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Assisted Community Housing Initiative in Dhaka: Rethinking role of NGOs in affordable housing development

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Abstract

This research highlights how the strength of a group of mobilized slum dwellers was harnessed to bring in change in their housing condition. The community, with active support from a non-government organization, was able to develop housing for themselves. The article demonstrates that assisted community housing as an approach is capable of offering a sustainable housing development solution in a resource-constrained country like Bangladesh. The article aims at examining the context and the process, and identifying the operational barriers, and it explores future prospect of this approach in a specific context. Through elaborating on the community efforts, the article sheds lights on the difficulties that were encountered by the NGO and the community, making this a shared struggling experience. It identifies that with a few policy level interventions and changes in operational practices of different government agencies, a supportive environment can be created which will foster NGO's stewardship to making this approach produce more equitable, efficient, affordable and, above all, sustainable housing development for the urban poor.

Keywords

Affordable housing, community housing, slum, NGOs, Dhaka

Introduction

Today, providing affordable housing to the low-income people is one of the formidable challenges for most developing countries including Bangladesh. The capital city Dhaka, with about half of its population living in slums and slum-like settlements, can barely improve the housing situation in the face of rapid urbanization, limited capital resources, bureaucratic governance system, lack of sound urban and housing policies, and recurrent slum evictions without proper alternative arrangement. The centralized bureaucratic system in the housing sector inhibits community involvement in any form. The involvement of the private sector and the non-government sector is constrained by a sound policy support. The need and demand for housing is rising more rapidly than the supply, creating an ever-increasing gap. Although there is no statistics available on the actual housing shortage in Dhaka city, it can be estimated from the annual flow of half a million new migrants into the city that on an average, 0.1 million additional housing is required each year. This will continue to grow in the near future until effective measures are taken by the government and the relevant stakeholders. Meeting the gap requires new approaches and new ways of addressing issues such as security of tenure, access to finance, participation, and coordination and collaboration of different stakeholders. This article describes such an innovative community housing effort with active support from a local NGO in Dhaka city. This aims at understanding the nature of the problems associated with community housing initiative with a NGOs involvement. There is considerable literature identifying the barriers of NGOs involvement in the urban housing sector in Bangladesh (see Rahman, 2002, 2005). These are mainly the demotivating factors for the NGOs to participate in urban housing sector. However, there is barely any research investigating the actual problems faced by the community or the NGOs after overcoming initial motivational 'barriers'. Therefore, this article investigates the ground-level realities of problems faced by the community and the NGOs through the case study project. Housing Assistance Project-1 is the first implemented project among the two initiated in Dhaka City by an NGO called Association for the Realization of Basic Needs (ARBAN). The article begins by describing the low income housing approaches, the general difficulties for addressing the low-income housing programs and the main types of sub-markets for housing that are available to the urban poor in Dhaka. It then describes the background for such a project by the NGO and the community, which is followed, by describing the difficulties for implementing the project. Later, it is examined against affordability and replicability, and discussed as to how these problems can be addressed to make this a sustainable and viable approach.

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It is concluded that as this is an original approach to the construction of new dwellings and the only example so far in the country, it justifies further research, addressing the harmony of the relationship between the NGOs and communities as well as their connection with the external factors. However, it is emphasized that for low-income housing development in a resource-constrained country like Bangladesh, this new approach should not be treated as an aberrant example and should be encouraged by creating a supportive mechanism by the relevant stakeholders.

Research Methods

A case study approach was adopted for the research reported in this article. A low-income community housing project for the slum dwellers implemented by an NGO called ARBAN was taken as a case study for the research. Data and information used in this article were collected from NGO officials, government officials and the project beneficiaries who were once living in different informal settlement areas in Dhaka. In total, four separate, in-depth, face-to-face interviews were held for the officials and nine in-depth interviews were held for the beneficiaries.

Low Income Housing Approaches and Current Provisions

Dhaka being the capital is the most populated city in Bangladesh. The city has a long history of 400 years as a dominant city: first as provincial capital of the Mughals in the seventeenth century, then as the second-largest city in Bengal after Calcutta under British rule and later, after the Partition of India in 1947, as the administrative capital of East Pakistan. The historical dominance of the city as the political, administrative and trading hub played a major role in gaining its primacy over the others. As the main centre of administrative, political, cultural and economic life in the country with the most developed urban infrastructure, it attracts the largest share of direct foreign investment in trade and industry, and consequently has become the largest agglomeration of different sectors of service, education, manufacturing, business and infrastructure. This has opened up massive employment opportunities in the formal and informal sector, encouraging a large influx of skilled and unskilled population from other urban and non-urban areas into the city. According to the Bangladesh Bureau of Statistics (BBS, 2011), the statistical metropolitan area, that is, the city and surrounding municipalities has a population of over 18 million, while the city has a population of 8.5 million. The annual growth rate of population in the city is averaging around 4.2 per cent (4.67 per cent in 2011) against a national annual urban population growth rate of 3.3 percent. With a density of 23,234 people per square kilometre within a total area of 300 sq. km, it is one of the most densely populated areas in the world. A recent household expenditure survey shows that 12 per cent of Dhaka's urban population lives at or below the poverty level (BBS, 2016). The Centre for Urban Studies (CUS) in 2005 estimated that more than 37 per cent of the people living in Dhaka City are residents of slums and squatter settlements. Though there is no recent statistics available on the actual housing requirement in Dhaka, the city had an annual requirement of 0.22 million dwelling units up to the end of the century, which included 80,000 new dwellings; 102,000 replacement units and 35,000 backlog units (BCL-IDSS-Prashika, 1996). According to Real Estate and Housing Association of Bangladesh (REHAB, May 2011) the requirements of the urban poor is 0.14 million units, which constitute almost two-thirds of the total requirements.

Today, providing affordable housing to low-income people is one of the most formidable challenges for most of the developing countries including Bangladesh. However, the extent and nature of the problem differs and depends on the historical, socio political and economic background. This has led to the emergence of a wide variety of approaches to try addressing the problem including state-led (Pugh, 1986, 1987), state-enabled (World Bank, 1993, 2002) and community-based participatory and partnership (J. F. C. Turner, 1996) approaches. However, in Dhaka, the dominant approach of housing for the lower income strata is the top-down state-led approach, though highly irregular and erratic in nature and inadequate in terms of quantity supplied. This system of housing completely excludes resident participation; governmental organizations often design the projects and provide the means of implementing them without consultation.

During the 1970s through the 1980s, the government acted as a direct provider through a number of site and service projects. In these projects, low-income groups were given plots of land including basic infrastructure such as electricity, drinking water and sewerage. Generally, these projects were often situated on the urban peripheries due to relatively low cost in urban fringes. Due to the high cost involved with infrastructure provision in these peripheral areas, onsite infrastructure was often provided with a core-housing unit. The beneficiaries were mostly the evicted squatter dwellers from the inner city areas and low-grade government employees. These projects were not very effective due to the high cost involved for contracting and subcontracting method of implementation, location of the projects at the periphery with limited employment opportunities and high

transportation cost for the beneficiaries (Hasnath, 1982). However, some of the projects went beyond the basic site and services features as they involved providing community facilities such as mosques, police outposts, community centres, paved roads, etc. (Hasnath, 1982).

In 1991, under the Slum Improvement Program (SIP), 18 slums in Dhaka were brought under the upgrading scheme by providing an integrated package of basic physical, social and economic infrastructure services to the urban poor (Siddique, Alam, Rahman, Rahman, & Jahan, 1975). This government- and donor-initiated, NGO-led environment upgrading project mandated community participation as an implementation strategy. Besides, since the late 1990s, there are a number of initiatives of providing housing through rent-purchase basis after direct construction of units by the government (NHA, 2013). However, except for the site and service scheme and the SIP, these projects are mainly targeted to the government officials and middle income people with no impact on the housing problems of the poor. Considering the magnitude of the housing problem and lack of resources, these are very incidental and very small to be effective to address the challenge.

In parallel with these projects during the late 1990s a low-income housing project called the Bhasantek Rehabilitation Project was initiated following a public-private partnership approach. The first ever public-private partnership project designed for the poor, however, failed in course of time due to a number of inherent problems associated with project implementation and reaching the target beneficiaries (Kabir, 2011). Clearly public-private partnership approach in the housing sector is still in its infancy, requiring a great deal of efforts to learn from previous experience and adopt a working approach with active involvement of the stakeholders. Similar conclusions are made by experts about the approach for affordable housing supply in other countries (Susilawati & Armitage, 2004). The private real estate developers are yet to make any contribution towards housing development for the lower income people. On the other hand, some non-government organizations are involved in rural housing by providing home loans. In urban areas, their participation is limited to different community development activities including health, education, micro-credit, water and sanitation, with involvement of the beneficiaries primarily in the slums and squatter settlement areas. However, from a housing perspective, there are two problems associated with this. First, the lack of security of tenure makes development investment insecure. Two examples of this are the eviction of Sattala and Baganbari slums in Dhaka city destroying the community's physical and social capital. Second, in Dhaka, about 90 per cent of the slums are in private land ownership, which is least preferred for any infrastructure development program by the NGOs or development agencies in apprehension of some negative consequences such as rise of rent. Even though the number of slums on government-owned land constitutes 9 per cent of the total slums, they accommodate 26 per cent of the slum dwellers in the city (Islam, 2006). However, in this process, due to lack of security of tenure in slums on government-owned land and lack of NGO's preference of physical improvement of privately owned slums, the overall housing situation of the urban poor became characterized by massive quantitative and qualitative deficits. This calls for a concerted housing effort targeting the low income people in an integrated fashion involving many stakeholders. It was claimed that the sheer size of the exploding cities and the alarming growth of poverty called for other solutions beyond the small scale self-help pilot projects. It is understandable from the magnitude of the problem that no single approach can address the problem.

Government's National Housing Policy, 1993

The introduction of this policy was indeed a major departure from emphasis on the traditional top-down approach by reflecting the enabling approach to land and housing markets for the poor. The enabling approach entails a set of comprehensive policy measures for developing the housing sector as a whole by enhancing the capacities of land and housing markets. The central essence of the approach is that government treats housing as an economic factor in the general macroeconomic development, and for this the government should remove restraints from market as well as it refrains from direct provisioning of land or housing (Keivani, Mattingly, & Majedi, 2008). Pugh adds that it is about reconfiguring state roles in policy-making, reforming institutions, and blending state and market roles in land policies more than rolling back the state (Pugh cited in Keivani, et al., 2008). In this light, the government of Bangladesh recognised the need for slum improvement, prevention of slum eviction and proper rehabilitation along with community involvement, and private sectors and non-government sectors' participation in the policy paper. Though the draft policy is being revised regularly without formal approval, the major emphasis of the government's role as a facilitator is unchanged. Thus, although these enabling strategies are still only on paper, the government seems to have gradually withdrawn itself from earlier approaches of direct construction, slum upgrading, or site and service schemes for housing the poor without removing the market restraints or reforming institutions. Though the Capital Development Authority and the National Housing Authority have the mandate for implementing housing and land development projects in Dhaka, they do not target the poor or lower income people. Nevertheless, as per the policy agenda of the government,

the National Housing Authority under the Ministry of Work remains the principal public sector agency to cater for the housing needs of the lower and middle-income groups. Currently the housing projects for the poor are directly handled by the Ministry of Housing and Public Works (for housing) and the Ministry of Local Government through the city corporation (slum improvement).

In this defined role of public agencies, a lack of integrated governance seems to be the main reason for an absence of a city-wide strategy to improve the living environment of the poor. This has led one government agency to carry out eviction of a slum developed on its land, while another public agency was implementing a development or infrastructure project as a partner of an international organization. For instance, eviction of part of Korail slum and Sattola in Dhaka led to the destruction of capital loss of ongoing projects where the government is also a partner organization as well as the loss of social and physical capital of the evicted households (Baten et al., 2011). In these circumstances of poor interdepartmental coordination, lack of resources and administrative capacities, the urban housing situation for the low-income people is in jeopardy. The new paradigm shift of enabling strategy has led the government to adopt a reductionist housing approach, but it could not offer an integrated approach to encourage collective effort and new housing solutions for the poor or encourage private or non-government sectors to participate in housing activities for the poor.

The NGOs are the active development partners in the socio-economic development of the country. The emergence of community participation as an approach to social development came in the country with NGOs' participation in the development activities. This was further promoted as the key method in the policy framework of the local governance in the 1990s following the Rio de Janeiro earth summit. It became a popular approach for the NGOs in implementing projects. The central argument of the community participation activists was that rather than helping poor communities to improve their social and environmental circumstances, these communities should be empowered to take direct actions to ensure changes and improvements that would last for a period of time (Midgley, Hall, Hardiman, & Narine, 1986, p. 20). However, due to the absence of proper policy framework, the NGOs are not encouraged to take part directly in urban housing, and due to insecure urban tenure for the poor, their efforts in low income areas are not sustained for long in Dhaka. All these factors resulted in a cumulative housing crisis in terms of quality and quantity for the poor in the city.

NGOs in Housing the Poor

In the housing sector, NGO's contribution is on a small scale. However, through this small-scale participation, they have demonstrated increasing success and innovation in meeting the low-income housing objectives. There are ample community-driven housing success stories in the developing countries where the community group is assisted with either land or finance by the government or where the NGOs act as intermediary organizations to negotiate between the government and the community. For instance the participatory housing model in Cambodia, community-driven land acquisition strategies in Philippines, and NGO-mediated low-income housing projects called Kamger Putala and Dattawadi projects in India are a few illustrations of successful community-led initiatives for low-income housing (Shelter Associates, 2011). Their actual contribution and potential roles in organizing communities, resource mobilization or as intermediaries are widely recognised, which is evidenced through their involvement in increasing areas of development interest and the amount of bilateral and multilateral aid being spent through them. Their involvement in affordable housing for the poor may take different forms with differing levels of intervention on both demand and supply side of housing. J. F. Turner (1978) identifies three roles of NGOs in housing development for the poor: (a) as enabler of CBOs (community-based organizations), in terms of organizing the community groups so that they have increased capacity to negotiate with the authorities as well as helping the community to design their own projects; (b) as mediators between communities and agencies; and (c) as advisors and consultants to authorities with decision-making power to make policy level changes or to make 'supporting policies' that will permit the poor more freedom to obtain housing (Walker, 1988). Critics (Stein, 1990; Van der Linden, 1986) argue that to become mediators requires an NGO to be autonomous, but practically, they are dependent on external grants and loans from multilateral, bilateral and international NGOs. The terms of the loan play a significant role in the design and implementation of projects, and thereby constrain their activities and affect the efficiency. Turner argues that the users should be the main catalyst in the planning, construction and management of their own dwellings, and the state should have the support mechanism to foster people's involvement through improving people's access to essential resources such as land, finance and infrastructure (Walker, 1988). NGOs may have certain expertise and organizational flexibilities, and knowledge about community, and may be in a better position to maintain effective communication with community groups and relationship with organizational stakeholders.

Mirpur Community Housing Assistance Project-1

Project Background

One such project started in 1995 while ARBAN was implementing a mass informal education programme in informal settlements in Dhaka. About thirty thousand people were organized in small community- based groups consisting of 24–30 members in different informal settlements. The groups, each composed of mostly female members, were organized for a savings and credit assistance programme by the NGO. It was an urge from the community members that living in an insecure and unhealthy environment of slums was the main deterrent for their social dignity and economic development, and this could only be addressed through appropriate housing. Thereby, the housing assistance project was initiated by ARBAN for the members of the savings and credit assistance programme. This ongoing agenda, within the community development programme, (micro-credit) is open for the beneficiaries to join who are willing to develop their housing condition. The members deposit a fixed amount of money (TK500/ AU\$6.5) per month for 10 years before they can start developing housing for themselves. The first housing project called Housing Assistance Project-1 under this programme has already been completed and is being allocated among the beneficiaries, while the second project is being implemented.

Project Details

Total housing project constitutes a six-storey building in a planned middle-income residential area with all pre-existing civic facilities in the locality. It is designed on an area of 4,620 sq. ft where 40 one- to two-bedroom units were to be constructed. The gross dwelling units density is 930 dwelling units/ha and the gross population density is 4,180 persons/ha with, and the average household size is 4.5. Therefore, the total target population to be housed was 182.

Project Implementation

Though the program started in 1995, the implementation process of Project-1 started in the year 2000 after the participants bought a piece of land in Mirpur from a private real estate company. The land handover process took about 3 years including the registration. The land development process including soil testing, piling, building design preparation and obtaining permission took about 3 years. Along with these, financial constraints was another issue that held the project for a few years while the NGO was exploring the external funding opportunities. However, the entire process was accomplished by the community representatives with assistance from the NGO. The actual construction of the building started in 2007, with active monitoring and supervision, and participation (in case of purchasing materials) of the implementation committee composed of equal number of representatives from the NGO and the beneficiaries.

Finance of the Project

The total cost of the project was TK37,338,367 (approximately AU\$466,729) including the cost of the land, which constituted about 7.5 per cent of the total project cost. The cost of a unit ranged from TK0.7 million to TK0.85 million, depending on the size. The project was financed from beneficiary savings and a loan from the NGO. About 54 per cent of the total cost of the project was accrued from the beneficiary savings and the remaining 46 per cent came from a long-term loan to the beneficiaries at 5 per cent yearly service charge from the NGO which is repayable in monthly instalment over 15 years. Existing formal housing finance opportunities are not accessible for such a project.

Evaluation

Effectiveness

Effectiveness measures to what degree the approach directly address the problems, and members' satisfaction with it. While evaluating the effectiveness of the project, the research shows that the NGO was able to reach the low-income group for housing. The technique adopted could achieve more and active participation of the community members. They took part in the project development to create values through which they could develop their socio-economic conditions. As this was accomplished through the community's savings, the members felt more confident and developed a sense of belonging. Again, they felt secure as they own the houses and have legal rights on the property. Most importantly, the beneficiaries now feel more dignity and self-worth, as they are able to come out of slum to live in decent areas. On the other hand, a housing project such as Bhasantek Rehabilitation Project, being implemented by the government with private partnership during the same time could not reach the poor. The project implementation processes without participation of the prospective beneficiaries were identified as a major hindrance to people's accessibility and affordability to the project (Kabir, 2011).

Efficiency

Efficiency is concerned with the community's ability to maximize its overall welfare and living standards, given the available resources (Argy, 1995). Thus, in this research, efficiency would mean to what extent the approach is able to make best use of the available resources. In this regard, the project proved to be efficient in achieving the objectives of housing a group of urban poor through the mobilization of their own resources. Construction was undertaken on community members' affordable contribution and savings, and a moderate long-term loan from the NGO. Members were involved in the entire process of implementation in the form of different committees such as the implementation committee, purchase committee, monitoring and supervision committee, etc. The objective was to reduce the cost as much as possible and to ensure transparency, mutual trust and participation. Under the principle of full cost recovery project design, the NGO is able to recover the loan before passing the ownership of the dwelling to a member. Thus, the beneficiary will get the full ownership of the dwelling after full payment and is able to pass it on to the next generation or sell in the market. This does not cause a loss of the government from 'a giveaway approach' in which the poor cannot retain the subsidized plot/housing and thus actually benefitting the middle income or high-income people.

Access to Urban Services

The approach of the housing project has proved to ensure better access to urban services such as safe water, improved sanitation and energy to beneficiaries who once were slum dwellers. The concerned housing project is located not in marginal areas but on non-slum residential areas in the midst of middle to high-income housing. According to the respondents, while residing in the slums, they were deprived of some urban services such as piped gas and authorized electricity connection, and had limited access to water and shared sanitation. The new housing project opened up better access to services to them.

Sustainability and Replicability

According to Argy (1995), sustainability refers to the ability over the long term to continue to provide services of an appropriate standard and in a way that meets community expectations in relation to their accessibility, affordability, quality and environmental impact. In this case, sustainability would refer to 'provider sustainability' that is concerned with the long-term financial viability of providers, and social sustainability that is the ability to maintain social harmony within the community concerning the distribution and use of available resources (Argy, 1995).

Under the current arrangement, the NGO recovers the capital investment over 15 years where the beneficiaries repay the loan through small monthly instalment. Since new beneficiaries participate in a housing program 10 years after joining the ARBAN's savings scheme, there are two sources of steady and continuous flow of capital fund that can be invested for further credit and housing purposes. One is the microfinance profit and the other is the loan repayment of the beneficiaries. On the other hand, the project beneficiaries are organized in their own housing committee, and the individual housing unit provides the security of the loan that need to be repaid in the next 15 years. The socio-cultural impact of this project on the beneficiaries is expected to be long term and sustainable as being resident of informal settlements, they had multiple disadvantages including lack of access to formal facilities that reinforced their poverty (Begum & Moinuddin, 2010).

The in-depth interviews with government officials and civil society representatives reveal their general scepticism on the issue of its replicability of this project. In the argument over the rising price of urban land and the cost of building materials to make this approach non-replicable, they underplay the strength of community's collective effort and significance of a supportive system to bind the community capital. ARBAN's second project at Meradia in the eastern part of Dhaka city on one *bigha* land (approximately 0.33 acres) following this model is useful in this endeavour. The approach has reached the poor, and has resulted in considerable interest and enthusiasm among other project beneficiaries of ARBAN.

Challenges of Project Implementation

Though it is widely accepted that community participation is required for low-income housing to be successful, there is considerably less research that focus on the challenges involved in mobilizing the true community participation process that specifically meets the objective of participation. Community participation in projects includes a number of operational complexities such as (a) organizing beneficiaries, which can be a time consuming and complex process causing slow returns; (b) the risk of failure; (c) the potential of elites among beneficiaries appropriating a disproportionate share of project benefits (Paul, 1987); (d) heterogeneity and fragmentation of poor communities; (e) lack of resources and their expectations of receiving a return from their involvement (Midgley, 1986, cited in Emmett, 2000); etc. It is also noted that since the form, intensity and approaches of

participation are dependent and context-specific, '[t]here is obviously no single "best" approach for user participation' (Davidson, Johnson, Lizarralde, Dikmen, & Sliwinski, 2007). The article also identifies several problems the community encountered while implementing the project. Some were internal to the community group and some were relevant to the participating NGO. Some of the internal factors include building mutual trust, membership and gender issues, community consensus on financial matters, etc.

Organizing Communities

In most of the cases, communities are organized by an external agent such as the government body, intermediary organization, etc. However, in some cases, they emerge from within participant's own involvement in the process of struggling for a common goal. For instance, in this case study, the community group approached the NGO for its assistance to achieve the goal of better housing. The origin and form of the community organization, that is, the way people or groups are organized in common interest, is crucial for the successful materialization of community participation. Today's communities have been defined as groups of people who experience and acknowledge significant links, expectations and responsibilities towards each other. They do not need to be neighbours, but they do need to share neighbourly feelings, which may be based on shared spaces, and realms of interaction or interest (Heywood, 2011). In a research, M.G. Choguill (1996) finds that programmes reflecting community control do not guarantee success; rather, successful projects are those that fuse collaboration within the community to the backing and resources of the government and NGOs (M.G. Choguill, 1996, p. 434). Therefore, organizing the community according to the common interest to achieve goals that are identified by the community as necessities for their better life is more important than an externally decided programme where community people are passive participants. In this case study, the community people identified housing as the central issue for their socio-economic development, and they believed that given adequate organizing and financing support for housing, they collectively were able to confront many of their existing social and economic problems on their own. As in any slum, the community members belonged to the same social strata with similar social struggle, powerlessness, deprivation of basic facilities, lack of self organizing skill and financial insecurity, which led them feel the necessity of an external agent to lead and coordinate their housing initiative. According to interviewed beneficiaries, convincing many fellow community members initially was difficult due to the lack of mutual trust for a long-term programme in apprehension of losing the money. They thought that in the absence of the NGO, they would not be convinced of risking money on saving program for housing. Thus, it was found that the members psychologically felt secure under the leadership of an external catalyst to reach a consensus on varied issues on planning, designing and implementing.

On the part of the NGO, heterogeneity of households with different economic, cultural, and educational and financial backgrounds, and fragmentation of community members according to place of origin, occupation, political ideology, large number of prospective beneficiaries and communities compared to its operational capacity were some of the preliminary difficulties. Therefore, the NGO decided to keep the provision open for all of its micro-finance members to participate in the savings scheme (monthly deposit) and set a priority provision for older memberships (joined earlier). This means that the savings scheme members who started first and continued without interruption get priority over others to participate in a housing project. Such an arrangement of a community savings and credit programme built trust between two parties and raised the level of confidence among the beneficiaries.

Technical Difficulties

When discussing the technical aspects of housing construction, none of the beneficiaries had previous experience with construction activities. In fact they had no idea about the pre-construction phases including getting land use permission from the development authority, building design approval, all other legal clearances, etc. The pre-building process took about 3 years, and it demanded much time, money and energy from the residents. Again, during the construction phase, they hired skilled workforces such as an engineer, carpenters, electricians, plumbers and other specialists for the building of the multi-storied structure. In this community-managed housing construction process, the implementation committee of the beneficiaries purchased the building materials, and acquired the tools and equipment necessary for construction. An expert local architect designed the project, and the community received free technical assistance along with the plan from the designer. Thus, their every effort was to make the project cost effective. According to one of the beneficiaries, in every stage they required suggestions and guidance some of which they obtained from the NGO and for some they had to seek external assistance using their personal networks. In the process, they felt that it would benefit them more if they could get technical assistance from the government bodies. In this respect, they suggested a wing, may be in the city corporation zonal office, to provide comprehensive advice on the whole process. This would greatly ease the legal and technical complexity involved, and reduce the overall cost.

Financial Matters

There was no formal source of financing for a community-based housing initiative, so the NGO and the community had to depend on mutual resources. The NGO initially investigated other sources of funding including the multilateral aid and local financial organizations. None of these funds could be achieved due to operational complexity in disbursing the fund or the government's restrictive policy for NGOs (that requires to provide guarantee from the board of directors) to be eligible for availing the loan. This acted as a prohibiting factor as the board of trustees, in most cases, does not want to accept financial obligations.

Once the efforts were unsuccessful in obtaining an external fund, the organization had to rely exclusively on funds saved by the CBOs for the initial investment and later arrange for funds from their profit derived from micro-credit operations for the construction phase. They decided on a savings programme by making monthly instalments to the NGO. After continuing the programme for 5 years, they saved money, but it was still inadequate to purchase a piece of land in a convenient location. This led participants to deposit some extra affordable payments. Every beneficiary maintained an approved passbook to keep all the records of their savings with yearly interest and outstanding balance. Thereby, the savings program was flexible enough to encourage them to make financial contributions at any point of time according to their financial capability to meet a sudden cost such as that of land registration cost. It is important to note that there were no cases of defaulting. The only reason for the drop out from the programme was lack of people's confidence on the ability of their savings to become useful for their housing. This dispels the myth that lower income families are not capable of large savings or they have no creditworthiness. As the project was designed within a full cost recovery framework, there were problems associated with this fixed finance arrangements such as managing rising construction costs over the period of implementation.

Discussion

It is evident that though the housing process directly involved two parties-ARBAN and the beneficiary group, they were indirectly influenced by multiple outside agencies playing a significant role in the functioning and overall effectiveness of the collaborative project.

The most important external actor influencing the work of the community housing was the government. The policies of the government regarding obtaining external funding for an NGO for a housing project; lack of formal housing finance for the urban poor; obtaining housing land; the process of getting building approvals, and permissions and registration, etc. affected the entire housing process. The government's assertion for obtaining an approval for the fund (despite fund promise from the donor) and the bureaucratic complexity ultimately prevented the funds from reaching the NGO. However, there are recent policy-level changes that are expected to bring positive changes in housing development for the poor by NGOs. For instance, according to the Micro-credit Regulatory Authority Rules, 2010, the profit of micro-credit can be used for further micro-credit purposes and other poverty reduction purposes upon approval from the authority (MRA, 2010). In this respect, as ARBAN supposes, the profit should be used for housing finance for the poor.

It is evident from the earlier discussions that the poor required external intervention to get organized as the level of willingness to participate, difference in income, culture and values among the people in a community greatly influenced the community capacity to organize. In this respect, Choguill stresses on the government's intervention in encouraging and nurturing the creation of community organizations to mutually design and carry out housing projects, insuring quality of housing if the private sector is involved and providing technical assistance for its maintenance (C. L. Choguill, 2007). However, in reality, the government's direct involvement with the community is rare. As identified by Méheux, Dominey-Howes and Lloyd, the government's involvement to facilitate participation is limited by factors such as centralized administrative structure, failure of the government to adhere to legislation, inconsistent messages from political leaders and bureaucrats, government's perception of communities and lack of training (Méheux, Dominey-Howes, & Lloyd, 2010). Therefore, for organizing the community at project level, Paul stresses the need for an intermediary organization. In this respect, the NGOs are better positioned as an intermediary to promote organizing the community. Through this case study, it is evident that as the NGO was already involved in the community development programme and in a trustworthy pre-existing relation through micro-finance, it was easier for the NGOs to organize the community for a savings scheme for housing, which consequently led to participation getting infused in collaboration.

Though the process of selecting beneficiaries for a savings program for housing was simple, organizing the beneficiaries for the housing was not free from complexities. The first problem with regard to mixed income levels

of the members including some having exclusively very low income. The second problem was related with the number of people and local communities, which was very high. Therefore, the criteria for determining eligibility for housing included a continued membership in the savings scheme over the 10-year period, that is, the oldest savings scheme members, and proof of not already owning a house. Regarding the membership policies, several issues need to be addressed while forming a new group in a housing project. As individual financial capacities are different, cost of land differ with location and place of work a determining factor for choosing location of house, they should be incorporated to make the housing more sustainable.

As mentioned earlier, obtaining a secure finance from outside was challenging for the NGO. Formal funding was unavailable due to procedural complexity and/or very high interest rates that are unaffordable for the poor. There is no provision for an NGO to obtain a housing fund directly from a multilateral organization. An ARBAN officials mention, 'after positive negotiations with a multilateral agency we could not obtain the fund which delayed the project by two years'. There are specialized non-bank financial institutions and state-owned and private commercial banks providing housing loan with very high annual interest rate ranging from 12 per cent to 16 per cent (Rahman, 2007; Sarker, Siddiquee, & Rehan, 2008), making it unaffordable for the poor. The Bangladesh Bank's Grihayan Tahbil (housing fund) was created in 1998 with the aim of providing loans to NGOs for developing housing for poor in rural areas and small towns. Therefore, in the absence of affordable housing-finance opportunity in cities for the urban poor from formal sector, the mutual financing arrangement is the more realistic for low-income people where an individual as part of a community group is responsible for his/her share of savings and is solely accountable to the organization to repay the debt. Here, the collateral loan is important for achieving the sustainability of the project as the beneficiaries would be repaying the debt over a long period of time unlike in other state-run top-down housing projects where most of the actual beneficiaries were unable to retain the property due to absence of collateral (Hasnath, 1982).

The other difficulties, according to the NGO representatives, included the negative attitude of the real estate company for selling the land to the slum dwellers. The company was unwilling to sell the land to the slum dwellers in apprehension of its negative effect on their overall image. However, after a series of consultations and negotiations, the company agreed to sell a plot to ARBAN for the group. The plot was strategically chosen at the end of a street by the company. After the registration of the land, the process of taking the possession of the land took about 3 years. The negative stance of the government officials and a few civil society organizations is reflected in few fixed notions on the urban poor and the community capability. First, the urban poor are unstable and they lack capabilities of a large saving that can be used for housing purposes; second, there is no alternative to government supplying land for housing the poor; and third, housing the urban poor is a massive problem which cannot be addressed within the existing capabilities of the government. They also believe that the NGOs' contribution to housing development, as in this project, is not guaranteed to be affordable to the poor.

The findings of this research suggest a need for a support system in this area to make it more viable and sustainable for the poor. While the government's direct subsidies in the housing sector is either unable to reach the poor or becoming scarce, indirect subsidies to the community groups can make substantial difference to poor's accessibility and sustainability of such projects. The most important form of country-specific subsidy would be making serviced land available by ensuring inclusiveness in land development projects by the private real estate or government. In this method, a specific proportion of land should be sold collectively to such community-based organizations or associations at subsidized rates. It may be argued that in high-income areas, even the subsidized rate may become unaffordable to the poor. In that case, the developer can offer an alternate piece of land of equivalent value elsewhere in the city. Access to subsidized serviced land, and flexible finance to community and NGOs along with leadership support of NGOs and the government's procedural and technical assistance in plot layout, building designs, training or preliminary orientation for the community members and leaders, construction site supervision, etc. can contribute immensely. However, care must be taken while deciding on different groups the subsidies are intended to serve so that the resource are not intentionally or unintentionally directed to middle-income groups or higher income groups who are not deemed to be in need of subsidies.

Conclusions and Recommendations

In light of a community housing implementation experience, the article emphasizes that as a new approach of assisted housing programmes, it can contribute significantly to improving housing conditions for lower income people in Dhaka. However, this approach does not negate the significance of a citywide approach of slum and squatter upgrading to address the massive housing crisis for the urban poor in Dhaka. It is argued that this as an approach has the potential to address the increasing demand for low-income affordable housing in addition to the

conventional approaches. As a model to be replicated widely and at a large scale, it requires concerted policy interventions and active support of government agencies in the areas of producing housing. The problem is essentially one of bridging the gap between housing cost and the affordability of the low-income groups. Through this example of assisted community housing, it is established that the participatory approach for building housing for the low-income people is effective, efficient and, most importantly, sustainable. Though there were lot of struggles on the part of the community and the NGO to make it affordable, the article argues that small interventions of the government in the process can make housing more affordable and sustainable for the lower income group. The policy interventions are to bring the agencies for the community and to make housing development participatory that involve all stakeholders.

In view of the magnitude of the urban housing crisis for the poor in Dhaka, and in light of the experience of the new method, the article asserts that pro-poor housing policies should be developed based on partnership, assistance and collaboration that will encourage the NGOs to coordinate and the poor to participate actively in their housing process. Thus, a sustained assisted community housing would include a tripartite coordination, where the public agency is to facilitate with subsidies, NGOs are to be catalysts of community mobilization and leadership and of financial security, and the community is to run the housing process as active agent. The most common practice of a citywide approach where the central argument is that alleviation of poverty, education and awareness will improve on human capability as well as financial capacity to initiate housing process as a long-term approach. This should be accompanied by pro-poor housing policies that recognize better housing as the catalyst for human development and poverty reduction (Begum & Moinuddin, 2010). There may be arguments that such assisted housing may not be implemented in a large scale, but what matters most are the affordability, effectiveness and sustainability. As this, unlike the government' other low-income housing projects, entails the community's active participation in every stage of development from inception to implementation utilizing community capital and the community's own finance, it has become affordable, effective as it target the actual poor and sustainable as it is organized. As Smets (2004) argues, 'successes can only be expected if risks, costs and benefits are shared among its members on an equitable basis'.

Some of the specifications that would be necessary for this approach to make a progressive and viable contribution to a solution to the housing problems of low-income communities include a government facilitative role, and coordinating activities of the government agencies and the housing NGOs for efficient mobilization of the available resources, removing policy-level barriers to obtain external funds and ensure accountability for the effective use of the fund. In short, the government has to have a supportive attitude by making the existing agencies work through proper utilization of their existing resources and staff. For instance, a reduced fee for land registration, plan approval, construction permission, assistance from the housing agencies for preparing the plan and technical monitoring, supervision assistance from the local authorities and better access to building materials could reduce the cost of construction substantially.

Land provision at a reduced rate in the private real estate projects for such initiative can greatly contribute to an increased land supply for such project. This approach can help in multiple ways. First, it can ease the existing housing crisis. An increased supply of affordable housing in the market would positively affect the housing and land price. Second, and most importantly, it is one of the most effective and ethical utilization of the poor's money for their poverty alleviation. The networking of the NGOs, those are with urban housing and poverty reduction objectives, also need to boost collective efforts and inter-organizational resource sharing.

Thus, the assisted community housing has significant potential to contribute to housing development, but the members of a housing group must be organized for a target goal along with providing incentives from the government. Thus, it requires active assistance and support from NGOs on one hand, and incentives and encouragement from the government organization on the other hand. In a country like Bangladesh, with existing level of housing crisis, policy environment and resource constraints of the governments, this approach for housing development for the poor should be explored. The potential is already reflected in this small-scale examples of assisted community housing which defy a few common notions that have discouraged many organizations, including the government, from taking such initiatives for the urban poor.

Note

1. 'Bhasantek Rehabilitation Project (BRP)' was initiated by the Ministry of Land (Government of Bangladesh) in 1998 to construct multi-storey housing for slum dwellers and low-income people in joint collaboration with a private developer called North South Property development Limited. In 2003 the project stated with evicting about 3260 slum dwellers from the project site who were also to be rehabilitated within the project, along with other slum dwellers and other low-income people. By 2010 only a fraction of the project was completed in which none of the evicted dwellers or other slum dwellers could get an

access while housing units were sold to non-slum middle-income people. This called for an immediate termination of the contract with the developer and declared the project a failure in 2011. (for more information see Kabir, 2011)

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