



## Citywide slum upgrading

### Key points

- *The poor and the vulnerable in cities and towns can aspire to have security, shelter, basic infrastructure and services with citywide slum upgrading.*
- *Up to 35 per cent of Asia-Pacific urban residents in slums with proper urban planning can have adequate shelter and basic services through proper urban planning.<sup>1</sup>*

### Slum upgrading explained

On-site slum upgrading means improving the physical, social, economic and environmental conditions of an existing informal settlement – without displacing the people who live there. Upgrading informal communities is the least expensive and most humane way of improving a city's much-needed stock of affordable housing rather than destroying it. Unlike resettlement, upgrading causes minimal disturbance to people's lives and to the delicate networks of mutual support in poor communities.

### How it works

Urban poor groups take an active role in savings, surveying, planning and working with city authorities to make large-scale citywide upgrading possible. This is happening in more than ten Asian countries and represents an important shift in the role of the urban poor in improving their land and housing situation. Underpinning this, new financial systems linking community savings into larger city and national development funds allow the upgrading to materialize. The emphasis is on flexible financing, giving community groups the freedom to plan, to implement and to use the available funds to solve their housing and land problems. This holistic approach to urban poverty develops community networks and builds partnerships with local parties.

### Strengths of slum upgrading

- **Provides low-cost homes:** The urban poor who can neither afford to own a home nor improve their housing conditions can participate with the community for access to information, consultations, expertise and loans to help them acquire or refurbish a home.
- **Financial benefits accrue:** Because the urban poor and residents of informal settlements usually do not have access to formal finance opportunities to resolve their housing needs, flexible forms of finance enable them to borrow from the community through savings groups.
- **Instils social benefits and livelihoods:** Belonging to a strong-knit community group, each family can rely on others for moral support and increase their livelihoods through income-generating activities and welfare programmes they set up.

### Challenges to slum upgrading

- **Rapid urbanization:** The magnitude and pace of urbanization and rural-to-urban migration have caused immense pressure on limited space and resources to create sufficient employment for new migrants and to improve the housing situation.

<sup>1</sup> UN-HABITAT, *State of the World Cities 2010-2011: Bridging The Urban Divide* (Nairobi, 2010).

- **Achieving critical mass:** To be successful in upgrading the slums, collective decision and solidarity is needed to push through ideas; often disagreements among the community members can either delay or derail the process.
- **Technical capacity needed:** Citywide housing solutions require a range of special services: social and technical support to communities, participatory planning, architecture and engineering, guidance on appropriate technologies, programme coordination, project and contract management, construction skills that match needs in informal areas, engineering and construction, affordable building materials and micro-finance services.

### Weaknesses

- When financial crisis hits a country, the fiscal budget of the central and municipal governments have to be reduced, and usually housing upgrading projects are the first to be cut, creating uncertainties in the housing loan schemes.
- In some countries, powerful and wealthy interest groups are involved in land speculation and large-scale land development plans that have bulldozed slums and squatter settlements; the urban poor have no outlet or legal rights to seek any countermeasure.

### Implementing strategies

**Ensure strong local government support:** The creation of citywide slum upgrading programme requires strong support and capacities from local governments to mobilize their resources efficiently and to work in tandem with a vibrant civil society.

**Encourage community action and participation:** Slum dwellers through self-help and community group movements can become aware, connected and organized to develop their own plans for housing and settlement improvements and to follow through on the plans, maintaining control over the construction and upgrading process.

**Build win-win partnerships:** The responsibilities can be shared in developing a slum upgrading programme with various partners who have vested interest in the well-being of the community as well as for themselves. NGOs and the private sector can assist in terms of building up skills and other capacities, negotiating on-site land-sharing agreements and subsidizing relocation as compromise solutions.

**Secure land tenure:** Providing secure tenure is a vital part of community upgrading to reassure inhabitants to invest the money and time without fear of eviction.

### Examples

In Thailand since 2003, the Government has been engaged in a national slum upgrading programme known as Baan Mankong (secure housing) in cities across the country. The programme has led to upgraded housing conditions for more than 90,000 households with low-interest government loans, through the Community Organisations Development Institute (CODI).<sup>2</sup>

In Viet Nam over the past 12 years, the Asian Coalition for Housing Rights has been working in ten cities with the National Women's Union to set up savings groups, which have generated US\$1.4 million for housing and land projects, including rehabilitation response to areas devastated by the typhoon that hit Quinhon, Vihh and Ha Tinh provinces in November 2009.<sup>3</sup>

### Further reading

*The State of Asian Cities 2010/2011* (Nairobi, UN-HABITAT, 2010).

<sup>2</sup> 107 Cities in Asia, *Second Yearly Report of the Asian Coalition for Community Action Program*, December 2010.

<sup>3</sup> *ibid.*