

**THE IMPACT OF REGULATIONS ON URBAN DEVELOPMENT
AND THE LIVELIHOODS OF THE URBAN POOR**

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1. INTRODUCTION

At least 600 million urban dwellers in the Third World live in housing that is so overcrowded and poorly serviced that their lives and health are continually at risk¹. The way how people house themselves is not haphazard. It is guided by a complex set of standards and regulations which not only determine the quality of housing, but also its cost. Thus, a household's ability to access decent shelter is closely linked to the standards and regulations in use. Unfortunately, the regulatory frameworks existing in many developing countries still originate from a colonial past and are inappropriate to current conditions; they do not improve the access to or affordability of urban housing. This is now clearly recognised as a problem in international as well as national shelter policy papers, including the Habitat Agenda². The enabling processes advocated by the Agenda do require the development of more appropriate regulatory frameworks, particularly to make them more relevant to the needs of the poor. The problem of inadequate regulation does not stop with housing; it equally affects others areas of poor people's lives, including their potential to gain income.

ITDG itself has been working on the issue of housing standards for over a decade. Working with the urban poor, particularly in Africa, ITDG learned that existing standards often impair their livelihoods. This was first noticed in projects focusing on income generation in the informal construction sector, where the absence of standards for alternative technologies, such as stabilised soil, prevented the informal sector of increasing its share of the housing market. At the same time, the lack of appropriate building technologies denied poor people access to affordable shelter. ITDG's own research in many countries concluded that less than half of the urban population in developing countries can afford to build according to prevailing standards and regulations. Lack of secure tenure and complicated procedures add to the problem. These factors combine in preventing the poor from improving their current housing and from developing it as an asset from which income can be derived.

This paper aims to make a preliminary assessment of the impact of regulations on the development of towns and cities, and on the livelihoods of the poor living in them. It draws partially on ITDG's previous research on Enabling Housing Standards and Procedures³ and its ongoing research on the regulation of upgrading, both funded by DFID, as well a range of ITDG projects with a focus on integrated urban development. Whilst the earlier projects amongst those did focus on poverty, they did not include a livelihoods approach. That has now changed; all urban projects started by ITDG in the last three years have adapted a sustainable livelihoods approach, and we can already draw on some lessons from these.

The paper begins with a discussion of urban poverty and livelihoods, giving some examples of the relationships between livelihoods and shelter based on ITDG's own experience, and drawing attention to the range of stakeholders involved and potential conflicts between those. It then presents how livelihoods can be analysed, using the Sustainable Livelihoods Framework (SLF). The SLF has three major components: the institutional context including Policies, Institutions and Processes (PIPs); the asset portfolio held by individuals and communities; and the vulnerability context of the urban poor. These components influence the poor's livelihood strategies and their outcomes. Standards, regulations and procedures are part of the PIPs that influence asset development, and these PIPs therefore deserve special attention. The paper does discuss the reasons for regulation, its evolution, and who tend to get involved in the development or revision of regulations. It goes on to analyse the impact of regulation on the development of specific assets in more detail, as well as their impact on the vulnerability of the urban poor. A final section considers various ways of measuring impact.

¹ UNCHS: "An Urbanizing World – Global Report on Human Settlements 1996", Oxford University Press, Oxford, 1996, p. xxviii.

² UNCHS: "The Istanbul Declaration and the Habitat Agenda", Nairobi, 1997.

³ Saad Yahya et al.; "Double Standards, Single Purpose – Reforming housing regulations to reduce poverty", ITDG Publishing, London, May 2001.

2. URBAN POVERTY AND LIVELIHOODS

2.1. A definition of urban poverty

The world is urbanising rapidly, and so is poverty. Urban poverty statistics vary, according to how poverty is defined. UN-Habitat reckons that the urban poor now represent 49% of the urban population in developing countries, and number about 1.1 billion globally⁴. Most countries have their own definitions, based on calorie intake, income, or access to a basket of essential goods. Internationally, the definition of poverty is changing. It started off by defining an income level below which people were considered poor (e.g. \$1 per capita per day), but many have pointed out that, in the urban context, such a definition is totally inadequate. It has since been broadened to include measures of health, nutrition, literacy and service provision⁵. And some now extend it to include the lack of voice and choice of the poor⁶. ITDG considers urban poverty to be multi-dimensional: not just a lack of calories or the inability to acquire a package of basic needs, but also a state of mind of people who may have lost hope or are unable to work themselves out of poverty. Because of this, poverty cannot be adequately addressed by single sector projects or programmes: it does require much more holistic or integrated approaches.

2.2. Conflicting livelihoods.

The urban poor are not a homogeneous group. There are substantial differences in asset portfolios and livelihood strategies, according to whether individuals are more or less vulnerable, male or female, old or young, producers or consumers of housing, etc.⁷ And they may be affected by legislation in different ways. What is good for one stakeholder may be bad for another, and it is therefore important to always assess the impact of project intervention (e.g. regulatory change) on a range of stakeholders.

In this context, gender issues are particularly important. In many countries women do not have the same property rights as men. In Lesotho, for instance, 37% of all households are female headed, yet women are legally regarded as minors, and are not allowed to inherit land or obtain loans to purchase property⁸. In Kenya too, women cannot inherit property. They may buy it, but then access to finance is not easy⁹. It does not have to be like this: in Botswana, for instance, there have been tremendous improvements to the land tenure system which now no longer differentiates between sexes; women can now own or inherit property in their own right¹⁰. But in other countries, there may be opposition to such changes by men who see their own livelihoods threatened. Another issue that is particularly important to women's livelihoods is the potential to develop home based enterprises (HBEs); again, the law in many countries is not in their favour when zoning regulations prohibit mixed land uses. There is a notable absence of discussion on gender issues in relation to housing standards. A review of 350 documents by ITDG only found four references to the needs of women¹¹. Women do play a major role in self-help construction and maintenance in some countries; any changes in technology and its standardisation will have an impact on women's involvement and therefore need to be carefully considered from a gender angle.

Another possible area of conflict is that between renters and owners. Rental housing is on the increase in the towns and cities of the Third World. It is exceeding 50% already in many urban areas, and has reached close to 90% in many of the low-income settlements in Kenya where ITDG is

⁴ UNCHS: "Basic Facts on Urbanization", Nairobi, May 1999.

⁵ UNDP: "Human Development Report", 1997.

⁶ Clarence Shubert (ed.): "Building partnerships for urban poverty alleviation – Community-based programmes in Asia", Urban Management Programme, UNCHS, Nairobi, 1996.

⁷ Sue Jones and N. Nelson (eds.): "Urban Poverty in Africa", ITDG Publishing, London, 1999

⁸ Geoffrey Payne: Report on a visit to Lesotho, 03-11 March, 2001.

⁹ Diana Lee-Smith: "My House is My Husband – A Kenyan Study of Women's Access to Land and Housing", Lund University, Lund, 1997.

¹⁰ Prof. Saad Yahya: "Enabling Housing Standards for Botswana" Case Study 4, Enabling Housing Standards and Procedures project, ITDG, Rugby, December 1998.

¹¹ Lucky Lowe: "Literature Review" Case Study 10, Enabling Housing Standards and Procedures project, ITDG, Rugby, September 1999.

working. Most of the time, renters are looking for affordable housing, whilst owners are after maximum profits. In extreme cases, investments in shacks in slum areas of Nairobi are repaid within a mere 6 months. In Nakuru, landlords building rooms for rent tend to fit as many rooms as they can into a plot, but reduce services to a minimum, because there is not direct financial gain from the latter, whilst a couple of latrines might take up the space of another room. These practices can lead to health threatening housing conditions; in one of the low-income settlements of Nakuru, latrines are shared by on average 49 households (or about 250 people). This situation is not too different from that prevailing in Great Britain during the Industrial Revolution, which led to rapid urbanisation and a deterioration of housing conditions. When cholera then struck in the mid 19th Century, government felt obliged to take action and started regulating. One could argue that a minimum level of standards is needed to protect tenants, or perhaps public health in general. But it could drive rents up and force the poorest tenants out, as we have noticed following many upgrading projects. Where in Europe there were and often are safety nets to deal with such drop-outs, the same do not exist in the Third World today, so is this a desirable solution? Some do say that different levels of standards are required to deal with different stakeholders.

Finally, there are also conflicting interests between those who build or produce for a living (small contractors, artisans, building materials producers and traders, etc.) who may want to maximise their profits, and their clients who pursue affordable housing. Some of this conflict is more an issue of market than of legislation, but the latter is important in that it usually lays down what materials and technologies may be used. Regulations which allow more labour-intensive technologies based on local resources can be of benefit to both parties.

It is evident from the above that there are many different stakeholders in the housing sector, and that they all may have somewhat different requirements or preferences when it comes to regularisation. A stakeholder analysis could help to bring these categories into the open, and their livelihoods could be analysed separately, at the local or national level. When it comes to the international level, though, and the development of regulatory guidelines for upgrading or new urban development, one has to question how uniform such guidelines can ever be. Where there are already big differences in urban livelihoods and survival strategies between different urban men and women living in poverty within the same country, these become huge when comparing countries as different as India and Lesotho. Where in India, it may make perfect sense in livelihood terms to go for plots as small as 26 m², poor people in Southern Africa tend to request much bigger plots (e.g. 600 m² in Lesotho), to pursue very different livelihood options, including urban agriculture and livestock. In the ITDG-led project on the development of Regulatory Guidelines for Upgrading, we have therefore decided to pay more attention to the principles or criteria underlying the revision of regulations, and on how to achieve change, highlighted by case study material, than on particular details such as plot sizes.

2.3. Shelter, services and livelihoods¹².

In the past, shelter has often been regarded as just a basic need, something that needed investing in, but had little upstream or downstream effects. This concept is now changing. In fact, there are many linkages between shelter, urban poverty, and livelihood development. The construction of shelter or infrastructure, for instance, does generate employment and income. Better housing reduces illness and related expenditure, and increases the well-being and productivity of its inhabitants. And shelter can be an asset from which further income is derived, e.g. through letting rooms or having home-based enterprises. These livelihood impacts are considered in more detail below.

The construction of shelter and infrastructure can create many jobs and generate much income. It can also help to develop the skills and knowledge of the people involved and strengthen their social capital. The jobs created or sustained are in the first place in construction, but then also in the production and supply of building materials and transport. Depending on the materials chosen for the work, up to one job in supplies could be generated for each building job. The number of jobs and the income generated or sustained by the construction of shelter or infrastructure depends in the first place on technology choice¹³. The lower-income types of shelter which tend to rely more on local

¹² Theo Schilderman: "Shelter, Poverty and Livelihoods in Kitale", working paper for the Building in Partnership – Participatory Urban Planning project, ITDG-EA, Nairobi, September 2001.

¹³ Robin Spence, Jill Wells and Eric Dudley: "Jobs from housing – Employment, building materials and enabling strategies for urban development", IT Publications and ODA, London, 1993

materials or skills, generally generate a lot more jobs per unit of investment than high-income shelter which uses more imported and industrial materials. In the case of infrastructure too, it pays off for the local economy and the urban poor when labour-intensive rather than capital-intensive construction methods are selected¹⁴.

Some people invest in property to obtain rental income; in most towns and cities, there appears to be a substantial demand for rental accommodation of different types and qualities. Those who invest in rental housing do so for different reasons and belong to different groups. For some of the urban poor, e.g. retired people, a major share of their income may come from renting out a few rooms; such landlords often live on the same plot or even in the same house as their tenants. Others get together in community based organisations (CBOs), save money to acquire one or more plots, and slowly develop those to get rental income. A recent survey in Kitale, a secondary town in Kenya, listed about 20 of such CBOs, who seemed to fill a real gap in the low- to middle-income housing market. But there are also many cases of absentee landlords who invest in low-income housing to obtain a rapid return on investment. They tend to be a lot richer and would decide on investments in housing in comparison with potential profits and risks of investing elsewhere, say in transport or business.

The provision of services is another source of income. Transport is a good example, with the rich typically investing in buses or mini-buses and trucks, to transport goods and people at a price. The poor derive income from for instance rickshaws or bicycle-taxis; their transport services tend to be much more environmentally friendly¹⁵. There are often conflicts between the motorised transport sector and the non-motorised one, for which planners are sometimes to blame. In many settlements that lack an adequate water supply, water is supplied by vendors. Elsewhere, people remove and recycle human waste of various types. The standard of services prescribed for new housing areas or in upgrading will to some extent determine who can provide these services, and therefore whose livelihoods will benefit.

Increasingly, poor urban men and women have to rely on the informal sector for their income. ITDG's surveys of unplanned settlements in Kenya, Zimbabwe, Sudan, Peru and India show that their residents are involved in a host of micro and small enterprises (MSEs), e.g.: urban agriculture, raising livestock, food processing, brewing, keeping bars and restaurants, small all-purpose shops, carpentry and metalwork, brick making and building, hairdressing, tailoring, shoe repairs, and many more activities. Some of these are home based enterprises (HBEs) which relate them directly to shelter. Others are located elsewhere in the settlements, in more strategic locations, particularly along the major roads; these may not always be in people's plots, but instead encroach upon public space. They can be a problem when such settlements are getting upgraded, because they are often in the way, and they do require more services than dwellings. Some MSEs are also quite polluting. They can generate conflicts between residents pursuing a better living environment and others trying to obtain some much needed income. That is why in new residential developments, zoning laws usually forbid such mixed land uses. There are, however, some important advantages of combining dwellings with MSEs within neighbourhoods, besides the incomes generated. First of all, it reduces people's transport requirements and costs. It also makes it easier for women to be economically active, and still look after children. And where there is an increasing need for individuals in households to look after sick members (due to e.g. HIV/AIDS), an opportunity to make some money close to or within the home can make a tremendous difference.

Poor housing conditions and a lack of adequate services do create health problems and can reduce the productivity of the urban poor. There is a cost attached to that: people will lose income when they cannot work or have to take care of the ill; there are also medical expenses. On the other hand, improving houses and services to a standard that is adequate for reducing health expenditure has a price tag too. Inadequate drainage, sanitation and water supply are all contributing to the spread of diseases such as malaria, cholera, typhoid and diarrhoea. Overcrowding is another serious problem which not only affects the mental health and well-being of residents, but also contributes to the spread of bronchial diseases including tuberculosis, drug and alcohol abuse, and violence. Cooking on inefficient stoves causes indoor air pollution, affecting eyes and lungs. All these factors should be taken into account in deciding what minimum standards ought to be from a public health point of view.

¹⁴ UNCHS and ILO: "Shelter Provision and Employment Generation", Nairobi and Geneva, 1995.

¹⁵ Dean Pallen: "Reinventing the City: The Role of Small Scale Enterprise", CIDA-Asia Branch, Canada, April 2001.

3. THE SUSTAINABLE LIVELIHOODS FRAMEWORK¹⁶

3.1. Poverty and livelihoods.

Donors and development agencies are getting more serious about addressing poverty. They know that many of their efforts in the past have not been successful enough, and are looking for more effective approaches. They are also realising that their definition of poverty may need to change; it can no longer be based just on income or survival, but has to take human development into account. That is where the livelihoods approach comes in. The word livelihood can be used in many different ways; in its most narrow definition, it is seen as just a source of income. But the definition of livelihoods within the SLF, adapted from Chambers and Conway¹⁷ is much broader: “A livelihood comprises the capabilities, assets and activities required for a means of living”. Not being poor means that people can sustain and enhance these capabilities and assets, and can cope with and recover from stresses and shocks. And their livelihoods are sustainable if they can do so without undermining the natural resource base.

3.2. Core concepts of the SLF.

Whilst the SLF approach is flexible in its application, it is nevertheless based on six important core principles which should not be compromised:

- People-centred – starting with people and their livelihood choices, the approach is theoretically focused on full respect for people’s views, involves them and aims to ensure that the policies governing people’s lives are promoting change in the dimensions of poverty which they prioritise.
- Holistic – the SL approach aims to recognise the constraints and opportunities which poor people identify for themselves, regardless of which professional sphere or sector they may lie in. As well as being a non-sectoral concept, SL approaches should aim to give due consideration to the multiplicity of influences, actors, strategies and outcomes which are determined by people, institutional, public and private sector interests. This should fit well with the research’s holistic view of the impact of human settlements on the livelihoods of the poor.
- Dynamic – people’s livelihoods and the forces which shape them are dynamic. The SLF aims to assist in understanding complex causal relationships and how interventions can support the positive, pro-poor changes whilst mitigating the negative ones. Analysis and the tools used need to capture the dynamism and complexity which can only be suggested by the two-dimensional model.
- Building on strengths – the replacement of ‘needs’ by focusing on ‘assets’ is essential in creating sustainable poverty reduction since the latter depends upon realising people’s latent potential to achieve their own livelihood objectives by removing constraints.
- Macro-micro links – livelihoods analysis highlights the significance of the linkages between poor women and men, households, neighbourhoods and the myriad of legislative instruments and practices which determine people’s access to assets, define their opportunities in transforming assets into capital and govern livelihood options. The theory recognises the potential benefit of involving people in policy formulation whilst acknowledging the lack of supporting evidence since macro level policies are usually developed in isolation from the people they affect.
- Sustainability – there are numerous aspects to sustainability. Measures suggested by the SL literature include resilience to negative external forces, dependency on institutions (and in turn their sustainability), non-depletion of natural resources and others’ livelihoods options. In terms of poverty reduction, sustainability can only be achieved when external interventions are congruent with current livelihood strategies and capacity to adapt.

3.3. The Framework.

The Sustainable Livelihoods Framework (SLF) is a simplified model of the above principles (see figure 1.). In subsequent sections, each of the elements of the framework is considered in more detail with specific reference being made to regularisation of the urban built environment.

¹⁶ Most of the information in this section is based on the DFID approach to livelihoods. DFID has produced Sustainable Livelihoods Guidance Sheets which can be accessed on <http://www.livelihoods.org>.

¹⁷ R. Chambers and G. Conway: “Sustainable rural livelihoods: Practical concepts for the 21st century”, IDS Discussion Paper 296, Brighton, 1992.

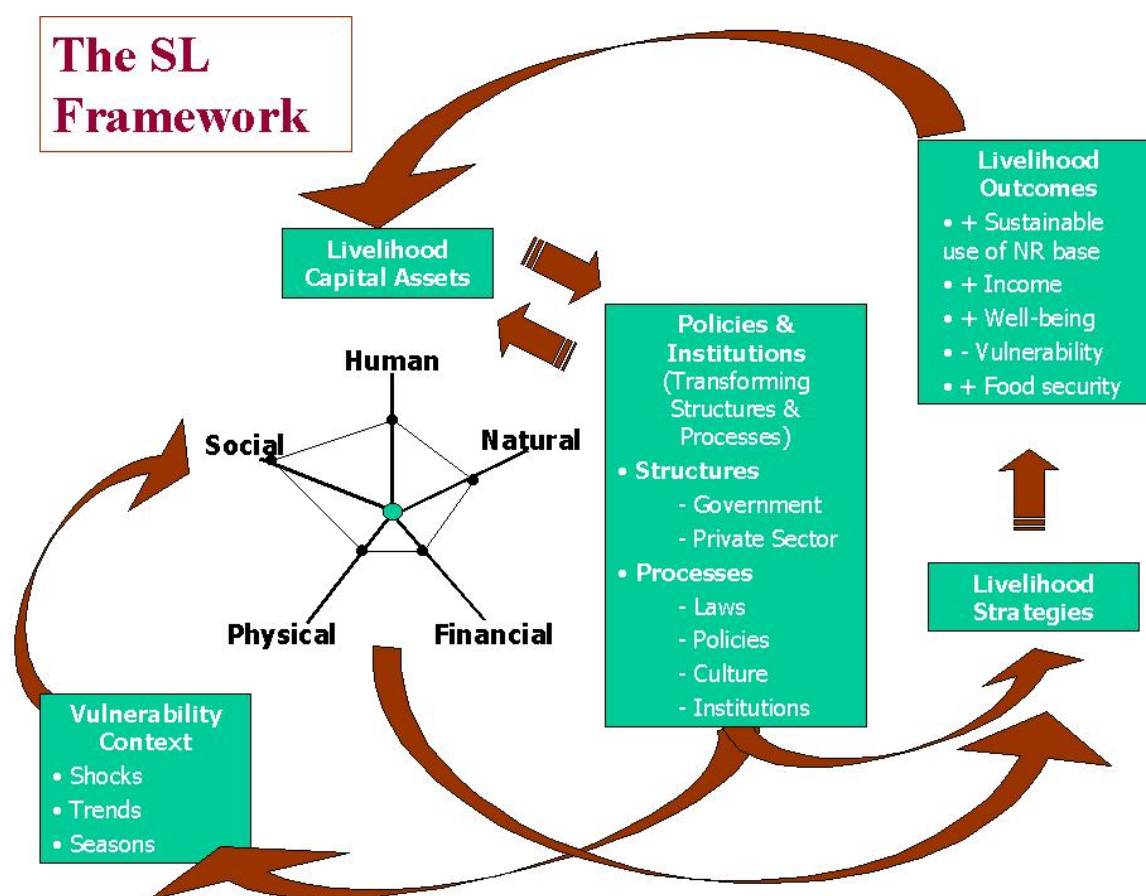


Figure 1 – Sustainable Livelihoods Framework

3.4. Adoption of the SLF to ITDG Research¹⁸.

The international research team in the ITDG-led project to develop regulatory guidelines for urban upgrading decided in its project proposal and initial project planning workshop to adopt the SLF. The deliberations during that workshop¹⁹ highlighted some key aspects of employing the SLF in this context, namely:

- the SLF is a tool for analysing how regulations affect the livelihoods of the poor;
- the benefit of employing the approach will primarily be for the researchers;
- its adoption as a research tool will also facilitate learning as to its potential usefulness in understanding urban development issues;
- the framework can be applied at various levels of analysis i.e. individual, household, neighbourhood or city wide;
- in its current format, the SLF does not give due weight to information and knowledge resources.

¹⁸ Lucky Lowe & Theo Schilderman: "The Impact of Policies, Institutions and Processes in Urban Up-grading", workshop paper, Regulatory Guidelines for Urban Upgrading project, ITDG, Rugby, May 2001.

¹⁹ Theo Schilderman: "Minutes of the joint preparatory workshop for the GPA and ITDG research projects on Regulatory Guidelines for Affordable Shelter and for Urban Upgrading, London, September 12-15, 2000", ITDG, Rugby, 2000.

4. POLICIES, INSTITUTIONS AND PROCESSES²⁰

Policies, Institutions and Processes (PIPs) are the social and institutional context within which individuals and households develop and adapt livelihood strategies. Their impact may be enabling or inhibiting, creating or constraining livelihood options and outcomes. PIPs encompass a range of issues such as participation, power and authority, governance, laws, public service delivery, market mechanisms and social relations. The legislation, regulations, norms, standards and procedures that govern housing and urban development are an integral part of the PIPs.

4.1. Institutions.

Institutions are defined by DFID as the hardware which forms legitimate governance structures. There are various levels of analysis and interface between individuals, within and between households and neighbourhoods, cities and national bodies. They tend to be complex, overlapping and often contradictory. For example, see the list of more than 20 institutions involved in setting or revising standards in Kenya²¹ or the 53 organisations governing the formalisation of squatter housing in the Philippines²². Each level of the local, national and international institutional map functions according to different “rules of the game” and each therefore requires different modalities. It may be relatively straightforward to map which organisations exist and who does what in theory (i.e. what is on the statute books) but the relationships between them and their intended and actual impact on the livelihoods of the poor is not so simple to quantify nor qualify.

Structures, organisations, customs, laws are all words used to define ‘institutions’. These are the mechanisms by which processes function; without them, legislation does not exist. Individuals and collective societies enforce norms, enable markets to work, create the reach our from central government into the wider public and private domain. Such structures are also, in theory, the means by which people can be informed of government policies, ways of working and understanding the rights of individuals. Rarely are the rights of poor people given much legitimacy by government institutions and all too often the elite control the institutions and processes with little regard to the needs of people in poverty. The predominance of the professional and political elite over the formulation and enforcement of legislation is well recorded.

DFID²³ suggests the following typologies may be helpful in identifying key institutional stakeholders:

- Familial – descent or kin-based;
- Communal – grounded in principles of trust and reciprocity;
- Social – norms or codes of conduct derived from social interest e.g. gender roles;
- Collective – common property resource and collective production or marketing institutions;
- Policy/governance – constitutions, legislative, regulatory and administrative norms and procedures e.g. property rights, juridical procedures.

The “rules of the game” influence the way people behave within and between organisations. Current research in Lesotho, for instance, has highlighted the very different attitude adopted by the water service providers when dealing with the public sector and the private sectors²⁴, making water services unaffordable for low-income groups. There are also many examples of credit providers, such as banks and building societies, applying very different rules to potential borrowers in the formal and the informal sector.

Social customs, gender roles and prevailing cultural norms influence formal institutions, the way individuals operate and the practices which become embedded in the way things get done. The interface between formal and informal institutions is significant in accessing assets. Institutional practices and policies can run counter to a perceived need to create greater equity, for instance, in placing a requirement on women to obtain their husbands permission in order to access assets such

²⁰ Most of the information in this section is drawn from: Lucky Lowe & Theo Schilderman: “The Impact of Policies, Institutions and Processes in Urban Up-grading”, workshop paper, ITDG, Rugby, May 2001.

²¹ Prof. Saad Yahya: “Building Codes and Regulations in Kenya”, UNCHS Seminar paper, Sweden, 1980.

²² The Economist: “Poverty and Property Rights”, 31st March 2001, pp.21-23.

²³ DFID: “Sustainable Livelihoods Guidance Sheets”, 1999.

²⁴ Geoffrey Payne & David Hall: “Project Visit Report, Lesotho 3-11 March 2001”

as land or credit. Closer interaction between formal and informal institutions can be very beneficial; some local credit providers have dropped the need for conventionally recognised forms of collateral and demonstrated a willingness to accept the social capital, of local groups, as collateral²⁵. A demonstrated ability to form a co-operative and contribute financial savings regularly forms the basis for credit provision.

The ways of working, integral to any cultural or institutional context are perhaps as significant for the ways in which they seek not to apply the rules as for the way in which they do apply them. The degree of flexibility in applying the rules, granting waivers or 'turning a blind eye' are all options open to the officials responsible. It is a widespread reality that the enforcement or non-enforcement of regulations or procedures is rich territory for income generation by the public sector or informal governing elite. Research undertaken in ITDG's Enabling Housing Standards and Procedures project reports a significant, often prohibitive, cost of corruption in for instance Egypt, Kenya and Zimbabwe²⁶. It may not be much of an exaggeration to say that corruption is universal in the context of planning permission, building regulations, land registration and allocation.

Building community organisations, networks and alliances to represent the interests of poor women and men is one means of assisting the most marginalised to access institutional resources. The literature and experience recorded by ITDG's Enabling Housing Standards and Procedures project demonstrates that such forms of organisation are critical in enhancing the bonding, bridging and linking social capital that enables people to be informed of existing livelihood options and create new ones. Later research on the knowledge and information systems of the urban poor highlighted that the poor rely in the first place on their own social networks to access information about livelihood issues, and that strengthening such networks and organisations could improve their access to institutions and services²⁷. The differentiation between some assets and the PIPs is sometimes difficult to make. The extent to which social capital can assist people to escape poverty is dependent on the creation of linking social capital. Local collaboration generates bonding social capital, but that rarely generates strong linkages with external institutions. The existence of numerous community based groups in Kenya, for instance, was highlighted by the World Bank²⁸ as failing to reduce poverty.

Markets are also considered to be key institutions and within the local building materials and construction sector artisans will greatly influence the norms which are adhered to in practice. Professional services are rarely within the reach of the poor yet institutions may demand that architect's drawings and formal documentation is the only way that formal building permission can be granted. In ITDG's work in Nakuru, Kenya, professional institutions were brought into local partnerships²⁹ in support of participatory low-income housing design efforts to produce type plans for block approval³⁰ by the Municipal Council of Nakuru under the revised by-laws, Code '95. The same project explored in some depth the need for standards and associated technologies, such as stabilised soil construction, which have a beneficial impact on the local asset base. Using appropriate building technologies rather than industrialised and sometimes imported options, generates a multiplier effect in the local economy. Supportive training has built people's ability to access housing and form linkages with local markets and public sector institutions.

The current focus on transforming the institutions that shape the behaviour of organisations is considered further under the section on governance below.

²⁵ Hernando De Soto: "The Other Path – The Invisible Revolution in the Third World", I.B. Tauris & Co., London, 1989.

²⁶ Alex Mugova and Oscar Musandu-Nyamayaro: "In Search of Enabling Housing Standards and Procedures: A Case Study based on Project Experiences", Case Study 13, ITDG, Rugby, September 1999.

Khaled Abdelhalim: "Standards and Procedures of Housing the Urban Poor in Egypt", Case Study 2, ITDG, Rugby, March 1999. Saad Yahya, Elijah Agevi and Josiah Omotto: "Deemed Satisfaction – Lessons from Housing Standards Revision in Kenya", Case Study 11, ITDG, Rugby, June 1999.

²⁷ Theo Schilderman: "Strengthening the Knowledge and Information Systems of the Urban Poor", final draft of a research report, DFID, London and ITDG, Rugby, October 2001.

²⁸ World Bank: "World Development Report 2000/2001", Washington, 2000.

²⁹ Elijah Agevi: "Emerging Partnerships for implementing Sustainable Building Standards", report of the National Workshop on Housing Standards, 12 March 1998, ITDG-EA, Nairobi.

³⁰ Enabling Housing Standards and Procedures project: "Participatory Design Workshop Report", ITDG, Rugby.

4.2. Policies.

There are three important elements to policies: their contents, the process of formulation and the methods of implementation. A range of institutions gets involved in policy development and implementation; they are not necessarily the same in each stage, nor does everybody get involved who should. Processes and procedures are treated in more detail in section 4.3. Policies may be developed at the macro-level, providing a framework within which local instruments may be set. Urban development authorities, specialist line departments and utilities as well as municipalities all have policy formulation and implementation responsibilities. Whilst the former tend to play a greater role in the design and delivery of new developments, the responsibility for upgrading tends to fall on the latter. The discussion of policies in this paper will be restricted to the legislation of the built environment.

The towns and cities of the Third World are split in formal and informal settlements. The share of the latter is on the increase, and practice tells us that this trend is hard to turn around. In Nairobi, for instance, 55% of the population now lives in the "informal city" which occupies only 5% of all the urban land. In Mumbai, this is the case with 56% of the population, living on 8% of the available residential land³¹. Figures of the share of the urban population living in informal settlements can be higher still: they reach around 65% in Peru and as much as 93% in Uganda and Rwanda³². This trend is influenced by two key factors: the high cost attached to the prevailing regulations, and the inability of the authorities to cope with rapid urbanisation.

Academics, researchers and developers hold conflicting views as to whether or not regulation is necessary. The ones against argue that the bulk of urban development already is unregulated and is likely to remain so, that regulation slows down development and adds to the cost, and that current regulation, inherited from colonial days, is no longer relevant to present needs and cultures. Some also argue that market forces will define the quality of housing. Besides, there are unwritten and social norms that do influence and to some extent regulate how people build. The proponents of regulation, on the other hand, point to the threats posed by unregulated urban development to people's health and safety. They also argue that owners with secure tenure tend to invest more in their property³³. The increasing incidence of rental housing in the urban settlements of the Third World, with all its threats to health and safety, is strengthening the arguments of the proponents of regulation, particularly when it comes to services. This is further reinforced by the fact that market forces by themselves do not seem to regulate housing or infrastructure quality very effectively at the moment, perhaps as a result of demand outstripping supply in many urban areas. One of the strongest voices in favour of regularising informal property is coming from Hernando De Soto³⁴. He argues that the property assets held but not legally owned by the poor of the Third World, totalling a staggering \$9.3 trillion, cannot be transferred into financial assets because, without a secure title, they cannot be used as collateral to raise a loan. His work has led to the establishment of a Property Registry in Peru and a fast track decentralised registration process which proved quite successful in issuing a large number of titles³⁵ and seems to have stimulated investments in property. On balance, some form of regulation would most likely be beneficial to the urban poor. However, this needs to be a type of regulation which is much more enabling and therefore quite different from what is currently in force in most countries. Thus, the key challenge is: how can we get various authorities to change their regulatory frameworks?

The development and evolution of legislation governing the built environment has been greatly influenced by Western powers. In the major colonising powers of Western Europe, a start was made with modern standards and regulations somewhere in the middle of the 19th century. Later on, the colonial authorities transferred many of those to countries of the South. Little regard was given to indigenous laws, local realities or the requirements of the majority³⁶ but rather to the priorities of the most powerful, for example, the desire to zone land and housing development according to race and

³¹ Draft minutes of the international workshop on Regulatory Guidelines for Urban Upgrading, Nairobi, January 14-16, 2002, ITDG-EA, Nairobi, 2002.

³² Theo Schilderman: "Housing standards: Can they be made appropriate?" in *Appropriate Technology Vol 19 No.1*, June 1992.

³³ Ibid. 3.

³⁴ Hernando De Soto: "The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else", Basic Books, 2000.

³⁵ Jan Turkstra & Ayako Kagawa: "Peru: Entitled to be titled", Case Study 10 in Geoffrey Payne: *Land Rites: Innovative Approaches to secure tenure for the urban poor*, GPA, London, June 2001.

³⁶ Edesio Fernandes & Ann Varley: "Illegal Cities, Law and Urban Change in Developing Countries", Zed Books, 1998.

creed. This conflict between overriding officialdom and customary standards is seen by some as the major reason for the inefficient functioning of human settlements in the Third World³⁷. Few countries in the Third World, unlike the colonial countries, have seen any consolidation or review of the legislation despite the apparent mismatch with current reality and lack of capacity to deliver what is on the statute books.

Four models of building regulation have evolved through history; these are commonly classified as Anglo-Saxon, German-Nordic, Napoleonic and Planned Economy³⁸. Although the legislative frameworks vary from country to country, they are similar in their basic structure. Four components are common to all models: Legislative (laws, acts, ordinances, by-laws); technical (regulations, rules, standards, codes); enforcement (procedures); and support (complementary reinforcement facilities). Since the countries where research on regulations is carried out are mainly former British colonies, only the Anglo-Saxon model is summarised here. This is followed in the United Kingdom, except London, and many English speaking countries. In this model, the legislative body issues a building law; this is then interpreted by local government through building codes. It does not assume territorial uniformity among codes, but in practice this often happens. The successful implementation of this model presupposes the availability of competent and incorruptible public officials. The burden of responsibility of mistakes committed by the builder is not clearly defined. A high level of education, procedural formalisation and complementary reinforcement facilities such as Codes of Practice and Deemed-to-Satisfy Provisions all support the enforcement process.

In this model, the legislative authority issues acts or ordinances to control the physical development of the built environment. By-laws have a similar status, but are issued by subsidiary legislative authorities such as municipal councils. The terms regulations and rules are often used interchangeably; they all share a legal standing, and may constitute subsidiary legislation, e.g. domestic sanitation in Kenya is regulated through the Drainage and Sanitation Rules proclaimed by the Ministry of Health under public health legislation. Codes, such as the Building Codes, on the other hand, are not statutory, unless made so by regulation; they tend to support the regulations with technical requirements and details. Standards generally define technical quality (e.g. of materials, design, building methods) and how this can be measured. They are generally published separately, though codes and regulations may refer to them. Specifications, on the other hand, are statutory and tend to stipulate the quality of construction elements like foundations.

International organisations such as the World Bank and UN-Habitat have highlighted the need for policy reform to reflect the trends in thinking. The policy rhetoric is in favour of review in order to create “enabling environments”. Perhaps the challenge is too big, the vested interests and inertia too much to overcome, the political will or human and financial resources lacking, but the enabling paradigm is rarely matched at the national or local level with practical action. A complete overhaul of regulatory frameworks may be what is required in principle, but even small revisions are the subject of lengthy political processes and often result from external donor pressure and/or assistance. The initiative by CRATerre³⁹ to develop pan-African standards for earth construction spanned several years and employed significant political will and resources in order to promote vernacular architectural traditions. The predominance of industrialised materials in technical standards has been a significant factor in putting formal housing beyond the reach of the majority. The cost of imported materials is high both in financial and environmental terms. Inclusion of local alternatives into formal legislation can build local technological capacity, generate economic activity through labour-intensive production of materials and construction techniques and ultimately promote affordable technologies which have the potential to meet the demand for adequate shelter for all⁴⁰.

The development or revision of regulations leads us back to the institutions involved; these tend to be many, just as there are many stakeholders with interests of their own. Politics, vested interests and the human nature of those involved in establishing and implementing regulations make this an area full of tension, conflict and constraint. In order to make regulatory frameworks more enabling, these issues

³⁷ Akin Mabogunje et al.: “Shelter Provision in Developing Countries: The Influence of Standards and Criteria”, ICSU Scope 11, John Wiley & Sons, London, 1976.

³⁸ Ibid. 3.

³⁹ CRATerre-EAG: “Compressed Earth Blocks Testing Procedures”, Centre for the Development of Enterprise, ACP-EU, 2000.

⁴⁰ Lucky Lowe: “The Current Review Process of the Earth Building Standards in Africa”, Case Study 1, Enabling Housing Standards and Procedures project, ITDG, Rugby, January 1998.

need to be addressed. Some of the problematic issues ITDG has come across, and how these could be addressed, are described below.

At the level of setting the legislative framework and developing regulations etc. (often mainly at central government level):

- *There are often too many actors involved.* With much bureaucracy and conflicting interests involved, processes of revision become very complex and lengthy. On the other hand, it remains important for various stakeholders to participate in establishing legislation and create a feeling of ownership. Perhaps the way forward is to carefully scrutinise regulatory frameworks, reduce the elements decided centrally, and increase local involvement and control, including self-regulation.
- *The actors involved are often inflexible,* do not want to give in on their own priorities, but want others to change theirs instead. In many countries, health authorities tend to take a tough stand on regulations to safeguard public health, where perhaps planners might be more lenient to achieve a higher degree of regularised housing. Such conflicting policies and approaches again make revision difficult and lengthy. A lot depends on personalities; sometimes it helps to get a different person from the same institution involved. Where corruption stands in the way of change, the emerging campaigns for good governance can start to address that.
- *Words are not matched by deeds.* Whilst policy documents, including the Habitat Agenda, do state that current legislation is inappropriate and does need revising, little actually happens in practice. To some extent, this is an issue of countries lacking the resources for what may well amount to a complete overhaul of the regulatory framework. And even where much smaller revisions have been made, for example in Kenya, this was often only possible with some donor assistance⁴¹. Aside from resource scarcity, there is, however, also evidence of inertia and people merely paying lip service to policy statements, for a number of reasons, including a vested interest in the status quo. To overcome this hurdle may require either campaigning by for instance associations or federations of civil society organisations (such as the Shelter Forum or NISCC in Kenya, the Slum Dwellers Federation in India, or People's Dialogue in South Africa) or the development of partnerships in which this burden is shared by various organisations.

At the level of implementing and enforcing standards and regulations (mostly the local level):

- *Actors at this level get overlooked when standards and regulations are developed or revised.* It often happens that certain specialist ministries or institutions are responsible for establishing regulations, whereas the ministry responsible for local authorities or those authorities themselves are not involved. Following some recent restructuring, this is now the case in Peru. And it is a commonly heard complaint at local authority level, e.g. in Zimbabwe⁴². The result is that the implementing authorities do not really feel ownership of the regulations, find parts of them irrelevant, and sometimes resist their application. There is also an issue about how relevant centrally devised regulations can be in different locations, particularly in large countries. Whereas the Anglo-Saxon model does not make this a requirement (see the previous page), in practice many local authorities do not have the resources to develop regulations of their own, and therefore tend to adopt centrally devised models. Ideally, a larger share of the development or revision of regulations should be left to local bodies, but where this is not possible, they should at least be represented when this happens centrally.
- *Some actors at this level will resist change for their own benefit.* The process of issuing permits and inspecting building works does offer opportunities for corruption; in fact, these increase with the length and complexity of the system. Any reduction in regulations, standards and procedures is therefore likely to meet some resistance. In the Anglo-Saxon model, where it is left up to local authorities to adopt or adapt centrally devised regulations and codes, or develop some of their

⁴¹ Saad Yahya, Elijah Agevi and Josiah Omotto: "Deemed Satisfaction – Lessons from Housing Standards Revision in Kenya", Case Study 11, Enabling Housing Standards and Procedures project, ITDG, Rugby, June 1999.

⁴² Alex Mugova and Oscar Musandu-Nyamayaro: "In Search of Enabling Housing Standards and Procedures: A Case Study based on Project Experiences", Case Study 13, Enabling Housing Standards and Procedures project, ITDG, Rugby, September 1999, p.12.

won, this can lead to authorities or individuals at the local level simply not implementing change. This may be another issue for a good governance campaign.

- *Some actors at this level will resist change because they lack knowledge and information.* The local authority staff involved in approving and controlling construction tends to have a fairly conventional education, which emphasises modern construction. There is now a tendency for performance standards to replace prescriptive standards; this opens the door for alternative and innovative materials, designs and technologies, which can be more affordable. But these often meet resistance at the local level, simply because the officials involved do not feel confident about their quality, and they therefore stick to the options they know. This has for instance hampered the expansion of stabilised earth construction in Africa. In Kenya, this hurdle has been overcome by demonstrating that innovations do actually work, e.g. in ITDG's work in Nakuru, and by the development of performance or testing standards. The standards for stabilised soil blocks, developed by the National Bureau of Standards in collaboration with the UNCHS⁴³ greatly assisted engineers to change their perceptions and practices.
- *There is a lack of capacity for proper quality control.* This (and perhaps the corruption mentioned above) appears to have been a major factor in recent earthquakes in Turkey and India having such devastating effects. And it raises the question of what the point is of making a huge effort in establishing a more appropriate and enabling regulatory framework, if it cannot be implemented properly. This is probably a major argument for keeping such frameworks as light and simple as possible, and for prioritising those components which do need local authority control, but leaving others to community control.

At the level of using regulations for housing and urban development (involving professionals such as architects, planners, engineers, economists, real estate developers, etc. largely in the private sector):

- *They generally have not been involved in developing the regulations either.* From field research by ITDG in Kenya and Zimbabwe, it became quite clear that they would have liked to get more involved, and were at times unhappy with the results produced by official committees. It seems important to have some representation from this group when regulations are developed or revised.
- *Some professionals may be reluctant to reduce standards and regulations.* This may be because their education has stressed modern construction, or because they are mainly involved in upmarket housing. We have noticed a particular reluctance on the part of housing finance institutions, who are very concerned with the durability of houses they are asked to provide credit for. Again, demonstration and perhaps official testing are key methods to convince these professionals of the validity of alternative, more affordable solutions.

At the level of applying the regulations to construction (affecting home owners, tenants, building artisans and contractors, building materials producers, etc.):

- *These stakeholders tend to feel the least ownership of regulations.* As a resident interviewed in an informal settlement in Kenya expressed: "these standards are for those people over there (pointing at a nearby formal housing scheme), not for us lot over here". This is partly because of the inappropriateness of the current regulations, but also because these people are never listened to when regulations are developed or revised. This could be resolved to some extent by more participatory approaches to urban planning and development. A good example of this is the Community Action Planning applied within the 1 million (subsequently 1.5 million) houses programme in Sri Lanka which did include a certain amount of self-regulation⁴⁴. Another reason is that the urban poor feel that current regulations are completely out of reach. It is, however, possible to extend them downwards, as shown in Sri Lanka, the Traditional Housing Areas of Malawi⁴⁵, and in Botswana⁴⁶. Research by ITDG in Kenya and Zimbabwe⁴⁷ has also revealed that

⁴³ UNCHS: "The reformulation of building acts, regulations and codes in African countries", Nairobi, 1985.

⁴⁴ Susil Sirivardana: "Sri Lanka Housing Standards Study generated with the urban poor in Sri Lanka", Case Study 9, Enabling Housing Standards and Procedures project, ITDG, Rugby, March 1999.

⁴⁵ Osita Okonkwo: "Building Codes and Planning Regulations Review in Malawi", Case Study 5, Enabling Housing Standards and Procedures project, ITDG, Rugby, February 1999.

these actors would like to get more involved in setting the standards for their living environment, if only they were given the chance.

- *There is a cost to non-regulation too.* Where it probably holds true that at least half of the urban population of the Third World cannot afford to build according to prevailing regulations, it is equally true that there is a price tag attached to the choice of remaining non-regulated. This may be in the form of increased health expenditure, of lost development or income generation opportunities and lower productivity, of lost investments in the case of eviction, of tenant exploitation by unscrupulous landlords, of bribes to corrupt officials or payments for protection, of higher prices paid for services such as water, etc. This cost is equally important, but often not made part of the equation.

4.3. Processes.

The DFID SL Guidance Sheets refer explicitly to processes of change in policies and institutions. If institutions are the hardware, then processes are the software which determine how legislation is delivered and are concerned with a complex play of power between all the institutional stakeholders concerned.

With regards to the legislation governing the built environment, processes also include the procedures and their related costs to housing. In the Philippines, the process to formalise a squatter's house built on state owned land can take 13 to 25 years to complete 163 steps involving 53 public and private agencies⁴⁸. In Nakuru, Kenya, the accessibility and cost of housing to owners was greatly reduced through a collaborative process which enabled planning permission to be obtained rapidly, but this did involve a considerable expenditure of project and partners resources. A research exercise carried out by De Soto in Lima, focused on the registration of an informal business. A research team set about registering a one man clothing workshop on the outskirts of the city: "it took them 289 days to make their micro-enterprise legal, and cost \$1,231 – 31 times the monthly minimum wage in Peru". The process also required a certain amount of information, knowledge and capacity to access and deal with the requirements of officialdom⁴⁹. Payne highlights the administrative costs in obtaining planning permission for development in Mumbai to be Rs 1,000 per m², approximately ten times the daily wage for low-income workers. In addition to these fees, there is the cost of bribes of Rs 100-150 per m² as well as 75 days required to visit all the necessary offices⁵⁰.

The current trend is towards achieving change in the performance of public sector organisations and the way they operate. A large international campaign, supported by the UN-Habitat, the World Bank and major donors, is focusing on good governance. Governance may be defined as being composed of three elements: the public sector, civil society, and the interactions between the two⁵¹. The question of roles, responsibilities, rights and relations is central in establishing a clear understanding of what each stakeholder group can and should do. Interventions in this arena are highly contentious since governance comprises the traditions, institutions and processes which determine how power is exercised, whether citizens have a voice and how decisions about issues of public concern are arrived at.

During most of the 1990's Public Sector Reform (PSR) was seen as a largely technical exercise. But when reviewing its PSR experience in 1999, the World Bank found that only a third of its initiatives could be considered as having positive impacts and it was thought that the majority of those reforms were unlikely to be sustained⁵². A renewed focus on the capacity of the public sector to affect pro-poor change is a key factor in delivering the benefits of revised legislation into practice. Whilst PSR has an important technical aspect, it is primarily a social and political process driven by human behaviour and

⁴⁶ Prof. Saad Yahya: "Enabling Housing Standards for Botswana", Case Study 4, Enabling Housing Standards and Procedures project, ITDG, Rugby, December 1998.

⁴⁷ Ibid. 41 and 42.

⁴⁸ Ibid. 34.

⁴⁹ Ibid. 34 and 25.

⁵⁰ Payne, note to researchers, 2001.

⁵¹ Jo Beall – C3F Steering Committee meeting, 2001.

⁵² World Bank: "Civil Service Reform – A Review of World Bank Experience", report no.19599.

local circumstance. ITDG's experience in urban upgrading has shown that street level bureaucracy, the actors concerned and ways of working are critical pressure points for achieving pro-poor change and removing constraints. For example, if poor people are granted the right of title, it is essential that the mechanisms by which they assert that right are accessible and affordable.

The trend towards greater democratisation of public sector policy and service delivery places an increasing burden on institutional capacity. Interactions between civil and public sectors will be greatly influenced by what happens at the interface and by the political will of those at the apex of government structures. PSR is an arduous, long term process. Working with local governance structures also involves working with representatives of the popular sector. During discussions on the continuing constraints to greater flexibility in the application of housing and planning standards, the lack of understanding and capacity of councillors was highlighted as a constraint on the institutionalisation of changes. The transitory nature of popular sector representatives' terms of office, highly mobile public sector employees and political changes have all found to tax project resources in building and sustaining reform in the public sector and will continue to present challenges to change processes. Tipple⁵³ suggests that increased subsidiarity and devolution must be taken as desirable and that the shared responsibility and diverse roles adopted by each stakeholder group should reflect this trend. He proposes local authorities should have the responsibility for developments affecting more than one neighbourhood, whilst local level development, where the externalities of home based enterprises only have a local impact, should be dealt with at the local level. He also points to the potentially contentious issue of how to delimit responsibilities between the local and city levels.

Institutions such as sector specific networks and broad based alliances are critical to promoting and achieving change. DFID's SL Guidance Sheets point to the experience developed in Kenya through the Shelter Forum initiative. The wide range of stakeholders engaged; the long term vision and persistence of key players; the promotion of exchange between low-income urban and rural residents, professionals and policy makers; the organisation of research centred on poor women and men; production of policy focused documents and events have all been effective means to keeping the issue of regulatory reform on the national agenda and, most significantly, in creating "effective channels of communication between poor households and the central policy network"⁵⁴.

The aim of defining roles, making explicit and clarifying responsibilities, and building partnerships must be at the heart of the reform of public sector institutions, individuals' attitudes and practices in order that policy creation and service provision becomes more accessible and responsive to demand. Ownership by locally pertinent institutions must vary from place to place but it is perhaps not feasible to suggest all should be included in policy formulation or review processes. Centralised institutions could play a vital support role in creating 'enabling environments' but innovative ways are needed to create widespread awareness of the necessity for change and ideally ownership of the outcomes.

Experience developed by DFID and the World Bank⁵⁵, amongst others, suggests that the following factors have a positive impact on the livelihoods of the most disadvantaged sectors of society:

- strong and constant local leadership and ownership;
- popular pressure for reform;
- accountability;
- access to information;
- positive organisational culture;
- capacity building for policy development;
- more sophisticated approach to downsizing the public sector.

⁵³ Graham Tipple: "The Impact of Regulations on the livelihoods of people living in poverty", workshop paper, Regulatory Guidelines for Urban Upgrading project, CARDO, Newcastle upon Tyne, April 2001.

⁵⁴ DFID: " Sustainable Livelihoods Guidance Sheets", 1999

⁵⁵ Ibid. 50 and 54.

5. HOW REGULATIONS AFFECT THE DEVELOPMENT OF LIVELIHOODS ASSETS BY THE URBAN POOR⁵⁶.

Access to, creation, transfer and accumulation of assets is key to the generation of sustainable livelihoods. The term 'capital' is employed in the SLF to describe the various assets which make up people's asset portfolio. The meaning of capital, as per its medieval Latin origin, was a head of cattle. This was a good indicator of wealth and represented as asset that could be easily measured and monitored, moved away from danger or transformed into other produce. So capital was not only the physical, intrinsic meat value, but also the productive potential which such livestock represented. The milk, the hides or wool, the religious purposes or trade which people could expect to generate was also part of the concept of capital.

Women's and men's ownership and options in deploying their capital assets are greatly influenced by PIPs. This in turn determines the livelihoods options people will be able to pursue. This section focuses on the different capital assets identified in the SLF, comments on how they are influenced by regulations, and suggests where the current SLF categories fall short or are perhaps unhelpful.

5.1. Physical capital.

- *Security of tenure is important to stimulate investment in better housing and infrastructure.* Without such security, people remain at risk of eviction or demolition. Whereas these risks have perhaps diminished over recent years, they remain real, and often prevent people from investing as much in their dwellings and infrastructure as they might want to. Lack of secure tenure is also an important constraint in accessing housing finance.
- *Most regulations do not favour incremental development or transformations.* As Turner argued from the 1970's, housing is a process, not a product⁵⁷. The urban poor involved in building their own dwelling tend to do so over a lengthy period, in little steps of extensions and improvements. This is partly to do with the fact that it is difficult for them to access housing finance, and perhaps a strategy to avoid risks. Many regulations and housing interventions have failed to take this fact on board. Incremental building makes a lot of sense in terms of asset management, since it makes the best use of limited resources, but it is not liked by planners since 'below standard' housing is inevitable at first and there is no guarantee that the desired level will be ultimately attained. Before the most recent revision, Zimbabwean regulations required 4 room houses as a minimum. And residents in Kenya's sites and services schemes were required to have complete houses within 18 months. Regulations affecting the minimum size of dwellings have started to change in several countries. Thus, in Zimbabwe it is now allowed to start with a core house of one room and an ablution block⁵⁸. The issue also affects the evolution of housing as the livelihoods of residents change over time. Research by Tipple⁵⁹ on transformations has clearly shown that they are often of better quality than the existing housing stock, so there is perhaps reason to stimulate rather than restrict these. It may also be possible to pursue quality improvement over time; this was a concept included in the development of Traditional Housing Areas in Malawi, where it did not work optimally. It is also behind the upgradeable plot approach adopted in India⁶⁰. And the concept does extend to infrastructure too.
- *Whilst regulations focus on infrastructure, it should be on services.* In the urban context, infrastructure is seen as part of the physical asset base. Yet it is increasingly seen as desirable for infrastructure to be defined as services rather than as hardware such as water pipes. According to Cotton⁶¹: "the service focus leads us onto the concept of demand based approaches which brings

⁵⁶ This section is largely based on: Lucky Lowe & Theo Schilderman: "The Impact of Policies, Institutions and Processes in Urban Upgrading", and Theo Schilderman and Lucky Lowe: "Regulatory Issues affecting Shelter Development by the urban poor", ITDG, Rugby, May 2001.

⁵⁷ John Turner: "Housing by People", Marion Boyars, London, 1982.

⁵⁸ Ibid. 42

⁵⁹ Ibid. 53

⁶⁰ Banerjee et al.: "Three Indian cases of upgradeable plots", Liverpool University Press, 1994.

⁶¹ Andrew Cotton – notes for researchers, Regulatory Guidelines for Urban Upgrading project, ITDG, 2001.

us much more to thinking about the user; this has long been around in respect of participatory approaches to all sorts of issues but where basic urban services are concerned, it has not taken hold to the same extent". Cotton also suggests that "we should stop assuming that professionals know what people want and try to find out what level of service they actually want and are willing to pay for".

- *Regulations often restrict the choice of materials and technologies.* Many do specify the use of modern, industrialised, and often imported materials. This is costly and does little to boost the local economy. Alternatives are often available and sometimes widely used in informal settlements, but the prevailing regulations do not formally accept them. Rather than specifying what materials or technologies may be used legally, regulations should specify their performance. This then allows alternative materials and technologies which can show that they meet such performance, to be used legally. In its recent revision of the Building Code, Kenya has moved from prescription to performance based regulations⁶². The net result is that materials such as stabilised soil blocks are now gradually more widely used, and small local enterprises are being established to profit from this.
- *Some affordable alternatives are not standardised.* Some innovative materials or technologies do not have a standard yet or may not be standardised in some countries. This can exclude them from legal use. Moreover, the lack of standardisation also makes people worry about their quality which reduces their market. This has led some producers to push for the introduction of standards for their products, e.g. for micro-concrete roofing tiles in Kenya, and for building with earth in Burkina Faso⁶³. In the latter case, standards were developed as a regional initiative, with the help of a specialist organisation, CRATerre. Since the development of new standards can be lengthy and costly, such a regional approach makes a lot of sense. The agrément system, adopted in South Africa after the French example, is another method to legally incorporate non-standardised materials or building systems, by testing their fitness-for-purpose and the issuing of a certificate⁶⁴. It is also conceivable to introduce quality seals on materials. These latter two options do require a certain capacity for testing and quality control which not all developing countries may possess.

5.2. Natural capital.

The SL theory and practice developed in the natural resources sector where the significance of natural capital is immediately evident in poverty reduction. In this context, land is a key asset. There is some debate whether land in the urban context ought to be regarded as natural capital, or should be seen as physical capital. This is particularly the case when it comes as already serviced plots.

- *Urban land is a scarce resource.* Hence the tendency of many regulatory and planning authorities to keep plot sizes to a minimum. This is not in the interest of some of the urban poor who might want a bit more land to pursue some livelihood options (including urban agriculture or livestock), but that could prevent others from getting access to any land. It also puts pressure on the owners of land surrounding the cities, who are under the threat of urbanisation, and, although perhaps financially compensated for the loss of their land, may ultimately lose their traditional livelihood options. Because developed land is scarce, and the poor often lose out in the struggle for access to the few available plots, they often end up squatting on various pockets of marginal land within towns or cities, or on their fringes. This can lead to conflicts with the public or private owners of the land, and sometimes to eviction. It also leads to housing densities which are often much beyond what regulations prescribe.
- *Open space is under pressure too.* Access to open space is shown to be important in safeguarding well-being, play areas for children or communal gatherings are beneficial to livelihood outcomes, but the intrinsic value of urban land means poor people often lose in the power play for ownership and use of such valuable community assets. This often is not so much an issue of regulation and planning in itself, but more one of enforcement. In Beirut, where public

⁶² Appendix 3: "Analysis of changes introduced by Code '95 in Kenya" in: Saad Yahya et al.: "Double Standards, Single Purpose – Reforming Housing Regulations to Reduce Poverty", ITDG Publishing, London, May 2001.

⁶³ Ibid. 40.

⁶⁴ Liz Kraayenbrink: "A South African solution to standards" in basin News No.15, May 1998, pp. 13-15.

space per resident ratios are said to be “50 times less than the recommended healthy average under international standards”, this is now the focus of vigorous campaigning by concerned citizens. But campaigns by some can be harmful to others. In Mumbai, environmental action groups composed largely of middle-class citizens campaigned for the maintenance of open space, resulting in the eviction of poor households who had invaded its fringes.

- *The urban environment is under threat.* The loss of open space and excessive population densities in some areas are already mentioned. But there are other factors too, and not only in the informal sector. There is much polluting industry; although the regulations are often in place to curb such pollution, they are often poorly controlled and circumvented, with sometimes disastrous consequences in neighbouring residential areas (e.g. in the case of Bhopal). Besides, there is much motorised transport, which adds its share to air pollution; the larger the cities, the bigger this problem becomes, to the extent that cities like Mexico or Bangkok become almost unliveable⁶⁵. Some of this problem is caused by poor planning, which forces people into cars and buses, sometimes to cover long distances; zoning regulations which separate areas into different land uses are partially to blame. In low-income settlements, poor drainage is perhaps the major cause of environmental problems, followed by a lack of sanitation and the pollution from small-scale industries and household cooking and heating devices. All these can be regulated to various degrees, and in fact they are when it comes to new settlements. But often, the level of regulation, as for housing, is inappropriate to the informal sector, and the challenge really is to find a middle path between what is ideal and what is affordable, and to keep in mind that regulation only makes sense if it can be controlled. When it comes to the optimal use of scarce public resources for regulation, there is probably a case to be made to focus on public health issues which affect larger communities, rather than on housing which is more of an individual issue and could perhaps be left to self-regulation.
- *The environmental agenda may be at odds with the livelihoods of the urban poor.* The increasing strength of the environmental lobby when talking about sustainable development means that the social or economic dimensions, which arguably have a more direct impact on those living in poverty, are given less priority. Lessons emerging from recent research by SPARC in India highlight the interests of low-income people living along the coasts, and how these are at odds with new centrally issued Coastal Zone Regulations⁶⁶. Similarly, the many home-based and other small enterprises run by the urban poor within residential neighbourhoods are often at odds with zoning regulations which prevent mixed land uses. Perhaps the SLF is one means to redress the focus to ensure that sustainability of the natural resource base is not at the expense of the livelihood options of the most marginalised women and men.
- *Household energy issues are being overlooked.* Policy makers generally pay little attention to household energy. Yet it is an important factor; on average, a household uses as much energy for cooking in two years as it takes to produce its entire dwelling. Many urban residents still use traditional fuels, such as wood and particularly charcoal, which are being supplied from ever further away, at great cost to the environment. Cooking (and sometimes heating) does make an important contribution to pollution and can cause smog in cold climates. The impact is particularly bad on women, young children and the elderly, especially in one-room dwellings which are often poorly ventilated because they are back-to-back. The model houses designed in an ITDG project with residents of Nakuru paid particular attention to this issue, by introducing chimneys and better ventilation⁶⁷.
- *Current building regulation is not environmentally friendly.* Building codes and standards often prescribe the use of modern industrialised materials, such as cement, which take huge amounts of energy to produce and transport. Many local materials, such as unfired earth, have far less of an environmental impact, whilst organic materials such as timber can be grown. But they are often considered not to be durable and therefore excluded. As the demand for building materials continues to grow, cities act as a drain on the surrounding environment. The choice of building

⁶⁵ Ibid. 15.

⁶⁶ Sheela Patel: “Report of the meeting on Norms and Standards and the urban poor”, SPARC, Mumbai, May 2001.

⁶⁷ Appendix 4: “Architects as facilitator” in Saad Yahya et al.: Double Standards, Single Purpose – Reforming Housing Regulations to reduce Poverty, ITDG Publishing, London, May 2001.

materials is significant not only in terms of impact on the natural resource base, but also on livelihoods⁶⁸.

5.3. Financial capital

- *Current regulation is not affordable to the poor.* Studies of the Caribbean, for instance found that only 15% of the population can afford to build legally^{69, 70}. Since regulations do not reflect current realities, revisions which have sought to redress the situation have the effect of bringing down the cost of standard housing. For example, in Kenya and Zimbabwe cost reductions have been as much as 30%, e.g. by allowing more affordable materials or technologies or reducing plot sizes⁷¹. This may be insufficient, if 70% of the cost is still out of reach of the majority. One option would be to have a two-tier regulatory framework which would effectively allow the development of cheaper settlements. This is what was envisaged in Malawi, with the establishment of the Traditional Housing Areas, where residents were allowed to build with almost any materials, and where infrastructure standards were kept very low, with improvements over time in mind⁷². Similarly, in Sri Lanka, local authorities can declare special zones where lower standards apply; this clause was used frequently in the 1 million houses programme⁷³. Rather than having different sets of standards and regulations applying to various locations, it is also possible to just lower them drastically altogether, as has happened in Botswana; this took into account the practice of existing informal settlements⁷⁴. This practice has the potential advantage of legalising a lot more housing, whilst not necessarily affecting the medium or high income segments of the market, where standards are likely to be determined by customs and demand.
- *Procedures can be costly too.* In most countries, procedures are far too complicated and lengthy, and therefore costly. De Soto has highlighted the implications of this, as discussed in section 4.3.⁷⁵ He has also shown in Peru that it is possible to simplify the procedures. There are examples from elsewhere too; the “one-stop-shop” approach, implemented in Canada, has been cited as an excellent way forward⁷⁶. That approach is implemented, to a degree, in Uganda⁷⁷. It is also possible to put the onus on the local authorities and have the regulations state that a house design is automatically approved, if the authority has not objected within a given period; South Africa is one of the countries considering this. Such a rule does not always need legislation: e.g. in Nakuru, Kenya, the partnership developed between ITDG, CBOs and the local authority led to a commitment by the latter to turn around applications for building permits within 30 days. This was facilitated by the development of a range of standard house designs.
- *Regulation prevents the poor from generating income in residential areas.* Most zoning regulations prevent mixed land uses, largely for environmental reasons. Whilst authorities may be able to control the spread of home based enterprises to some extent in new housing schemes, it is more difficult to deal with these when considering the regularisation of current informal settlements. Home based enterprises are particularly important for women. Clearly, there is a case to be made to look at planning and zoning regulations from the angle of the livelihoods of all concerned.
- *Many regulations require finished products from the start.* This is not affordable to the urban poor; see section 5.1. for details.

⁶⁸ See the work by Development Alternatives and current doctorate research by P.K. Das on various impacts of building materials use in different regions of India.

⁶⁹ A. Mohammed: “Problems in translating NGO successes in government settlement policy: illustrations from Trinidad and Tobago and Jamaica”, IIED, October 1997.

⁷⁰ Glenn Matthews and J. Wolfe: “The growth of the informal sector and regularisation of spontaneous development”, TWPR, 1996.

⁷¹ Ibid. 41 and 42.

⁷² Ibid. 45.

⁷³ Ibid. 44.

⁷⁴ Ibid. 46.

⁷⁵ Ibid. 25 and 34.

⁷⁶ Ibid. 11.

⁷⁷ Emmanuel Byaruhanga: “The Current Review Process of the Building and Planning Regulations in Uganda”, Case Study 3, Enabling Housing Standards and Procedures project, ITDG, Rugby, December 1998, pp.8-9.

- *Small is cheap, but is it best?* Professionals often take a minimalist view when it comes to for instance plot sizes. But this is not in every case what is optimal from a livelihoods point of view. See also section 5.2.
- *Security of tenure is an important condition for developing financial assets.* Access to credits requires guarantees. This is difficult without a registered title, though having such a title does not automatically guarantee credit, as the urban poor increasingly find. Some urban utilities also require secure titles to connect residents to e.g. water or electricity supplies. Such connections can be crucial for HBEs. Also, services provided by the formal sector are often cheaper than those obtained from the informal sector.
- *The construction of housing and infrastructure can be a powerful source of income for artisans.* But this is to some extent determined by the choice of technology and by what regulations allow. See also section 5.1.

5.4. Human capital.

- *Regulations do not make good use of poor men and women's indigenous capacities.* Human capital is perhaps the most critical asset which poor people have at their disposal; their ability to sell their labour is key in income generation; similarly, using their own labour in self-help can bring the cost of housing down. The human asset base can be enhanced if regulations permit and promote the use of technologies poor people, artisans and small-scale producers in their midst are most familiar with.
- *Better housing and infrastructure does add to human assets.* There is some emerging evidence that people's physical and mental health and their productivity do improve following investments in the improvement of the living environment; this may be accompanied by financial gains. ITDG has looked at the impact of better housing on the health of the rural Maasai in Kenya; a key issue there was smoke, from cooking, which was not evacuated because wall openings were small and chimneys absent. Others, e.g. IIED, have stressed the importance of improving the urban environment (including drainage and sanitation) to people's health. There is an important cost to poor health to the urban poor: not only may they have to forego the opportunity to generate income, they may also be unable to eat, and incur healthcare costs⁷⁸. In the words of Nancy Wanjiru, a member of Muungano wa Redeemed Village, Nairobi: "Here, malaria and diarrhoea do not end. We spend the better part of our income taking our children to hospital and on medicine"⁷⁹. It remains difficult to pinpoint exactly what the health impact of better housing or services is, because it is often hard to distinguish from other factors such as nutrition or health and hygiene education which contribute as well, and perhaps this is an area requiring more detailed investigation. But the question remains whether it can be right to look at regulation just in terms of the investment cost, whereas there are clearly longer term benefits to residents.
- *Overcrowding does have a negative impact on human assets.* It affects the health and psychological well-being of residents and can lead to violence. That is why many regulations try to establish a minimum amount of space per person, or minimum room sizes. Whether this always actually works in practice is debatable, because who or what can prevent higher occupancy rates? Overcrowding perhaps affects tenants most; in many instances, a whole household of tenants occupies a single room, because they cannot afford to rent two. It is obviously important that this room is large enough, and has adequate ventilation and lighting, which regulation can perhaps help to achieve.

⁷⁸ Jonathan Rouse and Mansoor Alit: "Waste Pickers: Using the Sustainable Livelihoods Approach in Dhaka", key findings and field notes, WEDC, Loughborough, 2000.

⁷⁹ ITDG project records: Women and Information and Communication Technologies, 2001.

5.5. Knowledge and Information capital.

This is not an asset recognised within the DFID Guidance Sheets, which regard it as part of human capital. Urban life is more complex than rural life. The urban poor do have to be aware of opportunities for jobs or to generate incomes, about where they can settle, about how to build, about the risks involved etc. Thus, knowledge and information are crucial assets to them; they have perhaps been undervalued in the current SLF literature, and some have argued for their inclusion⁸⁰.

- *The urban poor face problems in accessing the knowledge and information they require for their livelihoods.* Research by ITDG in three countries has revealed that they face substantial problems⁸¹. Currently, their prime source are other poor people, followed by key contacts, often within the neighbourhood. Poor people are often discriminated or badly treated by public institutions, when they seek information or services.
- *The urban poor are often unaware of their rights and of the rules that apply.* The poor are often very poorly informed when it comes to their rights on issues such as tenure and eviction. They also are often unaware of the details of any regulation affecting their settlement. Most rely on informal sector income generating activities which are often harangued by public sector officials seeking to apply the rules. A working knowledge of regulatory requirements and how they are applied can be important in risk mitigation as well as in accessing public sector resources.
- *Standards and regulations are incomprehensible to all but a few.* They tend to be written in a legal or technical language which is difficult to understand for all but some professionals. Besides, some urban poor would not know the language they are written in, or might be illiterate. In addition, there are often quite a lot of them, they can be contradictory at times, and it is often hard to figure out which ones are the most important. There are ways to overcome such problems. One is to simplify regulations, as happened in Botswana. In Zimbabwe, ITDG produced a manual to explain regulations and procedures⁸², but so far this is only available in English and still needs translating in the two main vernacular languages. In the case of Kenya, the new Code '95 was accompanied by "deemed-to-satisfy" clauses, to provide simple examples of how certain regulations could be implemented. Finally, it often remains important to demonstrate what certain innovations that have been incorporated mean in practice; this was a very important element of the dissemination of revised Codes by ITDG in Kenya and Zimbabwe.

5.6. Social capital.

- *Housing and settlement upgrading can build social capital.* The fact that neighbours are coming together to tackle a common need may lead to the emergence and capacity building of CBOs, to empowerment and to subsequent other benefits. This is often easier in an existing informal settlement, which is perhaps scheduled for upgrading, than in a situation where relative strangers are constructing in a newly planned settlement. Building and planning regulations may affect the development of social capital. An insistence on modern technologies, for instance, may prevent the use of self-help or mutual-aid more common in traditional building. And the way how land is allocated according to the law differs from customary practice and undermines traditional local leadership. There may also be problems in the planning details (i.e. in the way how the planners interpret the regulations), e.g. it is much easier to build social capital amongst neighbours in a quiet cul-de-sac than amongst those on two sides of a busy street. And it is important for a neighbourhood to have places where people can meet.
- *Other policies affect social capital development more.* In many countries, there are other laws, policies or strategies in place which affect the development of social assets more than the building or planning regulations. An important element of Zimbabwe's enabling housing policy, for instance, is co-operative housing, and the country has a policy to support the formation and

⁸⁰ See for instance: Ruth McLeod: "The Impact of Regulations and Procedures on the Livelihoods and asset base of the Urban Poor – A Financial Perspective", workshop paper, Regulatory Guidelines for Urban Upgrading project, ITDG, Rugby, May 2001.

⁸¹ Theo Schilderman: "Strengthening the Knowledge and Information Systems of the Urban Poor", draft final report, ITDG, Rugby, October 2001.

⁸² Alex Mugova and Oscar Musandu-Nyamayaro: "Housing Urban People in Zimbabwe", ITDG Zimbabwe, Harare, 1998.

capacity building of co-operatives. Hundreds of housing co-operatives have been formed and do play an important role in realising shelter for all. On the down side, the same country has sometimes prevented people to organise meetings, particularly in urban areas which were opposing the current government, during the past election year. In Zimbabwe as well as Kenya, politics have at times led to violent clashes which have caused distrust in communities and destroyed some of their social capital.

- *Social assets are crucial for revising legislation and for upholding it.* Poor people that can get their act together, and/or have the right connections, do sometimes manage to get regulations changed or may achieve that unfavourable regulations are not implemented. Pavement dwellers in Mumbai, India, for instance, designed model houses based on their pavement dwellings, with one key difference: a height of 14 feet, allowing for a mezzanine in part of the room. It took 4 years of concerted lobbying by them and support agencies to get the professionals to approve that change⁸³. And it took the pressure of many NGOs and CBOs in Kenya to finally achieve revisions of the building regulations, culminating in Code '95. Similarly, links with powerful people can help the residents of informal settlements or those working in MSEs to prevent regulations to be upheld which could lead to their eviction and the demolition of their assets.
- *Urban violence destroys social capital.* Urban violence not only makes poor people more vulnerable, e.g. because valuable assets are being lost, it also destroys social capital. The urban poor suffer a level of violence often unknown in rural areas. Levels of trust are decreasing, whereas these are essential for building social capital. People are also aiming to stay home at night, for fear of getting mugged or raped outside, which strongly diminishes their potential to meet with others.

6. VULNERABILITY

Poor people in urban areas are at risk of a range of disasters and shocks. Some of these are of a nature that are hardly affected by building or planning regulations, e.g. the economic hardship caused by structural adjustment. But vulnerability to natural disasters, for instance, is clearly affected by the regulations in place and how these are applied. In the aftermath of hazardous events such as earthquakes and landslides, regulations are inevitably the focus of considerable media attention. The failure to comply with existing planning and building regulations is usually cited as a key factor in the resultant loss of life, property and livelihoods. And the impacts of shocks such as loss of lives or livelihoods pushes people to call for higher standards, to seek solutions which often have an engineering bias. Rarely is a more holistic SLF approach applied to disaster preparedness or mitigation.

In a shelter context, typical areas of vulnerability include⁸⁴:

- natural disasters such as earthquakes or tropical storms;
- man-made disasters such as conflicts resulting in displacement;
- environmental degradation;
- economic shocks derived from e.g. structural adjustment, leading to loss of employment or income;
- loss of health or time off work due to poor housing;
- eviction and homelessness;
- urban violence;
- poor governance leading to corruption, land grabbing etc.

The vulnerability of poor men and women living in urban areas is affected by regulations in the following ways:

- *Setting standards too high increases the risk of eviction and homelessness.* When it becomes impossible for the urban poor to reach the legal standards, because they are set at too high a

⁸³ Sundar Burra and Sheela Patel: "Norms and Standards in Urban Development – The Experience of an Urban Alliance in India", workshop paper, Regulatory Guidelines for Urban Upgrading project, ITDG, Rugbu, May 2001.

⁸⁴ ITDG International Shelter Strategy, 2001-2005.

level, they are at risk of being removed by force and lose substantial assets. This may perhaps happen less nowadays, but it still does. Sri Lanka, for instance, has changed its policy of inner city slum upgrading which was quite successful within the 1 million houses programme, for one of clearance and resettlement in apartments⁸⁵. And the world wide “Cities without Slums” campaign has triggered slum clearance in Indonesia, a country with one of the largest slum upgrading experiences in the world⁸⁶. The urban rich sometimes have a vested interest in keeping standards high to get rid of poor elements in their neighbourhoods.

- *The survival of the urban poor often depends on their capacity to assess and manage risks.* When living in informal settlements, how do you assess whether it is worth the risk of investing in better housing, or in some home based enterprise, when eviction or demolition is a real threat? This may require the right contacts, the appropriate information, and a bit of luck too. But such decisions do go wrong at times, and can put people in much greater poverty. Poor people often lack information about their rights as citizens, and this is sometimes exploited.
- *Poor urban women are more vulnerable than men in many countries.* This often has to do with customs as well as legislation, and as been dealt with in section 2.2.
- *The poor often end up in the riskiest locations.* This is a matter of economics and power, and perhaps to some extent ignorance or unawareness of risks. When an earthquake, flood or cyclone strikes a city, the poor usually make up the bulk of the victims. That is because they end up living in the flood plains, in areas with faults or prone to liquefaction, or on or below steep slopes which may slide down when saturated or shaken. Sometimes, zoning regulations are in place which should prevent people from settling in such dangerous areas, but in practice they often don't.
- *Setting standards too high may not prevent disasters to happen.* It is quite possible to design concrete or steel framed buildings which will stand up to most earthquakes, cyclones and floods, but they also would be too costly for many of the urban poor. The rules should probably aim for what is optimal, not for the best. In the case of natural disasters, this could mean to try and prevent casualties through collapse, but to accept that some damage would occur. In this context, it is important to build on good technology that may be around already, and which usually stands out when disasters happen. A post-earthquake reconstruction project by ITDG in Peru, for instance, found that a local mud-and-pole (*quincha*) walling technology had withstood the earthquake in the Alto Mayo region reasonably well. This was used to develop, with residents and artisans, the '*improved quincha*' technology which largely used local resources and was cheap, and therefore replicated widely⁸⁷. And although it was not, strictly speaking, standardised for use in urban areas, it was accepted by urban authorities for reconstruction.
- *People have to be convinced, not coerced, to make standards and regulations work.* Quite often, if a rule has to be enforced since it does not make sense in its own right, it is not going to work, because people will find a way to avoid or circumvent it. Many of the regulations for disaster-resistant construction that are in place have been developed by engineers, often after Northern examples (e.g. the USA Codes for earthquake resistant building are used as a source by many Latin American countries). They are ideal for the rich and may suit certain public buildings, but do not make sense to the poor, if only because they prescribe alien and costly technologies. The poor may already have some technologies to make dwellings more disaster resistant, but these may be inadequate in the face of major forces of nature. If rules can be developed which build on indigenous knowledge, people will often accept and implement them. The Turkish Codes for earthquake resistant construction, for example, do have a section on the reinforcement of earth or stone walls with timber frames, a technology that is indigenous and therefore commonly accepted.
- *Urban violence is an issue overlooked in regulations.* This issue has come to the forefront in the last decade or so. Traditionally, regulations have not looked much at how cities can be made safer places to live in. There are aspects they could consider, such as street lighting, which is often a top priority for the urban poor.

⁸⁵ Ibid.80.

⁸⁶ Draft minutes of an international workshop of the Regulatory Guidelines for Urban Upgrading project, Nairobi, January 2001.

⁸⁷ Lucky Lowe: “Earthquake resistant housing in Peru”, Building in Partnership Case Study, ITDG, Rugby, 1997.

7. IMPACT ASSESSMENT

Impact assessment is critical to understanding the causal relationships between policies, practices and poverty. The body of experience and research findings currently being developed will be influential in shaping the proposed guidelines. This section outlines the issues raised by SL monitoring and evaluation (M & E) literature which will have to be addressed. The more people centred approach of the SLF suggests a shift in M & E practice, from measuring the results of a project at the end of its term, to a more iterative learning experience involving all stakeholders. The demand in SL is for a focus on continual dynamic patterns: long term trends and changes, rather than getting a snapshot of short term gains⁸⁸.

There is an increasing amount of interest and good practice in the development of community based indicators⁸⁹ yet the capacity and resources required among all stakeholder groups is a constraint to a wide spread application of such radical practices. One of the major challenges in understanding complex and dynamic realities is one of resources; the cost of information gathering can be excessively high. The range of indicators to gauge change in asset portfolios, vulnerability and livelihood strategies are potentially vast, and experience with SL M & E in for instance Nepal highlighted the desirability of reducing the number of indicators.

In the urban context, considerable work has been done to develop an international set of indicators, by the Global Urban Observatory hosted by UN-Habitat. To assess progress against the Habitat Agenda, countries were asked to produce a minimum set of data consisting of 23 key urban indicators and 9 qualitative subsets⁹⁰. The Urban Indicators Programme of UN-Habitat has also drawn up a list of 129 extensive urban indicators⁹¹.

A briefing note on urban enterprise development⁹² suggested the following potential indicators to gauge the development of a range of assets:

ASSETS	INDICATORS
Land	Security of tenure; cost; equitable access; rights of women to own land
Shelter	Security of tenure; quality; ownership rights of women; cost; overcrowding/occupancy; incidence of rental housing
Infrastructure	Equitable access to water, roads, transport services, electricity and street lighting etc.; cost
Workplace	Security of tenure; cost; incidence of home-based and community-based enterprises
Tools/equipment	Ownership; cost; access and options
Knowledge	Indigenous skills; peer training; educational facilities; access to information; innovation
Finance	Savings; wages/income; access to credit; equity of pay; existence of savings and credit organisations
Health	Life expectancy; under-5 mortality; incidence of water-borne and air-borne diseases; incidence of HIV/AIDS; health facilities
Time	Daily tasks by sex; community time; time for learning; leisure time
Security	Evictions; robberies; crime against persons; street lighting; police presence; political violence; corruption
Social capital	CBOs; producer or trade associations; activities done together; access to politicians and local government; churches; NGOs working in the area
Environment	Drainage; sanitation; occurrence of smoke in houses and workplaces; occupational health and safety; waste removal and recycling

⁸⁸ Ibid. 18, p. 5.

⁸⁹ See the work of ENVIRON in the UK and Communities Count; see also Guijt in Participatory PME in the agricultural sector in Brasil.

⁹⁰ See the Global Urban Observatory initiative: <http://www.unhabitat.org/guo>

⁹¹ UNCHS Urban Indicators Programme: "Urban Indicators Guidelines", Nairobi, 2001.

⁹² Theo Schilderman: "Bringing the DFID Urban and Enterprise Development Agendas closer together", <http://www.enterprise-impact.org.uk>, September 2001.

The same source looks at rights based approaches. They apply equally to everyone and tend to strengthen the claims of the most vulnerable, such as women and children. The livelihoods and rights of the poor are often undermined by inappropriate legislation and poor governance. To alleviate urban poverty, it is both necessary to increase the asset base of the urban poor and to strengthen their rights. Thus, SLF and rights-based approaches can be complementary.

It is also important to carefully disaggregate data is important to create a better understanding of gender issues in regulating urban development. Access to assets, informal and formal rights, and the institutions which govern men's and women's lives at various levels, all differ significantly. The increasing feminisation of urban poverty reinforces the evident need for a gender sensitive approach to analysis and action.

8. CONCLUSIONS

Access by the urban poor to affordable shelter is currently constrained by a whole range of policies and rules. These hamper the ways in which the poor can make the best use of their assets, and do increase their vulnerability. But it would be unwise to do away completely with regulation: some form of regulation which guarantees tenure and property rights as well as a minimum level of public health, is likely to be beneficial to the urban poor. This does, however, require pro-poor change in the legislation governing housing, infrastructure, land and property ownership, inheritance, finance, and enterprise development.

This paper has offered some discussion on the issues and, in doing so, employed the SLF as a framework around which to base that discussion. The SLF appears to be a useful tool for analysing how regulations affect the livelihoods of the urban poor in theory. Its holistic focus on local realities, the emphasis on micro-macro linkages and PIPs provide principles and approaches pertinent to the issues which the research aims to understand and address. In understanding urban development issues, the SLF still has its limitations in analysing the complexities, relationships and interactions between various institutions, dynamic forces, policies and development processes. A specific gap which emerges as significant is the SLF's lack of focus on information, knowledge and skills; channels of communication and approaches to information provision are seen to be crucial in the cost of regulating human settlements.

Several alternative approaches to development analysis and planning are considered and compared in the SLF Guidance Sheets; amongst those most related to the research are the human rights based approach and good urban governance. A combination of these approaches with SLF could be instrumental in placing the urban poor at the centre of development and making the PIPs which govern their lives more accessible, responsive and accountable.

People experiencing poverty are affected by policies, institutions and processes applied in regulating the built environment. There is evidence of impact, but also evidence that impact on the livelihoods of poor urban women and men is not sufficiently taken into account in formulating policies and legislation. The potential positive implications, of an enabling regulatory environment, for the options of low-income urban residents may be summarised in terms of the following livelihood outcomes:

- A raise in income levels due to facilitative regulations which enhance economic activity and investment in the physical asset base, permit income generation from rental and home based enterprise, and generate acceptance among the formal financial institutions of the informal sector, increasing access to financial capital and fungible assets.
- Savings on housing and infrastructure costs through a wider use of local technologies.
- Enhanced well-being and health resulting from better, incrementally built housing, applying technical standards which reflect basic needs and local livelihood priorities.
- Enhanced social capital through increased interaction with a range of local public sector organisations providing information, adequate and affordable housing and services.
- Improved equity; greater status and livelihood options available to women.
- Reduced vulnerability from economic and physical hazards through appropriate mitigation of the most significant risks and trends.

In assessing the impact of regulatory frameworks on the improvement of low-income settlements as an effective mechanism in poverty reduction, local authorities need to:

- Recognise and understand the diversity of stakeholders in informal settlements, who may have different or conflicting stakes in settlement development: rich-poor; men-women; landlords-tenants; builders-clients; public-private sector, etc. This makes it difficult to change the regulations. A stakeholder analysis can help to identify who the key champions for change might be, and livelihoods analysis helps to identify potential impacts on various stakeholders.
- Understand the livelihood strategies and priorities of low-income settlement dwellers, the linkages between housing, infrastructure, social and human assets, vulnerability and income generating activities whilst realising what intra and inter household differences exist.
- Develop in-depth understanding of which policies, institutions and processes impact on the livelihoods of various stakeholder groups. This should include a real appreciation of how PIPs result in negative impacts, constrain poor people's options as well as offer potential benefits in support of poor women and men's livelihood priorities.
- Analyse the available options for people centred, participatory reform and the barriers to and possible mechanisms for achieving it. The principles of 'good urban governance' suggest a useful way forward.
- Accept that they may not be able to regulate everything, that therefore it might be useful to prioritise, e.g. on issues of public health or vulnerability to disasters, and that some issues should be left to communities to regulate.
- Develop partnerships with NGOs and CBOs, to enhance the links with the urban poor, to demonstrate affordable innovations, and to raise awareness and disseminate information about rights and rules.
- Simplify procedures, e.g. by using one-stop-shops, or otherwise limiting the number of steps or duration involved.