

PAPER NO. 250

**LOW-INCOME HOUSING STRATEGIES
IN PAKISTAN WITH FOCUS ON
URBAN HOUSING**

By

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Muhammad Ali Tirmizi*

ABSTRACT

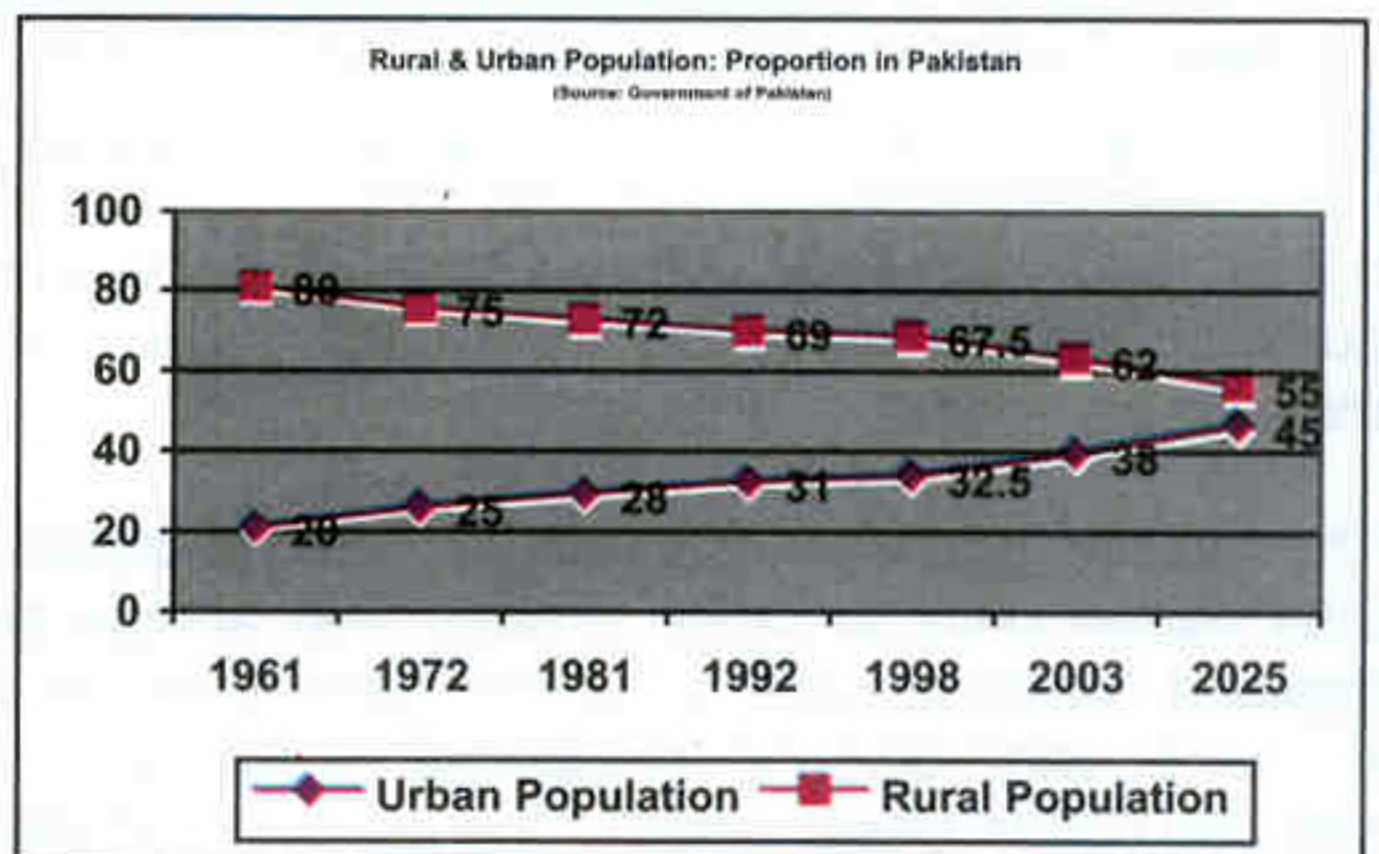
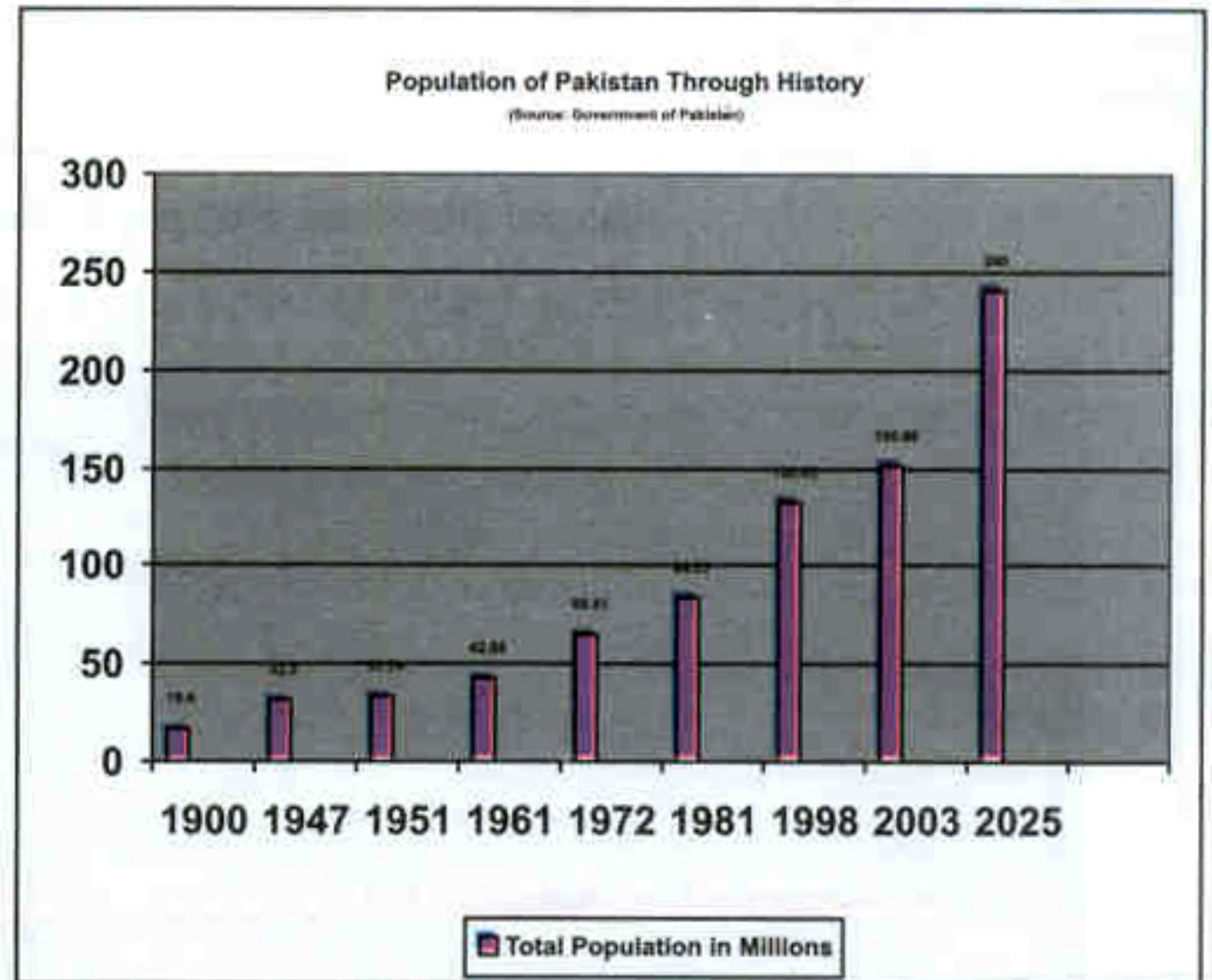
For the first time in history, humans are predominantly urban. Cities occupy less than 2% of the Earth's land surface, but house almost half of the human population and use 75% of resources we take from Earth.

This paper attempts to describe the need and demand of housing in Pakistan, different housing policies adopted in their political and economic scenario of the country. Then, the reasons of the failure of the housing policies are analyzed. When the housing policies of the formal sector failed, the informal sector stepped in to provide housing for the urban poor. This paper also reviews informal housing strategies and experiments of combining formal & informal housing strategies.

POPULATION OF PAKISTAN

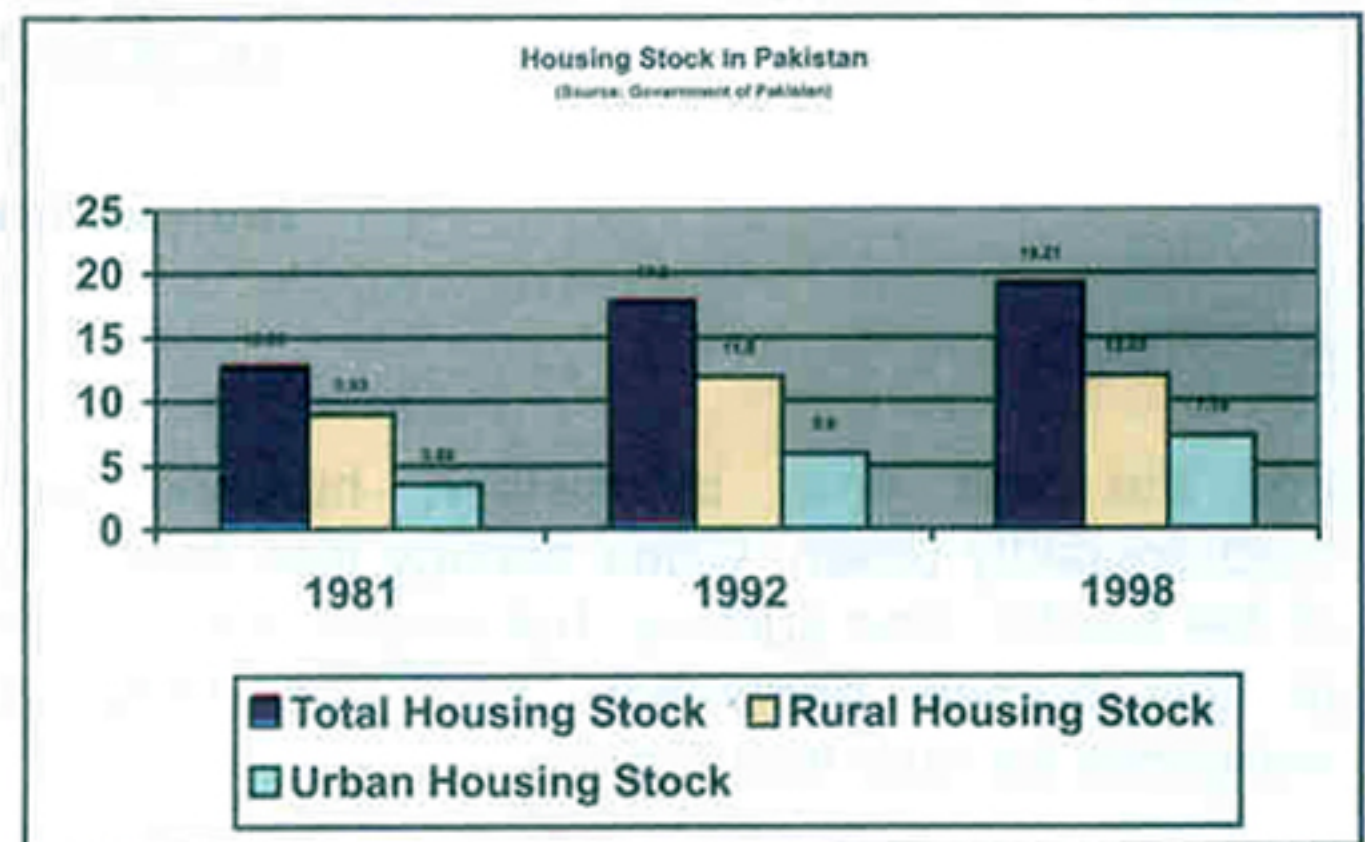
According to Government of Pakistan, population of areas that make up present Pakistan was 16.6 million in 1901 which rose to 32.5 million in 1947. Since independence in 1947, population censuses were conducted in 1951, 1961, 1972, 1981 & 1998. The population of the country recorded was 33.74 million in 1951, 42.88 million in 1961, 65.31 million in 1972, 84.25 million in 1981 & 132.35 million in 1998¹. The population recorded in last population census conducted in 1998 (132.35 million) comprised of 89.31 million (67.48%) rural, and 43.03 million (32.52%) urban population. It is estimated to increase to 170 million in 2005 and 240 million in 2025. The national population is increasing at 3% a year, the highest among nine most populous countries of the world.

The total population of country is not distributed among its provinces proportionate to their land areas. The province of Baluchistan has 44% of total land area of Pakistan; but its population is only 5% of total population of the country. On the other hand Punjab has 26% of land area but it contains 56% of total population.



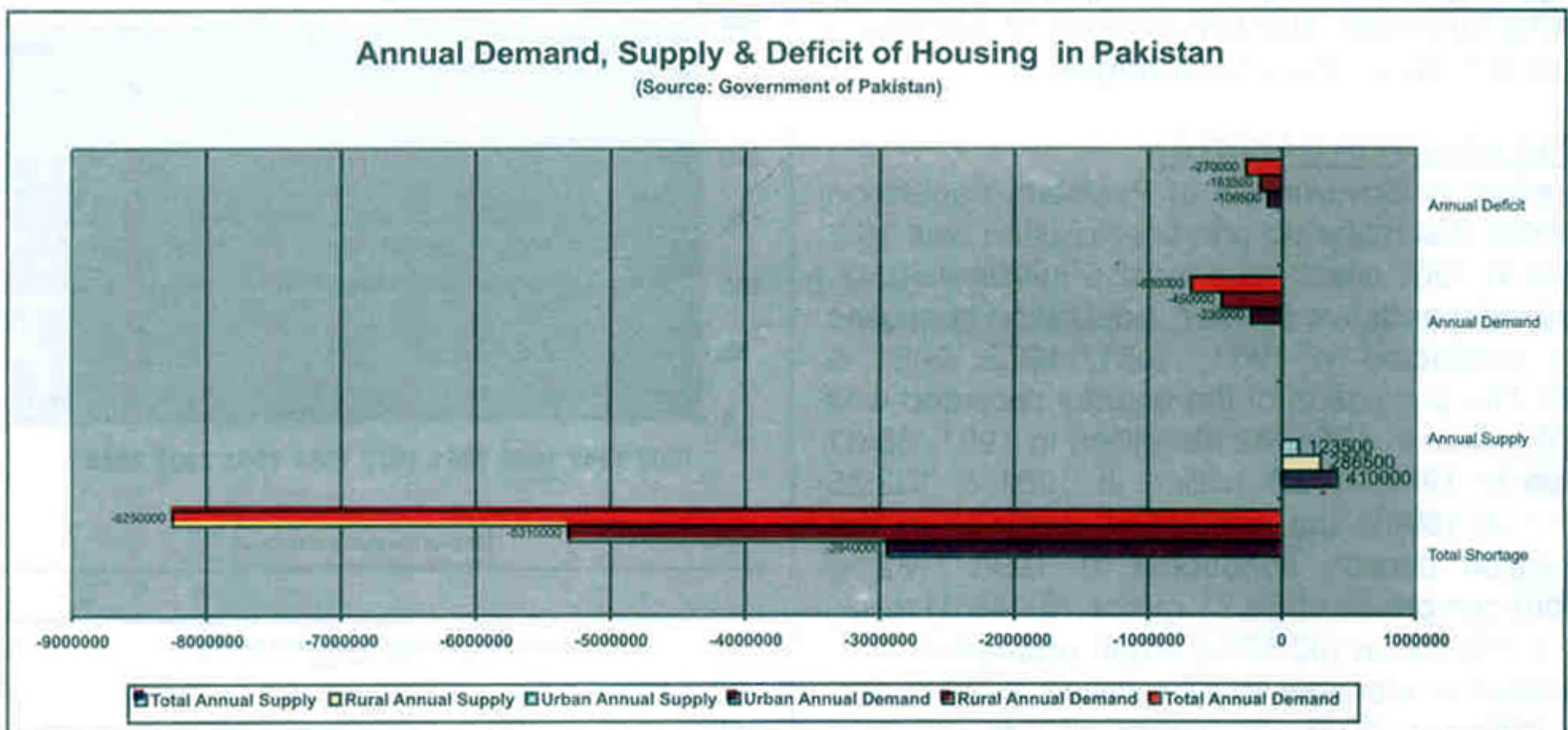
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The urban population of Pakistan is increasing at the rate of 4.8% a year. Between 1972 and 1981, the urban population of Pakistan has increased from 25% of Pakistan's total population to 28% and is projected to be 40% by the year 2005ⁱⁱ. The urban population of Pakistan in 1992 was 32% of the total population. This urban population is concentrated in a few urban centres. Over 42% of this population lives in four major cities namely Karachi, Lahore, Faisalabad, and Rawalpindi-Islamabad, nearly half of which is concentrated in the largest city of Karachi.



NEED AND DEMAND OF HOUSING

The Housing Census of 1998 recorded a total of 19.21 million housing units (12.03 million in rural areas and 7.18 million in urban areas)ⁱⁱⁱ. It represented an occupancy rate of 6.8 persons per housing unit (6.7 persons in rural areas and 7.0 persons in urban areas). In a study conducted in 1992 recorded a total of 17.8 million housing units (11.09 million in rural areas and 5.9 million in urban areas). The Housing Census of 1972 recorded a total of 12.59 million housing units (9.03 million in rural areas and 3.56 million in urban areas). The occupancy rate in 1972 was 5.4 persons per housing unit that increased to



6.7 in 1980^{iv}. Similarly average number of persons per room also increased from 2.7 to 3.5. These numbers are almost double the United Nations definition of tolerable overcrowding that is 1.4 to 2.0 persons per room.

The housing shortage estimated in 1998 is about 8.25 million (5.31 million housing units in rural and 2.94 million units in urban areas). The annual production of housing units lags behind the annual demand, which creates a backlog and adds up, annually, to the existing shortage of housing. The annual housing demand in Pakistan is estimated to be 680,000 housing units (450,000 units in rural and 230,000 in urban areas). The annual production is claimed to be 410,000 housing units (286,500 housing units in rural areas and 123,500 units in urban areas). So, the estimated backlog adding up to the existing shortage of housing is 270,000 housing units (163,500 housing units in rural and 106,500 units in urban areas) every year.

Housing shortage means that number of housing units available is lesser than number of households. The deficit between the demand and supply leave the rest to the mercy of "market forces". Most of the new households are unable to pay for the price of a dwelling unit in the formal housing market. All those households do not have many options available to them. Some of them continue to live with their parents, resulting in overcrowding. The rest of them have no other choice but to house themselves in squatter settlements called Katchi Abadis.

HOUSING POLICIES ADOPTED IN PAKISTAN

Following is a review of various housing policies adopted in Pakistan since independence in 1947.

TRANSFER OF EVACUEE PROPERTY TO INDIAN MIGRANTS

Pakistan came into being in 1947 and mass migration took place on both sides of the border between India and Pakistan. Muslims migrated from India to Pakistan while Hindus and Sikhs migrated from Pakistan to India^v. First activity of the provision of housing in Pakistan was the allotment of evacuee property to the migrants who came from India. This activity lasted till 1960. Significant malpractice had been reported in this connection. Properties were allotted to influential people illegally. Later the people sold those properties in the open market.

PUBLIC HOUSING FOR GOVERNMENT EMPLOYEES

In the 1950s and 1960s, government housing policies were comprised of two prime elements: the construction of houses in the public sector, and provision of serviced plots. The emphasis was placed on the construction of houses, and provision of serviced plots was a supplementary program". Construction of houses by public sector & large companies was primarily for the government and company employees. This program, however, lacked proper coordination. Therefore these housing schemes mushroomed in urban fabric without any master plan.

SERVICED PLOTS FOR UPPER & MIDDLE INCOME GROUPS

The provision of serviced plots in various housing schemes has remained one major activity of development authorities in urban areas. In the 1950s and 1960s, however, these schemes benefited mainly the upper and middle income groups. Due to the gap between supply and demand, the development of sites-and-services schemes was a profitable venture. Realizing this fact, the private sector also launched housing schemes for upper and middle income groups.

ERADICATION OF KATCHI ABADI

Katchi abadis were formed in most big cities of Pakistan. Its main reason was that the formal housing sector failed to provide affordable housing to the increasing number of households. These additional households were an outcome of the combined effects of the natural growth of the urban population and the rural-urban migration. The rural-urban migration was a result of the "push" of the rural areas and the "pull" of the urban centres: Urban planners and bureaucrats, in the 1950s and 1960s, viewed these abadis as something ugly and undesirable. So, the eradication of these Katchi abadis and resettling the displaced squatters on the same site or elsewhere was high on the agenda.

PUBLIC HOUSING FOR RESETTLEMENT OF DISPLACED SQUATTERS

The squatters displaced because of bulldozing katchi abadis were to be resettled. Planning and development agencies designed resettlement schemes as public housing. Those schemes were more often located in the outskirts of the cities. The households were required to pay subsidized costs of the public housing provided to them. Most of the re-housing programs, however, were out of the reach of the poor^{vii}

NUCLEAR-HOUSES OR CORE-HOUSES

The schemes in public housing offered constructed housing units in finished form. However, a nuclear-house or a core-house meant the provision of orally a service core in the plot. From that service core,

the households expanded their housing units themselves. This idea appealed the policy makers because it required lesser investment of public resources, and had a potential of accommodating larger number of households. This policy was first adopted on experimental basis in the late 1950s. In spite of varying degrees of success, this has remained an important feature of housing policies till now.

In 1958, in Karachi, the government, "planned to construct 300,000 nuclear houses over a period of 15 years. Initially 45,000 houses were planned for two new suburbs, Korangi and New Karachi, on the city's fringes. However, after completing only 10,000 houses the plan was shelvedTM. Junejo's government (1986-88) instituted 1.5 million houses program. In first phase of this program government planned to develop 300,000 housing units in the year 1987 -88. Out of this total requirement of 300,000 housing units, the major component (175,000 units) was development of nuclear houses".

SITES-AND-SERVICES FOR THE LOW-INCOME GROUP

In 1965 a new policy of sites-and-services for the low income group was adopted in Karachi called "Plot Township." The concept was based on John Turner's idea of Assisted Self-Help Housing^x. In a plot township, serviced plots were given to the low-income households. They were expected to develop their housing units themselves. This policy, however, did not succeed as much as expected. The reasons of this partial success included lack of public funding, and the location of sites away from job opportunities. An additional reason was standards of construction imposed by the development authority. It was required that the housing units, to be developed by households themselves, should conform to the official standards. Up to the end of the 1960s, the sites-and-services schemes aimed at the upper- and middle-income groups. However, the PPP's government shifted the emphasis toward the provision of smaller plots aiming at the middle and low income groups.

ILLEGAL SUBDIVISION OF SUBURBAN LAND

The inability of the public sector to meet the ever increasing demand for housing encouraged the supply of housing through the private sector. Developers in the private sector subdivided large areas of suburban land into small and medium size plots. Those plots, without any infrastructure, were then sold to the low-income households". One reason of this tendency of subdividing the suburban land illegally, instead of getting the schemes approved, was the attitude of the planning and development agencies. For a variety of reasons the development agencies obstructed, instead of supporting, the private sector in the provision of housing. These hurdles were in the form of stringent bye-laws, red-tapeism in the approval process, and high fees and taxes charged from the developers of housing schemes.

KATCHI ABADIS IMPROVEMENT PROGRAM

The Pakistan Peoples Party (PPP) came into power, in 1971, because of the popular support of the masses. So, Mr. Bhutto framed its policies in a way to benefit poor, with minimum expenditure of resources. Objective was to further strengthen its popularity among the masses. The motive behind this policy, therefore, was to get people's support and not to solve the problem of housing in the country. The policy of eradication of slums and squatter areas was replaced by the improvement programs. Government helped the residents to form community organizations and improve their living conditions.

REGULARIZATION AND UPGRADING OF KATCHI ABADIS

The issue of katchi abadis came to the forefront in the 1970s. Since then, no regime could afford to ignore or abate it. Instead, every government has tried to capitalize on it to get popular support. In June 1977 the political unrest spread all over the country. The Prime Minister Bhutto tried to subside it by using the card of katchi abadis. He announced that the proprietary rights would be granted to the households of all katchi abadis of the country". But then it was too late. When General Zia-ul-Haq came into power, he adopted policies that were anti-PPP. However, he could not subside the issue of katchi abadis. He declared in 1978 that the government would grant ownership rights to the inhabitants of all such katchi abadi that were located on public land, and had 100 or more households living in it on January 1, 1978. He announced that government would take steps to provide the physical

infrastructure such as water, sewerage, and electricity to those regularized katchi abadis. The next government of M. Khan Junejo thought it necessary to make its own contribution in the form of offering more relaxations. So, the Prime Minister Junejo, on April 7, 1986 announced that ownership rights would be granted and development would be done in all those katchi abadis that had 40 or more households living in them on March 23, 1985.

The program mechanics included the community participation in deciding about the nature of upgrading required in the settlement¹. Other features were the provision of services in the settlement, and a grant of 99 years lease to the residents. Land and development charges were to be recovered from the beneficiaries. Plots or houses were provided to the households who were displaced because of upgrading the settlements.

PUBLIC HOUSING FOR DESTITUTE THROUGH ZAKAT FUND

Every Muslim pays a part of his/her wealth every year to help the destitute of the society. This amount is called Zakat. To pay Zakat is one of the five prime elements of the religion of Islam. In the late 1970s, government established a Zakat fund. This fund was used to help the poor people of the society such as widows, orphans, and disabled, who had no source of income. Provision of houses to the poorest of the poor was only a small part of the agenda of spending Zakat. So, under this program, only a few housing units were constructed and given to the impoverished households free of charge. The units thus constructed were in small numbers, in small groups of houses, and located in a scattered form. This program might have some political & religious value but it made no contribution, at all, toward solving housing problem as such.

PUBLIC HOUSING THROUGH SPECIAL FUNDS OF MEMBERS OF PARLIAMENT

Muhammad Khan Junejo, on becoming the Prime Minister of Pakistan in 1986, announced a Five-Points Program. Provision of housing to the homeless was an important component of this program. One of the strategies adopted to carry out this program was to provide funds to the members of the parliament. The members of the National Assembly, and members of the Senate together were 324 in numbers. Similarly members of the four Provincial Assemblies (MPAs) were 506. Junejo's government allocated five million rupees to each MNA/Senator and three million rupees to each MPA annuallyTM. The allocated money was at the discretion of each respective member to spend on the development works in his/her constituency. Fifty percent of the allocated money was, however, required to be spent on the provision of shelter to the homeless. The logic behind this strategy was that the members/senators know the problems and priorities of the inhabitants of their constituencies better than any public agency or development authority. So, they were expected to make the best use of the allocated funds, fulfilling the most immediate needs of the people of the area. The major problem in this strategy, however, was that it lacked the required coordination among different programs and was without any master planning at an urban level. So, the general impact of the program was not satisfactory.

MERA GHAR SCHEME

Prime Minister Mr. Nawaz Shareef in his second tenure started Mera Ghar Scheme (My Own House Scheme) and multi story apartments were built under this scheme. This scheme was prepared to reach lower and middle income groups but after completion it was affordable to middle and higher income population. This scheme remained half way through in Mr. Sharif's tenure and the Military Government of Gen. Pervez Musharraf completed this scheme.

INSTITUTIONAL FRAMEWORK OF THE HOUSING SECTOR IN PAKISTAN

The housing sector in Pakistan has an involvement of government at three levels: federal, provincial, and local.

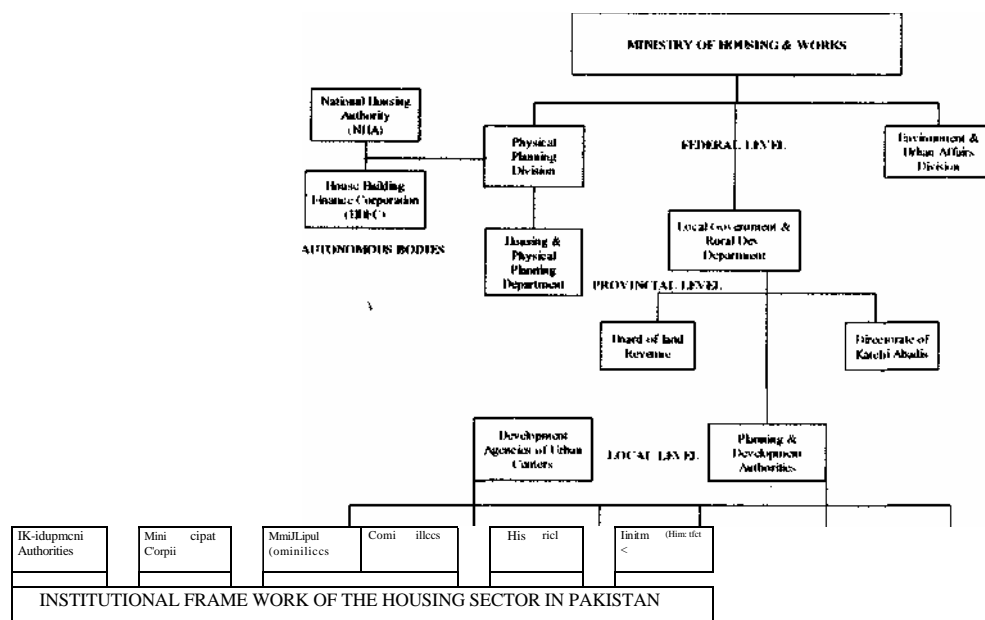
- The federal government formulates housing policies, allocates funds in this connection. At federal level ministry responsible for the housing sector is the Ministry of Housing and Works. It has two divisions: Environment and Urban Affairs Division, and Physical Planning Division. In addition there are two main autonomous federal bodies: National Housing Authority (NHA), and House Building Finance Corporation (HBFC).
- Provincial governments organize programs, provide legislative support, make state land available where necessary and mobilize those resources that cannot be handled at a local level. Provincial Housing and Physical Planning Departments develop residential land, and oversee activities of Development Agencies of urban centres. Secretary of the Housing and Physical Planning Department officially represents the NHA at provincial level. HBFC has its own network of branches. The Local Government and Rural Development (LGRD) department is responsible for local government administration. LGRD has also a Directorate of Katchi Abadies. There is a Board of Land Revenue that administers transfer of state land and registration of the titles of privately owned land.
- Local governments that include planning and development authorities are responsible for proposing and developing housing schemes within their urban boundaries. Agencies that are responsible for the provision of the physical and social infrastructure have a mixed level of control. Some agencies are controlled at urban level, while some others at provincial or federal level. There are also some agencies that are autonomous in nature.

There is a federal system of government in Pakistan under 1973 constitution. Four provinces of Baluchistan, NWFP, Punjab & Sind together with federal units of Azad Kashmir & Federally Administered Tribal Areas are divided into 18 divisions. These divisions are further subdivided into 84 districts and then into 276 tehsils. The developmental activities in rural areas are controlled by agencies called Union Councils and District Councils. In urban areas the controlling agencies are called Town Committees, Municipal Committees, Municipal Corporations, and Development Authorities™. They are formed on the bases of the population of urban centres. For instance in Punjab, Town Committees represent small towns having population from 5,000 to 20,000; Municipal Committees are for cities having population from 20,000 to 500,000; and Municipal Corporations are formed in big cities having population more than 500,000. Development Authorities are semi-autonomous agencies. At present, Development Authorities have been formed in twelve largest cities of the country.

NATIONAL HOUSING AUTHORITY (NHA)

The National Housing Authority (NHA) was formed in August 1987. This autonomous federal body was required to prepare strategies for the development of housing for the low-income group in Pakistan. In this connection the experiences of other countries were to be benefited from. NHA was conceived as an agency through which the 1.5 million houses program of the Junejo's government could be carried out. The tasks assigned to the NHA included the following:

- To recommend the most appropriate plot sizes for the low-income group in the urban and rural areas
- To develop standard house designs for different climatic regions of the country; and
- To suggest the appropriate building materials and construction methods for the proposed house designs



HOUSE BUILDING FINANCE CORPORATION (HBFC)

The Corporation was established by the government in 1952. It makes investments in partnership with the applicants who ask for financial participations for construction or purchase of new houses. The procedure adopted by the HBFC is summarized as following:

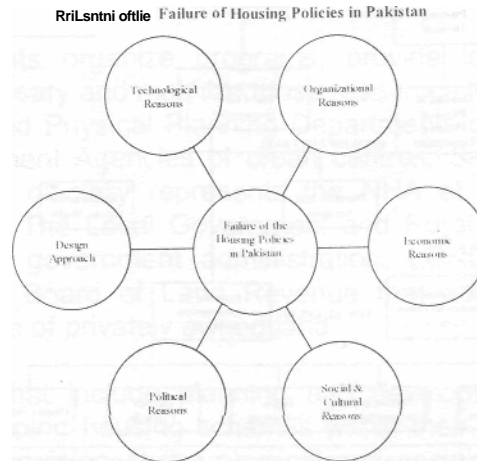
- The household is required to submit an application with the documents such as, the ownership documents of the plot, design of the house duly approved by the concerned planning and development authority, and an income certificate of the applicant and the guarantor.
- 40 percent of the net declared income of the applicant or guarantor is considered as repayment capacity. The loan sanctioned is based on this repayment capacity of the applicant or the guarantor.
- On approval of the application, the land and the house (to be constructed) is assigned to the HBFC as collateral. The collateral is released when all dues are cleared by the applicant.
- A variety of fees are to be paid. They include proposal processing fee, legal processing fee, group life insurance premium, and cost of the assignment deed form.
- The loan is repayable in 240 monthly instalments

HBFC receives most of its funds as extensions of credit from State Bank, and raises no funds in the market either from deposits or borrowing. The rules and procedures of the HBFC for granting the house-building loan are, such that the low-income group cannot benefit from it^{xvii}. For instance the HBFC requires a legally owned plot with a clear title as collateral, and a proof of regular income to establish the repayment capacity of the applicant. These requirements obviously exclude the dwellers of Katchi Abadis, and most of the low-income households from beneficiaries.

FAILURE AND THE REASONS OF FAILURE OF THE HOUSING POLICIES IN PAKISTAN

Housing policies for the low-income group, framed by the Government in Pakistan since 1947, have not benefited the target-group. The problem of housing, ever since, has been worsening. This is because these plans and especially the procedures adopted for their implementation are incompatible with the sociology and economics of lower income groups^{xviii}.

Reasons of failure of housing policies in Pakistan are summarized here. They are grouped under headings of Economic Reasons, Organizational and Procedural Reasons, Social & cultural Reasons, Political Reasons and Technological Reasons.



ECONOMIC REASONS:

DWELLER'S AFFORDABILITY

The main hurdle in the provision of housing for the urban poor is the affordability. The urban poor cannot afford even the cheapest housing unit constructed by any public or private agency.

FINANCIAL CONSTRAINTS

Pakistan has limited resources to combat the monstrous problem of housing in the country. Financial constraints are also the result of wrong priorities, excessive overheads and the failure to collect revenues^{*TM}.

GAP BETWEEN SUPPLY AND DEMAND

Due to a variety of reasons, the supply of housing in Pakistan has lagged behind the demand. This gap between the supply and demand is constantly widening. Several housing policies consumed much of the money and other scarce resources. However, they failed to make any impact on the gigantic scale of the problem in the country. The housing schemes for the urban poor such as, the construction of quarters for lower grade government employees, and the construction of small housing units for destitute through Zakat fund, were insignificant in number. They made no impact on housing situationTM.

INEFFICIENT SYSTEM OF RECOVERY OF DUES

Due to the financial constraint, most of the housing schemes were based on the idea of full cost recovery. However, the system of cost recovery was not efficient. Therefore, one important reason of the failure of various housing schemes was that the recovery from beneficiaries was inefficient.

SPECULATION

Housing units given to the urban poor were highly subsidized. This difference of costs swayed the urban poor to sell their houses to speculators and use the money for their other priority needs. The scale of the development was much smaller than the demand of housing, in addition, the time in which the targeted development was materialized was exceedingly long. These factors encouraged speculative investment^{**}.

JOB OPPORTUNITIES

While developing housing policies for urban poor, no consideration was given to job opportunities for dwellers. An analysis of locations of spontaneous settlements reveals that low-income households always prefer to dwell in localities that offer easy access to job opportunities. When squatter settlements were bulldozed, most of displaced squatters were resettled in periphery of cities. Peripheral location of their new houses kept those low-income households away from job opportunities. So, this location was not acceptable to them. Over 50% of beneficiaries went back to squat in city centre™.

ORGANIZATIONAL AND PROCEDURAL REASONS INCOMPATIBLE PROCEDURES

Procedure for acquiring a plot developed by public agencies is long & cumbersome and involves considerable paper work, visits to banks & government offices⁰⁰¹. These procedures and formalities do not help urban poor. They rather contribute toward excluding urban poor from scheme. These formalities help investors & speculators to make a good deal of money.

BUREAUCRATIC RED-TAPISM

The Katchi Abadis Improvement and Regularization Program aimed at benefiting a large number of households of the low-income group. A considerable amount of public money and other resources were allocated for this program. However, no more than 10 percent of katchi abadis have benefited from the program and less than 15 percent have acquired ownership rights when development has taken place. Main reason of the inefficiency of this scale is bureaucratic red-tapism^{xxii}. Matters handled in offices by bureaucracy are unnecessarily delayed. **LACK OF APPROPRIATE INSTITUTIONS**

Existing institutions in housing sector in Pakistan are tuned to development & delivery of conventional housing schemes. Such schemes benefit the middle & upper-income groups only. The implementation of programs of housing for low income group requires development of appropriate institutions operating at grassroots levels. In addition, compatible procedures are also required to be developed, not presently practiced in our system.

LACK OF COMMUNITY PARTICIPATION

Community participation is given much importance on papers and in intellectual & academic discussions. However, no organized or meaningful effort has ever been done in this connection in Pakistan. In Katchi Abadis Regularization and Upgrading Program, community participation was conceived as the pivotal aspect for its success. However idea was neither properly planned nor adequately carried out. All housing policies and programs that lacked the community participation, proved to be expensive and contrary to the needs, priorities, and aspirations of the dwellers. Therefore, they were not acceptable to the target-group.

SOCIAL AND CULTURAL REASONS**DWELLERS ACCEPTABILITY**

Housing schemes, such as those for the resettlement of displaced squatters, did not consider the social and cultural aspects of the dwellers. Therefore, within a short span of time the households sold out their heavily subsidized housing units and went back to squat in and around the city centres. This experience proves that only improved level of services and higher standards of construction of housing units are not enough for the success of a housing scheme. Instead, the fulfilment of the social & cultural requirements of households is also important. Dwellers' involvement in decision making and development process of housing schemes incorporates their social and cultural aspects and makes the product acceptable to the dwellers.

IMPACT OF SOCIAL & CULTURAL ASPECTS ON HOUSING DEMAND & DESIGN

Social and cultural aspects of the target-group affect the housing demand at a given time and the requirements for the design of housing. For instance, in the mid 1970s, a large number of Pakistani workers got employment in the Gulf States. Those workers sent their earnings to their relatives in

Pakistan. That money was mostly used to own a conventional house and to invest in the real estate^{xxiv}. To own these assets became a status symbol of that particular social class. As a result, the property values in Pakistan reached new heights. Such social and cultural trends give new shapes to housing demand and other related requirements for the provision of housing.

POLITICAL REASONS

LACK OF REPRESENTATION OF THE POOR

In Pakistan, during the period other than Marshal Law, political institutions have always been controlled by big feudal lords. So, the low-income group did not have any representation in the framing of housing policies. As a result, the housing policies and programs are no way near the actual needs, priorities, and aspirations of the low-income group.

FEAR OF THE POOR

Political institutions and government departments are normally afraid of Poor, organizing themselves. Those in power, feel that organized masses of poor are like potential volcanoes. They may, at any time, revolt against their prolonged sufferings. This is why, all community involvement concepts, which are pivoted for success of shelter policies for poor have failed.

POLITICAL WILL

Certain policies, like the Katchi Abadis improvement Program, were framed to win the popular support. They lacked the political will to solve the actual problem of housing for the urban poor.

TECHNOLOGICAL REASONS

DESIGNERS' OUTLOOK

The majority of technocrats who give physical shape to political thinking are also from upper or middle classes and have not only a poor understanding of the urban poor, but look upon them with suspicion and hostility^{xxv}. To solve the problem of housing for the urban poor, a different breed of technocrats is needed who are aware of the problem at grassroots level.

HIGH COSTS OF DEVELOPMENT

High costs of development make the housing units so expensive that they become out of the reach of the target group. There are several factors that contribute toward increasing the cost of development. They include: the adoption of western standards of design and planning, use of urban materials and construction techniques, bureaucratic procedures, money drained in corruption and inefficiencies, and high overheads and profits of contractors.

LACK OF RESEARCH ON APPROPRIATE MATERIALS AND TECHNOLOGY

There are few institutions in Pakistan meant to conduct research on building materials and construction techniques. However their research activities are very limited. In addition, their research findings do not reach the users. So, most of the users have no other choice but to use the conventional expensive building materials and construction techniques.

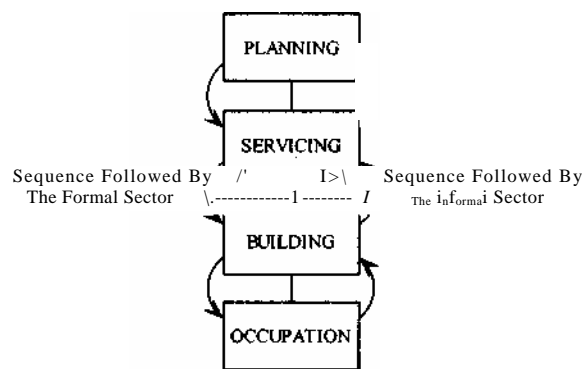
WORKING OF THE INFORMAL HOUSING SECTOR

Public and private formal housing sectors in Pakistan, including planning and development agencies, have failed to respond to the ever-increasing demand of housing in the country. The problem is worsening with every passing day. The critical area of this problem is the provision of housing for the urban poor. The failure of the formal sector, to fulfil the housing needs of the urban poor, has given way to the creation and advancement of the informal sector of housing.

Community Action Groups (CAGs) and Non-governmental Organizations (NGOs) join hands to consolidate the activities of the informal sector. The contribution of the informal housing sector, in terms of the addition to the housing stock, is much greater than that of the formal housing sectorTM. Although

Lahore Development Authority and its predecessor LIT [Lahore Improvement Trust] launched more than 58 land developments (mostly housing) schemes, more additions to the housing stock of the city occurred through private, unplanned, unapproved, and often unregistered house building^{xxviii}.

The housing policies of the formal housing sector in Pakistan have failed due to a variety of reasons mentioned earlier. However, the informal sector has ingeniously evolved strategies to counter those reasons. The informal sector provides land at an affordable cost to the poor with immediate possession and with no paper work^{xxviii}. It arranges for curtailing speculation and adjusts its standards according to the paying capacity of its clients, something state agencies have failed to do. The informal housing sector has evolved such procedures that suit the needs, resources, and priorities of the urban poor. Conventionally, the formal urban low-income housing projects follow a sequence that could be broadly classified as **planning-servicing-building-occupation**, and are thus dominated by systematic analysis/comprehensive design, following the tacks of a 'top-down' concept. On contrary, informal housing sector follows a reverse sequence of **"occupation-building-servicing-planning"**^{xxxx}



SEQUENCE OF OPERA!

In the informal housing sector working, the occupation of plot is the first and the most important step. There are five different ways through which, the informal sector manages to acquire land^{xix}. They are:

1- UNORGANIZED INVASION

In this method, a group of migrants first occupies a vacant, unguarded, piece of land. They are followed by other migrants who keep adding, in small groups, to the existing cluster of temporary shelters. Such settlements have no regular plan; plots have variable sizes; and streets are narrow and winding.

2- ILLEGAL SUBDIVISION

A middleman, called dallal, involves concerned government officials in an informal business deal and occupies a piece of government land. Dallal subdivides this land in a planned form and sells out plots to the urban poor at an affordable price.

3- SUBDIVISION OF AGRICULTURAL LAND

Land within municipal boundaries of large cities is very expensive. So, the agricultural land in the periphery of towns is illegally subdivided as residential plots.

4- URBANIZATION OF VILLAGES

When cities expand, they surround those villages that come in their way. In such a situation, the influential landlords sell out the community land of the village as small residential plots and share its profit among them.

5- ORGANIZED INVASION

Sometimes a large group of urban poor identifies a vacant and unguarded piece of land. The group occupies it in the evening, and builds houses at night. This entire process takes place in a planned and organized manner. Later, the staff of the concerned department is bribed to prevent eviction. The main reason for the achievements of the informal sector is that its response to the needs of lower income groups is compatible with the sociology and economics of urban poor. This is because people involved in this process come from the same class or have strong socioeconomic ties with the urban poor.

LIMITATIONS OF THE INFORMAL HOUSING SECTOR

The informal housing sector has shown significant achievements in spite of the opposition of the formal housing sector, and hurdles created by planning and development agencies. These achievements prove that the informal housing sector has a better understanding of the problem at grassroots level. Therefore in spite of having no material resources, the informal housing sector has been more successful than the formal housing sector. The formal housing sector has material resources and institutional support. However, due to poor understanding of the issue at grassroots level, it has created more problems than it has solved.

Self-help housing has its own limitations. There are certain important aspects and elements of housing that people cannot manage or get on self-help basis. They include legitimate access to land, legislation, credit for housing, and access to the trunk lines of the physical infrastructure. Provision of these elements of housing by the government can facilitate and expedite the house building activities of the urban poor. Studies have shown that only the security of tenure, granted by the government to the squatters, acted as a catalyst for the general improvement of their housing condition.

The informal housing sector, however, has its own limitations. These limitations are those aspects of housing that the informal housing sector cannot accomplish on its own. Planning and development agencies have become more watchful about all those methods through which the informal sector managed to get hold of land. In addition, due to the scarcity of land in urban areas no more vacant and unguarded land is available, which the informal sector can grab. The informal housing sector requires assistance in two main areas: first, in the provision of affordable land on which the urban poor can build their houses; and second, in the legislation that allows the poor to construct their houses incrementally, according to their needs, priorities, and resources¹⁰⁰⁰. Another important area in which the informal sector needs support of the formal sector is the provision of trunk lines of the physical infrastructure connections should be provided from those trunk lines to the housing for the urban poor.

If the government extends its support, then there will be a significant improvement in the contribution of the informal sector. It will add to the urban housing stock, not only quantitatively but also qualitatively.

AN EXPERIMENT OF COMBINING FORMAL AND INFORMAL SECTOR APPROACHES: KHUDA-KI-BASTI, HYDERABAD

Khuda-ki-Basti Incremental Housing Scheme was launched by the Hyderabad Development Authority (HDA) in March 1986. It abuts a developed township for the upper and middle income groups called Gulshan-e-Shehbaz. It is located in the periphery of Hyderabad on the Karachi-Hyderabad Superhighway.

Gulshan-e-Shehbaz was designed and developed in the manner conventionally adopted by the formal housing sector. Like all other similar housing schemes, it followed the sequence of **planning -servicing -building -and occupation**. When this scheme was announced people submitted applications more than the number of plots available in the scheme. So, the allotment was done through balloting. Development work was done by the HDA. Till 1986, several years had passed after the completion of the development work on the site. However, most of the plots were still lying vacant. Only a few houses were constructed, and all of them were not occupied. It was believed that most of the plots were held

back by speculators. Hyderabad, like all other large cities of the country, had an acute shortage of housing. Katchi abadies were proliferating in the city although thousands of plots were lying vacant in the formal housing schemes including Gulshan-e-Shehbaz.

This situation was not unique to Hyderabad. Instead, it represented the problem that prevailed in almost all urban centres of the country. It made the authorities realize that the conventional system of the provision of housing was not responsive to the needs of the urban poor.

The Director General of the HDA took a bold step. He decided to borrow and formalize the informal sector strategies in serving the housing needs of the urban poor. He believed that this would help in overcoming the constraints faced by the formal housing sector policies. This is how the Khuda-ki-Basti Incremental Housing Scheme was conceived.

The mechanics adopted in the Khuda-ki-Basti Incremental Housing Scheme were as following:

- The HDA allocated a piece of public, un-serviced land next to the Gulshan-e-Shehbaz.
- Plots measuring 72 sq.m. and 100 sq.m. were demarcated on the site.
- A site office of the HDA was established, where all types of dealings with the households (including applying for plots, making payments, and allotment of plots) were done like a one-window operation.
- Invited homeless urban poor to come to get plots with immediate possession. In this connection, the HDA involved informal developers and thallawalas in identifying beneficiaries and settling them on the site and providing them with assistance for building their homes in the same manner as they do in a katchi abaadi.
- The idea of "Reception Area" was introduced to filter out speculators. The homeless households were asked to come with their families and belongings and start living in the reception area. The staff observed them for a few days after which, they were allotted a plot. The households, who were allotted plots, were asked to put up some kind of shelter immediately. If the allottee kept the plot unoccupied, the HDA cancelled its possession letter. This whole process was meant to kill the speculation.
- HDA made an arrangement with the HBFC and got a block loan of five million rupees. The loan was given to the households for putting up roofs, and was recovered in easy instalments.
- HDA motivated the people to create a representative organization (called a block organization) for the responsibility of collecting monthly instalments for development; managing the development at a lower cost, and helping the HDA in managing the plot allotment and cancellation process.
- No building bye-laws were imposed for the construction of housing units. The scheme showed significant success in a short span of time, in three years, over 3,000 low-income households built their houses and started living in. This whole activity has been managed by the HDA without subsidies, without extra staff and without any additional overheads.

AN EXPERIMENT OF MOTIVATING AND ENABLING DWELLERS TO HELP THEMSELVES: ORANGI PILOT PROJECT (OPP). KARACHI

Orangi Pilot Project (OPP) in Karachi is a program that demonstrates how to enable the inhabitants of a katchi abadi to improve their living conditions. The OPP program undertakes the following activities:

- It motivates the people to organize themselves, collect funds, and manage the construction and maintenance of the sewerage and water supply network of their own streets and neighbourhood.
- It provides necessary technical and administrative support to the households for improving the construction of their housing units.

- The OPP program helps the dwellers to identify the development works of the settlement, and fix their priorities. The dwellers then put social pressure on the councillor of the area to sponsor those works through the public funds at his disposal. The dwellers are encouraged to supervise those development works themselves, to ensure the best use of the resources.
- The program invites, encourages, and supports the related departments in public and private sectors for the development of social activities in the settlement.

To accomplish these objectives, the OPP carries out extensive research in different areas. Those areas include socioeconomic studies of the low-income group, technological studies of appropriate materials and construction techniques, studies of the government programs for the urban poor and the working of informal housing sector.

The OPP research and extension has led to the people mobilizing 50 millions (2.3 million U.S. dollars) for the sanitation program alone^{500m}. Whereas the OPP's own investment in research, extension and administration is not even 10 percent of this amount. The public sector would have spent over 250 million rupees for the work that the people of Orangi have executed with 50 million rupees.

CONCLUSIONS

Since the independence in 1947, Pakistan did not have any national housing policy. The housing activities that have taken place in the country so far may be regarded as an aggregate of different short-term policies and ad-hoc decisions. They were in response to the immediate problems only. One major reason of this state of affairs is the political instability that has prevailed in the country during most of the time of its existence.

The perception of the role of the urban poor and the housing sector in the national economy leads to the formation of national housing policy. In Pakistan, this perception was not established through the analysis of the local situation. It rather, came in from the international lending agencies as a part of the package deal of the loan, which those agencies granted for selected projects in the country. Even that imported perception was not adopted for the entire country. So, the approach and strategies followed by local planning and development agencies, for their own projects, were not compatible with those of the projects funded by the international lending agencies. Housing activities in the country were haphazard and had no sense of direction.

The administrative and organizational infrastructure in Pakistan is not equipped to implement even short term policies set out at national level. Different departments in the housing sector in Pakistan are compartmentalized. Their activities are restricted and contained within their own compartments. There is no coordination or exchange of information among them. Moreover the attitude and the working system of planning and development agencies are not conducive to any innovative approach such as, the devolution of decision making. Historically, the public sector has hindered, instead of encouraging and supporting, the dwellers' involvement in housing projects. The public sector has also discouraged the private sector to participate in the provision of housing for the low-income group.

Most of the housing provided by the public sector was primarily motivated by the political considerations. The interests at local level not only mismatched but also dominated the national objectives set out by the policy makers. The strategies adopted were devoid of any coordination with other sectors and related departments. One reason of this situation was that the housing projects were designed on the Fragmented Design Approach.

The reasons of using the Fragmented Design Approach are interconnected. To start with, whatever policies and their objectives were set out at the national level by the policy makers were not adequately elaborated. So, the local authorities did not have detailed guidelines for their implementation. Then, the project briefs provided to the design teams were incomplete. Those incomplete project briefs restricted

the scope of design work, requiring the design teams to address only a few aspects of housing. Thus, the designers were obliged to adopt the Fragmented Design Approach. The aspects of housing ignored in the Fragmented Design Approach, later, proved to be the reasons of failure of those housing projects.

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