

Evolution of Slum Redevelopment Policy

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Slums have been part of the urban landscape since the Victorian Era, and, over the years, policies such as public housing, slum upgrading, tenure security, city wide slum removal and other measures were adopted to improve the quality of life of the slum dwellers. In this paper, the evolution of those policies is explored and evaluated, and key policy strategies that need to be adopted at the donor and recipient levels in order to achieve measurable change in slum improvement across the world are suggested.

Keywords: Slums; Redevelopment; Tenure Security; Public Housing; Baan Makong; Rajiv Awas Yojana (RAY)

Introduction

Slums are an integral part of the urban landscape, as they have historically been the only affordable housing solution available to the urban poor. Over the years the understanding of slums has evolved from considering them a nuisance to today's general consensus that slums are unique eco systems, which have changed over the years to adapt to the needs of their residents. Slum redevelopment policies have also evolved with this changing understanding, and in this paper, the authors identify four phases of slum redevelopment policy, which are discussed in detail (**Figure 1**).

In the first phase, theories such as the culture of poverty and marginality portrayed slums as problematic dens of violence and prostitution; the only solution was to demolish them and relocate the residents to public housing projects. American researchers, such as Gans and Jacobs, as well as Latin American academics, such as Castells, and American researchers of Latin America, such as Perlman, conducted extensive studies in these slums, and their research shed new light on them. These researchers and others were successful in changing the perspective of the policy makers.

John Turner's research in Peru emphasized the concept of self-help and tenure security, and his efforts showed that, when the slum residents were provided with tenure security, they improved their dwellings one brick at a time. Thus, the second phase of slum redevelopment policies was based on Turner's ideas of self-help and tenure security.

The third phase of slum redevelopment evolved from the self-help concept to the incorporation of non-governmental organizations. NGOs became global players in this era, and slum redevelopment policies called for public input and the involvement of NGOs.

The fourth phase started with the "cities without slums" initiative launched by Cities Alliance, a group comprising several supra national agencies including UN Habitat and the World Bank. In this phase, countries such as India and Thailand

launched countrywide programs to create slum free cities.

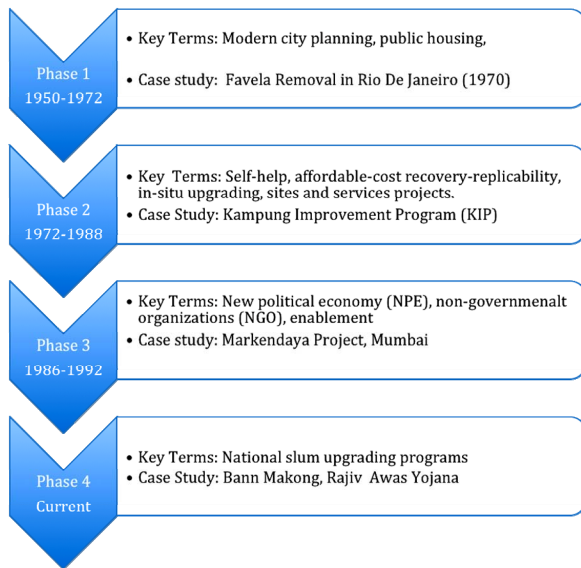
There are two sections to this paper; the first takes a closer look at each of these four phases, discusses their theoretical underpinnings, provides relevant case studies and concludes with lessons learned from each phase. The second section discusses the future direction of slum redevelopment policies, both at the donor level and the recipient level, and suggests key strategies.

Phase 1: Public Housing (1950-1972)

The favored approach during this era of slum upgrading was demolition of slums and replacement with tenement style public housing at the outskirts of the city. This mode of development disrupts the existing social, economic, and political ties of neighborhoods. As research by Perlman (1976), Weinstein (2009), Roy (2004) and Arefi (2008) has shown, these social and economic ties are critical for the survival of the urban poor.

While the policies of this phase were used across the world, the intellectual centers of these policies were Europe and America. At the end of this phase, these countries claimed to have eradicated slums just as they have eradicated polio (Weinstein, 2009). The fact is urban poverty still exists there, but the manifestations of it are called by other names such as urban blight or ghetto. Researchers framed urban poverty in developed countries as advanced marginality (Wacquant, 2008).

Slums have been a critical part of urbanization, and the earliest references to slums can be traced back to Victorian England. Sociologists such as Engels studied the squalid living conditions of industrial workers in England quite early. His book, *The Conditions of the Working Class in England in 1844* was influential in bringing the living conditions of the poor into the limelight. He looked at slums as a consequence of industrialization. In 1890, Jacob Riis published *How the Other Half Lives: Studies among the Tenements of New York* attesting to the same conditions across the Atlantic.



Source: Created by the authors.

Figure 1.
Phases of Slum Redevelopment Policy.

The theoretical framework for this phase was informed by the culture of poverty theory of Oscar Lewis (1959), and marginality theory. These theories blamed the victims for their problems and portrayed squatter settlements as a social problem. Marginality was considered a material force, as well as an ideological concept and description of social reality (Perlman, 1976) (Arefi 2008), and rational planning theory depicted slum dwellers as degenerate (Weinstein, 2009).

These theories reflected popular misconceptions, stereotypes, and assumed weaknesses associated with poor communities. Migrants from the countryside to the city were seen as maladapted to modern city life and, therefore, responsible for their own poverty and failure to be absorbed into the formal employment and housing markets. They portrayed squatters as “other”, i.e., not part of the urban community. These settlements were seen as dens of crime, violence, prostitution and social breakdown. Conventional wisdom suggested that the only solution to these social problems was relocating the squatters to decent housing. The common sense view of the population at large, legitimized by social scientists, was used to justify public policies of slum removal (Perlman, 1976; Arefi, 2008).

Slums were not considered part of the “Rational Scientific City” discourse prevalent in the urban planning circles of the time. There was little room for the poor in the modern, rational city. Policy measures aimed at the urban poor in the planning discourse ranged from segregation at one end of the spectrum, to outright slum removal on the other end. One of the first examples of slum removal policy and a grand example of the modern rational city was Haussmann’s design of Paris. Rabe calls this “Haussmannisation”. His design left little room for the poor; the opening up of Paris for thoroughfares and government buildings caused the poor to flee the city as Haussmann’s *avenues grandes* replaced many “wretched quarters”, but no provisions were made for the lower-income classes displaced by the building process (Rabe, 2009).

Slum removal, however, did not remain solely a French policy. The tenement laws of New York, along with the 1949 and

1954 Housing Acts, resulted in slum clearance as part of a massive urban renewal program, where the, outmoded, worn-out and blighted areas were replaced with well-planned development geared to modern needs (Weinstein, 2009).

Pugh (1995) argues that during this era the dominant public policy in low-income housing was that the state was seen as the provider of permanent public housing, usually in the form of apartments. It was intended that public housing replace squatter settlements. Moreover, public housing was transplanted from developed countries without giving much thought to the differing contexts of developing countries (Pugh, 1995). The underlying assumption was that public housing would be affordable and effective, and that it would eventually eliminate the unsanitary conditions and professionally perceived disorder of squatter settlements.

Case Study: Brazil’s Favela Removal: The Eradication of a Life Style

Janice Perlman’s research on favelas in Rio de Janeiro is one of the seminal studies on the subject. As part of her work, she looked at the effects of large-scale slum removal policies. In 1970, a favela in Rio Catacumba was demolished, and the residents were moved to high-rise apartments on the outskirts of the city. She studied the economic, social and cultural, political and physical impacts of the relocation, and her findings are presented below:

Economic Repercussions

Perlman reports that there was significant loss of income due to the time and expense of travel to work and changed availability of jobs (especially jobs for women). At the same time, there were the additional expenses of owning a home, including mortgage payments, as well as water, electric and other service payments. Overall, the move resulted in a net loss of household income.

Social and Cultural Repercussions

The *favelados* were relocated based on their income levels rather than on social and familial ties. Therefore, the social support structure of the favela did not survive the relocation. The move also isolated the residents from urban amenities such as movies, beaches, markets, spectator sports, etc. These amenities were part of the urban experience that made the residents feel like a part of the city. Perlman argues that suspicion and distrust were on the rise in some of the new developments as well as crime rates.

Political Repercussions

The *favelados* were politically active and united in their cause to fight the relocation. After the move, the residents and their leaders were scattered across the region, resulting in a disruption of the political structure. Perlman reports that after their experience of removal, the residents no longer saw the system as benign and lost their political will.

Physical Repercussions

The physical effects of the move were noticeably positive, especially for children, who now had access to water and sanitation. However, due to the poor quality of construction, there were constant leaks, and cracks on the walls appeared just a few

years after construction. The poor construction made the residents wary of paying long-term mortgages on their units.

Phase 2: Self-Help (1972-1988)

There were two policy streams in this phase; the first was tenure security, and the second physical upgrading. Tenure security has been considered as the holy grail of slum upgrading policies. Recent research has shown, moreover, that giving tenure to the female head of household addresses female poverty and empowers the actual care-giver of the family (Datta 2012). The approach has been adopted by various countries and has been acclaimed for its success.

However, there has been some criticism of tenure legalization. First, the approach has been questioned since it has been most widely used by the middle class and has resulted in gentrification. In addition, formalizing informal land has been disastrous for renters as it has substantially increased their costs of living. Second, the emphasis on physical or infrastructure improvements without addressing social and political issues has been criticized as superficial or the “aestheticization” of poverty (Roy, 2009). That is, infrastructure improvements have often failed due to poor maintenance or inferior construction quality. Third, as Mukhija argues, the layout, density or the nature of the land sometimes does not allow for slum upgrading. Clearly, in those cases, alternative policies need to be adopted.

The second stream of housing redevelopment policy was based on John Turner’s ideas of “self-help” (Turner, 1977). Turner was the most influential critic of the vast array of scholars, who claimed that the state had failed by providing medium-rise apartment blocks that were unsuitable for low-income groups. Research by Turner, Perlman and Castells showed that housing conditions within squatter settlements improve over time due to the efforts of the residents. Thus, they argued for self-help programs or slum upgrading schemes; the catch phrase of this era was, “helping the poor help themselves” (Pugh, 1995; Davis, 2006).

Davis argues that Turner, in collaboration with sociologist William Mangin, was a singularly effective propagandist who proclaimed that slums were less the problem than the solution. Despite this then radical idea, Turner’s core program of self-help, incremental construction, and legalization of spontaneous urbanization was exactly the kind of pragmatic, cost-effective approach to the urban crisis that Robert McNamara, at that time the President of the World Bank, favored (Davis, 2006).

The self-help, or slum upgrading, approach was a low-cost and affordable housing alternative that was advocated as a means of fulfilling loan repayments in low-income housing. Pugh summarizes this approach of the Bank to low-income housing as “affordable-cost recovery-replicability”. The intention was to make housing affordable to low-income households without the payment of subsidies. This was in contrast to the heavily subsidized public housing approach (Pugh, 1995; Davis, 2006; Mukhija, 2003).

One of the most popular programs in this phase was the World Bank’s Slum Upgrading Program (SUP). There were two elements comprising program: 1) tenure security and 2) improving access to infrastructure through the construction of toilet blocks or providing access to drinking water. Lending for urban development by the World Bank increased from a mere 10 million dollars in 1972 to more than 2 billion dollars in 1988, and, between 1972 and 1990, the Bank helped finance a total of

116 sites-and-services and/or slum-upgrading schemes in 55 nations. Davis argues that this was a mere drop in the bucket in terms of the need, but it gave the Bank tremendous leverage over national urban policies, as well as direct patronage relationships to local slum communities and NGOs (Davis, 2006).

Case Study: Indonesia’s Kampung Improvement Program

- Indonesia’s nationally implemented Kampung Improvement Program (KIP) is one of the best examples of the successful implementation of a slum upgrading policy, and it was instrumental in significantly reducing urban poverty and improving the quality of life of Indonesia’s urban poor (Das, 2008).
- KIP began in Jakarta in 1969, under Indonesia’s First Five Year Development Plan, with World Bank funds, as well as joint funding by the Government of Indonesia and the city government of Jakarta. From 1974 to 1988, KIP was a primary component of the World Bank’s funding of urban development in Indonesia, and KIP was regularly incorporated into Indonesia’s successive national Five Year Development Plans starting in 1974 (Das, 2008).
- The primary purpose of KIP was to improve the quality of life in urban *kampung* (the word means village, but is often used as well to mean an urban slum) by providing basic physical infrastructure such as paved footpaths and roads, paved drains, garbage bins and collection, and public water taps and toilets. The rationale was that improving physical conditions in the *kampung* would stimulate the improvement of individual houses, and eventually upgrade the socio-economic characteristics of the community. For the first ten years or so, KIP focused almost entirely on physical improvements in public areas, but then began to include some primary health components, particularly those aimed at children.
- Over a period of nearly 30 years, KIP was implemented in almost 800 cities and towns across Indonesia. The design of the program allowed for expedited implementation, and the low cost and simple technology allowed for easy replication. Overall, the program was successful in reducing poverty in the country (Das, 2008).
- Traditional Indonesian societal customs of deliberation and discussion, community mutual self-help, reciprocal assistance and volunteering for community activities were incorporated into the KIP program’s community participation. Das (2008) indicates that of the available tools, community mutual self-help called *gotong royong* was widely used in KIP implementation.

Lessons Learned

The central and most vocal of criticism of the slum upgrading approach comes from Mike Davis who argues that, under the guise of “helping the poor help themselves”, the state has withdrawn from its historical commitment to provide housing to the urban poor. In addition, the cost-recovery provision of the World Bank has effectively priced the poorest of the poor out of the market for self-help loans. Davis cites Lisa Peattie, who argues that in 1987 the bottom 30 to 60 percent of the population (depending on the country) were unable to meet the financial obligations of the slum upgrading program (Davis, 2006).

Moreover, the infrastructure improvements, such as those to water supply and sewerage, have been spotty at best, and the poor quality of construction and almost negligible maintenance has resulted in substantial system clogging (Davis, 2006; Roy, 2004). In addition, this emphasis on physical improvements without addressing the underlying structural issues which cause poverty are superficial when compared to the much needed upgrading of livelihoods, wages and political capacities (Roy, 2009).

Mukhija (2001) further identifies three flaws regarding the security of tenure policy. First, in low-income housing, the perception of security is shown as more important than the legal status of housing; that is, the important concern is the occupants' perception of the probability of eviction. Second, tenure itself is not sufficient to lead to higher investments, since housing finance is usually not available; and, finally, tenure legalization can hurt the most vulnerable, namely poor tenants due to increases in the cost of property and rent.

Writing in 1993, the International Labor Organization's A. Oberoi concluded that World Bank slum-upgrading and sites-and-services projects had largely failed to have visible impact on the housing crisis in the Third World. Other critics pointed to the programmatic disassociation of housing provision from employment creation, and the inevitable tendency for sites-and-services schemes to be located in peripheries poorly served by public transport (Davis, 2006).

Phase 3: 1986-1992—Enablement

Enablement is defined as providing the legislative, institutional and financial framework whereby private entrepreneurs, communities and individuals can effectively develop the urban housing sector. Enablement is also a key part of the New Political Economy (NPE)—a theory of political economy, which was adapted and developed from earlier neo-liberalism (Pugh, 1995).

Enablement created opportunities for partnerships and interdependence among state agencies, markets, NGOs and individuals. Davis (2006) argues that enablement corresponded to the reorientation of World Bank objectives under the presidency of James Wolfensohn whose decade in office began in June 1995. Wolfensohn sought to make “partnership” the new centerpiece of his agenda. Third World governments were required to involve NGOs and advocacy groups in the preparation of the Poverty Reduction Strategy Papers (PRSP) that the Bank now required as proof that aid would actually reach target groups (Davis, 2006).

In this phase, the World Bank, the United Nations Center for Human Settlements (Habitat or UNCHS) and the United Nations Development Program (UNDP) joined together in 1986 to form the Urban Management Program, which hoped to improve performance in developing countries in land management, municipal finance, infrastructure services, the environment, and building up the capacity of urban management institutions (Pugh, 1995).

One of the key features of this phase was the increasing role of non-governmental organizations (NGOs). Grass root organizations can play a prominent role in devising home grown solutions to the problem of slums. As the Markendaya Project demonstrated, the NGO Society for the Promotion of Area Resource Centers (SPARC) played a lead role in it. SPARC involved the residents in the design phase and built larger units than what

would have been built by the municipal government. The design of the building incorporated innovative features such as loft areas to allow for storage, common toilets to reduce the cost of construction and terrace space to allow for communal gathering.

However, the Markendaya Project is also an example of the various hurdles that one has to jump through to enable implementation. The project took nearly ten years to be built and faced multiple financial and bureaucratic challenges, and it clearly indicated that future slum redevelopment must have unambiguous financial and institutional guidelines to allow for a smoother development process.

Case Study: India's Markandeya Project

The Markandeya Project in the Dharavi slum of Mumbai is based on the theoretical backdrop of NPE (New Political Economy) where NGOs play a key role in redevelopment efforts, and the emphasis is on decentralization. According to conventional wisdom, decentralization is an initiative to increase the scope of direct decision-making and the responsibilities of participants in the housing delivery process. However, Mumbai's case suggests that decentralization for slum redevelopment may also lead to conflicts related to claims on the new assets, particularly where high value property assets are being created. Conflicting demands about who is to capture how much benefit and why can generate conflicts of institutional interest (Mukhija, 2003).

The Markandeya slum is part of Dharavi, Asia's largest slum, and was selected for reconstruction under India's Prime Minister Grant Project (PMGP) in 1988, and was implemented without the participation of the World Bank. The Markandeya Co-operative Housing Society (MCHS) decided to reconstruct low-rise housing with the support of the local NGO SPARC. In 1998, the first of the residents moved into the newly constructed apartments. Mukhija (2003) outlines the institutional, physical and financial challenges that the NGO faced over the ten-year period of reconstruction.

SPARC is a well-respected local NGO with global connections. Despite its reputation and its expertise, SPARC faced a multitude of challenges in implementing the Markandeya Project. The first were with PMGP, the central agency created to run the slum redevelopment program. SPARC and PMGP had disputes throughout the ten-year redevelopment process on issues ranging from the physical issues (size and number of units) to financial.

From a physical perspective, the project changed several times over the years. While the initial project was a low-rise building with 94 units, common toilets and a community terrace, over the years as the developer changed and the land regulations allowed for higher density, the number of units was increased to 180. Given the increased cost of construction, community toilets were replaced by individual ones.

SPARC struggled to finance the project, which was eligible for a low-income housing loan from the Housing and Urban Development Corporation (HUDCO)¹. Despite having a mandate to help low-income residents, the agency demanded collateral for the loan. SPARC was able to provide the initial collateral, and, in 1992, it convinced the Belgian Foundation SELAVIP—*Servicio Latino Americano y Asiatico de Vivienda Popular*—to provide HUDCO with a bank-guarantee for the

¹Government of India's housing finance agency.

entire loan. But by the middle of 1993, as the cost of construction increased, SPARC was faced with two options: either take out another loan at a higher interest rate, or build additional market rate units to reduce the burden on the residents. The MCHS members chose to increase the number of units.

Lessons Learned

Mukhija argues that the enabling approach consists of decentralization, demand-driven development, privatization and deregulation. However, there are major shortcomings in such a conceptualization. The approach is merely based on doing the opposite of what is believed to have failed, and there is no empirical evidence to substantiate that this will work, or that it is the best and only alternative (Mukhija, 2003).

While several former critics have hailed the participatory turn at the World Bank, Davis (2006) argues that the true beneficiaries of the enablement approach are the big NGOs rather than the local people. He, along with other critics, points out that the PRSP process has bureaucratized and de-radicalized urban social movements.

Phase 4: Current—National Slum Upgrading Programs, the Cities Alliance

The Cities Alliance provides grants, as well as doubles as a knowledge base for slum improvement strategies across the world. One of its programs is the National Slum Upgrading Policy, which calls for countries or cities to adopt national level city level comprehensive slum policies (Cities Alliance, 1999). It is a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development. Its first act after being established in 1999 was to produce the Cities without Slums Action Plan, which proposed a target of improving the lives of 100 million slum dwellers by the year 2020—the first time such a measurable target had been set in the international development arena. This target was subsequently incorporated into the United Nations Millennium Declaration in 2000 as Target 11 of the Millennium Development Goals (Cities Alliance: Cities without Slums, 2011).

The Cities Alliance Country Programs (CPs) can be defined as, “longer term programmatic support to selected countries, at a multiple city/national scale”. Working with multiple Alliance members and national institutions constitutes the foundation for progress and partnership within CPs. Early evidence suggests that the CPs have the potential to provide a new level of coherence amongst Cities Alliance members, and to ensure that the focus is not on competing mandates, but rather on providing support to local and national partners struggling to cope with rapidly changing demographic trends, and on promoting a national growth agenda centered on sustainable, inclusive cities.

Two national level programs that are supported through the Cities Alliance partnership are discussed below. The first is the Baan Makong Program of Thailand, and the second is India’s Rajiv Awas Yojana (RAY).

Case Study: Thailand’s Baan Makong Program

In January 2003, the Thai government announced two new programs for the urban poor, the first is Baan Mankong (Secure Housing) and the second is Baan Ua Arthorn (We Care). The Baan Mankong Program provides infrastructure subsidies and

housing loans directly to poor communities to improve their housing and basic services. This program is implemented through the Community Organizations Development Institute (CODI). Under the second program (Baan Ua Arthorn), the National Housing Authority designs, constructs and sells ready to occupy flats and houses at subsidized rates to lower-income households who can afford “rent-to-own” payments of US \$25 - \$37 per month (Boonyabancha, 2005).

One of the key innovations of the Baan Mankong Program is its reliance on communities of the urban poor and their networks as stakeholders to design a program to meet their needs (Boonyabancha, 2005). The urban poor community organizations and their networks are the key actors, and they control the funding management. Boonyabancha (2005) argues that the process of designing and managing their own physical improvements stimulates deeper, but less tangible, changes in social structure, managerial systems and confidence among poor communities. It also changes their relationships with local government and other key actors.

In his 2005 article, Boonyabancha describes six pilot projects where the squatters developed a cooperative and used a variety of mechanisms, such as long-term leases or land purchases, and, using funds from CODI, built housing on the land. Each of the projects used innovative methods, such as long-term land leases or land sharing, relocating to other land nearby, and, in one case, combining two projects to create a larger development. The individual unit cost of the houses is relatively low as the squatters themselves construct the houses, as well as negotiate for the (lower) cost for land.

The decentralized system of the Baan Makong Program allows the low-income households and their community organizations to do the upgrading. This enhances their status within the city as important partners in solving city-wide problems. Thus, the Baan Mankong Program provides an example of the city-wide upgrading of slums where the communities and community networks have the freedom to design and build their own housing and infrastructure based on their individual needs, and allows them to keep their social networks intact. This strengthens community bonds since the community works on the project together.

Case Study: India’s Rajiv Awas Yojana

By 2050, when the country is projected to be more urban than rural, more than 875 million people will live in cities, compared to 379 million in 2010 (Nandi & Gamkhar, 2013). Thus, India’s urban challenge is set to grow drastically.

To address this increasing urbanization, the Government of India launched several initiatives to improve urban infrastructure. Starting with the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), several slum improvement projects were taken up under that program. In 2009, the Government created a new initiative, Rajiv Awas Yojana (RAY), to separate slum improvement programs from JNNURM. This program envisages a “Slum-Free India” with inclusive and equitable cities in which every citizen has access to basic civic and social services and decent shelter. It aims to achieve this vision through a multi-pronged approach focusing on:

- Bringing all existing slums within the formal system and enabling them to have the same level of basic amenities as the rest of the city;
- Redressing the failures of the formal system that lie behind

the creation of slums, and

- Addressing the shortages of urban land and housing that keep shelter out of reach of the urban poor and force them to resort to extra—legal solutions in a bid to retain their sources of livelihood and employment (Kundu, 2012).

The RAY program is visionary since it requires the cities to tackle the issue of slums from a holistic perspective. One of the central features of RAY is the creation of a Slum-Free Plan of Action (POA). The states and cities have to prepare and adopt such a plan, which describes how they plan to remove all their city slums within five years and the steps that they are taking to avoid the creation of new slums. Emphasis is also given to data collection and use of technology. Cities are required to create a GIS database of all the slums and collect household surveys, as well as involve households during all the stages of project (i.e., in the planning, implementation and post implementation).

RAY emphasizes in-situ development. However, it gives cities the ability to identify hazardous and objectionable slums. While hazardous slums are defined in terms of environmental problems and health risks, objectionable slums violate legal or master plan norms. Researchers such as Kundu (2012) argue that lack of clear criteria to identify “untenable” and “hazardous” slums might result in ambiguity causing local conflicts. However, technological solutions are available to address sanitation and drainage issues in hazardous/objectionable sites in slums and make them tenable.

It is too early to determine whether the program is a success or a failure, but as Om Prakash Mathur (2012) suggests, Rajiv Awas Yojana and the Slum Free City are an interesting collection of promises awaiting performance. If the program has even limited success in achieving its multiple objectives, it can be considered a major departure from past practice and can therefore be heralded as a policy innovation. Despite the lack of data on its success, the funding for the program was increased from Rs. 1.5 billion (\$25.2 million) in 2009-2010 to Rs. 12.7 billion (\$2.3 billion) for the 2010-2011 period.

Lessons Learned

Shack/Slum Dwellers International (SDI) Sheela Patel’s recent review of the Rajiv Awas Yojana Program (2013) showed that these units were poorly built and, therefore, might be difficult to maintain in the long run. This is a striking similarity to the public housing problems observed in the first phase. It is an important shortcoming of the new program, and measures should be taken to maintain the quality of construction in order to reduce the long-term maintenance burden on the residents, which could force them to quit their houses.

Patel (2013) comments further that although the Rajiv Awas Yojana Program calls for community involvement, the lack of capacity to conduct meaningful dialogue at the municipal level results in the creation of government funded, constructor-built, poor quality, public housing style projects. As earlier experience with public housing projects has shown, there are long term social costs of these projects, which often only come to light several years after the project is occupied. These early warnings about the program should be taken seriously, and measures should be taken to improve quality of construction of these projects.

In contrast, one of the key lessons learned from Baan Mankong is that the slum redevelopment process needs to embrace the culture of collectivity in poor communities. This objective is far more important than the physical upgrading. Upgrading

then becomes a process through which a group of people change because they begin to believe in their own power and see that they are no different than the other citizens in the city. A slum upgrading policy needs to achieve this sense of social upgrading in addition to the physical upgrading (Boonyabancha, 2005).

Future Directions for Slum Redevelopment

The challenge of improving housing conditions of over a billion people living in slums across the world and integrating them into mainstream housing is a daunting task. Today, over 50% of the world’s population that lives in cities, the majority of whom do not have access to basic services such as water, sewer, roads, etc. Despite the horrid living conditions, millions of people continue to move to cities searching for a better future (UN-Habitat, 2003).

As Mehta has commented, however², improving the living conditions of the cities is only part of the solution. There are other pieces of this puzzle, such as reducing rural-urban migration by providing livelihoods or improving agriculture production in the villages. As witnessed by Roy (2004), recent migrants to the city face the toughest challenges; they are unskilled labor and have to start at the low end of the income chain. Due to the lack of affordable housing, they have to either rent in squatter settlements or squat on public or private property. These recent migrants are hit the hardest in any slum redevelopment program, as their rent increases if the services are provided to the slums. If *in-situ* redevelopment is proposed, they do not meet the criteria to get a new residence and are, therefore, left to fend for themselves. Any redevelopment approach should, consequently, provide affordable housing to recent urban migrants.

Based on the key findings from each of the four phases of slum redevelopment policy outlined above and from the associated case studies, there are a number of elements to an effective slum redevelopment policy strategy that should be adopted at both the donor and recipient levels. These are outlined below in some detail.

Donor Level Slum Redevelopment Policy Strategy

Donor agencies, such as the World Bank, the International Development Bank and USAID, continue to play a prominent role in slum redevelopment. Due to their vast monetary resources, these institutions have strong negotiating power and can set policy. For example there were huge slums near the railway lines in Mumbai for many years, and the railways were not interested in improving their quality. However, when the railways were granted a loan through the World Bank to improve the transportation infrastructure, part of the loan agreement was to provide appropriate relocation of these slums. Due to this stipulation, the railways started negotiating with slum dwellers and the NGO SPARC, resulting in relocating the 17,000 slum dwellers living on railway land. Thus, donor agencies have a key role in crafting an effective slum redevelopment policy strategy, some aspects of which are discussed followed.

²In the Life of Cities: Parallel Narratives of the Urban/Mumbai, conference held at the Graduate School of Design, Harvard University Cambridge, MA April 1, 2011 and accessed on You Tube: http://www.youtube.com/watch?v=TGa_ttzWCGQ, February 26, 2013.

Legislative Framework

Patel et al. (2011) suggest that public authorities are unable to rapidly structure and implement slum-improvement projects because they lack an effective slum-improvement-specific statutory framework that gives them a process to follow, the powers to cut through accumulated revenue and planning related regulatory tangles, and the authority to be able to adjudicate between and compensate claimants to resolve tenure disputes. This is even true for those cities that have clearly demonstrated a capacity to deliver on other fronts. They argue that key to scaling-up is to institute a comprehensive statutory framework, embedded in powerful state-level legislation, that public agencies can use to effectively structure and implement context-specific slum-improvement schemes (Patel, Joshi, Bal-laney, & Nohn, 2011).

Inclusive Growth

For a long time, slum improvement policies were based on expert opinion. That has been dramatically altered since slum dwellers started organizing and creating global networks. Appadurai calls this deep democracy. He refers to Shack/Slum Dwellers International, or SDI, founded in 1996, a network which includes federations in 14 countries on four continents (Appadurai, 2001). The slum dwellers organize, conduct their own surveys, have a small savings account and visit each other to learn from their mistakes.

This form of deep democracy, or democracy from below, has allowed for them to be recognized as partners in the slum creation of improvement policies. As seen in Baan Makong, pilot programs involving residents in the initial discussions and planning phases allows for innovative solutions to old problems. It is important from the donor perspective to mandate community participation as a prerequisite for slum improvement. However, many countries are ill equipped to do this, and training should be incorporated into policy formulation and implementation.

Social Issues

Slum improvement strategies should give equal priority to physical as well as social improvement. Unless underlying issues, such as poverty, poor education, inadequate health care and other social issues, are addressed, inclusive urban growth cannot be achieved.

Financial Framework

While the financing of the physical construction and improvement have been at the forefront of the donor agency agenda, financing other components can make a tremendous difference in the success of a program. For example, many cities and countries lack the capacity both in terms of the number of planners available, as well as in terms of training, to conduct meaningful community participation. Therefore, finances for capacity building, as well as finances for exchanges (sharing knowledge and experience), can significantly increase the output of the project (Burra, 2005).

Paradigm shifting policy changes have often occurred due to well designed and implemented pilot projects. Therefore, financing pilot projects or other precedent setting activities can encourage new models of slum improvement. NGOs are well

adapted and often willing to experiment and should be encouraged. Other forms of finance that should be considered include guarantees for scaling up, pre-finance and guarantees for accessing loans and pre-finance for accessing subsidies.

Quality of Construction and Maintenance

Construction of tenement style housing for slum dwellers is quickly becoming an easy choice for some developing countries. Between 2005 and the end of 2011, about 525 thousand tenements were constructed for slum dwellers in various Indian cities (Sivaramakrishnan, 2012). However, recent reports show that the quality of housing is poor, and the plumbing is leaking and materials used are substandard³. Quality control and continuous monitoring should be part of the requirements of slum improvement strategies.

Recipient Level Slum Redevelopment Policy Strategy

Community Participation

Community participation in some cases, especially in developing countries, has been termed the “haan ji” (yes sir) syndrome⁴, where the community is shown as a passive participant. Creative public participation methods should be used to encourage a discourse between the residents and the policy makers. Wherever possible, existing community organizations, such as a women’s savings group or a local informal governing body, should be used to engage the public.

Public-Private Partnerships

Another recent innovation in financing is the Public-Private Partnership. These are becoming an important tool especially when redeveloping well located slums. The PPP, while a valuable resource, should be used with great care and with due diligence, since private interests can easily override those of the public.

Physical and Social

Physical upgrading should only be one part of the slum upgrading approach. The underlying aim of slum upgrading is improving the quality of life of the residents. If the slum redevelopment results in reduced incomes for the residents and breaks their social networks, then the slum redevelopment can be considered a failure despite any physical improvements. As seen in the Baan Makong Program, involving residents from the planning stage empowers them.

Holistic Approach

Slums are created when adequate affordable housing opportunities are not provided to the urban poor. Urbanization can be exclusionary, as it has often been, with no formal place for the poor in cities and towns, or it can be inclusive by jettisoning the archaic ways in which cities are planned and governed, and any solutions should also address the question of where the recent

³<http://terraurban.wordpress.com/2012/10/03/poor-living-for-the-urban-poor-tracing-jnnurm-housing-projects/>, accessed on February 19, 2013.

⁴Dumas, Hugo published on the Terra Urban Blog on February 19, 2013 <http://terraurban.wordpress.com/2013/02/19/participation-and-the-han-ji-syndrome/>, accessed on February 19, 2013.

migrants with limited finances will live when they first enter the city.

Conclusion

Public agencies, NGOs and international organizations have been struggling with slum redevelopment projects for over 70 years. There have been remarkable successes, and much has been learned during this period. Yet, though it may appear to be easy to build ambitious slum-upgrading programs, public agencies across the Third World face enormous challenges to scaling-up.

Recent nation-wide programs like Baan Makong and Rajiv Awas Yojana are addressing the issues of slums holistically by making legislative changes to allow land tenure for the residents, opening up markets by allowing for public-private investment, and, above all by investing both financial and intellectual capital in their cities. As Bhan (2012) puts it, however, what is hotly debated is the impact of these new policies. Will they finally result in the creation of an inclusive society where the poor have finally found their place in urban areas? Only time will tell.

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