

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/287806243>

# The enabling strategy and its discontent: Low-income housing policies and practices in Asia

Article in *Habitat International* · December 2015

DOI: 10.1016/j.habitatint.2015.11.026

---

CITATIONS

33

---

READS

797

1 author:



[kioe sheng Yap](#)

Cardiff University

36 PUBLICATIONS 290 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



Urbanization in Southeast Asia [View project](#)

# **The Enabling Strategy and its Discontent: Low-Income Housing Policies and Practices in Asia**

**Yap Kioe Sheng**

## **Introduction**

Since the late 1980s, the UN-Habitat has promoted an enabling strategy for its global goal of adequate housing for all. The strategy contends that markets should be the primary housing delivery mechanism and that the public sector's role is to introduce incentives and facilitate housing actions by other actors, through partnerships of local government, the private sector and non-governmental and community-based organizations (NGOs and CBOs). The strategy accepts the limitations of the market for housing the poor and stresses the need for government to recognize and upgrade informal settlements and to develop innovative approaches to low-income housing (UNCHS, 1991: 12-62; UNCHS, 1997: 37).

Today, most governments in Asia adhere to the enabling strategy, as it has proven to be effective in delivering adequate housing to large sections of the urban population. The strategy was not an isolated initiative, but part of a broader agenda of national and global market liberalization which has brought rapid economic growth in Asia and an expansion of its urban middle class. Without economic growth, the enabling strategy may not have been as effective. Yet, millions of urban poor still remain without adequate housing despite a host of innovations, because rapidly rising land values and policies to optimize land use blunt any attempt to secure land for housing the urban poor.

## **An expanding middle class**

Neo-liberal policies have worked well for many cities in Asia. Economic growth has lifted millions of families out of income poverty, although many have remained "near-poor". Over the past three decades, the number of workers in middle-class households (i.e. those who can afford non-essential goods and services) in Asia and the Pacific grew from 65 million to 671 million, while workers in households in extreme poverty declined from 715 million to 238 million (Huynh and Kapsos, 2013: 26-27). Middle-class workers have not only higher incomes, but also more stable employment. This enables them to invest in health and education and be more productive and afford formal housing. It brought homeownership within reach, but also increased borrowing to finance consumption and raised household debt.

Economic growth also brought about socio-demographic changes. Higher income and improved health reduced child mortality and increased life expectancy. With better education and more economic opportunities, women delay marriage and have fewer children or do not marry at all. In some cities, fertility rates are well below replacement level: Hong Kong: 1.0; Seoul: 1.01; Bangkok: 1.16; Singapore: 1.28 (Jones, 2011) and populations have started to age. Whereas the extended family used to be the norm, households increasingly consist of a nuclear family of just 1-3 persons, due to increased migration and high housing costs.

The private sector which used to supply housing only to upper-middle- and high-income families, responded to these trends by moving down-market through smaller units, mass production and simplified finishes (Angel and Chuated, 1987; Mukhija, 2004: 2236), including "shoebox units" of 25 m<sup>2</sup> or less. Between 2010 and 2020,

growth in the urban population, in the number of households and in affluence is projected to generate demand for 16.5 million additional units with a total market value of US\$1 trillion in six major Asian countries (table 1).

	Annual sale (units)			Sales value (US\$ millions)		
	2010	2020	CAGR (%)	2010	2020	CAGR (%)
China	9,300,000	15,600,000	5.3	647,059	1,029,411	4.8
Hong Kong	12,504	16,000	2.5	16,560	24,501	4.0
Indonesia	280,000	564,000	7.3	4,700	15,600	12.7
Malaysia	72,837	96,003	2.8	5,000	9,700	6.9
Singapore	35,256	42,507	1.9	21,267	28,536	3.0
Thailand	95,840	150,000	4.6	322	513	4.8
Assuming constant US\$; CAGR: compound annual growth rate.						
DBS, 2011: 34.						

Homeownership cannot be achieved without housing finance. Banks used to consider housing finance commercially unattractive, but this has changed with the growing middle-class ambition for homeownership and the expanding real estate sector. In Southeast and East Asia, mortgage markets have grown rapidly and housing loans in the above six countries are projected to grow to US\$3.7 trillion by 2020 (DBS, 2011: 15). In South Asia, the state of the financial markets still constrains the growth of the sector despite government support (Zhu, 2006: 59-60). In India, deregulation in the 1990s led to an expansion of the sector, but it targets the upper-middle-class and applies stringent eligibility criteria (Sengupta, 2010: 325). The principal source of housing finance in Bangladesh is still household savings and loans from relatives and friends (Rahman, 2009: 101-102).

Countries have experienced not only rapid economic growth and poverty reduction during the last decades, but also rising income inequality. Between the 1990s and 2000s, 11 countries including China, India and Indonesia (table 2) which account for over 80 percent of the population in developing Asia saw a rise in inequality of per capita income or expenditure (ADB, 2012: 38). Income inequality between rural and urban areas, between coastal and inland areas and between countries in the region has generated massive internal and international migration across the region.

	China		India		Indonesia	
	1992	2010	1992	2010	1992	2010
Urban	0.2462	0.3535	0.3433	0.3926	0.3535	0.3805
Rural	0.3248	0.3948	0.2863	0.2937	0.2605	0.3138
National	0.3350	0.4480	0.3098	0.3284	0.2979	0.3529
Chotikapanich et al, 2014: 15, 19, 24.						

## Informal settlements

As governments and employers keep wages low to maintain competitiveness in the global economy, the poor rely on the informal sector for goods and services. The sector was expected to decline with development, but is actually growing, as companies informalize employment through outsourcing and temporary contracts. The labour force consists partly of migrants who lack the entitlements of the local population, because they are not registered in the city or live in informal settlements. Low wages, irregular employment, lack of entitlements and high costs of living force them to leave their non-earning family members behind and remit a substantial share of their income to support them. This reduces their already small disposable income and forces them to live in informal settlements where they join the city-borne poor.

For most cities, accurate data on informal settlements are unavailable or unreliable, as the settlements are hard to find, too small to be counted, excluded from censuses or avoided by enumerators. Recent estimates show a growth of the slum population in absolute terms, but a decline as a share of the urban population (table 3).

Sub-region	Urban slum population (thousands)			Proportion of urban population living in slum (%)		
	1990	2000	2010	1990	2000	2010
East	154,175	191,563	197,529	43.7	37.4	28.2
South	181,667	194,364	190,647	57.2	45.8	35.0
Southeast	68,852	78,246	76,540	49.5	39.6	31.0
Slum population: persons living in households that lack improved water, improved sanitation, sufficient living area and/or durable housing.						
UN-Habitat, 2012: 127.						

The poor used to invade vacant land to build their house disregarding landownership and building regulations, but this option is no longer available in many cities due to a high demand for urban land. Ownership of informal housing has become expensive for the poor, as gatekeepers guard vacant land and informal housing. Access is only possible at a price which pays for protection against eviction and the use of services such as water and power supply. In Karachi, the poor rely for housing on informal entrepreneurs who develop public land and bribe officials and politicians for their support (Bhudani et al, 2010: 25). In Mumbai, slumlords control access to land and housing and sell land for building or renting shelter; criminal organizations control the provision of services such as power supply (Micheluti and Smith, 2014: 370).

Economic development is rapidly transforming Asian cities. The middle class and the private sector demand better infrastructure and services, while rising land values make land occupied by informal housing attractive for redevelopment. State-owned enterprises clear informal settlements from their land which they then develop to earn income to cover their operational losses. Middle-class homeowners worry about the effect of nearby informal settlements on property values, and informal settlements in Delhi have been demolished through the actions of homeowners who want a world-class, slum-free city (Ghertner, 2012).

The goal of slum-free cities jeopardizes the opportunities for the poor to live in the city. Urban development reduces the land available for informal housing without providing suitable alternatives, leading to a densification of the remaining informal settlements. In Karachi, 4-5-storied houses are now common in informal settlements with de facto land tenure security. In many cities, the poor are pushed onto hazardous land or to the urban fringe. Although factories also move to the fringe, they do not offer employment for the poor, as they do not fit the recruitment criteria. In hazardous locations, the poor are exposed to the impacts of natural disasters and climate change which are increasingly affecting coastal cities.

### **Formalizing the informal**

Some countries used to have large-scale and nationwide programmes to upgrade informal settlements. Examples are the Kampung Improvement Programme (KIP) in Indonesia (1969-1993) and the Million Houses Programmes (MHP) in Sri Lanka (1983-1994). As national governments withdrew their direct involvement in housing and their budget shrank, such programmes were terminated, but they remain best practices in low-income housing. KIP initially focused on the provision of basic infrastructure (roads, water supply, drainage) and services (education, health care), but later recognized the importance of resident participation to ensure that the particular needs of the population were met. KIP provided some 3.8 million people access to basic services.

The urban component of MHP included land regularization and settlement upgrading if land was available and sites-and-services schemes if relocation was inevitable. MHP saw participation as critical and developed innovative participatory approaches (such as community action planning and community construction contracts). MHP was terminated after a change of government, but remains the benchmark for aided self-help housing (Joshi and Khan, 2010). It formulated several principles for housing the poor (UNCHS, 1993: 8):

- It recognized the poor's capacity to manage the development of their own settlement: "*maximum involvement of the builder-family; minimum intervention and maximum support by the state*".
- It aimed to be inclusive and benefit as many people as possible: "*minimum assistance and minimum standards for many rather than ample assistance and high standards for few*".
- It acknowledged the variety of housing needs which requires a diversified response: "*decentralization of decision-making, planning and implementation to local authorities, communities and householders*".

In many cities, informal settlements have been upgraded and sometimes land tenure has been regularized, but programmes were selective in terms of the settlements (not in a hazardous location and no other planned use for the land) and their beneficiaries (primarily homeowners). Their experiences highlight the complexities of informal housing. The programmes raised property values and house rents, and often led to gentrification and an eviction of tenants and the very poor. As land tenure is a complex issue, programmes such as KIP did not regularize land tenure and some upgraded kampungs were later demolished to make way for offices, shopping malls and condominiums.

Where land tenure regularization was announced (e.g. Karachi), many residents started to feel sufficiently secure and lost interest in formal land titles if they had to pay for them. In many cities, patronage is more important than the rule of law and the poor may feel more secure without a land title but with the protection of a powerful politician than with a title but without the means to defend it. As Payne (1996) noted, land rights are part of a larger set of rights and changes to one right do not make a difference without changes to other rights. He concludes that freehold titles may not be the best option, as they raise land values and expose the settlement to market forces.

While upgrading programmes were introduced in many cities, sites-and-services schemes at a scale that could reduce, if not eliminate low-income housing shortages often lacked political support. Mahadevia and Narayanan (2008: 14) noted that financial returns on housing the poor are so low that neither the market nor the government will allocate land for it, but prefer to leave land vacant awaiting higher profits. Sites-and-services schemes and other types of self-help housing also require flexible standards, including sufficient time for plot-owners to improve their house beyond the initial shack. This is not the type of housing politicians like to inaugurate.

### **Private-sector low-income housing**

A flaw of the above programmes was their project-based and government-driven nature; it increased interest in market-driven housing for the poor. Prahalad (2006) made the private sector aware of the "fortune at the bottom of the pyramid": the poor do not have much money, but there are many of them. To reach this market, products must be adapted to the circumstances of the poor. For low-income housing, this proved to be difficult, as the cheapest private-sector house was usually either unaffordable or unsuitable (or both) for the poor.

Some governments try to regulate the supply of low-income housing by demanding that private developers build a number of low-cost houses as a condition for a permit to build other types of housing. The policy increased private-sector low-cost housing supply in Kuala Lumpur, but many units are still too costly for the poor (RICS, 2008: 40-41) or are of low quality (Zainal et al, 2012: 829). In Kolkata, the supply meets only a fraction of the demand and is often captured by higher-income groups (Sengupta, 2006: 454, 457). In Jakarta, developers who do not comply are not penalized; those who do comply often build houses that are unaffordable, inaccessible by public transport and far from employment centres (Winayanti and Lang, 2004: 46-47).

Some developers exploit loopholes in the regulation, because it is impossible to build low-cost housing without cutting corners or crossing into informal housing. Mukhija (2004: 2236) describes a private-sector low-cost housing project in Ahmedabad which looked like an informal settlement and required incremental development, as it lacked much of the normal infrastructure. Around Bangkok, private companies have built large numbers of rental apartments for factory workers at densities far beyond what regulations allow. They can ignore the regulations, because the buildings are outside the municipal boundaries (Yap and Rahman, 1995).

Saiban, a not-for-profit organization in Pakistan, emulates informal settlements in its incremental development schemes. Its premise is that the poorest families can only afford land with the most basic services: communal water supply and transport to the city centre. Thus, Saiban charges an entry fee that covers the cost of land and water supply. To preclude capture by other income groups, an interested family is required to occupy the bare plot straightaway with all its members and belongings. If it does not occupy or leaves the plot, its allotment is cancelled. Electricity, roads, sewerage and water connections are installed after the population has saved through monthly payments to pay for them (Siddiqui, 2005: 8-9).

The unique feature of incremental development schemes is the absence of standards within a planned setting. Families acquire what they can afford: secure land tenure, water supply and transport to income-generating opportunities. Politicians dislike such schemes because they have the look of informal settlements (“slums”). Burra (2003: 17) notes that most authorities find it hard to adapt regulations to the reality of the poor, despite evidence that seemingly beneficial regulations do not necessarily work for them. This makes it crucial for NGOs and CBOs to innovate, experiment and set precedents, even if they violate regulations, to show that an innovation can work.

### **Privatization and devolution**

Many countries used to have public-sector low-income rental housing programmes that supplied subsidized apartments, but the supply was usually too small to meet the demand, while the type of housing did not match the lifestyle of many of the poor. Units were often captured by the middle class whose lifestyle better matched the type. As enabling policies extricated the public sector from direct involvement in housing supply, public rental housing was often sold to the tenants, reducing the formal housing options for the poor, without offering any alternatives.

Besides privatization, central governments devolved responsibilities, including those for housing the poor, to the local government. In Indonesia, it allowed the city of Surabaya to develop its own Comprehensive Kampung Improvement Programme which aims at empowering the poor with housing as the means to this end (Santosa et al, 2010). In Cambodia, Circular 03, a directive by the Prime Minister, instructed provincial and municipal governments to develop its own solutions for “temporary settlements”. Because local governments tend to be more aware of conditions on the ground than national government, they can adapt their approach to local

circumstances. Also, government actions are less politicized than in the capital city and it is easier to develop partnerships with NGOs and CBOs.

However, many local governments lack the institutional capacity or political will to be actively involved in housing the poor and need support by a national agency to supplement local capacity. Baan Mankong (BMK) in Thailand (Boonyabantha, 2005) and the Community Mortgage Programme (CMP) in the Philippines (Cacnio, 2001) are such decentralized programmes. Because land or land use is commodified in most cities and governments are unwilling to set aside land for housing the poor, CMP and BMK aim at empowering the poor of informal settlements to buy or lease the land they occupy. To shield the housing from market forces, land is owned or leased collectively as long as the residents repay their loans. If the land cannot be bought or leased, the purchase of nearby land is sought (Boonyabantha, 2005).

While effective, CMP and BMK also have their limitations (Lee, 1995; Shatkin, 2004; Yap, 2014). Building strong CBOs is labour-intensive and time-consuming. It may exceed the capacity of the supporting agency and slow down the spread of the programme. Some CBOs remain ineffective due to the diversity of the settlement population. Community-based approaches empower the poor through the pooling of resources, but reduce individual freedom and flexibility. Renters and the very poor will not benefit, if the proposed housing option does not meet their resources and needs. In an urban context, solidarity may exist as long as land has to be acquired, but not last afterwards. Land may also be difficult to buy where land values are high such as in the city centre.

Because the poor cannot meet the loan criteria, they do not have access to formal housing finance, while commercial banks are reluctant to become involved, because of the small size of the loans, their relative cost and the perceived risk of lending to the poor. NGOs promote savings-and-loans schemes, but the poor's ability to save is limited and there is always a need for additional funds. In several countries, NGOs have established Urban Poor Development Funds to fill the gap (Mitlin, 2011: 1225-1226). Cambodia lacks a fully functioning financial system and whatever exists is not accessible by the poor. Phnom Penh Municipality, some development agencies and urban poor communities jointly established and operate an Urban Poor Development Fund to supplement the capital of savings-and-loans groups for community-driven development projects (Boonyabantha, 2000: 8, 12).

### **World-class cities without slums**

To achieve rapid economic growth, cities compete in the global economy for investments and visitors. Local governments forge coalitions with the business sector to engage in city marketing and city branding and project an image of a world-class city. Cities in Asia try to imitate not only Western, but also successful Asian cities: Mumbai seeks to emulate Shanghai; Colombo and Yangon want to follow Singapore. Quality service delivery and the presence of modern offices, hotels and airports are considered essential for a world-class city which is also expected to have a pleasant natural environment and world-renowned entertainment. The organization of mega-events is seen as proof of a world-class status. Mega-events are said to generate employment and income for the poor, but often require large areas of land, leading to the demolition of informal settlements and the relocation of their population. The preparations for the Beijing Olympics may have displaced 1.5 million people (UN-Habitat, 2011: 60).

Due to low interest rates and volatile stock markets, real estate in cities like Hong Kong, Singapore, Bangkok and Kuala Lumpur has become attractive for investors from across the region. Some invest for speculative purposes or to launder money; others let their property, thereby expanding the rental housing stock. Real estate development can lead to the demolition of informal settlements and the eviction of

the urban poor; the influx of well-paid expatriates can raise house prices and cause problems for the local middle class, as happened in Singapore and Hong Kong.

Evictions pose a dilemma for development agencies that fund infrastructure projects. To protect those affected by the project, some agencies have a policy that the post-project conditions of those affected must be at least equal and preferably better than before the project. This is a laudable goal, but difficult to achieve. It requires active participation by the affected population which may be hampered by undemocratic rule, human rights violations and corruption (Levitt, 2007), or by a government policy that does not recognize informal settlements. The affected population is also rarely homogeneous and requires a variety of options. Social development projects and infrastructure development projects are also difficult to combine due to differences in terms of expertise and time frame.

### **Urban re-development**

Cities that seek world-class status are increasingly disinclined to tolerate informal settlements. They want to optimize land use, maximize land values and replace informal settlements – considered “flawed spaces” inhabited by “flawed consumers” (Rogers and Bailey, 2013: 11) - with commercially profitable real estate. Some regard public-private partnerships as a way to combine this goal with the goal of adequate housing for the poor, at no cost to the government. The idea is to use part of the profit made through a re-development of the informal-housing site by the private sector to finance resettlement of the affected families within the same project or elsewhere. Such an approach was applied in Colombo (Sahasapura) and Phnom Penh (Borei Keila) and proposed in Mumbai (Dharavi).

In Phnom Penh, a private company agreed in 2003 to build apartments on one part of the site of a former sports village occupied by squatters, provided it could develop another part commercially. It seemed a good solution until the company announced that increased construction costs prevented it from building all planned apartments, leaving many affected families homeless (Rabé, 2010). In Mumbai, the private sector is to re-develop the site of Dharavi, a conglomerate of informal settlements with some one million inhabitants, by building apartments for those affected, allocating space for existing informal enterprises and developing real estate for sale. As an incentive, developers receive additional development rights (more floor space than normally permitted) to sell or use elsewhere in the city (Patel and Arputham, 2007).

In Colombo, households in informal settlements were planned to be resettled in apartments to be built on public land in several city locations, while the private sector re-developed the vacated sites. Developers of the low-income housing were asked to propose different house designs, so those resettled could choose the house type of their liking, while the programme’s citywide nature was meant to give them locational options. This did not work, however, due to the refusal by public agencies to release land for housing the poor and the unwillingness of some urban poor to move out of their informal settlement. Eventually, only one building was completed (Wijayasinghe, 2010).

### **Elusive inclusiveness**

The redevelopment of one (often small) site at a time limits the housing options of the affected families. Usually, a single house type (an apartment) is provided to make efficient use of the space. Apartments are suitable for some urban poor, but not for others, because they are unfit for income generation and cannot be adapted to changing needs. Even a rent-free apartment has strict payment conditions for water and electricity that do not match the poor’s irregular income. A study in Karachi showed that flexible low-rise housing works better for the poor and still can reach densities at least as high as those of apartment complexes (Hasan et al, 2010: 99).



It is difficult to achieve adequate housing for all through a project-based approach. Projects tend to have strict eligibility criteria (beneficiaries need to be homeowners) and cut-off dates (to exclude professional squatters), but many informal settlements have large numbers of renters and a high population turnover. In one sector of Dharavi, renters and arrivals after the cut-off date formed one-third of all households each (Hindustan Times, 22 January 2011); they would be excluded from the project. Thus, CBOs in Thailand are urged to form citywide networks and join academia and NGOs to formulate citywide plans that allow for different housing options at a variety of locations (Boonyabancha, 2005).

As the construction of housing at a redevelopment site takes time and many past promises have been broken, affected families may sell their right to a unit rather than wait to discover that they had been cheated by government officials or that the promised housing is not what they had expected. Given the housing shortages of other income groups, middle-income families are always ready to buy the right to a housing unit from a poor family. In Borei Keila, 40 percent of the families had sold their unit by 2011, while 100-150 out of 671 families had sold their apartment in Sahaspura by 2010.

### Low-cost rental housing

The lack of urban land for informal housing forces some poor to shift from informal homeownership to rental housing which is found in the informal sector as well as the semi-commercial sector. Centrally located buildings destined for demolition may be rented to the poor as a temporary arrangement; other buildings have been recently constructed. Both offer very small units and minimal services. In addition to their locational advantages, their variety in type, size, contractual arrangement, quality and rent make rental housing attractive for the poor. Units are often occupied by several relatives and friends who share the costs. Despite its importance in many cities (table 4), rental housing is often neglected in studies, surveys and policies.

City	Owners	Renters	Other	City	Owners	Renters	Other
Beijing (nd)*	59	40	1	Jakarta (1990s)****	56	44	0
Bangalore (1996)**	43	55	2	Karachi (1990s)****	83	17	0
Bangkok (1998)***	56	40	4	Manila (2000)****	38	42	20
Delhi (1990s)****	48	52	0	Surat (1996)**	62	36	2
* Peppercorn and Taffin, 2013: 4. ** Kumar, 2003: 8.				*** UN-Habitat, 2003: 10. **** Ballesteros, 2004: 27.			

The situation in Hong Kong is an example of what can happen in cities with large populations and high land values. In 2000, Hong Kong had one million people aged 60 years and above. While their children moved to public housing in new towns, the elderly remained in the old areas, often without viable family and social support. Due to the high house prices, many can only rent sub-standard private tenements, rooms, bed-spaces or cocklofts (Chui, 2001: 159-162). In 2013, around 170,000 persons in Hong Kong lived in 67,000 rental units in repartitioned apartments of older buildings with an average living area of 6.3 m<sup>2</sup> per capita, raising concerns about overcrowding, poor hygienic conditions and fire hazards (Policy 21, 2013).

In Mumbai, collusion between investors and officials facilitate the construction of apartments with a disregard for regulations, a lack of proper design and construction supervision, and the use of inferior materials. It is not uncommon for such buildings to collapse. In Delhi's urban villages, entrepreneurs take advantage of the exemption from building regulations to develop unregulated multi-storied housing for the poor. In the fringe of Chinese cities, farmers who lost their fields to urban expansion,

construct apartment buildings on the remaining residential land without authorization, and rent these to migrant workers.

### **Lessons from Asia's housing trends**

With rapid economic growth as a key supporting factor, enabling housing policies have proven to be effective in many Asian cities. They have made the private sector the main, if not sole, supplier of middle-income housing. By extending the range of housing options for lower-middle-income households, private-sector housing has also reduced pressure on formal and informal low-income housing. Yet, large sections of the urban population still live in inadequate housing.

Informal housing has many flaws (e.g. land tenure insecurity, inadequate services, hazardous locations), but also advantages over formal housing, besides lower costs. It is often located near employment centres and offers opportunities for home-based income generation. Informality permits a wide range of tenure forms and housing types to meet the variety of housing needs of the poor. As informal housing ignores regulations, it is flexible and adaptable to different and changing needs.

Given the complexity of low-income housing, many cities have only re-active programmes that upgrade informal housing (without regularizing land tenure), but lack pro-active programmes that render informal housing superfluous. Most public housing agencies have been ineffective, as they failed to draw lessons from informal housing development. They supply subsidized rental apartments which do not meet the needs of many of the poor and are captured by other income groups

Rental housing is one of these much-neglected segments; government needs to promote a private-sector supply of a variety of low-income rental housing types. Yet, ownership remains important, as a house is an investment object, even for the poor. . To meet the needs of the poor, the agencies would need to supply affordable housing with a wide range of tenure forms, designs and construction methods that are flexible and adaptable.

Housing the poor requires land market interventions, adoption of flexible regulations and housing finance that fits the circumstances of the poor. Middle-class housing standards cannot be reached overnight, but only incrementally, as the housing must match the needs and resources of the end-users. For the very poor, initial standards may be limited to medium-term land tenure security, adequate water supply and sanitation and proximity to (affordable transport to) income-generating opportunities.

Decentralized decision-making is vital for low-income housing. Local government is better aware of local conditions and can experiment with innovative solutions, but it often needs capacity development and technical support. It should aim for citywide programmes rather than a project approach, to supply affordable housing options in a variety of locations across the city with a variety of types. Decentralization also extends the scope of the programmes to secondary cities which house a majority of the urban poor.

*The author wishes to thank Matthew Sarsycki and the editors for their comments and suggestions.*

### **References**

ADB – Asian Development Bank (2012), *Asian Development Outlook 2012: Confronting Rising Inequality in Asia*, Asian Development Bank, Manila.

Angel, Shlomo, and Sureeporn Chuated (1990), "The Down-Market Trend in Housing Production in Bangkok," *Third World Planning Review*, 12 (1) 1-20.

- Ballesteros, Marife M. (2004), *Rental Housing for Urban Low-Income Households in the Philippines*, Discussion Paper Series No. 2004-47, Philippine Institute for Development Studies, Makati City.
- Boonyabancha, Somsook (2000), *Cambodia: The Urban Poor Development Fund: A Case Study*, Homeless International, London.
- Boonyabancha, Somsook (2005), "Scaling up Slums and Squatter Settlements Upgrading in Thailand Leading to Community-Driven Integrated Social Development at City-Wide Level," Paper presented at the Conference *New Frontiers of Social Policy*, Arusha, 12-15 December 2005.
- Budhani, Azmat Ali, Haris Gazdar, Sobia Ahmad Kaker and Hussain Bux Mallah (2010), "The Open City: Social Networks and Violence in Karachi," *Cities and Fragile States Working Paper* No. 70, Development Studies Institute, London.
- Burra, Sundar (2003), *Changing the Rules: Guidelines for the Revision of Regulations for Urban Upgrading*, Society for the Promotion of Area Resource Centres (PARC), Mumbai.
- Cacnio, Faith Christian Q. (2001), "Microfinance Approach to Housing: The Community Mortgage Program," *Discussion Paper Series No. 2001-28*, Philippine Institute for Development Studies, Makati City.
- Chui, Ernest (2001), "Doomed Elderly People in a Booming City: Urban Redevelopment and Housing Problems of Elderly People in Hong Kong," *Theory and Society*, Vol. 18, No. 3-4, pp. 158-166.
- DBS (2011), *Imagining Asia 2020: Make Way for the Asia Giant*, DBS Bank, Singapore.
- Ghertner, D. Asher (2012), "Nuisance Talk and the Propriety of Property: Middle Class Discourses of a Slum-Free Delhi," *Antipode* 44 (4) 1161-1187.
- Hasan, Arif, Asiya Sadiq and Suneela Ahmed (2010), "Planning for High Density in Low-Income Settlements: Four Case Studies from Karachi," *Human Settlements Working Paper Series, Urbanization and Emerging Population Issues* 3, International Institute for Environment and Development, London.
- Huynh, Phu, and Steven Kapsos (2013), "Economic Class and Labour Market Inclusion: Poor and Middle Class Workers in Developing Asia and the Pacific," *ILO Asia-Pacific Working Paper Series*, Regional Office for Asia and the Pacific, International Labour Organization, Bangkok.
- Jones, Gavin W. (2011), "Recent Fertility Trends, Policy Responses and Fertility Prospects in Low Fertility Countries of East and Southeast Asia," *Population Division Expert Paper*, No. 2011/5, United Nations, New York.
- Joshi, Sharadbala, and M. Sohail Khan (2010), "Aided Self-Help: The Million Houses Programme: Revisiting the Issues," *Habitat International* 34 (3) 306-314.
- Kumar, Sunil (2003), "Room for Manoeuvre: Tenure and the Urban Poor in India", Paper presented at the *Second Urban Research Symposium*, 15-17 December 2003, World Bank, Washington, DC.
- Lee, Michael (1995), "The Community Mortgage Program: An Almost-Successful Alternative for Some Urban Poor," *Habitat International* 19 (4) 529-546.
- Levitt, Joanna (2007), *The Need for New Approaches to Involuntary Resettlement: Lessons from Cambodia's Highway One Case*, International Accountability Project, Phnom Penh.

- Mahadevia, Darshini, and Harini Narayanan (2008), "Shanghaing Mumbai: Politics of Evictions and Resistance in Slum Settlements," *Working Paper No. 7*, Centre for Development Alternatives, Ahmedabad.
- Michelutti, Enrico and Harry C. Smith (2014), "The Realpolitik of Informal City Governance: The Interplay of Powers in Mumbai's Un-recognized Settlements," *Habitat International* 44, 367-374.
- Mitlin, Diana (2011), "Shelter Finance in the Age of Neo-Liberalism," *Urban Studies* 48 (6) 1217-1233.
- Mukhija, Vinit (2004), "The Contradictions in Enabling Private Developers of Affordable Housing: A Cautionary Case from Ahmedabad, India," *Urban Studies*, 41 (11) 2231-2244.
- Patel, Sheela, and Jockin Arputham (2007), "An Offer of Partnership or a Promise of Conflict in Dharavi, Mumbai?" *Environment and Urbanization*, 19 (2) 501-508.
- Payne, Geoffrey (1996), *Urban Land Tenure and Property Rights in Developing Countries: A Review of the Literature*, Overseas Development Administration, London.
- Peppercorn, Ira Gary, and Claude Taffin (2013), *Rental Housing: Lessons from International Experience and Policies for Emerging Markets*, World Bank, Washington DC,
- Policy 21 (2013), *Report on Survey on Subdivided Units in Hong Kong*, Policy 21 Limited, Hong Kong.
- Prahalad, C.K. (2006), *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*, Wharton School Publishing, Philadelphia.
- Rabé, Paul E. (2010), "Land Sharing in Phnom Penh and Bangkok: Lessons from Four Decades of Innovative Slum Redevelopment Projects in Two Southeast Asian Boom Towns," Paper presented at the Workshop *Places We Live: Slums and Urban Poverty in the Developing World*, Washington DC, 30 April 2010.
- Rahman, Khandaker Khalidur (2009), "Development of Housing Finance and its Impact on Socio-Economic Uplift in the Emerging Economy in Bangladesh", *IFC Bulletin* 31, 97-110.
- RICS - Royal Institution of Chartered Surveyors (2008), *Asian Housing Review 2008*, Royal Institution of Chartered Surveyors, London.
- Rogers, Dallas, and Bailey, Naomi (2013), "Citizenship and Housing: The Provision of Housing and Practices of Citizenship within Global Cities," *7th Australasian Housing Researchers' Conference*, 6-8 February 2013, Fremantle, Australia.
- Santosa, H.R., M. Faqih and S. Cahyadi (2010), Comprehensive Kampung Improvement Programme to Support Better Settlement and Poverty Reduction, Paper presented at the 18<sup>th</sup> CIB World Congress, Salford, May 2010.
- Sengupta, Urmi (2006), "Government intervention and public-private partnerships in housing delivery in Kolkata," *Habitat International* 30 448-461.
- Sengupta, Urmi (2010), "The Hindered Self-Help: Housing Policies, Politics and Poverty in Kolkata, India," *Habitat International* 34 323-331.
- Shatkin, Gavin (2004), "Planning to Forget: Informal Settlements as 'Forgotten Places' in Globalising Metro Manila," *Urban Studies* 41 (12) 2469-2484.
- Siddiqui, Tasneem (2005), *Incremental Housing Development Scheme (Pakistan): An Innovative & Successful Scheme for Sheltering the Urban Poor*, Saiban, Karachi.

UN-Habitat (2003), *Rental Housing: An Essential Option for the Urban Poor in Developing Countries*, United Nations Centre for Human Settlements, Nairobi.

UN-Habitat (2011), *Forced Evictions: Global Crisis, Global Solutions*, United Nations Human Settlements Programme, Nairobi.

UN-Habitat (2012), *State of the World's Cities Report 2012/2013: Prosperity of Cities*, United Nations Human Settlements Programme, Nairobi.

UNCHS (1991), *Global Strategy for Shelter to the Year 2000*, United Nations Centre for Human Settlements, Nairobi.

UNCHS (1993), *The Urban Poor as Agents of Development: Community Action Planning in Sri Lanka*, United Nations Centre for Human Settlements, Nairobi.

UNCHS (1997), *The Istanbul Declaration and the Habitat Agenda*, United Nations Centre for Human Settlements, Nairobi.

Wijayasinghe, S.L. Dhammika K. (2010), *Factors Contributing to the Failure of Development Induced Resettlement Projects: A Case Study of the Sahaspura Slum Relocation Project, Colombo, Sri Lanka*, Erasmus University, Rotterdam.

Winayanti, Lana, and Heracles C. Lang (2004), "Provision of Urban Services in an Informal Settlement: A Case Study of Kampung Penas Tanggul, Jakarta," *Habitat International* 28 41–65.

Yap, Kioe Sheng, and Aminur Rahman (1995), "Housing Women Factory Workers in the Northern Corridor of the Bangkok Metropolitan Region," in: I.M. Robinson and T. McGee (eds.), *The Mega-Urban Regions of Southeast Asia*, UBC Press, Vancouver, 133-149.

Yap, Kioe Sheng (2014), "Housing as a Social Welfare issue in Thailand," in: John Doling and Richard Ronald (eds.) *Housing East Asia: Socioeconomic and Demographic Challenges*, Palgrave Macmillan, Basingstoke, 227-246.

Zainal, Nor Rashidah, Gurmit Kaur, Nor Aisah Ahmad and Jamaliah Mhd. Khalili (2012), "Housing Conditions and Quality of Life of the Urban Poor in Malaysia," *Procedia - Social and Behavioral Sciences* 50 827 – 838.

Zhu, Haibin (2006), "The Structure of Housing Finance Markets and House Prices in Asia," *BIS Quarterly Review*, December 2006, 55-69.