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*Urbanization, Slums Growth and Challenges of  
Low Income Habitat:  
Session-3*

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# Presentation includes

- Urbanization, Slums and Housing Challenges
- Housing challenges in Asia
- Urbanization and growth of slums
- Biggest Slums around the globe
- Affordability and Housing Market Segmentation
- Urban Housing Shortage and Urban Planning
- Energy Poverty and IFC lighting Global Program
- Low-Income Housing (LIH), Issues and Answers (Supply Side)
- Low-Income Housing (LIH) Issues and Answers (Demand Side)
- Conclusion
- A short Video on Urban Congestion: Railway Track-side Market



# Urbanization Explosion around the Globe

- World population is expected to cross 10 billion by 2050
- By 2030, nearly 60% of the world population will be urban, and nearly ½ will comprise of urban poor living in poor habitat, in slums or in indecent housing
- Urban growth rates are highest in the developing world, absorbing an average of 5 million new urban residents/month
  - Urban migration is responsible for 95% of population growth in major metropolitans
- Factors contributing to urban migration are: greater economic growth, socio-economic disparity between smaller towns and metropolitans, rising income levels, employment opportunities, immigrant workers, occupational shift from agriculture to manufacturing and services, changing attitudes towards consumption and life style, changing family culture and shrinking household size



# Global Urbanization Explosion Cont'd

- Almost half of the World lives on less than \$ 2.50 a day, and four of five people around the globe are below \$ 10 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 (one out of seven people on the globe)
- Slum dwellers grew from 777mn to 830mn during 2000-2010, **may be much more**
- **Positive factor: 227 million moved out of slums; doubling MDG goals**
- World needs 4,000 houses an hour to keep up with incremental demand due to population growth (UN-Habitat)
- **Absence of any** Deficient rural housing policies and programs are adding fuel to the fire.

## **Population and urbanization explosion is leading to:**

- Rising percentage of people without access to decent, stable housing.
- Adequate housing is vital 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 as well as practice for Socio-Economic Empowerment..



# Unplanned Urbanization leads to Slums

## *Urbanization:*

- World Urbanization in 2010 - 51%, and by 2030 - 61%, three out of four by 2050
- 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 plus people live in slums. That's one out of seven. 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 (Case of Dharavi, the Mumbai Slum)



# Housing Challenges : Asia-Pacific Region

- Region represents more than 1/4<sup>th</sup> of Worlds Population and 1/2 of the poor on the planet
- Asia-Pacific, including China, represents 1/2 of the Worlds Population
- Region is still among the lowest in terms of Mortgage Finance
  - Average Mortgage Debt to GDP Ratio is 3.3
- Region is faced with massive housing shortage
  - India alone faces an urban housing shortage of 18 mn, down from 27 million in 1990s.
- Nearly entire urban shortage is in low-income category
- Persons per room density:
  - India/Pakistan            3.5
  - EU                            1.1
  - USA                          0.5



# Asian Snapshot

- **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”



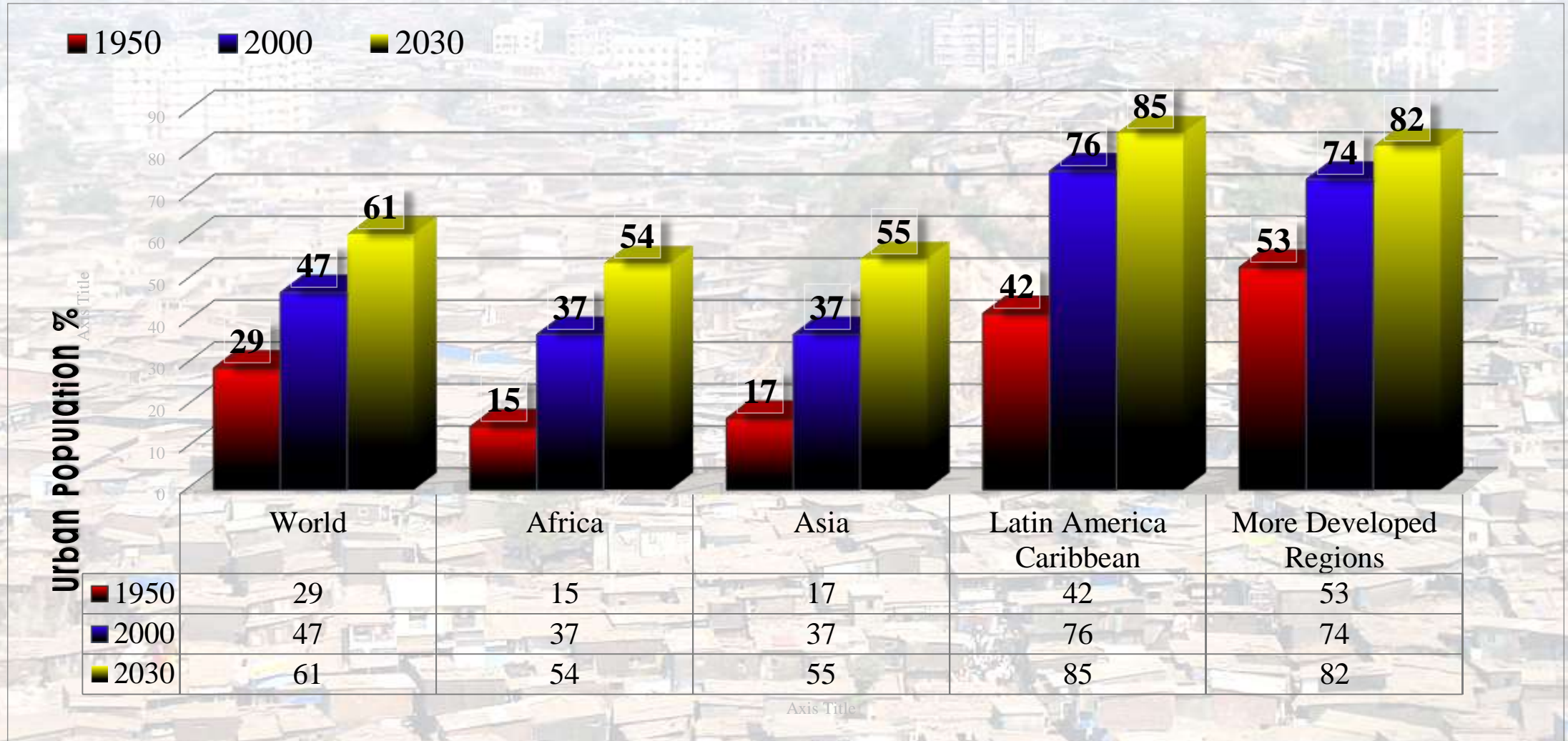
# Urbanization, Urban Housing Shortage and Growth of Slums

Factors leading to increased urbanization, growth of slums and housing shortage are;

- 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
- Preference of Low-Income Segment to live close to the place of work-so emergence of illegal habitat/slums
- Failure in redefining city limits with progressive Master Plans ( urban/rural re-zoning)
- Land prices that 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** Deficient integrated housing and urban development function.



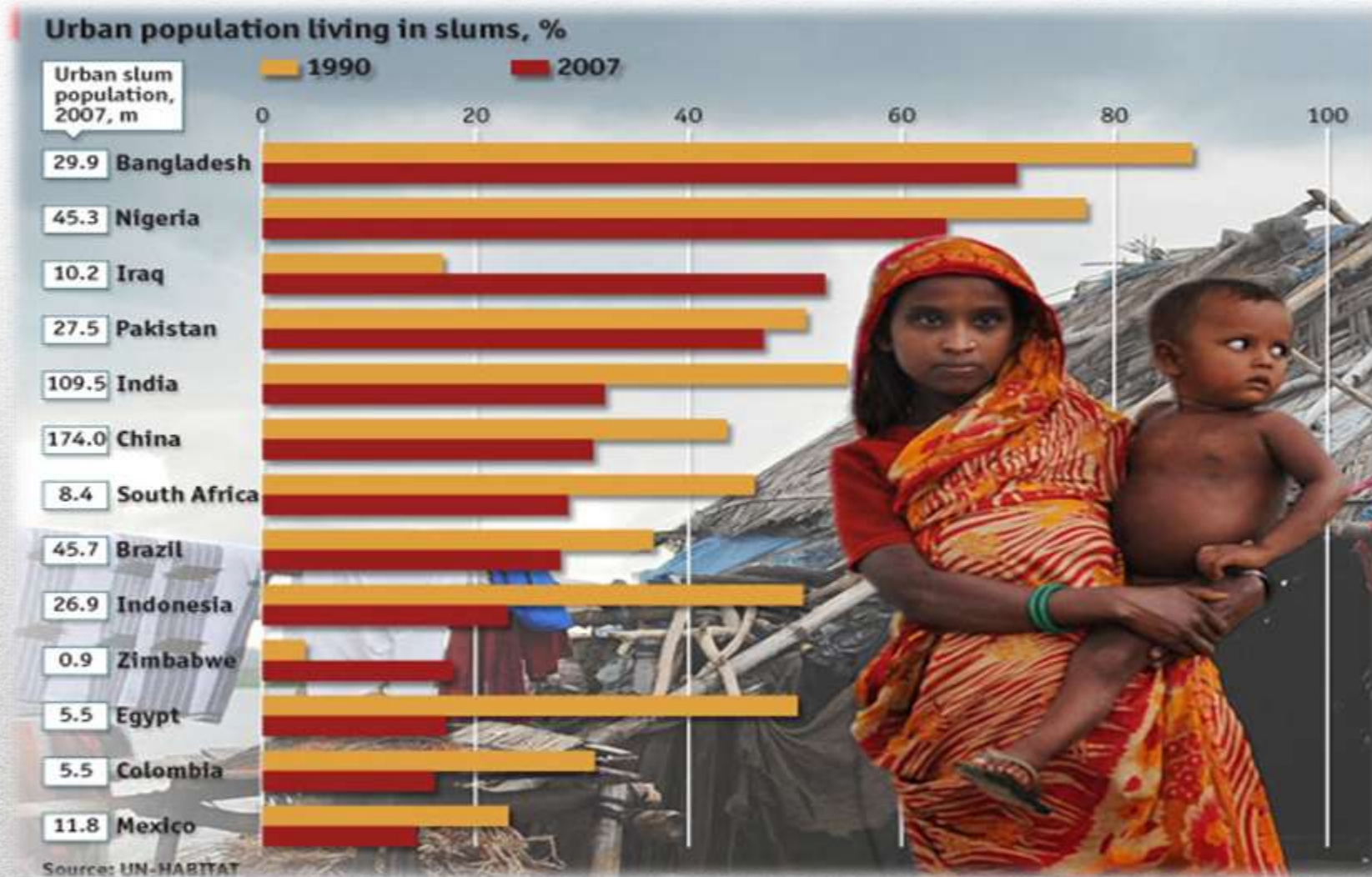
# Trends in Urbanization by Region



Source: United Nation World Urbanization Prospects



# Urbanization and Slums



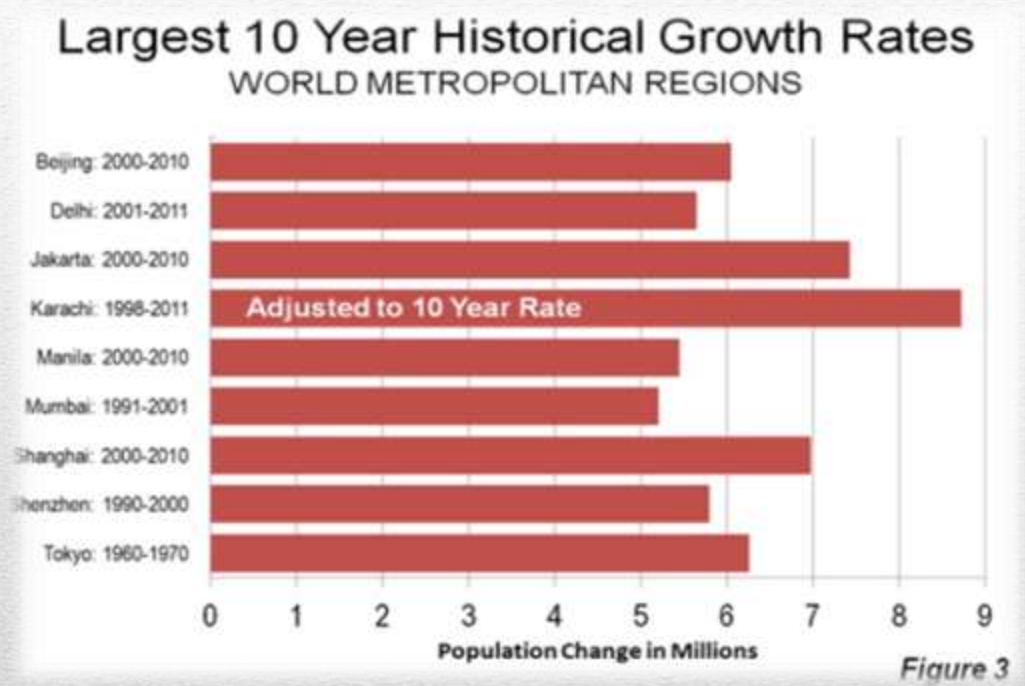
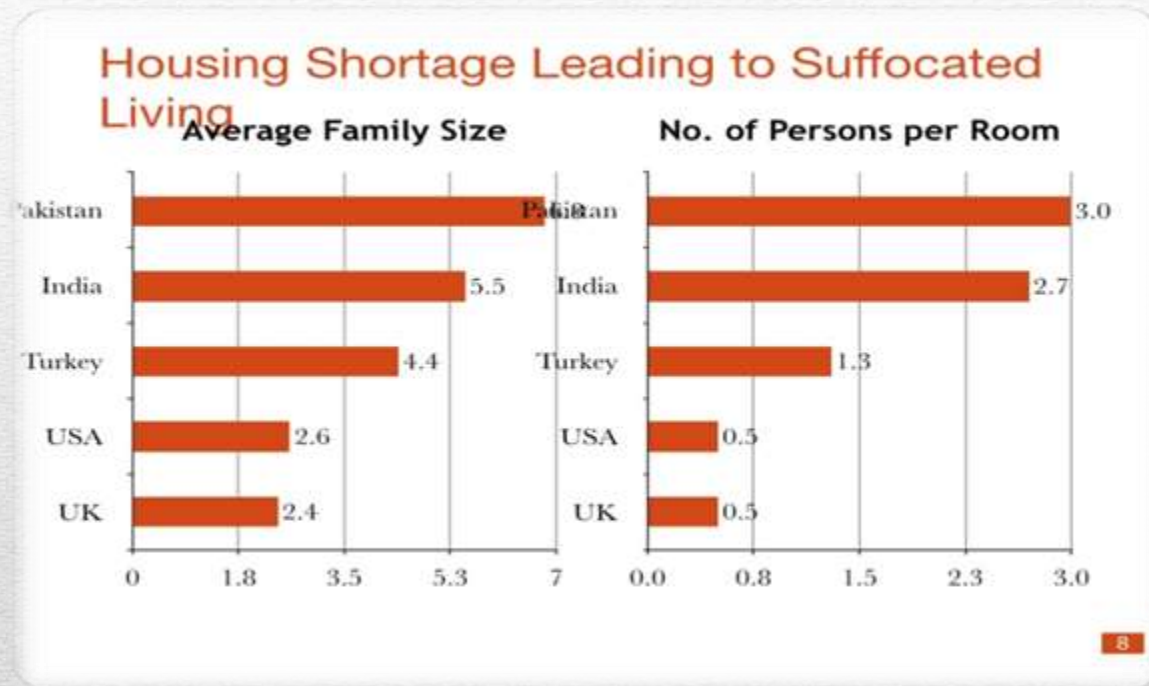


# Slums Prevalence in Asia

- **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



# Asia: facing an abnormal urbanization and housing challenge





# Urban Congestion – a glimpse into reality





# Dharavi - Mumbai



Photograph by Jonas Benliouan

**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 Benliouan

**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 Benliouan

**A neighborhood walk :** A young girl strolls along a leaky water pipe through Dharavi's industrial district



Photograph by Jonas Benliouan

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



# Kibera Slum, Nairobi, Africa





# Afghanistan: Slums of Kabul





To provide housing solutions to the lower income segments of society, thereby increasing their access to *formal credit*, a *healthy community*, and a *sustainable environment* through building an efficient business that is scalable and replicable

***Pakistan: Ansaar Management  
Company-AMC: KKB -4 Lahore***





# Urban Housing Shortage and Urban Planning

## Urban Planners need to develop:

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



### ***Market Housing:***

- Represents High and Middle Income Market Segments
- ***Market Segment*** is addressed by market forces on its own without any need for state-intervention or support
- Supply is there to meet the demand

### ***Social Housing:***

- Represents lower-middle and low-income market
- Social segment needs state intervention/support to facilitate affordable housing supply and an enabling environment –***LIH Segment***

### ***Housing Microfinance***

- Bottom of the Pyramid: The candidates for housing microfinance, needing delivery through direct/indirect state subsidies. ***EWS Segment***



# Sustainable Housing Solutions for slum dwellers

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

- Social:  
Health, Education, Community participation
- Physical:
  - Internal: Roads, Electricity, Sewerage, Water, Playground
  - External: Roads, Communication, Transport
- Economic Infrastructure: Commercial opportunities.
- Location.....maximum one hour commuting time to job
- Energy efficient and affordable housing
- If Off-Grid, then equip communities with alternate energy sources

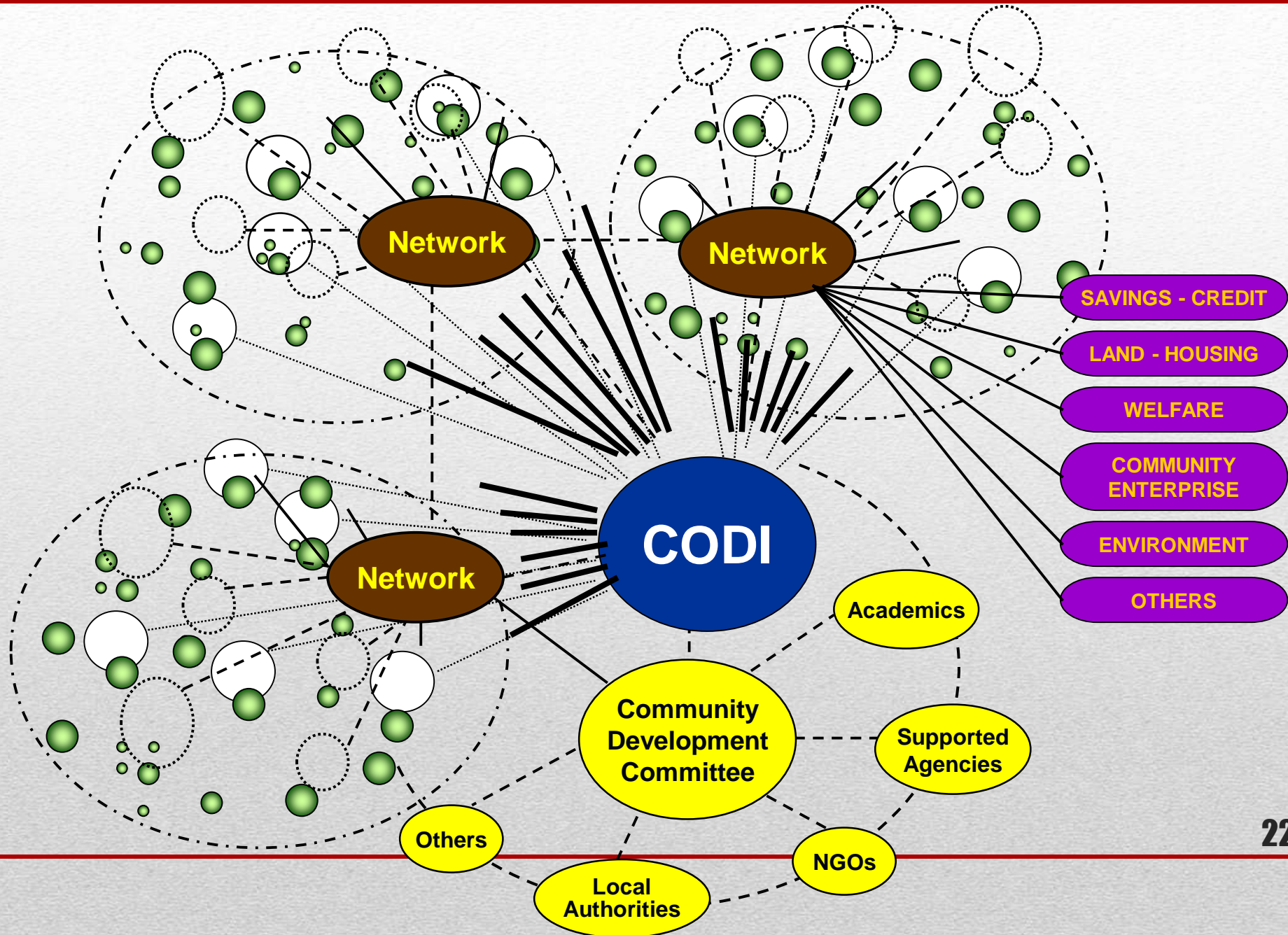
**Affordable housing should be more than just a roof over someone's head — it creates solutions that help residents and strengthen communities.**



## **Self-sustained Communities: Developing Slums into decent habitat**

- CODI was established in 2000
- A public sector organization having flexibility in organizational management
- Main objective is to strengthen poor community organizations and Community Welfare
- Citywide slum upgrading ( “Baan Mankong”)
- Poverty Alleviation (Supporting communities in savings, credits, loans and community development plan, etc.)
- Assisting in setting up of Community Organization Councils throughout the country
- Promoting natural resource management, sustainable agriculture, solving land and housing disputes
- To make people as the owners and key actors of the process, not CODI
- To coordinate with govt. agencies, NGOs and other civic groups
- To promote community-based savings and make use finance as a tool for development









## **Baan Mankong Chantaburi - Before and after**



***A CODI Project: Before and after***



# Conclusion

- Affordable housing is a major challenge in all developing countries.
- Developed countries are no exception.
- Primary issue in addressing the challenge is the supply of affordable and habitable land (serviced land).
- For a decent habitat, the land is to be equipped with basic social and physical infrastructure.
- To develop new affordable and self-contained communities, Ironically such land is either in un-electrified or under-electrified areas/locations.
- Alternate energy sources like solar, wind, biomass etc. offer the most viable and sustainable option.
- Out of these, solar is most appropriate option since it can be provided at a very small scale like Solar Lanterns, Solar Home Solutions, Solar Water Pumps, etc.
- IFC has launched a Lighting Global Program, which has its regional components like Lighting Asia, Lighting Africa and its sub-segments at country level like Lighting India, Lighting Pakistan etc.
- Lighting Global Program is seen to be having a visible impact in empowering communities.
- Urban Planners, Developers, Governmental Agencies and NOGs need to partner with Lighting Global initiative.
- Low-Income Housing has issues on supply and demand side. There are workable answers as well.
- Need for wisdom and experience sharing at regional and global level





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





Railway Train-track Veggie Market

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

**Urban congestion and courage of Urbans**

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