GEOG3302: Urban & Regional Planning
March 21, 2012

Housing Challenges in Third World Cities

Dr. Kevon Rhiney
Department of Geography & Geology
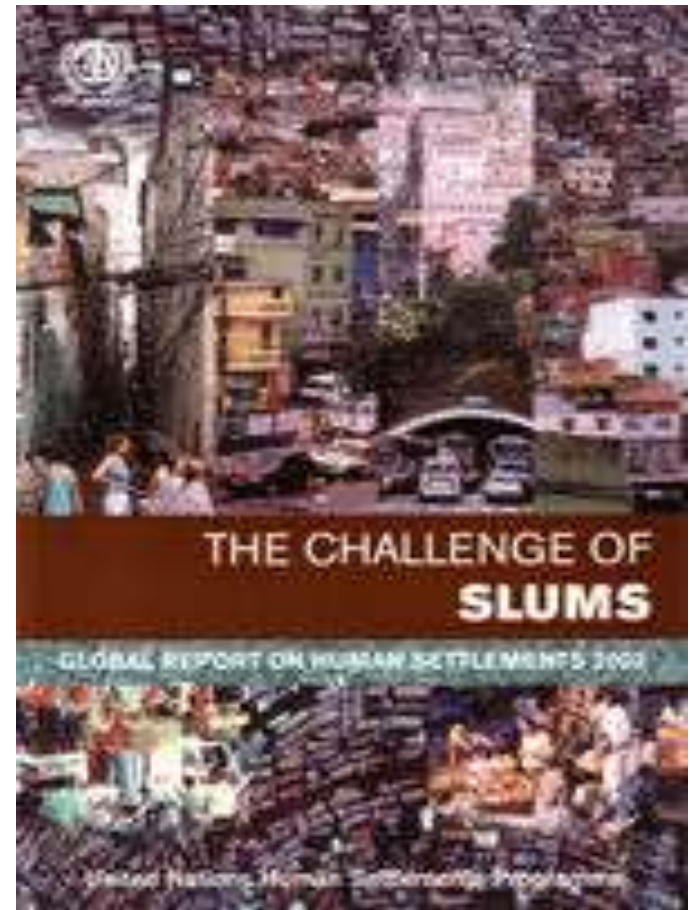**The University of the West Indies, Mona**

Housing problems in the Third World

- Housing shortages is largely an urban problem

- Worse in developing countries
  - High rates of internal migration
  - High rates of natural increase
  - Limited resources

The Global Housing Challenge

- The world's slum population is growing, now totaling around 1 billion
- 32% of the global urban population (UNHABITAT)

- "Urbanisation of Poverty"
- Slum dwellers account for 43% of the pop. in LEDCs compared to 6% in MEDCs
- Highest in sub-Saharan Africa (71%); also high in Asia (35%) and LAC (31%)

THE CHALLENGE OF
SLUMS
GLOBAL REPORT ON HUMAN SETTLEMENTS 2003
United Nations Human Settlements Programme

Housing the urban poor

- Access to decent housing is a basic *human right*

- Disparities great between high- and low-income countries

- Failure of housing programs has forced/led to the emergence informal forms of shelters

- Inner-city slum tenements, peripheral squatter settlements to pavement shelters

Housing Policies and Urban Planning

- Government intervention key for efficient functioning of the housing sector

- Market mechanism cannot be left unchecked. Can lead to deprivation of urban poor

- Rise of squatter communities/captured lands
  - Deprived of basic necessities
  - Health and sanitation issues

Water & Sanitation for the urban poor

- Crisis fuelled by acute human poverty, overcrowding, limited civic infrastructure, environmental degradation seen in most mega cities
- Thirsty cities e.g. Mexico City, Jakarta, Beijing

- Low income families and slum dwellers most vulnerable
- Buenos Aires treats only 2% of its sewage
- In Dhaka, 37 per cent of slum-dwellers have no safe supply of drinking water; some are reduced to using ditches and potholes.
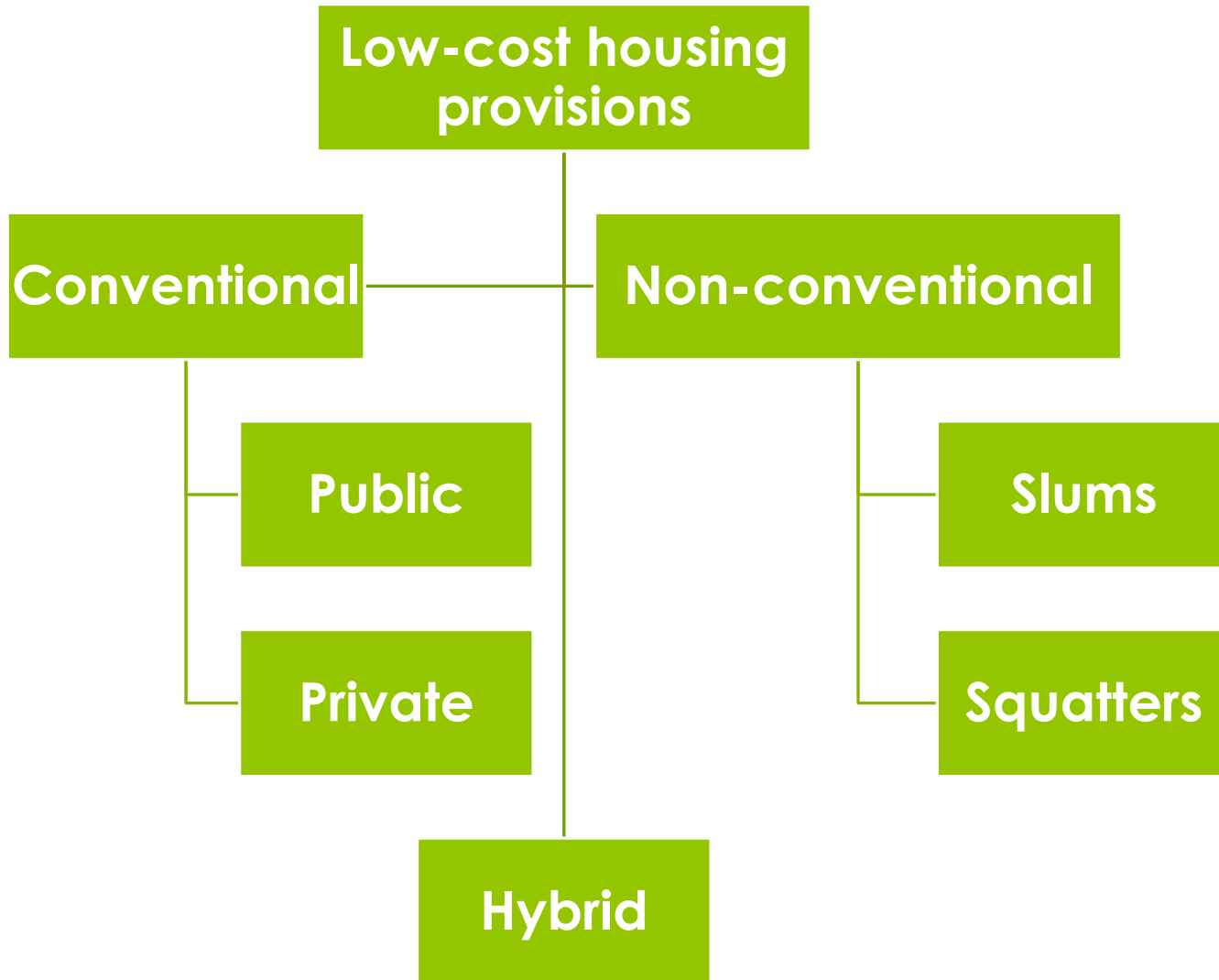
Types of low-income housing

- Shanty Towns defined by fabric

  - Made from scrap materials: wood, cardboard, tin, zinc

  - Maybe in squatter settlements/rent yards

  - Often located in inner city areas

- Squatter Settlements defined by tenure

  - 30-70% of housing stock in developing countries (Pugh 2000:325)

  - Sites outside formal housing market: abandoned lots, ravines, swamps, slopes, stilts in harbors.

Evolution of squatter settlements

- Prior to the 1960s seen as an '*urban cancer*'
- Shifted from being unorganized encroachments to planned land captures

- Development and Expansion: creation of local organizations, more sophisticated amenities

- Governments now find it easier/cheaper to formalize squatter settlements

Major sources of Third World housing

```
                    ┌──────────────────────┐
                    │  Low-cost housing    │
                    │     provisions       │
                    └──────────┬───────────┘
            ┌──────────────────┼──────────────────┐
   ┌────────────────┐          │         ┌──────────────────────┐
   │  Conventional  │──────────┤         │   Non-conventional   │
   └───────┬────────┘          │         └───────────┬──────────┘
           │    ┌──────────┐   │               │   ┌──────────┐
           ├────│  Public  │   │               ├───│  Slums   │
           │    └──────────┘   │               │   └──────────┘
           │    ┌──────────┐   │               │   ┌────────────┐
           └────│ Private  │   │               └───│ Squatters  │
                └──────────┘   │                   └────────────┘
                         ┌──────────┐
                         │  Hybrid  │
                         └──────────┘
```

Low-income housing solutions

- Two main strategies undertaken by governments
- **Provider based**
  - Direct provision
  - Sites and services
  - Slums and Squatter upgrades
- **Support (enabler) based**
  - demand side
  - supply side
  - Institutional reform/strengthening

Housing in the Caribbean

- Demand greater than supply
  - Issues of accessibility and availability
  - Rising urban populations/high degree primacy
  - Unequal land tenure (rise of squatter communities)
  - Limited land space in urban areas

- High housing costs
  - Limited space
  - Inflation
  - Building materials

Housing in the Caribbean cont'd

- Regulatory framework
  - Weakly developed housing policies
  - Limited state funding
  - Private sector led
  - Corruption and political clientelism

Government approaches taken

- 1960s to the mid 1980s – direct construction of housing units

- Mid 1980s to present – an enabling approach
  - Aided self-help housing (sites and services)
  - Joint venture partnership (private-public)
  - Squatter regularization

Housing in Trinidad

Institutional Framework

- **Ministry of Housing & the Environment** (2010) formerly Housing and Planning – policies and programmes

- **Housing Development Corporation** (2005)- provision of low & middle income housing solutions; acquisition of land for housing development; stimulation of the private sector

- **Land Settlement Agency** (1998) – conduct title investigations for lands occupied by squatters

- **Sugar Industry Labour Welfare Committee** (1951)- improvement of housing for sugar sector workers; focused has changed to rural development

Housing in Trinidad

- Supporter based solutions
- **Home Improvement Grant**
  - Combined income must not exceed TT$7,000 a month
  - Must own house
  - First time beneficiary
  - Must show matching contribution (incl. savings, materials, sweat equity etc.)

- **Squatter Regularization**
  - Regularization of tenure (squatters prior to Jan. 1st 1998)
  - Physical Regularization (improvement of roads, drainage, sewage systems, water etc.)

Housing Programmes

Rent-to-Own Programme

- Targets low income groups; home acquisition on a long-term and phased basis

- Beneficiary pays rent for a period of five year, with the option to purchase at the end of the period (option to extend to 3 years)

- Two-thirds of the rental payment will be applied as a deposit towards the purchase of the unit
- Rental tenancy would then be converted to mortgage status

Housing in Jamaica

Institutional Framework:

- **Ministry of Water and Housing** – Policy formulation and the facilitation of housing projects

- **National Housing Development Corporation** (NHDC) (Renamed Housing Agency of Jamaica) in 1998 – Facilitate brownfield & greenfield projects, Serviced lots, Squatter upgrade & regularization, Operation PRIDE

- **National Housing Trust** (1976) – loan provisions, facilitate brownfield & greenfield sites.

Current situation

- Rising (urban) population – 2,673,800 est. 2006; 3.3 million by 2030

- Fairly high incidence of squatting (5-20% of the nation's housing stock)
     - est. 595 squatter settlements island wide

- Demand outstrips supply
    - 30,000 new houses has to be built annually over the next five years to meet the country's housing demand (Housing Sector Plan: Vision 2030)
    - Current trends nowhere near that goal
    - Needed 52,806 units 1997-2001, total number completed was 23,837 by both public & private sectors.

Housing Programmes

Operation PRIDE

- The Program for Resettlement and Integrated Development Enterprise (PRIDE), Jamaica

- Launched in May 1994 by PJ Patterson

- Sought to address 3 main problems:
  - Social strains and pressures culminated over the past two decades
  - Absence of an adequate settlement policy
  - Indiscriminate squatting and capturing of government and privately owned land

Housing programmes

Operation PRIDE

- Four major objectives (Mohammed, 1994: 5):
  - Resolution of shelter needs of low-income J'cans, via the establishment of new planned settlements, regularization of illegal settlements, & upgrading of existing ones.

  - Improvement of environmental and public health conditions in settlements throughout the country.

  - Mobilization of resources in the informal sector towards the improvement and employment of the people involved.

  - Distribution of government land as a catalyst in the whole process.

Housing programmes

Settlement projects under PRIDE

- **New Greenfield sites** – Development of new planned settlements for lower-middle income households or squatters who have to be relocated

- **Brownfield sites** – Regularization and improvement of conditions within existing informal and illegal squatter settlements

- **Direct land provision** – for light industrial use or for vending purposes

Housing programmes

Evaluation of Operation PRIDE

- Made more than $7 billion dollars in lost

- Most squatter upgrades & new housing solutions were out of the reach of the targeted beneficiaries (led to heavy state subsidy)

- Significant **cost overruns** (> $20Mn): Callaloo Mews, Melrose Mews, Barrett Hall, Pines of Karachi, Goldsmith Villas etc.

- **Lack of transparency**: criticized for benefiting supporters of the ruling PNP Party (selection of PRIDE sites and beneficiaries); Only the Minister could ratify the proposed list of beneficiaries for selection; alleged fraudulent contract-award system

Housing programmes

- Progress of PRIDE to date
- 85 projects, comprising 30,510 serviced lots completed by 2004

- 73% were allocated; of the allocated lots 61% were brownfield developments, the remaining 39% were in greenfield sites (teachers, nurses, police etc.)
- 11.4% recovery rate

Housing programmes

Other Social Housing Programmes

- **Sugar Workers Housing Programme (2000)** – Collaboration with Trade Unions and the management of 9 sugar estates

- **Inner City Housing Project** – Improve the conditions of selected inner city communities. Aimed to create 5,000 new units in 15 inner city communities at a cost of J$11.5 billion b/w 2004 and 2008.

Summary

- Housing continue to be a major problem in the Caribbean

- Problems of corruption and social exclusion

- State has a major role to play in ensuring housing for all, particularly the most vulnerable groups in society

Housing Challenges in Third World Cities

Dr. Kevon Rhiney
Department of Geography & Geology
The University of the West Indies, Mona