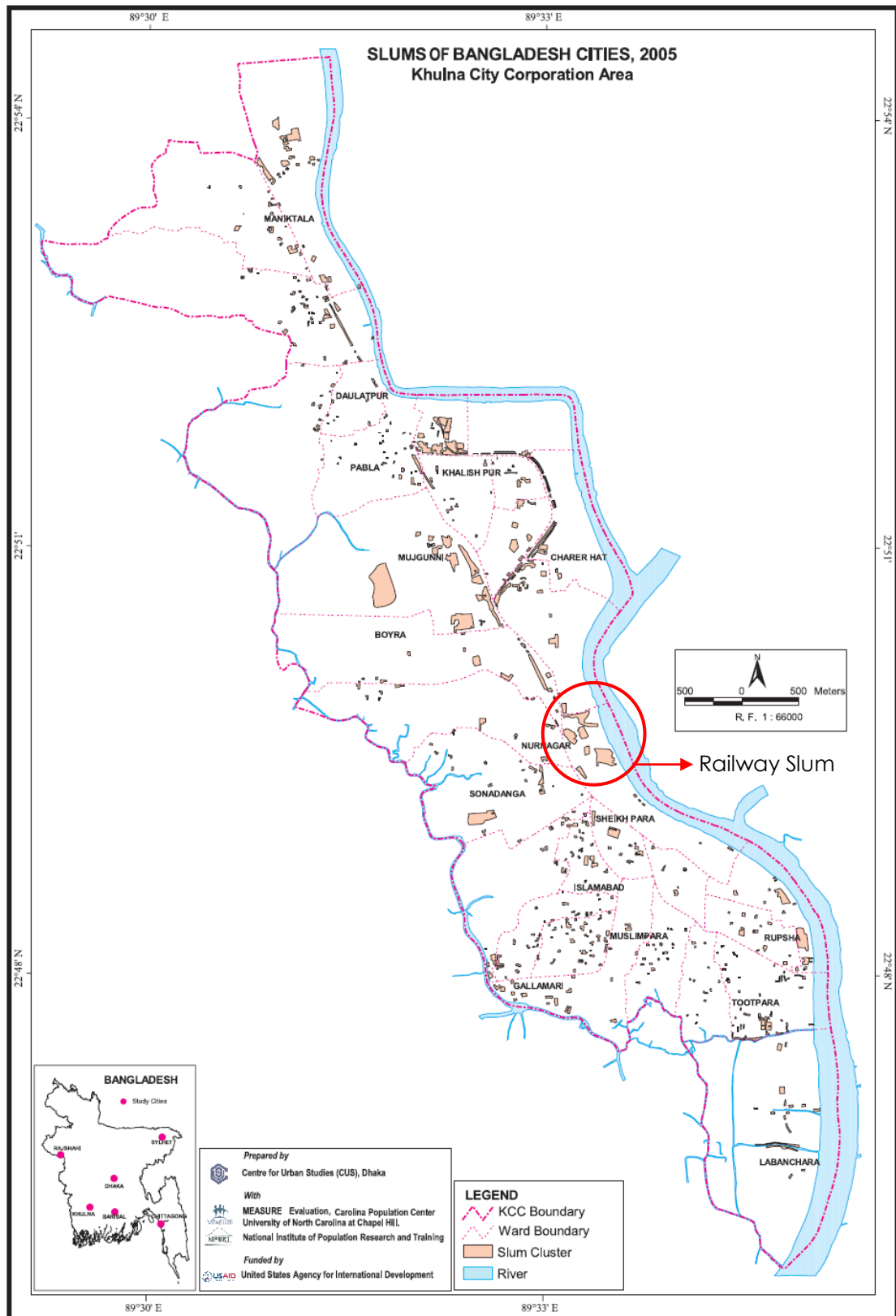
Khulna, the third largest metropolitan city of Bangladesh, stands on the banks of the Rupsha and the Bhairab Rivers located in the southwest of the country on the middle of the axis of Jessore - Mongla port, and is the second largest seaport of the country. The city covers an area of 45.65 square kilometres and has over a million inhabitants. There are about 132 slums in the Khulna City corporation area of varying sizes where the city's poor live. Dilapidated structures and lack of basic urban services are the common characteristics of these settlements. The case study area, an informal settlement on railway land, is home to about 1148 urban poor households. This huge chunk of housing units did not appear within one night or one year. The formation process took more than 20 years and is still ongoing at a different scale. The existence of NGOs is visible in this settlement but less than in Karail. The people living here are often threatened by eviction incidences. The recent natural disasters in the nearby coastal areas have had direct impact on this settlement with the growing number of migrants.

Figure 5.5: Slums of Dhaka City, Bangladesh



Source: The Slum Census Report, CUS et. al., 2006

**Figure 5.6: Slums of Khulna City, Bangladesh**



Source: The Slum Census Report, CUS et. al., 2006

### *Data Gathering Process*

In this research, the research questions were the guiding principle to develop the analytical frameworks. Thus the analytical frameworks determine the type of data required for this research. As described earlier, one of the most important goals of this research is to collect primary data in order to fill the knowledge gap about the housing conditions of the urban poor. The main intention of the research is to analyse the Bangladesh context within an international perspective. The literature review provides the international perspective and develops the analytical framework for analysing the Bangladesh context. In the absence of web-based secondary information on housing the urban poor in Bangladesh, this research required a field trip (see appendix 5.1 for detailed field trip activities) to Bangladesh to collect primary data, secondary information and policy documentations. As the type of data varies, the data collection and analysis technique also varies in this research. However the following section describes the data gathering process for each analytical framework.

To collect the data relevant to the interrelation of housing and urban poverty, this research adopted a sustainable livelihood framework as the analytical framework. This framework requires household information to analyse the local context (city and settlement level). Understanding this requirement, this research collected the qualitative information by conducting in-depth interview of 60 interviewees in the case study settlements. To explore the salient feature of the case study settlements, the researcher teamed up with the local government engineering department officials, who were planning for a census in the case study settlements for three months (November 2010 to January 2011) under the project called Urban Partnership for Poverty Reduction (UPPRP) (please see chapter seven and eight for more information). The quantitative data acquired from this census have been used as secondary unpublished data in this research to identify the housing conditions and household information of the urban poor in the case study settlements of Bangladesh. This survey was designed and implemented by UPPRP thus it avoids the biasness of the researcher. The survey procedure was designed in a collaborative way representing international researcher, voluntary organisation and representative of local communities. The UPPRP project team followed four major stages of data collection procedure including mapping, household census, data automation and analysis (appendix 5.2). As the UPPRP project team could not complete the automation stage during the field trip of the researcher the researcher later analysed the data using the automated spreadsheet generated by UPPRP project team.

This use of secondary information provides the data on occupational and income pattern of the urban poor, duration of living in these settlements, housing condition, and access to services. All of this information has been used as descriptive statistics to describe the context.

Apart from the descriptive statistics derived from the census conducted by UPPRP, the qualitative analysis has been done through the information collected from in-depth interview. In Karail Slum 40 interviews have been done and in Railway Slum 20 interviews have been done. The type of the interview was one-to-one interview and focused on the housing condition, employment opportunity, and problems of living in these settlements. The main aim of these interviews was to understand the interpretation of the local context from the voice of the local people. The number of interviewees was selected by the random judgemental<sup>18</sup> technique. The difference in the number of interviewees in the two settlements was determined by the physical dimension of the settlement, as the case study settlements were divided into blocks following the road alignment (see appendix 5.2). The representation of age-sex structure was the main criterion to select the interviewees. In terms of sex half of the respondents were male and rest were female. In terms of age distribution three different age groups (20-35, 35-50 and 50+) was determined. The local gatekeeper<sup>19</sup> helped the researcher to select a male and a female informant from each block (Karail was divided in to 20 blocks and Railway slum was divided in to 10 blocks).

To understand the city level situation, secondary information has been used, in particular The Slum Census Report (2006), prepared by Centre for Urban Studies (CUS) is the major source of published secondary information. To understand the urbanisation process and urban poverty scenario of Bangladesh, an extensive literature review and analysis of grey materials (unpublished government documents and local research reports) have been undertaken. In addition, key informant interview<sup>20</sup> was another source of information to validate the data and interpreting the issues from a local expert point of view. To identify the interrelation of housing and urban poverty local

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<sup>18</sup> According to Babbie (2004, p151), 'judgmental (or purposive) sampling is a type of non-probability sampling in which you select the units to be observed on the basis of your own judgement about which ones will be the most useful or representative. Sometimes it is appropriate to select a sample on the basis of knowledge of a population, its elements, and the purpose of the study'.

<sup>19</sup> In this research to get access to the urban poor settlements, researcher got the help from local gatekeeper under the institutional collaboration. The gatekeepers are the local people working under the UPPRP project for data collection.

<sup>20</sup> In this research key informant interview was a major tool for data collection. In terms of institutional level interview all together 10 interviews were undertaken mostly to understand the institutional framework for housing the urban poor in Bangladesh and 8 interviews were conducted with local academics considering their field of expertise (Appendix 5.3).

academics were interviewed. The selection of key informant was done by reviewing their articles in different format (i.e. newspaper article, journal article).

**Table 5.3: Data Collection Techniques for Identifying Interrelation of Housing and Urban poverty**

Analytical Framework	Data Collection Technique	Collected Information
Interrelation of Housing and Urban poverty	Household Census	Housing condition, Access to Services, Household Information (Duration of Living, Age-Sex Structure, Employment and Income Status)
	Household Interview	Housing Condition, Housing process, Employment Opportunity, Problems of living in these settlements
	Literature Review	Urbanisation process, Urban poverty situation
	Key Informant Interview	Home based activities for the livelihood of the urban poor, government policy on employment opportunity of the urban poor
	Grey Material	Slum Census Report, Urbanisation process, Urban poverty

To understand the evolution of pro-poor housing policies in Bangladesh, the main source of information was the collection of grey materials and review of policy papers. Thus the data collection technique was based on the rapid appraisal of contemporary policies in Bangladesh. To appraise the policies of Bangladesh, this research has considered the five year plans, different development plans, national housing policy and other grey materials. Apart from the national housing policy, other policy documents do not have any direct policy framework related to housing the urban poor. Considering this obstacle, a pattern matching technique has been adopted in this research to identify the policy related to housing from the collected unpublished government documents.

The pattern matching has been implemented by exploring the key words: (i) Urbanisation (ii) Housing (iii) Poverty and (iv) Land Development. In order to fit in to the analytical framework (Figure 5.2), this research identified the policy packages from 1973 (the country became independent since 1971) with five years intervals (detailed description in chapter seven). To analyse the evolution of policies in Bangladesh, the criteria of the analytical framework (Figure 5.2) has been adopted and validated by the key informant interview. In this case, academics and researchers were the key informants, considering their expertise and nature of research papers on pro-poor housing policies and practices in Bangladesh.

**Table 5.4: Data Collection Techniques for Identifying Evolution of Housing Policies**

Analytical Framework	Data Collection Technique	Collected Information	Data Extraction Technique
Evolution of Housing Policies and Practices	Grey Material	Five year plans (national development plans), Urban Development Plans (Dhaka Metropolitan Development Plan, Khulna Master Plan) and National Housing Policy	Pattern Matching (Patterns are (i) Urbanisation (ii) Housing (iii) Poverty and (iv) Land Development
	Literature Review	Evolution of pro-poor housing policies in Bangladesh	
	Key Informants Interview	Historical trend of policy appraisals, causes behind the paradigm shift	

To understand the institutional framework for housing the urban poor in Bangladesh, this research identified different actors involved in housing the urban poor in Bangladesh. The major data required for this analysis was the list of different actors (constructed by the researcher, after reviewing policy documents and interviewing key informants), their roles and responsibilities, their organisational arrangements and their interrelation. Apart from these, information on the modes of housing provision has been collected. To identify different actors at the macro level (city level / national level), a literature review and key personnel interview were the major sources of information. To identify the actors at the micro level (urban poor settlements) actor mapping was undertaken by performing focus group discussion. In each settlement two different focus group discussions were undertaken to validate the information. In each group the total number of participant was 12 representing two participant from each age group determined for household interview (2 male and 2 female for each age group of 20-35, 35-50 and 50+, so all together it is  $4 \times 3 = 12$  participant). As the focus group was undertaken after the household interview, the researcher was in a better position to select the participant applying his own observation and consulting with the gatekeepers in each settlement. This focus group discussions and household interviews are the major sources of information to identify the actors involved and their role in delivering housing and other services. The organisational arrangement of decentralisation has been used as the analytical framework (Figure 5.3) for analysing the information. Literature review and key personnel interviews were the major sources of information for validating the information. In this case, urban planner of UPPRP (Urban Partnership for Poverty Reduction Programme), Urban Planner of KCC and DCC, Director of ASEH (Local NGO, Khulna), Estate Officer of Bangladesh Railway (Khulna District),

Executive Engineer of BTCL (Dhaka), Executive Engineer of DWASA and KWASA, Urban Planner of RAJUK and KDA, Urban Planner of NHA, Executive of BHBFC were the key personnel. The key personnel were identified after the actor mapping was done by focus group discussion and getting information from the secondary sources.

**Table 5.5: Data Collection Techniques for Identifying the Institutional Framework for Housing the Urban Poor in Bangladesh**

<b>Analytical Framework</b>	<b>Data Collection Technique</b>	<b>Collected Information</b>	<b>Activities Done</b>
Institutional Framework for Housing the Urban Poor	Household Interview and Focus Group	List of different actors and their role for delivering different services (micro level).	Actor Mapping
	Discussion	Modes of housing and other service provision.	
	Literature Review	List of different actors and their role for delivering different services (macro level). Modes of housing provision.	
	Key Personnel Interview	Challenges for delivering housing and other service provision to the urban poor.	

The major support for this research, especially for data collection came from the institutional linkages. In his previous experience in this field, the researcher had good connection and understanding with several government and non-government organisations. As the UPPRP is now the largest ongoing project happening in Bangladesh, the researcher had worked collaboratively with UPPRP project team for collecting the information. This institutional collaboration made the data collection procedure easier and more accessible. The institutional collaboration also helped the researcher to obtain the ethical permission by using the name of the institutions and the designation of the key personnel. The data collection followed other ethical considerations as the UPPRP team is following the ethical considerations of data collection prescribed by UKAID as one of the funding organisations of the project. As the information was collected with another collaborating institution and compared with different available literature, grey material and key personnel information, thus the data are validated.

#### **5.4 Limitations of Methodology**

The main limitation of the research is lack of secondary information. To collect the primary data for understanding the housing conditions, the researcher worked with the UPPRP project team and followed their checklist. Though this checklist covers all of the major issues related to housing conditions, the researcher conducted in-depth interviews to understand the context methodically. Sometime the census information was not



followed up by the household interview (e.g. the question about duration of living in the settlement was not followed up by the inner city mobility of the urban poor, which could add another dimension if the census data was available for this issue as well). Dependency on the gatekeeper was another limitation to select the respondent from each block. However, the gatekeepers had enough experiences to work with national and international researchers before, and they are the active member of local community based organisations. So the selection of respondent was purposive but still has a bias as the selection of individuals was done by the gatekeeper.

During the household interview, the sampling unit was deliberately divided into age-sex structure in order to determine whether such divisions have an impact on the low-income housing processes. Results from this study suggest that such divisions (age-sex structure) do not affect the housing process, but this develops the ground for further study on the livelihood strategies of the urban poor. Another limitation of this research was the selection of the case studies. Both case study settlements are located on public land, thus the research does not take into account privately owned slums. However, from the statistics collected from Centre for Urban Studies and researchers own experience, this research excludes privately owned slums, as these settlements accommodate a few number of households and sporadic in nature.

In terms of secondary material, in a few instances, due to the unavailability of recent information, the researcher has had to depend on the available but older research information. In order to ensure validity and enhance reliability, those statistical data were adjusted and extrapolated using trend analysis and the adjusted results were triangulated using knowledge produced by other researchers. However, results produced by such extrapolation methods might not have produced the true picture, despite the fact that the best approaches available were used in facing such problems. Moreover, the analysis of policy documents was the major challenge as in the five year plans there is no separate chapter for housing. Thus the pattern matching technique was the only way to explore the policy options related to housing the urban poor. However, these extracted information were validated by the key informants later.

## **Chapter 6: Housing Conditions of the Urban Poor in Bangladesh**

### **6.1 Introduction**

In this chapter the context of Bangladesh has been analysed to understand the interrelation of housing and urban poverty. The theoretical context of the interrelation of housing and urban poverty, which has been reviewed in chapter two, has been compared through two case studies of Bangladesh. In addition to that, referring to the international trend of urbanisation and growing urban poverty in the global south, the Bangladesh context has been also analysed to understand the nature of urbanisation, its impact on urban poverty and housing situation. This context analysis fits in to the broader framework of this research by exploring the impact of development approach for housing the urban poor, which has direct impact on the livelihood of the urban poor. Thus this chapter provides information on, and analyses, the nature of housing of the urban poor in Bangladesh, the living conditions of the urban poor and the interrelation between housing and urban poverty. As discussed in chapter two, this chapter explores this relationship understand the role of housing as a capital for sustainable livelihood in the low-income urban settlements of Bangladesh.

This chapter is based on different types of information and methods of analysis. The housing conditions of the urban poor have been analysed through descriptive statistics using the primary census data of each case study settlement and these descriptive statistics have been supported through key personnel interviews and household interviews. The trend of urbanisation and the background information have been extracted from secondary and grey materials, which have been analysed along with key personnel interviews. Thus this chapter also follows different data collection tools by focusing qualitative approach but it also uses a fair amount of quantitative data to explain the context. Hence, this chapter begins with the urbanisation process of Bangladesh and its relation to housing and urban poverty under a neo-liberal era of development.

### **6.2 Urbanisation in Bangladesh**

Like other developing countries in the world, Bangladesh is facing increasing urban population since the post colonial era. The current trends show that the urban growth rate currently stands at 5-6% per annum, almost twice that of the rural sector, and

should it continue, more than 50% of the Bangladesh population will become urbanites by the year 2030 (BURT, 2005). In general the increase in the level of urbanisation in the last three decades was influenced by factors including- rural to urban migration, territorial expansion of existing urban centres and natural growth of the population in urban centres. The nature of urbanisation also follows the global trend. A very large part of the urban population of Bangladesh is concentrated in only five major metropolitan cities of the country. In addition to this scenario, very rapid growth of metropolitan cities has been observed, particularly in Dhaka, the capital city (World Bank, 2007).

Urbanisation in its proper sense started in Bengal with establishment of British administrative centers (particularly, the district headquarters) and development of business centres on the banks of large rivers (Syful, 2007). Urban population growth rates in Bangladesh are the highest among the South and South-East Asian countries. For example, average annual urban population growth rates in India and Thailand in the late 1960s were 4.0% and 4.8% respectively against 6% in Bangladesh at the same period (ibid, 2007). The population growth rate in the urban areas in Bangladesh grew until the 1990s, steadily after the consecutive periods of independence from British in 1947 and from Pakistan in 1971. Until 1951, Bangladesh was almost completely a rural-agrarian country with 95.67 percent of the population living in rural areas and only 4.33 percent in urban areas (Hossain, 2011). The level of urbanisation in the whole Bangladesh was extremely low in 1951 with only approximately 4% of the total population living in urban areas. It has increased gradually to approximately 5% in 1961 and then increased very rapidly from approximately 9% in 1974 to approximately 23% in 2001 (BBS, 1991 and BBS, 2001). Though the current trend of urban growth is at a lower rate compared to the period of the 1970s but still the growth is higher (3.21%).

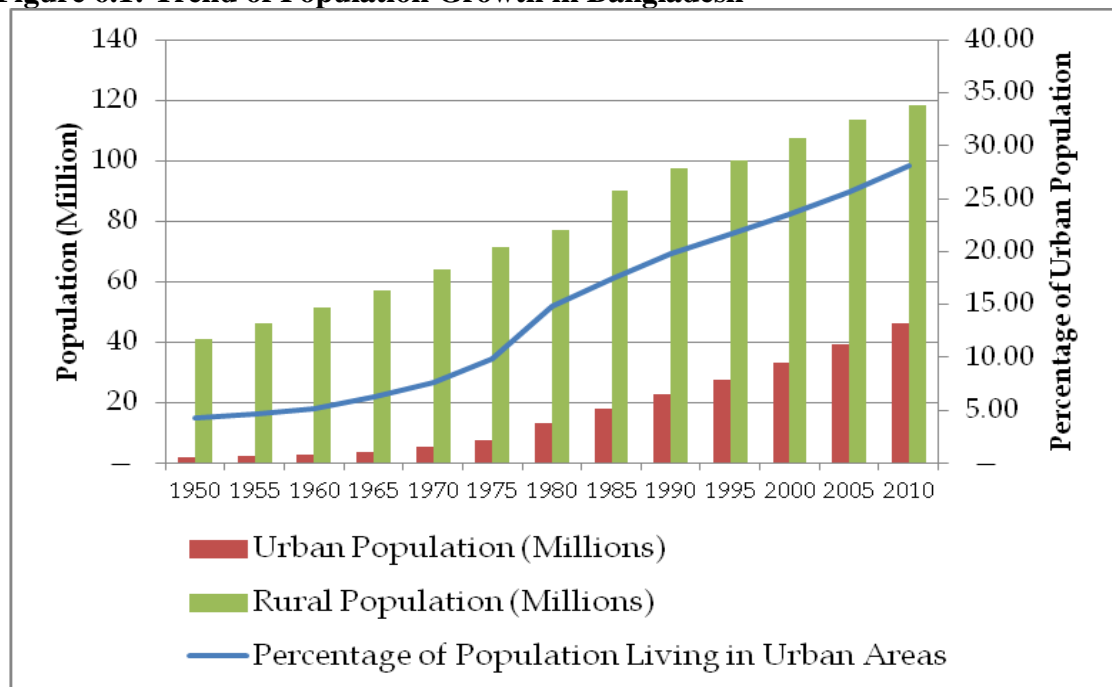
**Table 6.1: Trend of Urbanisation in Bangladesh**

Census year	Total national population (million)	Annual growth rate of national population (%)	Total urban population (million)	Urban population as percentage of total population (i.e., level of urbanisation)	Decadal increase of urban population (%)	Annual exponential growth rate of urban population (%)
1951	44.17	0.50	1.83	4.33	18.38	1.58
1961	55.22	2.26	2.64	5.19	44.26	3.72
1974	76.37	2.48	6.27	8.78	137.57	6.62
1981	89.91	2.32	13.53	15.54	115.78	10.03
1991	111.45	2.17	20.87	20.15	54.25	5.43
2001	123.10	1.47	28.80	23.39	37.98	3.25
2010-2011	142.32	1.34	46.14	28.10	60.20	3.21

Source: Analysed from Islam, 2006 and United Nations, 2010

The increasing number of urban population in Bangladesh is happening not only due to the internal natural population growth; rather the rural-urban migration is contributing to a greater extent. In Bangladesh urban population has grown at a yearly average ranging from 3.21 in 2010 to 10.03 percent in 1981, at a time when the national population growth was 2.2 percent on average. Migration contributed about 60 percent to the urban growth in Bangladesh which is greater than the natural growth (Islam, 1999). The population growth of Bangladesh also proves that the rate of growing urban population is much higher than the rural population in last three decades (Figure 6.1). Thus it can be concluded with the following figure that, the country is becoming rapidly urbanised and the major cause of such urbanisation is rural-urban migration.

**Figure 6.1: Trend of Population Growth in Bangladesh**



Source: Analysed from United Nations, 2010 and Asian Development Bank, 2006

The only study that explains the migration pattern in urban areas was conducted by Bangladesh Bureau of Statistics in 1994. This study portrays that the urban in-migration in 1984 was 14.5 per thousand population and in 1992 it rose to 35.2 per thousand. The out-migration rate was 13.3 per thousand in 1984 and 19.5 per thousand in 1992. Though there is a significant percentage of urban out-migration, these percentages of population are moving towards other cities rather going back to the villages. The causes behind such migration and increasing urbanisation have been explained in several studies (Table 6.2).

**Table 6.2: Reasons for Rural-Urban Migration in Bangladesh**

Reasons	Floating Population in Dhaka (1)		Khulna Migration Study (2)		Squatter Settlement in Dhaka (3)		Slums of Dhaka Metropolitan Area (4)		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
<b>ECONOMIC REASONS</b>									3255	69.55
Landless and poverty	-	-	40	13.33	55	18.3	15	15.0		
Unemployment/Poverty	-	-	120	40.0	115	38.3	35	35.0		
Economic crisis	-	-	-	-	-	-	-	-		
Job/earning opportunities	-	-	-	-	15	5.0	12	12.0		
Seeking job (unemployed)	2640	66.6	20	6.67	-	-	14	14.0		
Business reasons	54	1.3	-	-	-	-	-	-		
Getting charity	120	3.0	-	-	-	-	-	-		
Selling(Loss) property	-	-	-	-	-	-	-	-		
<b>ENVIRONMENTAL CAUSES</b>									358	7.65
Natural Hazards Mostly river bank erosion	195	4.9	105	35.0	50	16.7	08	8.0		
<b>PERSONAL/FAMILY REASONS</b>									919	19.65
Loses of husband	-	-	-	-	7	2.3	-	-		
Family feud	246	6.2	-	-	10	3.3	-	-		
Dissolution of family	48	1.2	-	-	-	-	-	-		
Dependents	608	15.3	-	-	-	-	-	-		
<b>SOCIO POLITICAL REASONS</b>									46	0.98
Social Factors	-	-	-	-	-	-	-	-		
Brought by relative	-	-	15	5.0	5	1.67	06	6.0		
Village politics	-	-	-	-	19	6.3	-	-		
Communal riot	-	-	-	-	1	0.3	-	-		
<b>OTHER REASONS</b>	69	1.5	-	-	15	5.0	10	10.0	94	2.00
<b>NOT STATED</b>	-	-	-	-	8	2.7	-	-	08	0.17
<b>TOTAL</b>	3980	100.0	300	100.0	300	100.0	100	100.0	4680	100.0

1: BBS (1986), 2: Hossain (2006), 3: Rawshan (1989), 4: Nahiduzzaman (2007)

Source: Analysed from Islam, 1999 and Nahiduzzaman, 2007

The lack of income opportunity of the rural poor people is the major cause of in-migration to urban areas. Thus the rural poverty is migrating into urban areas. In this context, few researchers have identified positive relationship between urbanisation and development (Barakat, 1997; Islam, 2006). The contribution of GDP shows that the positive correlation between development and urbanisation is apparent also within the country context of Bangladesh. The contribution (at constant prices of 1984- 85) of the

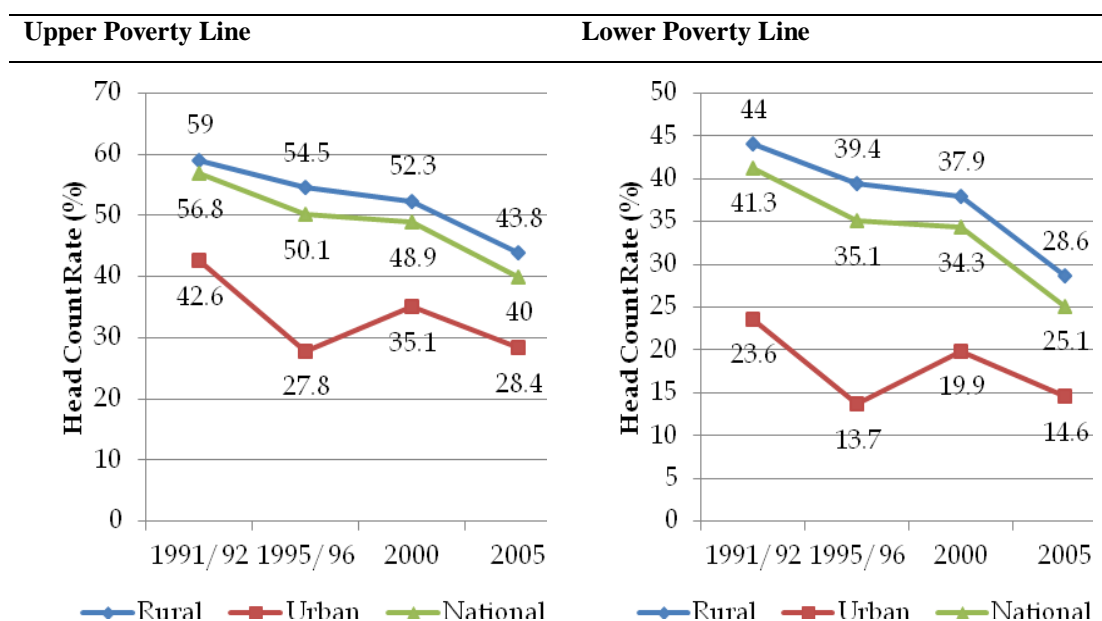
urban sector to GDP of Bangladesh, grew from 25.36 per cent in 1972-73, to 36.39 per cent in 1991-92, and most probably to over 40 percent by now (Islam, 2006). But the question arises whether the measurement to understand development should be only economic growth. In Bangladesh, while urbanisation is happening in an accelerating rate, poverty has also increased in urban areas.

There are gross inequalities in the socio-economic opportunities and services within urban areas. Though it has been assumed in different literature that the level of urbanisation determines growth and development in developing countries (Barakat, 1997; Henderson, 2003; Islam, 2006) but the reality of developing countries is increasing urban poverty. Bangladesh is not apart from this reality, as urban poverty is a distinctive feature of its cities. A recent World Bank (2007) report explains that the human development situation in urban areas of Bangladesh is either stagnant or actively deteriorating. In 2005, nearly 35 percent of Bangladesh's urban population lived in low-income settlements, across its six city corporations (CUS et. al., 2006). Understanding this dichotomy of urbanisation and urban poverty the following section of this chapter describes the nature of urbanisation and its relation to growing urban poverty in Bangladesh.

### **6.3 Urbanisation and Urban Poverty**

Urbanisation in Bangladesh has two notable features – a low urbanisation level and high population density in its mega city. In addition the cities are experiencing high pressure of population growth and lack of job opportunities results in extreme poverty of people living in the urban areas. In Bangladesh the urbanisation level is still considerably lower with 28.1 percent of total population (United Nations, 2010) but Dhaka, the capital of Bangladesh, which is presently the 11th mega city (ibid) in the world in population, absorbing 40 percent of the country's total urban population. Thus the nature of urbanisation entails urban concentration and growing urban poverty. This situation can be described as urbanisation of poverty considering the rural-urban based migration. The lack of employment opportunity, which is causing urban poverty, can be considered as a failure of development principle and policy agenda. However, over the past few decades the urban poverty rate is declining in Bangladesh but the total number of urban poor is increasing with the level of urbanisation.

**Figure 6.2: Trend of Urban and Rural Poverty in Bangladesh**



Source: Analysed from Bangladesh Bureau of Statistics, Report of Household Income & Expenditure Survey- 2005 and World Bank, 2007

Note: The Poverty Line has been defined by Cost of Basic Needs (CBN) method developed by The World Bank and the Bangladesh Bureau of Statistics (BBS). The poverty line describes the cost to gain the food of 2122 kcal/day/person. The upper poverty line means when the non-food cost is higher than the food cost and taking less than 2122 kcal/day/person. The lower poverty line means when the non-food cost equal or less than the food cost.

Figure 6.2 shows that, in Bangladesh, while rural and urban areas experienced similar reduction in poverty rates between 1991-92 and 2005 (both reduced by 15 percentage points using the upper poverty line); the pattern of decline was quite different for the two areas in the interim periods. The period of 1991-92 to 1995-96 saw the most rapid decline in urban poverty, while the largest decline in rural poverty occurred during 2000-2005. Urban poverty declined sharply (from 43 to 28 percent using the upper poverty line) from 1991-92 to 1995-96, increased in 2000 and fell back to the 1995-96 level in 2005. The decline of rural poverty was slower than that of urban poverty between 1991-92 to 1995-96, even slower between 1995-96 and 2000, and rapid between 2000 and 2005. The above analysis shows a decrease in relative terms. The main reason for declining trend has been assumed as the fewer number of natural disasters in those periods along with the increased amount of crop production (Barakat, 2004). However, since the urban population may increase from 28.80 million to 46.14 million between 2001 and 2010/11, the number of poor can be estimated from 16.8 to 22.7 million (upper poverty line), and the number of extremely poor from 9 to 10.8 million (lower poverty line). Therefore, in the future, the decrease of urban poverty in relative terms may be associated to an increase in absolute terms.

#### **6.4 Causes and Consequences of Urban Poverty**

The causes and processes generating the urban poverty, moderate or extreme, and the rise in the income inequality, have not been yet systematically studied and are much less understood than for the rural poverty. Two main reasons explain the increase in urban poverty. The first one relates to the migration from the rural areas. It concerns mostly the landless and the asset-less households who cannot earn a living and the farmers whose dwellings are regularly threatened by the natural hazards. Due to their lack of qualifications, these migrants have difficulties to find employment in a new and hostile environment and contribute to the increase of the urban extreme poverty. The second one relates to the inadequate redistribution of the urban growth benefits to the poor, due to the lack of job opportunities and the insufficient coverage of the existing social safety nets implemented with the help of the international community. Little information presently exists on these two issues. Therefore, there is a need for in-depth investigation on the situation and the causes of urban poverty, and on its link with income distribution and migration issues.

The lack of employment opportunity in cities in Bangladesh is causing urban poverty. The distribution of employment opportunity is not equal in Bangladesh, which is causing uneven urbanisation. Due to the uneven employment opportunity, urbanisation has been concentrated in the largest cities of Bangladesh. This type of concentration is the resultant of uneven and rapid urbanisation of Bangladesh. In Bangladesh the four largest cities account for over 60 percent of total urban population. In Bangladesh most major industrial and business activities are concentrated in the larger cities. Dhaka alone accounts for 80 percent of the garments industry. This agglomeration is causing higher rural-urban migration to these cities. However, the lack of employment opportunity is causing further deprivation for the poor rural migrants.

In addition to the lack of employment opportunity, the lack of infrastructure and services is also a common phenomenon in these cities. This has resulted in an adverse effect on the urban environment where a large number of people have settled in slums and squatter settlements where they live below the poverty line. Thus urban poverty transforms into housing poverty in larger cities of Bangladesh. The following section describes the phenomenon of urban poverty and housing situation of the urban poor in Bangladesh.



**Table 6.3: Population Distribution in major Cities of Bangladesh**

Cities	City Population Rank (2000)	Population (2000)	Population (1990)	Population (1980)	Population (1970)	Annual Growth (1970-2000)
Dhaka	1	12300	6619	3248	1474	7.1%
Chittagong	2	3581	2265	1333	693	5.5%
Khulna	3	1426	972	622	310	5.1%
Rajshahi	4	1016	517	238	105	7.6%

\* Population in thousands

Source: Analysed from World Bank, 2005

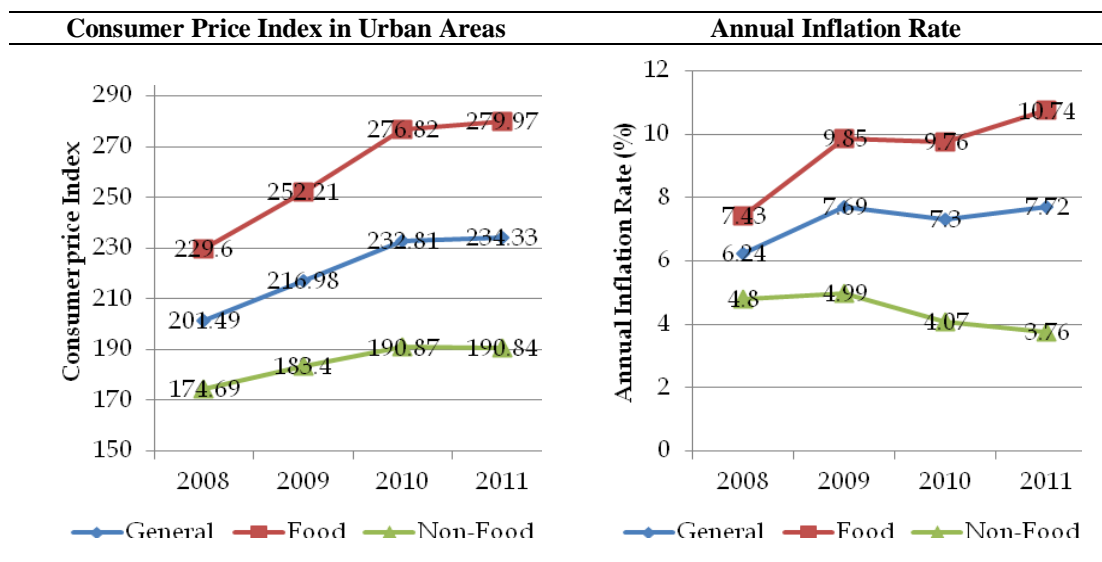
### 6.5 Housing Poverty as a Consequences of Urban Poverty

In Bangladesh, urban poverty has a direct impact on the housing conditions of the urban poor. As described earlier in this chapter, every year the urban population increases by 3.21%. This increasing number of population has created a situation which can hardly match the development of housing and related environmental services and infrastructures. The efforts of the government in terms of resources, capabilities and initiatives are highly inadequate to face the challenge. Right now 28.4% people are living below the poverty line in urban areas and living in more than 7,485 urban poor settlements (CUS et al, 2006). In Dhaka around 35% of the people live below the poverty line, of whom around 20% were classified as “hardcore poor” (less than BDT 2500 =£20 per month) and lived in more than 4,000 informal settlements (BURT, 2005).

The combination of a growing urban population and a lack of affordable housing have resulted in illegal and legal residential settlements mushrooming throughout the city (Rashid, 2009). It can be assumed that urban poverty is contributing to housing poverty; however, the lack of housing provision is also contributing to housing poverty. In Bangladesh, there are three housing supply sub-systems (the housing delivery system has been described in chapter eight). These are public housing, housing by private developers and self-constructed housing. In documents, the main target groups of public sector are the destitute people who are refugees, homeless and slum dwellers/squatters though the absence of the state as a provider of housing for these groups could not make any noticeable improvement to the deteriorating housing situation (Choguill, 1996). Until 1989, the public sector contribution was only 7% of total housing stock (DMDP, 1995). Almost all of the housing units for low and high income people have been allocated to top level civil servants and the military (Seraj, 2001).

In the absence of organised private developers, the remaining option for being a homeowner is to construct own house on own acquired land. In a study by Hoek-Smit (2000), it is mentioned that with a minimum plot area of 195 sq. meters in Dhaka city, a building plot in the lowest income area which is already urbanised would exceed ten times the annual income of upper middle-income households. In the high priced housing market situation, it is not possible for most of the middle income households to own a house in Dhaka and for the urban poor it is even beyond their dreams. Hence the only accommodation choice left for lower and middle income households is to rent the housing supplied by individual landowners given the fact that 65 percent of total formal housing stock in Dhaka is rental units (Hoek-Smit, 2000). These statistics also support the view that the major housing option for middle-income people in Dhaka is rental housing.

**Figure 6.3: The Trend of Increasing Living Expenditure in Bangladesh**



Source: Analysed from Bangladesh Bureau of Statistics, 2011

The ever increasing demand for rental units also indicates the inability of limited income households to own a house. From 1970 to 1977 housing expenses (rent and cost of utilities) in the city increased at a relatively gradual rate. Figure 6.3 shows that from the mid 1980s there was a momentum of increasing housing expenditure and between 1988-89 and 1990-1991 there was an abnormal and steep increase in the cost of housing compared to food and general living expenditure because of political unrest followed by a huge financial crisis. As housing expenditure has a greater influence on the total living cost, figure 6.3 affirms the concomitant sharp increase in the general living index every year. Until today the cost of living index in urban areas shows an upward trend. This increasing cost of living is also affected by the level of inflation both in housing and

non-housing expenditure. This is also reducing the ability of the urban poor to obtain housing from the private market.

Under this context of housing provision and affordability concerns of the urban poor, the only option left for the urban poor is squatting. In Bangladesh, slum settlements tend to be built on vacant government land or private vacant land. The land ownership distribution is a growing problem in large cities in Bangladesh. In Dhaka, 70% of the population has access to a very small percentage of land while the remaining 30% of the city's population holds 80% of the land (CUS et al, 2006). This type of skewed land ownership pattern and scarcity of urban land in Bangladesh is causing land speculation. In Dhaka city, according to the experts, speculators in the land market hold significant amounts of land especially in fringe areas and this reduces the supply of land.

This skewed land ownership and little government effort for land distribution is causing a speculative land market. The cost of the land in Dhaka city ranges from 200 USD to 800 USD per square metre (Farzana, 2004). This amount of money for purchasing the land and the higher cost of building materials are hindering the possibilities of self-constructed houses and pushing the urban poor towards informal settlements. People in these settlements live with the constant threat of eviction and have restricted access to basic services, such as water, sanitation, gas, and electricity (Rahman, 2002). In this context, the following section will describe the living environment of the urban poor nationally and later the case study areas will be analysed in a national perspective.

## **6.6 Living Environment of the Urban Poor in Bangladesh**

In urban Bangladesh, the urban infrastructure has not expanded commensurate with the growth in population. These deficiencies in urban infrastructure and services impact particularly on the urban poor and this is reflected in their poor living, working and environmental conditions. The urban poor have minimal access to basic services and many of those services are obtained through informal channels. To understand the national scenario of the living environment of the urban poor in Bangladesh, there is no complete report or secondary documents to analyse. The only report - *Slums of Urban Bangladesh, Mapping and Census, 2005* - was published through a collaborative effort of the National Institute of Population Research and Training (NIPORT), University of North Carolina at Chapel Hill, The Centre for Urban Studies (Dhaka) and United States Agency for International Development (USAID). This report presents results from a census and mapping of slums in the six main cities of Bangladesh in 2005.

The census and mapping focused on the six city corporations of Bangladesh, namely Dhaka, Chittagong, Khulna, Rajshahi, Sylhet, and Barisal. As this is the only report in Bangladesh, this report has been used in this research for generating a comprehensive picture of contemporary slum life and its extent in all the main cities of Bangladesh. To understand the broader picture of total number of slums and slum population, the information of all major cities have been used from the report. Later the housing situation has been analysed for Dhaka and Khulna city only as the case study areas of this research are located in these two cities. Later in section 6.7 the case study information will be compared with this citywide census information. As the case study information is also based on the census information it provides an opportunity to compare the situation of the case study areas within the city and national contexts on a percentage distribution approach. In the following section, the major findings of the report ‘Slums of Urban Bangladesh, Mapping and Census, 2005’ have been analysed with the other relevant findings from the grey materials collected during the field trip.

#### **6.6.1 Slum Population in Bangladesh**

In Bangladesh, 40 percent<sup>21</sup> of the urban population is living under the poverty line. This situation has a direct impact on their housing conditions as the majority of them are living in slums and squatters. The Slum Census Report (2005) reveals that roughly 35% of the population of the six major cities lived in slums in 2005 (Table 6.4), and they were concentrated on only 4% of the land area of those cities. Though Bangladesh has the highest population density in the world (at 2,600 persons per square mile), the population density in the slums was roughly 200 times greater, at 531,000 persons per square mile (CUS et al, 2006).

**Table 6.4: Slum Population in Major Cities of Bangladesh**

City	Total Area in sq. km	Total City Population 2005	Slum Population 2005	Slum Popn. as % of City Population
Dhaka Metropolitan Area (DMA)	306.00	9,136,182	3,420,521	37.4
Chittagong	177.39	4,133,014	1,465,028	35.4
Khulna	47.52	966,837	188,442	19.5
Rajshahi	51.29	489,514	156,793	32.0
Sylhet	27.50	356,440	97,676	27.4
Barisal	51.04	365,059	109,705	30.1
Total six cities	660.74	15,447,046	5,438,165	35.2

Source: Analysed from CUS et al, 2006

<sup>21</sup> Though in figure 6.2 it has been found that according to the poverty line assessment (based on CBN method) the urban poverty rate is 28.2% but this research considers 40% (published by CUS et al, 2006) as the major source of secondary published data is The Slum Census Report (2005).

The impact of urban concentration trends is reflected in the concentration of slum settlement in these six cities. In addition to its primacy in terms of population, Dhaka is also the location for almost 55 percent of total slum clusters among these six cities (Table 6.5). In terms of total number of households in the slum areas, 65 percent live in Dhaka's 4,966 slum clusters. Khulna city (the other case study city) has 520 slum clusters, where almost 188,442 people live.

**Table 6.5: Distribution of Slum Clusters in Major Cities of Bangladesh**

City	Total No of Slums	Percent	Total No of Households	Percent
Dhaka Metropolitan Area (DMA)	4,966	54.9	673,883	64.6
Chittagong	1,814	20.0	266,182	25.5
Khulna	520	5.7	37,826	3.6
Rajshahi	641	7.1	27,665	2.6
Sylhet	756	8.3	18,313	1.7
Barisal	351	3.9	19,460	1.9
Total six cities	9,048	100.0	1,043,329	100.0

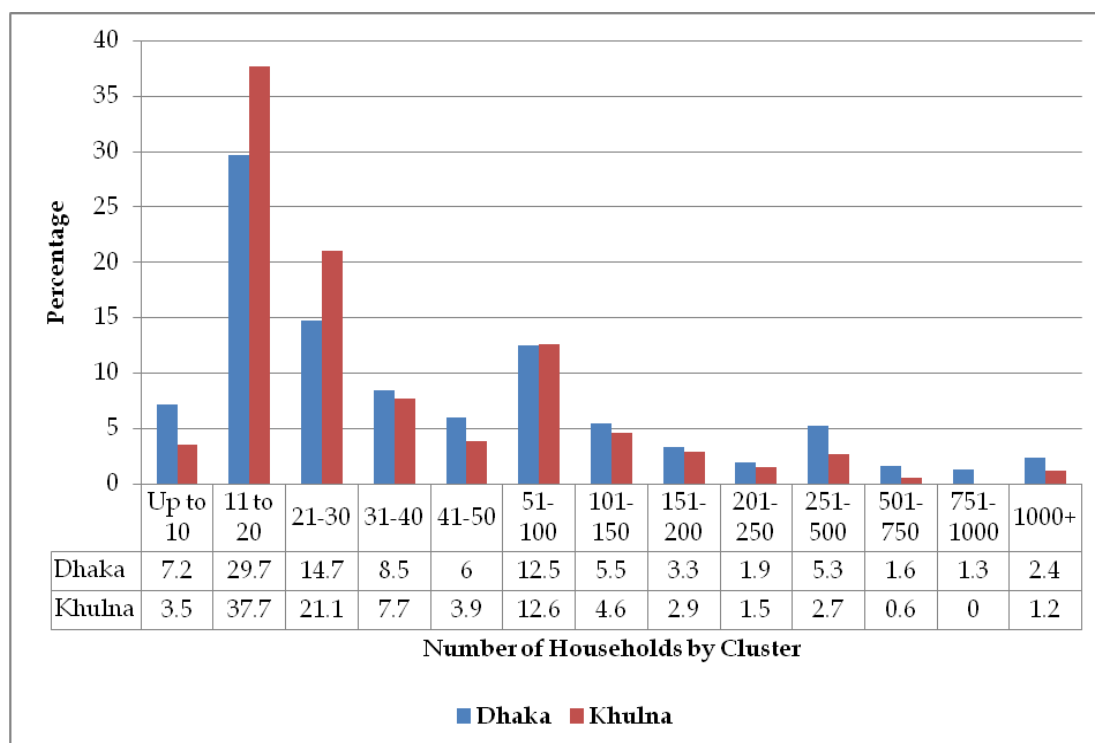
Source: Analysed from CUS et al, 2006

Analysing this overall picture of slum population and their distribution in major cities of Bangladesh, it is clear that urban concentration has a direct impact on the concentration and distribution of slum clusters and slum population. Understanding this finding, the following section of this chapter compares the overall conditions and features of slums and squatters in Dhaka and Khulna city where the two case study sites are located.

### ***6.6.2 Distribution of Slum Clusters and Slum Population in Dhaka and Khulna City***

The Slum Census Report (2005) shows that, among the 4,966 slum clusters in Dhaka, almost 40 percent of the slum clusters have less than 30 households in each cluster. A similar situation also exists in Khulna. These clusters are basically developed on private land and residents live in rental accommodation, where the land owner lacks enough money to build formal permanent housing units. In Dhaka, almost 3 percent of the slum clusters have more than 1000 households and in Khulna such clusters are only 1.2 percent (Figure 6.4). All of these clusters are built on public land.

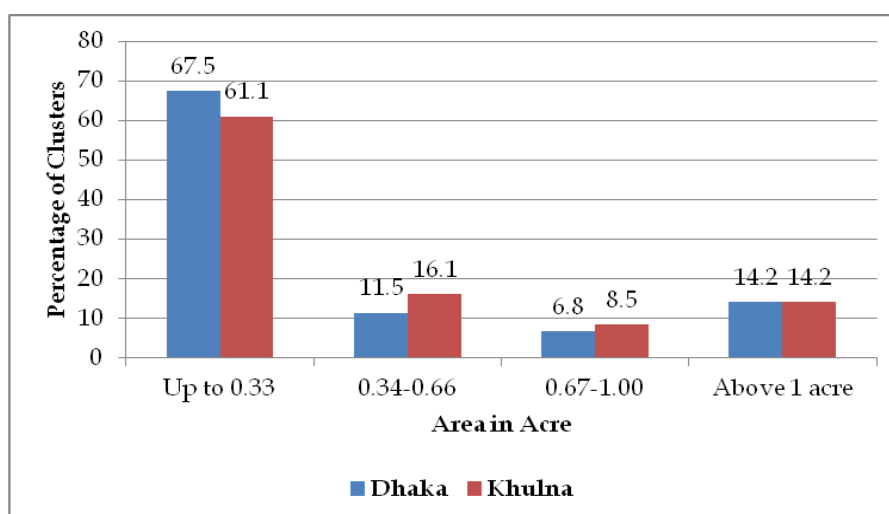
**Figure 6.4: Size of the Slum Clusters in Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

The size of the slum clusters also vary in terms of land area. Similar to the number of households, the smaller clusters are significant in number. In Dhaka city 67.5 percent of slum clusters are on land less than 0.33 acres (Figure 6.5). A similar situation exists in Khulna. These small pocket clusters are built on private land as described earlier. However, these small pockets accommodate only quarter of the total slum population. Almost 50% of the slum population live in the slums bigger than 1 acre.

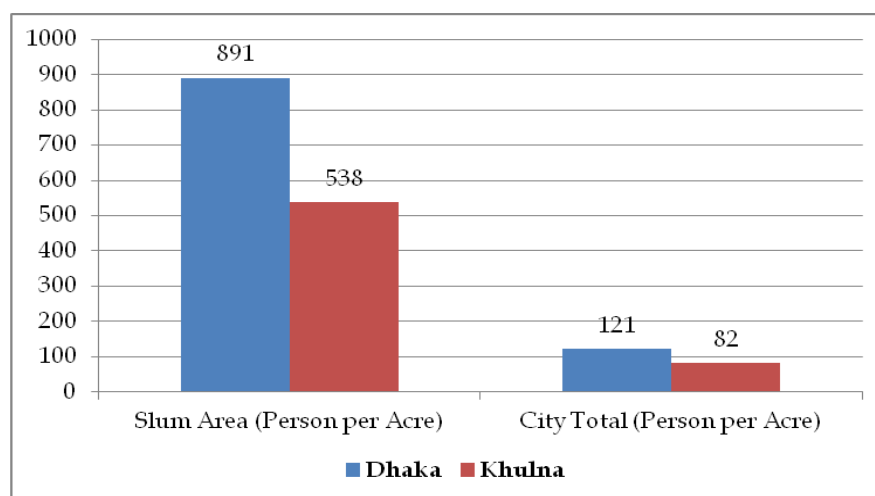
**Figure 6.5: Area of the Slum Clusters in Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

Slum and squatter settlements are the most densely populated residential areas of the city. The slum clusters of Dhaka and Khulna also portray the same picture. In the slum settlements of Dhaka city there are 891 people per acre, whereas the overall city density is 121 people per acre (CUS et al, 2006). A similar scale of difference exists in Khulna. The Slum Census Report (2005) shows that in the slum settlements of Khulna city there are 538 people per acre of land in contrast to an overall city density of 82 per acre (Figure 6.6). This figure becomes even more astonishing when one considers that the slums are dominated by single storey residential structures.

**Figure 6.6: Population Density in the Slum Clusters in Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

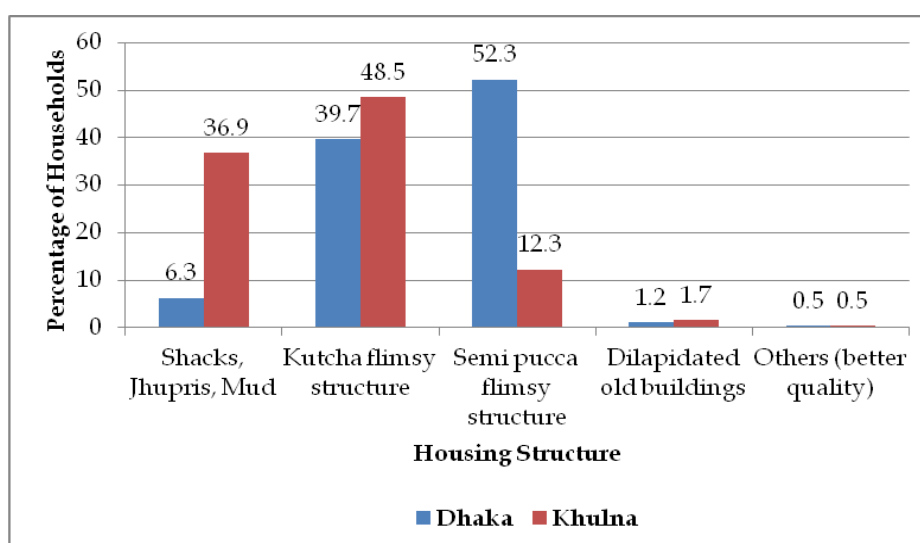
In these slum settlements people are not only living in single storey residential structures but also in overcrowded conditions. In the slum settlements of Dhaka and Khulna, the Slum Census Report (2005) cannot identify any single room where only two people are living. The minimum number of people living in a single room starts with 3. The common scenario in both cities is the higher percentage of rooms occupied by 4 or 5 people. In both cities, the slum dwellers live in very small, mostly single room structures. Slum dwellers in Dhaka city usually live in smaller homes/rooms compared to Khulna. In Dhaka city, almost 80 percent of the houses in slum settlements are less than 100 square feet. In Khulna almost 60 percent houses are more than 100 square feet (Table 6.6). The common cause behind such situation is the availability of vacant land and concentration of urban population. As revealed earlier, Dhaka is facing the highest urban concentration among all the major cities in Bangladesh. Thus room occupancy is higher and the size of the dwelling unit is lower in the slum settlements of Dhaka city.

**Table 6.6: Room Size in Slum Clusters in Dhaka and Khulna City**

Person per room	Dhaka (Percentage of Slum Population)	Khulna (Percentage of Slum Population)	House size in Sq. Ft.	Dhaka (Percentage of Houses)	Khulna (Percentage of Houses)
1	0.0	0.0	Up to 50	2.1	2.3
2	0.0	0.0	51-75	17.9	10.8
3	1.5	4.0	76-100	61.0	20.0
4	31.8	49.8	101-125	16.0	41.3
5	55.2	41.9	126-150	1.5	19.2
6	7.4	3.7	151-200	0.4	5.6
7	1.9	0.0	Above 200	0.3	0.8
Above 7	2.1	0.6	Don't Know	0.8	0.0
Total %	100	100	Total %	100	100

Source: Analysed from CUS et al, 2006

Apart from the higher density in slum settlements, the quality of housing is one of the most basic indicators characterising slum settlements. In terms of housing structure, in both cities most of the housing units are temporary in nature. The Slum Census Report (2005) shows that in Khulna city almost 85 percent of the housing units in slum settlements are of very poor quality (Kutcha / Jhupri: temporary and perishable building materials). In Dhaka city, half of the housing units in slum settlements are semi-pucca type (homes with brick walls and corrugated iron sheet roofs) (Figure 6.7). However, the fact that slums in Dhaka show a relatively high prevalence of semi-pucca structures does not automatically allow one to conclude that the overall housing situation there is good since the building material cannot supersede the overcrowding and low per capita floor space conditions.

**Figure 6.7: Housing Structure in the Slum Clusters of Dhaka and Khulna City**

Source: Analysed from CUS et al, 2006



### **6.6.3 Ownership Pattern of Slum and Squatter Settlements in Dhaka and Khulna City**

As mentioned earlier in this chapter, larger slum settlements are on public land and smaller settlements are basically located on the private land. The Slum Census Report (2005) shows the percentage distribution of slum land ownership in Dhaka and Khulna, where in Dhaka 70 percent of the slum settlements are located on private land and in Khulna the figure is 54 percent (Table 6.7). However in both cities almost one-fourth of the slums are located on public land, accommodating half of the slum population. Thus, it is evident that the slums on government land accommodated a greater share of slum population than their sheer proportion among slum clusters might predict (CUS et al, 2006).

**Table 6.7: Land Ownership Pattern of Slum Clusters in Dhaka and Khulna City**

Land Ownership Type	Dhaka	Khulna
Government Land	25.7	27.1
Private Land	70.3	54.3
Others	4.0	18.6
Total %	100	100

Source: Analysed from CUS et al, 2006

Still, the overwhelming majority of the slums and squatter settlements are located on privately owned land. Regarding the private ownership of slum and squatter settlements, there are some facts which need to be taken into account. These are:

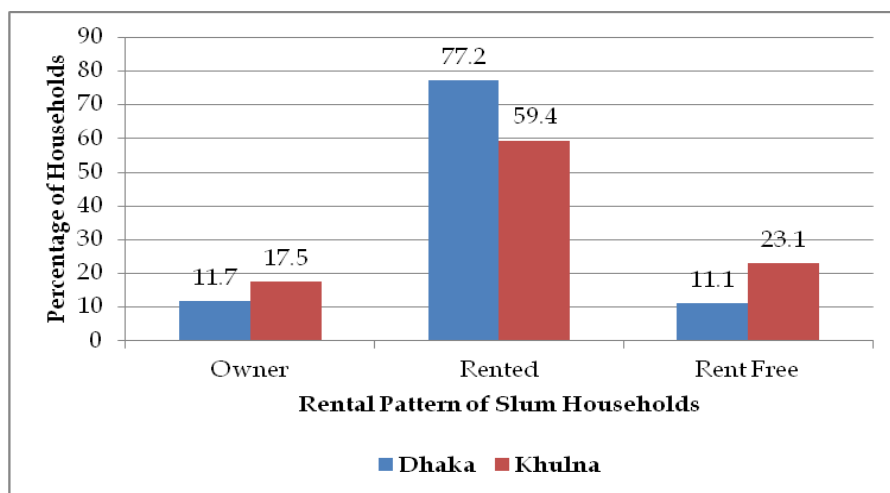
- i. There is a substantial number of litigations regarding land ownership disputes and sometimes the vacant (or khas) land of the government or of the private individuals is illegally occupied by the musclemen with the help of powerful politicians. It is not uncommon for litigation to go on year after year to determine who the actual owner of the land is.
- ii. Private individuals are interested in building slums/squatter settlements to gain more financial benefits in the form of house rent, black money from the drug business and commercial sex etc.

But more recent slum and squatter settlements show a different kind of land ownership pattern where most of them are being developed on government owned land. This is because in and around Dhaka almost all the privately owned land is built up and occupied.

Though the common feeling about slum dwellers is that the people living in such settlements are squatting without paying anything for their shelter, the Slum Census

Report (2005) shows that almost three-fourths (77%) of slum households in Dhaka rented their residence, a figure which is 60 percent in the case of Khulna city (Figure 6.8). The percentage of households living rent-free in slum settlements is higher in Khulna than Dhaka, whereas the percentage of owners of the dwelling unit in slum settlement is fairly similar in both cities. Here rent-free refers to those group of households who are not paying any rent to anyone and owner refers to those group of households who have paid someone before to own the land, or the private individuals who built the slum slums/squatter settlements on his/her own land to rent to other households and he/she is living in the same settlement.

**Figure 6.8: Rental Pattern of the Slum Clusters in Dhaka and Khulna City**

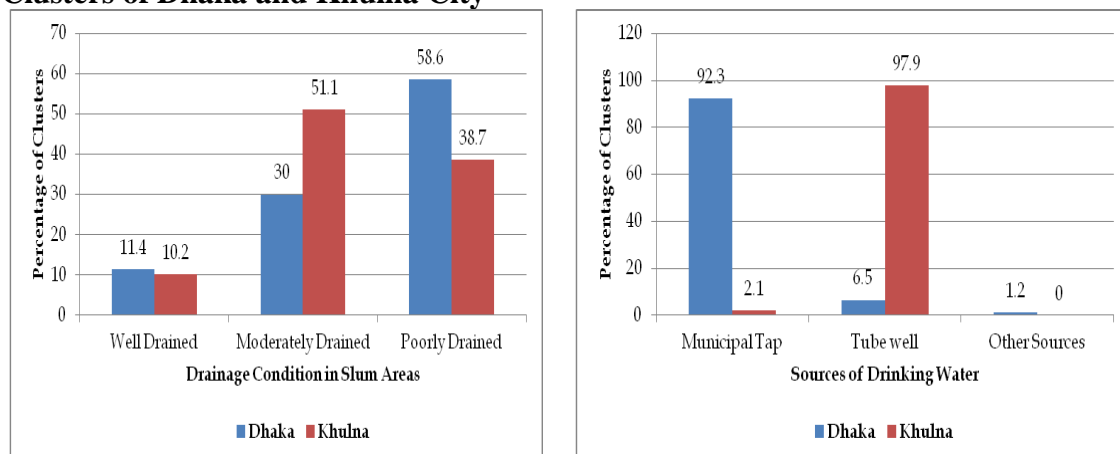


Source: Analysed from CUS et al, 2006

#### ***6.6.4 Features of Basic Services in the Slum and Squatter Settlements of Dhaka and Khulna City***

Poor environmental services are a common phenomenon in the slum settlements of Khulna and Dhaka. Due to rapid urbanisation and unplanned and unregulated urban growth, many of the urban centres in Bangladesh now suffer from problems of drainage and stagnation of rain water. The slum settlements are the worse affected areas of this situation. The Slum Census Report (2005) shows that in Dhaka city almost half the slum settlements are poorly drained; and in Khulna almost half of the settlements are moderately drained. The involvement of different actors related to this service provision makes the difference, which has been analysed in chapter eight.

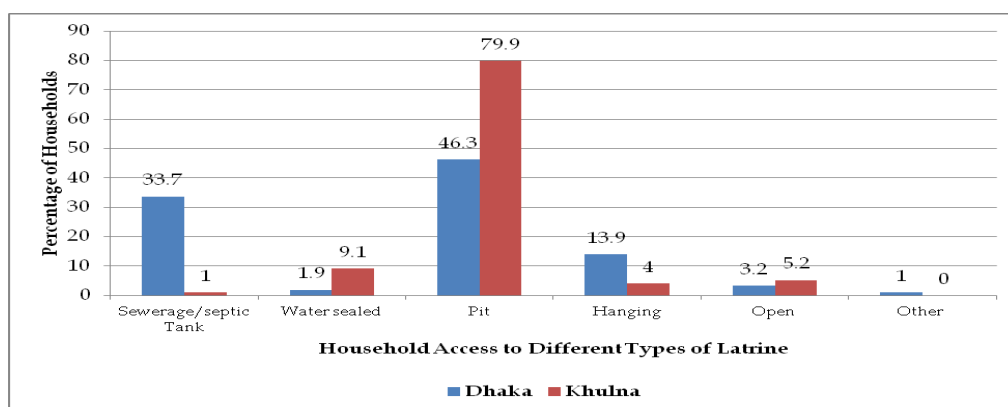
**Figure 6.9: Drainage Condition and Sources of Drinking Water in the Slum Clusters of Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

In Bangladesh, only in the major cities there is access to tap water. In the medium and small towns, the majority of the urban population depend on tube wells for drinking water. In Dhaka the major sources of drinking water in slums areas are municipal taps (92.3%). In Khulna, almost 98 percent of slum dwellers have access to tube wells as a source of drinking water (Figure 6.9). As of 1991, in Bangladesh, hygienic sanitation systems were made available to about 60 percent of all urban households in the country (ADB, 1997). The remaining 40 percent, mainly the poor, do not have any organised system of sanitation (ibid, 1997). Latrines linked to sewers and septic tanks and water sealed latrines are considered safe from a hygienic standpoint. In 2005 only 35 percent of slum households in Dhaka city have access to one of these three types of latrines (Figure 6.10). Pit latrines, a variety widely regarded as unsafe, are common in slum settlements of Khulna city, as almost 80 percent slum dwellers are using this type of sanitation. In almost all slum settlements both in Dhaka and Khulna city, latrines are usually shared by two or more households (CUS et al, 2006).

**Figure 6.10: Sanitation Facilities in the Slum Clusters of Dhaka and Khulna City**

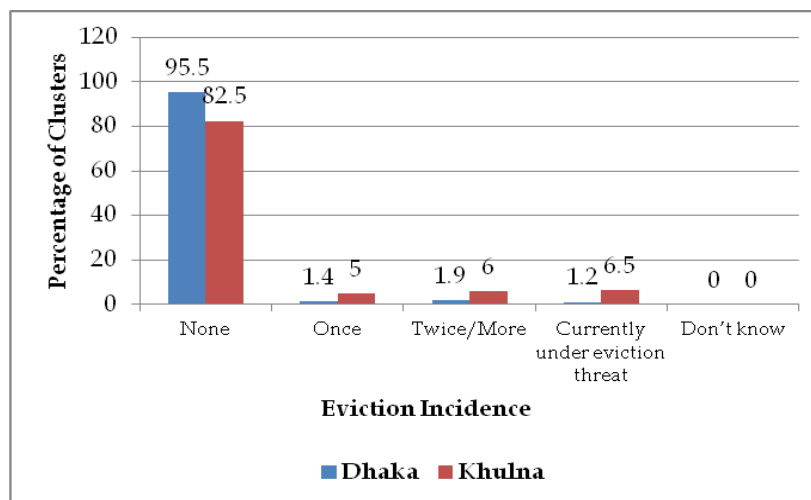


Source: Analysed from CUS et al, 2006

### 6.6.5 Threat of Eviction in the Slum Clusters of Dhaka and Khulna City

In Bangladesh, evictions of slums on government land are a common event. The Slum Census Report (2005) shows that among the 9,048 slums in large six cities, 6.5% experienced one or more evictions in their present location or were currently under the threat of eviction. Indeed, perceived threat of eviction is the most common phenomenon among the slum dwellers as they do not have a formal house.

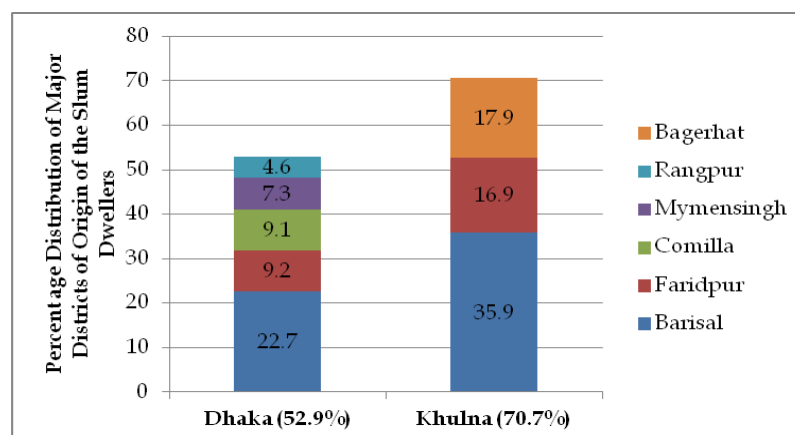
**Figure 6.11: Eviction Incidence in the Slum Clusters of Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

In Bangladesh, in most of the slums, social networking and NGO activities remain as an alternative structure of service provision. The literatures provide evidence that the place of origin and duration of living in the same settlement plays an important role for better social networking (Ghafur, 2001; Rahman, 2002; Burra, 2005). In Bangladesh, except for Dhaka, the slum dwellers of the various study cities mostly originated from districts (other parts of the country) adjoining those (CUS et al, 2006). The Slum Census Report (2005) shows that, the slums of Dhaka attracted significant numbers of migrants from nearly 28 districts (out of 64 in the country). In both Khulna and Dhaka, the majority of the slum dwellers are migrants (52.9 percent in Dhaka and 70.7 percent in Khulna) and originated from Barisal and Faridpur district (Figure 6.12), which are naturally disaster prone areas (located in the southern part of Bangladesh). Several reports suggest that there is a relation between natural disaster and the origin of the slum dwellers as a migrant to these cities (See Table 6.2: Reasons for Rural-Urban Migration in Bangladesh).

**Figure 6.12: Districts of Origin of Slum Dwellers of Dhaka and Khulna City**



Source: Analysed from CUS et al, 2006

### 6.7 Living Environment of the Urban Poor in the Case Study Settlements

In this section two different case studies (Railway slum in Khulna city and Karail slum in Dhaka city of Bangladesh) have been analysed to understand the housing conditions of the urban poor in Bangladesh. This research has described a general picture for both settlements referring the census data collected in collaboration with UPPRP team. This section provides a brief description of the case study settlements.

The informal settlement in Karail, considered being the biggest slum in Dhaka, started to develop during the late 80's on the vacant higher grounds. Eventually the settlement expanded and encroached the highly vulnerable water edges. At present Karail covers an area of approximately 110 acres with an estimated population of over 100,000 (CUS et al., 2006). The eastern and southern edge of the area is defined by the Gulshan-lake, a main water reservoir for the adjoining areas. Because of its location near the high-end residential and commercial areas of Dhaka (Gulshan, Banani and Mohakhali), it attracted low income people engaged mostly in service jobs like cleaners, household helpers, rickshaw pullers as well as workers in readymade garments industries. Security of tenure is one of the major concerns for the area. Since two government organisations own most of the land, thus threat of eviction exists.

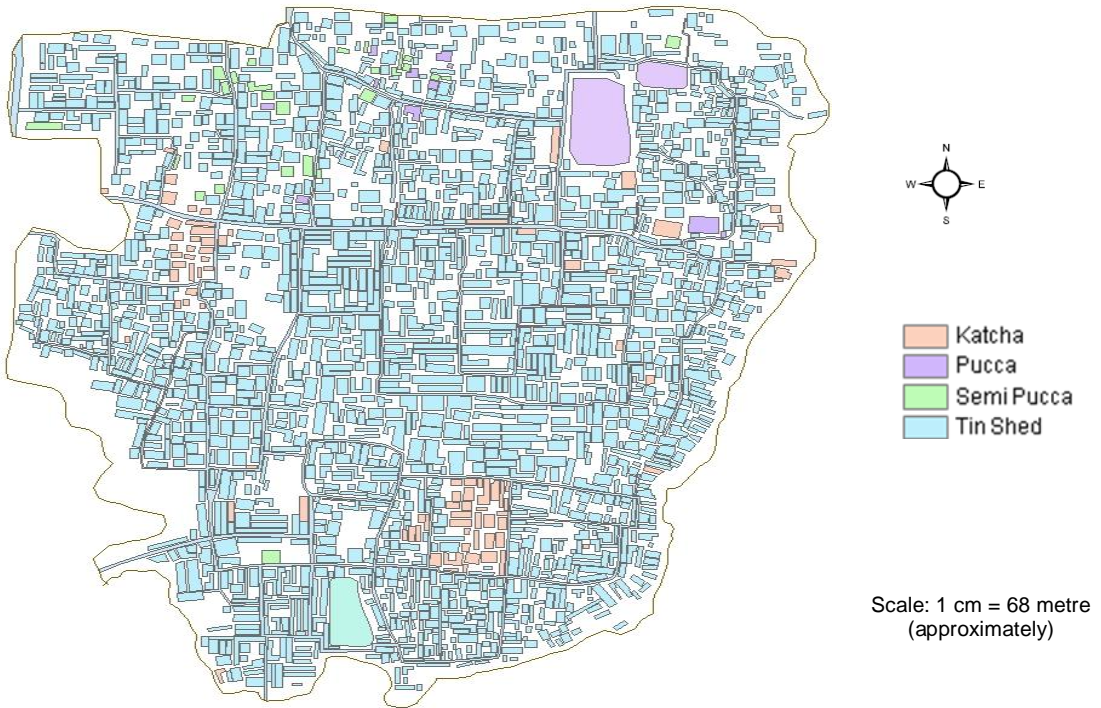
Karail emerged during the 1960s as an open space of 0.23 sq km. with a few scattered huts accommodating local peasants. In the late 1960s the land was acquired by a government department, Telephone and Telecommunication (T&T), with a promise to return it to the original land owners should the land not be used for any government

purpose (key informant interviews with old inhabitants). However, having not been able to introduce any public use, T&T transferred the land ownership to the Public Works Department (PWD) and the Ministry of Science and Technology. The original land owners therefore filed several cases in the court about the ownership of the land. In this situation, a few groups of local leaders, many of them T&T employees and their relatives, started building huts and renting them out mostly to migrants coming from different parts of Bangladesh. Karail experienced a dramatic increase in population starting from the end of 1990s. It had to accept an increasing number of people originating from several slum eviction programmes of the government of Bangladesh.

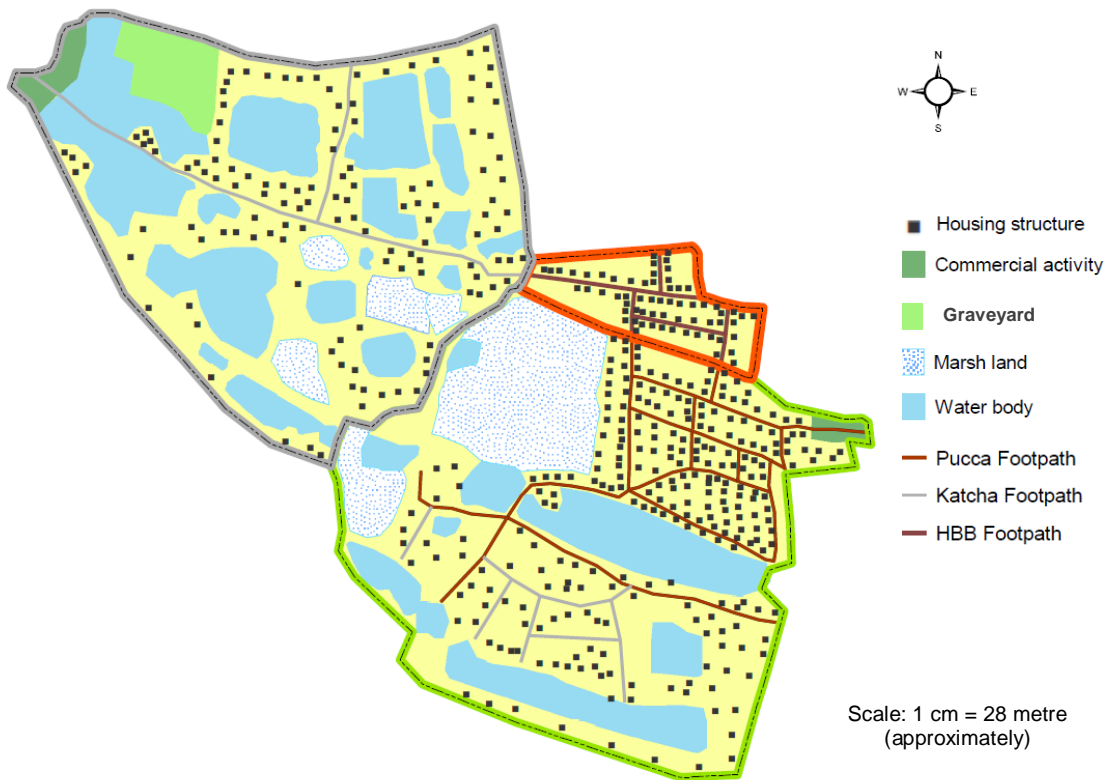
Karail is now the largest 'slum' settlement of about 110,000 inhabitants with an estimated density of about 1,800 inhabitants per hectare (CUS et al., 2006). Families of four to seven members live in one or two rooms of about 8 to 12 sq. metres. Many such rooms facing narrow passageways at the same time are used for sleeping at night and as small businesses like grocery shops, fire wood trade, tea stalls and carpentry during the day. Many rooms are organised around a small compound of about 10 to 12 sq. metres to provide a place for cooking, bathing and toilets. Rooms having no common compartment, have to make additional place for cooking. Huts are built mostly of transferable materials like tin sheets, bamboo and wood because of the high threat of eviction. Most of the inhabitants do not own the huts they live in but rent from 'owners' who acquired them in the early stage of settlement development. Land transactions are governed by social regulations that do not have any official validity.

**Figure 6.13: Map of the Case Study Settlements**

**Karail Slum, Dhaka**



**Railway Slum, Khulna**



Source: Drawn from Field Survey, 2011

The Railway slum of Khulna city is also on public land accommodating 8,000 people (CUS et al., 2006). The land area of this settlement is approximately 20 acres and most of the households got free access for shelter. Similarly to Karail, most households live in Railway slum of Khulna city to enjoy the locational advantage and are involved in small scale business/trade, van/rickshaw pulling and working as a day labour to the nearest CBD (Central Business District) and nearby railway and water terminal. The case study area, an informal settlement on railway land, is home to about 1148 urban poor households. Similarly to Karail, this place also accommodates the migrant worker. People in this settlement are living under the continuous threat of eviction, as it is in the city centre and the railway department want to vacate the land. The housing conditions are worse than Karail, as the people living in this slum use materials such as thatched bamboo partitions, golpata (palm leaf) or tin (corrugated iron sheet) roofs – the use of bricks is limited at best to plinth and walls and only by a few households. The following section of this chapter illustrates the housing conditions of the urban poor; later the analysis explores the interrelation between housing and urban poverty. In this section most of the quantitative information has been used from the field survey, which were collected by a census survey conducted with UPPR project team (see chapter five, section 5.3.2: data gathering process). The information collected through the household interview has been narrated in the text and in few cases direct quotation has been used.

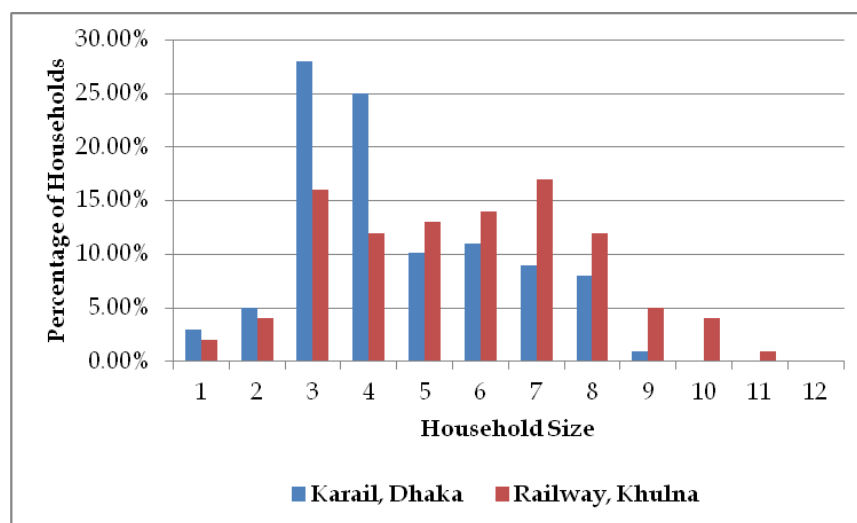
### ***6.7.1 Household Information of the Slum Dwellers in the Case Study Settlements***

The present status of the informal settlement can be illustrated best by looking at some basic information such as household size, occupational pattern, work location, income-expenditure pattern, period of settlement formation and migration dynamic, which have been collected as unpublished secondary data from the UPPRP survey team (Urban Partnership for Poverty Alleviation Programme). The survey revealed that most of the households are composed of 3 to 8 members. The percentage of households with 3 members is highest in Karail slum (28%), whereas the percentage of households with 7 members is highest in Railway slum (17%) (Figure 6.14). Larger size of households are more frequent in Railway slum than Karail, which makes a difference among the average household size of the two settlements. The average household size of Railway slum is 5.67, whereas it is only 4.85 in the case of Karail slum. The common interpretation behind this situation is the nature and type of migration (Key Personnel Interview 10, 2011).



The migration dynamics of the urban poor vary with the employment opportunity and cost of living in the destination city. These issues determine the household size, as the people when first come to the city like Dhaka from other part of the country as a seasonal employee they consider the aforementioned issues (Afsar, 2003). The inner city mobility patterns also affect the household size, as it has been revealed that in Dhaka city the tendency of inner city movement is higher than Khulna (Nahiduzzaman, 2007). It has been observed in the case of internal migration of Bangladesh that the smaller size of households have greater tendency of moving to other settlements than the larger households (Afsar, 2003). This situation has been explained by one of the respondent as *‘When I came to Dhaka with my wife for the first time, we kept our children and another two brothers and parents in the village. We came to Karail as we had a relative who was living there for the last five years. He helped us to find the work. We were working as construction worker and it was seasonal. As we continued this work for another 3 or 4 years, later my brothers came in to the city and settled in other settlements. My parents are living with them right now as my family is now of four members and I cannot afford the expenses of parents’* (Interviewed on 02.01.2011). The household size of these two settlements represents the general picture of slums settlements in Dhaka and Khulna city, as most of the households living in these two cities ranges between 3 to 7 members per household (CUS et. at., 2006), which is similar in the case study settlements as well.

**Figure 6.14: Household Size in the Case Study Settlements**

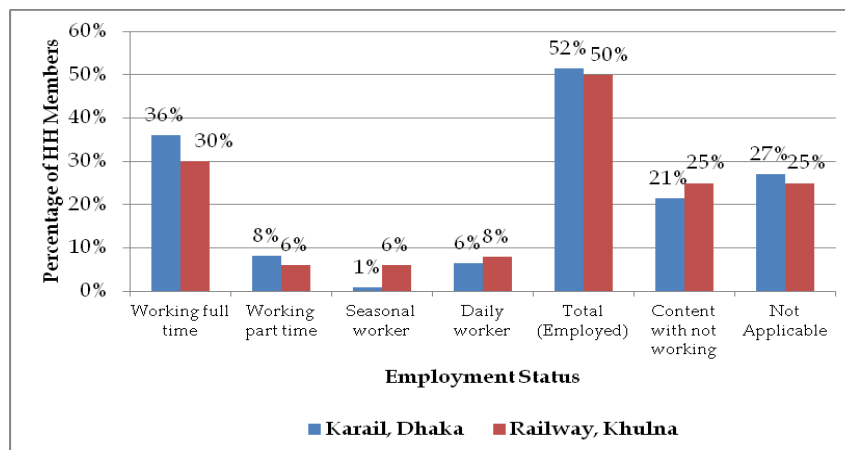


Source: Analysed from UPPRP, 2011

In terms of employment status, the survey findings explain that in Karail slum 52% people are employed and in Railway slum 50% people are employed. The most

inspiring story behind these figures are that apart from the housewife (21% in Karail and 25% in Railway slum) and people who are living under age 10 and over the age of 60 (appendix 6.1), every single household member is contributing to the household income. The employment status differs as only 36% people in Karail are working full time and 30% in the case of Railway slum (Figure 6.15).

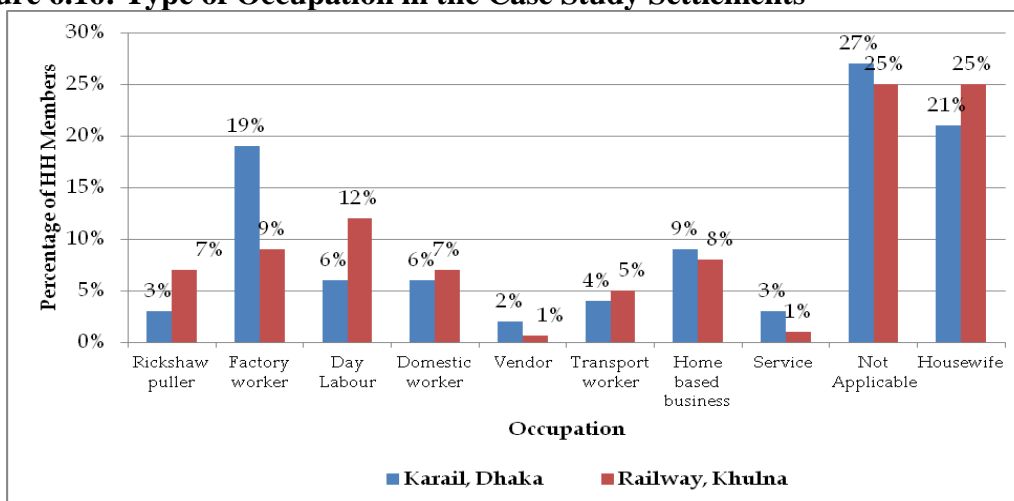
**Figure 6.15: Employment Status of HH Members in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

By analysing the occupational pattern of the HH heads in the informal settlement, eight types of occupation were found (Figure 6.16). Firstly, in Karail the most common employment is skilled workers (19% of total population) in neighbouring factories. This figure for Railway slum is only 9 percent, as the most common employment in this settlement is working as day labour (12% of total population). Home based work is another form of occupation, where a significant number of people (9% of Karail and 8% of Railway slum) are engaged in both settlements, and interestingly most of them are women.

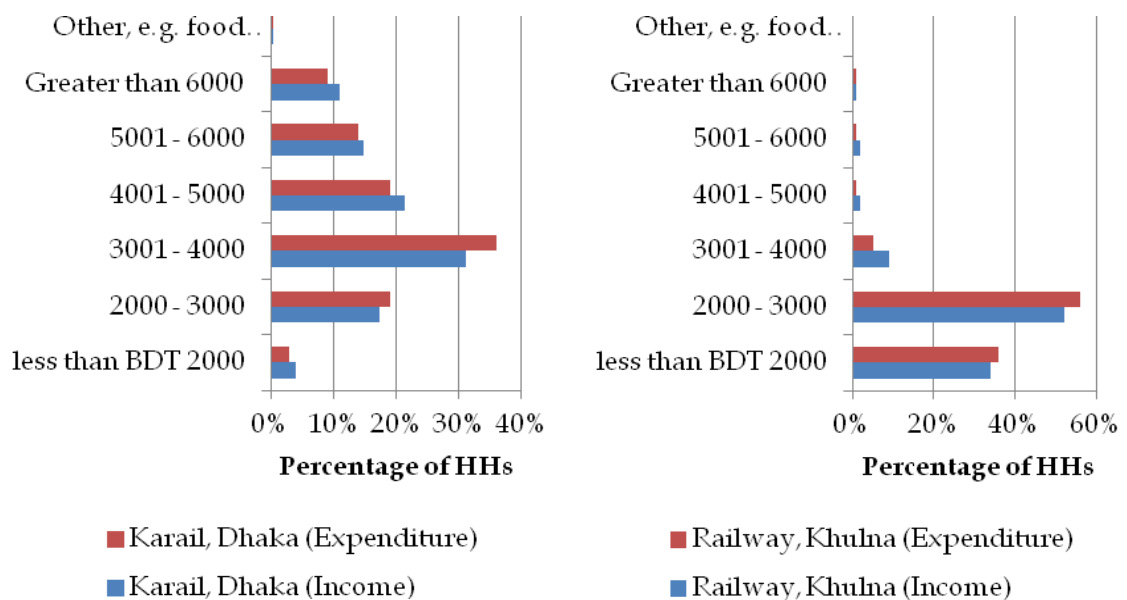
**Figure 6.16: Type of Occupation in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

The household survey reveals that more than half of the households (52%) of Karail slum belong to a very low-income level that ranges from BDT 2001 to BDT 4000 (approximately £20 to £40) in a month (Figure 6.17). Similarly, more households (86%) of Railway slum belong to a very low-income level that ranges from BDT 2001 to BDT 3000 (approximately £20 to £30) in a month also spends the same amount in a month. In both cases, it is evident that the urban poor living within this income range have a tendency to spend more than their income (by borrowing money from relatives/neighbours) or the income is not enough for life subsistence. The income and expenditure pattern varies among the urban poor living in the two different settlements. However, in both settlements households which have an income above 5000 BDT do not need to spend more than their income. Apart from the income, households living in these settlements have different types of physical assets including beds, television, mobile phone, radio etc (appendix 6.2). However, the asset availability depends on the income of the households, as beds have been observed as a common asset for all households and having a television is found in those households which are earning more than 4000 BDT per month.

**Figure 6.17: Income and Expenditure Pattern of Households in the Case Study Settlements**



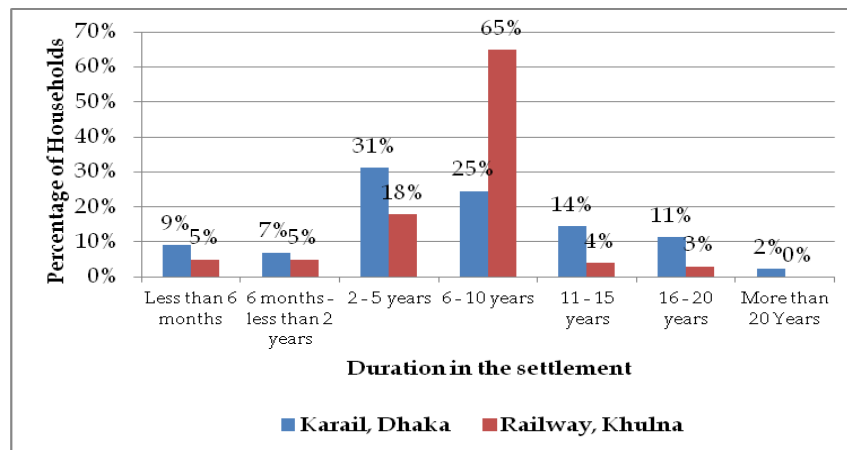
Source: Analysed from UPPRP, 2011

### 6.7.2 Residential Status of the Households in the Case Study Settlements

The urban poor are living in both slum settlements for longer period of time than their previous settlements. The employment opportunity has a direct impact on their

livelihood opportunity, which is the main reason for longer duration of living in both slum settlements. In the case of Railway slum, 65% people have lived in the settlement for 6 to 10 years (Figure 6.18), as they were resettled in this settlement after being evicted from different slum pockets of the city. The duration of living for Karail slum is really scattered in nature, and signifies the pressure of migrant coming to Dhaka than other cities, as 47% of the households living in Karail arrived in the last five years. Karail has been the most demanded settlement for its occupants. After interviewing several household members in the slum, it has been revealed that, the local people describe it as a ‘matured’ slum, as it provides better service provision, locational advantage and available rental accommodation.

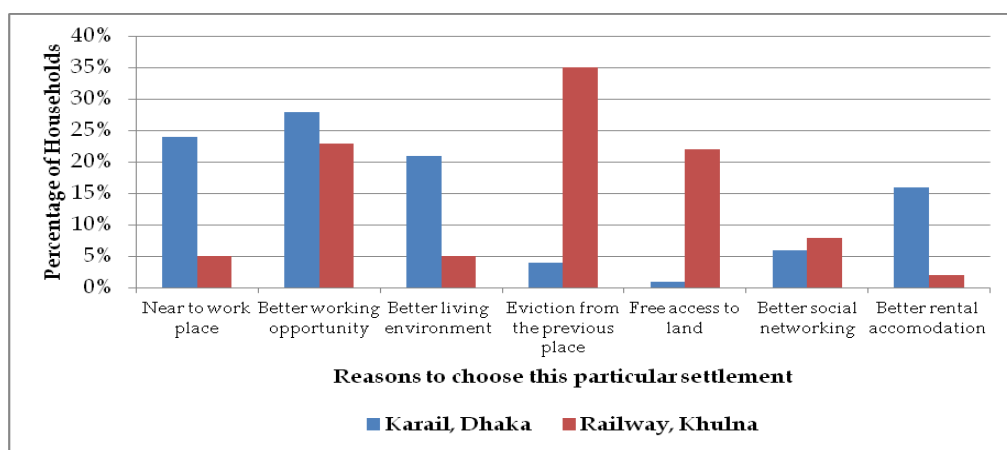
**Figure 6.18: Duration of Living of Households in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

While asking the urban poor about the reasons to choose the particular settlement, the highest number of households in Railway slum of Khulna city came to this settlement after being evicted from their previous location.

**Figure 6.19: Reasons for Choosing the Place to Settle**



Source: Analysed from UPPRP, 2011

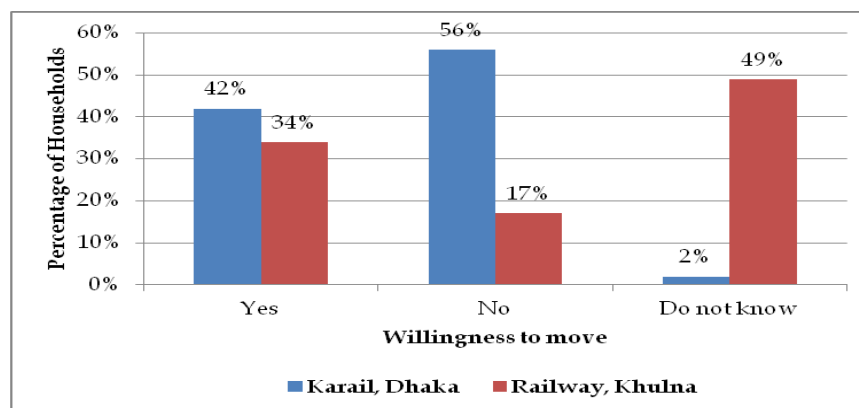
For Karail the most influential reason is better working opportunity (28% households in Karail). This being the second most influential reason in Railway slum (23%) after the eviction (35% households) (Figure 6.19). As described earlier, the occupational structure of Karail is determined by the neighbouring industrial and higher income residential area. Similarly to Karail, the Railway slum is also located next to the Central Business District of Khulna city. Thus the availability of informal employment opportunity attracts the urban poor to live nearby the employment opportunity. In the case of Railway slum, the free access to land is also an influential factor for choosing this settlement.

The duration of living and reasons for choosing this land can be illustrated with the statements from two different interviewees. Interviewing one household head in the Railway slum about the duration of his living in this settlement, he replied '*I was living in Rupsha slum before five miles away from here and I was working here in the CBD as a day labour. One day my house was burnt and I knew few people who were working with me lives here in Railway slum. They actually informed me that there is free access to land nearby their shacks, and in the next day they helped me to settle in here by developing my own shack here. I am living here and I want to live here because I do not know any other job that I do at the moment. So If I move then I may lose my employment opportunity*' (interviewed on 18.12.2010).

The interviewee of the Karail slum replied '*I came to Dhaka city from Barisal and was living in Kamrangichar in a rickshaw garage. This was my temporary settlement as I was working as a seasonal rickshawpuller at that time. Later after working for 5 years, I went back to my village and sold all the belongings I had and returned to Dhaka with my family. As I knew people in Kamrangichar only, so I started to live there by renting a shack of one room accommodating 5 of my family members. Then my two sons started to work in the garments industry and later they got a good job in another garments industry in Tejgaon, which is close to Karail. As three of us were working and had some money after selling the belongings in barishal, I bought the land from another woman here and started to build the shack. I did not build any permanent structure as I knew that, though I am buying this land, this land belongs to government and I can be evicted. So this was not buying the land but it was buying the position, as someone occupied this place before. I do not want to move to any other places, because this place is well served by utilities, if you pay. The settlement is really bigger than any other slum*

*in the city, so I feel that there will be no threat of eviction. But one of my sons wants to move as he got another job in Mohammadpur and he is now married. So he is looking for a dwelling unit over there'* (interviewed on 03.01.2011).

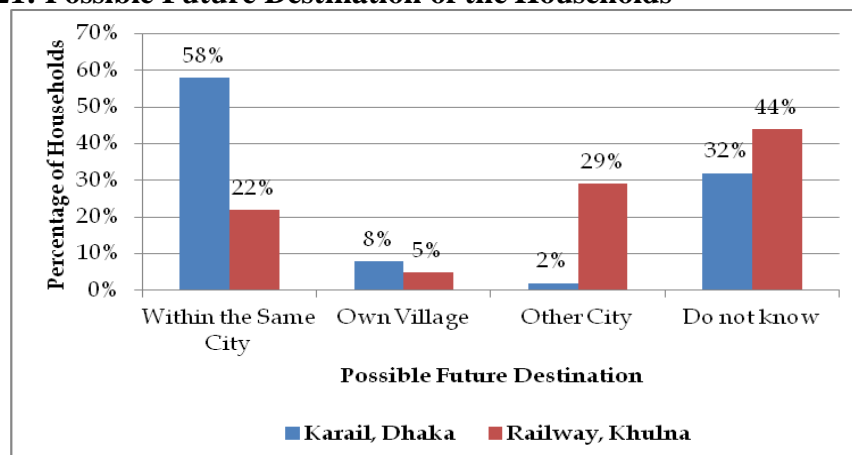
**Figure 6.20: Willingness to Move of the Households in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

As discussed earlier, mobility is a common attribute among the urban poor. The majority (49 percent) of the urban poor in Railway slum replied that they do not know whether they want to move or want to stay there. But most of the households in Karail (56 percent) do not want to move (Figure 6.20), considering different advantages of living in this settlement. However, asking the households about their possible future destination, if they were to move, then the common reply for Karail was the same city – Dhaka. Whereas 29% households in Railway slum want to move (response got from the households after asking them whether they want to move or not) to another city and the choice is again Dhaka (Figure 6.21). This situation provides the evidences of urban agglomeration of Dhaka as discussed earlier in this chapter and the landlessness of the urban poor in the villages (appendix 6.3), from where they are originated.

**Figure 6.21: Possible Future Destination of the Households**

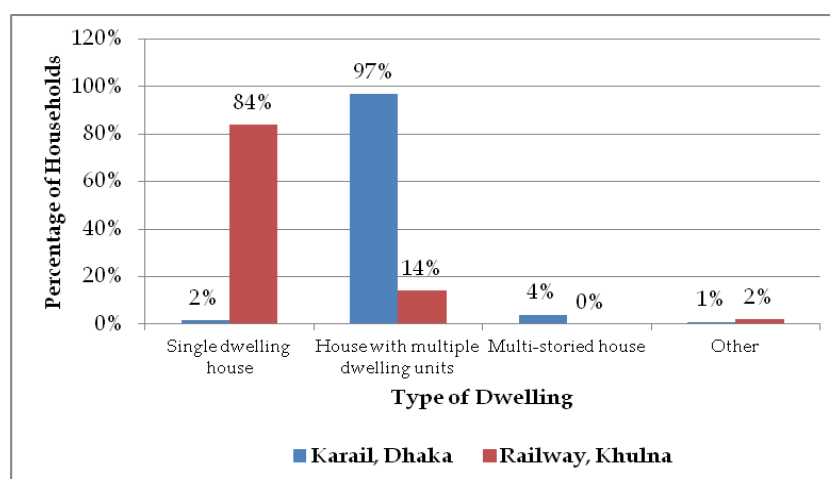


Source: Analysed from UPPRP, 2011

### 6.7.3 Type of Dwelling in the Case Study Settlements

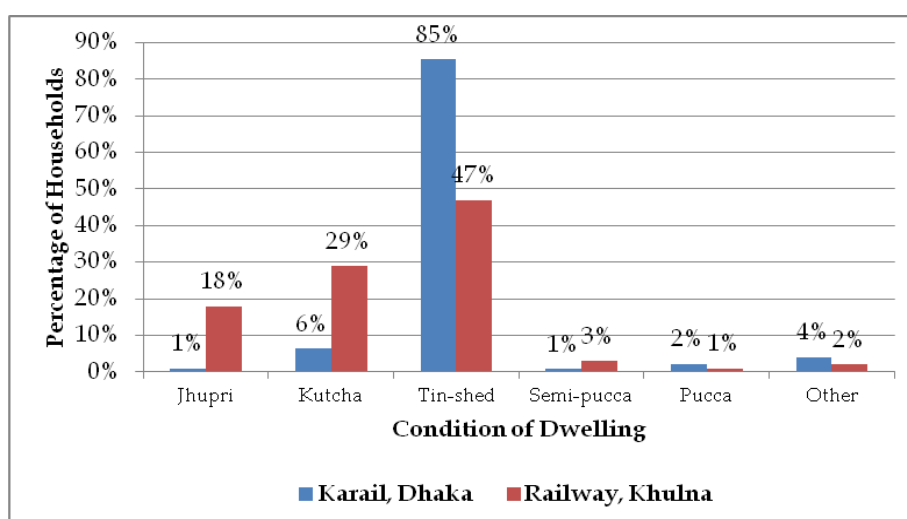
The urban poor have little access to urban land and they mostly build their houses on vacant private and government land and thereby become squatters in the city. Most of them are living in self-made houses. These houses are made of low cost housing materials like corrugated iron (CI) sheet, bamboo, straw and polythene and are highly vulnerable during the rainy season. The type of the dwelling unit depends on the availability of land and economic status of the occupants. Similarly to Dhaka city (Figure 6.6) Karail represents a higher density than Railway slum in Khulna, thus the existence of houses with multiple dwelling units is higher (97%), whereas in Railway slum of Khulna city the prominence of single dwelling house (84%) has been observed (Figure 6.22).

**Figure 6.22: Type of Dwelling in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

**Figure 6.23: Condition of Dwelling in the Case Study Settlements**

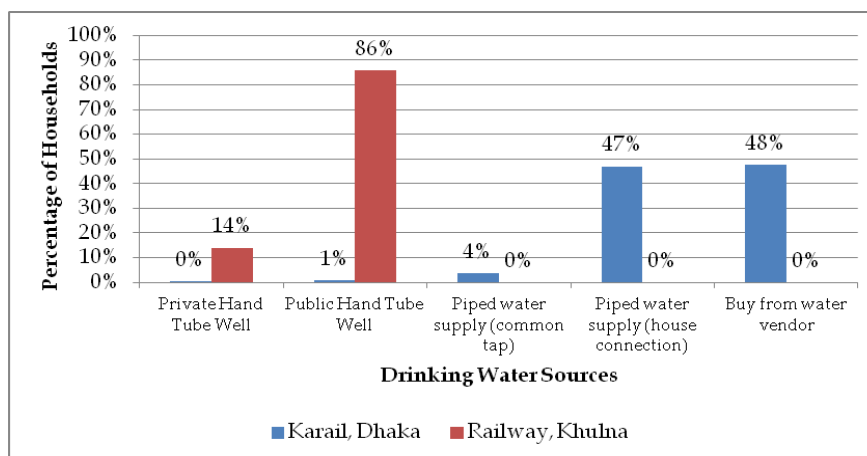


Source: Analysed from UPPRP, 2011

In the field survey, it was revealed that CI sheet is the most common building material in both settlements. In Karail 85 percent of the dwelling units are made of CI sheets using it as the wall and roof material (Figure 6.23). People are using CI sheet as it is mobile in nature, reusable and not perishable, but it also poses serious challenges to the living environment (Key Personnel Interview 11, 2011). Apart from the use of such building materials, the overwhelming majority of households in these two settlements live in single room dwellings. The majority of households have no kitchen or cooking facility and they cook either in their living room or in open spaces.

In terms of getting access to water, almost all of the households in both settlements have access to water. However, the source differs due to different organisational arrangements of service provision (see more in chapter eight). In the Railway slum of Khulna city there is no provision of piped water supply, therefore the households are using public hand tubewells (picture in appendix 6.4). In Karail the situation is just the opposite to the Railway slum of Khulna city, as there is no provision of hand tube well here. Households in Karail depend on piped water supply. Among the households 47 percent have direct connection and 48 percent are buying water from a vendor (Figure 6.24). However, both of these sources are informal in nature.

**Figure 6.24: Sources of Drinking Water in the Case Study Settlements**



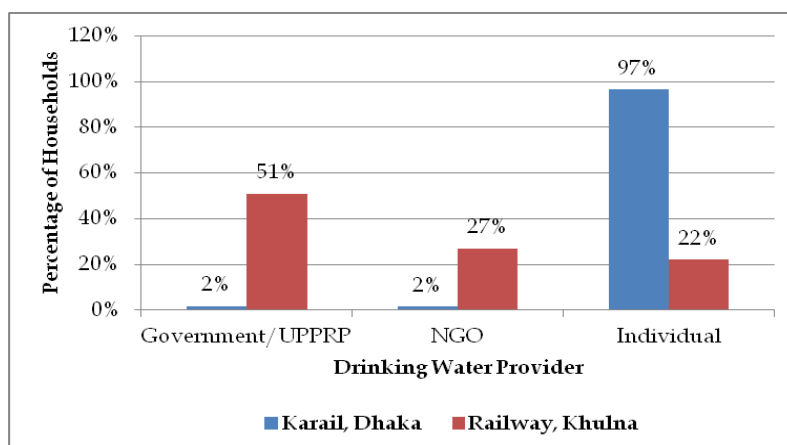
Source: Analysed from UPPRP, 2011

As the water provider, in Railway slum of Khulna city, above half of the respondents used hand tube wells, which were provided with the help of LPUPAP, a public sector project. 27% got assistance from the ASEH project, a private sector initiative and 22% came from KCC ward-21 councilor (Figure 6.25). Each of the tube wells shared by a specified user group, with size varying between 15-20 households. But all families do



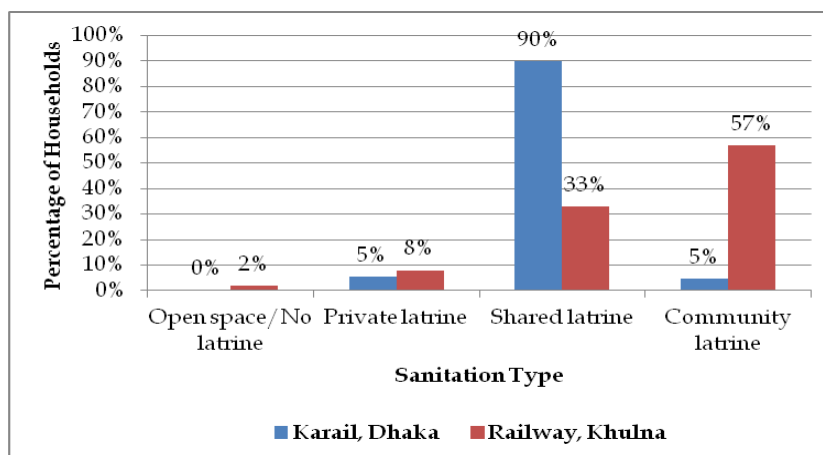
not have equal access to the tube well water. This is mainly due to the variation in distance from individual houses to the tube-well and long waiting lines. On the other hand, in Karail slum the source of water is informal and provided to individual households (see details in chapter eight). The source of water in Karail is DWASA (Dhaka Water Supply and Sewerage Authority), but they do not provide water to the households in Karail slum, as the slum dwellers do not have any legality to get access in to this water. Thus the informal process exists.

**Figure 6.25: Provider of Water in the Case Study Settlements**



Source: Analysed from Upprp, 2011

**Figure 6.26: Type of Sanitation in the Case Study Settlements**



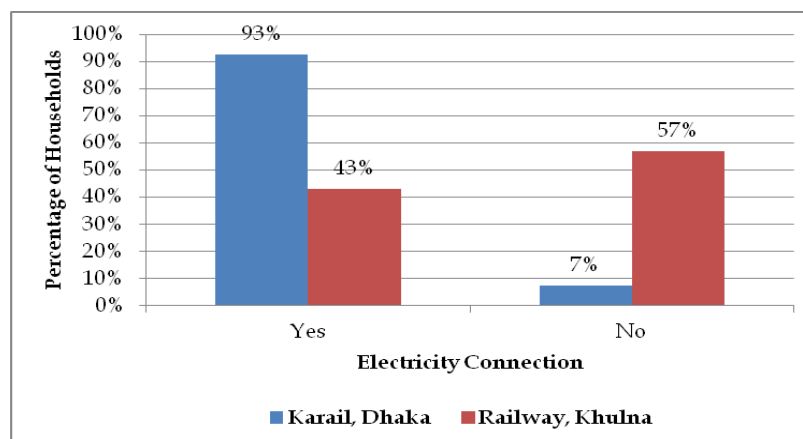
Source: Analysed from Upprp, 2011

From the field survey, it has been observed that the sanitation type differs between both settlements. In Karail, most of the households (90%) use shared latrine facilities, whereas in Railway slum 57 percent of the households use a community latrine (Figure 6.26). In Railway slum, community latrines have been provided by the LPUPAP and shared latrines (picture in appendix 6.4) have been provided by the ASEH project. In the

case of Karail, shared latrines are individually constructed and shared among two or three households. The main cause behind using shared latrines in Karail is the lack of space (88%) to construct and in Railway slum it is the lack of money (78%) (appendix 6.5).

In terms of electricity connections, in Karail almost every household has access to an electricity connection. Similar to the water supply provision, this service provision also depends on informal service provision (described in chapter eight). In the Railway slum, it is evident that the private sector and local musclemen are providing electricity in an informal or illegal way. Figure 6.27 shows that nearly half of households (43%) enjoy an electricity facility. Of these,  $\frac{3}{4}$  have access to electricity provided by an individual and the rest get their connection from a nearby mosque. The electricity providers collect payment from their clients on a monthly basis. The amount of charge depends on the number of bulbs (50 BDT each), number of televisions (50 BDT each) and so on within the household. On the other hand, about 57% of the respondents reported that they do not have the capacity to afford electricity.

**Figure 6.27: Status of Electricity Connection in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

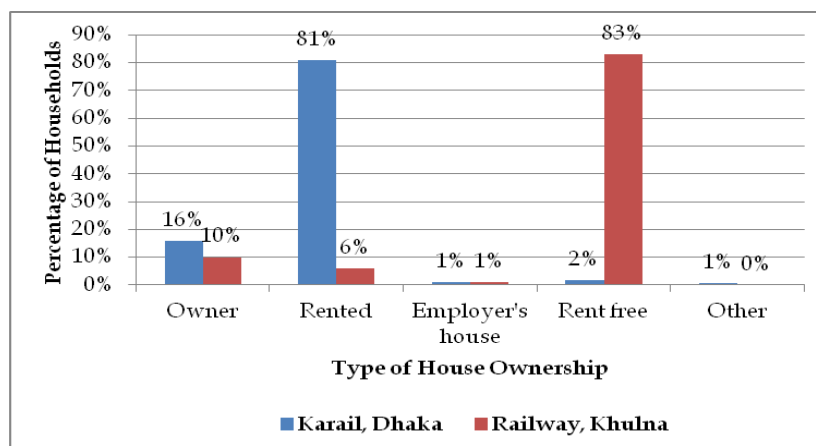
#### **6.7.4 Status of Tenure and Eviction in the Case Study Settlements**

It has been mentioned earlier that both of the settlements are on public land. Though it has been assumed that, as the land is owned by public agencies the urban poor are living on this land illegally (without having any legal ownership), through the field survey it has been found that several types of house ownership exist in these settlements. In the Railway slum 83% of households are occupying the land free of cost and know that they are living on Railway land, however 10% of households claimed that they live on their

own land as they paid for it (Figure 6.28). Asking them about this payment, one of the house owners (among the 20 household interviews, 2 of the respondents claimed as house owners) replied ‘I have paid 60,000 BDT to the previous occupier of this unit and it was settled in a meeting, where neighbours and local elites were present. I do not have any written things with me, but as I have paid, so I feel this unit is owned by me’ (interviewed on 16.12.2010). Asking him about his tenure security, he feels that the local political leaders and his neighbour will help him to protect his right.

This scenario exists in Karail, as the census survey found 2200 respondents who described themselves as land owners in the settlement. Apart from them, the rental accommodation becomes the major type of house ownership, as 81% of the households are living in rental accommodation. The rent varies from 600 to 800 BDT per month and increases 10% every year. The rental accommodation is provided by the aforementioned 2200 land owners and as mentioned in the beginning of the section, a few groups of local leaders, many of them T&T employees and their relatives, started building huts and renting them out. This trend is still continuing and also the land occupancy is happening by buying the position from the previous occupier as mentioned in the case of Railway slum.

**Figure 6.28: House Ownership Pattern in the Case Study Settlements**

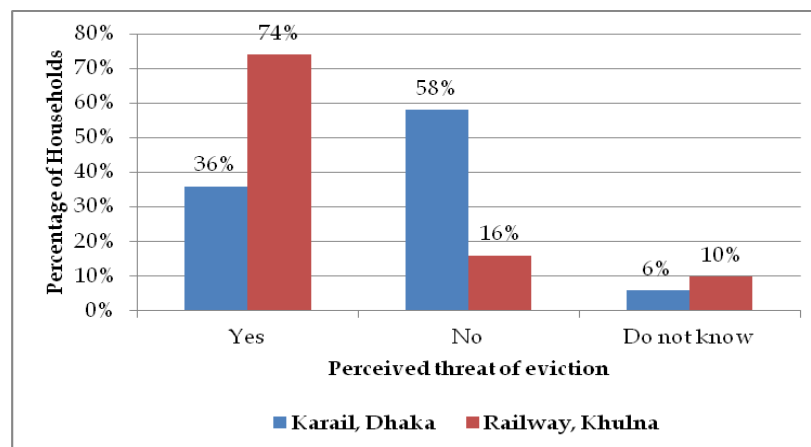


Source: Analysed from UPPRP, 2011

Despite the existence of different types of house ownership, the urban poor are living in these settlements under the persistent fear of eviction. The influential members of the elite or political leaders assign some muscle-men or intermediaries to collect the monthly rent to ensure their temporary tenure security. At the same time, these political leaders use the slum settlers as a large supply of votes during the elections. A patron-

client relationship exists between settlers and political leaders which can be broadly categorised as *occupancy urbanism* mentioned by Benjamin (2008). The poor consider themselves as vulnerable and powerless; as such they are not interested to attend the protests against the urban government where political leaders play the major roles (Field survey, 2011). Basically they have accepted such practice and feudal social structure and pay more attention to earning money for their survival. This political support became the key for the households living in Railway slum, as one of them said that ‘they have built the new home by negotiation with the Railway authority. They will not be evicted in near future. But when asked about the legal documents they have answered that they do not have any, everything based on the oral contact. They believe that the local councillors (KCC ward-21), city mayor will take care about them’ (interviewed on 17.12.2010). Though they are enjoying this type of perceived tenure security, they also anticipate the fear of eviction. Figure 6.29 shows, 74% of households in Railway slum perceive the threat of eviction in the near future, whereas in Karail this figure is around 36% only. The reason behind such difference is the involvement in a ‘representative political structure’ through the community based organisation.

**Figure 6.29: Perceived Threat of Eviction in the Case Study Settlements**

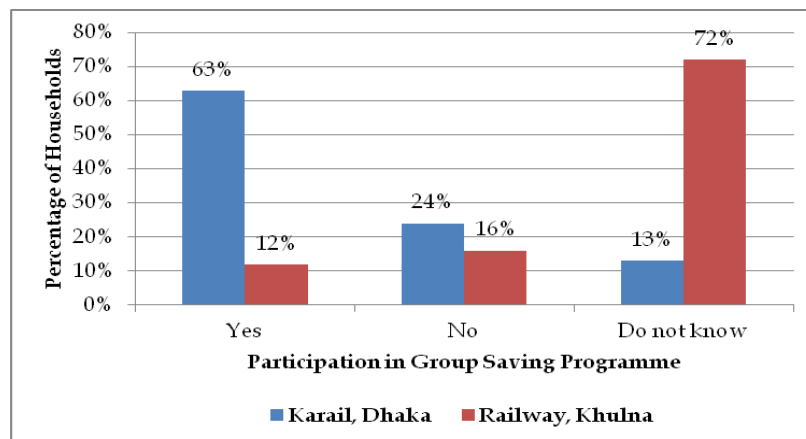


Source: Analysed from UPPRP, 2011

During the census survey, it was found that more than 63% of the household members were engaged in a cooperative society at Karail slum (Figure 6.30). All the members living in this slum are eligible for membership in the cooperative society. Twice a week, each member of the society deposits a fixed amount of money in the common fund of the cooperative society. All the money from the members is invested in the informal business sector like buying a rickshaw, compressed natural gas (CNG) driven auto rickshaw etc. Usually they rent these rickshaws to the members of the cooperative (who

have been depositing money for at least 4 months) for a period of one week or on monthly basis. The members share a part of the profits and the rest is used for further investment. When needed, the members are eligible to draw their share of profit and they use this money for their daily sustenance. The members are even allowed to take a loan with a minimal interest rate (e.g., 4%) from the cooperative society provided that the majority of members have given their positive consent. In this regard, at least four members have to be the guarantors for the member who is in need of a loan (Field survey, 2011). If the borrowers are intending to leave the slum, he/she have to re-pay the money to the cooperative society. However, the households living in both slums do not have access to formal housing finance; therefore they rely on informal networks (details in chapter eight).

**Figure 6.30: Group Savings Programmes in the Case Study Settlements**



Source: Analysed from UPPRP, 2011

In the Karail slum, 63% of households are involved in a group savings programme through different community based organisations, whereas in Railway slum only 12% are involved in such activities. In Railway slum 72% households have no idea about these organisational structures (while the respondents were asked whether they knew about group savings programmes), which has been understood as the differentiating factor for community cohesion (Field Survey, 2011). Lack of awareness and of a community mobilisation programme is one major reason for the absence of such organisations (Key Personnel Interview 11, 2011). In addition the people living in Railway slum are mostly resettled households, and thus lack social networks (Field Survey, 2011). It has identified during the field visit that slum dwellers of Karail constantly disseminate job related information to their relatives living in the villages and hence create an *invisible information network* among them. They are also in touch with

other people living in other slum areas in order to get job-related information. The basis for such connections is mostly being from the same geographical origin (Field survey, 2011). Therefore, it could be concluded that between the slum areas an invisible network exists which may be addressed as an element of 'representative political structure' (Mitlin, 2003; Levy, 2007).

For the greater welfare of the slum dwellers, the slum-based cooperative society in Karail has to maintain a very good relationship with the political leaders. Hence, sometimes members of this slum have to take part in different political activities as dictated by the politicians. Most slum dwellers in Karail and Railway slum are registered as voter under the ward (micro level administrative unit under the local government structure) where the settlement is located. So, slum dwellers have been using the power of community in one hand for income generating activities and on the other hand they are making a '*space of negotiation*' with the politicians to buy temporary tenure security (Field Survey, 2011).

On the other hand, the slum dwellers of Railway slum only depend on the patron-client relationship. However, in both settlements, there is much evidence about conflicts between the powerful politicians from different political parties regarding the control and command over the slum areas. But most of the time the ruling political party leaders and their associates take the control and command over these areas. This situation does not allow involvement of the slum dwellers in wider party politics, as the slum dwellers want to keep their tenure secured from the conflictive politics.

### **6.8 Interrelationship between Housing and Urban Poverty in the Case Study Settlements**

The above findings show that the people living in Karail and Railway slum are facing some challenges. These challenges are causing vulnerability. The major challenge described by the households in both settlements is the lack of tenure security (Field Survey, 2011). Of course, people face a whole range of other challenges, depending on the profiles of both the settlements and their residents. Some of the challenges and associated vulnerability that have been identified in the two settlements are common, while others are different. The common challenges mostly relate to the broader socio-economic and environmental factors, and represent the common challenges found in chapter two. The following table summarises the challenges and associated vulnerability

in both settlements. Table 6.8 lists challenges which cause vulnerability; and these vulnerabilities are associated with the housing provision and housing condition of the urban poor.

**Table 6.8: Vulnerability of the Households in Case Study Settlements**

Challenges	Vulnerability	Exposure	Outcome	Railway Slum	Karail Slum
Affordability	Economic	Lack of formal employment opportunity	Lack of Income	✦	✦
			Higher Expenditure	✦	✦
			High unemployment among women	✦	✦
			Skill and income underemployment	✦	✦
Tenure Security	Politico-legal	Political and market driven displacement	Poor quality and temporary dwellings	✦	✦
			Poor augmentation of productive capacity of land and dwellings	✦	✦
Basic Services	Physical	Poor sanitation	Unhygienic living environment	✦	✦
		Temporary techniques and materials for dwelling construction	Poor insulation and protection of dwellings against heat, cold and rains	✦	✦
		Higher Density	Overcrowding, Unhygienic living environment	✦	✦
Participation	Socio-Political	Lack of Community based organisations	Weak social networking	✦	
			Lack of political representation	✦	✦
			Too much dependency on local politicians	✦	

Source: Analysed from Field Survey, 2011 and Roy et al., 2012

Describing the other perspective - housing as a means for livelihood - then the following findings can be drawn from the above analysis. The housing unit acts as a resource to address different vulnerabilities, mostly the economic and politico-legal vulnerability. The reasons behind choosing these settlements described in figure 6.19 support the aforementioned findings.

As revealed in earlier sections of this chapter, people living in these settlements are using all of their labour forces to extract their livelihood opportunity. In most of the cases the employment opportunity is related to their surrounding built environment. Thus there is a symbiotic relationship between the built environment and livelihood

opportunity. The provision of housing is giving them the opportunity for accommodating the urban labour and the location of housing is providing them the opportunity to explore job opportunities. Therefore, most of the people in both settlements develop their livelihood opportunities based on this relationship. In the case of Railway slum, most people work as day labour, as the settlement is located next to the Central Business District (CBD) of Khulna city, which generates plenty of informal employment opportunity including day labour, vendor etc.

Similar things also happen in Karail slum, as the slum is located next to the industrial zone and high income residential area of Dhaka city, therefore the number of skilled industrial workers living in this settlement is higher than any other occupation. In both cases, an important contribution to household income is generated through home based activities. Thus the housing of the urban poor is an asset or a production unit for generating different employment opportunity for the urban poor.

In both of the settlements, the environmental conditions are not good as the people are sharing toilets. Drainage is also absent. The reason behind such situation is the lack of space to construct private toilets in the case of Karail, and for Railway slum dweller it is a matter of affordability. However, few NGOs are working in this settlement to provide better service for last 10 years. These actions are really limited in number. The same situation also applies for drinking water and electricity.

As described earlier, social networking in Karail slum is really strong. The housing unit provides an identity for the urban poor. It has been identified earlier that, based on this identity, the urban poor develop social networking. In both cases, the urban poor are using this social network to reduce any vulnerability. This situation explains that the provision of housing can ensure social networking to address different vulnerabilities in urban poor settlements. It has been revealed in several studies that relocation or dislocation through eviction causes real damage to this social network (Burra, 2005 and Patel, 2001). However, from the above analysis and the observations from the field survey the following table (Table 6.9) explains the role of housing for ensuring livelihood opportunity for the urban poor. This table has been generated using the indicators to identify livelihood opportunity (Table 5.1) to explain whether the existing situation of the urban poor living in Karail and Railway slum fits under those indicators. The problems are marked as negative (-) and prospects are marked as positive (+).



**Table 6.9: Livelihood Opportunity of the Households in Case Study Settlements**

Indicators	Criteria	Karail Slum	Railway Slum
<b>Improved Economic Conditions</b>	Access to income earning activities	(+) Employment Opportunity in Surrounding areas	(+) Employment Opportunity in Surrounding areas
	Improved ability to save	(-) Higher cost of living	(-) Lack of income
	Affordability to maintain costs of services, maintenance and transport	(-) Informal service availability costs more	(-) Lack of affordability
<b>Greater Political Recognition</b>	Participation in community decision making	(+) Participation through group savings programme	(-) Dependency on local political leaders
	Heightened awareness of political rights	(+) More active participation	(-) Lack of mobilisation programme
<b>Increased Social Well-Being</b>	Access to education	(+) Community school	(-) Lack of schooling facilities
	Access to healthcare	(+) NGO projects	(+) NGO projects
	Improved perceptions of safety and security	(+) Larger community provides the better perception of safety and security	(+) Perceived security due to the connection with local leaders
	Strengthened social networks	(+) Strong social network through group savings programme	(-) Weaker social networking
<b>Improved Environmental Conditions</b>	Access to basic services (water and sanitation)	(-) Informal access and costly	(-) Communal access
	Adequate and effective solid waste disposal	(-) There is no provision	(-) There is no provision
	Low exposure to pollution	(-) Higher exposure to pollution	(-) Higher exposure to pollution
	Low disaster vulnerability	(-) Higher vulnerability to disaster	(-) Higher vulnerability to disaster
<b>Enhanced Living Conditions</b>	Good quality of housing	(-) Temporary building material	(-) Temporary building material
	Access to public transport	(+) Yes	(+) Yes
	Access to open / communal space	(-) No available open space	(-) No available open space

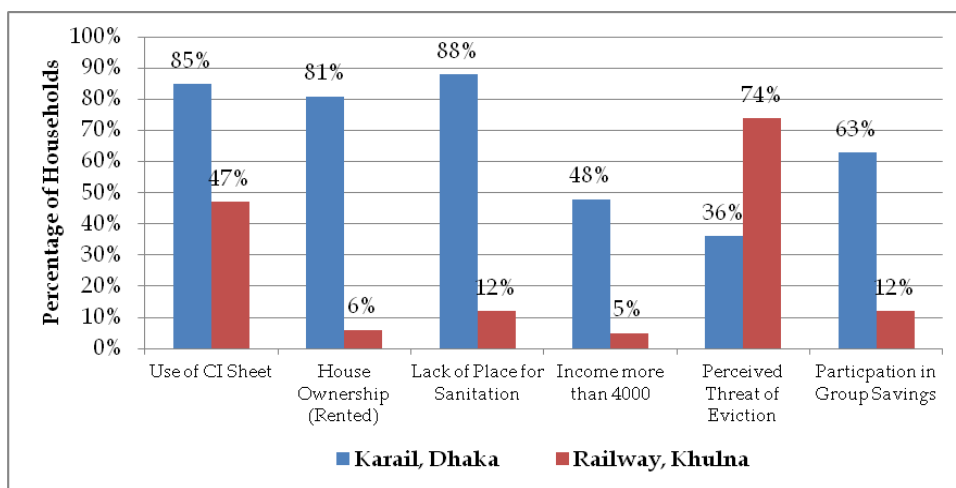
Source: Analysed from Field Survey, 2011

## 6.9 Conclusion

The findings of this chapter show that the interrelation of housing and urban poverty exists in the urban poor settlements of Bangladesh. The relation exists in two ways: firstly, living in these types of settlement causes several vulnerabilities and, secondly, the housing unit provides livelihood opportunity for the urban poor. As portrayed in table 6.9 that, the few indicators of livelihood opportunity exist in the urban poor

settlements but lack proper attention from the public, private and civil society organisations for a collaborative action to go further to transform the existence of livelihood opportunity to a sustainable livelihood structure. In addition to the aforementioned findings, another major finding of this research is variations between cities and impact of such variation on the urban poor settlements. The following figure explains the difference.

**Figure 6.31: Difference among the Case Study Settlements**



Source: Analysed from UPPRP, 2011

The differences between these two settlements shows that heterogeneity exists between settlements and exists between cities. In the earlier section of this chapter, the comparison between Dhaka and Khulna city also reveals that generalisation of the housing situation of the urban poor is not possible. Thus it is essential to identify the differences in micro (settlement) and macro (city) level for future policy formulation. In this stage of this research, it has been perceived that the agglomeration in Dhaka is causing the difference in the number and conditions of slum settlements compared to other cities, which is directly linked to macro-economic development policy (Barakat, 2004). Thus the interrelation of housing and urban poverty is also affected by such policy. In this context, the following chapter explores the evolution of policies for housing the urban poor in Bangladesh. Later, in chapter nine, the findings of this chapter are discussed under the comprehensive theoretical framework of this research.

## **Chapter 7: Evolution of Public Policies for Housing the Urban Poor in Bangladesh**

### **7.1 Introduction**

This chapter analyses the evolution of housing policies related to housing the urban poor in Bangladesh. The main consideration for such analysis is to compare the trends in Bangladesh with international trends. In addition to that, the fundamental development approaches for developing housing policies have been also explored to understand the influence of the development approach. Political commitment and policy support; financial sustainability; and institutional transformation are the major criteria for evaluating the development paradigm in Bangladesh, which is similar to chapter three, where the international trends were evaluated using the same criteria. This comparison of international trends and the Bangladesh context provides an idea of how international practices have performed (or are performing) in the context of Bangladesh.

Similar to the other developing countries, the housing policy of Bangladesh also follows global trends, which are mostly designed and advocated by the international agencies. However there are some overlaps of policy paradigms in the context of Bangladesh, as the country got the independence in 1971. The policy proposals of Bangladesh have always faced the dichotomy between the political philosophy of the political parties and the prescribed guideline of restructuring by the international agencies. However, the aid dependency always influenced the policy proposals to accommodate the prescriptions of external agencies. In this context, the development policy of Bangladesh remains as a replication of international practices without any prior contextualisation. In addition to that, the overlapping structure of policy formulation is another significant limitation of the planning process in Bangladesh.

### **7.2 Policy Planning in Bangladesh**

The main policy approach in Bangladesh that guides the development efforts is the five year plan, which is basically the country's medium-term (5 years) macro plan within the framework of a long-term (15-20 years) perspective. This plan is aimed to foster the economic growth which has been assumed to be the success key for development. This plan contains several sectoral policies, which are the fundamentals to design the annual

development programme and in carrying out the process of project appraisal and approval. The Planning Commission, under the Ministry of Planning of Bangladesh, is the central planning organisation of the country, and solely responsible for the preparation of the five year plan. In preparing the five year plan, the Planning Commission interacts with different Ministries/Divisions/Agencies of the Government to accommodate their policy priorities and information. This five year plan is the guiding principle to formulate any sectoral policy under any Ministries/Divisions/Agencies of the Government. However, the development approach of the country can be analysed by examining the nature of this plan.

In this context, the five year plan has been analysed to explore the policies related to housing the urban poor. In addition, the policies have been analysed to understand the impact of the development approach on changing the housing policy over time. Apart from the five year plan, different urban development plans and the policy and programmes of different Ministries/Divisions/Agencies of the Government are also relevant for housing the urban poor. Last but not the least, the single most important policy is the National Housing Policy of Bangladesh, which is the only major policy guideline for the housing sector in Bangladesh. However, all of these policy papers are the reflection of country's development approach, which always follows the international trends as will be shown on this chapter. In this context, the following part of this chapter focuses on the policy analysis, which has been done under the policy paradigm framework based on the historical evolution (Figure 5.2) of policy packages in relation to housing the urban poor.

### **7.3 Pseudo-Socialist Development Effort: Modernisation and Cooperative Housing (1973-1980)**

Following independence in 1971, the new government of Bangladesh was very much preoccupied with addressing a series of problems that needed to be solved immediately, such as care for the wounded and disabled; help to the war widows, orphans and urban poor; and restoration of law and order in the country. This approach can be explained as an effort for pro-poor development initiatives. But in reality, this was the emergency post-war response which was the consequence of commitment of the ruling party to the introduction of a socialist economy largely due to the extreme poverty and inequality that persisted in the economy (Hasnath, 1987). In spite of all the rhetoric surrounding the concept of socialism, no genuine effort had been made to prepare the country, the

people and the institutions for transition towards socialism (ibid, 1987). The problem was very difficult to solve because it involved the transformation of a society with predominantly pre-capitalist, quasi-colonial, semi-feudal production relations into a socialist society, bypassing the intermediate stage of capitalist development (Bhaduri, 1973). This era of development was sustained for three years having the first five year plan as the guiding principle for development. The basic objectives of the First Five Year Plan (1973-1978) were to reduce poverty, to minimise inequality of income and to get rid of dependency on foreign assistance.

### ***7.3.1 Housing in the First Five Year Plan (1973-1978)***

One of the major objectives of the first five year plan was to handle the huge demand for housing resulting from high migration from rural to urban area after the independence of Bangladesh. Some important features of this plan relating to housing are briefly described as follows:

- A decision was taken to create cluster shelter for the poor considering the circumstances of increasing average number of people living in a single room and also the shortage of housing.
- The introduction of cooperative housing for the low and middle income group was encouraged. Therefore, creation of housing through cooperatives under site and services schemes was suggested.
- Construction of temporary housing to prevent squatter and illegal settlements was also recommended.
- Implication of building bylaws and housing code was made compulsory.
- Though there were no specific strategies regarding individual house building, some guidelines were suggested.

Following these features related to housing in the first five year plan, several attempts were made to implement the aforementioned recommended policies. The most notable event was the construction of multi-storeyed flats and minimum shelters for the low-income groups, which were viewed as a desirable long-term solution for this group. However, in the first plan period, the housing backlog was so large, that the investment in high rise apartments proved inadequate to make an impact on the problem. For this reason, the low-income housing was divided into two groups: (1) Multi-storeyed apartment housing, providing a higher standard of accommodation; (2) Nucleus shelter,

providing permanent accommodation of a basic sort at a much lower unit cost than the apartment. The low-income housing construction was planned to be located within the core and inner periphery of cities, while sites and services schemes for cooperative housing were planned to be located outside the inner periphery and beyond that. It was proposed that transportation facilities would be simultaneously provided for commuting of residents of these peripheral housing estates.

### ***7.3.2 Political Commitment and Policy Support in the First Five Year Plan***

In reality this approach was similar to the modernisation, self-help and public housing approaches exercised globally in the period of 1950s to 1970s<sup>22</sup>. This approach in Bangladesh had similar constraints to those in other developing countries in that period. In terms of political commitment and policy support under the first five year plan in Bangladesh, the Government had the clear intention to be a provider of housing stock to ensure the maximum economic productivity by consolidating the urban poor and middle income people as the labour force of the cities. However, this provider approach was 'blended' as encouraging the cooperative housing shows the image of the state as enabler. Though a duality existed in terms of the expected role of the government, the first five year plan indicates the political commitment and policy support of the state for housing the urban poor.

### ***7.3.3 Institutional Transformation through the First Five Year Plan***

Though there was a clear political commitment and policy support in the first five year plan for housing the urban poor, this plan failed to ensure institutional transformation in every sphere. The nationalisation measures outlined by the Planning Commission were accompanied by the imposition of ceilings on private investment, which restricted the scope for the private market to change the trend of individually constructed dwellings to a proper housing industry led by the private sector. In addition, due to the lack of any platform, the participation of poor people was limited in policy making procedure, which restricted the possibility to express their views. This limitation in institutionalising the role of the urban poor in decision making process had a bitter consequence, which was massive eviction. In 1975 Government took steps to evict people from the slums in Dhaka and the evictees were transferred to three camps for rehabilitation. The three places are Bhasantek of Mirpur, Chanpara of Demra and Dattapara of Tongi. The distance of these places from the centre of Dhaka was respectively 5, 10,

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<sup>22</sup> Table 3.2

and 15 miles. This top-down approach failed to understand the need of the urban poor. This scenario describes the initiatives taken under the first five year plan similar to the initiatives taken in the period of 1950s to 1960s globally to promote modernisation.

On the contrary, the suggestion of cooperative housing for the urban poor signifies a clear intention of institutional transformation to accept and strengthen the informal process, which is similar to the global trend of the 1960s to 1970s to promote self-help housing. The ministry of Local Government Rural Development and Cooperatives was in charge of making the cooperatives functional. However, the development and impact of cooperative housing<sup>23</sup> for solving the housing need was really limited. It has been estimated that up to the year 1987, there were 149 housing cooperatives, contributed only 0.005 percent of the housing stock (Islam, 1997). However, this institutional transformation did not exist long, as the majority of the policy makers believed in privatisation and were interested in individual ownership of property (Key personnel Interview 12, 2011).

#### ***7.3.4 Financial Sustainability of the First Five Year Plan***

In terms of financial sustainability, the objective of the first five year plan was to reduce the dependency on foreign aid. However, the housing projects were really costly and needed external assistance. As regards the dependency on foreign assistance, the plan counted upon 39 percent of its estimated total outlay coming from outside as aid (Islam, 1997). But ultimately that was not made available as the donor countries and organisations virtually ceased to extend help. The disbursement of foreign aid in 1973-74 declined by about \$100 million compared to that of 1972-73. In real terms the disbursement of foreign aid in 1973-74 was only half that of the previous year (Hossain and Chowdhury, 1981). It was assumed that the nationalisation process (the industrial sector and banking sector was nationalised) was the major cause for reduced amount of aid from the 'imperialist nations' (Key Personnel Interview 12, 2011). Under this situation, most of the housing projects failed to accomplish the target due to financial constraints. The re-habitation programme for the evicted slum dwellers supported by the government and other national institutions was highly subsidised, which was strongly condemned by the international agencies. This situation is similar to the global trend of

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<sup>23</sup> Housing cooperatives in Bangladesh were based on the group savings programme of the urban poor. The first five year plan emphasised to formalise these group savings programmes to solve the housing problem of the urban poor. Rather developing a comprehensive policy the cooperative housing programme was introduced as a project under the ministry of Local Government Rural Development and Cooperatives. The communal landownership was the major tool of formalisation. However the selling out problem and lack of comprehensive policy hindered the success of this approach (Key Personnel Interview 12, 2011).

the 1950s and 1960s, where the modernisation approach failed due to financial constraints. However the existence of cooperatives provides an element in the first five year plan which is similar to the global trend of the 1960s to 1980s, where the mixture of formal and informal finance was the key to promote self-help housing. Moreover, the first five year plan reflected the pseudo-socialist attitude of the government and its lack of firm conviction in any philosophy of economic development harmed rather than helped the housing sector in Bangladesh. Needless to say, the plan suffered seriously from such indecision, and compromises were made, with all the vexing problems of dualism.

#### **7.4 Redistributive Effort: Public Employees' Housing and Sites and Services Schemes (1980-1985)**

After the political unrest in the period of 1975 to 1978, a new approach for development was adopted in Bangladesh to abolish the pseudo-socialist development effort. The approach of the first half of the 1980s was to ensure maximum economic growth. The key elements of the development effort were to ensure efficient use of existing productive capacities and to augment capacity in the shortest possible time by raising the level of investment and reallocating it to potentially productive sectors (Hasnath, 1987). Thus the approach in this period is similar to the redistributive effort of development. Accordingly, the relatively high priority in the First Five Year Plan on Social Sectors and Housing was adjusted downward in favour of the more productive sectors of Agriculture and Industry. The government adopted a policy of establishing an export processing zone and encouraged collaboration between domestic and foreign investors to expand productive capacities and exports (Hossain and Chowdhury, 1981).

Thus the new era of development was established by prioritising the investment programme of private entrepreneurs under the supportive role of the public sector. This was the adopted macro-economic development approach. However, in terms of social sectors and housing, the policy option was to restructure the standard and financing mechanism of housing to make housing affordable for middle income people. In addition, the government agencies were urged to provide suitable land with utilities and services. Along with this restructuring process the government had a clear intention to introduce the resettlement programme for the urban poor, who were evicted in the volatile political situation in the period of 1975 to 1978 (Key Personnel Interview 12, 2011). Moreover, the Second Five Year Plan (1980-85) made a renewed effort to bring



the poverty issue to the forefront through its emphasis on basic needs. In reality, its main concern became the reduction of the socialistic bias in the economy in favour of greater reliance on the market economy and promotion of the private sector.

#### ***7.4.1 Housing in the Second Five Year Plan (1980-1985)***

The main objectives and strategies for housing in this (1980-1985) plan were:

- Construction of a large number of low-cost semi-permanent housing units, which would require less time and resources, to fill in the shortfall of public servants' housing.
- Provision of developed land, with utilities and easy terms of finance.
- Changing of previous communal entitlement<sup>24</sup> to individual residential accommodation, with a view to providing more accommodation units within the available resources.
- Lowering and standardising the specification for structures, fittings and finishes to reduced cost.
- Provision of small sized serviced plots with nucleus units for government employees on a hire purchase basis.
- Provision of suitable land, with utilities and services, and easy terms of finance to government, and semi-government employees to help them build their own houses.
- Investment of the non-government sector in housing was encouraged through the provision of seed funding.

#### ***7.4.2 Political Commitment and Policy Support in the Second Five Year Plan***

The features of the Second Five Year Plan, do not easily match the global trend at the time. Similar to the First Five Year Plan, this plan also adopted a blended approach of regularisation and institutional transformation. The political commitment of the government to the housing sector reflects that regularisation and provision of housing through the enabling role of public sector were seen to be the fundamentals of the development effort. The political commitment to create the enabling environment was lowering the standard, which was an effort to reduce the cost of housing to help develop the private market. Contrary to this effort, there was specific provision for the public employees and lower income people under the project-based site and services scheme.

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<sup>24</sup> Communal entitlement is a common feature to allocate public vacant land in Bangladesh. This entitlement process is based on leasing rather than selling the land. However, this type of entitlement was encountered with the problem of occupancy urbanism (Benjamin, 2008) and the problem of patronage and corruption within the political parties (Lewis, 2011). The main intent of the government was to build apartment housing in these lands to accommodate individual households with individual titling.

This sort of political commitment indicates the transitional response to introduce redistributive development approach to meet the basic needs of housing, recognising that the provision to open up the market potential can address the future housing need.

#### ***7.4.3 Institutional Transformation through the Second Five Year Plan***

In terms of institutional transformation, the approach of the Second Five Year Plan was clearly linked to maximising market potential. Lowering the building standard and restructuring the land market and finance structure were the gateway for institutional transformation. This transformation was focused on the need of the middle class people (especially targeting the government employees), and was assumed that they had some savings to construct their house. However, this growth-based approach was far from the concept of equity as the participation of the urban poor in decision making and provision of housing for the urban poor was clearly absent in this transformation. This approach down-played the value of self-help housing and participation of the urban poor by focusing only the housing need of a smaller group. The only success of this approach can be described through the creation of public employees housing in Bangladesh.

#### ***7.4.4 Financial Sustainability of the Second Five Year Plan***

Assuming that the government was capable of developing some plots for the poor and that somehow the bureaucracy permitted those plots to get into the hands of genuine squatters, most of the squatters were still not able to retain them. It was the law of extreme poverty that they cannot retain anything which was too good for them, For example, in the Mohammedpur Housing Estate (Dhaka) designed by Housing and Settlement Directorate (HSD), low-cost plots were allocated to the homeless urban poor by selecting the beneficiaries through lottery but were ultimately occupied by the better-off (middle income and higher income people) who bought those plots from the urban poor at prices well below their market value but far above what the urban poor families paid for the plots. Thus the project based initiatives were not financially sustainable without considering the socio-economic reality of the urban poor (Key Personnel Interview 12, 2011). The allocation of public resources for these low-income urban housing projects was made in such a way that it ultimately benefited the middle and upper income classes, who are frequently government employees or persons controlling economic resources and/or political power (Hasnath, 1987). However, the restructuring of House Building Finance Corporation to ensure the housing finance for government employees had direct impact on housing delivery system, as the construction of houses by individual households rose significantly.

## **7.5 Early Phase of the Structural Adjustment Effort: Market-based and Community-based Solutions (1985-90)**

It is evident from the past development effort in Bangladesh that the dependency on foreign aid is the major source of development effort in Bangladesh. Due to this aid dependency the development policy was biased with international ideas rather considering the needs and ideas of the population. The Third Five Year Plan (1985-90) brought forward the idea of group-based plan focusing on special group of people considering that poverty, unemployment, rapid population growth, malnutrition, illiteracy all are interrelated and needed to be addressed simultaneously in the macro plans with both short and long term perspectives (Anisuzzaman, 2006). But in practice its main pre-occupation was to face the new challenges like aid conditionality, which were thrust upon the nation while pursuing macro-economic stability and rapid structural reform (ibid, 2006). Thus the era of economic liberalisation happened under the prescription of external agencies as a matter of aid conditionality.

### ***7.5.1 Housing in the Third Five Year Plan (1985-1990)***

Following the economic liberalisation process prescribed by the third five year plan, in the case of housing several policy principles were prescribed in order to open up the market potential.

- The major thrust for the housing sector in this plan was to formulate necessary policy prescriptions to stimulate enhanced private sector participation.
- Public sector investment was to be made only in those areas where it was inescapable, such as land development, road construction, water supply and construction of residential buildings for public servants.
- Re-habitation of squatter families was considered to be the responsibility of the public sector, and for some low-income groups the government would provide core houses on a self financed basis.
- To stimulate private investment in district towns, the government adopted a strategy of seed funding to develop small sized serviced plots for low income groups.

### ***7.5.2 Political Commitment and Policy Support in the Third Five Year Plan***

This policy package failed to understand the limited economic capacity of the urban poor. As a result 1,369 slums were established in the period of 1981-1990. The major cause behind that situation was the lack of social support, which caused landlessness and rural-out migration. In this situation the government asked for the support of

international agencies for the re-habitation programme for the slum dwellers. In response, the external agencies came up with the idea of implementing Slum Improvement Project (SIP) funded by UNICEF. SIP was introduced since 1985 to provide urban basic services to slum dwellers. SIP, with donor assistance, provided urban basic services and socio-economic facilities in low-income settlements in different sizes of cities and towns (Ghafur, 2004). The Local Government Engineering Department (LGED) was in charge of implementing the programme. SIP under the LGED, began in 1985 in five municipalities, and the first phase ended in 1988. For the second phase (1988 - 1996), SIP extended its programme to four city corporations and twenty-one municipalities. A follow-up project, the "Urban Basic Services Delivery Project" started in 1996 and continued until 2000. The broad aim of SIP was to improve the quality of life for slum dwellers, who were the beneficiaries of the project, by providing basic services that improved their living conditions, and by increasing the ability of the government to work with urban poor communities in the planning and provision of basic services (Siddique et al, 2001).

Apart from the donor agency initiative, the government agencies were also involved without the involvement of external agencies in formulating one isolated project, which is the only project to date that has been implemented by the government alone. The project was the resettlement of 3400 squatter families at Dattapara, Tongi, Dhaka. The project cost was estimated at 119.80 million BDT (1.20 million GBP). In this project 1016 semi-*pucca* houses were built. Out of the total 101 acres land in this project the semi-*pucca* houses were built on 30 acres and rest of the land was kept for further development. Each of the houses was about 460 square feet in area. The cost of housing was expected to be paid off in 15 years with monthly instalment payments following the principle of the Third Five Year Plan to provide core houses on a self financed basis. In addition to this project, in 1989, the Ministry of Land formed a committee which was called "Dhaka Mahangori Baste Samashya Nirasn Committee" [Dhaka Metropolitan Slum Problem Eradication Committee]. The committee made a list of the slums of Dhaka City and developed a comprehensive plan for planned re-habitation (relocation only). However, no effective programme was undertaken for implementing this project.

### ***7.5.3 Institutional Transformation through the Third Five Year Plan***

In this period the housing policy shifted towards market based solutions as a consequence of structural adjustment policies. This situation is similar to the global

context in every aspect of housing the urban poor. This shift entailed the withdrawal of the state from direct construction though a few infrastructure development projects were initiated under external agencies. This approach defined the political commitment of the state for housing the urban poor as a facilitator's role. External agencies preferred this role of facilitator as a fundamental institutional arrangement to promote good governance for housing the urban poor.

However, the role of state was limited to providing land and basic services for the ongoing donor aided projects. The donor agencies came forward to plan and implement the programme having assistance from public sector agencies. This approach of direct supervision was introduced to reduce corruption and to ensure community participation. SIP is the example of such effort, where UNICEF designed the project to ensure community-based effort at providing environmental improvement and empowerment of the poor women in urban poor communities of Bangladesh. A three-tier management structure was introduced to ensure the role of the urban poor at the community level, which was followed by the local city corporation level represented by the local political representative, and the national level coordination committee formed by the members of state agencies and donor agencies. This institutional framework was not exercised on a city scale as the projects were pilot projects. Thus the institutional transformation happened in the organisational arrangements for donor aided project implementation only rather than restructuring the organisational arrangements for addressing the housing need of the urban poor as a priority.

#### ***7.5.4 Financial Sustainability of the Third Five Year Plan***

Aid dependency was the major impediment for financial sustainability of housing projects in the period of 1985 to 1990. In the first phase of SIP in the period of 1985 to 1988, the allocated fund was only 5.9 million BDT (60,000 GBP) assisting 2000 households, which was really nominal considering the scale of the demand of the urban poor. The second phase covered 200 settlements where 43000 households were assisted by 243.40 million BDT (2.44 million GBP) fund (Siddique et al, 2001). Both phases have the similar component and same operational procedure. This project ended in 1996 and the holistic approach of urban development (city development plans and other aided projects, more on section 7.7.1) was introduced having a slum improvement component, which was not similar to the SIP. Thus, the SIP also proves the global trends, where the external aided projects are always short-lived and failed to reach the scale considering financial sustainability.

Another aspect of financial sustainability can be defined through market-based intervention. Under the market based solution, the private land developers charged a lot per unit of dwelling, which excluded the urban poor from such delivery system. The provision of housing loan was not introduced to enable the urban poor. In addition to that, the speculative land market was beyond the affordable limit for the urban poor (Key Personnel Interview 13, 2010). Moreover, the rental housing stock was designed by the private sector, which was affordable by the middle and upper middle income people only (ibid, 2010). Moreover, the uncertainty of external aid; limited capacity of the urban poor; and a speculative market were the major causes of failure to ensure financial sustainability for housing the urban poor in the period of 1985 to 1990.

#### **7.6 Structural Adjustment through Neo-liberal Principles: the Enabling Approach for Housing the Urban Poor (1990 to 1995)**

Following the trend of the previous five year plan, the fourth five year plan was also designed in a way which attempted the external agency prescribed structural adjustment for promoting economic growth. In this period (1990-1995) the market based approach was assumed as the key for success, following neo-liberal approach. The fourth five year plan was the reflection of such strategy. This approach was advocated by different external agencies to open up the market potential. One major argument to promote the potential of the market was based on the failure of state enterprise to promote growth. In some of the literature, it has been assumed that the transformation of development policy happened under the explicit pressure of the donors (Panini, 2009).

In the early 90s donors gave much importance to political, institutional and governance related factors in recipient countries like Bangladesh, because of their central role in explaining growth and developmental outcomes followed with explicit conditions (ibid, 2009). Similar to the other developing countries in the world, Bangladesh also followed the trend of privatisation in this period. The governance reform agenda of the World Bank, IMF and similar institutions emphasised two actions in Bangladesh. These are import liberalisation and privatisation of public sector enterprises, no matter what their social necessity or economic performance was. As a result of drastic privatisation and neo-liberal reforms prescribed by the universal donor agenda, many nationalised industries closed down and the number of workers employed in the public sector fell significantly in the ensuing decades (Action Aid, 2005). The fourth five year plan was

designed to follow the universal donor agenda, which is also reflected in the policy related to housing.

### ***7.6.1 Housing in the Fourth Five Year Plan (1990-1995)***

Following the international trend of neo-liberalism, separate policy guidelines were formulated for public and private sector. The structural measures were the significant policy guidelines in this five year plan to open up the market potential. The policies are as follows:

#### Public sector policy

- Public sector involvement should be limited to housing provision for only those people who cannot afford houses without direct government support.
- A National Housing Authority (NHA) had to be formed to facilitate housing for the low and lower middle income groups.
- Public and semi-public agencies would concentrate on land development projects for middle and lower income groups.
- The Public sector would go for nucleus housing, skeletal housing and expandable housing to suit the varying degree of affordability to people.
- Priority was to be given to slum upgrading and environmental improvement programmes for health and safety of urban dwellers.

#### Private sector policies

- Government should develop the physical and financial facilities needed to promote private sector housing in both rural and urban areas.
- Semi-autonomous, autonomous and private corporate sectors would develop housing estates for their employees.
- Private developers would be allocated land at suitable locations for providing housing for the middle and upper income group.
- Fiscal incentives and concessional investment credit should be extended to develop building material industries at suitable locations of the country.

### ***7.6.2 National Housing Policy, 1993***

Apart from the fourth five year plan, the most distinct policy guideline in the period of 1990-1995 was the formulation of national housing policy for the first time in the history of Bangladesh. The Global Strategy for shelter by the year 2000 adopted by the United Nations in November, 1988, called upon governments to take steps for formulating a National Housing Policy in the light of “the enabling approach” for achieving the goals of the strategy. The United Nations Conference on Environment and

Development (UNCED) held in Rio de Janeiro in June, 1992, urged governments to formulate national settlement strategies to implement the recommendations of the UNCED in the field of human settlements. In the light of the above, and in the context of the objectives of the fourth five year plan of Bangladesh, the government formulated the National Housing Policy in 1993 (GOB, 1993).

The objectives of the national housing policy were to:

- Make housing accessible to all strata of the society and to accelerate housing production in urban and rural areas, with major emphasis on the needs of the low and middle-income groups. The high priority target groups would be the disadvantaged, the destitute, and the shelter-less poor.
- Make land available in suitable locations and at affordable prices for various target groups, especially for the low and middle income people.
- Develop effective strategies to reduce the growth of slums, unauthorised constructions, encroachments, and shanty dwellings, and to improve the existing housing stock environmentally and, where possible, to relocate them in suitable places.
- Rehabilitate disaster affected households, and houses affected by accidental fire.
- Mobilise funds for housing through personal savings, different financial inputs and by developing suitable financial institutions.
- Make an effective implementation of the housing programmes; promote the use of locally available materials and construction techniques, and to increase production of forest based building materials such as timber, bamboo, and grass. Attempts would be made to develop alternative and durable building materials, based on locally available inputs.
- Develop the institutional and legal framework to facilitate housing.
- Improve and enhance the character, quality and environment of the existing residential areas.
- Develop new strategies, and revise existing housing policies from time to time to cope with the emerging housing needs and problems in the country.
- Undertake action oriented research in different aspects of housing, particularly to reduce house building costs and rents.
- Develop a proper tax base to promote housing.



### ***7.6.3 Political Commitment and Policy Support in the Fourth Five Year Plan***

It is evident that neo-liberalism was the major development approach for housing underlying the policy principles of the fourth five year plan, which considered the role of the state as facilitator. The fourth five year plan objectives implied that the government resources were meant to be used less, while increasingly using private sector resources. Keeping this in view, the strategy of the government was to act as a promoter and facilitator of housing, provided by the private sector, while retaining the Government's role as a provider to a limited extent. Apart from the fourth five year plan, the National Housing Policy recognises the priority of housing in the national development plans, treating housing as a separate sector by itself. However, the major limitation of National Housing Policy is its lack of integration with the objectives of the fourth five year plan. National Housing Policy was not a propulsive initiative rather it was an outcome of the aid conditionality. Thus it remains as a policy paper only, without having any integration with national plans or followed up by any programmes or projects.

In the period of 1990 to 1995, the role of the government in housing was basically a facilitator in order to provide access to land, infrastructure, services, and to ensure availability of building materials at a reasonable price, especially for the low and middle income groups. Following the previous trend, in this period the only programme designed for the urban poor was based on external assistance. Having assistance from the Asian Development Bank (ADB), HSD designed a programme named Dhaka Urban Infrastructure Improvement Programme (DUIIP) in the period of 1989-1996. The programme was designed to implement physical improvement project in low-income urban settlements while at the same time developing land at relatively low cost for housing. The housing construction itself was left to self-help. The project cost was BDT 379.78 million (3.8 million GBP). The beneficiaries were selected through open lottery from the target group with the income range between BDT 1000 (10 GBP) to BDT 2500 (25 GBP) per month (Rahman, 2010). The project was implemented over an area of 38 hectares and 3316 housing plots were designed having average size of 40 square meters in Mirpur, Dhaka. This project was another failure case of self-help and site and services scheme in Bangladesh. As the construction of the houses had to be undertaken by the poor themselves, most of them were not capable to bear the construction cost. Later the selling out problem (selling to higher income groups) happened in this case similar to the other site and services scheme globally (Key Personnel Interview 12, 2011).

The enabling approach was the preferred development approach for housing the urban poor in Bangladesh in 1990-95. In terms of political commitment of the state to housing the urban poor, the focus was to enable private sector. The fourth five year plan followed the enabling approach advocated by World Bank to promote more market friendly environment and to enable the private sector through the structural changes. The national housing policy, which was formulated under the guidance of United Nations, replicated the basic principles of enabling approach prioritising the role of local community for housing for the urban poor. Thus the political commitment differs in terms of actor involvement in the fourth five year plan and in the national housing policy, having the common attribute of enablement.

Distinguishing housing policies for the public and private sectors for the first time in the history of the five year plan reflects the political commitment to enabling private sector. There is no clear evidence, whether this type of political commitment was endogenous or imposed by the external agencies. However, the fourth five year plan shows the clear intention of the state to support market based solutions for housing. This plan advised to create an enabling environment for the private sector by encouraging it to engage in land development projects. Along with the individual construction of houses, the private corporate sector emerged in this period as a major provider of apartment housing and buildable land (Figure 8.4). Thus the enabling approach for market based housing production seemed successful for the middle and higher income group of people only, as after this period up to the year 2010, 283 private real estate developers are functioning in Bangladesh (REHAB, 2010). However, land costs and the cost of building construction have kept the price of private sector housing beyond the affordability of the urban poor (Rahman, 2010). In addition to that, the individually constructed houses were another option in the private sector, mostly as rental accommodation, which is also far beyond the affordable limit of the urban poor.

In this context, it is evident that the political commitment and policy support for market based solutions helped to develop the real estate business in Bangladesh, which ended up providing housing solutions for the upper and middle income people only. The exclusion of the urban poor was not addressed in this process, though the public sector policy described the intention of the state to prioritise slum upgrading programmes, which was overlooked in the period of 1990-1995 apart from the single project funded by the Asian Development Bank.

#### ***7.6.4 Institutional Transformation through the Fourth Five Year Plan***

In terms of institutional transformation, in the period of 1990 to 1995, following the government's declared intention to promote market based solutions, an umbrella organisation for private developers was established under the name of 'Real Estate and Housing Association of Bangladesh' (REHAB) in 1991. The main purpose of this organisation was to protect the interest of real estate sector. In terms of public sector response to institutional transformation, following the objectives of the fourth five year plan and national housing policy, the National Housing Authority (NHA) was formed, though not in the plan period but later, in the year 2000, when the national Assembly adopted and approved the National Housing Authority (NHA) Act. 2000. Before the NHA, the Housing and Settlement Directorate (HSD) was the public sector agency to deal with housing issues in Bangladesh. Creation of NHA was the direct importation of World Bank's enabling approach to develop new institutions for ensuring institutional coordination. NHA became the delegated organisation where HSD remained as deconcentrated organisation (Figure 8.2). HSD was involved with housing and urban planning for the intermediate towns, thus the creation of NHA left HSD with the role to prepare master plans for intermediate towns. Though the fourth five year plan and the national housing policy advocated public sector investment for housing the urban poor, in reality the Dhaka Urban Infrastructure Improvement Programme (DUIIP) was implemented with the support of external agencies. This programme failed to transform the top-down planning to a more participatory approach, as can be shown by analysing the housing process. The selection of the beneficiaries happened on the basis of a lottery, which failed to understand the reality. The need assessment exercises were overlooked and the lack of transparency encountered the overall lottery process. The site and services scheme also failed in this regard, as the people who were selected were not consulted about their needs and abilities (Key Personnel Interview 12, 2011). Thus the programme ended up with selling out problem. Therefore, in both the private and public sectors, institutional transformations happened at the organisational level through the creation of new organisations, but nothing happened in the planning process to transform the housing process into a more participatory one.

#### ***7.6.5 Financial Sustainability of the Fourth Five Year Plan***

As discussed earlier in this chapter, market based solutions were beyond the affordable limit for the urban poor, thus this approach was not financially sustainable. Though one of the major objectives of the Housing Policy of 1993 was to ensure housing for all with particular emphasis on the disadvantaged urban poor, very little effort was made by the

government to provide housing loans to low-income strata of the population (Rahman, 2010). Bangladesh House Building Finance Corporation (BHBFC) is the only public institution that provides housing loans. However, it primarily serves middle and higher-income people, which helped the survival of private real estate sector in the period of 1990 to 1995. No single loan scheme was designed for housing the low-income people in urban areas. It is often assumed that security of tenure is the major obstacle for the urban poor to enter into the formal mortgage market (Mukhija, 2005). But in Bangladesh, in the Dhaka Urban Infrastructure Improvement Programme (DUIIP) the urban poor were allocated land but were refused loans from the public and private financial institutions (Key Personnel Interview 12, 2011).

This lack of access to housing finance was the major obstacle to financial sustainability for the urban poor in aided programmes funded by external agencies. The only support from the state was the allocation of public sector vacant land for the urban poor in the Dhaka Urban Infrastructure Improvement Programme (DUIIP). But the nature of this self-help scheme failed due to the lack of access to housing finance. In addition, this programme was not replicable as its financial sustainability depended on external assistance. Under this limitation of external assistance and lack of access to housing finance for the urban poor were the major causes of failure to ensure financial sustainability for housing the urban poor in the period of 1990 to 1995.

### **7.7 From Neo-liberal to Alternative Approaches: the Enabling Approach for Housing the Urban Poor continued (1995 to Present)**

This period has been divided into two parts: the first part is the period of the last five year plan (Fifth Five Year Plan: 1997-2002) and later on the adoption of Poverty Reduction Strategy Paper (PRSP) since 2001. The last five year plan was produced in this time frame and later followed by (PRSP) as the key document for development. During the whole period the government followed the same theory of neo-liberal development by seeking market based solutions for growth and development. However, the rise of civil society in Bangladesh in this period has reshaped a few programmes and policies to make these more participatory, which has been identified in the literature as a precedent for different alternative development approaches specially focusing on the participatory enabling approach prescribed by United Nations (Rahman, 2001; Rashid, 2009; Rahman, 2010). Recently the political economy of Bangladesh has undergone important changes, particularly in the context of a gradual reduction in Bangladesh's aid dependence. Over the past decades, the perspectives of external agencies have also

undergone a significant metamorphosis globally that have had an impact on the country (Panini, 2009). Under these changing circumstances, in recent decades a number of new strategies, from structural adjustment to sector-wide approaches (SWAPs) and PRSPs have been field-tested in Bangladesh following the last five year plan (Fifth Five Year Plan 1997-2002). The last five year plan was also a replication of the fourth five year plan to create an enabling environment for market based solutions.

The rising potential and importance of NGOs and civil society as development partner is the most remarkable influence in changing the development approach of Bangladesh since 1995 (Haque, 2004). The strong influence of the external agencies to incorporate and recognise civil society as development partner and the perceived success of the civil society to deliver different externally funded projects in the grassroots level paved the way for changing the development approach. Following the influence of external agencies, the most important change was to replace the national development plan (Five Year Plan) by adopting a Poverty Reduction Strategy Paper (PRSP) since 2001. This change was advocated by the external agencies as a matter of aid conditionality. In order to be eligible for concessional loans from the World Bank and the IMF, countries must prepare a Poverty Reduction Strategy Paper (PRSP). The newly elected democratic government (military backed government from 1982-90) of Bangladesh prepared a PRSP when it came to power in October 2001. As good governance reform measures in their PRSP, they included liberalisation of imports, gradual reduction in subsidies on food grains and agricultural inputs, abolition of minimum prices of jute and privatisation (Siddique, 1996). This reform measures clearly indicates that the reforms were undertaken in line with the market enabling paradigm. In addition to that, to take greater account of local conditions, donor agencies started to include participatory elements and to channel substantial amounts of aid money through international or local NGOs or civil society organisations (CSOs), which also have had an impact on the development approach of Bangladesh. In this context, it has been observed in last two decades that economic development is following the neo-liberal approach of privatisation and market based solutions and social development is trying to incorporate a more participatory approach, which provides the essence of presence of different alternative development approaches in Bangladesh.

#### ***7.7.1 Housing in the Fifth Five Year Plan (1997-2002) and Other Subsequent Plans***

In terms of housing, the period (1995 to present) has experienced different policies, programmes and projects, which are also influenced by different development

approaches. In this period, eviction, resettlement, public-private partnership, and community-led housing were exercised, but at a project level. In terms of the policy level the most important documents are the Fifth Five Year Plan (1997-2002) and the amended National Housing Policy (2004). A major concern of the fifth five year plan (1997-2002) was to improve the physical facilities of living such as housing, water supply, sanitation and environment. The change in the national housing policy was made in 2004 to address the massive evictions which happened in 1999 to 2001 (appendix 7.1). Other than that it had almost the same policy principles of its 1993 version. The changes were to acknowledge that the Government should avoid forcible relocation or displacement of slum people (Rashid, 2009). In addition to the fifth five year plan and the national housing policy, from 1995, City development plans<sup>25</sup> were prepared for the major cities including Dhaka, Khulna, Chittagong and Rajshahi. These plans followed the guidelines of the National Housing Policy, (1993) to include a housing component with special focus on the urban poor. The main policy principles related to housing proposed in the fifth five year plan, city development plans and amended national housing policy are as follows:

- Development of low cost houses, and multi-storied buildings for housing, and resettlement of slum-dwellers, the disadvantaged, the destitute and the shelterless poor, and in situ development of the slums and squatter settlements;
- Development of sites and services schemes for accommodation of the low and middle-income groups of people;
- Developing condominiums for low and middle-income groups of people;
- Construction of multi-storied flats for sale to government employees, at different places to ease accommodation problems;
- Developing housing facilities for working women;
- Construction of low cost houses in the coastal areas of Bangladesh;
- Greater involvement of the private sector through necessary incentives in the housing sector; and
- Effective involvement of the private sector and NGOs in improvement of slums, waste disposal and sanitation activities.

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<sup>25</sup> In Bangladesh City Development Plans are prepared by the city development authority (for Dhaka it is Capital Development Authority [*Rajdhanl Unnayan Kartirpakha*(RAJUK)]; for Khulna it is Khulna Development Authority). The main component of this plan is land-use plan along with a sectoral development policy (Rahman, 2010). The major sectors include transport, housing, economy and employment, recreation etc. In Bangladesh, the city development plans took a three stage approach to planning consisting of Structure Plan, Urban Area Plan and Detailed Plans. First, the Structure Plan is to be prepared at city level to set out the policy framework for subsequent levels of plans. Next an Urban Area Plan is to be prepared showing broad land uses and Infrastructure provisions based on the Structure Plan framework. The Urban Area Plan areas have to be subdivided into a number of units for more detailed planning based on a Detailed Area Plan approach.

Human rights violation through eviction paved the way for NGO involvement for securing housing right of the urban poor. In Bangladesh, major eviction happened in the period of 1999-2002, each time affecting thousands of poor people. A widespread negative attitude towards the poor and their lack of land-ownership (most of the settlements are on public land) inhibits the prospect of finding a viable solution to this problem (Rahman, 2001). These evictions gained greater attention of civil society organisation and NGOs to work on the housing right of the urban poor. However, NGOs and other civil society members have gained limited success in establishing the housing rights of the urban poor as NGOs had no scheme related to housing provision for the urban poor. However, this involvement helped the urban poor to be organised and to be aware about their rights. The change has been taking place due to the two-pronged involvement of some NGOs and their programmes. First, projects of environmental upgrading, improvement of infrastructures and hygiene, mother and child care services, education, income generation, among others, in many urban poor settlements by the NGOs, are alleviating the beneficiaries' poverty, improving their social, political and cultural status and affordability, and are empowering them with capabilities to intervene in resource allocation (Rahman, 2001). Secondly, some NGOs are mobilising and educating the urban poor through human rights and housing rights advocacy programmes, as a consequence of which the urban poor are becoming more aware and knowledgeable; on several occasions, lawyers and human rights activists have successfully defended the urban poor against eviction attempts (ibid, 2001). These involvements of NGOs have introduced a new paradigm of development effort, which was also advocated by external agencies. The United Nation's model of enabling approach for housing was advised by the external agencies in their funded programme to develop a partnership approach for development, thus the alternative development approach was introduced in 2000 and the first programme under such participatory approach was the Local Partnership for Urban Poverty Alleviation Programme (LPUPAP)<sup>26</sup>. The main component of this participatory approach was to develop community based initiatives for service provision in urban poor settlements.

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<sup>26</sup> Local Partnerships for Urban Poverty Alleviation Project, LPUPAP, has been designed to address urban poverty in line with GOB policy as well as the UNDP framework. The project was designed for a period of 5 years from July 1999 to June 2004. The development objective is to alleviate poverty in the selected urban areas of Bangladesh through the empowerment of poor urban communities and capacity building of local governments. Promotion of local partnerships, community participation in all aspects of the development process and increasing responsiveness of local government to the needs of the urban poor are key approaches in achieving the development objective (UNDP, 2010). The most mentionable attribute of LPUPAP was to establish Community Development Committees (CDCs), comprising the leaders of these Primary Groups, as the central focal point for implementing the project activities. These CDCs were the community based organisation who acted like a savings group and had direct access to Community Development Fund (CDF) for managing community contracts for small scale community-led infrastructure development programme including water supply and sanitation services. Apart from the Community Development Fund (CDF), donors (UKAid, United Nations) provided The Poverty Alleviation Fund (PAF) for supporting the urban poor to apprentices for on-the-job training over a period from 3 to 12 months (LGED, 2010).

In addition to this participatory approach in 1999, the first public private partnership project for housing the urban poor was introduced in Bangladesh. In 1999, a project to house 16,000 urban poor in 6-storied buildings on 47.9 acres of land in Bhasantek, Dhaka was announced, in which a private development company—North South Property Development—was contracted to build housing for the poor (Key Personnel Interview 13, 2010). It is reported that the Ministry of Land (under the 2001-2006 Government) was involved in this project to provide the land and monitor the overall project. The project was designed in such a way that 60% of the development would be for the urban poor and the rest for low-income families and low-paid government employees. The project would have 9024 flats, each of 200 ft<sup>2</sup> size for the urban poor, and 6000 flats of 300 ft<sup>2</sup> size for the other groups. In the design phase it was estimated that the price for each flat of the urban poor would not cost more than BDT 200,000 (£2,000), however each flat was reportedly sold at approximately BDT 500,000 (£5,000) (Key Personnel Interview 13, 2010). Many researchers, scholars, and activists remain sceptical of the intentions of the development company and at the end it was evident. The development company was selling the flats (in Bangladesh, in most of the cases private developers sell the flats before the construction works starts) higher than the design price on the open market rather than following the list of the beneficiaries provided by the ministry of land. Having this sort of corruption and problem, the project began in 1999 but it has still not been completed. Furthermore, the project was stopped in 2010 by a notice of the Ministry of Land and the developer was sacked from the project because of the anomalies in the project.

Apart from the public private partnership project, there were only a few initiatives attempting to house the urban poor in the form of the *Ghore Phera* (Returning Home) Programme, the *Asrayan* Project (Shelter Project), and *Adarsha Gram Prokalpo* (Ideal Village Project). In these projects, the Government introduced town-housing schemes to encourage the slum people to return to villages, with incentives such as loans, basic housing, a common pond for fishing, etc. In designing these projects, it was assumed that people living in slum settlements for decades would return to their villages, leaving behind extensive social and economic networks and employment opportunities (Key Personnel Interview 09, 2010). However, the lack of employment opportunities in the villages and inefficient monitoring in implementation led to the failure of these projects. Though these projects were examples of failure, they have been re-introduced in the last annual budget (2010) for starting the *Ghore Phera* (Returning Home) programme by



giving loan to the slum dweller to go back their native villages to establish small scale farming or business. However, the experts have also criticised this initiative as it is failing to identify the target group and to ensure the accountability of the project (Key Personnel Interview 14, 2011).

### ***7.7.2 Political Commitment and Policy Support in the Fifth Five Year Plan and Other Subsequent Plans***

In terms of political commitment and policy support for housing the urban poor, since 1995 the government has withdrawn its role from direct construction. In addition to that, massive eviction was happened to clear valuable public land in urban areas in 1999-2002. This approach of government signifies the negligence towards pro-poor housing. Though the policy measures (mostly city development plans) prescribed few isolated guidelines to provide basic infrastructure services for the urban poor. However, these policies were never translated to any single project. But the eviction process was challenged by NGOs and other civil society organisation, which forced the government to introduce the relocation project for the urban poor in Bhasantek.

Another significant attribute of this period was the adoption of the concept of relocation as a common tool for housing for the urban poor. The argument behind such process was that relocation projects will boost the construction sector, which is acceptable, but it often happens at the cost of the urban poor losing access to those housing and infrastructure developments (Key Personnel Interview 15, 2011). In addition to that, apart from the Bhasantek programme there was no other programme for relocation, however severe amount of eviction happened in the year 1999 to 2002. In addition to these eviction programmes, the government has adopted market enabling approach for housing, which was another toll of burden on the urban poor. Though in this period several isolated externally funded projects have been implemented following different alternative development approaches, but in most of the cases these projects were designed on the basis of participatory enabling approach prescribed by United Nations. However, there was no political commitment of the government to reinforce these programmes in a city or national scale. The participatory enabling approach was only referred in National Housing Policy and later in the City Development Plans, but only on paper without having actual political commitment.

### ***7.7.3 Institutional Transformation through the Fifth Five Year Plan and Other Subsequent Plans***

Since 1995, the most remarkable change that has happened in Bangladesh is the institutional transformation. This transformation is directly related with the housing

provision of the urban poor. This transformation happened in two different ways; firstly, the involvement of NGOs in development planning and action; and secondly, the involvement of the urban poor through participatory planning. The perceived success of NGOs in the field of community mobilisation; awareness building activities; and micro-credit schemes raised their role to be involved in the development process of Bangladesh. Their success in working at the grass root level promoted NGOs to work in different national and international programmes. On the other hand, the failure of the low-cost housing programmes in Bangladesh resulted in people taking responsibility either individually or in groups for their own shelter needs (Rahman, 2005). This situation created pressure for participatory approaches, where the people can unpack their ability and willingness to develop their own solutions. In this changing paradigm of development, NGOs played a vital role of community development and public participation through their advocacy campaign since 1995 (Siddique et. al., 2001). This demand for public participation became the fundamental development principle in the externally assisted programmes in Bangladesh.

The main transformation that happened through these participatory approaches is the increased awareness of the urban poor, who realised their rights and their potential to work collectively. The result of such awareness was highlighted in 2002, as forceful eviction was declared as a violation of country's law by the Supreme Court. In addition to that, these awareness building activities helped the urban poor to develop an effective network among the urban poor and with other NGOs and CBOs. Currently the NGOs are also federated along with the community-based organisations. In the beginning of the year 2000, Coalition for the Urban Poor (CUP) was established, which is the network of NGOs working with urban poor (Ahmed, 2007). In addition to that, the Community Development Committees (CDCs) developed under the LPUPAP are acting as major community-based organisation in Bangladesh in different forms. This existence of community-based organisations and NGOs has raised the voice of the urban poor about their housing rights and their participation in planning and development.

#### ***7.7.4 Financial Sustainability of the Fifth Five Year Plan and Other Subsequent Plans***

In terms of financial sustainability, the problem of dependency on external assistance for housing the urban poor is still dominant. The neo-liberal approach for the financial sector was followed by deregulation in Bangladesh, which reduced the control of the

state on the financial sector. Thus there was no ground-breaking initiative for the urban poor to access formal finance markets. As the urban poor are involved in informal activities, they cannot provide any tax receipt or land ownership document to get access to the formal financial market. In addition to that, the private banking system has always doubted the capacity of loan repayment of the urban poor in Bangladesh (Key Personnel Interview 16, 2011). However, these assumptions have often been proved false in other developing countries like India and Philippine, where the community-based organisations of the urban poor have a good reputation of loan repayment (Burra, 2005). In this context, the market based solution for the urban poor was unreachable as the urban poor were excluded from the formal housing finance. Even the NGOs are getting success in micro-credit programmes but are not involved in housing finance for the urban poor. It is often assumed that NGOs are reluctant to be involved in housing finance because of the vulnerability of the urban poor to the threat of eviction (Key Personnel Interview 16, 2011).

Though financial sustainability was challenged by the lack of access to formal housing finance for the urban poor, group savings programmes<sup>27</sup> became popular in most of the urban poor settlement in Bangladesh, which has been transformed to a major contribution to housing finance in other developing countries. In the case of the private market, the urban poor are excluded from this provision considering the cost of building materials and price of land. In the case of the relocation programme, the selling out problem was common as the urban poor people failed to buy flats on the market rate without having any access to formal housing finance. In addition, the relocation programme ignored the need to provide an environment which was conducive for work and living, thus overlooking the interrelation of housing and urban poverty (Key Personnel Interview 15, 2011). This challenge of losing livelihood opportunities also threatened financial sustainability in the relocation programme.

### **7.8 Influencing Factors for Adopting Different Development Approaches**

As mentioned in chapter three political philosophy influences the development approach for a particular country. Analysing the above development approaches adopted by different political regimes in Bangladesh, it is evident that the pressure of external agencies has been the most influencing factor to adopt the particular development approach rather than the political philosophy of each regime. After independence, the

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<sup>27</sup> See chapter six, page 152 to 153

first political regime was led by Sheikh Mujibur Rahman (1971-75). Mujib's move towards socialism was translated into the First Five Year Plan, where private-sector business were permitted, but government was allowed to nationalise those it judged were being mismanaged (Kochanek, 1993). Following the socialist philosophy of economic development, Mujib and his party Awami League (AL) rapidly began to place his own leadership and party interests before those of the new state, setting a strong precedent for Bangladesh's future pattern of the 'politics of patronage' (Van Schendel, 2009, p178). This philosophy has weakened the party politics of Bangladesh. Later the death of Sheikh Mujibur Rahman in 1975 and the failure of the First Five Year Plan ended this regime. This development approach was opposed by the international donor community led by the World Bank. Within the policy process, a precedent was set of weak accountability and low levels of responsibility, which arose from the fact that nondominant groups were unable to gain public representation (Kochaneek, 1993). However, failure of this regime opened up the dominance of external agencies in the following regime to determine the development approach for Bangladesh.

After Mujib's assassination, General Ziaur Rahman (1976-81) took over as martial law administrator (MLA), as a military government led the country. As opposed to Mujib's idea of socialism, Zia mobilised a broad based alliance of diverse and disaffected AL opponents and formed his new party called Bangladesh Nationalist Party (BNP). The vision of Zia to tackle the poverty issue was merged with the emerging Bangladeshi business elite's interests, who were looking for greater access to opportunities for strengthening the private sector. By 1977, such a shift was now openly being encouraged by the World Bank and other international donors, who saw the chance to engage with Bangladesh and move it more firmly onto the path of capitalist development through modernisation within a liberalised economy (Lewis, 2011, p82). Thus the era of external agencies began to dominate the planning process of Bangladesh. The Second Five Year Plan also shows the clear dominance of international ideologies such as a policy shift towards a mixed economy, indicating a more pro-market policy.

Zia was also assassinated in 1981 and General H. M. Ershad took power, heading up the new cabinet (1982-1990). Ershad immediately began to set about consolidating his power through the opening up of new lines of patronage that would build support across key areas of the military and bureaucracy (Kochanek, 1993). Ershad introduced a

National Investment Plan which finally made a conclusive break with the economic nationalism favoured by the AL and the mixed approach favoured by Zia. Ershad's second major policy contribution was the reinforcement of local government structure, which is another prescription of external agencies as a preferred organisational arrangement of decentralisation to promote neo-liberalism as a fundamental development approach.

This introduction of neo-liberalism matured through the privatisation of nationalised industries when Begum Khaleda Zia, wife of Ziaur Rahman (1991-96) was elected as prime minister as the chairperson of BNP. Later in 1996, Sheikh Hasina (1996-2001), daughter of Mujibur Rahman became the prime minister and after 1975 the Awami League came back into power. Rather than going back to their philosophy of socialism, they preferred the international agency-prescribed approaches to ensure aid flow and foreign direct investment. The same trend is currently continuing as she came back into power again in 2009, after another period of Khaleda Zia (2001-2006) being in power.

Although Bangladesh remains a country characterised by continuing mass poverty, the focus of development efforts since 1985 has shifted towards a market enabling approach, which is failing to deliver housing for the urban poor. The dependency on external agency-prescribed development approaches lacked the contextualisation of policies and hindered the development of pro-poor party politics in Bangladesh. This situation can be explained by two interrelated problems. The first is the problem of partisan politics in which the political system is seen as having become unaccountable, making possible the self-interested use of state power by political parties (Lewis, 2011). The second is the problem of patronage and corruption within the political parties, which makes it possible for external agencies to prescribe the development approach by claiming the problem as the persistent problem of governance (ibid, 2011). In this context, a massive change in political parties would be required to identify an endogenous development approach for Bangladesh. With growing awareness about their rights, the urban poor community can be functional in bringing about such changes at different political levels (national/local), as they can create space for negotiation.

## **7.8 Conclusion**

The quest for development through planned intervention in Bangladesh since 1973 has always been treated as part of the economic plan, considering growth as a measure of success. Thus the effort to generate economic growth is the legacy of the past effort,

which does not consider the potentials of informal activities as a direct contributor in the economic growth of the country. This marginalisation process is historic due to the nature of development planning in Bangladesh and excludes policies which can directly recognise the ability of the urban poor. Policy principles and programmes in the period of 1990 to the present date follow a market based neo-liberal approach. Similar to the international trend described in chapter three, the above description reveals that Bangladesh is also following the neo-liberal approach advocated by World Bank to implement the enabling approach. However, Bangladesh has experienced other international practices over time and recent approaches including the community-led housing programmes are also in existence. The following table summarises the evolution of policies for housing the urban poor in Bangladesh.

The above analysis shows the lack of private initiative in Bangladesh, which is a historical phenomenon; relative weakness of the state, especially just after the emergence of the country; and the perceived success of NGOs for participatory planning, providing the basis for the extended role of NGOs and Community-based Organisations in pro-poor planning in Bangladesh, which are not linked to the policy proposals and actions of state organisations. It is evident from the five year plans that the government initiatives are favourable to a market enabling approach, which is pre-occupied with the ideas of neo-liberalism. Separate policies for the private sector in the fourth and fifth five year plan indicate the government's clear intention to support a market enabling approach. Besides the government's intention to create a favourable condition for the market, a few other projects and programmes have been implemented in Bangladesh, with a strong focus on the participatory enabling approach prescribed by the United Nations. This approach does not follow the principles of neo-liberalism, rather in different programmes different alternative development approaches had been introduced. But the fundamental notion of this approach relies on the propulsive initiative of the community, which can be implemented in collaboration with other actors (state, private sector, civil society). Thus it is essential to understand whether the existing organisational arrangement for housing the urban poor in Bangladesh recognises this approach or not in the absence of any government policies or programmes which have adopted a participatory enabling approach. As already discussed, the government of Bangladesh has a clear intention to support the market enabling approach, thus it is also essential to understand whether the current organisational arrangements are conducive or not to pro-poor policies. In this context,

the following chapter describes the organisational arrangement for housing the urban poor in Bangladesh.

**Table 7.1: Evolution of Pro-poor Housing Practices in Bangladesh**

Period	Housing Approach	Development Approach	Criteria which have been explored
1973 to 1978	Conventional and Cooperative Housing	Modernisation and Pseudo-socialist Effort	<ol style="list-style-type: none"> <li>1. Direct action from the state as provider, policies focuses on economic and political objectives.</li> <li>2. Nationalisation happened, limited community integration.</li> <li>3. Formal finance (external assistance) and cooperative based housing finance, did not reach the urban poor. The projects were difficult to maintain in post-war period.</li> </ol>
1980 to 1985	Public Housing and Self-Help Housing (Site and Services Scheme)	Keynesian and Redistributive	<ol style="list-style-type: none"> <li>1. Mixed role of the state. Public housing construction for the government employees and site and services scheme based relocation for urban poor.</li> <li>2. Institutional transformation to accept and strengthen informal processes (change paradigms) through restructuring building standard, land market and finance</li> <li>3. The higher cost of project implementation failed to ensure financial sustainability.</li> </ol>
1985 to 1990	Aided Self-Help and Market-based Solution	Redistributive and Early Phase of Structural Adjustment	<ol style="list-style-type: none"> <li>1. Project-based interventions initiated by the state as well as international agencies policies aiming to regularisation and physical improvement.</li> <li>2. Limited community participation was observed in aided projects.</li> <li>3. Lack of access to formal housing finance for market based solution and external assistance based regularisation and upgrading programme.</li> </ol>
1990 to 1995	Enabling Mechanism	Neo-liberal	<ol style="list-style-type: none"> <li>1. The state's regulatory role is minimised becoming a facilitator to the private sector through deregulation and providing incentive for making private sector functional.</li> <li>2. Privatisation and deregulation happened. Land development and private sector based apartment housing was promoted, which excludes urban poor.</li> <li>3. Housing loan from public and private sector. There was no access for the urban poor.</li> </ol>
1995 to Present	Apartment Housing and Community-led Infrastructure Development	Neo-Liberal to alternative Development	<ol style="list-style-type: none"> <li>1. The economic policy is following World Bank approach for market based solution and external aided projects are following UN approach for community empowerment.</li> <li>2. Institutional transformations are enabled to create new synergies and spaces for collaboration with participation as core mechanism, create opportunities to strengthen the (primary) role of slum dweller communities in their development.</li> <li>3. Still no access to formal housing finance. Existence of group savings scheme is visible.</li> </ol>

1. Political commitment and policy support 2. Institutional transformations 3. Financial sustainability

## **Chapter 8: Organisational Arrangement of Housing Provision for the Urban Poor in Bangladesh**

### **8.1 Introduction**

Chapter seven showed that policy planning in Bangladesh is directly influenced by the external agencies. The political philosophy of each regime was substituted by the development approach prescribed by international agencies. Though the policy planning of Bangladesh shows the existence of different development approaches in different era, the current pre-dominant approach is based on the idea of neo-liberalism. In the case of housing, it is following the enabling approach as the key for housing the urban poor. The basic principles of government policies through five year plan and PRSP indicates that market enabling approach is the preferred approach by state agencies and external agencies (World Bank and IMF). On the other hand, the existence of participatory enabling approach prescribed by United Nations has been observed in few donor- aided (UKAID, UNDP) projects (SIP, LPUPAP and UPPRP). Though these projects are happening, there is no explicit public policy to promote participatory enabling approach in Bangladesh. Understanding this context, it is essential to identify the organisational arrangements for implementing those policies and projects. Considering the policy context of Bangladesh, the organisational arrangement of decentralisation has been used as the conceptual framework to identify different actors and their role under each organisational arrangement. Reviewing the literature in chapter four, it has been revealed that the decentralisation process has been assumed by the external agencies as the governance paradigm that recognises the importance of national enabling environment. It has been explained in different literature that, under the enabling paradigm; decentralisation through the organisational arrangement of deconcentration, delegation, devolution and privatisation can aid better access to service provision for the urban poor in developing countries like Bangladesh. In this context, the aim of this chapter is to categorise different actors involved in the housing process in Bangladesh under the organisational arrangement of decentralisation and examining their role to understand whether these organisational arrangements are pro-poor or not.

Drawing on the analysis of two urban poor settlements in Bangladesh and analysing the literature and policy documents, this chapter explores the impact of different



organisational arrangements in addressing the challenges related to housing the urban poor in Bangladesh. To attain the aforementioned aim of this chapter, this chapter starts with the description of different forms of organisational arrangement in the governance of Bangladesh. Later, the involvement of different actors in each organisational arrangement for housing the urban poor in Bangladesh has been analysed. Then, this chapter describes the modes of housing provision of Bangladesh by exploring the housing delivery system and involvement of different actors. Finally, this chapter analyses the impact of different organisational arrangements for addressing the challenges related to housing the urban poor using the analytical framework described in chapter five (Figure 5.3).

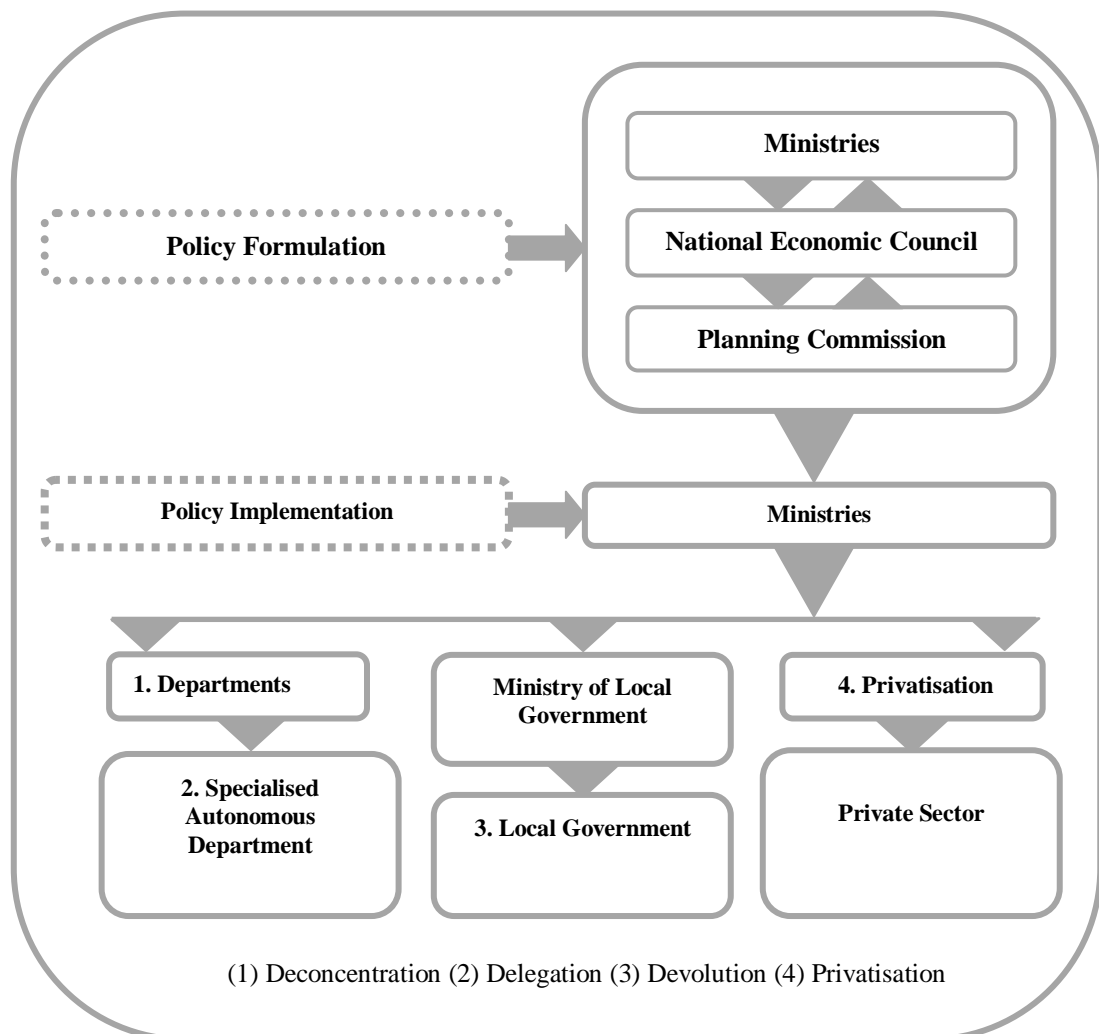
## **8.2 Different forms of Organisational Arrangement in the Governance of Bangladesh**

In terms of organisational forms of decentralisation - deconcentration, delegation, devolution and privatisation; in Bangladesh the constitution defines the role of different organisations and their hierarchy. In Bangladesh the Constitution of the Republic ensures the separation of powers between the three branches of the government, i.e., executive, legislature and the judiciary (Democratic Decentralisation Campaign, 2006). The executive branch of the government is organised primarily on a functional basis into ministries. The structure consists of two different tiers: formulation of policies and implementation of policies. Policy formulation takes place in the secretariat, which consists of different functional ministries. Individual ministries are responsible for policy formulation, ministries are assigned to develop inter departmental coordination to reach mutually inclusive goals and the secretariat is also assigned to monitor different agencies and field administration. The other tier that represents a **deconcentrated** organisational arrangement consists of different departments and directorates under different ministries which are responsible for implementing the policies. The usual practices of policy implementation are followed by implementing programmes and projects under the broad policy outlines. The implementation of programmes and projects are the responsibility of different tiers of field administration of ministerial departments and directorates.

In terms of **delegation**, in Bangladesh, most of the departments and directorates have extensions at different tiers of field administration. Besides, there is the rest of the public sector that includes a large number of public corporations and autonomous bodies established, in most of the cases, as statutory organisations under special Acts,

Ordinances and Presidential Orders (World Bank, 2001). These are responsible for producing as well as delivering certain specified services to the people. Following the existence of deconcentration and delegation, devolution is also happening in Bangladesh. In Bangladesh, at each level of administration, except division, there are provisions of local government bodies or institutions that represent the organisational form of **devolution**. These are *Zila* (District), *Upazila* (geographical sub divisions of district), and *Parishads* (geographical sub divisions of *upazila*). These are administrated by bureaucrats assigned by the Ministry of Public Administration. Besides, there are also local government institutions for urban areas like city corporations and municipalities. However, presently, elected local government bodies exist only at the Union and Municipal (Paurashava and City Corporations)<sup>28</sup> levels that have been constituted through elections (Democratic Decentralisation Campaign, 2006).

**Figure 8.1: Organisational Arrangement of Policy Implementation in Bangladesh**



Source: Adapted from Mohit, 1992

<sup>28</sup> Definition of each administrative unit has been explained in appendix 8.1

Apart from these organisational structures, in Bangladesh by 1990s some major and qualitative changes had taken place both in the internal and external environment of the country, with **privatisation** being used as a tool for providing services and facilities. Private sector became interested in the provision of housing and transportation facilities but not in other services. The lack of infrastructure and capital hindered their involvement for providing other basic services (e.g., electricity, water supply). However, the lack of private initiative in Bangladesh for providing basic services (e.g., electricity, water supply) urged the all encompassing role and functions of the central government. However, under these arrangements, presently, public services are provided by the government either directly or through autonomous agencies created or owned by it or through local government bodies (Democratic Decentralisation Campaign, 2006). Some of the services are also delivered by the private sector alongside the government. For example, education and health services are provided by a combination of the government, the profit and non-profit private sectors (World Bank, 1996).

In the absence of appropriate mechanisms of accountability and transparency, service delivery through decentralised organisations resulted in poor satisfaction of the beneficiaries. The other challenge under the decentralisation process is the widespread corruption and leakage of public resources (World Bank, 1996). This absence of accountability is compounded by the inappropriate (outdated laws) and non-observance of the rule of law. The application of the rule of law in Bangladesh follows a course of selective and discretionary application (World Bank, 2001). This environment affects the basic rights of the poor and the social place elides although that is an important aspect of good governance (Mollah, 2003). Though devolution and delegation are in existence, the inefficiency of bureaucracy is still hindering the potential of decentralisation to ensure pro-poor development in a participatory way (Shelly, 2000). Another problem of accountability arises when political interference happens in administration. In Bangladesh, political influence breeds factionalism in the administration which in turn results in demoralisation, utter negligence of work and often serious tension among the bureaucrats (World Bank, 2001).

This political interference is also causing corruption, which is affecting the fair distribution of national wealth and accountability of the private sector in providing services and facilities. This type of political interference and inefficiency of bureaucracy

is causing nepotism. Nepotism is happening because of weakness of formal institutions in Bangladesh, where people are forced to rely on personal networks which ultimately result in pervasive patron-client relationships (Leviathan, 2001). Most citizens perceive government institutions as coercive, and government functionaries as ‘rent-seekers’ to be avoided (World Bank, 2001). Moreover, under the current system, there is very little scope for people’s participation. In Bangladesh people’s participation in policy formulation, planning and implementing programme and projects is hardly introduced. The whole process of people’s participation is based on tokenism (Mollah, 2003). This fact explains that decentralisation is happening with the existence of different actors and organisations at different levels in Bangladesh, but it is not participatory in nature. In this context, the following section discusses the scenario of decentralisation for housing the urban poor in Bangladesh.

### **8.3 Involvement of Different Actors in Each Organisational Arrangement for Housing the Urban Poor in Bangladesh**

In Bangladesh, housing for the urban poor was always overlooked in the policy paradigms. People in the urban poor settlements live with the constant threat of eviction and have restricted access to basic services, such as water, sanitation, gas, and electricity (Rahman, 2001). In Bangladesh, the government as early as in the mid-1980s admitted that ‘the majority's housing needs were not properly addressed while the rich availed most of the opportunities’ (Rahman, 2002). Yet the situation was not alleviated much as the public housing programmes, chiefly consisting of sites-and-services schemes and government-staff houses, were grossly inadequate compared to the huge need and misdirected with respect to urban poor who needed those (Rahman, 1996). However, several government and non-government organisations are working for urban poor housing. These organisations and their inter-relation define the way decentralisation is happening in relation to housing the urban poor in Bangladesh. These organisations are not homogeneous as they have different objectives, legal status, working procedures and systems of accountability. However, the following section categorises these organisations following the organisational arrangement (deconcentration /delegation /devolution/ privatisation) of decentralisation.

In the organisational arrangement of **deconcentration**, individual ministries and their direct departments of central government comprise the single group of organisations. In relation to housing the Ministry of Planning is the main actor for macro level planning.

The Planning Commission (PC) under the Ministry of Planning is the central planning organisation, which advises the National Economic Council (NEC) and examines the submitted development projects from all development agencies under different ministries throughout the country. In terms of housing in the micro level organisational arrangement of deconcentration, the Ministry of Housing and Public Works and the Ministry of Local Government and Rural Development are the major actors. Several departments including the Urban Development Directorate (UDD), the Public Works Department (PWD) and the Department of Public Health Engineering (DPHE), under these two ministries, have agendas on housing within their charter of duties. However, provision of housing through these organisations is limited to their employees only. These organisations are assigned to follow the policy guidelines prescribed in national plans (Five Year Plans and now PRSP). Following the policy guidelines of national plans, these organisations develop their annual development plan and designs programmes and projects to be implemented by these organisations or by any other special agencies.

Special agencies such as the Capital Development Authority (RAJUK) for Dhaka; Chittagong Development Authority (CDA); Khulna Development Authority (KDA) and Rajshahi Town Development Authority (RDA) are responsible for the development of the concerned cities and to provide essential services (Masum, 2009). To prepare the development plan for the respective cities, and to ensure better development control and management, these organisations were formulated with specifically defined functions and legislative frameworks (e.g., Town Improvement Act, 1953; The Khulna Development Authority Ordinance, 1961). Although these organisations are different from the deconcentrated structure, they are still part of the central government. These characteristics of the above organisations put them under the organisational arrangement of **delegation**. Apart from development control responsibilities these organisations have a clear agenda for land development and providing housing for the urban poor. However, to date all the land development projects of these organisations have excluded the urban poor, as the land price was beyond the affordable limit of the urban poor.

Apart from these organisations, several special services providing agencies also exist, such as Dhaka Electric Supply Authority (DESA) for electricity supply; Dhaka Water and Sewerage Authority (DWASA) and Khulna Water and Sewerage Authority (KWASA) for water supply and sanitation; and Bangladesh House Building Finance

Corporation (BHBFC) for housing loans. In this organisational arrangement of delegation (Figure 8.2), the National Housing Authority (NHA) was formed in the year 2000 when the National Assembly adopted and approved the National Housing Authority (NHA) Act, 2000. Before the NHA, Housing and Settlement Directorate (HSD) was the public sector agency for dealing with housing issues in Bangladesh. This type of organisational change was adopted as the World Bank advocated a sector-wide instrument for the 'market enabling approach', which emphasises developing an institutional framework for managing the housing sector (Rahman et al., 2011a). Though NHA had a clear intention to house the urban poor, all of their projects ended up providing housing for higher and middle income people only. Though NHA is the assigned organisation to implement the National Housing Policy, but still failed to deliver any single programme or project to house the urban poor. Lack of funding from the central government has been perceived as the main problem to design and implementing any pro-poor project, as NHA assumes that pro-poor projects have to be subsidised (Key personnel Interview 08, 2011).

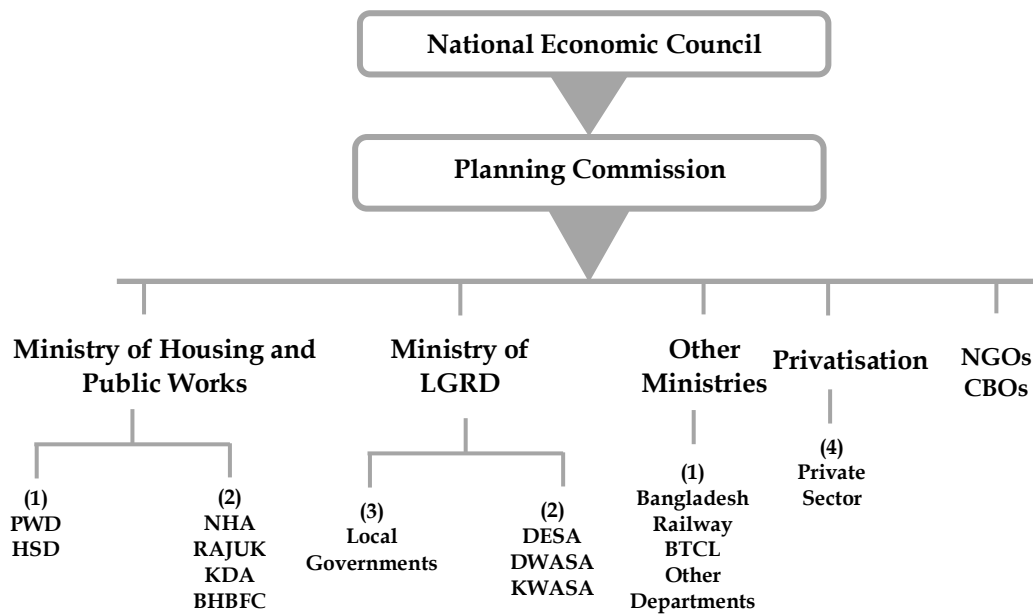
The Urban Local Government structure in Bangladesh signifies the existence of **devolution** in the organisational arrangement for decentralisation. The Constitution of Bangladesh (1972) categorically emphasises the need to establish local government with a representative character. The urban local government structure is administrated by locally elected representatives. In Bangladesh, 6 City Corporations (Dhaka, Chittagong, Khulna Rajshahi, Barishal and Sylhet) and 286 Municipalities are functioning to provide services and facilities in the urban areas (BBS, 2001). Apart from providing services and facilities, these city corporations and municipalities have the specific role of slum improvement. However, the lack of local resource mobilisation and dependency on central government grants restricts the ability of City Corporations to launch slum improvement programmes at scale (Nunan and Satterthwaite, 2001). However, within this organisational arrangement of devolution, public participation has been observed for the first time in slum improvement projects in Bangladesh (Rahman et al., 2011b). The urban local governments with Slum Improvement Projects are quite effectively encouraging participation by community members, especially women (ibid, 2011). Apart from the above mentioned organisations, all other ministries and government organisations have pro-poor agendas and are responsible for assisting the organisations directly involved in housing the urban poor.

However, the lack of funding and intermittent relations with other central government agencies working in the same locality restricts the potential of local government. In the absence of any programmes and projects designed and implemented by the aforementioned public sector organisations, several external agency aided projects provide the precedent of people's participation, where people can deploy their ability and willingness to develop their own solutions. In this changing paradigm of development, NGOs have played a vital role in community development and public participation through their advocacy campaign since 1990 in Bangladesh (Siddique et. al., 2001). The role NGOs are playing in Bangladesh, especially in advocacy planning, is based on the failure of local government and increasing pressure of international development organisations. The NGOs are acting as intermediaries between the Government Organisations, International Development Agencies (IDA) and communities, to exchange information and ideas, organise, make collective stands and help to implement projects and deliver services (Rahman, 2005).

In terms of housing provision for the urban poor, NGOs are struggling due to several circumstances (e.g., the problem of tenure security of the urban poor; dependency on external funds; and weak institutional support) (Rahman, 2002). However, The NGOs and the CBOs are mediating to ensure the access of the urban poor to services and utilities through arguing for a change in this criterion by separating the right to services from land titles and planning approvals, and have introduced some cost-effective methods to produce and deliver services on a limited scale in the low-income urban settlements (ibid, 2002).

In the context of Bangladesh, the lack of private initiative for housing the urban poor is well known; communities by themselves are filling this gap, where NGOs and external agencies are playing an important role to mobilise the urban poor communities. Though it was assumed by the World Bank that the private sector is more efficient in delivering services, but did not deliver any single project for housing the urban poor in Bangladesh. In this context, similar to other developing countries (discussed in chapter four) unconventional modes of housing provision is becoming the only provision for the urban poor which is developed and managed by the urban poor communities in most of the cases.

**Figure 8.2: Organisational Arrangement for Housing the Urban Poor in Bangladesh**



(1) Deconcentration (2) Delegation (3) Devolution (4) Privatisation

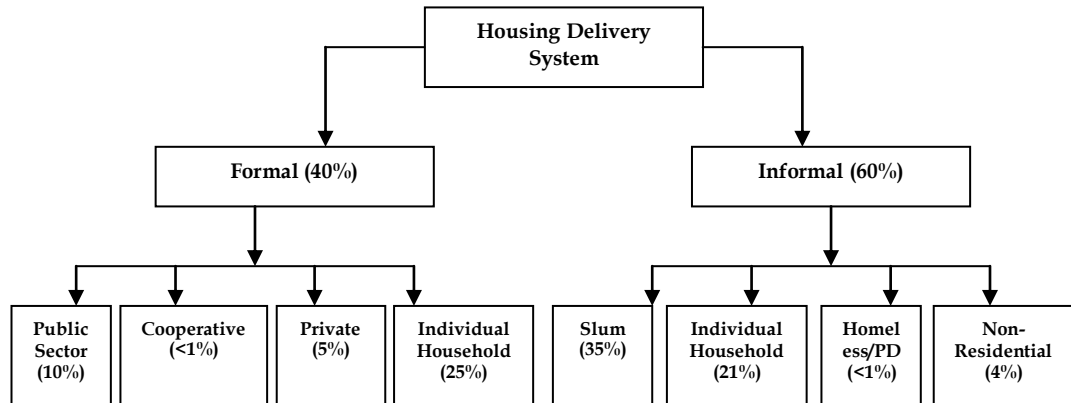
Source: Developed from Key Personnel Interview 07, 2011

#### **8.4 Housing Delivery System in Bangladesh and Involvement of Different Actors**

There is a variety of housing delivery subsystems in Bangladesh. In Bangladesh, the housing delivery system can be categorised as formal (40%) and informal (60%) (Rahman, 2005). The private sector, a predominantly informal sector and a small formal sector, has supplied 93% of total housing (BBS: Household Income & Expenditure Survey, 2001). Under the formal system, the public sector provides only 10%, which is provided for government employees only (rental units) and is often referred to as employees housing (Rahman, 2005). Co-operative and private sector based real estate companies provide 6% of formal housing, which is aimed for high income people and a very few for upper middle income people. The main contributors under the formal system are individual households (25%) who have legally owned land and formal building permission to develop their own dwelling with own investment. In the informal system 38% people are living in the slums and squatter settlements, 1% of the people are homeless (floating people), 4% of the people are subletting in non-residential structure (basement of factories and garages) and the remaining 21% people are living in informal individually constructed houses (without proper permission from the planning authorities) (Islam, 2006). Thus the direct contribution of public sector agencies to housing is only 10 % and the rest of the housing belongs to private owners or is in the form of slum and squatter settlements (Figure 8.3).



**Figure 8.3: Housing Delivery Sub-Systems in Bangladesh**



Source: Adapted from BBS, 2001

There are therefore three housing supply sub-systems in Bangladesh. These are public housing, housing by private developers and self constructed housing. The supply sub-systems also include slums and squatter settlements. These following subsections explain the contribution and suitability of the formal housing supply sub-systems for the lower and middle-income households.

#### ***8.4.1 Public Sector Housing Provision for the Urban Poor***

In policy documents (five year plans, national housing policy), the main stated target groups of the public sector are the destitute people who are refugees, homeless and slum dwellers/squatters, though international studies show that public sector contribution could not make any noticeable improvement of the deteriorating housing situation (Choguill, 1988). In Dhaka city until 1989, the public sector contribution was only 7% of total housing stock (DMDP, 1995). Almost all of the housing units were allocated to government employees as rental units (Seraj, 2001).

As discussed earlier in chapter seven that, the public sector housing provision for the urban poor was limited to a few projects (resettlement project of Dattapara, Mohammedpur housing estate project) and low-cost plots were allocated to the urban poor without giving any access to housing loan for constructing the dwelling unit. These projects were implemented by HSD in the period of 1980 to 1985. After these projects, not a single attempt has been taken by any public agencies to house the urban poor. Apart from HSD, RAJUK and KDA (delegated organisations) also develop plots at a market rate. In the high priced housing market situation, it is not possible for most of the middle-income households to own a house in Dhaka and Khulna and for the urban poor it is even beyond their dreams. Considering the nature of these land development projects of deconcentrated and delegated organisations, it is evident that these projects

lack any pro-poor element and provides housing solution for a limited number of upper and middle income people. The following table shows the number of plots developed by each public sector organisation apart from the rental housing units for the public employees only.

**Table 8.1: Public Housing for Different Income Groups of People**

Public Sector Housing Providers	High Income	Middle and Low Income	Refugees and Squatters Resettlement
HSD / NHA		2,969	3400
KDA	540		
RAJUK	260	420	

Source: Seraj, 2001 and KDA Master Plan, 2001

#### **8.4.2 Private Sector Housing Provision for the Urban Poor**

In terms of the private sector, at present above 200 real estate companies are involved in the housing market of Dhaka while in 1988 there were less than 20 developers. This means that each year on average 7 new real estate companies have emerged. It is evident that the majority of apartment projects are concentrated in the Gulshan, Dhanmondi, Uttara, Lalmatia and Niketon areas, which are recognised as the residence of high income group people. Housing developers provide housing for high and a few for upper middle-income people and housing projects are mainly concentrated in upper-middle and high-income residential areas where road accessibility is better as well as land and apartment price is very high.

Though the urban poor are often paying more per sq ft of their housing unit (Table 8.2) than higher income groups, but they cannot afford the private housing stock. The minimum flat size of private real estate market stock is 700 square feet and costs more than 17, 50,000 BDT to buy, which is beyond the affordable limit of the urban poor. To date there has been no single initiative from the private real estate market to provide housing for the urban poor with a minimal flat size option.

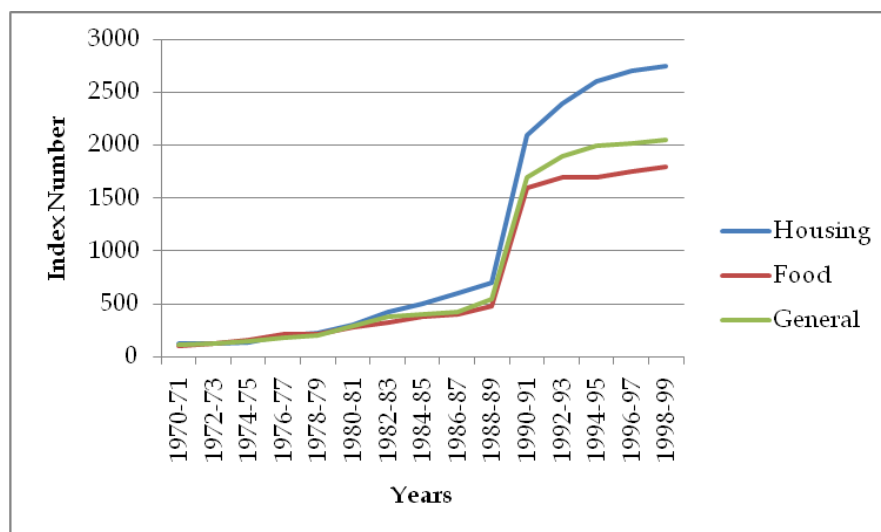
**Table 8.2: Variation of Rent among Different Income Group in Dhaka, Bangladesh**

Area	User type	Income (BDT)	House Rent (BDT)	Unit Area (sft)	Rent (BDT Per sft)
Karail	Slum/lower income	4,000	2100	100	21
	Middle/upper middle income group	2,00,000	50,000	1600	31
Kuril	Slum/lower income	8,000	2000	120	17
	Middle/upper middle income group	40,000	8,000	1000	08
Komlapur	Slum/lower income	5,000	2000	110	18
	Middle/upper middle income group	65,000	16,000	1300	12
Kawranbazar	Slum/lower income	9000	2500	100	25
	Middle/upper middle income group	70,000	18,000	1500	12
Tongi	Slum/lower income	5,000	1000	150	7
	Middle/upper middle income group	40,000	8,000	800	10

Source: Field Survey, 2011

Considering the cost to buy any flat from private real estate market, the only accommodation choice left for lower and middle income households is to rent the housing supplied by individual landowners given the fact that 65 percent of total housing stocks in Dhaka are rental units (Key Personnel Interview 12, 2011). This statistics also supports the view that the major housing option for middle-income people in Dhaka is rental housing. The ever increasing demand for rental units also indicates the inability of limited income households to own a house. Another major aspect that is affecting the urban poor's capacity to afford the private individually constructed rental stock is the increasing cost of living index in Bangladesh. From 1970 to 1977 housing expenses in the cities of Bangladesh increased at a relatively gradual rate. From the mid 1980s there was a momentum of increasing housing expenditure and between 1988-89 and 1990-1991 there was an abnormal and steep increase in the cost of housing related to food and general trend because of political unrest followed by a huge financial crisis. As housing expenditure has a greater influence on the total living cost than other expenses, there has been a concomitant sharp increase (since 1990) in the general living index (Figure 8.4). Until today the cost of living index shows an upward trend. This context of lack of housing from the public and private sectors, combined with the increasing cost of living, is pushing the urban poor in to the urban poor settlements. This is also common in the two case study areas of this research (Figure 6.17) in Chapter Six). Therefore the urban poor are living in informal settlements, which is the only mode of housing provision for them.

**Figure 8.4 Cost of Living Indexes of Urban Areas in Bangladesh**



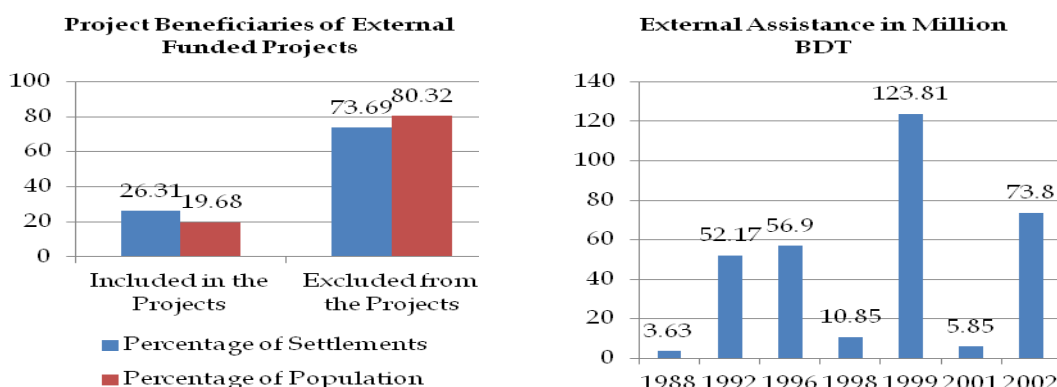
Source: Analysed from Bangladesh Bureau of Statistics, 2001 (Bangladesh Population Census 2001)

### 8.4.3 Involvement of Public and private Sector in Slum Regularisation Programme

It has been observed in the previous section of this chapter that the initiative from the public and private sector for housing the urban poor has been limited or absent in the last two decades. However, a few programmes have been introduced in the slum settlements as part of the slum regularisation programme. These programmes were mostly undertaken by NGOs and a few projects jointly by government agencies and NGOs funded by external agencies. The public sector programmes were nationwide thus happened in both of the case study settlements and the NGO programmes differ with each case study settlement. In terms of public sector programme as mentioned in the earlier chapter that Slum Improvement Project (SIP) was the largest public sector programme. Recently the collaboration among public sector and donor agencies has introduced a few other programmes (LPUPAP, UPPRP) which have been implemented by the collaboration of public sector organisations, donor agencies and NGOs.

However, these programmes are limited in scale as they depend on funding from the external agencies. Figure 8.5 explains that these programmes have addressed a very limited number of the urban poor and always struggle to ensure continuous funding. The nature and amount of international assistance for the projects related to housing the urban poor is really inconsistent (in the year 1988 it was 3.63 million BDT; in 1992 it was 52.17 million; in 1996 it was 56.9 million; in 1998 it was 10.85 million; in 1999 it was 123.81 million; in 2001 it was 5.85 million and in 2002 it was 73.8 million BDT) and the funded project beneficiaries are limited in number compared to the national scale (only 26.31 percent of settlements in Bangladesh benefited which constitutes only 19.68% of slum population of the country) (Ahmed, 2007). The ever changing priority of the donor agencies is the major cause behind such uncertainty (Key Personnel Interview 14, 2011).

**Figure 8.5: International Assistance for Slum Regularisation in Bangladesh**



Source: Analysed from Ahmed, 2007

## **8.5 The Impact of Different Organisational Arrangements for Addressing the Challenges Related to Housing the Urban Poor**

In this section two different case studies of the research (Railway slum in Khulna city and Karail slum in Dhaka city of Bangladesh) have been analysed to understand how different actors under different organisational arrangements are addressing the challenges (e.g., tenure security, lack of basic services and access to finance) for housing the urban poor in Bangladesh. The idea behind choosing these two settlements was based on the organisational arrangements of the decentralisation process. As Dhaka is the capital city of Bangladesh and Khulna is also a regional capital, these two cities represent different organisational arrangements considering the administrative hierarchy and socio-economic situation.

### ***8.5.1 Tenure Security***

In the railway slum of Khulna city, a significant amount of households got free access or self managed land (83%) for shelter. The land was vacant for a longer period of time and the day labours working in the nearby CBD and water terminal build their shacks on this vacant land. The local leaders were supportive for these settlements considering the lack of accommodation of these floating people. However, the land is owned by the Bangladesh Railway Authority (BRA), a public organisation, which can be framed under the deconcentrated organisational arrangement of decentralisation. Thus the settlement has been defined as informal and is under the continuous threat of eviction. However, the informal political connection with the elected members of local government (Khulna City Corporation) underpins the existence of this settlement. Understanding the threat of eviction and the challenge of tenure security, several actors were involved in the regularisation of this settlement. With regard to the public sector, the Local Government Engineering Department (LGED) adopted regularisation policy specially protecting tenure security of the settlers after the infrastructure improvement in the Slum Improvement Project<sup>29</sup> (SIP). It is notable that both the elected member of Local Government and LGED are the actors under the organisational arrangements of devolution. This form of support from the way responsibilities are currently structured through devolution is significant, as the recent project Local Partnership for Urban

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<sup>29</sup> The Slum Improvement Project (SIP) was introduced since 1985 to provide urban basic services to slum dwellers. The Slum Improvement Project (SIP), with donor assistance (DFID, UNDP), has provided urban basic services and socio-economic facilities in low-income settlements in different sizes of cities and towns (Ghafur, 2004). The Local Government Engineering Department was in charge of implementing the programme. The Slum Improvement Project (SIP) under the LGED began in 1985 in five municipalities, and the first phase ended in 1988. For the second phase (1988 - 1996), the SIP extended its programme to four city corporations and twenty-one municipalities. A follow-up project, the "Urban Basic Services Delivery Project" started in 1996 and continued until 2000. The broad aim of the SIP is to improve the quality of life for slum dwellers, who are the beneficiaries of the project, by providing basic services that improve their living conditions, and by increasing the ability of the government to work with urban poor communities in the planning and provision of basic services (Siddique et al, 2001).

Poverty Alleviation Programme (LPUPAP)<sup>30</sup> provides advocacy support for the informal settlers to negotiate with BRA against forced eviction. However the reluctance of Khulna Development Authority (KDA) in the regularisation process is significant as this is the most powerful organisation under the delegated organisational arrangement. In the absence of private sector actor initiative, NGOs are working in Railway slum of Khulna city and lacks any specific programme about the regularisation process. In most of the NGO programmes basic infrastructure services were installed only based on the oral confirmation about land tenure security from the local elected representatives of Khulna City Corporation. However, without having any negotiation with BRA, these programmes of NGOs do not have any long lasting impact as the infrastructures are often destroyed by BRA at the time of eviction.

Similar to the Railway slum of Khulna city, in the Karail slum of Dhaka city most of the households are squatting on the land owned by three government organisations called Bangladesh Telecommunications Company Limited (BTCL) (20 acres), PWD under Ministry of Public Works (43 acres) and Ministry of Science and Information & Communication Technology (MOSICT) (47 acres). This land ownership represents the deconcentrated organisational arrangement of decentralisation in land ownership. But rather than free squatting, in Karail slum of Dhaka city households are paying rent, buying and selling lots in the settlement. Unlike to Railway slum of Khulna city, in Karail the absence of contact with the local elected political leader the households are paying rent and buying land from the local musclemen<sup>31</sup>. Thus the perceived tenure security is assured by the musclemen without having any formal regularisation process. However, this perceived tenure security has been threatened by MOSICT and PWD several time through eviction. Different level of organisational arrangement for tenure security in the case study settlements have been explained in table 8.3.

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<sup>30</sup> Local Partnerships for Urban Poverty Alleviation Project, LPUPAP, was designed to address urban poverty in line with government policy as well as the UNDP framework. The project was designed for a period of 5 years from July 1999 to June 2004. The development objective is to alleviate poverty in the selected urban areas of Bangladesh through the empowerment of poor urban communities and capacity building of local governments. Promotion of local partnerships, community participation in all aspects of the development process and increasing responsiveness of local government to the needs of the urban poor are key approaches in achieving the development objective (UNDP, 2010). The most mentionable attribute of LPUPAP was to establish Community Development Committees (CDCs), comprising the leaders of these Primary Groups, and being the central focal point for implementing the project activities. These CDCs were the community based organisations who acted like a savings group and had direct access to a Community Development Fund (CDF) for managing community contracts for small scale community-led infrastructure development programmes including water supply and sanitation services. Apart from the CDF, donors (UKAID, UNDP) provided The Poverty Alleviation Fund (PAF) for supporting the urban poor, which funded apprentices for on-the-job training over a period from 3 to 12 months (LGED, 2010).

<sup>31</sup> The local musclemen represent the group of people who are no elected political representatives but have informal political connection with elected politicians. Lewis (2011) defined these groups of people as the outcome of partisan politics (Lewis, 2011, p116).

**Table 8.3: Organisational Arrangement for Tenure Security in Case Study Settlements**

<b>Organisational Arrangement</b>	<b>Actors Involved</b>	<b>Role of Actors</b>
<b>Deconcentration</b>		
Karail Slum, Dhaka	Bangladesh Telecommunications Company Limited	Owns the land and performed land clearance programme several times to evict the slum dwellers
	Ministry of Public Works	Owns the land
	Ministry of Science and Information & Communication Technology	Owns the land and tried to clear the land for constructing the proposed science city on the land
Railway Slum, Khulna	Bangladesh Railway Authority	Owns the land and is continuously trying to vacate the land
	Local Government Engineering Department	Implementing infrastructure development programme without paying any attention to the issue of tenure security
<b>Delegation</b>		
Karail Slum, Dhaka	RAJUK	Overlooking the housing demand of the slum dwellers and in the Detail Area Plan, the area has been demarcated as mixed income residential area
Railway Slum, Khulna	Khulna Development Authority	Prepared the master plan and provided the proposal for commercial development on the BRA land without providing any measure for the urban poor
<b>Devolution</b>		
Karail Slum, Dhaka	Elected Members of Local Government	They are providing perceived tenure security
Railway Slum, Khulna	Elected Members of Local Government	They are the contact point of the urban poor and they are trying to negotiate with BRA for temporary tenure security
<b>Privatisation</b>		
<b>NGOs and CBOs</b>		
Karail Slum, Dhaka	NGOs and CBOs	Collaborating with national and international networks for anti-eviction programme
Railway Slum, Khulna	Local NGOs	Working for better community mobilisation without having any direct programme related to tenure security

Source: Field Survey, 2011

Thus neither the informal actors nor the deconcentrated form of public organisations ensure the tenure security for the households in Karail. Though in Dhaka city the delegated organisational arrangement is in place through the activity of RAJUK and NHA, both of these organisations are overlooking the housing demand of the households living in Karail. In addition to that, in the absence of Local Government (organisational arrangements of devolution) and RAJUK (organisational arrangement of delegation) initiatives to secure the tenure of the urban poor in Karail, the civil society initiative is significant through the network of NGOs and CBOs having 15 years of anti-evictions and secure tenure advocacy experience. Coalition for the Urban Poor (CUP),

Organisation of the Urban Poor in Dhaka (NDBUS) and Centre for Urban Studies (CUS) represent the network of national and international organisations working in Dhaka with and for the urban poor, trying to protect them from eviction and claiming the right for regularisation. Looking to create a pro-poor environment, these networks engaged in the process of developing the national PRSP calling for a stronger focus on informal settlements and voiced concerns about donor accountability. This informal organisational arrangement is trying to secure the tenure right of the urban poor in a federated effort. The success to date is notable by getting the high court verdict in favour of the urban poor, which states that, prior to resettlement of the existing households living in Karail no land clearance programme can be performed. This outcome of the federated effort is preventing the eviction but still the problem of tenure security exists in Karail.

### ***8.5.2 Provision of Basic Services***

The responsible authority for water supply in Khulna city was Khulna City Corporation (KCC), until Khulna Water Supply and Sewerage Authority (KWASA) lunched its operations in 2008 (Field Survey, 2011). KCC supplied the water through shallow tube wells without any piped water network in the Railway slum of Khulna city. Though KCC had a piped water service network for the city dwellers living in formal dwelling units, households in Railway slum had no access to these services due to its illegal or informal settlement status. Later, KWASA, which represents the organisational arrangement of delegation, did not ensure any piped water supply in this settlement. KWASA is mandated to supply water to the city dwellers as it is a delegated organisation of the Ministry of Local Government and Rural Development. The Ministry advises for communal water tap in the urban poor settlements but never allocated any budget for launching such programme through KWASA (Key Personnel Interview 03, 2011). In addition to the KCC initiative (almost 25% people had access to KCC-provided tube wells), the slum dwellers had access to further tube wells provided under the LPUPAP project.

The NGO initiatives served the rest of the people, thus almost every household has access to water supply without paying anything. Thus the organisational arrangement of devolution (KCC and its partnership programmes) and NGO initiatives ensured the access to water supply for the urban poor in Railway slum, Khulna. However, along with KCC, DPHE was also the responsible actor to provide water supply as an organisation under the deconcentrated framework. Similar thing also happened for



sanitation and community toilets, which were provided by KCC, LPUPAP project and NGOs.

Access to electricity is different than any other form of organisational arrangement. Private informal networks have been established to get access to this service. Neighbouring households who have formal land tenure are allowing extended electric lines to the Railway slum dwellers and charging BDT 50 for each bulb and BDT 75 for each electric fan. Apart from this option households are also getting this service from the nearby mosque with the same operational procedure. This access to electricity represents the hybrid governance of service provision, where the formal deconcentrated organisational arrangement provides electricity in the form of approved connection and the neighbouring households, who have the access to this approved connection, are providing electricity to the slum dwellers that are not approved by the formal service providing organisations. Though this hybrid governance of service provision exists, in the railway slum almost half of the households do not have the ability to afford electricity.

Water supply in Karail slum in Dhaka follows exclusionary practices (Field Survey, 2011). Unlike in Khulna city, in Dhaka getting water through tube wells is not a viable option (lower underground water table), thus the city dweller depends on the piped water supply network. DWASA is the responsible organisation for providing water supply and sanitation services in Dhaka city under the organisational arrangement of delegation. Though the authority is mandated (in the Dhaka Water Supply Policy 2005) to extend basic water supply to all 'slums' in Dhaka, it does not have enough resources in place for the expansion of official connections in informal 'slum' settlements. Thus Karail was excluded from the DWASA service. The same thing happened in the case of electricity, as DESA, another organisation under the arrangement of delegation, excluded the urban poor from the service provision. The main reason behind this exclusion was the lack of tenure security (which is a formal prerequisite for any public service provision) of the urban poor.

In response to the huge demand for water and electricity and lack of cooperation from DWASA and DESA, a group of local musclemen brought unauthorised piped water and electricity networks into the settlement through informal negotiation and under-table payments (Field Survey, 2011). This way of service provision also resembles the situation of Khulna, where the hybrid governance of formal and informal organisations

exists. However, the households are paying these local musclemen more than 10 to 15 times the actual price of the service if they had the direct access to the service provision. This informal network often breaks when there is a change of ruling political party and even in the change of leadership in the community. Therefore this type of solution is temporal in nature. A significant feature is the willingness and ability to pay for getting access to service provision.

In terms of sanitation, households in Karail depend on their own initiative and a few NGO-provided communal facilities. Similar to the networked action for tenure security, In Karail, since 1994 NGOs have been active in mobilising and organising communities so as to facilitate negotiations with DWASA (Soltesova, 2011). Appealing to the citizen's constitutional rights NGOs and CBOs partnered with DWASA and served as guarantors of the installation and management of DWASA's new communal water points (Rashid, 2009). This networked action developed robust community management systems, which showcases another new form of organisational arrangements besides the organisational arrangement of deconcentration, delegation, devolution and privatisation.

**Table 8.4: Organisational Arrangement of Service Provision in Case Study Settlements**

<b>Organisational Arrangement</b>	<b>Actors Involved</b>	<b>Role of Actors</b>
<b>Deconcentration</b>		
Karail Slum, Dhaka		
Railway Slum, Khulna	DPHE	Installed a few tube wells in the area
<b>Delegation</b>		
Karail Slum, Dhaka	DWASA	The responsible authority to provide water service but does not provide water in Karail considering the legality issue of service provision
	DESA	The responsible authority to provide electricity but does not provide electricity in Karail considering the legality issue of service provision
Railway Slum, Khulna	KWASA	Installed piped water supply network in Khulna city but does not have any coverage to the railway slum
<b>Devolution</b>		
Karail Slum, Dhaka	Local Political Leaders	Through this channel local people are getting water supply and electricity through the informal network
Railway Slum, Khulna	KCC	Providing water supply through installing tube wells
<b>Privatisation</b>		
<b>NGOs and CBOs</b>		
Karail Slum, Dhaka	Local NGOs	Negotiating with SWASA and DESA for service provision and providing communal latrine
Railway Slum, Khulna	Local NGOs	Providing communal latrine in the settlement

Source: Field Survey, 2011

### ***8.5.3 Access to Housing Finance***

In Bangladesh the housing finance market is excluding the urban poor as the private corporate sector and the government organisation - Bangladesh House Building Finance Corporation (BHBFC) - operate loans for the middle and higher income groups under the formal mortgage financing system. Though BHBFC is under the organisational arrangement of delegation, their formal mortgage finance is available only to households with monthly incomes above BDT 25,000 (250 GBP) (well above the 10th percentile of the urban income distribution). In relation to the formal housing finance market, the households living in Railway slum in Khulna and Karail slum in Dhaka have no access to this exclusionary organisational arrangement. The households in Railway slum in Khulna do not have any source of finance other than borrowing from friends and relatives. A group savings scheme has been established in Karail with the continuous effort of the networked action of NGOs and CBOs. Right now Organisation of the Urban Poor in Dhaka (NDBUS) is operating a group savings scheme, which allows its members to borrow the loan without any interest. As mentioned in chapter two (section 2.7.5, p39), participation is the major issue to regain social status and social protection (Mitlin, 2007) and to promote better coordination and sustainability in pro-poor housing projects (Hamdi and Goethert, 1997). Thus participation requires social networks and relations which act as a factor behind uniting communities to act together for their right. The group savings programme provides the platform to establish social networks and relations. Apart from this group savings scheme, the access to micro-credit programmes of NGOs is also another source of finance for the households in Karail (Field Survey, 2011). In Bangladesh, only a few NGOs provide housing finance, for rural areas only; against this background, the households in Karail take the other forms of micro-credit from the NGOs to construct or repair their houses. This is another form of hybrid organisational arrangement of the urban poor to get access to housing finance.

### **8.6 Different Forms of Organisational Arrangement in the Case Study Areas**

In the two case studies, there are significant differences in the functions of different organisational arrangements and their impact on addressing the challenges related to housing the urban poor (e.g., tenure security, lack of basic services and access to finance) in Karail slum of Dhaka city and Railway slum of Khulna city in Bangladesh. In the Railway slum of Khulna city, the households are more vulnerable to eviction and

affected by the lack of access to better services and finance but enjoy the free access of the land. On the other hand, the households living in Karail are protected by the networked effort of CBOS and NGOs in terms of their tenure security.

However, they are trapped by the local musclemen by paying rent for their tenure and access to services. In both cases, the deconcentrated and delegated organisational forms of decentralisation do not necessarily favour them, as sometimes the land clearance activities of these organisations are threatening for the urban low income people. On the other hand, the devolution form of decentralisation in Khulna is performing better for the urban poor, as the local elected political leaders are the gateway for claiming and securing their right for shelter and services. Considering the networked effort of CBOS and NGOs, in Dhaka this form of organisational arrangement is ensuring legitimacy of the urban poor but does not fit in to the organisational arrangement of decentralisation. This form of organisational arrangement outside the formal organisational arrangements of decentralisation is also building confidence in long-term planning through the group savings group, which can be a successful tool for channelling pro-poor policy in Bangladesh. This networked effort moves the community beyond the patron-client conception, setting the precedent of a popular political consciousness of how to pressure municipal and state administrations through political consciousness (Benjamin, 2008).

Another similarity between these two case study sites is that the land is owned by government organisations that are under the deconcentrated arrangement of decentralisation. In both cases these organisations do not provide any direct service to the urban poor; however the Public Works Department (PWD) has a few programmes related to housing and infrastructure development but lacks a pro-poor agenda. In the organisational arrangement of devolution, in Khulna the Local Government is working pro-actively to secure the tenure and provide the service, but in Dhaka the Local Government has no initiative for securing the tenure of the urban poor. Though the organisational arrangement of devolution is providing assistance through oral commitment to ensure tenure security in the railway slum, the uncertainty remains. It is evident that BRA has already evicted slum dwellers couple of times without any consultation with local government.

The main problem behind such situation can be explained by the lack of co-ordination among different organisations under different organisational arrangements. The main

reason for such a situation is that under the organisational arrangements of decentralisation, each organisation works under a separate ministry (deconcentrated structure) and can perform the functions within their own administrative (devolution) and functional (delegation) jurisdiction, which affects the development plans in absence of a national coordination strategy. In the case of Khulna, the deconcentrated (BRA) and delegated (KDA) organisational arrangement is part of central government, whereas KCC represents the local government under the organisational arrangement of devolution. It has been observed that these organisations are generating plurality in the planning and development approach and this pluralism results in uncoordinated efforts which in fact create more problems than a comprehensive solution (Mohit, 1992).

The major difference between these two case study sites appears in the case of tenure security and access to finance. In the case of Karail slum in Dhaka, eviction has been stopped by the court verdict, whereas in Railway slum in Khulna, the negotiation between BRA and the local elected political leader is the only means to protect from eviction. In terms of group savings as a major element to get access to finance, the households in Railway slum in Khulna have not yet formed any such organisation, whereas in Karail slum the group saving scheme is popular and later helped the households to form community-based organisations (e.g., CUP, NDBUS, CDC). The main cause of this distinction is the presence of networked action. Networked action has made it possible for communities in Karail to develop institutional capital, which McLeod (2001) defines as a strategic resource allowing the poor to develop relationships, access to and influence on the structures, processes, and procedures that constitute the external policy and regulatory environment in which organisations of the urban poor operate.

However, this networked action of the urban poor depends on their strength as a community, which is determined by their social networking, duration of living in the settlement, presence of community-based organisation, and access to local political leaders (Levy, 2007, Burra, 2005). In the Railway slum in Khulna city, most of the households (66%) have been living in this settlement for less than ten years, whereas in Karail slum in Dhaka city households (70%) have been living in the same settlement for more than ten years. In addition to that, Karail had the advantage of being located in the capital city, where currently 6 different NGOs are working, whereas in Railway slum of Khulna city only 3 NGOs are working at this moment. It is evident in the literature that

NGOs are often instrumental in enabling communities to organise and articulate demands (Devas, 2001). Thus the duration of living and the existence of NGO activities helped the urban poor in their growing awareness which later turned into networked action for the urban poor in Dhaka. Moreover, the informal political network of the urban poor in Khulna city can be more effective if the networked action happens there in near future.

### **8.7 Conclusion**

The objective of the development efforts of Bangladesh has been focused on the notion of 'good governance' in the last couple of decades, to ensure the exercise of power and utilisation of resources in a pro-poor manner. In order to achieve this, the Bangladeshi government has been using an approach based on legislation, regulations and institutional adjustment, which they argue will promote equitable development. However, analysing the case studies it can be concluded that the organisational arrangements of different actors related to housing the urban poor is designed to promote decentralisation. Decentralisation is always not necessarily pro-poor rather the policy and programme is important. In Bangladesh the policy and programmes are designed by the deconcentrated and delegated organisations and do not provide enough logistics to the local government organisations to develop any pro-poor programme in the local level. The dependency on the central structure still remains though the organisational arrangements represent the existence of decentralisation. Thus the failure to serve the urban poor through the decentralisation of organisational arrangement is to do with the policies as with how it is organised.

It was assumed that enablement requires decentralisation and that decentralisation should necessarily cater for the urban poor. Understanding the case studies, it is evident that the existing organisational arrangement lacks the wing to accommodate the informal organisational arrangement developed by the urban poor to get access to services. The existing organisational arrangements reflect the policy principle to promote market enabling approach. The organisational arrangement of deconcentration and delegation is not conducive to pro-poor policies. It has been observed that in terms of tenure security a discord and intermittent relationship exists in the organisational arrangement of deconcentration (central government ministries and agencies). These organisations have different policies about the land of these settlements without having

any policy agenda for housing these groups of people. The delegated organisations are also supportive to promote market enabling approach as the programmes developed by these organisations can reach the upper and middle income people only. At the local level (e.g., Khulna city), where people do not have direct access to the organisational arrangement of deconcentration depends on the initiative of local government (organisational arrangement of devolution). On contrary, it has been observed that, the resources and programmes for addressing poverty remain largely with central government, so that the municipalities see themselves as having a limited role in this respect (Devas, 2001). The main assumption behind this situation can be explained through the process of people's participation. In the organisational arrangement of deconcentration and delegation, there is no scope of people's participation, even if in the organisational arrangement of devolution people have direct access to the political leaders.

In Bangladesh, considering the bias of public policies for the market enabling approach, the formal organisational arrangements of decentralisation is not pro-poor in nature. However, the informal organisational arrangement through the networked action of the urban poor is getting more political attention and this rise of NGOs and CBO-led community-based initiatives is nurturing informal institutions, which have some sort of access to the organisational arrangement of devolution (local government organisations) but seeks the political commitment from the organisational arrangement of deconcentration and delegation. Proving that participation works in multiple combinations of actors opens up future possibilities for new alliances and cooperation in other sectors and in view of new goals (Field Survey, 2011). Understanding this participatory combination as an effective means of development and democratisation, the existing organisational arrangement of decentralisation in Bangladesh is not supportive to promote participatory enabling approach. Thus the externally funded projects are limited in scale due to the lack of organisational arrangement, which always depends on the policy framework. Moreover, the policy framework to support the market enabling approach has transformed the modes of housing provision towards being more private sectors dominated, which is historically excluding the urban poor.

In Bangladesh, where government does not have an extended role and where the private sector provided housing which is not affordable for the urban poor, the low cost informal settlements like slums and squatter are growing at alarming rates due to

migration and social-economic gaps between rural and urban areas. However, the informal process, through informal political connections, underpins the existence of these settlements (Field Survey, 2011). Therefore, it is essential to re-frame the organisational arrangement with the provision for community inclusion. This may allow the community to identify the possible gateway for housing with tenure security by understanding their own capacity and that of the existing organisational arrangements. In terms of the mode of housing provision, it is evident that the market in the form of private sector is not functional for housing the urban poor, thus the market enabling approach has to be revised in the context of Bangladesh.



## **Chapter 9: Impact of Development Approaches for Housing the Urban Poor in Bangladesh**

### **9.1 Introduction**

The analysis of the Bangladesh context and the case study settlements in the previous chapter shows that the housing conditions, housing provision and housing policy for the urban poor in Bangladesh are highly influenced by the neo-liberal development approach. Though the historical evolution shows that there were different development approaches since the independence of the country but neo-liberal development approach is the most current and pre-dominant approach for formulating development plans. Thus this chapter discusses the impact of neo-liberal development approach on housing the urban poor in Bangladesh, using the comprehensive analytical framework (Figure 5.4) of this research. This chapter discusses the impact of neo-liberal development policy on the housing condition of the urban poor in a broader perspective by understanding that the national development policies of Bangladesh failed to ensure balanced development both in urban and rural areas and the urban economic growth failed to provide employment opportunity for the migrant poor therefore the urbanisation is turning in to the urbanisation of poverty. In addition the withdrawal of state following the roll-back form of neo-liberalism heightened the crisis of shelter provision for the urban poor. Therefore the urban poor are affected by the lack of housing provision, as the urban poor cannot afford the private sector-provided formal housing. The policies and organisational arrangements related to housing are following the market enabling mechanism and fail to deliver any comprehensive programme for housing the urban poor in Bangladesh. In this context, this chapter summarises the context of Bangladesh and findings of the two case study areas to define the problems related to urban poor settlements, and discusses the impact of neo-liberal development approach on the housing conditions, housing provision and housing policy for the urban poor in Bangladesh.

### **9.2 Vulnerable Socio-economic Condition of the Settlers**

Lower income, higher expenditure, unsecured occupation and lack of land tenure security are related with everyday life of the urban poor. The urban poor are mostly migrated from the rural area due to push factors such as no employment, landlessness and disaster events. In the case study settlements they occupied public land (BRA land

and BTCL land) because they could access the land almost without any payments and middlemen supports. They faced several times eviction incidents but they are coming back to the same place since they do not have other options. The majority of the settlers depend on the local political leaders to secure their tenure. Consequently, they are depending on this informal network, which hinders their potential to participate actively in decision-making in the organisational arrangement of devolution. They feel as an isolated part of settlement from the mainstream of urban area. Thus this research argues that the higher vulnerable socio-economic condition of the informal settlers forces them to work at the favour of the local politicians and elites. This practice does not allow them to be self-confident and free from the vicious circle of poverty. In addition, the formal system does not allow the informal settlements to get any legal facilities and services although the informal settlers are also formally recognised urban citizen.

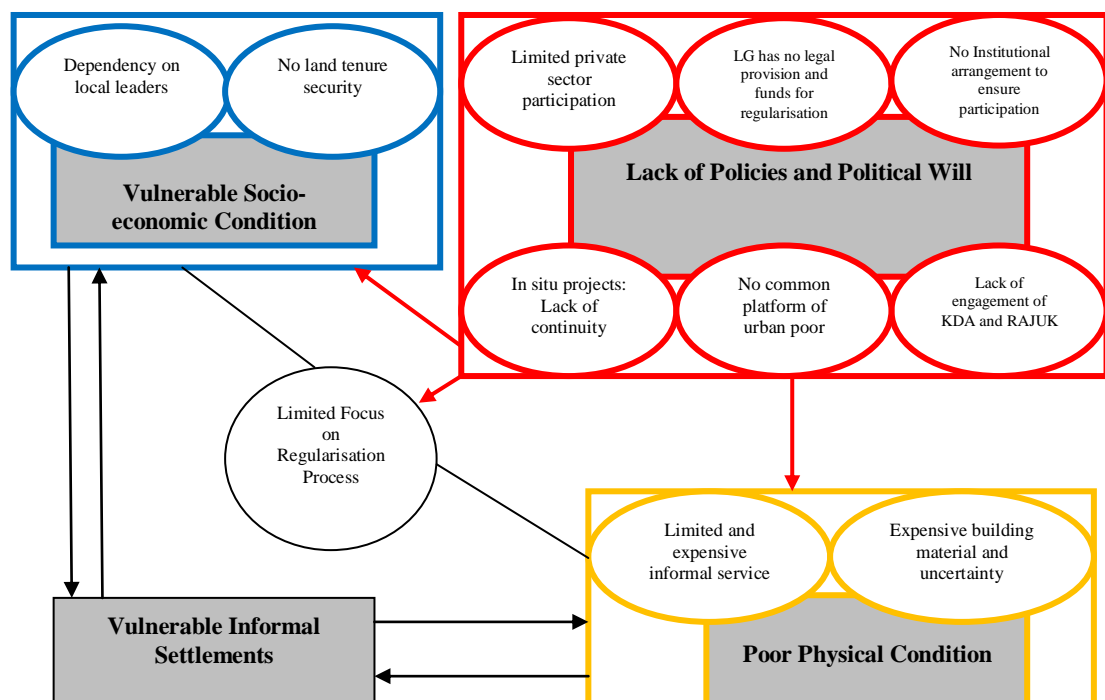
### **9.3 Limited Focus on Regularisation Process: Within the Initiatives so Far**

The current research concluded that the initiatives so far undertaken by both the public and private sectors for improving the condition of the informal settlements in Dhaka and Khulna city have ignored land tenure security. They mostly focus on physical improvement as a part of upgrading. Consequently, in the long term all efforts of physical improvement become null (no sustainable solution is provided to vulnerable socio-economic and poor physical conditions). For instance, after installation of basic infrastructures, there is still chance for the authority or landowner to enforce eviction measures if there is no pre-ensured means of provision for land tenure security. The regularisation process is more appropriate and effective in this regard compared to the upgrading process but the lack of political will, poor stakeholder participation and limited awareness among the settlers are major barriers. This approach of regularisation does not match what UN sees as best practices, as UN prescribes ‘The key to success lies in the mobilisation of the potential and capacity of all stakeholders in the shelter sector, particularly the people themselves, and the implementation of sustainable interventions with local ownership and leadership. Political will is fundamental to achieving this... Achieving the goal of adequate shelter for all ... will not be possible without national programmes that require, above all, consistent political will’ (UN-Habitat, 2006, p209). However, in both of the case study settlements, the political interest is in favour of an upgrading process based on infrastructure installation as this takes less time and it is more visible.

#### 9.4 Limited Actors' Participation: Within the Initiatives so Far

The limited actors' participation in informal settlement upgrading processes is an example of limited participatory development practice in Bangladesh. Participatory development practice is limited in Bangladesh but without participatory development it would be difficult to convince different actors to engage in redevelopment and guided development (Key personnel Interview 09, 2011). The research shows that the informal settlement improvement in Dhaka and Khulna city is suffering due to limited actors' participation in the regularisation process (Figure 9.1). As discussed in chapter eight that key actors such as KCC and DCC (organisational arrangement of devolution: local government bodies) have no legal provision, administrative section or fund for informal settlement improvement. KDA and RAJUK (organisational arrangement of delegation: regional planning and development agency) are somehow avoiding the issue of informal settlements. The spatial development plans prepared by deconcentrated or delegated organisations include some schemes to improve the condition of urban poor but these have never been implemented. KDA, RAJUK and NHA are also very reluctant to support any kind of public and private sector initiatives. The private sector participation is also very limited. Moreover, the landowners are not properly involved within the improvement process. The land administration and registration department have no involvement at all, just as other related public and private agencies.

**Figure 9.1: Problems Related to Informal Settlements Improvement in the Case Study Settlements**



Source: Analysed from Field Survey, 2011

The local leaders and settlers support the external aided initiatives but the sustainability is under threat due to uncertainty of availability of external aid. The community level participation becomes an isolated example at the end of the project period due to lack of continuity of such projects and replicating those projects at a city or national scale. The public sector has made some contribution to improve the physical conditions of the informal settlers but progress is very slow. They are not taking any initiative to bring permanent land tenure security for the settlers (considering the involvement of LGED in SIP). The central government's role is very poor in providing policy support and legal framework for stakeholders' participation. The research concluded that there is no common platform of participation and no prescribed leading agencies to facilitate actors' participation in the informal settlement regularisation process in the case study settlements. Consequently, these parts of the urban settlement remain as deprived zones with vulnerable physical and socio-economic conditions.

### **9.5 Impact of the Neo-liberal Development Approach on the Housing Conditions of the Urban Poor**

This section discusses why neoliberal policy is not successful in creating better livelihood and housing conditions for the urban poor. From the analysis in chapter six, it is evident that urbanisation in Bangladesh is poverty-driven, caused by an unsustainable rural economy with extreme entitlement contraction among the majority of marginalised peasantry and land-less poor (appendix 6.3). The migration of the rural poor to the urban areas has resulted in a direct inflow of rural poverty to the urban areas, engendering the process of 'ruralisation' of the urban areas. The housing conditions of the urban poor (Table 6.23) are the result of this duality (see pictures in appendix 6.4), compounded by the lack of land of access to formal housing provisions and high price of building materials.

The failure of neo-liberal policy can be explained by gross inequalities in the distribution of resource and economy. In Bangladesh the increasing rate of urbanisation and urban poverty is not only caused by natural growth in the urban areas in Bangladesh, rather it is mostly an outcome of push-factored rural to urban migration (Table 6.2). The lack of employment opportunity in the rural areas and assuming cities as the centre of growth in different development plans attracting more migrants in the urban areas. This biasness towards city economy which is an outcome of neo-liberal development approach is marginalising the rural poor. Though Fay and Opal (1999) oppose that urban bias is not an outcome of economic policies but under the market

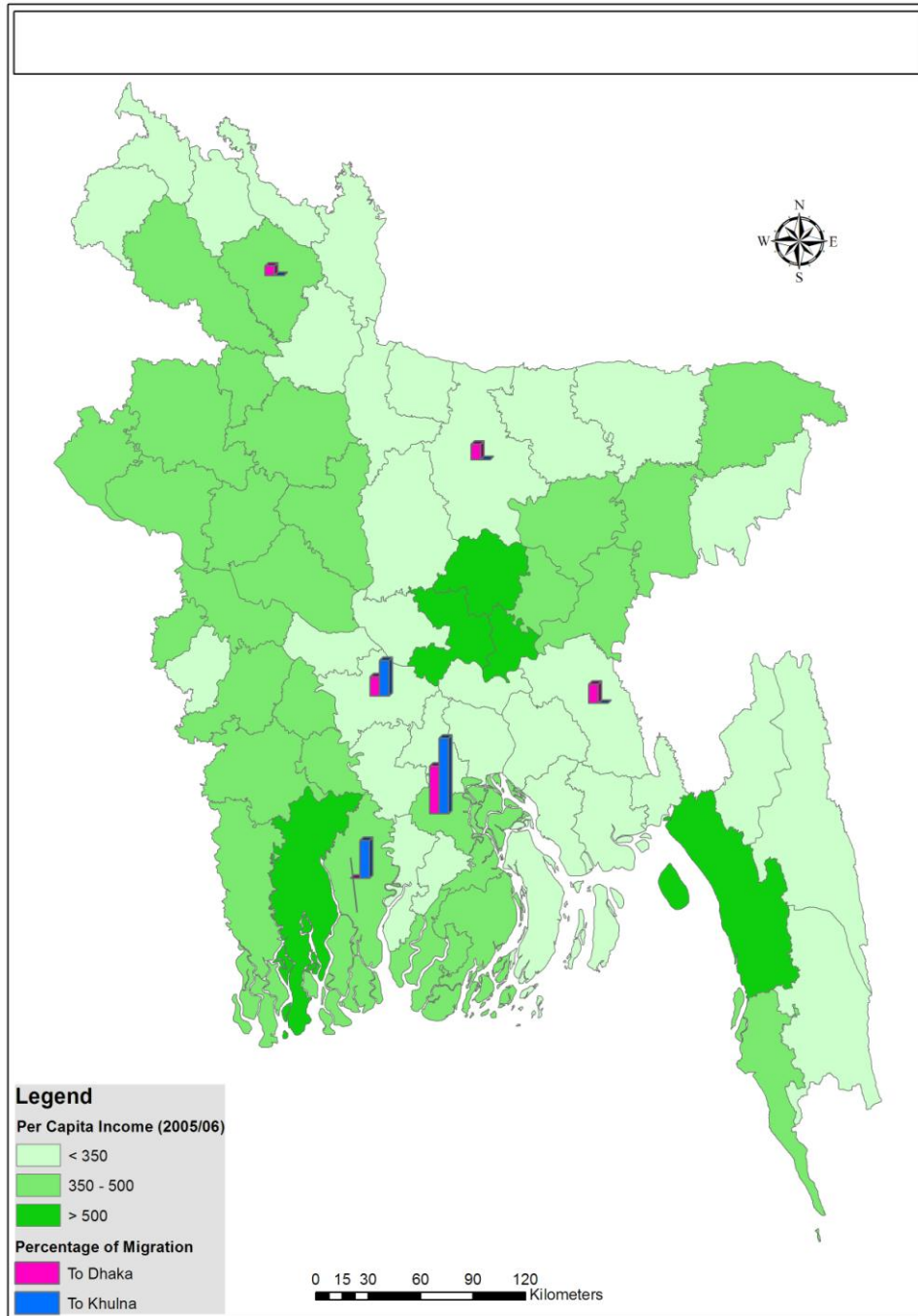
economy resource distribution is skewed in nature (Jones and Corbridge, 2010). The context of Bangladesh also supports this argument. As discussed in chapter six and seven that supporting the market in terms of privatisation and creating enabling environment for the private sectors was the fundamental development approach in Bangladesh, the urban bias is evident. This situation also explains the idea of Kessides (2007) that unequal resource distribution creates more urban bias to capitalise the maximum benefit of agglomeration. Thus the unequal distribution of resource is a significant outcome of neo-liberal approach, as the private sectors are investing in large cities than any other part of the country (e.g. 80% of the total garments industries are located in Dhaka city) (Key Personnel Interview 11, 2011). The migration trend of Bangladesh also challenges the idea (chapter 2, p22) of Fay and Opal (1999). Unequal resource distribution in Bangladesh is evident as the per capita income is higher in large cities and people are migrating from the rural areas of those districts which have lower per capita income (Figure 9.2 and Appendix 9.1). This situation explains the failure of neo-liberal approach to ensure equitable distribution of economy, which in the long run causing urban poverty through rural-urban migration.

Another failure of neo-liberal policy can be explained through the process of industrialisation and economic development. In Bangladesh urbanisation is taking place without economic development and industrialisation, and it is overwhelmingly mono-city (primate city) based. Dhaka accounts for 35% of the total urban population and half of the total urban poor in Bangladesh (3.50 million people are living in 4300 low income settlements of Dhaka). This skewed nature of population distribution is caused by market-driven development policies that can be explained as an outcome of skewing of resource provision which happens through over emphasising on private sector, who wants to capitalise the maximum benefit of agglomeration (Kessides, 2007). The lack of a policy framework for balanced development doubled with the dependency on private sector based industrialisation is causing this sort of urban concentration, which attracts the migrants. As discussed in chapter six that in the absence of state initiative, private sectors are investing in the larger cities to maximise the benefit of agglomeration. However, the formal private provision of service and housing is beyond the affordable limit of the urban poor, which is causing the increasing number of slum dwellers in these larger cities.

The control of land price and building materials is also another dimension of neo-liberal policy. The lack of government initiative is causing speculative market. Assuming

market as a provider for housing, government has not any affordable scheme, which is causing speculative market. Though it is assumed that market is competitive but in Bangladesh due to the lack of available buildable land, the housing market became speculative. Thus it is questionable to depend on the market alone as a provider considering the huge income inequality and land ownership in urban areas in Bangladesh. In both Dhaka and Khulna city, two-thirds of government vacant land in different parts of the city, under the ownership of different government organisations, is not released for urban use (Key Personnel Interview 12, 2011). Perhaps this is one of the important reasons for scarce supply of land in the city areas and therefore policy documents urges the relocation of the urban poor in fringe areas. However, most of the land in the urban fringe is in the grip of private land developers and so called land speculators, and remains beyond the affordable limit for the urban poor. In addition, such urban fringe areas have a very poor, and in some cases absence of road network systems to be connected with the core and other areas of the city, which may limit access to livelihood opportunities by the urban poor. As it has been identified in chapter six that there is a symbiotic relationship between livelihood opportunities and the built environment, on the basis of which the urban poor develop their survival strategies.

**Figure 9.2: Per Capita Income of the Place of Origin of the Urban Poor**



Source: Analysed from BBS, 2001 and CUS et al, 2006

### 9.6 Impact of Neo-liberal Development Approach on the Housing Policy for the Urban Poor

The impact of the neo-liberal approach in Bangladesh can be described through the existence of the World Bank-advocated ‘market-enabling approach’. In Bangladesh the co-existence of World Bank-advocated ‘market-enabling approach’ and the UN-recommended ‘participatory enabling approach’ is significant. The former approach is evident, as the fourth (1990 to 1995) and fifth (1997-2002) five year plan objectives

implied the mobilisation of resources gradually from the Government to the private sector. This situation clearly explains the presence of roll-back form of neo-liberalism. Distinguishing the public and private sector policies for housing for the first time in the history of five year plans reflects the political commitment to enabling the private sector. The fourth and fifth five year plans encouraged the private sectors to undertake land development projects. Along with the individual construction of houses the private corporate sector emerged in this period as a major provider of apartment housing and buildable land. Thus the enabling approach for market-based housing production seems successful in terms of strengthening the private sectors, as since the formulation of the fourth five year plan 283 private real estate developers have been established in Bangladesh (REHAB, 2010). However, the land cost and the cost of building construction has pushed the price of private sector housing beyond the affordability of the urban poor (Rahman, 2010). In addition to housing provided by developers, the individually constructed houses are another option in the private sector mostly as rental accommodation, which is also far beyond the affordable limit of the urban poor.

In terms of the third sector based enabling approach recommended by the United Nations, there are no macro level policy guidelines in Bangladesh. The existence of a few project-based initiatives shows the existence of UN recommended enabling approach. Over the last two decades, the rise of civil society in Bangladesh has reshaped a few programmes and projects making these more participatory, which has been identified as a precedent for 'participatory development approach' in some of the literature (Rahman, 2001; Rashid, 2009; Rahman, 2010).

The rising potential and importance of NGOs and organised civil society as development partner is the most mentionable feature for reframing the development approach in Bangladesh since 1995 (Habib, 2009). In addition, to take greater account of local conditions, donor agencies have started to include participatory elements and to channel substantial amounts of aid money through international or local NGOs or civil society organisations (CSOs), which also has an impact on the development approach in Bangladesh. In this context, it has been observed in last two decades that government policies are supportive towards the neo-liberal approach of privatisation to promote market-enabling approach; whereas the UN and donor assisted social development programmes are trying to incorporate participatory approaches.



Though these programmes of participatory-enabling approach brought different alternative development approaches, they are not replicated at the national scale because of the uncertainty of external funding and lack of local resource mobilisation (Figure 8.5). But the most significant factor affecting the replication of these programmes is the lack of public policy to support these programmes endogenously. Another major challenge for the participatory approach is the mobility of the urban poor, which restricts their ability to develop social capital. The low-income households change their location frequently as they are more exposed to the pressure of spiralling housing rent, overall cost of living etc. In addition to that, the community belongingness becomes complex further more when different informal livelihood activities become the major sources of the family income, which needs frequent change of location (Figure 6.18 and Figure 6.20). This type of mobility affects the relationship of an individual household with the community. However, research findings suggest that people who are living in the same settlement for more than 10 years are involved in group saving schemes, which has been regarded as a key indicator for community-based development (Field Survey, 2011). However, ongoing development programmes represent the potentials to introduce community-led housing programmes in Bangladesh. But the major challenge of replication remains in the absence of public policy to accommodate different alternative development approaches to cater for participatory enabling approach. Thus the public policy is promoting market enabling approach, which failed to create housing provision for the urban poor and the participatory enabling approach is still limited in scale due to the lack of policy support from the state and dependency on external funding.

### **9.7 Impact of Neo-liberal Development Approach on the Housing Provision for the Urban Poor**

The mode of housing provision in Bangladesh represents the strong existence of neo-liberal development principle, as the public sector provides housing only for the public employees (Figure 8.3). In this context, the city dweller depends on the private sector. In the private sphere, there is no example where private developers have had any land or housing development project designed for the poorer section of the society. The target groups of the land developers are upper middle and upper income class people. There are very few examples involving public agencies like NHA where low income housing was designed especially for the urban poor. Only NHA have provided some low housing settlements where some refugees and low income people were resettled.

Otherwise, the concerned public agencies mostly provided rental housing facilities for the upper level government employees.

In terms of organisational arrangement, the context of Bangladesh and the case study settlements show that this has features of the market enabling approach. The current organisational arrangements in Bangladesh have certain forms of decentralisation, which indicates that the policy towards market enabling approach has been adjusted through the organisational arrangements. This market enabling approach follows both roll-back and roll-out form of neo-liberalism. The organisational arrangement of privatisation and developing policies to support that form of organisational arrangement clearly indicates that the public policies are in line with the roll-back form neo-liberalism under the market enabling approach. In contrast the creation of delegated organisations (NHA, RAJUK and KDA) and the existence of organisational arrangement of devolution (local government organisations) are an indication that the provision to introduce roll-out form of neo-liberalism persists. However, the lack of resource and political will hinders this form (roll-out) of neo-liberalism to expand for housing the urban poor in Bangladesh. Moreover, overlooking the problem of the urban poor in the deconcentrated and delegated organisational arrangement is a common phenomenon found in analysing the tenure security issues in both case study settlements. This situation can be explained with the words of the estate officer of Bangladesh railway, Khulna; while asking him about the settlement of the urban poor on railway land. The estate officer commented *'We do not have any plan to relocate these settlements as part of the rehabilitation programme. There is no scope in the current legislative structure of Bangladesh railway for sharing the land or to develop any relocation/ rehabilitation scheme. Thus we need to evict them from the land to vacate the public property'*.

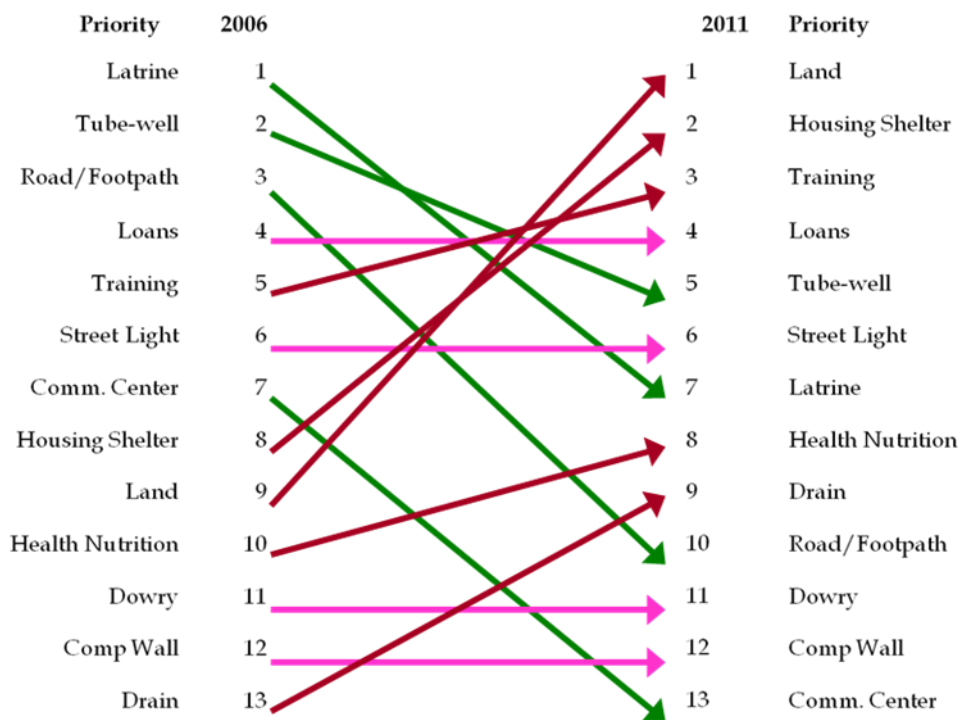
Apart from the perception towards urban poor there is a problem of coordination and trust among the organisations with responsibilities in this area. Again quoting the estate officer about coordination and cooperation with NGOs and local government: *'While evicting the poor, the protests are coming from the civil society organisations. In addition, the political connections of the slum dwellers have an influence over the eviction process. Right now we are ignoring these hurdles to recover public property, as it is the statutory responsibility of our institution. Though, KCC is the local elected representative but this land is under the central government. So the local government institution has no right to take decision about this property. We have heard that, few*

*NGOs are operating physical infrastructure development programmes but they are doing by their own. They even never informed us about their projects. So, we are not considering these programmes as a permanent issue, as the roads and other infrastructures will be demolished under the land clearance programme during the eviction. Even more we are considering such physical infrastructures illegal as the providers have not applied for any permission from us like the current informal occupants of the land’.*

It has been observed in both case study settlements that the urban poor have direct access to the organisational arrangement of devolution, which is the local government structure. Around the world local authorities tend to rely on a combination of locally raised revenue and grants from central government. But in Bangladesh, all the local level bodies like Pourashava, City Corporation etc. are fully dependent on the block grant from the central government as the revenue earning from their territorial jurisdiction is too low to be self-sustained. The general rule is that any type of infrastructural and civil services and facilities like roads, housing projects etc. constructed by the other public agencies should be handed over to the concerned local govt. bodies like City Corporation for maintenance. It has been identified that the revenue earning in KCC and DCC is already low due to the devaluation of the taxable items, bribes, corrupted employees, mismanagement and so on (Field Survey, 2011). In this context, though it has been observed that local political leaders are acting as a major actor in providing political support for perceived tenure security they have limited scope to institutionalise these things.

Another organisational arrangement in the absence of private sector for service delivery observed in the case study settlements is the involvement of NGOs. The NGO programmes became successful in addressing the infrastructure issues in the settlements but the priorities of the urban poor are changing (Figure 9.3). The study report of LPUPAP shows that in 2006 in the case study settlements the priority demand of the urban poor was sanitation but in 2011 it was land entitlement (Field Survey, 2011), as the urban poor increasingly understand that without tenure security it is tough to transform the survival strategies to a sustainable way of living. NGOs have limited scope to deal with the tenure security issue and it has been assumed in the literature that NGOs can mobilise the urban poor to form different CBOs to act as federated organisation to claim their right (Satterthwaite, 2001; Patel, 2001; Burra, 2005), which is very much functional in Karail.

**Figure 9.3: Changes of Priority Demands of the Urban Poor**



Source: Analysed from LPUPAP, 2007 and Field Survey, 2011

It has been observed that in addition to the NGO initiatives, different informal networks of service provision have been established in the case study settlements. The current literature identifies these informal networks can create a political space (levy 2007) generating the ability for negotiation, claim making and political control around for gaining the perceived tenure security and accessing public utilities (Hackenbroch, 2011 and Hossain, 2011). This claim has been supported by Benjamin (2008) that networked actions create consciousness thus the options for collaborative actions come forward (room for manoeuvre by Safier, 2002). The Bangladesh context also sets out the precedent as mentioned in chapter eight of this research (the high court ruling about eviction, water supply network in Karail). However, the recent eviction in Karail (appendix 9.2) shows that this sort of informal network does not guarantee tenure security in the informal settlements. Thus again the lack of state involvement threatens the efficiency of participatory enabling approach, as the UN recommended enabling approach asks for the state to create the conditions for participation. Moreover, the community is supporting themselves in the absence of state policies and programmes, where state policies are supportive to the market enabling approach only.

## 9.8 Housing the Urban Poor in Bangladesh: Replication of International Perspective

Although the international theories, practices and policies reviewed in this research are based on the generalised context of developing countries, the situation in Bangladesh is the direct replication of international context. However, the Bangladesh context differs in various perspectives considering the social, economical and political perspective. The major difference between the international context and the situation in Bangladesh is the lack of continuity of any development initiatives for a longer period of time. The main reason behind such situation is the direct importation of international ideas without contextualising locally. The development initiatives are short lived as the priority of external agencies are changing in different time periods. The lack of political will of the local political parties and the historical aid dependency is hindering the process to develop any endogenous solution.

Although the pro-poor housing initiatives in developing countries under different development approaches failed to reach a comprehensive solution, these initiatives have provided different policy options to articulate future policy measures. The political philosophy of the state in different regime and influence of external agencies produced these varied initiatives, The macro-economic development approaches have direct impacts on the housing conditions, housing policies and housing process of the urban poor. Internationally the most significant option was self-help housing, which still prevails in some developing countries. In Bangladesh, the presence of self-help housing was very limited as the policies were not favourable. Aided self-help housing approaches were also limited as the country became independent in 1971 and initially tried to be a socialist country, which was a major obstacle for external aid. Later the policies became market friendly but in absence of any externally aided self housing programme after the period 1980s, the success stories of self-help housing cannot be narrated in Bangladesh context. However, table 9.1 summarises the concepts drawn from the international perspective to build an understanding of the Bangladesh context.

**Table 9.1: Pro-poor Housing in Bangladesh in an International Perspective**

	International Perspective	Bangladesh Context
<b>Housing conditions</b>		
Urbanisation process	Urbanisation is happening due to demographic growth within the city and rural-urban migration.	Migration contributed about 60 percent to the urban growth in Bangladesh which is greater than the natural growth.
Urban Poverty	Urban poverty is happening due to the lack of policy support.	There a dilemma for poverty alleviation in terms of the spatial focus of the policies, whether the

	<b>International Perspective</b>	<b>Bangladesh Context</b>
		policy will focus on the urban phenomenon or it will focus on rural development to restrict rural-urban migration caused by the push factors.
Housing Poverty	Housing poverty and urban poverty has both way cause-effect relationship and is the result of lack of institutional capacity for housing and service provision.	The efforts of the government in terms of resources, capabilities and initiatives are highly inadequate. The combination of a growing urban population and a lack of affordable private housing have resulted in illegal and legal residential settlements of the urban poor.
Housing as an asset	The interrelation of housing and urban poverty relies on livelihood opportunities.	People living in the urban poor settlements are using all of their labour forces to extract their livelihood opportunity. In most of the cases the employment opportunity is related to their surrounding built environment. Thus there is a symbiotic relationship between the built environment and livelihood opportunity.
Challenges for the Housing Urban Poor	Lack of affordability, lack of tenure security, lack of access to basic services, unavailability of housing finance, and lack of participation. Internationally the major challenges are lack of access to basic services and lack of tenure security.	These challenges are creating vulnerability, mostly the economic and politico-legal vulnerability. The challenges remain in the absence of state initiatives and lack of capacity of the urban poor to afford private provisions. The tenure security situation in Bangladesh is not varied in nature like other developing countries, as most of the urban poor are squatting on public land. The service provision scenario shows the strong presence of NGOs.
<b>Housing Policies</b>		
	In some cases housing policies have been merged with broader macro-economic policies and in other cases separate policies for housing the urban poor.	Housing policies have always been merged with national economic development plan. The only national housing policy was developed in 1993 as a matter of aid conditionality.
	Housing policy always depends on the macro-economic development approach and articulated on the basis of development philosophy of the state or replicating the external agency prescribed approach.	Housing policy always depends on the macro-economic development approach and replicates the external agency prescribed approach. Partisan politics and the problem of patronage and corruption within the political parties, which makes it possible for external agencies to prescribe the development approach.
	The most pre-dominant approach was self-help and aided self-help housing. The current pre-dominant approach is market enabling approach (World Bank advocated) and participatory enabling approach (UN advocated).	In Bangladesh, self-help housing approach was limited due to the lack of available funding from external agencies. It is evident from the five year plans that the government initiatives are favourable to a market enabling approach, which is pre-occupied with the ideas of neo-liberalism. Participatory enabling approach is limited in few externally aided projects and lacks the scope to be integrated in public polices without having strong political will.
<b>Housing Process</b>		
Organisational Arrangement	The role of different actors and the organisational arrangement for housing the urban poor differs with the development approach. The preferred organisational arrangement of external agencies for enabling the market is decentralisation.	The organisational arrangements of different actors related to housing the urban poor is designed to promote decentralisation. Decentralisation is always not necessarily pro-poor rather the policy and programme is important. In Bangladesh the policy and programmes are designed by the deconcentrated and delegated organisations and do not provide enough logistics to the local government organisations to develop any pro-poor programme in the local level. The dependency on the central structure still remains though the organisational arrangements represent the existence of decentralisation.

Modes of Housing Provision	Housing provision in developing countries is classically divided into two main groups of conventional/formal and unconventional/informal modes of provision. Under the market enabling approach the lack of public housing provision push the urban poor in informal settlement as the only mode of housing provision.	In Bangladesh 35% of the total urban population are living in slums. The public housing provision is only limited to public employees as a rental accommodation and private housing is beyond the capacity of the urban poor to afford.
	<b>International Perspective</b>	<b>Bangladesh Context</b>
Role of different actors to address the challenges related to housing the urban poor	The main problem is the lack of coordination among actors. However, the good practices (e.g. Baan Mankong programme in Thailand) show that sharing common goals and objectives within and between organisations can be instrumental.	In Bangladesh, a discord and intermittent relationship exists among different organisations. In the organisational arrangement of deconcentration and delegation, there is no scope of people's participation, which limits the option to develop a comprehensive policy. Understanding the participatory combination as an effective means of development and democratisation, the existing organisational arrangement of decentralisation in Bangladesh is not supportive to promote participatory enabling approach.

## 9.9 Conclusion

The nature of urbanisation in Bangladesh is the outcome of the macro-economic development approach, which shows unequal resource distribution and economy resulting rural-urban migration. The lack of state support (direct provision of employment opportunity and services) under the market enabling approach, is transforming these migrant poor to urban poor. The private sector is seemingly unaffordable to these groups of people and the absence of affordable provision by the state pushing these groups of people to slums and squatters, which lacks better service provision and tenure security. This adverse condition in these settlements is affecting the livelihood opportunities of the urban poor. Understanding the income generating options in both case study settlements, it has been observed that there is a symbiotic relationship between the location of the housing and livelihood opportunity of the urban poor. But to ensure maximum productivity of the urban land, the state policies refer relocation policies for the urban poor in to the fringe areas to clear the valuable urban land. Though few of the policies (especially national housing policy) describe the importance of housing the urban poor, but there is no single attempt from the state agencies to implement any pro-poor programmes or projects.

This approach towards market enabling approach is well evident in the organisational arrangement as well. Though the organisational arrangement shows the existence of decentralisation but this arrangement is not pro-poor in nature. Theoretically it has been assumed that organisational arrangement of decentralisation is by default pro-poor in

nature, but the context of Bangladesh defines that without the pro-poor policy framework and political will towards pro-poor development, the organisational arrangement of decentralisation is not functional towards solving the problem of the urban poor. Another major problem of organisational arrangement is the lack of state agencies which could coordinate the external aided programmes based on the 'participatory enabling approach'. Realising the success of 'participatory enabling approach' scholars and practitioners of Bangladesh also advocates for these programmes to scale up in the national level. But the lack of organisational arrangement is the major challenge for scaling up, which is again the matter of policy issues. There is no single public policy which could accommodate the 'participatory enabling approach' rather the policies are favouring 'market enabling approach' which failed to deliver housing for the urban poor. In this context, the next chapter draws the conclusion of this research by providing some guiding principle to redefine the role of state for housing the urban poor in Bangladesh in the light of some international practices which happened in other developing countries recently.



## **Chapter 10: Conclusion and Recommendations**

### **10.1 Introduction**

This chapter answers the research questions of this research which were set-out in the beginning of this research to attain the aim. This research intends to give a comprehensive evaluation of the impact of development approaches for housing the urban poor in Bangladesh drawing on the international theories, policies and practices. Thus this research looks back at the international theories, policies and practices explored in chapter two, three and four and draws out their relevance to Bangladesh context. To answer the first research question (How are urban poverty and housing related as a matter to address urban poverty?) the literature on the interrelation between housing and urban poverty is explored at the outset, in order to assess its theoretical fitness with respect to the livelihood opportunity of the urban living in the case study settlements. This theoretical perspective also explains the nature of urbanisation and its relation to urban poverty, which is causing different vulnerability associated with the housing conditions of the urban poor. Examining this theoretical perspective in Bangladesh context contributes to answer the second research question (How have ideas on pro-poor housing evolved over time and whether produced varied results under different development approaches?) by looking at different literature. In this research, literature on the evolution of housing policies have been identified in order to understand the impact of different development approaches in formulating policies, designing programmes and implementing projects. This understanding is the conceptual framework to conceptualise the evolution of housing policies of Bangladesh in an international perspective. This understanding also explains the nature of current predominant development approach and its impact on housing policies programmes and projects. Thus it contributes to attain the aim of this research.

The final theoretical understanding is the organisational arrangements for housing the urban poor which addresses the third research question of this research (What are the roles of different actors under the recent generalised organisational arrangement of housing provision influenced by the recent development approaches, and how these organisational arrangements is determining the modes of housing provision for the urban poor?) by looking at the organisational arrangement of decentralisation. It has

been explored in this research that organisational arrangements also depend on the development approach as the policy guidelines are the fundamentals for transforming the organisational arrangements. As this study explores that neo-liberal development approach is the pre-dominant approach, thus the organisational arrangements have been understood through the organisational arrangements of decentralisation. Understanding the aforementioned issues of previous chapters which have addressed a series of related objectives, this final chapter brings the main findings together to explain the impact of neo-liberal approach for housing the urban poor in Bangladesh. Finally this chapter provides some policy recommendations of state re-engagement as the empirical findings of this research explains that the market enabling strategies under the neo-liberal development approach failed to deliver housing for the urban poor. At the end, the scope for future research is addressed.

### **10.2 How are Urban Poverty and Housing Related?**

In the literature it was identified that urbanisation in developing countries is merely a demographic process caused by mostly rural-urban migration. This type of urbanisation process is directly linked with public policy which is articulated on different development approaches. However, the review in chapter two also provides the evidence that along with the urbanisation, urban poverty is also increasing in the developing countries. The lack of institutional capacity for employment generation and service provision is contributing to urban poverty and increasing the number of urban poor living in informal settlements. However, the review revealed that apart from the poor housing conditions, these settlements have direct impact on the livelihood of the urban poor. But this livelihood opportunities based on this informal housing provision is threatened by lack of service provision and lack of tenure security. However, the review suggested that understanding this interrelation is essential for successful poverty alleviation programme, which again depends on the public policy. Thus development approach has a direct impact on the housing conditions of the urban poor.

The Bangladesh context clearly shows that urbanisation process is also demographic and caused by mostly rural-urban migration like the other developing countries. The major cause behind this situation is the failure of public policies to ensure equal distribution of resources and economy. In Bangladesh depending on the private sector only, the concentrated development is a common phenomenon. Thus the agglomeration

is happening and without having any direct intervention from the state the urban primacy is becoming the significant feature. Thus the concentration of migrant people has been observed in major cities (Dhaka, Khulna, Chittagong and Rajshahi). In the absence of direct state involvement for employment generation and housing provision, the migrant people are getting involved in informal income generating activities and living in the informal settlements. However, their income generating opportunities have a direct link with their housing provision. It has been observed in the case study settlements that most of the people living in these settlements are generating income by using the location of the settlement. Thus it provides the evidence that there is a symbiotic relationship between the built environment and livelihood opportunity of the urban poor. However, the policy related to house the urban poor in Bangladesh prefers relocation of these people in fringe areas. Thus it is essential to understand why such policies are framed and under which development approach.

### **10.3 How have Policies on Pro-poor Housing Evolved under Different Development Approaches?**

The review of the literature in chapter three shows that different approaches for housing the urban poor were evolved after the post-colonial period (from 1950s) based on different development approaches. The most notable approaches are conventional housing, public housing, self-help housing, aided self-help housing, site and services scheme, enabling mechanism and community-led housing. These approaches are still in function in different context in modified versions. But in most of the developing countries the pre-dominant approach is enabling mechanism and mostly market enabling approach. This approach became pre-dominant since 1980s following the principles of neo-liberal development approach. Under the influence of the neo-liberal development strategies, housing policies became closely related to macroeconomic policies and structural adjustment since the 1980s (Burgess 1992; Pugh 1995). State interventions were characterised by a transition from housing supply to support policies and focused on the reforming of the whole housing system and increasing overall housing supply (Wakely, 1988). This 'support approach' of the 1980s and 1990s complemented the growing interest in urban management problems, and neo-liberal tendencies to privatisation. It was taken up by the World Bank and the United Nations, and through the 'enablement policies' which facilitate and encourage private and community sectors to respond to housing demand, and limit state intervention to the provision of legislative, institutional and financial frameworks, and access to property rights, mortgage finance, etc. (World Bank 1991 and 1993; Payne, 2002).

The main thrust of these policies was growth and development of the whole housing sector in urban and national contexts; poverty alleviation was to take place through the ‘trickle-down’ effect and supplemented with ‘safety nets’ for the most vulnerable (Pugh 1997; Rakodi, 2002). Neo-liberal housing approaches have involved privatisation, increased rents, reduced subsidy, deregulation of private housing and mortgage lending and weakening of planning controls for new and existing housing; they reduced state intervention in social and economic affairs and the assertion of the superiority of market processes (Forrest and Hirayama, 2009; Mukhija, 2004). Though the World Bank’s enablement policies followed the market enabling approach under the neo-liberal development approach but the United Nations enablement policies were articulated on the basis of different alternative development approaches, where participation of the community became the key concern. Though both of these approaches prefer the withdrawal of state from housing provision but the World Bank approach asks the restructuring of organisational arrangements and legislation to ensure market friendly environment and UN approach asks for the state to create the conditions for community participation. Thus, it is evident that the policy framework influences the organisational arrangements and the organisational arrangements for housing the urban poor are also determined by the development approaches.

The policy evolution of Bangladesh shows the existence of all major international approaches in different political regime. The political philosophy of each political party was never translated in to the public policies because of aid dependency. Thus the external agency prescribed development approach is fundamental to articulate public policies. Though there were sporadic attempts for modernisation and site and services scheme in the 1970s but later from 1980s the housing policy of the country shifted towards the international trend, market enabling approach. This shift was not deliberate rather the outcome of aid conditionality. However, the market enabling approach was clearly distinct and predominant approach through the policy appraisals of fourth and five year plans. There were no single projects by state agencies for housing the urban in last two decades. Apart from the public polices, the country experienced a few projects by external agencies following the ‘participatory enabling approach’ prescribed by United Nations. Thus the coexistence of ‘market enabling approach’ and ‘participatory enabling approach’ is visible, but the public policy focuses only the market enabling approach. Thus the participatory enabling approach was never scaled up due to the lack of policy support from the state. As it has been observed in the literature and empirical

evidence that policy framework determines the organisational arrangements, thus the organisational arrangements were also in favour of market enabling approach.

#### **10.4 What are the Roles of Different Organisational Arrangements of Housing Provision for the Urban Poor**

Literature shows that the role of different actors and organisational arrangements depends on the preferred development approach. As neo-liberal development approach is pre-dominant, organisational arrangements of decentralisation have been assumed as the compatible institutional frameworks. Literature explains that the organisational arrangement of decentralisation is pro-poor and the best arrangement to deliver service for the urban poor. However, the organisational arrangement determines different functions and responsibilities of each actor. Thus the policy making and service delivery differs. Under the decentralised organisational arrangement, it has been assumed that housing will be delivered by private sector and the policies will be developed by the organisational arrangements of deconcentration and delegation. Considering the roll-out form of neo-liberalism devolution was assumed as the most instrumental form of decentralisation to promote participation and ensure bottom up development. This assumption of organisational arrangement had a greater impact on the modes of housing provision in developing countries. In practice the roll-back form of neo-liberalism was exercised in developing countries by focusing private sector as the most pre-dominant formal mode of housing provision in developing countries. In the absence of any state agencies as a provider for housing the urban poor and the lack of capacity of the urban poor to afford private provision, informal housing became the pre-dominant mode of housing provision of the urban poor. Meeting the housing need requires to address few challenges (lack of affordability, lack of tenure security, lack of access to basic services, unavailability of housing finance, and lack of participation) by the actors involved in the housing process. The literature shows that along with the lack of policy support, the lack of coordination among different actors under different organisational arrangement is a major problem to address those challenges.

The current organisational arrangement of Bangladesh has certain levels of decentralisation. Thus the arrangement clearly indicates that the state agencies have clear intention to create a favourable environment for the market under neo-liberal development approach. Creation of delegated organisations (e.g. NHA, KDA) after the 1980s and emphasising privatisation indicates the intention of the state to cater for market enabling approach. It is evident from the case study settlements and the general

context of Bangladesh that private sector does not provide any services to the urban poor. The organisational arrangement of deconcentration and delegation is also not conducive to pro-poor policies and programmes. The only organisational arrangement of decentralisation the urban poor can access is devolution (local government). But in Bangladesh the top-down planning approach and dependency (grants) of local government on the deconcentrated organisation restricts the ability of local government to plan and implement any pro-poor housing programme. In terms of modes of housing provision by different actors under each organisational arrangement also excludes the urban poor. Thus the organisational arrangement of decentralisation is not conducive to deliver housing for the urban poor in the absence of a pro-poor policy. This situation can be well explained in the case of participatory enabling approach. The external agency funded programmes and projects have never been replicated by state agencies as there is no such organisation under any form of organisational arrangement which can undertake those programmes at a national scale. The lack of public policy to recognise the opportunities of this approach hindered the development of such public organisations in Bangladesh. In this context, the modes and the organisations of service provision in the urban poor settlements are developing on the process of informality. But these informal networks are creating synergy among other actors, which is well recognised in external agency funded projects but need an enabling environment to rise towards the potential. Hence the public sectors fuller involvement in realising the participatory enabling approach offers scope for improving the housing conditions of the urban poor in Bangladesh. Thus, this research advocates for a re-engagement of state. Considering this notion, this research emphasises for public-private-community collaboration (drawing on Safier's room for manoeuvre) for housing the urban poor. The following section of this chapter describes the recommended form of re-engagement of the state along with the public-private-community collaboration to address the challenges related to housing conditions, housing policy and housing provision for the urban poor in Bangladesh.

### **10.5 How to Scale-up Housing the Urban Poor in Bangladesh**

This section proposes a few recommendations for the re-engagement of the state in housing the urban poor in Bangladesh. The recommendations have been divided into two stages: (1) policy level recommendations and (2) implementation level recommendations. Both of these stages have been again divided into macro (national/city) level and micro (settlement) level. In terms of policy level

recommendations, this research focuses on the urbanisation issue, tenure security issues, and organisational arrangement. In the implementation level recommendations, this research focuses on land regularisation, as tenure security has been considered as the major challenge related with the housing of the urban poor. In addition, different possible affordable housing proposals have been recommended, acknowledging that these recommendations need piloting by contextualising the particular approaches in Bangladesh.

#### ***10.5.1 Policy Level Recommendations***

In Bangladesh, urbanisation is taking place without economic development and industrialisation. Moreover, urbanisation in Bangladesh is overwhelmingly primate city based. It is well known that migration, for individuals, is often a rational and dynamic effort to seek new opportunities in life. If that is so, then the primate city based urbanisation means a gross failure of the cities to respond to the right of individuals comprising urban poor. Thus, in order to achieve a balanced spatial distribution of production, employment and population, the Government of Bangladesh should adopt a policy which will counter the unequal distribution of resources and economy. Thus an explicit policy on urbanisation in Bangladesh is essential.

It has been mentioned in chapter eight that political will is the major issue for re-engagement of state in housing the urban poor. It has been observed during the field survey that both the deconcentrated and delegated organisations are overlooking the problem of the urban poor. Even more, these organisations do not recognise the existence of the settlements where the urban poor are living. For example, in the current Khulna Master Plan, the area comprising Railway slum is designated as a ‘mixed use/ industrial area’ under the redevelopment of public land and a similar thing happened to Karail in the urban area plan under DMDP. Thus, these settlements do not exist in official documents – even though they are crucial to the economic life of the city and the welfare of thousands of people. In addition, the threat of climate change is inevitable, the national government acknowledges that six to eight million people could be displaced and in need of resettlement by 2050 – many of whom will be poor people migrating from rural to urban areas (GoB, 2009). Progress towards the future resettlement of poor people in urban areas should start by acknowledging existing poor urban settlements. A good deal of background work has already been done in the form of mapping and census of slums in urban Bangladesh in 2005 (CUS, 2006). This background research can be fitted to a much-needed low-income settlement policy in

the country, either developing a new policy or by amending and finalising the current National Housing Policy. However, the political will is essential for recognising the existence of these settlements and the right to adequate shelter of the urban poor.

The recognition of pro-poor housing policy has to be institutionalised in each organisational arrangement. There are very few examples of initiatives by the public agencies like NHA (Deconcentrated Organisations) where low income housing was designed especially for the urban poor. As far as the housing schemes by KDA and RAJUK (Delegated Organisations) are concerned, they only serve the upper-middle and upper income class of the society. There is some evidence where KDA and RAJUK acted like a commercial organisation and were mostly interested in constructing shopping centres and other commercial complexes from where the economic rate of return is higher. Both in the KDA master plan and in DMDP, it has been observed that the policy suggests that these organisations will act as enablers to provide land and infrastructure facilities for the urban poor. However, nothing happened as a follow up due to the lack of appropriate organisational arrangements within these organisations.

Similar things have been observed in the case of DCC and KCC, where a Slum Development Officer was provided while the SIP (Slum Improvement Project) was functioning. However, after completion of the project this post was abolished and never returned in the organisational arrangement of devolution. A similar thing has been observed in BHBFC for financing the urban poor. Thus, it is essential to establish a pro-poor housing unit under each organisational arrangement related to housing in Bangladesh. There is no problem of legality to introduce such unit as the provision of this unit is well reflected in the charter of duties of those organisations. In addition, these units could be the platform for participatory development. The representative of each CBO from each urban poor settlement could be accommodated in these units as a key stakeholder. As it has been observed that the local government representatives are linked with the urban poor more directly than other government organisations, thus a city level coo-coordinating unit could be established under KCC or DCC and the national level unit could be established under the Ministry of Local Government.

It is evident from the analysis of this research that most of the urban poor living in those settlements which mostly grow on government owned land lies unused and undeveloped for long periods. The settlements grow with support of power groups mostly backed by



government staff or local leaders with political backing. Eviction occurs only when the land owning agency or powerful groups backed by the government wants to use the land for gainful purposes. Poor settlements are being evicted in such situations even after 20-30 years of occupation of the land. The lack of enactment of policies in favour of the poor on one hand and continuous eviction on the other has necessitated the need to formulate an anti-eviction bill and indirectly pressurise the government to implement the other policies. Coalition of the Urban Poor (CUP) is drafting this bill and arranging different seminars with different actors to ensure more public awareness about this bill. The bill proposes for pro-poor provisions so that none can over exercise their power in evicting people. A competent court is to decide eviction in light of government policy, high court directives on not to evict people without rehabilitation and to safe guard the poor people's right with presence of the local authority. Presently, eviction takes place through a law which provides seven days notice period prior to eviction. This is widely criticised for its non-compliance.

#### ***10.5.2 Implementation Level Recommendations***

The problem of tenure security and availability of affordable dwelling unit is directly related to the housing condition of the urban poor. Tenure security is the most important factor influencing housing for under-investment in housing reducing the housing quality. In Bangladesh most of the large urban poor settlements are on public land thus the role of state is essential to address this issue. In this context, regularisation is essential for providing tenure security. Apart from regularisation, the provision of affordable housing could be another option for the urban poor as this research reveals urban poor has the ability to pay rent up to certain amount, which can be materialised through the provision of affordable rental housing provision. In the recent documents this provision has been highly recommended (Gilbert, 2007 and Burra, 2005). The following section of this chapter describes the policy recommendations for regularisation and creating provision for affordable housing by portraying the pro-active role of the state.

There are different forms of slum regularisation (1) Up-grading, (2) Re-blocking, (3) Reconstruction, (4) Land sharing, and (5) Relocation (see details in appendix 10.1). In Bangkok, through the regularisation programme, public land upon which hundreds of informal settlements had been squatting transformed in to 'developed land' which generates a modest rental income without investing additional money (Boonyabanha, 2005). Many of these public agencies are seeing now that, by giving long-term leases to

poor communities, they can help provide housing for a good group of people who can transform their vulnerable and dilapidated living conditions into proper decent communities (ibid, 2005). The case study settlements of the current research, railway slum and Karail slum on public land, proved that there is an ongoing process led by local political leaders to share the land with public authorities for tenure regularisation of the informal settlers. Similar to Bangkok, the public agencies of Bangladesh, could share its fellow land parcel with the informal settlers because they are leasing their additional land. It can improve the condition of the settlers and public organisations can get more revenue. Moreover it will tackle the selling out problem as the type of land ownership will be communal in nature.

Slum regularisation can be approached from both ‘bottom –up’ and ‘top-down’. In bottom up approach the informal land developers take initiative and seek the support from government. On the other hand, in top-down approach government (sometimes NGOs) takes the initiative and settlements are upgraded with the help of the residents. Regarding the case study settlements this research suggests that the initiative should come from government as the land is owned by public sector organisations. In addition the failure of public-private partnership to ensure the accountability of regularisation programme in Bangladesh (Chapter Seven) urges the pro-active role of government organisation; though lack of fund and inability to recover the cost from the regularisation can be a major problem for government. In that case coordination between NGOs and Government can solve the problem of fund raising. UNCHS (1996) argues that partnership should be based on principles of equity, economy, efficiency, flexibility and participation. There are different form of regularisation and has been exercised in recent past in other developing countries under different form of collaboration. These projects have been defined as community-led programmes (Rahman, 2009) and have been defined in chapter three (Table 3.1).

In Bangladesh the elements of community-led housing are pre-existed but without any aggregation there is no successful example of community-led housing in Bangladesh. The rural women based cooperative programme and federation like CUP signifies the representativeness and networking ability of the urban poor. However this strength has to be institutionalised and capacity building programmes are essential for this purpose. The decree of Supreme Court in 1999 can be the legal advice to combat eviction and to ensure participatory resettlement. The national housing policy, 1993 have the guideline

to promote community-led housing which can be operationalised. In terms of intermediaries for capacity building for representativeness the activities of NGOs are significant. Though government has the limited budget allocation for slum upgradation but the amount of subsidies can be a resource to utilise for community-led housing. The donor funded projects of NGOs and elite capturing mechanism of NGOs can ensure the outsourcing of fund. The successful micro-credit scheme indicates the ability of the urban poor to repay the loan and their financial strength.

The long tradition of co-operatives is also a matter of hope to introduce community-led housing. Though urban poor communities lack designing skills but the practice of indigenous technologies and the ongoing academic research in different universities (Architecture and Urban Planning Department of Khulna University and BUET) can introduce the participatory designing process. The strong community belongingness and culture of co-operatives can be channelised for collective ownership. The presence of local government structure and the trend of consultation meeting can pave the way for participatory monitoring and evaluation. Finally the findings of the context of Bangladesh is considerable for introducing community-led housing for regularisation in Bangladesh having the prior attention to the aspects like institutionalisation, capacity building and networking. Above all strong political will is fundamental for any regularisation programme.

Apart from the regularisation programme, affordable rental housing can be another provision for housing the urban poor. NHA can play vital role for such provision. As the study reveals that the urban poor can afford certain size of dwelling unit, which private sector is unable to provide. Thus the public sector agency NHA can provide those housing on public land. Leasing the land to private sector (construction) and CBOs (management and maintenance) under the BOT (built, operate and transfer) with better monitoring can be another option for rental housing in the urban areas in Bangladesh. Under the speculative land market, this type of rental accommodation can be a better option for housing the urban poor (Gilbert, 2004).

### **10.6 Key Findings and Contribution of the Research**

This research identifies that both the roll-back and roll-out form of neo-liberalism is not supportive to scale-up housing for the urban poor. The main argument behind this claim is based on the organisational arrangement preferred by these two forms. In the form of roll-back neo-liberalism depending on the market only is not an affordable option for

the urban poor and this form emphasises on privatisation for delivering services in the urban areas. Thus the roll-back form of neo-liberalism resembles with the market enabling approach advocated by World Bank. Since the 1990s World Bank did not provided any other form of enabling approach which could cater for the urban poor beyond the market. As it has been identified that the local political philosophies of different political regime failed to deliver any endogenous solution for the urban poor thus the dependency on external agency advised policy approach (market enabling approach) marginalises the housing provision for the urban poor.

The roll-out form of neo-liberalism also encountered with some problem as it identifies organisational arrangement of devolution (local government) as the gateway for providing services to the urban poor. But the limited capacity of the local government organisations in Bangladesh hinders the functionality of roll-out form of neo-liberalism. Both of these approaches are also limited to cater for the urban poor through formal organisational arrangement. However, the case study of Bangladesh reveals that informal organisational arrangement has the ability to create synergy among different formal and informal actors. Thus it is essential to draw how far the roll-out form of neo-liberalism can be expanded to ensure collaborative actions. In this context, the participatory enabling approach advocated by United Nations can be an alternative form of roll-out neo-liberalism as it acknowledges the capacity of informal networked actions for housing the urban poor in developing countries.

This research also challenges the idea that economic policies do not necessarily affect urbanisation and urban poverty in developing countries. But in a context where roll-back neo-liberalism is preferred as the principle of economic policies it creates urban agglomeration and unequal distribution of resources, which in the long run affects the urbanisation process and housing conditions of the urban poor. This research identifies that where the formal organisational arrangement fails to cater for the urban poor, the informal organisational arrangement creates the room for manoeuvre for collaborative actions. The growing consciousness among the urban poor through federated actions provides the political space for the urban poor for securing their right. Moreover, this research is the first research on Bangladesh that attempted to contextualise international theories, policies and practices in Bangladesh. This research also understands the impact of development approaches for housing the urban poor in tripartite view considering the housing condition, policies and organisational arrangements.

### **10.7 Methodological Limitations and Direction for Further Research**

The objective set out for the research was exploratory in nature. The main aim was to provide a picture that would contribute in understanding the context of pro-poor housing in Bangladesh under an international perspective. To develop a comprehensive research on pro-poor housing as a future source of information and under the limit, this research lacks longitudinal study to identify the change of housing conditions of the urban poor to study whether the step up model works or not in the context of Bangladesh. Thus it is essential to continue the longitudinal study to understand the heterogeneity among the settlements and the urban poor and identifying the causes behind such heterogeneity. This research tried to understand the impact and existence of different forms of neo-liberalism for housing the urban poor in Bangladesh but identified that these understanding needs more clarification. Thus future research can be conducted to theorise the Bangladesh context under different form of neo-liberalism. There is another issue this research focused is the lack of political will of the state and aid dependency for slum up-gradation. Thus a future research can be conducted by using the theory of structuration to understand the politics of governance for housing the urban poor in Bangladesh. In describing the policy recommendation of this research, it has been focused on the possibility of community-led housing and rental accommodation for housing the urban poor. Thus the feasibility analysis based studies can be undertaken to explore the options for community-led housing in Bangladesh.

### **10.8 Closing Statement**

This research reveals that market based enabling mechanism under the neo-liberal development approach has failed in housing the urban poor in Bangladesh and the participatory enabling approach has potential to adopt the informal networked actions of the urban poor to scale up the community-led projects and programmes. However the lack of public policy which is affecting the function and creation of organisational arrangement is not conducive for such participatory approach. Thus it is the time to bring back the state and needs the re-engagement of state in a collaborative form for restructuring the housing condition, housing policy and housing provision for the urban poor. Moreover, the political will is essential for such re-engagement. The community mobilisation and civil society based networked action for securing the housing right of the urban poor can be a measure to transform the political will of the state in housing the urban poor in Bangladesh.

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## Appendix

### Appendix 1.1: Millennium Development Goals

Goal 01	Eradicate extreme poverty and hunger
Goal 02	Achieve Universal primary education
Goal 03	Promote gender equality and women empowerment
Goal 04	Reduce child mortality
Goal 05	Improve maternal health
Goal 06	Combat HIV/AIDS, Malaria and other diseases
Goal 07	Ensure environmental sustainability
Goal 08	Develop a global partnership for development

Source: UN-Habitat, 2003

### Appendix 2.1: Country Classification Systems in Selected International Organizations and list of Developing Countries

	IMF	UNDP	World Bank
Name of 'developed countries'	Advanced countries	Developed countries	High-income countries
Name of 'developing countries'	Emerging and developing countries	Developing countries	Low and middle income countries
Development threshold	Not explicit	75 percentile in the HDI distribution	US\$6,000 GNI per capita in 1987-prices
Type of development threshold	Most likely absolute	Relative	Absolute
Share of countries 'developed' in 1990	13 percent	25 percent	16 percent
Share of countries 'developed' in 2010	17 percent	25 percent	26 percent
Subcategories of 'developing countries'	(1) Low-income developing countries and (2) Emerging and other developing countries	(1) Low human development countries, (2) Medium human development countries, and (3) High human development countries	(1) Low-income countries and (2) Middle-income countries
<b>UNDP (low human development countries)</b> <b>Total 41 Countries</b>		<b>World Bank (low-income countries)</b> <b>Total 38 Countries</b>	
Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cameroon, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Haiti, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Nigeria, Papua New Guinea, Rwanda, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda, Yemen, Zambia, Zimbabwe		Afghanistan, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Chad, Comoros, Congo, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Haiti, Kenya, Kyrgyz Republic, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sierra Leone, Solomon Islands, Somalia, Tajikistan, Tanzania, Togo, Uganda, Zambia, Zimbabwe	

Source: Nielsen, 2011

### Appendix 5.1: Detailed Field Trip Activities

To collect the data from Bangladesh, a field trip was arranged for this research from September 2010 to January 2011. The field trip was composed with various stages of data collection followed by different techniques as discussed in following section. As mentioned earlier in the research strategy section that the primary data has been collected both in individual and institutional level followed by interview checklists. In the case study settlement for descriptive statistics a census was carried out in collaboration with UPPRP team. While conducting these detailed investigations, a short introduction has been given to each of the informants about the background, importance and usefulness of the study. The detailed procedure of data collection was as follows:

***Contacting and meeting with local experts (08<sup>th</sup> September to 13<sup>th</sup> September):*** Based on the personal experience of the researcher working as a faculty member of urban and rural planning department of Khulna University, Bangladesh; the researcher made essential contacts with the faculty members of urban and regional planning department of Bangladesh University of Engineering and Technology; faculty members of architecture department of BRAC University; and the coordinator of a voluntary organization (Centre for Urban Studies) and Team leader of UPPRP to assist him during the field trip. The researcher got very helpful collaboration from the faculty members of the mentioned universities to explore the key informants for interviewing in institutional level followed by the snowball sampling technique. In addition the grey materials collected from those institutions have been used as part of the output of literature survey. The collaboration from UPPRP assisted the researcher as a gate keeper in the case study areas in Dhaka and Khulna for collecting data from the individual level (in-depth interview). For the census the researcher was teamed-up with UPPRP team to develop the data collection techniques and monitoring the field data collection process. Later the collected raw data from this census have been used to describe the context of the case study settlements. However, the major analysis has been done with the information generated from household interview and key informant interview.

***Reconnaissance survey (14<sup>th</sup> September to 17<sup>th</sup> September 2010):*** Reconnaissance survey has been conducted for Karail slum in Dhaka city having the assistance from the gate keeper provided by UPPRP. The purpose of the survey was to get familiar with the study area and to articulate the survey technique.

***Pre-testing of interview checklist for household survey (18<sup>th</sup> September to 21<sup>st</sup> September 2010):*** The interview guideline was pre-tested by 03 shadow interviews with the slum dwellers in Karail slum of Dhaka city.

***Preparation for the individual level interview (22<sup>nd</sup> September to 24<sup>th</sup> September 2010):*** Having the outcome of pre-testing the guideline, necessary editing has been done in this time frame. The collection of stationeries for conducting the interviews has been taken place under this time frame.

***Household interview Phase 01 (25<sup>th</sup> September 2010 to 14<sup>th</sup> October 2010):*** The household interview was taken place under this time frame in Karail slum of Dhaka city. 40 respondents were chosen under the judgmental sampling technique considering their age, sex, occupation and duration of living in the slum. The interview time varied as per the response of the respondents. The range for the time of interview was between 45 minutes to 02 hours. Apart from the household interview, participatory drawing, taking pictures and observatory mapping has been done to analyse the built environment. During the time of household interview, the census process was also monitored by the researcher.

***Focus group discussion:*** The focus group discussion was another tool to collect and validate the data. 06 pair of respondents was selected on the basis of age and sex and duration of living to get the information. A checklist was followed for the discussion under the presence of the representative of local community based organizations.

***Data assembling from the phase 01 (15<sup>th</sup> October 2010 to 21<sup>st</sup> October 2010):*** The data from the interview; mapping and focus group discussion was assembled under this time frame. The necessary editing was performed in this time frame.

***Reconnaissance survey in Khulna (01<sup>st</sup> November to 02<sup>nd</sup> November 2010):*** Reconnaissance survey has been conducted for Railway slum in Khulna city having the assistance from the gate keeper provided by UPPRP. The purpose of the survey was to get familiar with the study area and to articulate the survey technique.

***Pre-testing of interview checklist for household survey (03<sup>rd</sup> November to 04<sup>th</sup> November 2010):*** The interview guideline was pre-tested by 02 shadow interviews with the slum dwellers in Railway slum of Khulna city.

***Household interview (05<sup>th</sup> November 2010 to 14<sup>th</sup> November 2010):*** The in-depth interview was taken place under this time frame in Railway slum of Khulna city. 20 respondents were chosen under the judgmental sampling technique considering the three different segment of the slum as the slum is divided in to three different pockets. To select the three respondents from each segment the sex and the duration of living in the slum was major concern. The interview time varied as per the response of the respondents. The range for the time of interview was between 45 minutes to 02 hours. Apart from the household interview, participatory drawing, taking pictures and observatory mapping has been done to analyze the built environment. In Khulna City the household interview was followed by a focus group discussion having the representation of local NGO representatives and slum dwellers.

***Institutional level interview in Khulna city (15<sup>th</sup> November 2010 to 21<sup>st</sup> November 2010):*** Having the assistance from urban and rural planning discipline of Khulna University, snowballing technique has been adopted to identify the key personnel in institutional level in Khulna city. The major focus of this interview was on the housing programmes and projects of the respective organization; housing policies; operational procedure of the programme; and institutional coordination. In addition to that the land of the slum was under the railway department, which was also covered under the institutional level interview. The Town Planner of Khulna City Corporation, Khulna development Authority, Estate officer of Railway Department, Local Elected Councillor, Programme Coordinator of UPPRP (Ongoing Project of UKAid), Representative of ASEH (Local NGO) and local academics were interviewed. An interview checklist was followed for the interview and it varied with the portfolio of the respondent.

***Data assembling from the phase 01 (22<sup>nd</sup> November 2010 to 25<sup>th</sup> November 2010):*** The data from the interview; mapping and focus group discussion was assembled under this time frame. The necessary editing was performed in this time frame.

***Literature survey (28<sup>th</sup> November 2010 to 15<sup>th</sup> December 2010):*** After coming back to Dhaka several policy documents has been collected from several organizations to analyze the policy framework of housing in Bangladesh. The macro-economic policy documents; housing policies; policy papers of different organizations; and previous unpublished research in the field of pro-poor housing has been collected to analyze the evolution of pro-poor housing in Bangladesh along with the institutional framework of pro-poor housing in Bangladesh.

***Preparation for institutional level interview in Dhaka city (18<sup>th</sup> December 2010 to 25<sup>th</sup> December 2010):*** Having the assistance from urban and regional planning department of Bangladesh University of Engineering and Technology the probable list of respondents has been prepared under this time frame. Both the city level and national level organizations have been represented through these interviews.

***Institutional level interview in Dhaka city (27<sup>th</sup> December 2010 to 6<sup>th</sup> January 2011):*** The institutional level interview in Dhaka city covers the representative of major institutions, who are involved in the housing process of the city and the country as well. The Town Planner of RAJUK, Slum Improvement Officer of Dhaka City Corporation, Director of Urban Development Directorate, Director of National Housing Authority, Director of CUS, Programme Officer of UPPRP, local academics (key informant) were interviewed. An interview checklist was followed for the interview and it varied with the portfolio of the respondent. The interviews were open ended and varies with the content considering the expertise of each respondent in the field of pro-poor housing in Bangladesh.

## **Appendix 5.2: Data Collection Procedure**

As discussed earlier in chapter five that this research has used quantitative information of the existing conditions of the urban poor living in case study settlements. This quantitative information was gained from a census conducted by the UPPRP team, where the researcher actively participated in the data collection procedure. The data collection procedure includes:

selection of data collection techniques and field data collection at household level. In this section of the appendix, the data collection technique of the household census will be described. Later the household and institutional level interview procedure will be described.

There were four major stages of data collection procedure, which includes:

- on-survey household mapping
- data collection using four survey forms
- data automation and GIS mapping
- data analysis

To collect the data in a systematic manner the case study settlements were divided into small blocks to assign each data collection team for each block. Thus the on-survey household mapping was the first exercise of data collection procedure. The mapping was done in four steps:

1. **Block Demarcation:** Block demarcation was done by identifying the major roads in the case study areas.



2. **Sub-Block Demarcation:** under each block sub-block was identified by following the pavements.

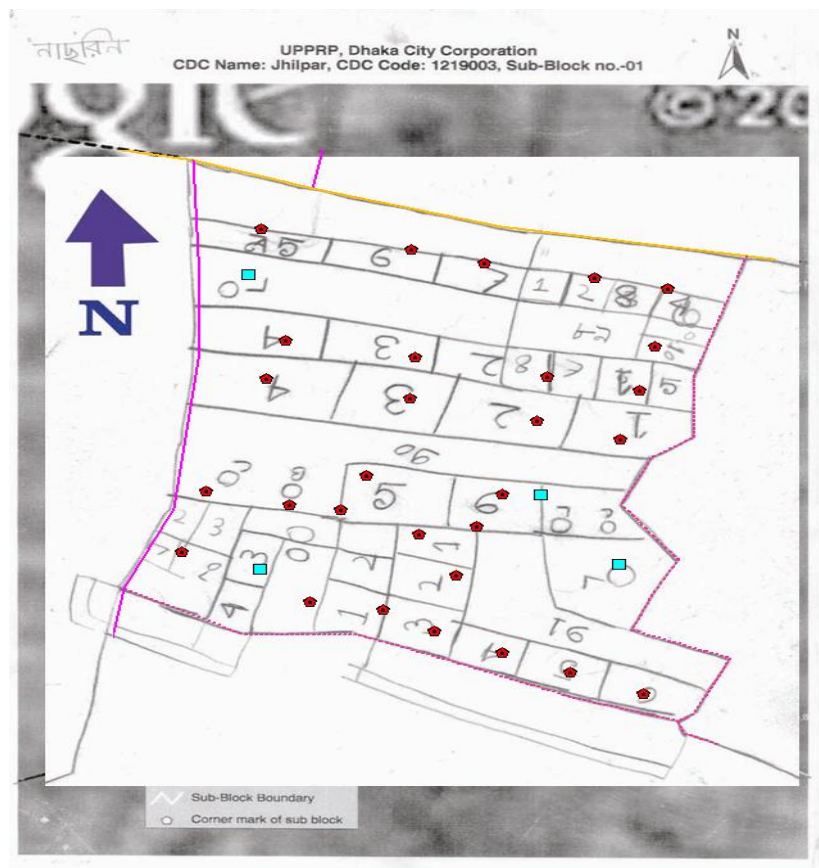




3. **Household Mapping on Sub-Block Map:** the household mapping was done for each sub block using corner marks.



**Sub-Block Map with Corner Marks**



**Household Mapping Exercise**



4. **Compilation of Digitized Sub-Blocks:** all of the sub blocks were digitized and later compiled in GIS using the corner marks as reference points.



#### **Appendix 5.2.1: Household Data Collection (Census)**

Four forms for census were used to collect the information. The four forms are:

1. Household census form;
2. Household member census form;
3. Permanent address of household head form; and
4. Absentee house owner's address form



### Household Member Survey Form

Slum Name:

Block No.:

CDC No.:

Date:

Identification							Demographics					Education		Skills & Employment					Health			
Primary group #	HH Map No.(xxx)	HH No.	Name of Family Members (Name of HH Head must appear first)	HH member ID #	Position in CDC / PG	Relationship with HH Head	Gender (1=Male/2=Female)	Age	Marital status	Age first married	Now pregnant? (1=yes/2=No) for Married women only	Education Level	Enrolled/attending school status	Job status	Occupation	Skills	Category of employment	Income	Had diarrhea within last two weeks (1=yes/2=No)	Chronic difficulties	Disease symptoms in last 2 weeks	Has children been vaccinated (1=yes/2=No)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
2	001			1		1	M	1	1	15	N	3		2	3	2		3	N	2	3	N
	001			2																		
	001			3	P																	
	001			4																		
Leave one blank between different households																						
	002			1																		
	002			2																		
	002			3																		
	002			4																		

Name of Surveyor:

Name of Survey

Remarks:

Signature of Surveyor:

Supervisor:  
Signature of Survey  
Supervisor:

### Household Survey Code

<b>4.</b>	Poverty Status	1	Extreme Poor
		2	Poor
		3	Not Poor
			Leave blank, if WBA is not done here under UPPR Project

<b>6.</b>	Permanent address		Use District Code. For example for Gopalganj write 47
			For Dhaka write 40

Co de	Name of District	Code	Name of District	Code	Name of District
01	Panchagarh	23	Jessore	45	Faridpur
02	Thakurgaon	24	Satkhira	46	Rajbari
03	Dinajpur	25	Khulna	47	Gopalganj
04	Nilphamari	26	Bagerhat	48	Madaripur
05	Lalmonirhat	27	Pirojpur	49	Shariatpur
06	Rangpur	28	Jhalakathi	50	Sunamgonj
07	Kurigram	29	Barisal	51	Sylhet
08	Gaibandha	30	Bhola	52	Moulvibazar
09	Joypurhat	31	Patuakhali	53	Hobigonj
10	Bogra	32	Barguna	54	Brahmanbaria
11	Naogaon	33	Netrokona	55	Comilla
12	Natore	34	Mymensingh	56	Chandpur
13	Nawabgonj	35	Sherpur	57	Lakshmipur
14	Rajshahi	36	Jamalpur	58	Noakhali
15	Sirajganj	37	Tangail	59	Feni
16	Pabna	38	Kishoregonj	60	Chittagong
17	Kushtia	39	Manikganj	61	Cox's Bazar
18	Meherpur	40	Dhaka	62	Khagrachari
19	Chuadanga	41	Gazipur	63	Rangamati
20	Jhenidah	42	Narsingdi	64	Bandarban
21	Magura	43	Narayanganj		
22	Narail	44	Munshigonj		

<b>8.</b>	Years living in the settlement	0	6 months or less
		1	More than 6 months but less than 2 years
			Above 2 years, write down the full years

<b>9.</b>	Years living in this House	0	6 months or less
		1	More than 6 months but less than 2 years
			Above 2 years, write down the full years

<b>10.</b>	Type of dwelling	1	Single dwelling house
------------	------------------	---	-----------------------

		2	House with multiple dwelling units
		3	Multi-storied house
		4	Other

<b>11.</b>	Condition of Dwelling	1	Jhupri
		2	Kutchra
		3	Tin-shed
		4	Semi-pucca
		5	Pucca
		6	Other (specify)

<b>11a</b>	Willingness to go back to village	0	Do not want to go back to village
		1	Willing to go back if gets land
		2	Willing to go back if gets sufficient monetary compensation
		3	Willing to go back if gets suitable service
		4	Willing to go back if gets facilities for Farming/ Poultry or Livestock rearing
		5	Willing to go back if gets sufficient loan for small business
		6	Others

<b>14.</b>	House ownership	1	Owner
		2	Rented
		3	Employer's house
		4	Rent free
		5	Other

<b>18.</b>	Drinking water	Col.18a: Provided by	1	Government/UPPRP
			2	NGO
			3	Individual
		Col.18b: Sources Type	1	Private Hand Tube Well
			2	Public Hand Tube Well
			3	Piped water supply (common tap)
			4	Piped water supply (house connection)
			5	Open water surface (pond/river/canal)
			6	Buy from water vendor
			7	Preserved rain water
			8	Arsenic filter
			9	Pond sand filter

<b>19.</b>	Sanitation	Col. 19a: type	0	Open space/No latrine( Jump to 19c, no need to fill up col.19b)
			1	Private latrine ( Fill up col.19b, no need to fill up col.19c)
			2	Shared latrine
			3	Community latrine

	Col. 19b: condition	1	Connection with Safety tank / sewerage line
		2	Pit/Offsite latrine with water stagnation
		3	Pit/Offsite latrine without water stagnation
		4	Pit latrine with cover
		5	Pit latrine without cover
		6	Eco/Compost latrine
		7	Pit latrine without slab
		8	Hanging/Bucket latrine
		9	Latrine Outlet connected with pond/drain/cannel
	Col. 19b: Reasons for not having latrine in HH	1	Lack of Money
		2	Lack of place
		3	Lack of awareness

20.	Wash hands before meal and after defecation?	0	Do not wash
		1	Only with water
		2	With water and soap

21.	How prevent mosquito bites?	0	Nothing
		1	Net
		2	Coil
		3	Spray
		4	Others

24.	Religious affiliation	1	Islam
		2	Hinduism
		3	Buddhism
		4	Christianity
		5	Other

### Household Member Survey Code

<b>6</b>	<b>Position in CDC / PG</b>	1	President
		2	Vice President
		3	Secretary
		4	Cashier
		5	PG member
		6	No one

<b>7</b>	<b>Relationship with HH Head</b>	1	Household Head
		2	Wife or Husband
		3	Son or Daughter
		4	Son-In-Law or Daughter-In-Law
		5	Grand Child
		6	Parent
		7	Parent-In-Law
		8	Brother or Sister
		9	Other Relative
		10	Adopted/Foster Child
		11	Not related

<b>9</b>	<b>Age</b>	0	Less than 1 year
			Write actual age for 1 year and above

<b>10</b>	<b>Marital status</b>	1	Married
		2	Widowed
		3	Abandoned/Separated
		4	Divorced
		5	Unmarried

<b>13</b>	<b>Education Level</b>	0	No schooling
		1	Grade 1
		2	Grade 2
		3	Grade 3
		4	Grade 4
		5	Grade 5
		6	Grade 6
		7	Grade 7
		8	Grade 8
		9	Grade 9
		10	SSC
		11	HSC
		12	HSC +
22	Non-formal		

<b>14</b>	<b>Status of attending school</b>	1	Not enrolled
		2	Enrolled but not attending
		3	Enrolled and attending
		4	Not Applicable

<b>15</b>	<b>Job Status</b>	1	Working full time
		2	Working part time
		3	Seasonal worker
		4	Other

		5	Content w not working
16	Occupation	1	Unemployed
		2	Begging
		3	Rikshaw/van/push cart/other puller
		4	Hotel/Tea Shop/furniture/ grocery worker
		5	Day Laborer
		6	Domestic worker
		7	Hawker/Vendor/Tinker
		8	Transport worker
		9	Small Business (Grocery, Tea stall, restaurant, garrge, furnture, dairy, poultry, handicrafts and others)
		10	Skilled Worker (plumber, electrician, graments & sweater factory, mills, mechanics and so on)
		11	Service (government, semi government and autonomous)
		12	Service (NGO/Private)
		13	Other
		14	Not Applicable
17	skills	0	No Skill
		1	Carpentry
		2	Masonry
		3	Plumbing & Sanitary fitting
		4	Electrical fitting
		5	Motor repairing
		6	Garments & sweater works (Knitting, dying etc)
		7	Tailoring
		8	Handicrafts, block, buick, pottery
		9	Catering
		10	Radio / TV / Fridge / Mobile phone Repairing
		11	Other
12	Not Applicable		
18	Category of employment	1	Self Employed
		2	Group Employed
		3	Wage Employed
19	Income/mth	1	less than Tk 1000
		2	1000 - 2000
		3	2001 - 3000
		4	3001 - 4000
		5	4001 - 5000
		6	Greater than 5000
		7	Other, e.g. food only
21	Chronic Difficulty in (MULTIPLE RESPONSES ALLOWED)	1	Walking
		2	Using hands
		3	Seeing
		4	Hearing
		5	Speaking
		6	Breathing
		7	Sleeping



		8	Other
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22	Symptoms (at least 2/3 times within the last 2 weeks) (MULTIPLE RESPONSES ALLOWED)	1	Fever
		2	Coughing
		3	Chest pain
		4	Dizziness
		5	Poor appetite
		6	Stomach ache /Abdomain Pain
		7	Other

## Household Survey Instruction

Column No	Column Name	Instruction
1	HH Map No.(xxx)	Enter household number of UPPR CDC member from WBA if available. Otherwise leave blank.
2	Primary Group #	Enter the Primary Group number of the household if available. Leave blank if the HH is not a member of any Primary Group of UPPR Programme.
3a	House ID #	Enter the number marked in red paint on the house
3b	Household ID #	Enter the number of each household in the house.
4	Poverty Status	Enter the code of poverty status from WBA (Well Being Assessment) if available. Leave blank if the HH is not a member of any Primary Group of UPPR Programme.
5	Name of HH Head	Write the full name of household head. Keep the name within the space provided.
6	Permanent address	Enter the code corresponding to the district name in the code list from where the household originally migrated from. If the household head was born in Dhaka, use the code for Dhaka.
7	Land owned in village (dec)	Enter, in decimals, the total area of the household's land holdings ( <i>i.e. homestead land, agricultural land, fallow land, marshy land and so on</i> ) that it may own in their place of origin as well as in any other location. If people give the amount in any other unit, convert it into decimal. Write '0' if the HH has no land at their place of origin.
8	# years living in settlement	Enter the number of years that the household has been living in the settlement. Write '0' if the HH is residing in the settlement for less than six months; write '1' if the households is residing for more than six months but less than one year.
9	# years living in this house	Enter the number of years the household has been living in the current house of the settlement. Avoid writing months. If the HH is residing in the current house for less than six months write '0', for more than six months write the actual year.
10	Type of dwelling	Enter appropriate code for type of dwelling based on your observation and judgment.
11	Condition of Dwelling	Enter appropriate code for type of dwelling based on your observation and judgment.
14	House ownership	Enter the appropriate code. Talk to the respondents to know about the house ownership.
15	If house rented, rent in Tk	Enter the amount (in Taka) being paid per month as rent of the house they are currently living. If the house is rented for 1 or more years convert the amount into taka per month. Leave the cell blank, if the house is not rented.
17	Rent space to others (sub-let) (1/2)	Enter '1' if the HH rents space (house/room) to others. Otherwise enter '2'.
18	Main source of drinking water	Enter appropriate code regarding the main source of water of the HH. Use only one code.
19	Place of defecation	Enter appropriate code. Ask the respondent about their place of defecation and type of latrines they use.
20	Wash hands before meals/after defecation? How?	Enter appropriate code. Ask whether the HH members wash their hands every time before taking meal and after defecation. Ask what they use for washing hands.
21	How prevent mosquito bites?	Enter appropriate code. Ask the respondents to know what they use to protect themselves from mosquito. Write the most frequently used option.

22	Avg # main meals per day	Enter the average number of main meals taken by the HH per day.
23	Electricity connection (1/2)	Observe and ask whether there is any electricity connection in the house. Not necessary to ask how they got electricity connection. Enter '1' if the HH has electricity connection. Otherwise enter '2'.
24	Religious affiliation	Ask about the religion of the HH. Use appropriate code.
25	Polygamy (1/2)	Enter '1' if there is any member of the HH who is in polygamy. Otherwise enter '2'.
26	Domestic violence (1/2)	Get information on various social problems existing in the HH domestic violence, drug abusing, dowry, early marriage, mastan threat and eviction threat. Existence of domestic violence might not always be answered properly by the respondents. Consider comments of other HH members also. Write '1' for Yes and '2' for No.
27	Drug abuse (1/2)	
28	Dowry (1/2)	
29	Early marriage (1/2)	
30	Mastan threat (1/2)	
32	Mobile phone # (leaders)	Write the mobile phone number of the respondent if s/he is a primary group leader, or a known face to the block who owns a mobile phone and is able to cooperate with the working team. If not applicable, leave the cell blank.
33	TV (1/2)	Ask the respondents whether the HH have various assets of their own like fridge, radio, meat safe/almirah, khat, motor scooter/cycle, bicycle, rickshaw, van, sewing machine and so on. Write '1' for Yes and '2' for No.
34	Fridge (1/2)	
35	Radio (1/2)	
36	Meat safe / Almirah (1/2)	
37	Khat, choki, bed (1/2)	
38	Motor scooter or car (1/2)	
39	Bicycle / rickshaw / van (1/2)	
40	Sewing machine (1/2)	
41	Own livestock (1/2)	Ask whether the HH has any livestock like poultry, dairy and so on. Write '1' for Yes and '2' for No.
42	Name and Address of Absentee House Owner	Enter the name address of the owner of the house if the owner is residing outside the house.

Note: Cell filled with grey colour refers to use appropriate code.

## Appendix 5.2.2: Household Data Collection (Interview)

### Interview Checklist for the Respondents

1. Age: .....years
2. Sex:  Male  Female
3. Occupation?
4. How far is your work place from this place?
5. What is the mode of travel to go to your working place?
6. Family size?
7. How long you have been staying in this slum?
8. Is it the first place you are living in this city?
9. And why did you choose this location to live in?
10. How many rooms do you have?
11. What is the total size (in sq. ft) of your room (s)?
12. Do you have voting right?
13. Who is the owner of this dwelling and settlement?
14. How much money (in Taka) do you pay as monthly rent?

15. Who collects this monthly rent?
16. Who provides the electricity and other services?
17. How much do you pay for these services?
18. What are the problems of current service provision?
19. How many contributors do you have in your family and what is your average monthly family income?
20. Do you have other family members, who are dependent on you elsewhere?
21. What kind of things do you send them?
22. How do you get information regarding any type of job?
23. Have you ever face any eviction?
24. What are the impacts of eviction on your livelihood?
25. Do you have any connection/communication with the people in other slum areas?
26. Are you engaged with small community based organization (CBO)?
27. Please explain why you are engaged/not engaged in such CBO?
28. Do you know the local political leaders?
29. Do you have direct access to local political leaders?
30. If you face any problem living in this settlement, whom do you consult often and why?
31. If you are given housing facilities (with secure tenure) to the fringe areas, then do you agree to move there?
32. How do you think that your housing condition can be improved?

### **Appendix 5.2.3: Discussion Guidelines of Focus Group Discussion**

In the focus group discussion, the main focus was the data validation. Thus it was discussed mainly the tenure pattern, actors involved in service provisions. Mapping technique was used to identify the location and condition of services.

#### **Discussion Guidelines of Focus Group Discussion**

1. Why you are living in this settlement?
2. What are the main advantages in this settlement?
3. What are the main problems you are facing living in this settlement?
4. Who is the original land owner of this settlement?
5. Is most of the households are paying rent?
6. What are different type of house ownership in this settlement exist and what are the operational procedures?
7. What do you do in the time of eviction?
8. Are there any NGOs and CBOs working in this settlement?
9. What type of activities they are performing?
10. Are you involved in these activities?
11. Who provides different services in this settlement?
12. What is the operational procedure of service provision?
13. What are the major problems of exiting service provision?
14. Have you ever participated in any slum regularisation programme?
15. Have you met any government official for any service provision in this settlement?
16. Do you have any direct contact with local political leaders?
17. Do you get any support from them?
18. Who are most involved organisations supporting you living in this settlement?



**Mapping of Service Provision in the Settlement**

**Appendix 5.2.4: Interview Guide for the Professional of RAJUK (City Development Authority, Dhaka) and KDA (Khulna Development Authority)**

1. Designation of the interviewee: .....
2. Do you think that the land so far RAJUK/KDA have acquired is adequate compare to the total housing demand as estimated?
3. Can you please tell me about the decision making process for re-housing the urban poor? Please describe in light of the official policy and practice at RAJUK/KDA.
4. How does RAJUK/KDA coordinate with other actors like DCC/KCC, DWASA/KWASA, other government organisations, land developers and land owners in case of acquisition and land/housing development?
5. Can you please tell me about how slum dwellers of Dhaka/Khulna city were taken into the process of participation while preparing DMDP/KDA Master Plan?
6. Do you think that in matter of housing the urban poor, the recommendations made in DMDP/KDA Master Plan reflect the opinions, capabilities and conditions of slum dwellers?

**Appendix 5.2.5: Interview Guide for the Professional of BRA, Khulna and BTCL, Dhaka**

1. Designation of the interviewee: .....
2. What do you think about the informal settlements on BRA/BTCL land?
3. How these people got access to BRA/BTCL land?
4. Is there any specific plan about the occupied land of BRA/BTCL?
5. Does this plan consider the housing of the urban poor?
6. How do you negotiate with other organisations (NGOs, Local Government), who are in favour of housing the urban poor on BRA/BTCL land?
7. How and when eviction happens to clear BRA/BTCL land?
8. Do you provide any compensation to the urban poor after the eviction?
9. Do you think your organisation has the scope to promote pro-poor housing in this city?

**Appendix 5.2.6: Interview Guide for the Professional of DCC and KCC**

1. Designation of the interviewee: .....
2. Is there any specific plan/programme for the urban poor designed by DCC/KCC?

3. What type of service provision DCC/KCC provides to the urban poor?
4. How DCC/KCC deals with the housing issue of the urban poor?
5. How do DCC/KCC coordinates with other actors involved in urban development?
6. Is there any provision in the organisational structure of DCC/KCC to support the urban poor in terms of their housing provision?
7. What are the major challenges of DCC/KCC for developing any plan/programme for housing the urban poor?

#### **Appendix 5.2.7: Interview Guide for the Professional of DWASA and KWASA**

1. Designation of the interviewee: .....
2. Is there any specific plan/programme for the urban poor designed by DWASA/KWASA?
3. What type of service provision DWASA/KWASA provides to the urban poor?
4. How DWASA/KWASA deals with the informality issue of the urban poor for providing services?
5. How do DCC/KCC coordinates with other actors involved working for the urban poor (NGOs and CBOs)?
6. Is there any provision in the organisational structure of DWASA/KWASA to support the urban poor in terms of service provision?
7. What are the major challenges of DWASA/KWASA for providing water supply for the urban poor?

#### **Appendix 5.2.8: Interview Guide for the Professional of NHA**

1. Designation of the interviewee: .....
2. Is there any specific plan/programme for the urban poor designed by NHA?
3. What are the major challenges of NHA for developing any plan/programme for housing the urban poor?
4. Why national housing policy has not been implemented in Bangladesh?
5. Was there any programme designed by NHA as a follow-up of national housing policy?
6. Is there any pro-poor unit to deal with the housing issue of the urban poor in NHA?
7. What are the major challenges for housing the urban poor in Bangladesh?
8. How NHA coordinates with other actors involved in urban development?
9. How do you think that national housing policy can be instrumental for housing the urban poor in Bangladesh?

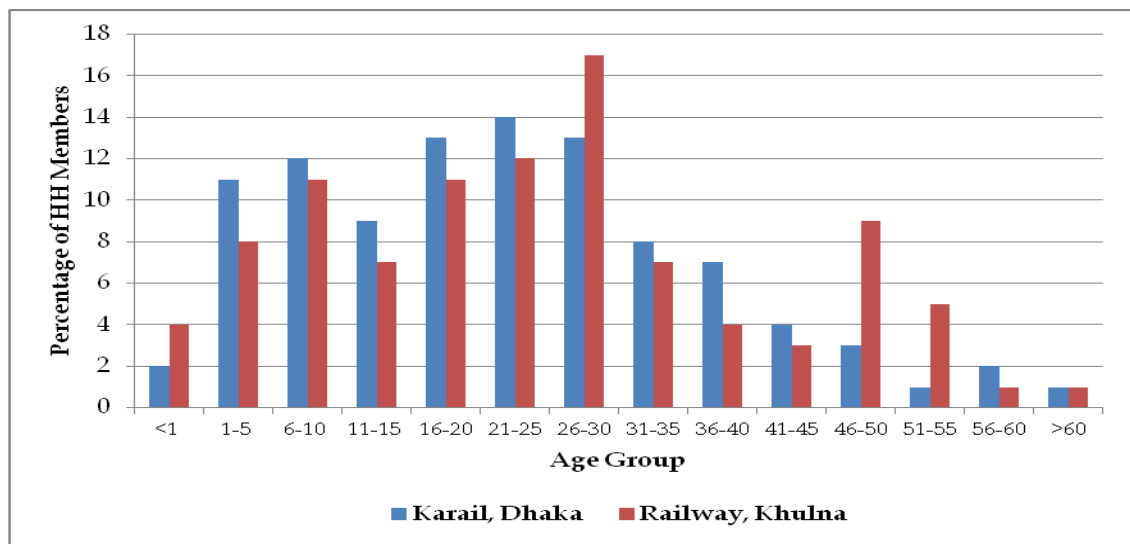
#### **Appendix 5.2.9: Interview Guide for the Professional of BHBFC**

1. Designation of the interviewee: .....
2. Is there any specific plan/programme for the urban poor designed by BHBFC?
3. What is the operational procedure to disburse housing loan by BHBFC?
4. Does BHBFC considers the affordability of different income groups of people for designing their loan schemes?
5. Why the urban poor are excluded from the formal housing finance structures in Bangladesh?
6. Is there any future scheme of BHBFC designed for the urban poor?
7. What are the major challenges for ensuring access of the urban poor into formal housing finance structure and what role BHBFC can play to address those challenges?

### Appendix 5.3: List of Key Informants

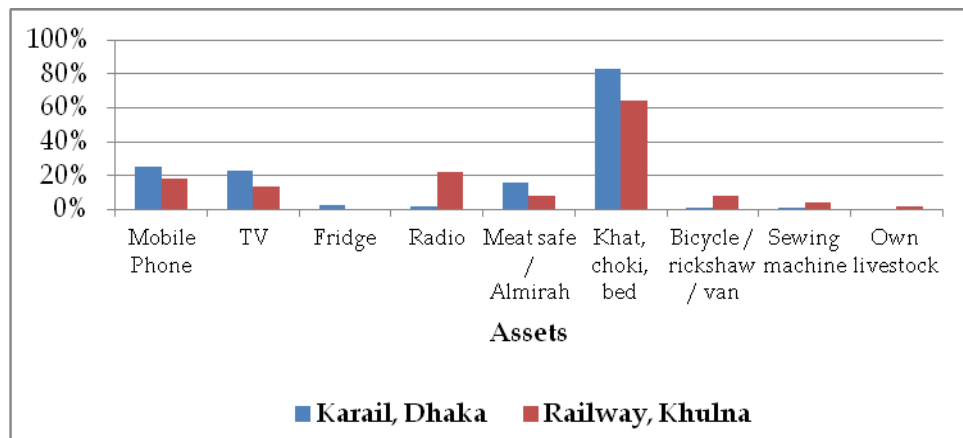
Key Personnel 01: Urban Planner, Khulna City Corporation; Key personnel 02: Urban Planner, Dhaka City Corporation; Key Personnel 03: Urban Planner, RAJUK; Key Personnel 04: Urban Planner, Khulna Development Authority; Key Personnel 05: Estate Officer, Bangladesh railway Authority, Key Personnel 06: Executive Engineer, BTCL; Key Personnel 07: Executive Engineer, KWASA; Key Personnel 08: Urban Planner, National Housing Authority; Key Personnel 09: Director, Centre for Urban Studies; Key Personnel 10: Executive Director, BHBFC; Key Personnel 11: Local Academic, Department of Architecture, Bangladesh University of Engineering and Technology; Key Personnel 12: Local Academic, Department of Architecture, Bangladesh University of Engineering and Technology; Key Personnel 13: Local Academic, Department of Urban and Regional Planning, Bangladesh University of Engineering and Technology; Key Personnel 14: Local Academic, Department of Architecture, North South University; Key Personnel 15: Local Academic, Department of Urban and Rural Planning, Khulna University; Key Personnel 16: Local Academic, Department of Urban and Rural Planning, Khulna University; 17: Local Academic, Department of Architecture, BRAC University; 18: Local Academic, Department of Geography, Dhaka University.

### Appendix 6.1: Age Distribution of Household Members in the Case Study Settlements



Source: Field Survey, 2011

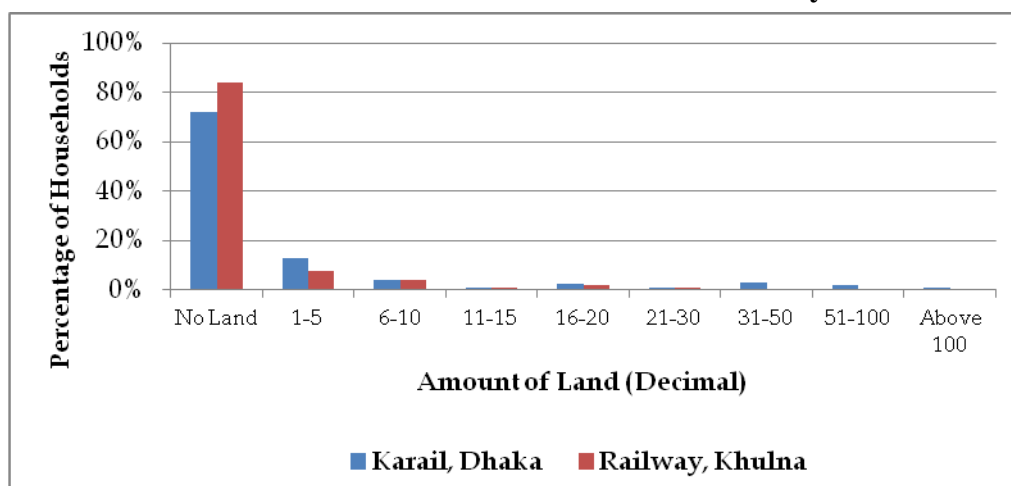
### Appendix 6.2: Asset of Households in the Case Study Settlements



Source: Field Survey, 2011



### Appendix 6.3: Landlessness of the Households in the Case Study Settlements



Source: Field Survey, 2011

### Appendix 6.4: Pictorial Analysis of Case Study Settlements

#### 6.4.1 Housing Conditions of Case Study Settlements

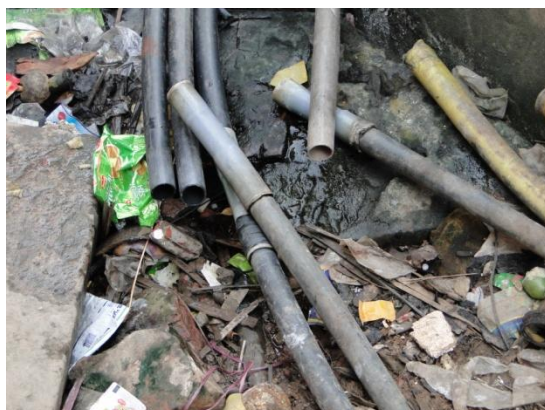


Karail Slum: As discussed in chapter six, most of the dwellings in Karail are made of CI Sheets.



Railway Slum: In Railway slum, the use of CI sheet on the roof is a common picture and use of bamboo and straw in the wall material also indicates the use of local materials to reduce the cost of construction.

#### 6.4.2 Water Supply Provision in the Case Study Settlements



Karail Slum: As discussed in chapter six and seven, the informal network of piped water supply exists in Karail slum, which is illegally connected with the main water supply system of DWASA.



Railway Slum: In Railway slum, NGO provided communal tube-well is the main source of water supply. 12 tube-wells are provided by KCC (4), LPUPAP (3) and the Local NGO ASEH (5).



### 6.4.3 Sanitation Facilities in the Case Study Settlements



Karail Slum: As discussed in chapter six, shared latrines are dominant in Karail, which are individually constructed and shared among two or three households.



Railway Slum: In Railway slum, NGO provided communal latrine is the dominant type of sanitation which has different provisions for men and women.

### 6.4.4 Drainage Facilities in the Case Study Settlements



Karail Slum: In Karail, the drainage facilities were developed under the SIP and due to the lack of maintenance and management the drainage system remains blocked and water disposes in the neighbouring lake.



Railway Slum: In Railway slum, drainage facility was provided by LPUPAP. Due to the lack of disposal point, this drainage does not work in the heavy rain and causes water logging in the area.

### 6.4.5 Access Road in the Case Study Settlements



Karail Slum: In Karail, the access road is footpath only. This access road is not paved and becomes muddy in the rainy season.



Railway Slum: In Railway slum, paved footpath was provided by LPUPAP in 2009.



## Appendix 6.4.6 Condition of Dwelling in the Urban Poor Settlements in Bangladesh



**Jhupri:** Very temporary structure without having any proper shape of dwelling unit. Made with used polythene and straws without having any door or window.



**Kutcha:** Dwelling units constructed with bamboo, mud and very fragile in nature. Use of straw as roof is a common feature of this type.



**Tin-shed:** Using CI sheet as a building material refers this kind of dwelling. The CI sheet is often used as roof material but in few cases it is used as wall material as well.



**Semi-Pucca:** Using CI sheet as roof material and brick as wall material refers this kind of dwelling condition.



**Pucca:** Concrete roof and use of brick as wall material refers this kind of structure, which is permanent in nature.

**Appendix: 6.4.7 Diversified Use of Dwelling Units in Case Study Settlements**



**Home Based Local Corner Shops**

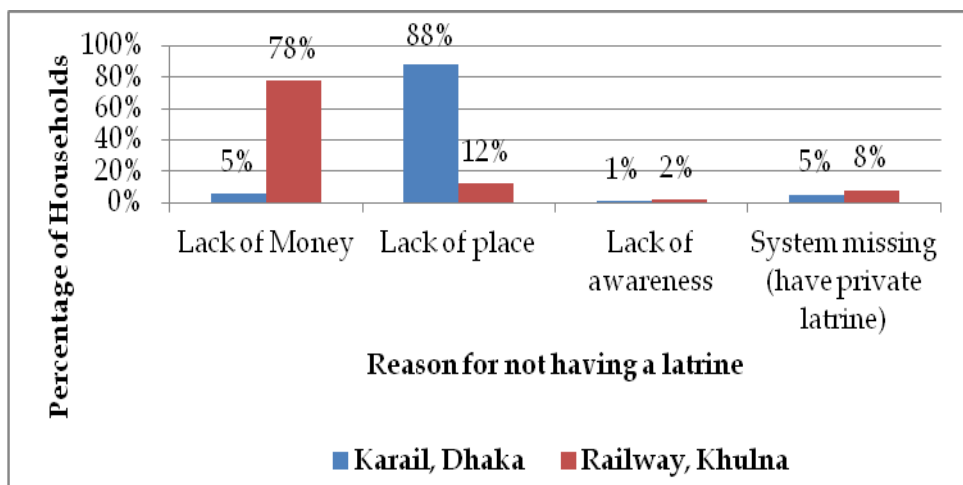


**Home Based Diversified Use of Labour**



**Temporary Meeting Points of Group Savings Scheme**

**Appendix 6.5: Causes of Communal Latrine**



Source: Field Survey, 2011

### Appendix 7.1: List of Evicted Slums in Dhaka from 1975 to 2002

Year	No of Slum	Location of Evicted Slum
1975	13+	Babupura slum, Palashi slum, Ramna Railway slum, Sohrawardi Hawker's market slum, Kamlapur slum, Shahjahanpur slum, Malibagh slum, Moghbazar slum, Hazaribagh slum, Azimpur slum, Armanitola slum, Tejgaon slum, Basabo slum.
1981	1	Karatitoal Baste
1983	1	Kamlapur Railway Sweeper Colony
1985	2	Agargaon slum [near old Haji camp], Sweeper colony slum [near Pangu Hospital]
1987	1	Lalbagh slum [Raj Narayan Road]
1988	4+	Railway slum of Kawranbazar, Shahid Nagar Baste [Lalbagh], Containment camp Baste of Mirpur, Bihari Colony [Mirpur]
1989	1	Taltola Sweeper Colony, Gulshan-1
1990	8+	Agargaon Baste, Kamlapur Baste, Moghbazar Baste, Babupure Baste, Kazipare Baste, Kamlapur Baste, one slum from Mohammadpur and another from Tejgaon.
1991	2	Nilkhet Baste, Bakshibazar slum.
1992	2	Palashi Baste, one slum from Baridhara
1993	3	One slum from Kamlapur and another from Mirpur and Pallabi
1994	3	Agargaon Baste, South Shahjahanpu, Kollyanpur Pora Baste in Mirpur
1995	3	Three slum from Azimpur, Panthpath and Kawranbazar
1996	5	Bijli Mahalla slum, Bagunbari Baste, Islambag slum, Amtoli slum and Lalbagh slum
1997	2	Bhashantec Baste, one slum from Mirpur
1998	4	Kawranbazar Railway slum [Twice], Azimpur, Kamlapur
1999	30+	Sayedabad rail crossing slum, KM Das Lane Baste, Golapbagh slum, Methorpati, Sonarbangla Baste, TT Para Baste, Rail Barrack slum, Moghbazar Wireless gate Baste, Commila slum [Moghbazar], City Law college Baste, Bakshi Bazar Baste, Farirupul Boxculvert slum, Banani Jheelper slum, Badda Gudaraghat slum, Badda Chaitola Baste, Banani 11 No. Road slum [WAPDA colony], Baridhara Block F slum, Mirpur Section 11 Block C slum, Shantibagh Munshirtek slum, Ghuntighare slum [Ganderia], Gandaria shop slum, Per Gandaria slum, Gandaria Rail line slum, Jurain slum, FDC Rail crossing slum, Kawranbazar Truck-stand slum, Tejgaon Kawranbazar Rail way slum, Nakhalpara slum, Tejkunipara slum.
2000	20+	Boat ghat slum [Rayerbazar], Paribagh Nalirpar Baste, Jheelpar Baste [Pallabi], Tongi Diversion Road slum, FDC Front slum, Kawranbazar slum, Tejgaon Industrial Area slums, Begunbari slum, Mohammadpur New Colony slum, Shahjahanpur Rail Way Baste, Kawranbazar Rail way slum, Meradia slum, Moghbazar Wireless gate Baste, Nakhalpara Rail Gate Baste, Khilgaon Baste, Segun Bagich, Banani, Amtoli, Dhaka Medical College Hospital, Tejgaon and others
2001	24+	Agargaon, Badda, Baridhara J Block, Bagunbari, Circuit House Area, Gulshan Taltola, Tejgaon Industrial Area, Tejgaon Railway Colony, Tongi, Tongi Diversion Road, Mohammadpur New Colony, Shahjahanpur Railway, Taltola, Agargaon, Karwan Bazar Railway, Khilgaon, Malibagh, Meradia, Titi Para, Nakhalpara Rail Gate, Proshika Pallabi Jhilpar and others
2002	1	Amtoli, among others

Source: Nawaz, 2004 and Coalition for the Urban Poor, 2011

## Appendix 8.1: Administrative Unit of Bangladesh

### BOX: Description of Administrative Structure of Bangladesh

Bangladesh has a unitary form of government. For the convenience of administration, the country is divided into six Administrative Divisions: Dhaka, Chittagong, Khulna, Rajshahi, Barisal and Sylhet. Each Division is placed under a Divisional Commissioner and is further subdivided into Districts with a District Commissioner (DC) as the Chief Administrator. After the administrative reorganization carried out in 1982, the country was divided into 64 Districts. 20 of these Districts existed for a very long period while the rest are the ones upgraded from former Sub-Divisions. The 20 old Districts are now popularly known as Greater Districts.

Below the district level there are the Thanas which number 490 in the country. During 1982-1990, 460 of the Thanas were upgraded to Upazilas or Sub-Districts. With the abolition of the Upazila system in 1991, the Upazila Regional Administrative System reverted to the earlier Thana structure. All Divisions and district headquarters and most of the Thana headquarters are urban centres. Below the level of Thana, there are rural micro areas known as Unions (4,451 in number) and Grams or Villages (more or less 80,000).

The divisional level is the highest tier of administration, after the national level. The Divisional Commissioner (popularly known as the Commissioner) is the head of the divisional administration. S/he only plays a supervisory role over all the departments and agencies in the Division, as the divisional office of each department is directly linked to its national office. S/he also coordinates the functions of the district administration in the Division. The Commissioner became involved in development functions only since the establishment of the Regional (Divisional) Development Boards in 1976. The Regional Development Boards are responsible for those projects of the District Boards which the latter cannot finance or do not have expertise to look after. The Regional Development Boards are somewhat less active at present.

The District has been the focal point in the administrative system of Bangladesh. The head of the district administration is known as the Deputy Commissioner (or more popularly the DC). The office of the DC is divided into a number of divisions and sections. These include the planning and implementation section, which prepares the Annual and Midterm Plans; the rural development section; and the physical infrastructure section. When construction is small scale, it falls under the jurisdiction of the Thana or Upazila administration. The administrative head of the Thana is known the Thana Nirbahi Officer.

The District and Thana/Upazila executives are assisted by a large number of officials as well as professional and technical personnel appointed by the central government. Local government in urban and rural areas is entrusted to bodies elected by the people. Such bodies are called Pourashavas or City Corporations and Municipalities (numbering 286 in 2003) in urban areas, and Gram Parishads/Sarkers Union Parishads or Union Councils Upazila Parishads and Zila Parishads in rural areas. With the passing of the Union Parishad Bill on 4 September 1997 and the Gram Sarker Bill on 26 February 2003 in Parliament, local government structure is to be implemented at the grass-roots level.

Urban areas have a separate set of local governments. The Bangladesh Census Commission recognized 522 urban areas in 1991 (with a minimum population of about 5000 or more) but only about 269 of the larger urban areas among these have urban local governments. The six largest cities have a City Corporation status, while the rest are known as Pourashavas or Municipalities, which again are classified according to financial strength. City Corporations are generally so recognized and set up because of their administrative importance (for example, for being Divisional Headquarters), the classification or upgrading of Pourashava is done on the basis of size of income. However, for initial promotion of a place under rural local bodies (like Union Parishad or Upazila Parishad), it has in the first instance to be declared, by notification in the official gazette, an urban area under Section 3 of the Pourashava Ordinance 1977, and must have a minimum population of fifteen thousand. However, in practice the minimum population limit has sometimes been relaxed and lowered due to political or other special reasons Pourashavas have been created in the recent past (1996-2001) as part of government policy of upgrading Upazila Headquarters.

### Hierarchy of Urban Local Governments

City Corporation	6 (Dhaka, Chittagong, Khulna Rajshahi, Barishal and Sylhet)
Pourashavas (Municipalities)	286
Category	Annual income level
Class A Pourashavas	6 million BDT +
Class B Pourashavas	2 million BDT +
Class C Pourashavas	Less than 2 million BDT

Source: Ahmed 2002 and UNESCAP, 2004

## Appendix 9.1: Per Capita Income Level of each District of Bangladesh

District Name	Per Capita Income	Per Capita Income (2005/06)
Panchagar	<350	337
Lalmonirhat	<350	299
Nilphamari	<350	311
Kurigram	<350	319
Thakurgaon	<350	347
Dinajpur	350-500	383
Rangpur	350-500	353
Gaibandha	<350	306
Jamalpur	<350	336
Sherpur	<350	326
Jaipurhat	350-500	423
Naogaon	350-500	385
Sunamganj	<350	324
Sylhet	350-500	378
Mymensingh	<350	301
Netrokona	<350	286
Bogra	350-500	363
Chapai Nawabganj	350-500	421
Moulvibazar	<350	314
Tangail	<350	336
Sirajganj	350-500	386
Rajshahi	350-500	411
Habiganj	350-500	371
Nator	350-500	418
Kishoreganj	350-500	414
Pabna	350-500	455
Gazipur	>500	808
Brahmanbaria	350-500	384
Narsingdi	350-500	442
Kushtia	350-500	360
Dhaka	>500	961
Manikganj	<350	346
Meherpur	350-500	359
Narayanganj	>500	711
Rajbari	<350	308
Chuadanga	<350	336
Comilla	<350	319
Jhenaidah	350-500	390
Faridpur	<350	307
Rangamati	<350	319
Khagrachhari	<350	284
Magura	350-500	372
Munshiganj	<350	323
Madaripur	<350	291
Chandpur	<350	288
Shariatpur	<350	281
Jessore	350-500	437
Gopalganj	<350	300
Narail	350-500	361
Feni	<350	318
Laksmipur	<350	311
Noakhali	<350	325
Barisal	350-500	358
Khulna	>500	559
Chittagong	>500	657
Bagerhat	350-500	439
Satkhira	350-500	384
Pirojpur	<350	333
Bhola	350-500	350
Jhalkati	<350	330
Patuakhali	350-500	393
Borguna	350-500	388
Bandarban	<350	312
Cox's Bazar	350-500	417

Source: Analysed from BBS, 2006



## Appendix 9.2: Recent Eviction in Karail Slum

In chapter eight, it was mentioned that the urban poor living in Karail are more resilient to the threat of eviction rather than the urban poor living in Railway slum of Khulna city. It was assumed that the informal network of the urban poor was the main factor behind such resilience. But the recent eviction happened on 4<sup>th</sup> April 2012 again proved that apart from the political will and engagement of state, the informal network stands alone. The astonishing scenario of this eviction was the dubious interpretation of the eviction in printed and electronic media. The eviction was described in different media in the following ways:

### *The Independent: 170 decimal land reclaimed from Karail slum*

The authority has reclaimed portion of 170-decimal government land from Korail slum on the bank of Gulshan Lake in the city on Wednesday. The slum dwellers alleged that on Tuesday the authorities announced to remove the establishments within 20 feet of the road but the authority had evicted their houses and everything on Wednesday. Though this slum gives the living place to garment workers, day labourers, housemaids, rickshaw-pullers and other lower-class people, criminals are also active here.



### *The New nation: Land recovered from Karail slum*

Some 170-decimal of government lands was recovered from Korail slum in the city Wednesday. The slum dwellers alleged that on Tuesday the authorities announced to remove the establishments within 20 feet of the road and evicted their houses and everything on Wednesday. Korail slum has become a toxic boil for city's posh Gulshan-Banani high society. Like other slums, terrorism, drug trade, extortion, and feuds for establishing supremacy by some ruffians reign over Korail slum, too.



### *Bangla News24.com: Korail slum dwellers remove barricade*

Shanty dwellers of Korail Slum on Thursday noon removed the barricaded on the Airport Road as the government decided to stop the evction drive. On November 16, 2010 the housing and public works department issued a notice on the Korail slum dwellers to evacuate immediately.




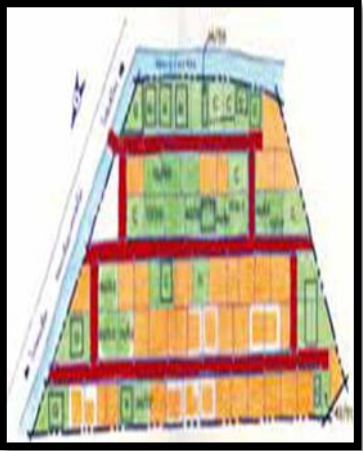


Later, the High Court issued a rule upon the government to explain why the government`s order to evacuate Korail slum should not be declared illegal as a writ petition was filed with it on behalf of the slum dwellers recently. The court also asked the government to maintain status quo regarding eviction of the slum until January 5, 2012. Meanwhile, the human rights activists on Wednesday



called on the government to stop the process of evicting about 1.2 lakh dwellers from Korail slum in the city.

However, the above news report explains that the rising voice of civil society organisations is creating a space of negotiation of the urban poor, which is a major element of ‘participatory enabling approach’. But the lack of political will to ensure pro-poor development, which is translated in to policies, do not provide any organisational arrangement to accommodate the informal organisational network of the urban poor to articulate a sustainable solution for the urban poor.

### Appendix 10.1 Slum Regularisation Techniques

<b>BOX: Slum Regularisation Techniques</b>		
<b>Technique</b>	<b>Before</b>	<b>After</b>
<p><b>On-site Upgrading:</b> On-site upgrading means that the house, lanes, roads and open spaces are improved, without changing the layout or plot sizes.</p>		
<p><b>On-site Re-blocking:</b> Re-blocking is often undertaken in cases where communities have negotiated to buy or obtain long-term leases for the land they already occupy. This is a systematic way of improving the infrastructure and physical conditions in the existing communities by making some adjustments to the layout of the houses and roads to install sewers, drains, walkways and roads.</p>		
<p><b>On-site Reconstruction:</b> In this upgrading strategy, existing communities are totally demolished and rebuilt on the same land, either under a long-term lease or after the people have negotiated to purchase the land. The new security of land tenure on the already-occupied land often provides community people with a very strong incentive to invest in their housing, through rebuilding or new construction.</p>		



**Land Sharing:**

This is settlement improvement strategy which allows both the land owner and the community people living on that land to benefit. After a period of negotiation and planning, an agreement could be reached to 'share' the land, where the settlement will be divided into two portions. The community could be given, sold or leased one portion for reconstructing their housing and the rest of the land will be returned to the land-owner to develop.

**Nearby Relocation:**

The greatest advantage of the relocation strategy is that it usually comes with housing security, through land use rights, outright ownership or some kind of long-term land lease. Depending on the location of relocation sites the livelihood of the community can be affected. Thus this strategy is very critical to implement and need careful considerations.



Source: CODI, 2004