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**" Urbanization, Slums Growth, and  
Challenge to Urban Planners"**

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*Zaigham M. Rizvi*

*zaigham2r@yahoo.com*

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# This presentation includes

- Housing Challenges around the Globe  
(World, Asia, Muslim World and Pakistan)
- Affordability Defined
- Urbanization, Slums and Housing Challenges
- Challenges to Urban Planners
- Way Forward

- Housing is a number game, more people more housing
- Pakistan is fastest growing country on a global scene in terms of population.
- Pakistan is facing a mammoth challenge of already existing massive housing backlog, which is on increase year-on-year
- That is leading to massive urbanization and slums growth, having indecent housing , unplanned, ill equipped habitat, leading to adverse environmental impact
- These slums are getting attacked on pollution from all its modes, meaning:
  - **SOLID Pollution,**
  - **LIQUID Pollution,**
  - **AIR Pollution,** air, and above all
  - **AESTHETIC Pollution**
- There is no consideration or sense even in people at helm of affairs

**PLANNEWRS can not discuss ENVIRONMENT in isolation**

## **Population, Housing, Slums and Environmental Impact**

- World population expected to reach between 7.9 to 10.9 billion by 2050
- By 2030, nearly 60% of the world's population will be urban, and nearly 1/2 will comprise of urban poor living in poor habitat and in slums
- Urban growth rates highest in the developing world, absorbing an average of 5 mn new urban residents/month, responsible for 95% of world's urban population growth
- Factors contributing to urban migration are: greater economic growth, rising income levels, employment opportunities, immigrant workers, occupational shift from agriculture to manufacturing and services, and changing attitudes towards consumption and life style
- Changing family culture and shrinking household size.

## Urbanization Explosion - global scene

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- Almost half of the World lives on less than \$ 2.50 a day, and one of four people around the globe are earning below \$ 80 a day.
- Worldwide, some 830 million people live in urban slums and by 2020, it is estimated that the world slum population will cross 1 bn.
- Every second person on the globe lives in urban areas. Expected to reach more than three out of four (70%) by 2050
- Slum dwellers grew from 777mn to 830mn during 2000-2010.
- Positive factor: 227 million moved out of slums; doubling MDG goals
- World needs 4,000 houses an hour to keep up with demand (UN-Habitat)

### **In view of this population and urbanization explosion**

- The percentage of people without access to decent, stable housing is rising.
- Adequate housing is vitally important to the health of the world's economies, communities and populations. If we are to succeed in our fight against poverty, we must support the expansion of housing both as policy and practice for Socio-Economic Empowerment..

- **Asia-Pacific represents:**
  - 1/4<sup>th</sup> of the world's population, and including China nearly half of the world population
  - Nearly 1/2 of the World's Poor
- **Awareness:** Housing has become a popular political slogan.
  - “Housing for all”;
  - “Slum Free Cities”
  - “Maang Raha hai har Insaan-Roti, Kapra, aur Makan” (Every human demands food, clothing and shelter); etc.
- **Delivery:** In few countries it is SOME, but in most there is NONE
- Each country in the region has its own geo-socio- economic parameters, while all face a common issue of “shelterless poor”

## Muslim World

- Fifty seven (57) countries are OIC members out of 193 UN members on a global scene
- The World population has crossed 7.3 Bn by 2013, whereas population of IDB member Countries was 1.6 Bn in 2009 (23%). Muslim population on the Globe is 2 Bn plus.
- The Muslim world represents 1 of 4 humans on the planet.
- Nearly the same share in number of countries.
- Irony is that it represents 1 of 2 poor on the planet.
- An acute challenge of widening demand/supply gap and rising housing backlog ... leading to Social Unrest.
- Most of the housing backlog and short supply is in low-income segment of the population.
- Population growth and urbanization are further compounding the existing huge backlog.
- Rising costs (land, construction, construction materials) are making housing unaffordable for the poor.

- IDB member Countries need around 8.2 mn new housing units/year. To meet this yearly demand they will need US\$ 15.5 Bn/year of investment in housing sector.\*
- The yearly requirement of housing in Muslim World is growing at 2.83% p.a.
- Sharia-Compliant Housing Finance in Muslim Countries is around 20% only.
- Muslim Population Share: Africa-53.0 %, Asia-32. 2%, Europe-7.6 %, N. America-1.8 %\*\*
- Urban population of IDB member countries is growing at 2.8%/year (Worldwide growth 0.5%).
- The total urban population of IDB Member Countries was 731 Mn in 2010, representing nearly half of total population of IDB member countries
- MD to GDP Ratio is highest in Malaysia (32%), and lowest in Pakistan and Egypt (below 1%).
- Institutionalized housing finance is at infancy stage in most of the Muslim countries

## **Housing is a 'Numbers' game – Muslim World is no exception!**



- For a population of 186 mn, household size of 6.6 and population growth rate of 2.5%, the incremental demand for housing for new household is 0.7 mn units per year.
- Urban population is nearly one-third of the total population and increasing. Likely to reach 50% by 2030-40.
- With changing socio-economic norms, household size will shrink from 6.6 to lower levels, leading to more demand for housing units for the same population. (India 5.6).
- Overall housing backlog is around 9-10 mn Housing Units.
- The Urban Housing Shortage is around 3.5-4.0 mn units, nearly all of which is in the Economically Weaker Segments (EWS) of population.
- The yearly housing supply is around 0.3 mn or may be less. Therefore, short supply is adding another 0.3-0.4 mn every year to the existing backlog.
- Depletion of old housing stock will further widen the shortage.
- The Rural Housing Shortage is 5 mn units, being neglected so far.
- Rural Housing calls for a different approach to address the issue of Housing Supply and Housing Finance. No Govt has ever addressed the issue of Rural Housing.

## **Affordability: as per market practice**

### **(Based on general definition used in the region)**

#### *Income Affordability :*

- When 35-40% of the disposable income match the equated mortgage installments (EMIs)
- Loan to value (LTV) ratios are typically 70:30 or 80:20
- Loan Tenors are long term of 20-30 years

#### *Cost Affordability:*

- The cost of a housing unit is equal to 50-70 times (4-6 years) of monthly income and EMI is determined for long term loans

The above market norms are used for low and lower-middle income segments of population (LIH) and do not apply in case of housing microfinance (the Bottom of the Pyramid –BoP or EWS), where an entirely different business model would be used

## Affordability Defined....*haves*



ANTILIA: Mukesh Ambani House Mumbai One Billion Dollar, 27 Story, 400,000 Area, 600 Staff to maintain  
Mr. Ambani does not live in it

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**Affordability is not what you have**

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# Affordability Defined....*have-nots*

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By KELVIN CHAN | Associated Press - 17 hrs ago



Cage Housing in Hong Kong



Shoes made of used Mineral Water Bottles

**Affordability is what you essentially need and would like to have  
Then poor are obliged to find their own ways in housing ....they develop slums**

- Increased urbanization, population growth, depletion of stock
- Changing size of persons per household (a cultural phenomenon)
- Cities growing in circles around inner circles, rather than developing new cities and satellite towns
- Low-Income Segment prefers to live close to the place of work
- Failure in redefining city limits with progressive Master Plans (urban/rural rezoning)
- Land prices force poor into suburbs/illegal habitat having no civic amenities, transport, utilities, while Slums in inner circles of cities provide all these amenities-leading to slums growth.
- Failure or absence of an integrated Housing and Urban Development Function

## **Urbanization, Urban Housing Shortage and Growth of Slums**

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## ***Urbanization:***

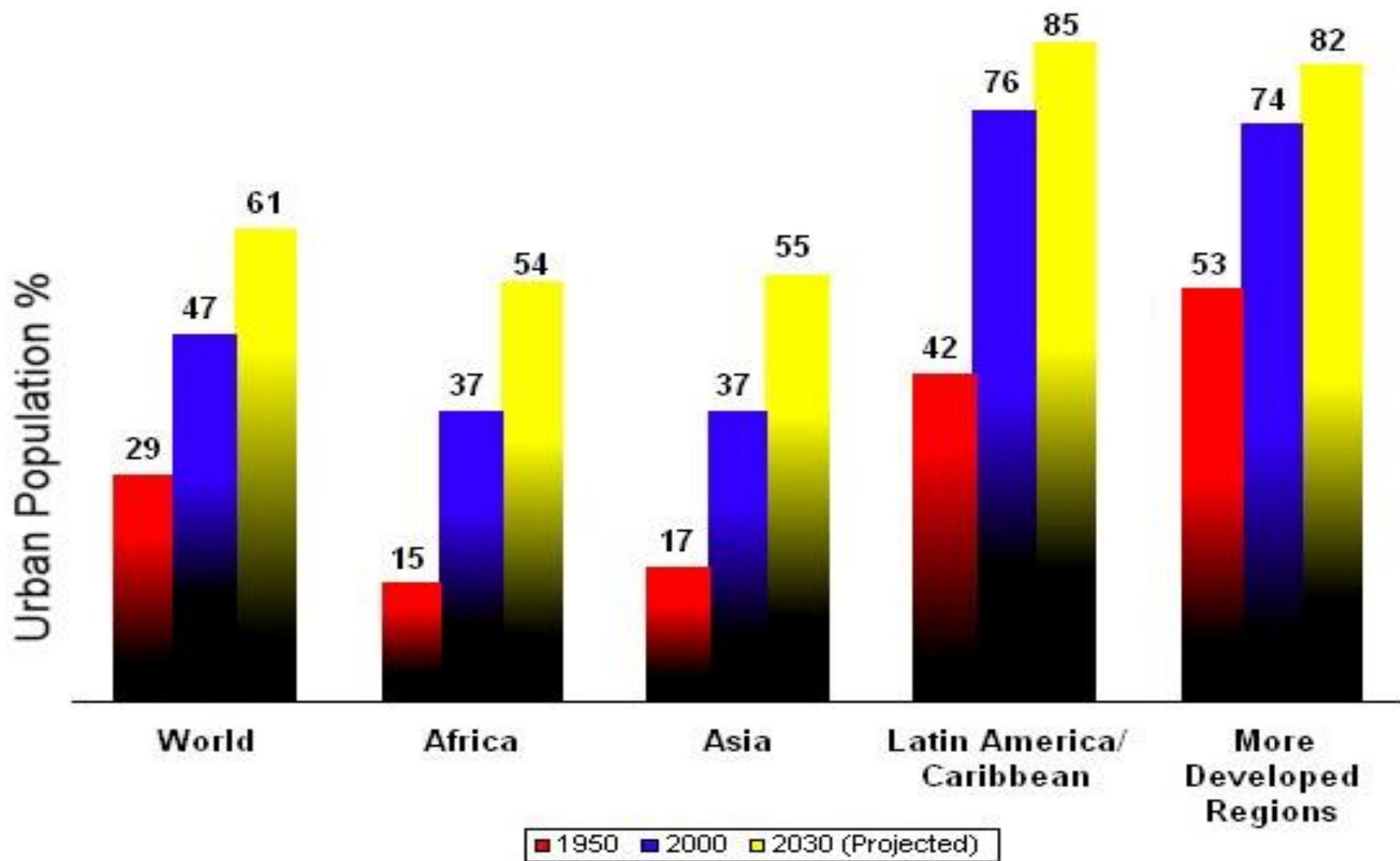
- World Urbanization in 2010 – 51%, and by 2030-61%
- Cities in developing countries are expected to absorb 95 per cent of urban population growth in the next two decades, increasing the slum population by nearly 500 million between now and 2020.

## ***Slums:***

- One billion people live in slums. That's one out of seven of us. Unless urgent action is taken, 1.4 billion people will live in slums by 2020
- Cities account for some 70 per cent of global GDP and city slums are often economically vibrant; around 85 per cent of all new employment opportunities around the world occur in the informal economy
- Slum dwellers grew from 777mn to 830mn during 2000-2010
- Positive factor: 227 million moved from slums; doubling MDG goals
- World needs 4,000 houses an hour to keep up with demand (UN-Habitat)

## **Unplanned Urbanization leads to Slums**

## Trends in Urbanization by Region, 2003.



Source: United Nations, World Urbanization Prospects.

## Urban population living in slums, %

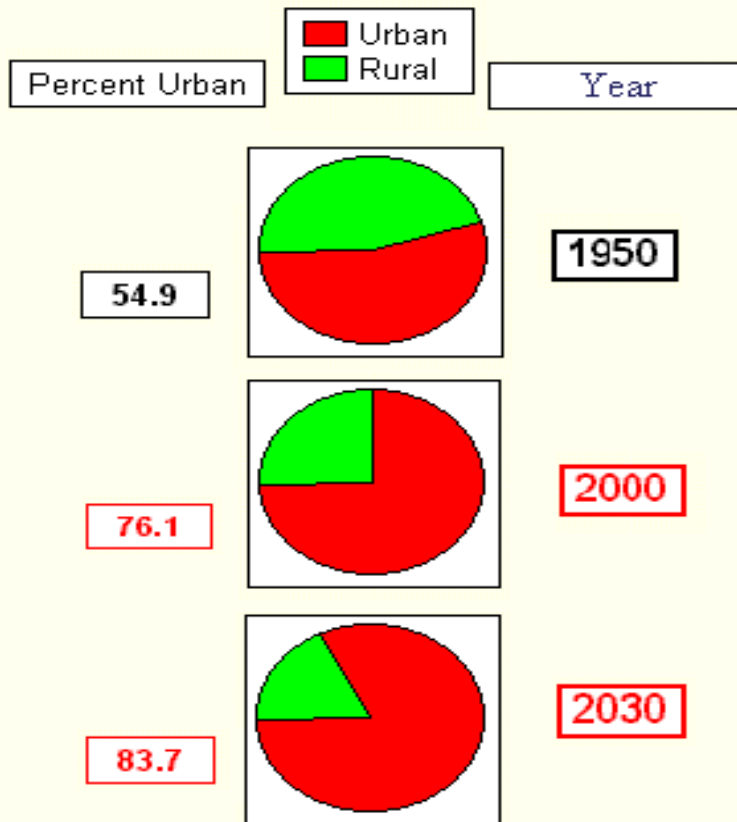


Source: UN-HABITAT

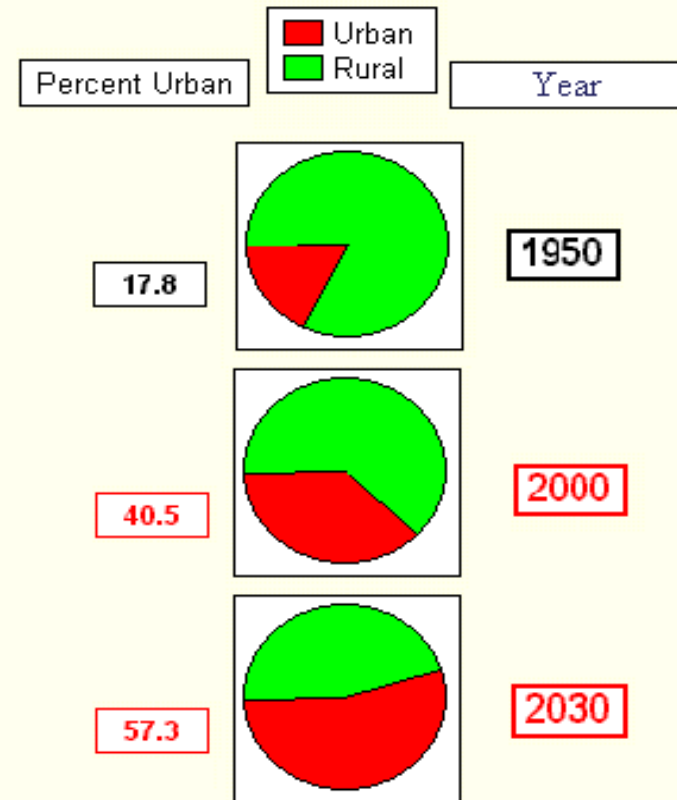
# Urbanization and Slums



## More Developed Regions



## Less Developed Regions



# Urbanization of Third World Societies

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- Poor structural quality and non-durability of housing
- Insufficient living areas and indecent living conditions
- In Kibera-Nairobi, at times, on a 40 Sq.mt plot, three bedrooms accommodate three families, with an average persons/room density of 6+
- Situation is similar in slums of Afghanistan, India, Pakistan, Bangladesh and many other countries of Asia-Pacific
- Lack of secure tenure, thus no motivation to make improvement in the shelter
- Poor access to water, sanitation, sewerage etc
- Diseases like cholera, pneumonia, malaria, HIV and diarrhea are prevalent in many slums
- A slum is more than an area of concentrated poverty; it is an area of physical and social deterioration
- High crime rates. Slum dwellers are considered to be involved in serious crimes like drug and alcohol abuse, juvenile delinquency, gang violence etc.

## **Characteristics of slums**

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- **Afghanistan:** 80% of Kabul's population (2.44 mn) lives in slums and/or in damaged/destroyed houses
- **Bangladesh:** 2,100 slums. In Dhaka only, 2 mn people live either in slums or are without any proper shelter
- **India:** 52,000 slums provide housing to 8 mn people (about 14% of the total urban population)
- **Pakistan:** Karachi alone has between 600-800 slums sheltering 7.6 mn people (1 million plus households) out of the total city's population of 18 mn
- **Sri Lanka:** A considerable share of the population of Sri Lanka lives in plantations, slums or shanties
- **Mongolia:** 51% of the population residing in temporary 'ger' dwellings
- **Indonesia:** 17.2 mn families live in approximately 10,000 slum areas

## Slums Prevalence in Asia

Some of these slums are:

- ◉ DHARAVI SLUM IN MUMBAI, INDIA
- ◉ ORANGI TOWN, KARACHI, PAKISTAN
- ◉ KIBERA SLUM, NAIROBI, AFRICA

**Biggest slums around the world**

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*\*Source: <http://factspy.net/biggest-and-dirtiest-slums-from-around-the-world/>*

- ◉ Mumbai slum ***Dharavi*** in India is one of the biggest in the world. It used to be the largest slum in Mumbai at one time, but as of 2011, there are four other slums in Mumbai appearing to be larger than Dharavi.
- ◉ Poverty, alongside increasing crime, unhygienic conditions, pollution, black spots, illegal business, drugs, prostitution, women crime, drug trafficking, child labor and abuse, diseases, AIDS\*
- ◉ Dharavi's 600,000-1,000,000 persons inhabit 0.67 square miles.
- ◉ Dharavi household industry exports goods around the world. The total (and largely informal) turnover is estimated to be between US\$500-650 million per year. Actual may be more, since a large section of produce is sold to large scale exports.
- ◉ As of November 2006 there was only one toilet per 1,440 residents in Dharavi
- ◉ The main trade/handicrafts, and migrants who brought them here in Dharavi, are Pottery (Gujratis), Tannery (Tamils), Garments (UP)

## **Dharavi Slum in Mumbai, India**

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\* Source: <http://factspy.net/biggest-and-dirtiest-slums-from-around-the-world/>



Photograph by Jonas Bendixsen

**Vertical Slums**

Failed urban renewal attempts stick out above a warren of metal-roofed shacks. Built to provide more modern facilities, the towers became dilapidated after only a few years because of poor maintenance. A current redevelopment plan calls for razing all slum housing in Dharavi and replacing it with more high-rises. But the free housing promised will house only a fraction of those losing their homes.



Photograph by Jonas Bendixsen

**Cleaned Up, Cleared Out**

If city planners prevail, high-rise residential blocks and industrial parks will replace the dense web of metal-roofed homes and shacks in Dharavi. Bisected by 60 Feet Road, the slum borders a mangrove swamp and the upscale Bandra neighborhood to the north.



Photograph by Jonas Bendixsen

**A Neighborhood Walk**

A young girl strolls along a leaky water pipe through Dharavi's industrial district.

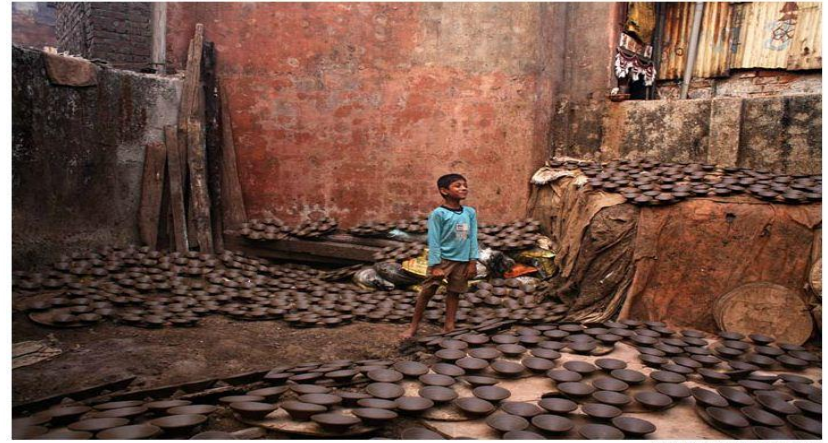
# Dharavi-Mumbai



Photograph by Jonas Bendixsen

#### Eking Out a Living

The chance to earn a few dollars a day—and save for family and future—draws laborers from across India to Dharavi, whose off-the-books, largely unregulated industries annually churn out some \$500 million dollars' worth of goods. In the Kalyanwadi tanning district, workers handle dry cowhides that will end up as purses and jackets stitched with fake designer labels. Often the work is dirty and punishing.



Photograph by Jonas Bendixsen

#### Bowled Over

A potter's son surveys a yard paved with drying clay bowls, the traditional work of the Kumbhar caste, who set up their communal clay pits and kilns in the 1930s. The Kumbhars fear that any slum renewal will shrink their space or force them to relocate.



Photograph by Jonas Bendixsen

#### A Neighborhood Walk

A young girl strolls along a leaky water pipe through Dharavi's industrial district.



Photograph by Jonas Bendixsen

#### Dirty Laundry

At a laundry pool grimy with sewer runoff, laborers from the state of Andhra Pradesh make ten cents per piece of clothing.

# Dharavi - Mumbai

- ◉ Orangi Town is a town in the northwestern part of Karachi, Sindh, Pakistan, spreading over 22 square miles
- ◉ Orangi town has a population of approximately 2.5 million although government records report 720,000 inhabitants (1998 census). It could be the largest slum in Asia, possibly surpassing Mumbai's Dharavi in terms of population.
- ◉ The population began to grow from 1965 onwards as a residential extension to the Sindh Industrial and Trading Estate (SITE)
- ◉ Orangi also comprises of several new developed middle class areas and housing-societies that are still considered slums for statistical purposes, since they lack basic facilities that are provided to most homes.
- ◉ Orangi received the world's attention when local community financed, designed and built their own low-cost sewerage system, since the city municipality refused to allow the sewer system to be connected to the existing city sewers due to Orangi's unauthorized status

(Orangi Pilot Project was initiated by Akhtar Hameed Khan in 1980 )

## Orangi Town - Karachi Pakistan

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## Orangi-Karachi Pakistan

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- There are approx. 2.5 million slum dwellers in about 200 settlements representing 60% of Nairobi's population, occupying just 6% of the land
- Kibera houses almost 1 Million people. Kibera is the largest slum in Nairobi, and the second largest urban slum in Africa
- Government owns all the land. 10% of "people" are shack owners and these "people" own many other shacks and sub-let them. The rest are tenants.
- Until recently, Kibera had no water. Only about 20% of Kibera has electricity
- In Kibera there are no government clinics or hospitals. The providers are the charitable organizations. People are dying from cholera even in the 21st century
- In most of Kibera there are no toilet facilities. One latrine (pit in the ground) is shared by 50 shacks. At times 2,000 people share these community toilets
- Alcohol (Changaa-50% alcohol), cheap drugs and glue sniffing is common.
- Kibera is near the industrial area of Nairobi where up to 50% of the available workforce are employed (usually in unskilled jobs). However, there is still an unemployment rate of 50%. That is why the training and teaching of skills is very important.
- Watch the video on YouTube "Famous and Rich- in the slums-2011"

## **Kibera Slum - Nairobi, Kenya**

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## **Kibera Slum, Nairobi, Kenya**

## Urban Planners to work on:

- Slums improvement and up-gradation Programs.
- Slums Resettlement Programs.
- Incremental Housing business model
- Plan and develop new settlements in suburbs equipped with physical, social and economic infrastructure.
- Linking urban periphery with urban centers of commerce and business with suitable mode of communications.
- Business Models of Private-Public Partnership.
- Compile and process data on urban-rural migration and measures to regulate/control urbanization (Model of China).

- **The Number Case:** Large number of dwellers offer benefits of economies of scale.
- **The Financial Case:** By providing security of tenure and access to services, poor are keen to invest in their dwellings
- **The management Case:** Urban Planners need to recognize Slums as part of Urban Management Challenge for planners.
- **The Urban Development Case:** Slums to be an integral part of urban development strategy of planners
- **The Governance Case:** Engage households and community leaders in slums improvement, rehabilitation or resettlement programs.
- **The Socio-economic Case:** Integrate social and economic infrastructure initiatives in slums programs.

## **Case of Slums and Housing**

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Households at Bottom-of-Pyramid, with low or irregular income and no access to formal financing sources start by constructing minimal basis dwellings which they extend and improve as resources become available. This process of extension and modification can take decades or may never end.

These steps are:

- **Acquiring Land:** Squatting or unregistered land sales
- **Incremental Construction**
- **Infrastructure and Services:** Access to physical, social and economic infrastructure
- **Security of Title** and basis of ownership
- Unrecognized part of the urban system and services, BUT not apart of Urban Planning and Budgeting System.

## **Incremental Housing Phenomenon in Slums Development**

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Urban Planners need to develop:

- Innovative approaches in urban planning to address issues of rapid urbanization, backlog and cost/income affordability.
- Regulations on densification: Inner city expanding in circles around circles results in further densification.
- Alternative options to act against slums prevalence, expansion, and inefficient use of land. Resettlement and Rehabilitation Projects.
- New neighborhood/satellite towns equipped with physical, social infrastructure, transport etc.
- On-going coordination and wisdom sharing between urban planners, housing ministry, developers and academia.
- Business model of Public-Private Partnership for viable and sustainable plans and projects.
- Role of Academia, Research Centers etc.

**Urban Planners need to .....**

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## **Self-sustained Communities are equipped with:**

- Social: Health, Education, Community participation
- Physical: Internal and External:
  - Internal: Roads, Electricity, Sewerage, Water, Playground
  - External: Roads, Transport, Communication
- Economic Infrastructure: Commercial opportunities
- Energy efficient and affordable housing.

Affordable housing should be more than just a roof over someone's head — it creates solutions that help residents and strengthen communities.

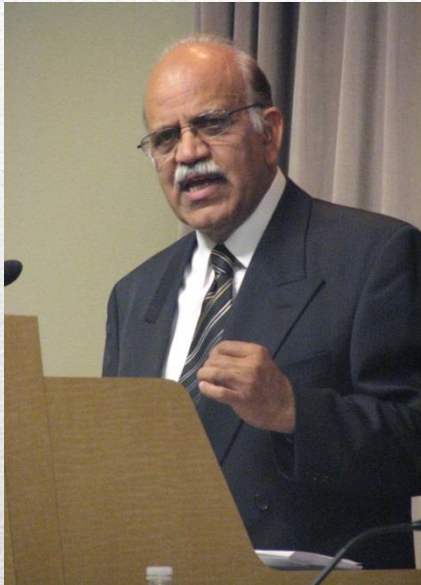


# Urban congestion and courage of Urbans



## Railway Train-track Veggie Market

<http://www.youtube.com/watch?v=MENjFkEAj9g>



## **Issues we know, Answers we need**

**Zaigham M. Rizvi**

**zaigham2r@yahoo.com**

**Secretary General: Asia-Pacific Union for Housing Finance-APUHF ([www.apuhf.info](http://www.apuhf.info))**

**Ex Housing Consultant World Bank, UNHABITAT, CMHC-Canada**

**Senior Advisor Housing ShoreBank Int'l (Enclodes) USA**

**Ex- Advisor Housing, central bank of Pakistan**

*Prepared by Mr. Zaigham Mahmood Rizvi. The information has been compiled by Mr. Rizvi from self study and from different sources. He is grateful to all those serving this noble cause in some form or the other.*

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