

Adequate & Affordable Housing for All

Research, Policy, Practice

Centre for Urban and Community Studies, University of Toronto
455 Spadina Avenue, Suite 400, Toronto, Ontario M5S 2G8 Canada

Low-Income Communities: Facing the problems of adequate housing in Bangladesh agenda: Emerging issues

Syed H. Loton

Secretary General, RADOL and National Coordinator, BCST Bangladesh

Abstract

The low-income communities face the constraints in building adequate housing, particularly in the developing world, are often formidable and intractable, deeply linked to political and economic order as well as to social structure. The lack of available and accessible housing problems has been identified by the Government of Bangladesh (GOB) as one of the important hurdles in improving the housing conditions for middle and lower income households (Marja C. 1998). In this paper, these constraints are discussed and some of the approaches to redress them are reviewed. The principle methodological tool is a review of relevant literature. Three main types of constraints are identified: financial resource constraints, hazard vulnerability and natural resource scarcity. In this paper, it is not attempted to present a prescription for problem remedy. Nonetheless, identification and developing understanding of the constraints could perhaps serve as an initial step towards informing policy and practice. The present study builds on these efforts and attempts to formulate recommendations for improving access to housing credit for various groups of presently underserved urban and rural households.

INTRODUCTION

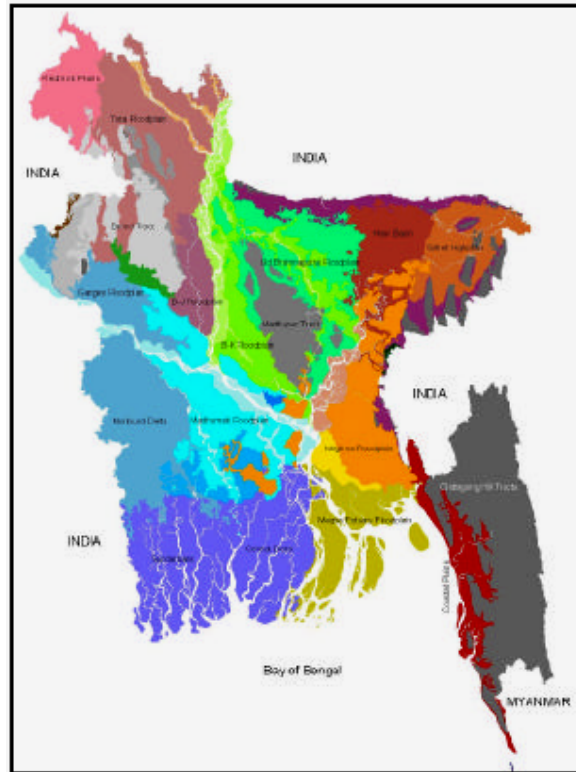
The problems facing by the low-income communities in building shelter are often formidable and intractable, deeply linked to political and economic order, as well as to social structure. In this paper, the main obstacles low-income communities in the developing countries face in building adequate housing are discussed. This list is not exhaustive, but points to some of the crucial problems that low-income communities encounter in their efforts to build a home – a basic necessity of life.

Rapid urbanization may have positive effects, which promote the process of economic, physical and environmental development. For instance, national economic development, upgrade the poverty level and turn the poor into rich in higher proportion. On the other hand, if urbanization is not properly addressed, it can produce serious negative consequences involving unemployment and especially urban poverty and degradation of environment.

It is interesting to note that the “average population of the world’s 100 largest cities was over 500 hundred million inhabitants by 1990 compared to 2.1 million in 1950 and less than 2,00,000 in 1980” (Islam N., 2003). In the area of the sub-continent which is presently under Bangladesh, urban development was very limited during the British colonial period up to

1947. Movements of the population were almost confined to village to village, or one agricultural area to other and even within the village, due to marriage of women or seasonal demand of agricultural labour force. Reasons behind movement of people were also somewhat different during the period of urbanization and migration to urban centers. Joint family system, inheritance, land purchase were the principal factors contributing to land fragmentation as well as land consolidation which operated in a more or less in a balanced state but gradually with increased population growth.

Transformation of predominantly agricultural economy to industrial economy has been accompanied by high rate of movement of population from the rural areas to urban areas attracted by industrial economy, higher income, urban facilities, which increased the rate of urbanization during the Industrial Revolution of the 18th century through the early part of the 20th century.



Physiographic Feature of Bangladesh

One important feature of migration in Bangladesh was due to river erosion, which has been continuing over a long period in the past. At present, form an important source of urbanization and immigration to towns and cities of Bangladesh. After partition of the sub-continent in 1947, development activities in different towns and cities within the area covered by present Bangladesh, continued with accelerated process of urbanization.

A PANORAMA OF BANGLADESH

Bangladesh is the 8th populous countries of the world with 130 million people living in a land area of 145, 570 sq. km. About 80%-85% people live in the rural areas, with about 15%-20% living in the urban areas. Bangladesh is one of the world's poorest, most densely populated, and least developed countries; its per capita income for fiscal year 2001 (July 1, 2000 to June 30, 2001) is estimated at \$359. A large proportion of its population of roughly 130 million is tied directly or indirectly to agriculture, which accounts for 26 percent of Gross Domestic Product (GDP) and about 70 percent of the labor force. Industrial output remains narrowly focused. Economic growth in fiscal year 2001 was six percent, up by one-tenth of a percent point from 2000. Bangladesh's economic growth has averaged five percent annually over the last ten years. However, economists estimate that growth rates of seven to eight percent are required to begin to alleviate the nation's extreme poverty (Bangladesh Key Economic Indicators, 2002). The absolute size of the population crammed into a small landmass, one-fifth of which remains normally under water and one-third during the monsoon, results in intense competition for land for different uses, specifically housing. The main economic activity in Bangladesh is agriculture, growth in agricultural output slowed to 5 percent in fiscal year 2001, from 6.4 percent one year earlier. Service sector output grew by 5.2 percent,

roughly the same as fiscal year 2000. Natural disasters, like river erosion, floods, cyclones, etc. compound rural problems by making people landless and homeless and increase incidence of rural poverty.

It is estimated that the proportion of the rural people living in absolute poverty ranges from 80%-85% and that at least 50%-52% of the population constitute a hard core of extreme poor. These percentages mean that at least 67.5million people live in absolute poverty, and of these at least 30-46 million people exist in extreme hard-core poverty. Over half of the rural households are classified as landless (i.e. owing less than a quarter of hectare), 30% of the rural population do not own any land at all, not even a small homestead plot. The average far size has been decreasing – between 1977 and 1987 the average size fell from 3.5 acres to 2.3 acres. Smaller farms tend to generate more employment but less hired employment and small farms owners themselves need to sell part-time labor off the farm to earn enough for their families to subsist. Inequitable landownership in the rural areas and inequitable income distribution, lack of employment opportunities in both urban and rural areas, and above all, the low economic growth influence poverty and reinforce it.

On the other hand, one-third to one-half of the urban population is living in poverty without adequate food, adequate housing and related services. Poverty in the country is widespread, although there are indications that it is declining. According to a 1995-1996 Household Expenditure Survey (HES), which based its findings on income level and caloric intake, states that about 41.1% rural families were poor and had less than 2122 k. cal of food per day and 24.6% constituted the hard-core poor with less than 1805 k. cal of food per day. Poverty is also prevalent in the urban areas. According to the same HES survey 49.5% urban households were living below the poverty line and 40.2% constituted the hardcore poor.³ Families with an income of Taka 3500/- per month were considered poor and those families with an income of Taka 2500/- were considered as hard-core poor.

The high incidence of poverty in Bangladesh means that most of the people are unable to afford housing that is qualitatively sound, aesthetically pleasing, and hygienically safe. Now the following section reviews how housing is provided to people that are overwhelmingly poor.

URBAN ENVIRONMENT– LIVING AND WORKING CONDITIONS

In Bangladesh, like many of the developing countries of South-East Asia, tremendous inconsistencies are observed in facing the effects of rapid urbanization by the city management authorities. In most cases, the resources available and the resources needed to meet the needs and demands of the urban population, fall apart with growing deficiency. The followings are the main concerns of the developers, planners and decision makers for sustainable urban area development.

1. Growth of Population and Employment

(i) Urbanization and Growth of Population

- a. high rate urbanization added to the existing population put pressure on land , urban infrastructure and services.
- b. unplanned settlements with high density but with an unacceptable level of urban services.

(ii) Inadequate Employment and Income Generation Developments

- a. unplanned and inadequate employment opportunities,
- b. poor industrial development,

- c. low levels of economic out put,
- d. inappropriate growth of trade of commerce.

2. Provision of Urban Services

(i) *Public Health Provisions*

- a. un-coordinated and inefficient health services,
- b. poor standard of health services,
- c. lack of control of mosquito menace and viral diseases.

(ii) *Education Problems*

- a. inadequate education facilities,
- b. poor quality of education.

(iii) *Housing Problems*

- a. acute housing shortage,
- b. inconsistencies in provision of housing for different income groups,
- c. squatter settlements.

(iv) *Water Supply and Sanitation Problems*

- a. inadequate provision for potable water to residents,
- b. pollution at sources and during distribution of water,
- c. inadequate sanitation measures resulting in health and environmental problems waste disposal problems.

(v) *Other Services Problems*

- a. defective electric distribution system,
- b. frequent load shedding in power supply,
- c. inadequate gas and fuel supply,
- d. telephone communication problem,
- e. telephone billing problem,
- f. frequent price hike of essential services.

(vi) *Problems of Leisure and Recreation*

- a. inadequate facilities for recreation,
- b. lack of opportunities for leisure and past time.

3 Provision of Urban Development Infrastructure

(i) *Transport and Communications Problems*

- a. unplanned and uncoordinated transportation system resulting in difficulties in mobility of people,
- b. inefficient transportation and traffic management resulting in intolerable traffic jam and accident risks,
- c. Problems of improper and uncoordinated use of different modes of traffic and transportation.

4. Land Use and Land Development

(i) *Land Development*

- a. Sites and Services Development,
- b. Development and proper use of low lying land,
- c. Development of water bodies,
- d. Land reform and land allocation,
- e. Lack of land use guidelines,
- f. Lack of land use control systems.

(ii) *Land Ownership*

- a. Urban land ownership patterns,
- b. Land values.
- c. Tenural security of the migrants in urban areas

5. Policies for Social Development

(i) *Social Problems*

- a. social unrest,
- b. morality of people and national image building,
- c. religious tolerance,
- d. political unrest and terrorist activities,
- e. promotion of national heritage,
- f. poverty alleviation,
- g. wide spread corruption in national life.

6. Planning for Sustainable Environment

(i) *Environmental and Ecological Problems*

- a. serious environmental degradation,
- b. disturbances in ecological balance,
- c. air , water, physical based pollution,
- d. river pollution and its dangerous effects,
- e. Lack of open spaces, parks, playground, lakes, water bodies, low land, river, and shrinkage of the existing ones due to unauthorized occupation and improper use.

7. Good Urban Governance

(i) *Urban Management Problems*

- a. weak institutional framework for good governance,
- b. lack of honest, sincere and productive manpower,
- c. lack of skilled and experienced technical manpower,
- d. lack of adequate research facilities for promotion of development,
- e. lack of an effective planning process,
- f. lack of co-ordination among different development agencies.

(ii) *Physical Planning Problems*

- a. inadequate planning framework,
- b. uncontrolled development and unauthorized constructions,
- c. inadequate investment programmers.

(iii) *Problems of Appropriate Political Environment*

- a. Party politics is not favorable to social welfare,
- b. No favorable political environment for institutionalization of democracy in the country,
- c. Lack of proper political commitment to democratic process.

(iv) *Poor Law and Order Situation*

- a. **Poor Law and Order Situation Resulting in Housing Community**
 - (i) murder,
 - (ii) terrorism,
 - (iii) theft and dacoits,
 - (iv) lack of public and personal security,
 - (v) increasing trend of lawlessness and criminal activities.

8. Provision for Adequate Resources of Urban Finance

(i) *Strengthening of Local Government Finance*

- a. Increased power of Levying Taxes,
- b. Increased central government grants and Aid.

(ii) *Power to Negotiate Foreign Cooperation.*

- Find out sources of foreign grants and Aid.

THE NATIONAL CONTEXT OF HOUSING PROVISION

Development planning as prescribed in Bangladesh is done on a sectoral basis and hence disregards spatial dimension of planning. Within the national planning perspective, urban development in Bangladesh is an outcome of a process, which is shaped by the functional roles national sectoral agencies and local government institutions. While pourashavas or municipalities as local government institutions were created to look after housing, land development, and other urban affairs, a number of other sectoral agencies perform similar functions for the development of urban areas.

A plurality of institutions and multiplicity of functions to guide and control planning and development create more socio-physical problems than solve it. The institutional framework adopted for planning and development of urban areas of Bangladesh presents the existence of a number of national, sectoral and local special agencies. About 18 Ministries out of total 35 and about 40-50 organizations are actively involved in planning, development and management of urban affairs of the metropolitan cities of Dhaka and Khulna.

National development agencies are the National Economic Council (NEC), the Planning Commission, and the Urban Development Directorate (UDD). The NEC takes decisions on national economic planning including investment in the metropolitan areas. The Planning Commission advises the NEC and receives submission from all development agencies throughout the country. Its own internal organization is on a sectoral basis with a Physical Planning and Housing Section (PP&H), which has national responsibilities. Although the 4 metropolitan cities of Dhaka, Chittagong, Khulna and Rajshahi are excluded, the UDD is the only government department responsible for physical planning at the national level.

Special agencies for developing and providing essential services to Dhaka are RAJUK, Dhaka Water and Sewerage Authority (DWASA), Dhaka Electricity Supply Authority (DESA), Titas Gas Transmission Co. etc. Local level agencies related to planning and development of the Dhaka Metropolitan Area are the Dhaka City Corporation (DCC), the Tongi Pourashava (TP), the Naraynganj Pourashava (NP), the Zilla Parishads (ZP) and Upazila Parishads (UP), etc. In 1991 it was estimated that there was a housing shortage of 3.1 millions units in the country, out of which a major share of 2.15 million units were in the rural areas. It was projected that this shortage would exceed 5.0 million units by the end of 2000.

A majority of households obtain their housing through the private informal sector specifically through individual household initiatives. In the public sector less than 10% employees gets residential accommodation. The great majority of employees live in rented houses under financial hardship and lack of adequate physical facilities. Core houses for 1000 squatter families at Dattapara, Tongi were provided, and 5000 residential plots at Mirpur, Dhaka and 4100 plots at Kaibalydham, Chittagong were developed and allotted to low-income families. A total of 3000 residential flats in 44 newly created districts and 3000 flats in Dhaka were constructed from public sector employees. RAJUK developed and provided 4787 residential plots at Uttara, Dhaka and 0000 plots at Nikunja, Dhaka. RAJUK has recently undertaken to provide 30,000 serviced plots at Purbachal near Dhaka (Source: FFYP, 1997-2002).

The Five Year Plans are plans of national scale concerned with formulating policies and allocating funds for housing and other activities. The main thrust of the Five Year Plans is to improve quality of life and living conditions of the people and their working environment by providing adequate physical infrastructure and other services. In order to keep a balance in

the growth of large cities and other towns, as well as rural settlements the government expressed policy of decentralized urbanization and urban development along with rural development. The National Habitat Report 1976 recommended establishment of regional growth poles and hierarchy of settlements for a balanced human settlement development all over the country. In the Second Five Year Plan (1980-1985) the concept of growth centers or small towns. This was modified with the decentralized administrative or *upazila* system and decentralized urbanization concept during the Third Five Year Plan (1985-1990). This was manifested in the development of 500 *thana/ upazila* town centers. The *zila* towns were also developed as secondary towns to contain the growth of the four metropolitan cities. This policy of decentralized urbanization continued in the Fourth Five Year Plan.

The objectives of the Fourth Five-Year Plan (1990-1995) were to improve domestic resource mobilization both in the private and public sectors. Specific objectives were oriented towards providing physical infrastructure and to stimulate private sector participation. The main points of the Plan were:

- Government to act as overall facilitator to mobilize resources on a commercial basis for the low-income and middle-income groups,
- Strengthening the Bangladesh Bank's housing finance programs,
- Reconstituting the House Building Finance Corporation (HBFC),
- Channeling funds from general provident funds and insurance for housing,
- Adopting Grameen Bank's rural housing program.

On the other hand the Fifth Five Year Plan's (1997-2002) main points were:

- Preparation of land use master plan for the urban and rural areas,
- Provision of housing for government employees and development of satellite towns for different income groups in the urban areas,
- Provision of low-cost rural housing,
- Resettlement of slum dwellers and squatters,
- Delivery of basic services to the slum dwellers,
- Provision of safe drinking water, sewerage and sanitation facilities in urban and rural areas, etc.

A quick appraisal of the physical performances of plans during 1973 to 1990 show that during this period land use master plans for 398 thana headquarters and master plans for 60 district towns were undertaken. A total of 13918 serviced plots were distributed among low-income group and about 6860 squatter families were rehabilitated, besides 1780 flats and 252 dormitories were constructed. During the Fourth Five Year Plan (1990-1995) land use master plans for 398 thanas and 60 district towns were completed. Preparation for the master plans for Dhaka and Chittagong were initiated.

Public Sector Financial Outlay for Physical Planning, Water Supply and Housing During 5th Five Year Plan

Minister/Agency	On going Program	New Program	Total
Ministry of Housing and Public Works	3400	3070	6470
P.W.D.	800	1600	2400
HSD	800	550	1350
RAJUK	1000	205.00	1205
UDD		50	50
HBRI		50	50
Ministry of Establishment	3000	250	3250
Ministry of LGED& Corporation	27330	4521	31851
Dhaka WASA	7600	900	8500
Dhaka City Corp	1300	1200	2500
Ministry of Home Affairs		640	6065
Ministry of Land	5425	200	200

Source: Fifth Five Year Plan (FFYP), 1997-2002.

The National Housing Policy was approved in 1993. This policy was formulated keeping in focus the basic objectives of providing housing to people at all strata, specifically the low-income people. Emphasis of the policy was placed on the construction of inexpensive housing units, development of land and construction of condominiums for the low-income and middle-income families, multi-story buildings for the public sector employees, residential accommodation for working women, low-cost housing in the coastal areas, etc. Housing loan operations has remained confined to the towns and metropolitan cities, but recently focus was shifted to housing on government “khas” land in the rural areas under the “Asrayan” (Housing for the Poor) project. Housing projects undergoing implementation are the Model Village Program, the Rural Housing Project, the Secondary Towns Infrastructure Development Project, and the Slums Improvement Project has to date benefited some 40,000 people in 185 slums in 25 cities. The HSD has also resettled 2600 squatters.

The House Building Finance Corporation (HBFC) still remains the single largest institution for housing finance in the country. Commercial banks also lends for house buildings. Apart from a few NGOs, including the Grameen Bank and the BRAC, there is no private agency for house building finance in the country outside the metropolitan cities. The Grameen Bank, BRAC and some NGOs provide limited finance for low-cost, hygienic housing in the rural areas. Assuming that credit for house or house-and-lot purchase would be at 13% annual interest with repayments over 20 years period and 20% of income to be set aside for monthly repayments, this would be affordable to households at 85th percentile and above, while those below the 15th percentile are unlikely to afford anything without subsidy.

The amount of annual funds needed for housing loans for the period of 1993-2000 was estimated to be about Taka 29,600 millions in the urban areas. This was based on an assumption of an average loan of Taka 35,000 for the urban poor, Taka 75,000 for the low-income families and Taka 120,000 for the lower-middle income families and more than Taka 120,000 for the rest. Urban housing loans were priced between 13% and 18% till June 1993. The HBFC lending rate was 13%. Formal credit for house construction by individual families in urban areas is provided mainly by the state-run HBFC and commercial banks. In all cases loans are approved for applicants who already own land. Most of these loans have been extended to upper-middle income and high-income families.

Housing and Settlement Directorate (HSD), the PCR assumed that all 4,371 plots would be legally handed over by 2002. Since 1998, when the PCR was prepared, the total number of plots handed over has increased by 426 (from 2,613 to 3,039); another 1,323 plots are yet to be handed over. The number of unresolved court cases has fallen from 611 to 163, but the number of illegally occupied plots has increased from 414 to 593. In the OEM's view, HSD should take the necessary action to legally hand over these plots by 2005. The OEM observed that a significant proportion (48 percent for middle-income group plots, and 38 percent for industrial plots) of the plots remained vacant. Another major concern was that the ownership of a significant number of low income plots (nearly 20 percent in the surveyed areas) changed, in violation of the law, which disallowed the transfer of ownership for these plots until 2008. Overall, HSD has been unable to collect payment and implement parallel programs, as envisaged at appraisal. The total amount collected as of February 2001 was Tk321 million¹. The OEM also received information that 22 HSD officials, and several PMU staff, had not received their salaries since January 1997. The FIRR for this component is 2.3 percent (Asian Development Bank, 2001).

URBAN HOUSING SITUATION IN BANGLADESH

Until 1951, Bangladesh was almost completely a rural-agrarian country with 95.7% of the people living in the rural areas and only 4.3% people living in the urban areas. The absolute size of the urban population grew from a meager 1.83 million in 1951 to 2.63 million in 1961, to 6.0 million in 1974, to 13.56 million in 1981 and 22.45 million in 1991. During 1951-1961 the annual average rate of growth of urban population was 3.72% (as against a national average growth rate of 1.92%); during 1961-1974 the rate of growth was 6.7% (against a national growth of 2.62%), during 1974-1981 the rate of growth was 10.97% (against a national growth of 2.32%) and during 1981-1991 the growth rate was 5.4%.

The level of urbanization was extremely low in 1951 with 4.3% of the total population living in the urban areas, 5.19% in 1961, 8.87% in 1974, 15.54% in 1981 and 20.15% in 1991. In 1951 there were only 63 urban centers, 78 in 1961, 108 in 1971, 491 in 1981 and 522 in 1991 of which 125 are municipal towns. Nearly all the urban centers are experiencing rapid growth, of these Dhaka, Chittagong, Khulna and Rajshahi are experiencing conspicuous rapid growth. These four cities contain 43% of the total urban population. All the four cities are metropolitan cities and Dhaka has already attained the status of a mega-city with about 10 million population. By 2000, Chittagong was estimated to attain a population of 4.2 million and Khulna over 2.3 million.

While these cities and towns have assumed large sizes in terms of number of population, but they have not achieved either the managerial or administrative capacity to cope with the rapidly increasing population and/ or acquired technology and resources to provide the required essential services and facilities. As a result serious problems have emerged over the years regarding housing provision and other related services. This situation has persisted since the 1950s and has worsened with the passage of time. During 1961-1974 the urban population of Bangladesh increased by 138% while rate of housing unit construction increased by 129%. Over the years the housing backlog accumulated further. During 1980-

¹Unlike the Capital Development Authority (RAJUK), which is allowed to keep the revenue from the sale of plots, HSD (like other government agencies) is required to remit the payments from plot owners to the Government, and is dependent on budgetary allocations for its expenses.

2000 the housing deficit was projected to be 5 million units with an annual requirement of 165,000 new housing units.

Estimated New Urban Housing Requirements, 1981-2000

Location	Total Population 1981 <i>millions</i>	Total Housing Stock <i>millions</i>	Projected Population 2000 <i>millions</i>	Projected Housing Stock 2000 <i>millions</i>	New Housing Need 1980-2000 <i>millions</i>
Dhaka SMA	3.35	0.515	9.3	1.691	1.176
Chittagong SMA	1.43	0.220	4.0	0.727	0.507
Khulna SMA	0.70	0.108	2.3	0.418	0.310
Other cities	0.79	0.121	3.5	0.636	0.515
100,000-50,000 towns	1.03	0.158	3.7	0.672	0.514
Other urban	4.50	0.698	16.3	2.963	2.265
TOTAL	11.8	1.820	39.1	7.107	5.287

Source: Marja C. Hoek-Smit (1998), Housing Finance in Bangladesh Improving Access to Housing Finance by Middle and Lower Income Groups.

The backlog of housing for the metropolitan cities is even more critical. The overall density, occupancy and the structural condition of housing have all assumed critical situations. Densities have increased manifold even in upper-income and middle-income residential areas. In the low-income areas or slums the densities are extremely high with about 2000 persons per acre.

Slums and Squatter Settlements

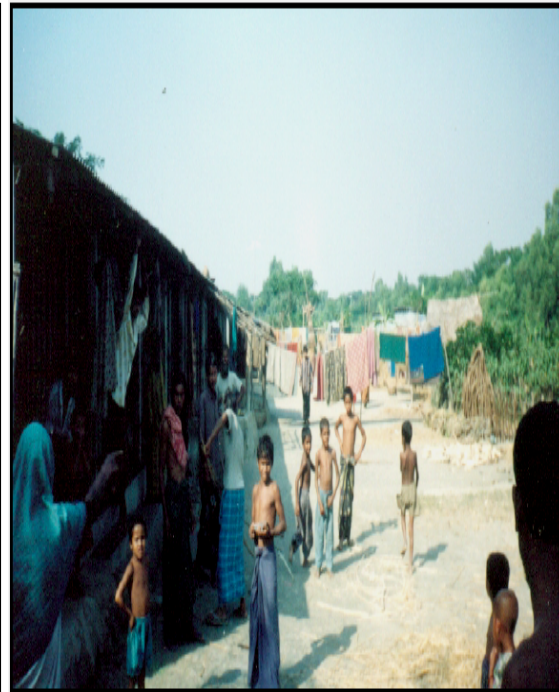
The gap between housing constructions and the extremely limited supply of land for housing, coupled with high cost of house building materials and rapid population growth, have caused the growth and proliferation of innumerable slums and squatter settlements in the urban areas. Since Dhaka has more population than it can accommodate the housing situation is particularly bad for this city.

The inhabitants of slums are the most unfortunates of the society, rendered homeless and landless by social and natural calamities, who become floating population from the moment of their arrival in the city. Their impoverishment leads them to float around or flock together with similar groups in areas where some sort vacant land is available. Slums occur as a result of large-scale migration of rural poor to the urban areas and absence of mechanisms to house these people in a proper manner. Weak urban governance and management, mismanagement in land and housing market with very weak and inappropriate and inadequate governmental interventions, lack of provision of basic services and, most important of all, lack of appropriate policies to address this urban problem has made a bad problem worse.

Frontal View of the High Rise Building



Housing Status of Slums and Squatters



As none of the formal land and housing development agencies stated above provide housing to the urban poor, they build houses on vulnerable and hazardous sites, such as, drainage channels, garbage dumps, railway tracks, land subjected to easy or perennial flooding, etc. There are more than 3007 slums and squatter settlements within the municipal area of Dhaka. On average about 50 slums are added to the city annually. Most of these slums are small and accommodates about 50 households.

Living conditions in the slums are most deplorable. Provision of basic infrastructure and municipal services are highly class biased and bypass the slum and squatter settlements. These slums lack one or more of the basic infrastructure and municipal services. Lack of these facilities has led to increasing deteriorating environmental condition within and around these settlements. Air and water pollution have increased to higher level with increasing incidence of contagious diseases. The overall morbidity rate is higher, about 56%, in slums than compared to 35% in areas with adequate services and other facilities. Women and children are particularly vulnerable to diseases because of lack of safe water and sanitation facilities. Recurring natural disasters like heavy monsoon rain, flood, cyclone, etc. cause severe damage or destruction of these settlements and put people lives at risks. Slums are constructed of dilapidated and highly inflammable materials making them very unsafe. Slum dwellers do not want to improve the quality of housing because of the high risk of eviction and eventually loss of whatever little asset they have.

High-rise Residential Apartments

Concentration of power and economic disparity have blown Dhaka out of proportion, while other cities are suffering for want of adequate development programs. Dhaka requires at least 60,000 units of new housing each year to accommodate an exploding population. In reality the actual supply of new housing is only about 2500 units. This is totally inadequate

compared to the number of housing required. The housing situation is made all the more complicated by high cost of and scarcity in the supply of land for housing and the very low level of affordability of the majority of the city residents. In this situation, high-rise residential buildings are seen as solutions to house an increasing number of people as well as compromises between, high cost of land, construction cost of housing and good housing.

The definition of high-rise may be seen as a changeable term in the context of Bangladesh and Dhaka. Before the partition of India in 1947 the percentage of housing built with permanent like brick or reinforced concrete was very small (less than 1%) compared with the total stock of housing largely built with semi-permanent materials (such as, wood, corrugated iron sheet, etc.). This small quantity of housing was mainly 1-storey high, rarely going up to 2-storey height. Before the 1950s houses above 2-storey height was non-existent. In this context the 4-storey walkups built to house public sector employees and Indian Muslim repatriates, were termed as high-rises. Examples of this type of housing can be seen in Azimpur, Motijheel, Eskaton, Mirpur, etc. The concept of this type of “high-rise” was later broadened to include 6-storey walk-ups (e.g. Bailey Garden Government Employee’s Housing). Later all other previous 4-storey public housings were raised to 6-storey heights. There is no public housing over 6-storey heights to date.

In the prevailing scenario of political instability and economic insecurity living in high-rise residences are perceived as secured housing and as an alternate solution to living in planned residential areas like Dhanmondi, Gulshan or Baridhara. Those people who cannot afford to live in such posh areas but aspires to live in similar housing conditions – high-rise apartments became an answer to such aspiring residents. High-rise apartments have emerged as a balance between cost of land, construction cost and good housing.

But indiscriminate development of high-rise residences has turned some areas of the city into veritable high-rise slums (such as Siddheswari, Shanti Nagar, Kala Bagan, Green Road, Paribagh, etc.). Previously where a single family or may be another couple of families lived in a single plot is now accommodating 20 to over 100 families in the same plot (depending on the size of the plot). In the past people yearned to live in good housing in a healthy and natural environment. Therefore houses had gardens with plants and trees providing shade, fruits and fuel for cooking. Large plots had tanks and ponds adding to the beauty of the house, supplying water in times of crisis and a source of recreation for the inhabitants and neighbors.

In the background of the above stated problems housing policies and laws are yet to specify density and heights of buildings in specific residential area. This has contributed to construction of high-rise residential buildings in the midst of low-rise houses. In areas, like Shanti Nagar, Siddheswari and elsewhere, 12-storey to 18-storey buildings have cropped up in midst of mainly 3-storey to 4-storey low-rise houses without regard of their impacts on surrounding buildings, adjacent streets, water supply, garbage and solid waste disposal, electricity, traffic movement, open spaces, etc. Dhaka is already reeling under the burden of an exploding population. Ill planning and, in some cases, absence of planning has accentuated problems associated with over-population. City authorities have been unable to meet the demands of the city residents and high-rise residences have complicated problems where they are located.

AGENCY INVOLVEMENT IN FINANCING AND DEVELOPMENT OF URBAN HOUSING

Because of the scarcity and high cost of buildable land in the large urban areas, most new formal sector residential construction in Dhaka and some other large urban areas has, over the

last few decades, been in the form of multi-family units. In small towns single family units prevail. Comprehensive production figures are not available, but some estimates for urban areas have been provided by Islam et. al, 1997.

- ***The Public Sector*** Several public agencies are, or have been involved in the financing and development of housing and residential infrastructure projects: the Housing and Settlement Directorate (HSD) and Public Works Department of the Ministry of Housing and Public Works (see Appendix for present projects of the HSD), the Local Government Engineering Department of the MLGRDC, and the City Corporations of the four larger cities. Their funds come mostly from foreign aid and to a lesser extent from national revenues. Both City Corporations and the central government are developing residential subdivisions for lease to upper and upper middle income households and resettlement programs and site-and-services schemes for lower to middle income groups. The tenant purchase and sales projects require large down payments (25 to 30 percent) and a small number of annual payments. Arrears are a major problem with all government projects. Also, it has always been difficult to reach lower income households with the site-and-services projects and the size of the combined public housing programs has remained extremely small in relation to housing requirements and new construction. Altogether the public sector has only produced approximately one to two percent of total urban residential land and housing requirements (not more than 6000 units per annum) over the past years. These programs have been extensively discussed in ADB, 1993 and Shafi, 1999 forthcoming¹.
- ***Non-governmental Sector*** The NGO sector has only been marginally involved in urban housing. The discrepancy between urban land and house prices, and incomes of the below median income groups has made sustainable housing solutions difficult to conceive for that income group. Recently, the larger micro-finance institutions have shown an interest in entering the multi-family residential market for moderate and lower income households. Proshika and BRAC have plans to invest in large scale low-and moderate-income housing developments 30 to 40 km outside of Dhaka. Some projects will receive free government land. The plan is to develop hostel type rental housing for urban workers and small low-cost family apartments for tenant purchase. The NGOs have access to international funds, which they complement by borrowing and other income sources. Their cheap sources of funds make it possible for them to make long-term investments in social housing. None of these plans, however, have been implemented as yet. The ramifications of NGOs becoming long term managers and financiers of multi-family low-cost housing developments have not yet been considered in any detail.
- ***The Formal Private and Cooperative Development Sector*** Private developers are increasingly important players in the urban land and housing markets, particularly in the market for apartment buildings. A 1995 study by REHAB showed that there were 142 real estate developers in Metropolitan Dhaka, most of whom work in land and apartment development. This sector has produced close to 3 percent of the houses over the last few years, nearly all for the higher income segment of the market, and it is growing rapidly. Private landowners, using the land to finance new construction,

¹ The present five year plan has the following division of tasks in mind for the various government agencies involved in urban housing: The City Corporations develop areas for the high-income groups on a self-financing basis. The focus of HSD is to develop areas for low income groups (with government or donor financing, nominally on an affordable but cost recoverable basis). LGED, jointly with UNICEF, is to continue with a long-term project to provide basic services to the large numbers of slum dwellers in the urban areas, in particular Dhaka. A total of 5.8 percent of the budget has been set aside for housing and urban infrastructure.

are also developing multi-family housing units. They operate either as individuals, as businesses under the Companies Act, or form a housing cooperative, and jointly develop a housing project partly for owner-occupation and partly for rental or sale¹.

- ***The Formal or Semi-Formal Individual Homeowner Construction Sector*** This is by far the largest housing supply system in all but the main metropolitan areas. Households acquire land, mostly on a freehold basis, and gradually construct their house with or without official approval of plans. Only a small proportion of households access housing finance.
- ***Informal Private Rental Housing Sector*** Landowners in urban areas construct high density, low-rise housing units for rental, without adequate services, either for individual households or for group living (mess housing).
- ***Squatting*** People building makeshift houses on public or private land or squatting in buildings.

Financial Resource Constraints

Low income communities lack financial resources, the obvious reason why their incomes are considered “low.” This lack and also the limited availability of mechanisms conducive to them for improving their livelihood, serves to form one of the fundamental constraints on building adequate housing. Two main institutional approaches to address financial resources constraints: welfare and credit are review here.

Hazard Vulnerability

It is widely accepted that low-income communities are more vulnerable to natural and man-made hazards than wealthier ones. In this context, the impact of bilateral funding and the efforts of voluntary and non-governmental organizations (NGOs) are discussed.

Natural Resource Scarcity

Typically low-income communities by necessity tend to utilize natural materials for housing because they usually offer a cost advantage over manufactured materials. However, there is evidence of increasing scarcity of natural resources and its consequent impact especially on the low-income house-building sector. Here some of the salient household and institutional strategies to cope with the depletion of natural (mainly organic) resources in the house-building context are discussed.

Government Role and Efforts in Housing Sector (2002-2003)

Budgetary Measures for 2002-2003:

The Government provided a number of incentives to boost the real estate sector in the budget for the fiscal year 2003

- Registration fees on land development, land sale and apartment transfer of 30% has been fully exempted
- As a result overall taxes on this sector will be reduced to 13.55
- No fresh registration duties will be required if the apartment is reeled within 5 years of buying
- Property transfer tax at source has been halved to 5%

These measures have saved an average buyer tk 5 lakh on a tk 45 lakh apartment. Because of incremental apartment registration, the government received an extra amount of about tk 41 crore in non-NBR tax.

¹ There are tax advantages to form a cooperative and in many instances a cooperative applying for a parcel of land from the government receives preferential treatment.

RADOL's Performance in Low-Income Housing Campaign

Bangladesh Campaign for Secure Tenure (BCST) is a program “For the poor, with the poor and by all together in the society” with collaboration of Ministry of Housing and Public Works, UN-Habitat and RADOL (Rehabilitation and Development Organization for Landless)

- As an advocacy instrument designed to promote secure forms of tenure for the poorest populations, especially those living in informal settlements and slums.
- To help the poor, making their voice and sustainable low income, housing development
- Find an innovative, alternative tenure system, which might minimize the violence of eviction.
- To make a strong security of tenure platform of a multi sectoral community, such as Government, non-government, personnel's, developer's, representatives, civil societies and poor people.
- To make sense of equal access to land and secure tenure for women.
- Participatory and consensus building approach must be rooted in gender perspective.

RECOMMENDATIONS

There should be needed the following probable measures to uplift the present housing backlog and mitigate the low-income housing communities.

- Ensuring housing for all with particular emphasis on the disadvantaged, destitute, the shelter less poor and the low and middle income group of people.
- Make available suitable land for housing at affordable price.
- Developing mechanisms to discourage formation of slums and squatter settlements, unauthorized constructions and encroachments.
- Mobilization of resources for housing through personal savings and financial institutions.
- Developing institutional and legal framework for facilitating housing.
- Providing encouragements to universities, research institutions and research centers for research on housing oriented.
- HBFC and all Govt. Banks to revise loan policies in favor of the LIG.
- UDD to plan for a range of land development schemes which will be incorporated in all urban area plans. It should be mandatory for all Metropolitan Development Authorities, and Pourashavas to designate land areas for low-income housing groups incorporating land development techniques such as Urban Renewal and Upgrading, Land Pooling, Guided Land Development, Land Swap, Land Readjustment, Sites and Services.
- RAJUK, CDA, KDA, RTDA should make available within ongoing and future schemes for LIG on the basis of minimum 50% allocation.
- Local Govt and Pourashavas should mobilize shelter upgrading and cooperative schemes for land development, and housing through NGOs and CBOs. All cities and towns should have their agenda for slum and squatter rehabilitation.
- PWD, HSD and HBRI should have provision of low cost housing technology and training to all sector participants. It should expand its activities nationwide.

CONCLUSION

There is no denying of the fact that housing and other facilities are not merely provision of physical refuge but more importantly successful housing and living standard has to ensure psycho-socio-economic shelter against all sorts of internal and external restraints. The paradigm of “participatory development” could have bearing in this regard, at least to begin gaining actual understanding of the situation on the ground and by that means to formulate

policy and practice guidelines. A much more widespread and concerted effort is required from all sectors of society to address these constraints, which are structural in nature. Moreover with a backdrop of intricate, fragile ecosystem of the country, provision of ideal housing and living quality is more than that of ensuring basic human rights. To be true, it will be a fundamental impetus for sustainable development. Recognition of the problem and thereby identifying and developing understanding of the constraints could perhaps serve as an initial step towards informing policy and practice.

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