



Shelter programmes and policies, new designs and directions

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Structure of the presentation

- Modesty among the MDGs: Why is shelter so hard?
- The strategies that have been used
 - Down-marketing mortgage finance
 - Direct demand subsidies
 - Shelter micro-finance
 - “Slum” Upgrading
 - Community investment funds
- What CAN be done: what works and for whom – the lessons of experience



Explaining the “modest” MDG

- Only 100 million... from 900 million living in inadequate housing
- a lack of financial affordability – in terms of loan finance and “complete” houses
- the dominance of informality, no regulatory compliance in construction, a lack of land and services
- the politics: the management of scarcity meets the momentum of asset accumulation
- logics reverse – eg. Investment 4 tenure



Shelter in context

- ❑ In Ghana, 35 per cent of the population are considered to have incomes too low to afford any loan for housing
- ❑ Estimates for Latin America, Asia and South Africa suggest that at least one third of the urban population have no possibility of accessing mortgage finance
- ❑ Every seventh urban dweller in India lives in a slum
- ❑ In Tanzania, 98 per cent of urban housing is incrementally developed – unchanged since 1978; in the Philippines a similar figure is 93 per cent
- ❑ In South Africa, the state produces 200,000 houses through subsidies, whilst the people construct 250,000 shacks



Down marketing mortgage finance

- ❑ Increased access to mortgage finance
- ❑ Has helped – have to be able to afford complete homes
- ❑ Complementary efforts to reduce the costs of housing, rare attempts to include informal sector workers (Mexico)
- ❑ Generally unaffordable for the urban poor – but a strong argument is that this group also needs access to affordable housing



Demand driven subsidies

- ❑ Contribution to households to assist in securing a new house – capital grant
- ❑ Help households afford housing (produced by private sector and others)
- ❑ Encourage saving, works with desire for self-investment, people choose the product
- ❑ But.. can be hard to get deposit, issues related to land development and location, issues related to housing quality, concerns about inclusion



Shelter micro-finance

- ❑ Similar to micro-finance for enterprise development except bigger loans, may be different clientele
- ❑ Helps to provide needed capital to incremental housing developers who mostly use savings
- ❑ But individual improvements, generally to those with secure tenure, sometimes to slightly higher income groups
- ❑ Does not address the needs of the landless, or those with tenure insecurity



Neighbourhood (“slum”) upgrading

- ❑ Improvements to existing low income settlements, generally land titles and infrastructure improvements, now with housing micro-finance as an optional extra.
- ❑ Generally seems to work well. Partly about rebuilding relations with local authorities
- ❑ Some of the lowest-income households may be tenants and not included, costs may increase, some of the vulnerable settlements may not be eligible due to tenure insecurity



Community investment (funds)

- Community use of collective capital (grants, loans) to improve neighbourhoods and development greenfield sites
- Use of creative financial mechanisms to create multiple kinds of capital (social, political) able to address multiple facets of inadequate shelter – savings as a catalyst for development
- Some subsidy is required, political processes are complex



From modesty to ambition

- ❑ Cities are being built – but badly, from below
- ❑ Some progress in addressing this situation
- ❑ But ... hard to intervene effectively, at scale, and reduce the problem
- ❑ What these experiences suggest is that we can do better than this if there is:
 - a sufficient leap in professional imagination,
 - political will and
 - the reconstruction of professional practice



Key reversals

- ❑ Money as a means of inclusion rather than exclusion
- ❑ Disadvantage as a reason for centrality rather than marginalization
- ❑ Standards as a strategy for improvement rather than illegality
- ❑ Shelter investments supporting collectivism rather than individualisation
- ❑ Land development for public prosperity rather than private profit



Organizing around money requires trust –
especially if you are poor



The centrality of the disadvantaged



Affordable standards – incrementalism without illegality



Collectivity – achieving wealth and security - alone, or together ?



Public prosperity – or private profit

- ❑ Involving the private sector makes a lot of sense but how to do it well?
- ❑ Risk is poor quality, badly located units
- ❑ Now much greater awareness of the issues
- ❑ May be contestation
- ❑ Greater user engagement/control