



PHOTO: UNESCAP

The pressures of rapid urbanization and economic growth in Asia and the Pacific have resulted in growing numbers of evictions of urban poor from their neighbourhoods. In most cases they are relocated to peripheral areas far from centres of employment and economic opportunities. At the same time over 500 million people now live in slums and squatter settlements in Asia and the Pacific region and this figure is rising.

Local governments need policy instruments to protect the housing rights of the urban poor as a critical first step towards attaining the Millennium Development Goal on significant improvement in the lives of slum-dwellers by 2020. The objective of these Quick Guides is to improve the understanding by policy makers at national and local levels on pro-poor housing and urban development within the framework of urban poverty reduction.

The Quick Guides are presented in an easy-to-read format structured to include an overview of trends and conditions, concepts, policies, tools and recommendations in dealing with the following housing-related issues:

- (1) **Urbanization:** The role the poor play in urban development
- (2) **Low-income housing:** Approaches to help the urban poor find adequate accommodation
- (3) **Land:** A crucial element in housing the urban poor
- (4) **Eviction:** Alternatives to the whole-scale destruction of urban poor communities
- (5) **Housing finance:** Ways to help the poor pay for housing
- (6) **Community-based organizations:** The poor as agents of development
- (7) **Rental housing:** A much neglected housing option for the poor.

This Quick Guide No. 3 examines how formal and informal land markets in Asian cities work, how they have succeeded or failed to make decent, secure, affordable land accessible to the urban poor, and how community organizations, support institutions and government agencies are finding innovative ways to improve the poor's access to land for their housing.

QUICK GUIDES FOR POLICY MAKERS



PHOTO: HOMELESS INTERNATIONAL

housing the poor in Asian cities



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More information can be found on the website www.housing-the-urban-poor.net

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LAND: A crucial element in housing
the urban poor

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ISBN: 978-92-113-1948-4
HS/961/084E Housing the Poor in Asian Cities, Quick Guide 3

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Cover design by Tom Kerr, ACHR and printed in Nairobi by the United Nations Office at Nairobi

Cover photo by Homeless International

The publication of the Housing the Poor in Asian Cities series was made possible through the financial support of the Dutch Government and the Development Account of the United Nations.

Published by:

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Acknowledgements

This set of seven Quick Guides has been prepared as a result of an expert group meeting on capacity-building for housing the urban poor, organized by UNESCAP in Thailand in July 2005. They were prepared jointly by the Poverty and Development Division of UNESCAP and the Training and Capacity Building Branch (TCBB) of UN-HABITAT, with funding from the Development Account of the United Nations and the Dutch Government under the projects “Housing the Poor in Urban Economies” and “Strengthening National Training Capabilities for Better Local Governance and Urban Development” respectively. An accompanying set of posters highlighting the key messages from each of the Quick Guides and a set of self-administered on-line training modules are also being developed under this collaboration.

The Quick Guides were produced under the overall coordination of Mr. Adnan Aliani, Poverty and Development Division, UNESCAP and Ms. Åsa Jonsson, Training and Capacity Building Branch, UN-HABITAT with vital support and inputs from Mr. Yap Kioe Sheng, Mr. Raf Tuts and Ms. Natalja Wehmer. Internal reviews and contributions were also provided by Mr. Claudio Acioly, Ms. Clarissa Augustinus, Mr. Jean-Yves Barcelo, Mr. Selman Erguden, Mr. Solomon Haile, Mr. Jan Meeuwissen, Mr. Rasmus Precht, Ms. Lowie Rosales, and Mr. Xing Zhang.

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The original documents and other materials can be accessed at: www.housing-the-urban-poor.net.

The above contributions have all shaped the Quick Guide series, which we hope will contribute to the daily work of policy makers in Asia in their quest to improve housing for the urban poor.

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Land is central to solving housing:

“More than anything else, access to secure land is the thing that separates the poor from the non-poor in Asian cities.”

Somsook Boonyabanacha, ACHR

Land: A crucial element in housing the urban poor

QUICK GUIDE FOR POLICY MAKERS NUMBER 3

Without land, there can be no housing. And without looking at the issue of land, there can be no meaningful discussion about how to solve the problems of housing for the poor in our cities. The inaccessibility of decent, secure, affordable land is the major reason why there are so many slums in Asian cities and a contributing factor to urban poverty.

This guide looks at the different forms of land tenure which operate in Asian cities and examines some of the problems and benefits of these different land tenure systems. The guide then looks at how land is supplied, valued, financed and sold in the formal market, how this formal market is failing to make secure, appropriate land available to their city’s low-income populations and why the majority of Asia’s urban poor are being forced to obtain land for their housing through informal land markets.

It may not be possible to stop the wheels of urbanization or market forces which are driving up the cost of urban land and making it inaccessible to most city dwellers — and to the poor especially. But there are things that governments, community organizations of the poor and civil society organizations that support them can do to help make more land available for the poor both now and in the future. This guide introduces some of the conventional and more innovative strategies being successfully used to do this.

This guide is not aimed at specialists, but aims to help build the capacities of national and local government officials and policy makers who need to quickly enhance their understanding of low-income housing issues.

The importance of accessing land

For the urban poor there is probably no more fundamental problem than their inability to access decent, secure land for even the most minimum housing needs. Access to land is an inseparable ingredient in a poor household's ability to survive, earn, thrive and lift itself out of poverty. Aside from being a basis for shelter and access to services, secure land rights can act as a safety net in times of hardship, and provide financial security. It is an important transferable asset that may be sold, rented or loaned. Secure rights to land also encourage people to invest in improved housing and the land itself.

At the same time, there are few urban issues that are more complex or conflict-ridden than land and how it is used. As our cities grow in size, population and prosperity, the demand for land by every sector of society is bringing never-

before imagined pressures on scarce urban land and increasing its commercial value.

These days, you hear a lot less about using public assets like land for social purposes. You hear a lot more about maximizing returns on assets. This is because land has become a commodity to be bought and sold to the highest bidder in the market.

The increasing pressures on land are being dealt with in different ways and on several different levels within Asian cities. National and municipal governments in Asia have developed laws and policies which govern land use and land tenure to deal with the conflicting needs for land for various purposes. At the same time, deep-rooted religious and cultural practices and traditions dictate how land is used and passed on by individuals and communities.

Land use is political

In many places and in many ways, the urban poor continue to be treated like blocks of color on a development map, to be lifted up here and pasted down there — not like human beings with real needs, real families and real aspirations, living in real communities.

Development plans which decide what is going to happen where in a city and land-use policies that determine how land is to be used are often billed as technical documents which only technical people can understand and whose preparation is a purely technical exercise of arranging roads, zones, drainage and access with the greatest efficiency.

Of course planning a city's growth does have a big technical dimension, but the fact is that development plans and land use policies are highly political, and should be treated as such. They are not engraved in stone, and every aspect of them is negotiable. If cities can find ways which allow poor communities to be part of the planning which affects their lives and settlements, it is possible for cities to grow in ways that don't cause displacement, misery and impoverishment for such large portions of the urban population.

Source: ACHR, 2005

PHOTO: UN-HABITAT



Eviction can be violent or silent:

Eviction can happen in different ways. Private landowners and government agencies have their ways of pushing out the poor who have no legal right to the land they occupy. But there are also quieter and more efficient forms of eviction, where the poor are gradually pushed out of the city by market forces, one tiny parcel of land at a time, so hardly anybody notices, until one day, all the poor people are gone.

Few land options left for the urban poor

Estimates suggest that between 30% and 50% of Asia's urban residents lack any kind of legal tenure document which entitles them to occupy that land. In cities like Mumbai, Karachi, Manila and Dhaka, the proportion of people living without any form of tenure security in informal settlements is already much higher than the proportion of those living on formally-accessed land.

At the same time, opportunities for the poor to settle on unused public land and build informal settlements are declining, as more and more leftover pieces of land in Asian cities get occupied. Many private landowners and government agencies continue to evict poor people from large areas of our cities in order to free up the land they occupy for commercial development or urban infrastructure projects. In some cases, people are offered a little cash compensation or alternative housing in remote resettlement sites, but the majority of evictees are offered nothing.

Evicting households might be an effective way of clearing land for other uses, but in almost any evic-

tion, the poor are the greatest losers: they lose the houses that they have invested in, they often lose their jobs, their belongings, their building materials and their social support systems. Plus, evicting informal settlements reduces the city's stock of affordable housing and instead of solving the problem simply moves it elsewhere, at very high social, economic and political costs.

Increased poverty is almost inevitably the result of eviction, and this is a serious problem for governments trying to achieve economic development and reduce poverty. Excluding a significant portion of urban households from legal shelter reduces the prospects of a city's economic development. People living in fear of eviction are less likely to realize their full potential as workers or as citizens, and people living in fear of eviction are unlikely to invest in improving their homes and neighbourhoods. Uncertainty about tenure can also hinder external investment and improvement of other services such as water and sanitation. (See *Quick Guide 4 on Eviction*)

Land: The key to upgrading existing slums today and to preventing new slums tomorrow

When talking about land for low-income housing, it is important to think not only about land needs today but also about the needs that will come tomorrow, when populations of existing slums will grow and more poor migrants will come to cities. Improving the land tenure security for all the people living in slums today won't be enough unless we can also find ways to reduce the need for new slums and informal settlements in the future.

Planning for the land needs of future populations is especially important in Asian cities, which are experiencing some of the world's most explosive rates of urbanization. The UN estimates that urbanization in Asia will increase by 2.5% per year

between 2005 and 2010 (*See Quick Guide 1 on Urbanization*). This huge growth calls for serious efforts to increase the supply of planned, legal and affordable land to keep up with future needs.

Privately owned land in cities may tend to be used in ways that are more economically efficient than public land, but this efficiency often comes at the cost of excluding the poor and limiting the capacity of the state to manage urban land with a greater balance between commercial and social uses. Public land remains one of the most important potential sources of land for housing the poor — both now and in the future — but there are still serious problems with public land.

Why can't the poor access **public land** in cities?

- 1 Centralized decision-making** keeps the authority over land and land management programmes with national governments, while the local authorities who have to deal with the problems of landlessness in their cities have very little role in solving those problems locally.
- 2 Inefficient use of urban space** means that too often, insufficient thought is given to how urban land is planned, developed, serviced and used, for example, where settlements are in relation to each other, to road and transport networks and where infrastructure like water and sewerage can be built cost effectively. This results in wasted land and wasted urban revenues.
- 3 Government-driven approaches** rely on the state to make land available for people for housing and to set standards and procedures for developing that land. In many cases, a public monopoly on land ownership has worked against the poor's ability to access urban land and created more barriers than options for them.
- 4 Rigid and costly regulatory frameworks** that dictate how land should be made available and developed often fail to meet the needs of the poor, who require much more flexible and affordable frameworks.
- 5 Poor land recording systems** and highly centralized land information systems for registering land ownership and user rights can create large barriers for many poor households to access land.

Source: Adapted from UN-HABITAT, 2004(b)



PHOTO: ACHR

More women signing the dotted line:

In increasing numbers of community-managed housing projects, the land titles or lease contracts are being routinely signed by the women in the household.

Women and land rights

In most Asian countries, poor women face great barriers to obtaining land for housing because social customs or patriarchal tenure systems prevent them from holding rights to land.

Despite up-to-date laws which forbid discrimination, the property rights of women are often ignored in the buying, selling, inheriting, leasing or allotting of land, leaving them dependent on fathers, husbands or sons for tenure security. When land rights are in a husband's or son's name, this can leave women vulnerable to all sorts of problems, including abandonment by wayward or indebted spouses, seizure of their houses in domestic disputes or loss of land and housing after divorce.

Besides violating women's basic human rights, this kind of discrimination is contrary to good urban management and makes no economic sense. Women are invariably considered to be lower risk against loan default than men, and female-headed households frequently form a high proportion of a city's low-income population.

Female-headed households can benefit enormously from the security, status and income-earning opportunities that even just a small plot of land can provide. There is also a strong connection

between women's land rights and poverty reduction, as women's control over land improves a household's welfare in terms of money spent on food, children's health and education.

Too often women have very little say in top-down land policies, with no opportunities to raise their concerns and preferences. Participation by local organizations in the design and implementation of programmes is a very good start, but it does not automatically reflect the needs of both women and men. Local organizations are often represented by men, and women often have very little input into the decisions. More effort needs to be made so that women's interests are reflected in all land interventions.

Increasingly, governments, NGOs and community organizations are working together to put women's land rights into practice. One example is for government to take a look at how they define land rights (which often assume that the man is the head of the household) and to make the procedures easier for land rights to be in the name of a woman. This also makes it easier to protect women in land disputes. Legal literacy and legal aid are also important to make sure women know their land rights.

What is tenure security?

Land tenure comes in many different forms and degrees of formality. Some tenure rights are held by individuals while others are held collectively by a group. Some tenure rights come with time limitations or with restrictions on how the land can be used, sold, transferred or passed on to children. Many governments reserve the right to take away an individual's or a community's right to stay if the land is needed for some public purpose.

Tenure security is also partly a matter of perception. Formal land titles are not the only means of making people feel secure enough to invest in their houses and neighbourhoods. Security can also be achieved through long-term rental contracts, or formal recognition of customary rights and informal settlements.

When those living in informal settlements receive some official recognition or occupancy rights from the government, it can greatly reduce the threat of eviction and amount to a stronger form of perceived tenure. A simple way of defining tenure security is when people believe that the land they occupy is the land they are allowed to live on and use.

Most Asian cities have a range of legal, semi-legal and informal tenure categories, and many also have more than one legal system, as in countries where statutory, customary and religious tenure systems coexist at the same time and overlap. The range of possible forms of tenure can be seen as a continuum—from informal land rights to formal ones. In between these two extremes are many other options, with different degrees of security and enforcement, such as perceived security, legal protection against eviction and collective tenure (see pages 8-9). People may have individual freehold to the land they occupy, while others may rent their land, housing, or even a room or just a bed, with or without a contract. Most people live at some point along this range, which can change at any time. In Mumbai, India, for example, even the pavement dwellers enjoy

some forms of legal rights. Many also live under a number of legally accepted systems operating at the same time.

Because of this range of tenure systems, it makes sense to follow a step-by-step approach if you want to improve the tenure security of the most vulnerable in cities. The good news is that there are many ways of bringing about positive changes in poor people's tenure security. Rather than aiming at complete change (such as issuing individual land titles), there are other options that can be tailored for specific contexts, according to the available technical, administrative and financial resources in each context.

Secure tenure is a human right

UN-HABITAT sees tenure security as “the right of all individuals and groups to effective protection by the state against forced eviction.” Under international law, forced eviction is defined as “the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of and access to appropriate forms of legal protection.”

Under international human rights law, secure tenure is one of the seven components of the right to adequate housing, which is again linked to land. The other six components are: availability of services, materials, facilities and infrastructure, affordability, habitability, accessibility, location and cultural adequacy. All these human rights apply equally to men and women, and women's equal rights to adequate housing, land and property is firmly entrenched in international law.

Source: UN-HABITAT, 2004(a)



PHOTO: UNESCAP

Land tenure is complicated:

Sometimes, within the same poor settlement, neighbouring households may live under different tenure terms and degrees of security — some may have rental contracts, some may own their parcels of land, others may have user rights, still some may be squatters — or tenants of squatters — with no legal tenure rights at all to land.

How the rights to land are like a “bundle of sticks”

The right to use, own and control a piece of land does not necessarily belong to only one person at a given time. In fact, there are many physical dimensions to land rights (including the rights over the soil, water, air and minerals on that land) and social dimensions (including the rights to control how that land is accessed, used, sold, leased and passed on as an inheritance or gift).

One way of looking at these different and overlapping rights to land is like a “bundle of sticks”. Each stick in the bundle represents the rights to determine one way in which that land can be used, profited from or passed on to others.

In practice, each stick can be separated from the bundle and held by different people or agencies. For example, one stick might be held by the landowner, who holds the title deed to that land and is thereby entitled to access, use, sell or lease that land. There may also be sticks held by different members of a land-owning family, where local property laws and gender customs may affect differently the rights of different fam-

ily members to the land. Another stick might be held by the local authority, which retains the right to lay an underground water supply network underneath that land or erect an electric line in the air space over it. If the land is occupied by an informal settlement, the squatters living on that land may hold another stick if there are anti-eviction laws in that place which protect their community and entitle them to continue to use the land.

In these ways, a number of people and institutions can hold different kinds of rights over the same piece of land. Some of these rights may be stronger than others, depending on how well laws and customs are enforced, how long the land has been held and what kind of political and economic pressures there are on that land.

Usually, certain individuals, groups and institutions will have a stronger right over land—and often over large and important areas. This puts them in a position where they can control the allocation and distribution of land rights of others.

What kind of land tenure options do poor people have?

In any city, different types of land tenure systems may exist side by side. These may range from formal titles to collective or traditional and customary ownership. Each has its advantages and disadvantages. Traditional tenure systems, for example, are very good at maintaining social cohesion in a community but may be unable to withstand increasing economic pressures on land and are often not documented. Land under private land ownership tends to be used more efficiently and profitably, but those uses often push out the poor and limit the state's capacity to develop overall land management strategies in a city. Ownership of land by public agencies

or religious institutions may offer greater opportunities for lower-income occupants and renters to access land in prime locations, but the administration of such lands are often troubled by bureaucratic inactivity and corruption.

For the poor, the best option is to build on tenure systems already in place in a settlement, which allow them to stay in the same place, without any dislocation or disruption of their fragile livelihood and social support systems.

Here are some of the main land tenure arrangements under which the poor in Asian cities live.

1 OCCUPATION AND PERCEIVED TENURE: When poor households settle on a piece of privately or publicly owned land, without any legal permission, and are able to stay on that land for a long time without being evicted, their increasing sense of security on that land amounts to a kind of perceived tenure. This perception of security — by the occupants and by the city as a whole — is enhanced when the local authorities are persuaded to provide basic services to the settlement. This kind of extended occupation of land is often the first stage poor people go through in securing their rights to land, even though their tenure is still not legally secure and there may still be the risk of eviction.



PHOTO: UNESCAP

2 LEGAL PROTECTION AGAINST EVICTION: Some countries like the Philippines and India have laws which offer protection from eviction to people living in slums established for a certain time on public and private land. These laws end up providing many urban slums with a fairly strong form of tenure security. In practice, however, evictions still tend to continue, and poor communities with no organization or support may not be able to resist demolitions or access legal assistance to defend their tenure rights in court cases.



PHOTO: ACHIR

3 ADVERSE POSSESSION: Some Asian countries have laws which stipulate that anyone who lives on a piece of land for a certain period of time (usually five or ten years), without being evicted or charged rent or challenged by any person claiming to own that land and who pays land taxes for that period of time, can become the *de facto* owner of that land by “adverse possession”. The idea behind adverse possession is that those who occupy and use land, without anyone objecting, should be entitled to own it. But in practice, individual poor households — especially those living on valuable inner-city land — are very seldom able to defend their rights to land, even when they have met the requirements of adverse possession. Well-organized and well-supported communities, though, have had better success proving their rights to their land by adverse possession.

4 CUSTOMARY LAND TENURE: In many Asian countries, a lot of land is still held and used under a variety of traditional or customary land tenure systems, by individuals, by households, by communities, by feudal elites, by villages and by groups with a common interest or geographical area. Many of these systems date back to feudal times, when localities and villages were often more independent than they are now and had more freedom to determine how land was used. In cities, however, there are fewer and fewer cases of individual households and communities occupying land under these tenure systems, which are not always recognized by governments and can therefore be somewhat insecure.

5 COLLECTIVE TENURE: There are also forms of tenure which allow people to own or lease property as a group, through cooperatives or homeowners associations, although some governments are still slow to recognize group land rights. Collective ownership or leasehold offers many advantages, especially for the poor, in their efforts to secure and keep land for their housing. Group tenure can reduce per-household land and registration costs and can help build and maintain social cohesion within a community. Group tenure can also be one of the strongest antidotes to market forces, which tend to displace poor households from valuable inner-city land. The main problem is the reluctance of authorities to recognize these rights. Also, land rights may vary within the group. For example, men and women may have unequal rights, or decisions or collective rights may be taken only by a few.

6 LEASE HOLD: Land leases come in many forms, including rental contracts between renters and individual landowners, private companies, government agencies and religious institutions. Lease contracts can involve individual households or whole communities, and usually cover only a limited period of time of between one and thirty years. Some rental contracts are informal and agreed upon by word of mouth, while others are drawn up in proper legal documents and require the assistance of notaries and lawyers. Renting land offers tenants the advantage of greater flexibility and freedom than ownership, while it offers public landowners a means of managing the use of public land in the city within a planned period.

7 PROVISIONAL LAND TITLE: This form of tenure is almost as strong as full land ownership, but comes with some restrictions. Provisional land titles are usually granted in cases where poor communities are in a process of transition from being squatters to being owners of the land they occupy. Usually, the deal is that provisional land title is converted to full land title once the households have paid their land development fees or repaid their land and housing loans. Because it involves additional bureaucratic steps for cities, provisional land tenure requires a good and functioning land administration system.

Source: Adapted from UN-HABITAT, 2004(b)



PHOTO: ACHR

Thinking long term:

When considering the choice between individual or collective land rights, the first objective of any policy should be to make sure poor households and poor communities are protected against eviction — in the short and long term.

Land rights: individual or collective?

Many international development institutions, governments and funding agencies have in recent years promoted the provision of individual land titles, both in existing informal settlements and in planned resettlement colonies. The intention is to provide poor households with tenure security and land rights which will allow them to access services and lift themselves out of poverty. They also argue that individual land titles allow people to use their land asset as collateral to get bank loans for housing or livelihood purposes.

But regularizing tenure by granting individual titles to slum-dwellers can be time-consuming, costly and prone to corruption. There is also growing evidence that the benefits of individual land titles have been exaggerated. Many households do not want to obtain titles because of the costs involved and the risk that they may lose their land if they have to pledge their deeds to obtain bank loans they may have trouble paying back. Individual land titling may even increase uncertainty by undermining pre-existing land rights that might have existed before.

When the poor have a valuable and legally sellable asset like land, it's just a matter of time before some crisis forces them to sell out and squat somewhere else. Gentrification of poor settlements and low-income housing projects in desirable inner-city areas is a real danger.

Individual land titling is not the only way to ensure the poor's land tenure security. The alternative is an incremental approach where tenure rights are gradually formalized or upgraded over time.

One of the best ways to ensure that low-income settlements are sustained is to make tenure collective, through long-term collective leases or through land titles to community cooperatives, provided that the community is organized. (*See Quick Guide 6 on Community-based Organizations*)

Collective tenure rights can act as a powerful buffer against market forces, bind communities together and provide a structural reason to remain united, where the collectivity of community life can be an important survival mechanism.



PHOTO: ACHR

Living communally:

Construction of an activated reedbed system ensures decentralized wastewater treatment that is managed collectively through the housing cooperative. Collective ownership of land allows for collective management of the settlement.

Collective housing and land tenure in Nepal

Here is a good example of how a housing project can resolve the individual housing needs of some of the poorest and most vulnerable evictees when the process is organized by people themselves around collective savings, collective management, collective house building and collective land tenure.

After a large riverside squatter settlement in Kathmandu was evicted to make way for a road building project, the residents scattered in all directions. Some took small compensation on offer and moved in with relatives or squatted on land elsewhere. But a group of 44 households stuck together. With the help of Lumanti, a local NGO, they started a savings and credit groups. They identified land for a new settlement in the adjacent municipality of Kirteepur and convinced the Urban Community Support Fund, established by the Kathmandu Municipality, Lumanti and some donor organizations, to purchase the land for them as compensation. Instead of individual titles they decided to own the land collectively and to do that they established a housing cooperative.

Source: www.lumanti.com.np/projects.php

The small but beautiful 2 storey brick houses are arranged around two courtyards. Housing loans were issued through the community cooperative and are repaid collectively. The cooperative charges a mark-up on each loan. The mark-up has two basic purposes. It allows the cooperative to meet administrative costs and it allows the community to make full payment on the loan installment, even though one or two members in any given month were unable to meet their installment payment on time.

As land ownership, savings and loan repayment are all collective, other issues related to settlement and community development, management and welfare, such as water, wastewater treatment, solid waste management and emergency assistance are also handled collectively, through the housing cooperative and the savings and credit group. Outsiders feel a strong sense of community when they visit the project and the community is now well integrated in the town of Kirteepur, which is providing assistance to the community in solid waste management and in provision of safe drinking water.

How land markets work

Land is increasingly being seen as a commodity and not as a common good whose use must be carefully regulated for the good of all citizens. This shift has had huge implications on how public and private land is used, and how its use is being regulated by governments.

Any land that is suitable for housing has a value and can be bought or sold, whether it is publicly or privately owned, and whether it exists within the formal or informal market systems. Market forces ultimately determine who uses any parcel of land and how much that land costs, except when governments deliver public land directly to people, in the form of subsidized housing projects. Yet even public land, after it has been allocated and built up with low-income housing, enters the market and units are bought and sold either formally or

informally. Prices are determined by the demand for housing in that particular location, with certain qualities and amenities.

Market forces, demographic pressures and urban growth keep driving up the demand for land, but the supply in most cities continues to fall very far short of this demand. Some governments have made efforts to increase the supply of serviced land by regulating urban land markets, while at the same time, a variety of informal land supply systems have appeared to meet needs the formal land market cannot. Any attempt by poor people or by governments to get land for affordable housing have to acknowledge these forces. So it makes sense to understand the basic principles of markets which affect the access to urban land for housing.

Land commercialization in Karachi, Pakistan

In Karachi, the demand for land has grown rapidly, driven by commerce, foreign companies and upper income households' demand for housing and land. In some locations land prices have increased by as much as 500% in five years. Land in good locations is being purchased by the private sector and developed or held speculatively as land prices continue to rise.

Almost all this land is government land, but is being leased because of pressure from a powerful nexus of politicians, bureaucrats and local and international developers. This means it is very difficult, if not impossible, to

purchase land in central locations for low-income housing. There is also great pressure to evict poor people in inner-city slums.



PHOTO: IIRC, KARACHI

Source: Urban Resource Centre, Karachi

The supply of land

Unless new land can be created by knocking down mountains, filling up water bodies or expanding the city's boundaries into surrounding farmland, the supply of land in a city is more or less fixed. Planning regulations can, however, affect the amount of land available for certain uses. Unused land is not officially part of a market's supply until it's put up for sale or rent, but if squatters occupy it, or if government policies encourage it to be developed or released for social housing, it enters the realm of land supply.

Unlike other things you can buy and sell, each piece of land is unique. Each piece is fixed in a specific location and it comes with certain advantages and disadvantages of access, terrain and proximity to transport and amenities. Its location and other attributes are what determine its value, its use and its selling price. All these attributes are affected by changing demands in a city. When land supplies diminish and demand escalates, land prices go up — and they go up fast. That's the basic economic formula for land. Consequently, those with the most money to spend will get the land in cities, not those who most need it.



PHOTO: IJRDC MONGOLIA

The demand for land

A growing population automatically increases demand for land — land of all sizes and locations, for all income groups and under the whole spectrum of tenure forms (both formal and informal), and for all kinds of uses: commercial, residential, industrial, recreational and public. When a city's population grows too fast, and governments and land markets can't provide land fast enough to meet these growing demands, land prices skyrocket.

Demand is not so much for the land itself, but for the use that can be made of that land. For certain uses, demand for land will be higher in some places than others. Demand for commercial land near the city centre, for example, may be higher than demand for residential uses. And by the same token, buyers may be prepared to pay more for that land if it is for commercial use rather than residential use.

Demand also affects the choices made by landowners. A landowner may decide to sell land for commercial purposes rather than housing, for example, if commercial buyers are ready to pay a higher price for the land. When developers expect to make high profits by developing a piece of land, it can likewise drive up the price they are willing to pay for a piece of land.

Landowners can also opt to hold on to their land and wait to sell it later, when the prices may go up or buyers have access to more capital. This kind of speculation only makes the situation worse by driving land prices up beyond their productive value. For a speculator who sells land bought six months earlier for three times what they paid for it, this situation is heaven on earth. But for low-income households looking for a place to live, it makes it even harder.

Informal land markets

When a city's formal land market can't make enough land available to meet a city's needs, land prices will rise and growing numbers of people will find themselves priced out of any affordable land or housing options. And when poor people can't afford land on the formal markets, they go to informal markets.

Most Asian cities have vibrant informal land markets which are meeting the land and housing needs of poorer citizens, including squatters and migrants. These informal markets are so effective that a majority of land transactions taking place in many Asian cities are now informal.

In cities like Ulaanbaatar or Kathmandu, it is still possible to find private land on the formal market that is affordable to low-income households, though it may have problems or be far away. But in cities like Mumbai or Manila, it is almost impossible to find land the poor can afford to buy formally. In other cities, like Kuala Lumpur, the formal market's delivery systems are so encumbered with bureaucracy, delays and high costs that many are forced into the informal market. In cities like Karachi and Manila, informal land grabbers and syndicates continue to supply land informally to poor households

at prices they can afford and under payment terms tailored to match their economic realities, even though the land may be unserved.

People accept the risks, insecurity and physical disadvantages that come with informal land because they have no other choice. The plots available in informal land markets may be small, poorly serviced, badly located and come without legal tenure, but they are affordable and available now. Informal land markets also offer greater simplicity, greater speed and less bureaucracy. A slum lord can provide a new household with a plot in one afternoon, whereas obtaining land in a government sites-and-services scheme or a housing project may take years on a waiting list and months of complicated paperwork and fee-paying, not to mention the expense of bribes.

There is also the hope that over time, the land may be regularized. With luck, persistence, organization and a little help from NGOs or a good government support programme, many informal communities are able to gradually improve their housing, basic services and environmental conditions. And with these improvements may come some form of legal recognition or community land rights.

How do people get land in informal markets?

People buy or rent in the informal market from someone who has real or perceived rights to that land, for example:

- Land occupied without anyone's permission is sold or rented to someone else, or subdivided, sold or rented out as plots, with or without houses on them.
- Land acquired through traditional or customary tenure systems (not recognized by the government) is occupied, sub-divided, rented out or sold, with or without houses/rooms on it.
- Land in a government-recognized slum, or within a formal housing project, is bought, sold, rented sub-let or sub-divided.
- Land legally owned, but in zones forbidding residential uses, is informally sold or rented.
- Land legally owned is informally subdivided into plots that are smaller than building regulations allow and sold or rented out informally, as plots, and with or without houses/rooms.



PHOTO: SAIBAN

Informal experts:

Land grabbers in Karachi occupy unused government land and subdivide it according to the urban planning regulations, often in partnership with official urban planners.

Informal land markets in Karachi, Pakistan

Karachi has a highly-organized informal sector, whose systems for supplying land, houses, credit, building materials and access to infrastructure services to the poor cannot be matched for affordability or availability by anything the formal sector has to offer.

Land grabbers usually take hold of large tracts of vacant public land in the periphery of the city, very quickly subdivide it into a grid of plots (which they mark with stones and white paint) and lanes and then sell off the plots directly to individual households. Although most of Karachi's *katchi abadis* (squatter or informal settlements) are on public land, private land is also sometimes subdivided and sold off using the same system, by the owners themselves or by land grabbers who have come to some arrangement with the owners.

The availability of plots in the new *katchi abadi* usually spreads quickly by word of mouth, but many are also advertised through public announcements. The new residents

Source: Urban Resource Centre, Karachi

then build their own houses, according to their means, many with help from the local *thalla-walas* (entrepreneurs who almost immediately set up builders yards in new *katchi abadis* and then provide building materials on credit).

These land transaction are completely outside any formal or legal framework. They follow no official land subdivision or planning bylaws, but are carried out with the tacit agreement of government officials, police and politicians, whose cooperation is secured by bribes and political favors from the land grabber. The system is so streamlined that land sales in the *katchi abadis* are often "formalized" with signed, witnessed receipts.

Gradually, as the communities become established, most are able to negotiate with their local politicians and local officials to secure basic infrastructure services like piped water and metred electricity in the settlement. Most also build their own underground sewer systems, with technical assistance from NGOs like the Orangi Pilot Project.



PHOTO: ACHR

Governments invariably complain that there isn't enough land supply in their cities for housing the poor. But when poor people look around and make their own surveys, they find pockets of empty land all over the place — public and private — much of it ideal for low-income housing. There are a number of tools governments can use to help put this land to use for housing and other social purposes.

How cities can make land available for housing

Providing land to house the poor is often a matter of political will for governments. Once political will exists, there are a number of land management tools which governments can use to make more urban land available for housing:

- **Land use plans** which determine what specific pieces of land in a city can and can't be used for.
- **Land taxation** which allows cities to charge landowners for holding land, receiving municipal services and using land in certain ways.
- **Land administration systems** which cities use to maintain updated information about land ownership, land use and who has the legal rights to what land.
- **Land tenure regulations** which determine what kind of tenure rights various owners, users and occupants may have to a piece of land.
- **Development plans** which cities can use to determine how specific pieces of land in the city can be used and developed in the future.
- **Development standards** which set rules and physical specifications for the kind of infrastructure and services that should be

supplied to land and for different kinds of land uses.

If these land management tools are going to be effective in ensuring a sufficient supply of land for low-income housing, a city will need a good land management system to administer them, with an efficient organization, transparent procedures for decision making and appropriate information technology for collecting, processing, storing and disseminating information about land.

What is land management?

When city governments have systems to make informed, equitable and effective policies and decisions about the allocation, use and development of the city's land resources, that is good land management.

An important part of land management is the land administration system, which identifies, records and disseminates information about the rights, value and use of land when implementing a city's land management policies.



PHOTO: HOMELESS INTERNATIONAL

Land is a political issue:

Any problems around land will be made worse if governance is weak. When this is the case, ‘state capture’ is common—where those in power are able to gain control over most of the land and its resources. Corruption also becomes a large problem. And in the end, it is the poorest households in our cities that suffer.

Land governance

Land tenure issues cannot be separated from the broader issues of how our cities are governed and how well they are able to balance the conflicting needs for urban land and at the same time provide the basic needs for their poorer citizens. Although land raises important technical issues, it is ultimately a political and governance issue.

There is a large competition between social, economic and environmental goals in how limited land in cities should be used. Decision-makers face difficult choices every day in how to resolve competing needs—such as whether to use scarce land for housing, industry, parks, or keeping the cultural heritage of a particular place. The quality of governance determines how this competition is managed, and also how any disputes and conflicts

are resolved. It is also governance which decides whether urban citizens can have access to land administration information (or whether they have to pay bribes), and if decisions about land are transparent. As the poor are the weakest group competing for land in cities, governments need to be actively pro-poor in their land governance policies.

When we think about good land governance the type of questions to ask are: who benefits from the laws and policies of land as they are in our cities today? Who makes the decisions, and how are they enforced? How do these decisions relate with traditional institutions? And how do these decisions affect the poorest households in our cities.

What is land governance?

UN-HABITAT uses the definition of land governance as ‘the process by which decisions are made regarding the access to, and use of, land, the manner in which those decisions are implemented and the way conflicting interests are reconciled’. Ultimately, land governance is about power and the political economy of land.



PHOTO: ACHR

10 strategies to make land more accessible to the poor

The best way to solve problems of land and housing is to support a broad range of groups and approaches on **many fronts**

Governments and development agencies often fall into the trap of believing that there is a single solution to the problems of land. The single solution is a myth for two reasons:

1 **Political contexts, legal frameworks, land ownership, urban histories, employment sources and community organizations all vary dramatically from place to place, and no policy or programme can ever cover them all.** A solution that may work well in one place may completely fail in another. Likewise a solution may work well for 20% of the city's poor, but not for the other 80%.

2 **Single-solutions seekers miss many good chances when they look only one way.** A rich field of experimentation and innovation on many fronts, in many styles, and with many groups trying out different strategies are those which are most likely to produce the solutions that work. The solutions that don't work can be forgotten, but those which show promise can be supported, refined, expanded and then replicated or adapted in other places.

Land and all its potentials need to be seen as part of a broader approach for ensuring housing for the urban poor. Issues around land need to be looked at in the context of urban governance, urban planning and infrastructure provision as well as economic and social empowerment of the poor.

These 10 strategies should be considered together with those described in the other Quick Guides in this series, including sites and services and other alternatives to eviction (Quick Guides 2 and 4), housing finance (Quick Guide 5) rental housing (Quick Guide 7) and the central role of community-based organizations (Quick Guide 6).

Policymakers should note that providing land for low-income housing is ultimately a political issue. Each of the 10 strategies can either increase or reduce access of the poor to land depending on political will and intentions.



PHOTO: USAID FIRE PROJECT

Strategy 1: Planning more efficiently

As development, growth, competition and speculation drive land prices in Asian cities higher and higher, land for everybody's housing — but especially for the poor's — becomes less and less affordable. One way to bring land costs down in low-income housing projects is to minimize the amount of land used for each unit through more

efficient planning. When laying out a new housing or a community redevelopment project, good planning can help reduce per-unit land costs, allow for more efficient and more affordable basic services, and create better living environments which allow the residents to enjoy a better quality of life. There are several ways to do this:

1 PLANNING FOR HIGHER DENSITY : One way to lower per-unit land costs is by developing small house plots, narrow lanes and dense plans to squeeze more houses onto limited land. This may mean relaxing local building regulations, which are often designed for higher-income capacities with unrealistic standards of plot sizes, or introducing new land-use control policies which encourage such high-density housing development. There are many good examples of low-income housing projects with extremely dense housing layouts and below-standard plot sizes which are still lively, healthy and comfortable for communities to live in.

The humble row house

One of the best ways to achieve high density, small plot sizes and still provide decent, liveable houses is to design a row-house scheme, with attached side walls and openings at front and back, for air circulation. If the houses are 2 or 3 stories tall, they can provide a lot of living space for big households, even if they have only one room on each floor. And with as little as a metre or two of space in front and back, they can leave room for washing vessels, socializing, hanging laundry, cooking, cart or motorcycle storage or setting up small shops. There are highly popular and successful row-house developments in Mumbai and Bangkok with plots as small as 15 or 20 square metres.



PHOTO: ACHR



PHOTO: ACHR

Planning with people

Many believe that all the planning issues are technical matters best left to professional architects and engineers. But some of the best planners are people who have themselves lived in crowded and badly-served settlements and know from experience what is acceptable and what isn't. When poor communities and other stakeholders are centrally involved in every stage of the planning process, the end result will be a better project that is more appropriate and more acceptable to those who will live there. The role of sensitive, community architects, who



PHOTO: ACHR

are able to listen to people, make suggestions and help translate their ideas into drawings and models and proposals, is extremely crucial.

2 PLANNING FOR MULTI-STORY: Another option to reduce per-unit land costs is to put more than one housing unit on each plot, or to stack up the housing units in low, medium or high-rise buildings. The more housing units share the same piece of land, the lower the per-unit land costs will be. But it is important to remember that this kind of high-density development will not guarantee that the housing remains affordable to poor households. Higher buildings mean higher per-unit construction costs, and poor people are also not the only ones interested in living in less space if it is in a good location, close to jobs, markets, transport and public amenities. As many European city centres show, densely planned housing in prime locations can be highly desirable and therefore too expensive for the poor. Moreover, high-rise apartments may not be suitable for many poor people who often use their homes for economic purposes as well.

3 PLANNING EFFICIENTLY: Many assume that the most efficient way to use precious urban land is to lay out the houses in long rows on a rectangular grid of crossing streets, like a refugee camp. But these layouts don't create much sense of neighbourhood or the smaller, more intimate public spaces which encourage activities like playing, vending, open-air markets or tree planting. In fact, housing can be planned in clusters around dead-end lanes, courtyards and small squares and still make extremely efficient use of land and allow for efficient and cheap installation of infrastructure lines.

4 PLANNING ROADS FOR PEDESTRIANS, NOT CARS: Urban building regulations often require residential roads to be built wide for big vehicles. If these higher-income standards are followed in lower-income areas, far too much land gets lost to roads, the number of houses will be greatly reduced and the per-unit land and infrastructure costs will go up sharply. So one of the best ways of planning for efficient, liveable and affordable housing in low-income areas is to reduce road and lane widths to pedestrian proportions. As long as ambulances and fire trucks can get inside the community in an emergency, that's enough. It has also become clear that housing projects with the best access to cars are the most likely to be gentrified by middle-class households.



PHOTO: ACHR

Only in theory . . .

The development plan for the city of Mumbai is filled with areas marked “For Economically-Weaker Section (EWS) housing.” But when poor women pavement-dwellers organized themselves and went around the city looking for these EWS plots they found shopping centres, high-income housing colonies, factories and cinema halls.

Land use regulations

Many cities in South Asia have attempted to use land use regulations as a strategy to set aside land for low-income housing development, in a planned manner. While the intentions behind these land reservations are good ones, these controls have not guaranteed that any low-income housing actually is developed in those places. Even when NGOs, community groups or even government housing agencies propose using land for housing, as intended, they often meet resistance by the much stronger market forces, which usually determine how a piece of land is actually used, no matter how it is zoned.

When land use regulations set aside urban land for housing, they often stipulate how that land can be subdivided, what densities and building heights are allowed, and what kinds of infrastructure services must be provided. Such regulations can actually work to make housing even more expensive and less available, by imposing unrealistic standards which effectively limit the amount of formal housing that can be

developed — especially at the low end. And this drives more people into sub-standard living situations in informal lands and settlements.

Land use regulations can be a tool to help the poor get land for housing

Land use and building regulations can be adjusted, to make them more in tune with the real needs of the poor. They can significantly increase the amount of affordable housing available in the formal market. Plus, the existence of land use regulations which set aside land for low-income housing can also be a powerful tool for organized communities to use in their search for land and their negotiations to use that land for genuine low-income housing initiatives.

Strategy 2: Better land information

Having a well-functioning land information system is one of the most important preconditions to providing land for housing the poor. If land records in a city are unclear, it leaves room for land-use to be manipulated in different ways by powerful interests, and in these manipulations, the poor are almost always the losers. Plus, you can't legally give or lease land to the poor (either individually or collectively) if the rights are uncertain, so the threat of eviction remains.

A good land information system is an essential tool for planning how land is managed, so that a city's land resources can be used efficiently and equitably, for the benefit of all its inhabitants, its economy and its environment. Without clear land information, planning for a city's roads, infrastructure networks, social amenities, public facilities and housing becomes extremely difficult.

The lack of reliable, updated public records of land rights and land transactions can also be a barrier to developing an effective, transparent land market. Poor land records stimulate the growth of informal land markets, with large numbers of land transactions and allocations going unrecorded, so

cities lose out on revenues from property taxes. Poor land records also increase instances of forged land titles and false land sales and make it hard to ensure appropriate compensation in cases of resettlement or land readjustment. These problems can in turn lead to greater tenure insecurity and increased instances of land conflict.

In people's hands . . .

When poor communities have access to good information about what land in their city is available, who owns it, how much it has sold for and how much similar land is worth, it can help them to find possible land for housing and strengthen their negotiations for a lower price. The use of aerial photographs, land records and GIS systems is no longer the exclusive privilege of the educated elite in our cities. Organized poor communities and their networks all over Asia are learning to use these high-tech land information systems and finding them to be vital tools in their search for vacant tracts of public or private land and their negotiations to access that land for their housing projects.

No silver bullet:

A good land record system is no silver bullet. Even the most sophisticated land records systems and digitized cadastral maps can be manipulated by powerful interest groups and sidelined by market forces and the poor can still be pushed out of the city. Increased transparency resulting from good land information makes it harder to do this.



PHOTO: ACHR

Your city's **land information** check list:

The cost of creating and maintaining good information on urban land is high, and involves a lot of variables of management, capacity, technology and enforcement. This is one of the reasons why less than 30% of all urban lands are recorded in public registries, in most of the developing world. If a city's land information system is to be effective and useful to the general public — and especially to the poor — it must be accessible, transparent and affordable. So what goes into a good land information system?



PHOTO: CODI

1 LAND INFORMATION SYSTEMS (LIS) are often computer-based systems for organizing information about land, including a piece of land's location, size, boundaries and ownership, as well as its past and current use or possible uses. There are different kinds of land information systems, with different degrees of accuracy, depending on the purpose for which they were created, such as for urban planning, for legal concerns or for taxation.

2 LAND RECORDS are the written record of information about rights of specific pieces of land and are the legal evidence of the land's ownership and use. They answer the question "who has what rights?" Simplified land record-keeping procedures should be set up as a city's first step in establishing a good system for administering land. These procedures can be improved over time, as technical barriers are surpassed and as the city's institutional and human resources capacity is developed.

3 CADASTRES are public records that include surveys or maps which describe the value, extent and ownership of land within a city. They answer the question "who has what rights where?" Cadastres have to be constantly updated as land use and land ownership changes, and are usually linked to land registration and land title records.

4 LAND REGISTRATION SYSTEMS records all the information about rights on pieces of land and keeps legal evidence of ownership.

In order to be effective for all types of households, land information must be able to capture the whole range of tenure options that have been discussed in this guide.

Source: Adapted from UN-HABITAT 2004(b)

PHOTO: IURDC MONGOLIA



Does taxing land help?

Are there any countries in Asia where good property tax systems have improved the poor's ability to access land? It's hard to say for sure, but one thing is clear — if taxing land that is being left idle by speculators works as an incentive to bring that land into the market, it means the supply of land will go up and the overall land prices will go down. And this situation is good for everyone in a city who needs land, including the urban poor.

Strategy 3: Better land taxation systems

For thousands of years, taxing land has been one of the main ways cities around the world have generated public revenue for various public purposes. But charging taxes on land — especially on land left vacant — is also an important fiscal tool city governments can use to discourage land speculation and ensure a steady supply of much-needed developed land for various purposes. A steady supply of land in a city has the effect of keeping overall land prices down, which in turn makes it easier for the poor to access land for housing. Taxes on land are charged in different ways, according to a variety of tax systems, but in Asia, they fall under three main categories :

1 Capital gains taxes are charged on land only when it is sold, according to the principal that the profit a person earns by selling a piece of land should be taxed, like any other income.

2 Vacant land taxes are charged to owners of vacant land that is left unused, with the object of making owning vacant land unprofitable,

discouraging land speculation and encouraging capital investment on land to utilize it to its full potential.

3 Land use taxes: In some countries, separate taxes are charged on land and on whatever building stands on that land, so that a person may pay two different rates or different people may pay tax on the same place: the one who owns the land and the one who owns the building. Some countries use this tax system which separates land and land-use, to generate more revenue to finance the provision of public services in a city.

In most Asian countries, however, these land taxation policies have not won much support from political elites, many of whom are themselves land buyers and land speculators, and implementation of the policies is almost invariably hampered by under-assessing of property values, bribery and tax evasion. Often, high taxes on land drive land transactions underground and result in informal subdivision of lands and false sale records.

Why does land taxation make sense?

- 1 It generates urban revenue relatively easily.** Land taxes don't distort market mechanisms or burden the local economy the way some taxes do. It's cheap and efficient to tax land because it requires much less work to track land ownership and land value than to track individual incomes or sales transactions. Evading land tax is also more difficult, since land assets can't be hidden, removed to a tax haven or concealed in electronic data systems. Even in very poor countries, the tools are available to implement a land taxation policy, as long as some effort is made to establish an adequate land administration and land records system.
- 2 It brings more land into the market.** A landowner who has to pay a large tax on empty land has little incentive to keep that land vacant or under-utilized. In some countries, local governments apply progressive land tax systems to combat land speculation and fully maximize the use of developed land. When properly managed and implemented, this kind of land tax can bring about positive results in the supply of land in a city and stimulate landowners to either develop their land or to negotiate its development with public or private sector agents. And all this makes much-needed urban land accessible by more people.
- 3 It divides the benefits of development more equitably.** Even without having to do or invest anything, landowners can often accumulate considerable wealth simply by waiting for the value of their land to increase. When a government develops plans which improve roads and accessibility, extend infrastructure and public transport and increase the urban livability and social amenities in a certain area of the city, the land prices in that area will immediately go up. The wealth of landowners in that area will thus increase, as a direct result of these public investments. The moral question is whether these economic gains should be enjoyed only by individual landowners or should be shared by the society as a whole. In some countries, a system of land value taxation (LVT) is used as a strategy to recoup part of the public investments that go to such area development, through taxes charged on the land-owning beneficiaries of that development. LVT discourages keeping land idle in prime locations.

How does land taxation work?

The taxes to be charged on a piece of land (or on a building on that land) are usually calculated on the basis of several aspects, including its assessed market value, its size, its location, its accessibility to transport and public services and the purpose for which it is being used, as determined by land-use ordinances and city master plans. A process of land valuation is periodically carried out in a city and recorded

in a municipal land price gradient map or in the city's cadastre. All these calculations require active government participation in order to ensure that the information for determining all these aspects of a land's value are kept up-to-date and that the taxes are properly assessed, billed and collected. Dispute resolution and taxpayer services must also be considered when establishing land taxation systems.



PHOTO: CODI

It's a compromise:

In land sharing, households will ultimately have to squeeze into a smaller piece of land, but the trade-off is that they will no longer be squatters, but will become the legal owners or tenants of their land. And the landowners may have a bit less land to develop commercially, but they will save themselves the loss of face and time and money it will take to evict a group of poor households with nowhere else to go.

Strategy 4: Land sharing

Land sharing is Asia's home-grown strategy for resolving urban land conflicts between poor communities (who need the land they occupy for their housing) and private or government landowners (who want the land back to develop it).

How it works: After a period of planning and negotiation, an agreement is reached to "share" the land. The community is given, sold or leased one part of the land for reconstructing their housing (usually the least commercially viable part of the land), and the rest of the land is returned to the landowner to develop. How much land the people get and how much land goes back to the owner is decided during the negotiations. And finally, *everybody benefits*.

Land sharing is usually a long and complicated process and doesn't work in all situations. But as more and more land sharing projects are being implemented in countries like Thailand, India, Cambodia and Indonesia, the strategy is becoming much better known and understood by communities, governments, housing professionals and land-owning agencies, and the negotiation and development times are shrinking.

Behind a successful land sharing scheme, there must be a strong community organization, skilled intermediaries to assist in the negotiations and good technical helpers to draft out alternative land sharing plans to bargain with. But at the core of a land sharing process is the ability to translate conflicting needs and conflicting demands into a compromise which takes concrete form, and which is acceptable to all the parties involved.

Land sharing divides the cream of urban prosperity a little more equitably

- **Landowners** can clear some land for immediate development and save time and costs of long eviction litigation.
- **Slum-dwellers** stay where they have been living and working, get secure land tenure and keep their communities intact.
- **Governments** get much-needed land and housing delivered to the city's poor communities, without having to pay for it.

Land sharing in Klong Lumnoon, Bangkok

The small, canal-side community of Klong Lumnoon in suburban Bangkok was far from everything when the people first moved there 20 years ago. But by 1997, the area was gentrifying and the landowner decided to evict them and develop the land commercially. Some residents accepted the cash compensation the landlord offered and moved away. But 49 households who worked nearby and had nowhere else to live held on. In 2000, the eviction struggle got very hot: two community members were thrown in jail and the others filed a court case against the landowner, which they lost. The battle raged on. The people remained on the site. Klong Lumnoon residents linked with Bangkok's large network of canal-side communities who showed them how to organize themselves, how to deal with the district canal authorities and helped them to form a savings and credit group.

Meanwhile the eviction struggle continued. Eventually, some senior community leaders from the canal-side communities' network helped to negotiate a compromise solution in which the landowner agreed to provide a long-term lease for a small portion of the land to the people for their housing in exchange for their returning the rest of the land.

With the District Office acting as a mediator the people even managed to negotiate with the landowner a below-market selling price of just 750 Baht (US\$ 20) per square metre for their part of the site. After registering as a cooperative the community took a loan from Community Organizations Development Institute (CODI) at 1% to buy the land, which the cooperative on-lent to individual households at 3%, using the 2% margin for coordination, social activities hosting visitors and religious ceremonies.

The people at Klong Lumnoon worked with young architects from CODI to design an efficient layout



PHOTO: ACHR

for 49 houses and to develop four low-cost house models for the households to build in the new area. The first three models were designed with rooms which can be finished later, after households have paid off their land and housing loans and have some cash or building materials to spare. The people also kept four plots in the new layout for a community centre, which the people designed with the young architects, using a series of beautiful models and drawings. The centre, which the people built themselves, also has a day-care centre, a community kitchen and an office for the cooperative.



PHOTO: ACHR

Source: CODI, 2008

Strategy 5: Land readjustment

Land readjustment is a way of joining several adjacent pieces of land (held by different landowners) and eliminating the property boundaries to create a large site on which to make a new, planned redevelopment project. Land readjustment schemes are usually launched in older, run-down, lower-density neighbourhoods in inner cities, and transform them into new, higher-density subdivisions, with more house plots of smaller sizes, more efficient layouts and better public amenities and infrastructure. If the project is large enough, there may also be parks, playgrounds, schools and shops in the master plan.

In exchange for agreeing to join the scheme and giving up their land, landowners usually get one or two plots in the new subdivision, to sell or build a house on, usually with the expectation that the smaller plots in the new project will fetch a high market price. The land readjustment process involves several steps. First, the land has to be

valued and a set of preliminary readjustment plans developed. Then, these readjustment options are considered and discussed with the landowners and occupants, who are usually involved in determining the form the final redevelopment plan takes. Then, plots are allocated to landowners in the new scheme, usually according to the values of their former land, rather than the size.

Land readjustment may not produce thousands of housing units per year, but it can be used in several ways to provide land and housing for the urban poor, especially where existing informal settlements are redeveloping on the same site.

Because land readjustment is a complicated process and requires that decisions be made by consensus, it usually takes several years and requires a good deal of skilled facilitation and sensitive design support.

1 Government-managed land readjustment

There are some places where government agencies have initiated and implemented land readjustment schemes in inner city areas, some with provisions to include low-income occupants. In these cases, the government can reserve a number of plots, or a portion of land in the new scheme specifically for low-income housing, as a kind of cross-subsidy process.

Land pooling is another government-managed technique for land readjustment, where the whole redevelopment process is implemented by a special public agency, and participation by land-rights holders (usually both owners and ten-

ants) within a project area is compulsory. Land pooling has so far been implemented only in inner-city areas of more affluent Asian countries like Taiwan, Japan and Korea.

In most of these cases, however, the redevelopment has led to drastic increases in land prices and accelerated the process of gentrification, all of which has increased the tenure insecurity of low-income occupants and driven them out of their neighbourhoods. If the land pooling process is to solve the poor's land problems instead of making them worse, it is important that these serious drawbacks be overcome.

2

Land readjustment/reblocking within existing slums

When squatter communities are able to negotiate some form of secure tenure (by buying or leasing their land) and redevelop their housing on the same piece of land, the residents often opt for land readjustment, where they demolish what's there and build a brand new community with a much denser, more efficient layout of

plots, which can make room for more households to join the project and reduce the per-unit costs of buying the land and rebuilding the community. Some residents may grumble that the land they've ended up with is smaller than what they had originally, but the trade-off is that their smaller plots come with secure tenure.



PHOTO: ACHR



PHOTO: CODI



PHOTO: CODI



PHOTO: CODI

BEFORE: After being threatened with eviction, the slum at Chalermchai Nimitmai, in Bangkok, Thailand, negotiated to buy cheaply the land they occupied and build new housing, using the land readjustment strategy.

AFTER: To lower the per-unit costs of both the land and the housing, the community decided to make a denser layout and redevelop their community with 89 house plots, instead of the original 41.

3

Land readjustment involving several linked settlements

Land readjustment in poor and informal settlements can also take place on a larger scale, where several settlements (on adjoining land or on land that is close by) join together, pool their land resources and redevelop all the settlements under a single project. This kind of land

readjustment allows one settlement which is too crowded to move a few households to another settlement where there may be more room, so that similar plot sizes, layout densities, amenities and infrastructure standards can be developed in all the participating settlements.

Strategy 6: Cross-subsidy schemes

Several governments in Asia have policies which require that private-sector developers reserve a portion of their formal, market-rate housing projects for low-income housing. The idea is simple: if a developer is going to make huge profits constructing high-income housing for wealthy clients, why shouldn't a small portion of those profits (or the sale price of the units) be devoted to subsidizing the housing of the less fortunate households who can't afford market-rate housing? It's a kind of progressive tax on high-end development. These policies can work in different ways, but most stipulate that a certain percentage of the total number of units

a developer builds, or a certain percentage of the total land the new development is being built on, must be low-income housing. Usually, minimum unit sizes and maximum sale or rental rates are specified in the policy, to ensure the housing is really affordable to the poor.

This kind of private-sector cross-subsidy for housing is a progressive idea. But in practice, developers find many ways to avoid their responsibilities. As a result, these schemes have produced a negligible number of affordable housing units for the poor. Here are three examples:

1

The “Public-Private” social housing policy in Malaysia

Since 1982, the Malaysian government's policy has been to privatize the provision of low-income housing by requiring developers to devote 30% of their development projects to low-income residents, as a social obligation. The idea is that profits from selling commercial space and upper-income houses cross-subsidize the cost of building low-income units, which are sold at fixed rates to households who were evicted in the 1980s from their traditional *kampungs* and relocated to government-built temporary houses outside the city.

The selling price of these subsidized housing units was originally fixed by the government at about US\$ 7,000 for a 60 square metre unit, but when the developers complained, the price was raised to US\$ 11,000 — far too much for most poor households to afford. Since the scheme was launched, less than a quarter of the target number

of units has been built, and many of those have been grabbed by politicians or sold off at higher prices with the connivance of government officials. Without any community participation in deciding the location, financing or allocation, only a few selected groups of the poor have been able to obtain housing through this scheme.



PHOTO: FERMAS MALAYSIA

2 Transfer of development rights (TDR) in India

TDR is a land management tool that enables governments to generate financial resources by allowing landowners or developers to build more than they are allowed by the land use plan (for example, more levels making the building taller). With that money, governments can then finance upgrading or other housing for the urban poor. The TDR strategy only works in situations where land is extraordinarily valuable, like Mumbai, which now has some of the world's highest land prices.

In several of the on-site slum redevelopment projects being developed in Mumbai by the SPARC/Mahila Milan/National Slum-dwellers Federation alliance, they are using sold-off TDR not only to pay for the construction of multi-story apartment blocks for rehousing slum-dwellers



PHOTO: HOMELESS INTERNATIONAL

on the same sites for free, but also to build a capital fund to finance other housing projects and to use to negotiate with the state for more land and resources for housing.

Source: Sunder Burra

3 The “Balanced Housing” rule in the Philippines

The Philippines Housing and Urban Development Act stipulates that developers must allocate 20% of all land they develop to low-income housing. This is called the “Balanced Housing” rule, and though enshrined in national policy, it is almost universally ignored by developers.

The 350-unit Buena Vista housing project in Cebu was one of the first schemes to actually implement this law and to show that housing built for lower-middle income households could actually be profitable. In this case, the developer subcontracted the 20% to the Cebu-based Eco-Builders, an NGO-run construction company that promotes alternative building technologies and slum redevelopment alternatives. To keep Buena Vista's houses within a selling price of 180,000 Pesos (US\$ 4,300), which fits into existing government housing finance schemes, the compact row-houses came partially finished,



PHOTO: ACHR

with internal volumes that leave room for adding second floors and stairways later. By using locally-made construction materials which maximize the use of local labour and minimize the use of imported materials (like steel and cement), Eco-Builders was able to bring down the costs of walls and roofs and employ more local people in the construction process.



PHOTO: ACHR

Good for the city as a whole:

Regularizing the tenure of existing informal settlements is a good way to preserve and improve a city's existing stock of affordable housing for the poor. It also increases the supply of affordable housing indirectly by allowing residents to legally construct and rent out rooms on their plots or within their own houses.

Strategy 7: Regularizing existing slums

Recognizing and granting legal tenure to slum-dwellers or residents of informally occupied land is the best way of ensuring the poor's sustained access to land and housing (See *Quick Guide 2 on Low-income Housing*).

Regularizing informal settlements on **private land** usually involves negotiating with land-owners to sell or lease the land (or part of it) to

community members, community cooperatives or some intermediary government organization, which then manages the repayment of individual households for their land plots. Informal settlements on **government land** are usually regularized by granting long-term lease contracts or user-rights to individual households or community cooperatives — for free, for a nominal fee or sometimes for full cost-recovery.

Regularizing the tenure rights of people living in a city's already-established informal settlements is good for the poor and good for the city as a whole:

- 1 It is the most economical way to preserve investments** which people have already put into their housing, and protecting the city's main stock of much-needed affordable housing.
- 2 It unleashes a wave of investment** in improving the housing, infrastructure and environments in the settlement, by residents themselves or with help from assisting agencies.
- 3 It entitles people to get basic services at the legal, metred rates**, and legal registration of their houses, which is often a key to getting their children enrolled in local schools and accessing voting rights, government hospitals and other social entitlements.
- 4 It gives people and communities a credential to negotiate loans** from finance institutions for housing improvements or investments in their small scale businesses and community enterprises.
- 5 It enables governments to extend basic servies** and infrastructure to populations they had no funding or legal incentive to serve before, and to collect the proper fees for providing those services. It also allows governments to tax people who had been outside the system.

Regularizing land in Karachi, Pakistan

One of the major programmes of the government of Pakistan in the field of housing is the regularization and improvement of *katchi abadis* (squatter or informal settlements). The programme has been operative, in some form or the other, since 1973. The Sindh Katchi Abadi Act 1987 envisages the regularization of, and provision of infrastructure to, all squatter settlements on government land which were established before 23 March 1985 and have more than forty houses in them. The process of transferring this land from the government agencies that own it to the programme implementation agencies is in an advanced stage. The mechanics of the programme are:

- Community participation in decisions regarding the nature of upgrading, and lease and development charges;
- Upgrading of the settlements by providing services and demolishing those houses, or part of those houses, which obstruct the implementation of the upgrading plan;
- A grant of 99-years lease to the residents and the recovery of land and development charges from the beneficiaries; and

- The provision of houses to the people displaced by the upgrading process, or those who built their houses after the cut-off date.

Under this act the Sindh Katchi Abadi Authority (SKAA) was established. Besides regularization and development of informal settlements the functions of the SKAA (authority work under provincial government) also include, under article 5(x): where necessary, low cost housing and resettlement schemes for those who could not be regularized in their existing settlements.

In Karachi 539 *katchi abadis* were identified for regularization and development having a population of 2.67 million and 420,000 housing units.

Out of 539 *katchi abadis* 191 were notified and the others remained under the jurisdiction of Karachi City District Government. As of March 2004 a total of 120,000 ninety-nine-year leases were granted.

Source: Younus, M., 2004



PHOTO: URC KARACHI

A policy framework is important:

The Sindh Katchi Abadi Act facilitates regularizing squatter settlements in Karachi by providing a clear policy framework for incremental improvement of existing settlements by the poor themselves.



PHOTO: CODI

Seeing new possibilities:

Some of Asia's public land-owning agencies are beginning to see now that by giving long-term leases to poor households living on public land, they can help provide housing for a group of people who can transform their vulnerable and dilapidated living conditions into proper decent settlements. And for this, these public landlords have every reason to be proud.

Strategy 8: Using public land for housing

One of the best ways to reduce land costs for low-income housing is to use public land, for which various government land-owning agencies will provide lease contracts or user rights to low-income communities for their housing. These can be planned and built on that land using a variety of strategies and under a variety of partnerships.

In theory, public land is an asset which belongs to a city's population and which is to be used for the common good of that population. There is an unfortunate trend these days, however, to see publicly-owned land as a marketable commodity rather than as a public good, and to sell it or rent it out to the highest bidder, for shopping malls, parking garages, luxury hotels and golf courses, instead of using it for the public parks, schools, playgrounds, public markets and low-income housing our cities so desperately need.

But in many Asian cities, pockets of public land are being made available here and there to use for making affordable housing, and in most cases, it is easier for the communities living on that land to negotiate affordable lease rates and secure tenure terms than it would be on private land.

When poor communities negotiate with public land owning agencies and are able to build housing projects or upgrade some existing settlements, it is a powerful way of showing public agencies that commercial exploitation is not the only reasonable use for public land assets, but that decent housing for the poor, which allows them to develop themselves and improve their lives in every way, is a reasonable and socially equitable way to use public land resources.

Using public land for housing in Thailand

One of the most interesting and wide-scale examples of using public land for low-income housing is happening in Thailand. In the third and fourth year of the Baan Mankong Community Upgrading Programme, there is increasing cooperation with government land-owning departments to help poor communities on public land (both in cases of on-site reconstruction and relocation) to regularize their land rights under long-term land lease contracts to their community cooperatives, as part of their projects to upgrade their houses, infrastructure and living environments.



PHOTO: ACHIR

Through this national upgrading programme, being implemented by the Community Organizations Development Institute (CODI), public land upon which hundreds of informal settlements have been squatting is being transformed into “developed land” which generates a modest rental income, without any of the country’s key public land-owning agencies (like the Treasury Department, the Crown Property Bureau, the State Railways of Thailand or the Waterways Banks Department) having to invest a penny.

These public landlords in Thailand, with whom long-term community lease contracts are being

negotiated (mostly for a 30-year renewable term, and with very nominal rental rates), were not always so cooperative or friendly towards the poor. Like many other Asian countries, Thailand has had serious problems of “stiff” public land-owning agencies, reluctant to allow their land to be used for poor people’s housing, even though in so many Thai cities, most slums are already on public land. In the past, this attitude made it extremely difficult to negotiate upgrading and secure tenure arrangements on any significant scale.

These public landlords had to be convinced along the way, through long efforts of creative diplomacy and negotiation by the communities, CODI, local governments and NGOs. But two things were necessary for breakthroughs with these public landlords: the upgrading process had to happen on a huge scale (in 250 cities around the country), and communities had to have access to flexible, affordable finance (in the form of infrastructure development subsidies and soft housing loans through CODI) to achieve this scale.

Source: CODI

The Baan Mankong Programme is an important example for other Asian governments, to show that using public land assets for poor people’s housing is possible. Of the 957 community housing projects implemented as of September 2007 (in 226 Thai cities, and benefiting 52,776 households), over half are on land under various public land-owning agencies.

Land owned by religious groups

Most people think of governments, companies and wealthy individuals as the biggest owners of land in cities, but religious institutions can also have substantial land holdings, and often much more land than they need, both vacant and occupied. This land represents an important resource for possible projects to house the urban poor.

Throughout Asia, there are thousands of urban poor communities occupying land owned by Buddhist and Hindu temples, mosques, Islamic institutions and Christian churches. In most Asian societies, there is a long tradition of people leaving land to these religious institutions when they die. Through these donations of land, many religious organizations have over the years become extremely land-rich. Traditionally, a lot of this land has been used for religious and social purposes within the local community: allowing elderly, sick, homeless and poor people to occupy and rent these lands very cheaply.

But in recent years, as public land is being used less for public and social purposes and increas-

ingly being developed commercially, even the temples and mosques and churches have begun to behave less like charitable institutions and more like land speculators, realizing the enormous commercial potential of the centrally located urban land assets they own. In many cases, poor communities have been evicted from the religious land they occupy to make way for higher-paying commercial tenants to build shopping centres and up-market housing.

In these ways, the ancient relationship between local religious institutions like temples, mosques and churches and the local people they serve is being seriously undermined.

Even so, many communities are negotiating successfully with those within these religious institutions committed to reviving these older, more social and less commercial traditions and using land owned by religious groups in innovative ways for housing the urban poor — in partnership with municipalities, community organizations, NGOs and private-sector developers.

Temple land in Thailand:

There are hundreds of poor communities in Thai cities which occupy land belonging to Buddhist temples. Some have faced eviction in recent years, but many others, like the one at Wat Po Tee Wararam in the city of Udonthani, have successfully negotiated long-term, secure lease contracts with their temple landlords and are upgrading their housing and living conditions, with support from their municipal governments and funding assistance from the Baan Mankong Upgrading Programme.



PHOTO: ACHR

Strategy 9: Learning from informal land developers

One of the reasons why the poor find informal land markets so much easier to access is that their systems of delivering land are fast, simple and easy for everyone to understand. Everyone knows the risks involved in informal land occupation, but everyone also knows the rules for how to get it.

Due to lack of efficient options, the poor often have no choice but to resort to these informal markets. Formal sector land and housing projects organized by governments are invariably poor at delivery. The centralized systems which plan and implement these projects create their own bureaucracies, involve too many steps, too many

fees and procedures, take too much time, are too prone to corruption and too costly for most potential recipients. But most importantly, when these systems don't reach their target group, they end up supplying subsidized land and housing to groups who are not so poor at all.

It's no wonder that many poor households have little faith in these top-down solutions, and don't even bother applying for the land and housing schemes governments put up. It doesn't have to be like this. There are many examples of governments providing public land for housing in ways that are transparent, simple, fast and effective in reaching the target group. The secret is partnership.

Borrowing informal strategies to deliver land cheaply and simply in Hyderabad, Pakistan

In 1987, the Hyderabad Development Authority (HDA) launched an experiment in providing cheap, legal land rights to the poor, which took its inspiration from the highly effective systems by which informal land grabbers get land and housing to the poor. HDA's *Incremental Development Scheme* showed that development authorities can successfully assume the role of "informal sector" to provide shelter to the urban poor at affordable prices. How did they do it?

- Officials go to the people and set up reception camps on available land. All allotment is done on the spot, with the help of community members.
- Application, leasing and allotment steps are reduced to a minimum, to keep procedures simple.
- Allottees must start building houses as soon as taking possession, to keep out speculators.
- Only the layout of plots is fixed. All the house building is left to people.
- Initially only water is provided. Self-planned, self-financed infrastructure comes later, in which the people do it themselves, in Orangi Pilot Project-style

Source: Aliani and Yap, 1990

Strategy 10: Supporting community initiatives

Given the high cost of land and the powerful market forces which make it hard for developers and governments to build housing that is affordable to the poor, it's no surprise that most of the poor in Asian cities are left to provide their own housing — in informal settlements, on informal land, using informal building systems and financed by informal earnings and informal loans.

One of the best ways to enhance the supply of affordable land and housing in Asian cities is to find ways to support the poor themselves. While the housing they produce may not be ideal, the informal systems they have developed to produce and deliver it are still the most effective, large-scale and far-reaching housing delivery systems we have in Asian cities. These systems — often incremental — are tailor-made to the harsh realities of the poor's lives and conditions, and the even harsher economic realities and land markets of the cities they live in.

Poor communities can be much more resourceful than governments or developers when it comes to finding land for housing. When well-organized communities have access to cheap, flexible loans they can search for and negotiate to buy suitable land on their own.

There are many ways governments, NGOs and support institutions can support what poor communities and their networks and federations are already doing from the bottom-up. In places where more progressive government agencies and support institutions have been able to look, listen and learn from the poor, they have been able to find creative ways to support and add value to what poor people are already doing to house themselves, instead of undermining those efforts. Some strategies developed in partnership

with poor communities have produced some of Asia's most exciting new breakthroughs in land and housing for the poor.



PHOTO: ACHR

Bottom-up land solutions in the Philippines

The Kabalaka Homeowners Association is a local network of community-based organizations (CBOs) in Iloilo, the Philippines, which have mobilised 1,000 very poor squatter households against insecure tenure and difficult housing conditions. Since 1997, they have collectively saved 2.5 million pesos (about UD\$ 50,000) to buy 4.4 hectares of land close to their original settlement. The groups found the land themselves and researched who was the owner, zoning and rights-of-way before purchasing. The CBOs also won support from the National Housing Authority to develop 3 new sites under their Land Tenure Assistance Programme. Once the land purchase is completed, the NHA will develop the land according to the layout agreed upon by the community. The people will then start building their own houses.

Source: Vincentian Missionaries Social Development Foundation



PHOTO: CODI

Land on people's terms:

The negotiation for land by poor communities themselves is a new, highly decentralized and informal kind of urban land reform for poor people's housing. In this type of land reform, people work it out, they empower themselves and they believe they can do it because they see their peers doing it. In these ways, communities are changing the game to be on their own terms.

Poor communities finding land in Thailand

Under the Thai Government's Baan Mankong community upgrading programme, being implemented by the Community Organizations Development Institute (CODI), it is the responsibility of each community to negotiate themselves for secure land, by either buying or renting the land they occupy now, or else buying or renting alternative land they find elsewhere, and then developing their housing and community plans on that land. If they need it, the programme offers them access to flexible finance to buy that land.

As a result, a great deal of land searching is going on in 250 cities around the country and hundreds of communities are in the middle of land lease and purchase negotiations with a variety of public, private and religious landowners. Even in cities where local authorities have long insisted there is no room for the poor, communities are finding pieces of land to buy cheaply or lease.

Because people don't have a lot of money, and because the Baan Mankong programme sets low ceilings on how much communities

can borrow for land and housing, people need to be very, very creative. But once they come together as a community and as networks of communities within cities, the possibilities for finding alternative land multiply fast and the resourcefulness and energy starts pouring out.

Some staff in CODI have described this process as being like a large army of ants being let loose across the country. These thousands of ants are busy scanning their local territory, searching for available land and coming up with interesting pieces of vacant private and public land that have been "hiding" in the cracks of some 250 towns and cities — land that no government agency or NGO or researcher might ever have found or thought of as possible.

As the poor communities are very well connected in different cities and provinces, there is a good source of ideas and knowledge about land which is constantly being shared and transferred, and this means possibilities increase exponentially.

Source: www.codi.or.th

Benefits and limitations of different tenure policies

Before making any policy decisions about land tenure, it is important for governments to review the existing land situation in their cities, as well as resources and institutional capacity, and to understand the implications of various tenure policy options. A good way to do this is to bring together all the key stakeholders involved in land and housing, and facilitate a discussion about the range of land tenure categories in the city and the types of land rights available to people occupying land. It will be easy to discuss formal tenure categories, but more difficult assessing the unauthorized or non-formal

land tenure systems in the city. Levels of tenure security may vary widely and legal rights may not match with how households perceive their own tenure rights. So it may be best to identify the different tenure categories directly with informal community members, landowners and informal land developers. This will make it easier to get a better understanding of the real situation and to make better policy decisions. When doing the assessment, it is also important to clearly differentiate between those who claim to own property and those who are renting, as policies will affect them differently.

Evicting unauthorized settlers

- **Benefits :** Releases land for other uses.
- **Limitations :** Forced evictions are human rights violations and are counterproductive. They disrupt and impoverish poor communities already living in difficult situations, reduce the stock of affordable housing and only move the problem to a new location. (See *Quick Guide 4 on Eviction*)

Intermediate tenure options

- **Benefits:** Intermediate tenure might include temporary occupation licenses, private land leases, land rights certificates or home owner association registration. Increases security. Encourages residents to invest in improving their houses and neighbourhoods. Minimizes land and housing market distortions. Discourages further unauthorized development. Reduces administrative burdens. Increases social cohesion and community solidarity. Reduces need for poor residents to sell to higher-income groups. Facilitates access to housing for future low-income groups.
- **Limitations:** Can take a long time to introduce through legal reforms. Difficult to replicate if implemented outside mainstream legal framework and may even require adjustment in the legal or regulatory framework. Requires a lot of capacity building within communities and local administrations to implement. Not widely accepted by finance institutions as collateral for loans.



PHOTO: PACSI

Providing individual titles

- **Benefits:** Provides a high degree of security. Encourages residents to invest in improving their homes and neighbourhoods. Gives poor households an important asset which may increase their access to credit. May increase government revenues from increased property taxes.
- **Limitations:** Places a large and expensive burden on agencies to prepare titles, which is not easily done at large scale. Open to abuse and nepotism. Does not always increase access to credit through formal banks. May actually encourage unauthorized development by groups hoping to obtain titles. May expose poor residents to unaffordable taxes and service charges. May result in higher rents, eviction of tenants, or “quiet evictions” where poor households have no option but to sell off their titles and move to new informal settlements.

Collective ownership

- **Benefits:** Collective ownership could be via cooperatives, housing associations, housing companies or condominiums. Provides a high degree of security. Gives poor households an important asset which may increase their access to credit. Encourages residents to invest in improving their houses and neighbourhoods. May increase revenues from property taxes. Minimizes land and housing market distortions. Discourages further unauthorized development. Reduces administrative burdens. Increases social cohesion and community solidarity. Allows the community to share any windfall profits that a household may get from selling their house.
- **Limitations:** Can't be done under existing laws in many countries. Restricts individual property rights because it introduces the principle of co-ownership and gives buying rights first to the cooperative. Requires high levels of community organization and management capacity and can be very time-intensive.

Increasing occupancy rights

- **Benefits:** Increases de facto security. Entails very few administrative costs since it only requires an announcement. Reduces temptation for poor residents to sell their houses to higher-income groups. Facilitates access to housing for future low-income groups.
- **Limitations:** If individually held, will most likely create “gray area” property markets. Not widely accepted by finance institutions as collateral for loans.

Integrating tenure and infrastructure policies

- **Benefits:** “Strategic urban development plans” can create diverse and dynamic urban societies in which the poor can play a full part. Improves the level of security and quality of life for low-income groups. Minimizes the need for subsidies.
- **Limitations:** Requires an administrative structure open to active participation. Can be time-intensive. Requires effective coordination between relevant agencies and between these agencies and other stakeholders.

Adapted from UN-HABITAT, 2008

7 policy measures that can help make land more available to the poor

Provide basic short-term security for all households in existing slums.

1

Some kind of provisional tenure can be granted to existing slums and informal settlements in a city through policy changes or through proclamations by the relevant housing or land department or by a minister. This kind of proclamation is often enough to reduce at least some tenure uncertainty for poor households, while other options are explored.

Determine whether all informal settlements in a city can stay or not.

2

Identify all the slums and informal settlements in a city and work with the communities to determine if their settlements are vulnerable to environmental hazards (such as floods or land slides) or required for legitimate public purposes. For this assessment to be legitimate, it should be carried out openly and with the involvement of all the stakeholders — particularly the poor communities.

Offer residents in settlements that can't stay priority for relocation.

3

Once a list has been drawn up of settlements which absolutely cannot stay in the same place, the residents in those settlements should be offered priority for relocation to sites that offer close access to existing job opportunities and social support structures. Temporary occupation licenses or permits can be provided to these residents for a limited time, as long as it takes to agree with the local community on a suitable relocation site.

Grant all other slums and informal settlements secure tenure.

4

The settlements which are not in the way of public infrastructure projects and not in danger zones should be granted increased tenure rights. Wherever possible, the forms of tenure should be based on tenure options already known to and understood by the communities. It is important that the tenure arrangement allows communities to legally receive services and environmental improvements. The tenure terms should also provide residents with security, but without stimulating rapid increases in land prices which would push out the very poor households who are the beneficiaries of the newly secure tenure. For slums settlements on privately owned land, tenure options include land sharing, long-term cooperative leases or a negotiated sale of the land to the community cooperative.

Revise rules and procedures to increase the supply of land and housing.

5

One good way to make more land available to the poor is to revise planning regulations, building standards and administrative procedures to reduce entry costs, ease restrictions and accelerate the supply of new legal housing and developed land in a city. Options include reducing the required proportions of land to be allocated to roads and open space, relaxing restrictions on minimum plot sizes, plot use and development, and simplifying administrative procedures. (See *Quick Guide 2 on Low-income Housing*)

Introduce and collect taxes on all developed and undeveloped land.

6

Charging taxes on all land — especially on land left idle — is one of the most important fiscal tools a city government can use to discourage land speculation and to ensure a steady supply of much-needed land for housing all sectors of society. A steady supply of land in a city has the effect of keeping overall land prices down, which in turn makes it easier for greater numbers of the urban poor to access affordable land and housing.

Allow incremental development of buildings and services.

7

One way to make land and housing more affordable and more flexible is to allow it to be developed in phases, starting with basic land plots and infrastructure that can be improved over time. As long as the minimal infrastructure installed initially is sufficient to ensure people's health, safety and well-being, other services can be improved upon or expanded gradually. This incremental approach is especially useful in sites-and-services schemes targeting vulnerable migrants new to the city.

Adapted from UN-HABITAT, 2008

Creating a supportive environment

Both existing and new settlements will need to be developed in ways which increase access to jobs, services and community facilities, at prices poor households can afford. It is important to adapt a number of related policy measures to support the policy options described above, including: decentralizing resources and responsibilities to the lowest administrative level, strengthening community participation, encouraging mixed land use development, encouraging financial institutions to provide credit without requiring titles as collateral, strengthening the capacity in land administration and land record agencies and im-

proving transportation links between residential, commercial and industrial areas.



PHOTO: ACHR

Source: UN-HABITAT, 2008

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An annotated list of key websites: For an annotated list of websites which offer more information about the key issues discussed in this Quick Guide series, please visit the *Housing the Urban Poor* website, and follow the links to "Organizations database".

www.housing-the-urban-poor.net