

**THE IMPACT OF POLICIES INSTITUTIONS AND  
PROCESSES IN URBAN UP-GRADING**

By  
**Lucky Lowe & Theo Schilderman**

**May 2001**

<b>INTRODUCTION:</b> .....	<b>2</b>
SUSTAINABLE LIVELIHOODS FRAMEWORK .....	2
<b>RESEARCH RATIONALE</b> .....	<b>4</b>
<b>IMPACT ASSESSMENT</b> .....	<b>5</b>
<b>POLICIES INSTITUTIONS &amp; PROCESSES</b> .....	<b>8</b>
INSTITUTIONS.....	8
POLICIES .....	11
PROCESSES.....	13
<i>Types of Challenge</i> .....	17
<b>VULNERABILITY CONTEXT</b> .....	<b>17</b>
<b>ASSET PORTFOLIO</b> .....	<b>20</b>
PHYSICAL CAPITAL .....	20
NATURAL CAPITAL .....	22
FINANCIAL CAPITAL.....	23
HUMAN CAPITAL .....	24
<i>Information, Knowledge and Skills</i> .....	25
SOCIAL CAPITAL .....	26
<b>CONCLUSIONS</b> .....	<b>28</b>

## Introduction:

This paper aims to make a preliminary assessment of the impact of regulations on the livelihoods of urban women and men experiencing poverty. It contributes to the international research efforts of DFID sponsored KaR project Regulatory Guidelines for Urban Up-grading, includes consideration of planning and building regulations and standards as well as the institutions and procedures concerned with implementing them.

The paper begins with a brief presentation of current Sustainable Livelihood (SL) concepts, with a particular focus on Policies Institutions and Processes (PIPs). Consideration is given to measurement of SL impact monitoring and assessment. A preliminary overview of the impacts on livelihood outcomes, with reference to building materials and housing regulations, is given pending feedback from the project research team. The paper closes by posing questions and drawing conclusions on the author's current understanding of the SL principles and their potential application to the current research program.

### ***Sustainable Livelihoods Framework***

The adoption of the Sustainable Livelihoods Framework (SLF) by the research team was made explicit in the initial proposal and project planning workshop held by the international research team. The deliberation during that workshop highlighted some key aspects of employing the SLF in this context<sup>1</sup>, namely:

- ✍ the SLF is a tool for analysing how regulations affect the livelihoods of the poor;
- ✍ 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;
- ✍ the benefit of employing the approach will primarily be for the researchers;
- ✍ in its current format the SLF does not give due weight to information and knowledge resources.

The SL principles and framework are presented below in order to facilitate the subsequent presentation and discussion. The core concepts of the SLF may be summarised as follows<sup>2</sup>:

- 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 fits well with the project'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

---

<sup>1</sup> DFID Knowledge and Research Project – Regulatory Guidelines for Urban Up-grading: Workshop Report September 2000.

<sup>2</sup> DFID Sustainable Livelihoods Guidance Sheets 1999.

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’ focus 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’ livelihood options. In terms of poverty reduction, sustainability can only be achieved when external interventions are congruent with current livelihood strategies and capacity to adapt.

The 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.

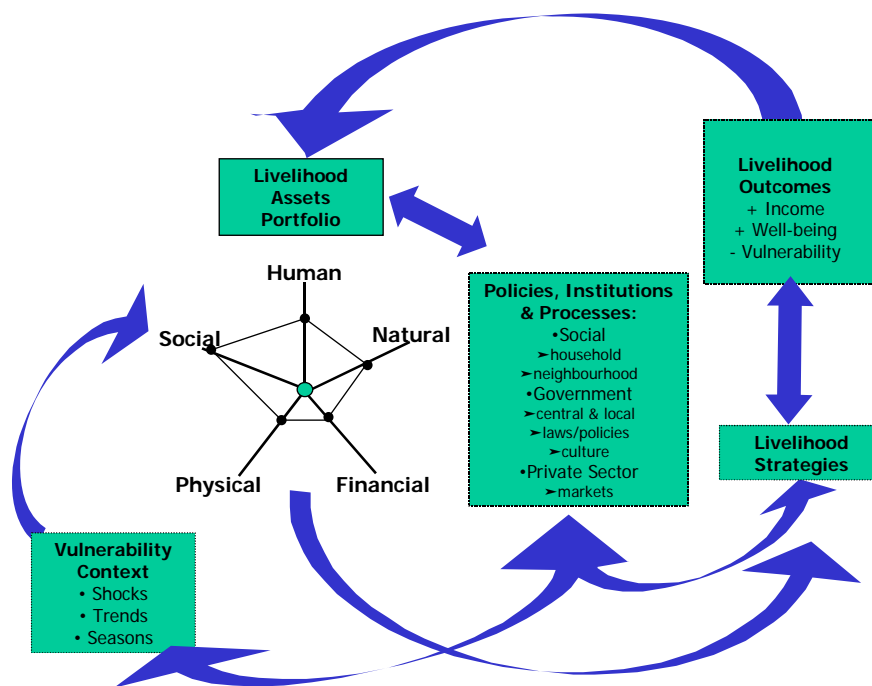


Figure 1 – Sustainable Livelihoods Framework

## Research rationale

The increasingly urban nature and concentration of poverty in our towns and cities is well documented<sup>3</sup>. UNCHS estimates that nearly half (49%) of the world's population now resides in urban settlements with a significant portion of people residing in informal settlements. The statistics vary but the 'informal city' now accounts for 55% of Nairobi, Kenya, in Lima, Peru the percentage is slightly higher at 65% and it rises to encompass the vast majority, an estimated 93%, of the cities in Uganda and Rwanda.

"Poor people are frequently described as 'living in poverty', but few aid agencies have given any priority to directly improving their living conditions"<sup>4</sup>. The benefits of good quality housing or infrastructure are often underestimated. Community driven housing projects can generate income and savings; they can also improve health and productivity and lead to the empowerment of those involved. The inhabitants of informal settlements pay heavily for water and other services. In many towns, over half the population is renting and spending a large part of their meagre income on rent. Secure land tenure and a house of their own can reduce the cost of living considerably. A house is an asset, from which income can be generated e.g. by working from home, letting rooms, or using it as security for credit. Informality, poor housing and services, on the other hand, come at a great cost to residents: healthcare expenditure is high, productivity declines as people are too sick to work, vulnerability increases and without formal, registered ownership a house cannot be employed to secure a loan from the most affordable sources.

The policies, regulations and current shelter legislation in most developing countries is inappropriate for the urban poor. Millions of people choose to ignore the regulatory 'obligations' set down by national and local government. The majority of people either build illegally or gradually become 'illegal' as they accommodate the rising demand through informal extensions and 'up-grading'. The cost of meeting the established formal standards is too high, the complicated and expensive procedures which have to be followed to achieve legality are prohibitive. Thus, the number of towns where the population in informal settlements is larger than in the formal city is increasing rapidly.

Though it is often not realised at the levels where it matters, there is an important link between shelter and poverty. ITDG aims to generate evidence of the impact of regulation on poverty alleviation; to help decision makers to realise the importance of shelter and related services. The Regulatory Guidelines for Urban Up-grading research project intends to generate a better understanding of the constraints posed by inappropriate policies, institutions and legal frameworks that prevent poor people from realising the potential of their assets. In so doing it aims to learn what changes will result in positive impacts and how poor women and men can be supported in their struggle to create sustainable urban livelihoods.

---

<sup>3</sup> UNCHS: An Urbanising World – Global Report on Human Settlements 1996, Oxford University Press, 1996. See also the Habitat II conference which was labelled the City Summit.

<sup>4</sup> Ruth McLeod and David Satterthwaite: "The significance of housing investment as a means of eliminating poverty", a contribution to the consultancy on strengthening DFID's relations with civil society, 1998.

## Impact Assessment

” Indeed, understanding of the effects of policies on people (what actually happens as opposed to what is assumed will happen) and people on policies (the policy making process itself) is remarkably limited”<sup>5</sup>.

Impact assessment is critical to understanding the causal relationships between the policies, practices and poverty. The body of experience and research findings currently being developed will be influential in shaping the proposed guidelines for urban up-grading. This section outlines the issues raised by SL monitoring and evaluation (M & E) literature which will have to be addressed by the researchers and the audiences at whom the outputs are targeted.

Adopting a people centred approach suggests a shift in M & E practice. The sector specific or project approach may be termed “external summative” M & E, where the results and impacts of project interventions are measured at the end of a fixed time period. Participatory approaches are supposed to be formative, iterative learning experiences which involve all stakeholders in an on-going process. There is much debate about the definition of ‘full participation’ but it is perhaps more pertinent in the current policy environment<sup>6</sup> to focus on how the ‘needs’, or current livelihood options and strategies, of poor women and men can inform policy and practice.

In external summative M&E the focus is on getting snapshots of economic and financial, physical and social variables depending on which stage of the project cycle the evaluators are concerned with. Formative learning about SL impacts demands a wider focus. The demand in SL is for a focus on continual dynamic patterns: long term trends and changes. “Ultimately we are not interested in generating static comprehensive ‘situation reports’ but on understanding whether livelihoods are moving in positive directions”<sup>7</sup>.

There is now a wide body of literature on participatory approaches in development<sup>8</sup>. Participatory M&E is said to “go beyond the use of participatory appraisal techniques within a conventional M & E setting to suggest radical rethinking of who initiates and undertakes the process of M & E, who collects and analyses the data and who learns or benefits from the findings”<sup>9</sup>. Despite Hussein’s challenge to radically rethink the debate presents SL M & E couched in terms of cyclical project management. Turton states that SL M & E normally focuses at the Goal Level yet there is little evidence to support that premise but rather that evaluations focus on purpose level impacts.

There is an increasing amount of interest and good practice in the development of community based indicators<sup>10</sup> yet the capacity and resources required among all stakeholder groups is a constraint to wide spread application of such radical practices. One of the major challenges in understanding complex and dynamic realities is one of resources;

---

<sup>5</sup> Ibid 2.

<sup>6</sup> See the trend evident in Istanbul + 5 deliberations to exclude civil society and NGO stakeholders from the debate and decision making processes. Tactics employed have included late issuance of pertinent information and an evident lack of political support for CBO/NGO involvement. Also note the general trend to exclude many primary stakeholders from the processes of reviewing standards and urban up-grading initiatives which are perhaps only counter balanced by pockets of good practice, for example, in Peru and Kenya.

<sup>7</sup> Turton, Cate; Livelihood Monitoring and Evaluation Improving the impact and relevance of development interventions. First Draft, IDL 2001.

<sup>8</sup> See Chambers, PRA/PLA Notes, [www.ids.ac.uk/ids/particip](http://www.ids.ac.uk/ids/particip) for a collection of information on participation in development.

<sup>9</sup> Hussein ??

<sup>10</sup> See the work of ENVIRON in the UK and Communities Count, see also Guijt in Participatory PME in the agricultural sector of Brazil.

the cost of information gathering and analysis can be excessively high.

The range of indicators to gauge change in asset portfolios, vulnerability, livelihood strategies are potentially vast. Experience in SL M & E in livelihoods in Nepal highlighted the desirability of reducing the number of indicators to “a limited number of generic indicators...which capture the essence of livelihood well-being” but goes on to point out that the case study stakeholders found it difficult to define suitable indicators. In the urban context considerable work has been done on defining sector specific indicators<sup>11</sup> which can be aggregated to ascertain the well-being of cities and nations.

Hussein lists a range of factors as essential to livelihoods M&E:

1. Production and productivity impacts
2. Consumption impacts
3. Employment impacts
4. Wage, income and price effects
5. Effects on social capital, local organisations and their capacities
6. Other non-financial impacts on the poor e.g. vulnerability, empowerment or voice, physical security, gender equity, food security, culture and cultural values.

The last ‘item’ on this list, of itself, presents a range of challenges which remain unanswered by existing SLF literature. For example, impacts on vulnerability may be as significant as impacts on assets per se but are notoriously difficult to measure. This list also fails to lay emphasis on the human asset base by, for example, considering impacts on the health of individuals though it could be argued that the productivity impacts would have to incorporate such an aspect of human well-being since it greatly influences people’s ability to work. Nor does the above list consider access to information or knowledge which is critical in accessing markets, securing services and housing. It will be of interest to learn which indicators research teams have employed in measuring the impacts of PIPs on informal settlement dwellers. Should the RGUU project aim to define a core set of indicators? Or offer guidance on the process by which stakeholders can define their own indicators/proxy indicators?

Participatory, people centred approaches to achieving change must, by definition, challenge the status quo since the general approach to regulation review and formulation is to exclude numerous stakeholder groups from any meaningful participation in development. Such changes must address difficult issues of power and empowerment as an end and means to initiating change and designing new ways of forming policy. The World Bank’s own extensive participatory poverty assessment programme<sup>12</sup> demonstrates a new willingness among international powers to listen to the poor in order to define and measure poverty.

Tracking changes, which can be directly attributed to specific interventions, is notoriously difficult; causal linkages are equally difficult to establish with certainty. Taking a SL approach means analysing complexities in an unpredictable, changing environment, dealing with a multiplicity of realities, the related diversity of aims and measures of success and failure. DFID SL Guidance Sheets state that “further work is required to develop more effective methodologies for analysing policies, their effects on livelihoods and how they are influenced by what happens at the local level”.

Turton states that “what is used is the same. What is discussed and how it is analysed is different” but also points to the rich diversity of quantitative and qualitative methods adopted in a range of case studies<sup>13</sup> to measure livelihoods impact assessment. Experience in rural

---

<sup>11</sup> See the Global Urban Observatory initiative: <http://www.unhabitat.org/guo>

<sup>12</sup> World Development Report 2000/2001, World Bank, 2000.

<sup>13</sup> See a range of case studies posted at <http://www.livelihoods.org/>

Rajasthan in the Forestry sector offers some lessons on practice and process<sup>14</sup>. Livelihood Asset Status Tracking (LAST) is intended to measure the changes in the five capital asset groups as a proxy for impact. LAST has been combined with Ad hoc Learning Exercises (ALEX) in a process engaging public sector officials, extension workers and researchers. Methods include workshops to present and discuss SL concepts and terminology, to brainstorm key indicators, clustering to limit the number of indicators, reach consensus and field testing to refine them.

The tools employed involve the generation of “word pictures” and verbal descriptions of the asset status of households are combined in a matrix to assist in scoring a balance of aspects i.e. relating to production, equity, sustainability. This process develops a local worldview with local women and men, scoring is based on observation, semi-structured interviews on a locally meaningful scale. The usual caveats about interviewer bias, seasonality, sensitivity and triangulation are given but the use of LAST is intended as a learning tool not a policing mechanism. Reiteration of a workshop process subsequently helps to share learning in terms of M & E content and process issues. Given the focus at household level the case study identifies ALEX – ad hoc in-depth studies – as a means to recognise intra-household differences.

The question of “why and for whom the research is being undertaken?” was raised by Ruth McLeod during the RGUU Project Workshop (Sept 2000). One action resulting from those discussions was for researchers to undertake a stakeholder analysis. Turton reflects this view: “assessing stakeholder needs is therefore **the** critical first step” (Turton’s emphasis). In offering guidance for others in the RGUU Guidelines what implications does this same question have?

The need for careful disaggregation of data and analysis is essential in creating an understanding of gender issues in regularisation of settlements. Access to assets, informal and formal rights, the ‘institutions’ which govern women and men’s lives at the household, community, city and national levels differ significantly. Variance in literacy and formal education rates, domestic and community responsibilities, social customs all influence the impact that upgrading processes will have on women and men. The increasing feminisation of urban poverty reinforces the evident need for a gender sensitive approach to analysis and action.

The interaction and interface between ‘levels’ in society is greatly influenced by the gender, age, social status, operational environment of the person or persons concerned. The research team identified, during group discussions<sup>15</sup>, the need to understand what happens and how between the various levels of society (defined by us as household, neighbourhood, city, region and state). It will be of interest to learn from researchers how this has been dealt with in practice and what the implications for the RGUU are.<sup>16</sup>

SL M&E within the DELIVERI<sup>17</sup> project in Indonesia employed the SLF to structure M&E results and analysis. In addition to project level impact assessment, the project M&E analysed institutional change, focusing on the interface between Policies Institutions and Processes (PIPs) and the livelihoods of poor women and men. One striking aspect of the DELIVERI project is the use of ‘customer satisfaction surveys’ which aim to capture the softer, more elusive qualitative changes in public sector service delivery. There are parallels

---

<sup>14</sup> Bond & Mukerjee 2001 – full ref??

<sup>15</sup> Schilderman, Theo; Report of RGUU Project Planning Workshop September 2000.

<sup>16</sup> Group discussions suggested categories on which research should focus i.e. efficiency/equity/cost & finance/quality/participation (assumed to be desirable to a level that involves setting the agenda, maintaining, learning, creating, deciding).

<sup>17</sup> Delivering Quality Services, Improving Community Services in Indonesia, CD ROM by ULG Northumbrian Ltd & ITC, 2000.



here with the UK trend in Best Value<sup>18</sup> aiming to improve service provision and engage the range of stakeholders in defining what best value is as well as determine how best to deliver it. Some argue that the introduction of commercial marketing principles are unhelpful in relation to the public sector where governance and public/civil responsibilities should not be confused with a market approach.<sup>19</sup>

M & E thinking is currently exploring the changes in practice which will be required in applying SL principles and approaches. The rich body of experience being developed by the international research team will help to understand where the guidelines on regulatory upgrading should focus in order that stakeholders can assess the best intervention options and effectively monitor their impact.

Baseline checklists could be developed to assist local actors in establishing M & E processes and systems. For example, drawing on the UNCHS Urban Indicators or experience from other DFID supported projects such as Knowledge and Information Systems, the Integrated Urban Housing Project and the Sub-Sector Analysis Research. More explicit linkages with the KaR research managed by GPA are being made but are focused exclusively on the financial costs of new developments.<sup>20</sup>

## **Policies Institutions & Processes**

Policies Institutions and Processes (PIPs) are the social and institutional context within which individuals and households develop and adapt livelihood strategies. The impact may be enabling or inhibiting, creating or constraining livelihood options and outcomes. PIPs encompasses a range of issues such as participation, power and authority, governance, laws, public service delivery and social relations. PIPs also directly influence the vulnerability context and are influenced by it.

### ***Institutions***

Institutions are termed 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 are enormously complex, overlapping and often contradictory. For example, see the range of institutions involved in the Kenya<sup>21</sup> review or the 53 organisations governing the formalisation of squatter housing in the Philippines<sup>22</sup>. 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 out 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 professional and political elite over the formulation and enforcement of legislation is well recorded.

---

<sup>18</sup> see <http://www.housing.detr.gov.uk/information/bestvalue/leaflet/>

<sup>19</sup> Jez Hall speaking at UK National Istanbul +5 Delegation discussions 25/4/01

<sup>20</sup> Are lessons emerging from the approach being taken in developing the C3F Evaluation framework which we could draw on?

<sup>21</sup> Lucky Lowe: “Literature Review” Case Study 10 Enabling Housing Standards and Procedures Project, ITDG Rugby, September 1999.

<sup>22</sup> No Title, The Economist, March 2001.

DFID<sup>23</sup> 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 societal interest e.g. gender roles;
- Collective – common property resource and collective production/marketing institutions;
- Policy/governance – constitutions, legislative, regulatory and administrative norms and procedures e.g. property rights, judicial procedures.

The “rules of the game” influence the way people behave within and between organisations: for example, current research in Lesotho has highlighted the very different attitude adopted by the water service providers when dealing with the public sector and the private sectors. The affordability, and related impact on livelihoods, of service provision can become excessively high, excluding access by the government’s low-income target group simply due to the perceptions that the service provider has of the government’s capacity to pay a higher price<sup>24</sup>.

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 the perceived need to create greater equity, for example, in placing a requirement on women to obtain their husbands permission in order to access services such as credit or assets such as land. Consider the positive impacts of closer interactions between formal and informal financial institutions; 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 collateral<sup>25</sup>. A demonstrated ability to form co-operative and contribute financial savings on a regular basis 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. “This relates to the flexibility and discretion (if any) which is built into the way the system works”<sup>26</sup>. 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 legislative or procedural requirements pertaining to the built environment is rich territory for income generation by public sector officers, or in their absence, for extractive practice by informal governing elite. The existence of ‘corruption’ is widely recognised and yet hard to define since it a culturally specific phenomenon which eludes strict categorisation: for example, when does an inspection fee become a bribe? Despite the varying degrees and cultural specificity of corruption, research under taken in the context of the Enabling Housing Standards Project reports a significant, and often prohibitive cost, for example see the case study reports from Egypt, Kenya or Zimbabwe<sup>27</sup>. It may not be much of an exaggeration to say that corruption is universal in the

---

<sup>23</sup> Ibid 2.

<sup>24</sup> Payne & Hall, Project Visit Report, Lesotho 3-11 March 2001.

<sup>25</sup> Hernando De Soto, *The Other Path – The Invisible Revolution in the Third World*, I.B.Tauris & Co. London, 1989.

<sup>26</sup> Andrew Cotton, Notes for Researchers, RGUU 2001

<sup>27</sup> 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, Enabling Housing Standards and Procedures project, ITDG, Rugby, June 1999.

context of planning permission, building regulations, in land registration and allocation. Land grabbing is also known to be pervasive in several countries, often perpetrated by powerful individuals at the apex of government institutions, undermining any formal property allocation and registration system which exists. The 'legitimate' costs associated with obtaining formal status as a land, house or small business owner are considered further in the section on processes.

Building structures to represent the interests of poor women and men is one means of assisting the most marginalised to access institutional resources; to build local accountability and the capacity to draw down services, increase information flows and exert an influence on the policies and processes used in practice. The literature and experience recorded by the Enabling Housing Standards Project demonstrates that community based, cross sectoral, multilevel networks and alliances 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. For example, the Shelter Forum in Kenya has been an effective mechanism for keep the issue of regulatory review on the political agenda, of informing and influencing the development of strategic and practical initiatives in support of the revised building by-laws, Code '95.

The differentiation between some assets and the PIPS is sometime difficult to make. The extent to which social capital can assist people to escape poverty is dependent upon the creation of linking capital. The existence of numerous community based groups in Kenya was highlighted by the World Bank<sup>28</sup> as failing to reduce poverty. Local collaboration creates bonding capital, which may in turn result in increased access to information, knowledge, skills but, of itself, it rarely provides the necessary capacity to generate linkages with external institutions or resources. Linking capital is required to generate local institutions which include the most marginalised people, operate effectively and create linkages with the 'outside world'.

Markets are also considered to be key institutions and within the local building materials production 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. The influence exerted by ITDG EA in deploying EHSP resources meant professional institutions were brought into a local web of partnerships<sup>29</sup> in support of participatory low-income housing design efforts to produce drawings for block approval<sup>30</sup> by the Municipal Council of Nakuru under the revised by-laws Code '95. ITDG's related work in Zimbabwe has shown that partnerships with municipal council staff are effective means to enabling policies to be applied in a manner which supports the priorities and efforts of people living in informal, low-income settlements.

The EHSP research explores in some depth the need for standards and associated technologies which have a beneficial impact on the local asset base. Using appropriate building technologies, rather than industrialised, imported options, brings a multiplier effect into play generating local economic activity. Supportive training and technology transfer interventions in urban up-grading initiatives have been shown to build people's ability to access housing, form linkages with local markets and public sector institutions. In Nakuru, one project partner emphasised how important self-help, incremental options are to poor people in improving their houses, in this case stabilised soils blocks could be produced using local labour and minimising cash based products<sup>31</sup>.

---

<sup>28</sup> Ibid 12.

<sup>29</sup> Emerging Partnerships for Implementing Sustainable Building Standards, Report of the National Workshop on Housing Standards, 12 March 1998, Nairobi, Kenya, Co-ordinated by Elijah Agevi.

<sup>30</sup> EHSP, Participatory Design Workshop Report, ITDG, Rugby.

<sup>31</sup> Mama Susan, Nakuru recorded in visit report by L Lowe, EHSP, ITDG Rugby.

ITDG's work with people in the low-income settlements has brought to the fore a significant challenge, as yet unresolved, that of the rental sector. Significant numbers of the poor live in poor quality rental housing, simultaneously a housing solution and a problem. Local landlords may be concerned to improve the quality of the built environment but if they do it is likely to result in a rent increase. Absentee landlords are frequent providers of low-income housing; 'slumlords'. They have little, if any, concern to provide adequate infrastructure nor regard for the impact of their housing services on the tenants. It remains elusive as what interventions, at the micro or macro level, will influence such market institutions in favour of the poor.

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

### **Policies**

The impact of policies, intended and actual, are related to the three elements contained within the concept: content, process of policy formulation and methods of implementation. Policies may be developed at the macro-level determining the 'framework' within which local instruments may be set. Cotton suggests the body of legislative instruments governing the built environment may be grouped into 3 categories<sup>32</sup>: planning standards; technical standards and construction standards which are in turn linked to the types of institutions responsible for formulation and implementation. Urban development authorities, specialist line departments and utilities as well as municipalities have policy formulation and implementation responsibilities: the former tends to play a greater role in the design and delivery of new developments whilst the burden of responsibility for urban up-grading falls on the latter.

The origins and evolution of legislature governing the built environment has been greatly influenced by Western powers. The earliest examples of building standards and regulations come from Asia, in the first millennium AD, the building of Chinese or Mesopotamian cities. The bulk of national laws were, however, put in place by the colonialists of the 19<sup>th</sup> and 20<sup>th</sup> centuries. Little regard was given to indigenous laws, local realities or the requirements of the majority<sup>33</sup> but rather the priorities of the most powerful, for example, the desire to zone land and housing development according to race and creed. This conflict between the overriding officialdom and customary standards is given as the major reason for the inefficient functioning of human settlements in the Third World<sup>34</sup>.

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. There are four dominant legislative models: Anglo-Saxon, German-Nordic, Napoleonic and Planned Economy<sup>35</sup> but given that the countries in which research is being carried only the Anglo-Saxon model is described here.

Applicable throughout the UK, except in London, the Anglo-Saxon model is governed by building law issued by the legislative body which is interpreted by local government through building codes. The successful implementation of this model presupposes the availability of competent and incorruptible public officials. The burden of responsibility for mistakes

---

<sup>32</sup> Ibid 26. Graham's research matrix may be relevant here? And/or the categories being developing by country research teams?

<sup>33</sup> Edesio Fernandez & Ann Varley, *Illegal Cities, Law and Urban Change in Developing Countries*, Zed Books, 1998.

<sup>34</sup> Akin Mabogunje et al.: *Shelter Provisions in Developing Countries: The Influence of Standards and Criteria*. ICSU Scope 11, John Wiley & Sons London 1976.

<sup>35</sup> Saad Yahya et al, *Double Standards, Single Purpose, Making Housing Standards Relevant to People's Needs*, ITDG Publishing, pending.

committed by the builder is not clearly defined. The 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. The services provided by local Building Control Offices are increasingly being privatised.<sup>36</sup>

In this model, the legislative authority issues acts or ordinances to control the physical development of the built environment. Bylaws 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, designs, methods) and how this can be measured; they are generally published separately, though codes or regulations may refer to them. Specifications, on the other hand, are statutory and tend to stipulate the quality of construction elements like foundations.

International development organisations such as the World Bank and the UNCHS 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 frameworks”. 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 framework 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<sup>37</sup>.

The on-going initiative by CRATerre<sup>38</sup> to develop pan-African standards for earth construction spans several years, 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 legislature can build local technological capacity, generate economic activity through promotion of labour intensive materials and building techniques and ultimately promote affordable technologies which have the potential to meet the demand for adequate shelter for all<sup>39</sup>.

Professional training and tertiary education curricula remain firmly rooted in Western traditions. The incorporation of less industrialised materials and techniques requires the mobilisation of significant resources; political vision and leadership by committed individuals and organisations. Yet the importance that technical standards can play in promoting the use of alternative building materials should not be underestimated. People will often resist change if they lack information and knowledge, it is safer to stick with what you know unless you can be convinced of the benefits of change. In Kenya project experience demonstrated that formal performance and testing standards for stabilised soil blocks, produced by the National Standards Bureau in collaboration with the UNCHS<sup>40</sup>, greatly assisted engineers to change their perceptions and practices, giving them confidence in alternatives and thereby permitting technological options previously excluded from urban settlements. Such

---

<sup>36</sup> Building Control Offices have been included in the trend to ‘out source’ public sector services in the UK.

<sup>37</sup> 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.

<sup>38</sup> CRATerre-EAG, Compressed Earth Blocks Testing Procedures, Centre for the Development of Enterprise ACP-EU, 2000. See also two previous CDE Guides No.5 and No.11 on CEB Production Equipment 1994 and Standards 1998.

<sup>39</sup> Ibid 37.

<sup>40</sup> See The Reformulation of building acts, regulations and codes in African countries, UNCHS Habitat 1985.

technological options are important in making adequate housing affordable and employing local resources to maximum benefit.

Revision to the content of regulations and standards often poses political challenges when there are significant vested interests in the status quo; for example, the long debate over whether or not minimum permissible plot sizes should be reduced<sup>41</sup>. The issues of power relations and politics is not that evident in the SL literature; in the post industrial revolution period in Western countries and later in the emerging states of America it was clearly political decisions which resulted in the gradual merging of rules made at the top by politicians and rules made at the bottom by which people lived. It was only when a few key individual politicians decided to accept the realities on the ground and begin to incorporate informal practices and operators into the mainstream that the predominance of the informal sector lessened.

The effective management of individual and household asset portfolios, and the fungibility of those assets, is critical in generating sustainable urban livelihoods. People have to trade and make trade-offs in order to realise the potential of their assets. Formalisation is a process which poor people are often excluded from due to a lack of voice, information and knowledge resources, management and entrepreneurial skills. The capacity that poor people have to capitalise on their asset base is heavily constrained by PIPs. De Soto has undertaken widespread research in informal settlements which shows that capitalism's failure to reach out to everyone is for a great part due to the lack of formal documentation of the ownership rights of poor people. The value of property and assets held by people in the informal sector are estimated to be many times higher than the cumulative worth of aid and foreign investment ever received by their countries. "But they hold these resources in defective forms: houses built on land whose rights are not adequately recorded, unincorporated businesses with undefined liability, industries located where financiers and investors cannot see them."<sup>42</sup> The transfer and trade in assets are constrained and livelihood strategies cannot be optimised.

### **Processes**

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

The current trend is toward achieving change in the performance of public sector<sup>43</sup> organisations and the way they operate. Whilst much of the legislative instruments were imported and imposed on developing countries from colonial powers, the discretionary powers which were originally an integral element of the same are rarely supported or rewarded in the new context. Planning and building regulations are often wielded without any discretion, public sector officials would rather play it safe than risk public safety or personal professional status. It was mentioned above that participatory testing and development of housing technologies backed by the existence of national materials standards offer professionals a framework within which they feel it is safe to adopt alternatives but they are rarely consulted, or involved in a more meaningful way, in regulatory revision processes. Central bureaux and ministries may vie among themselves for places on national review committees and will subsequently issue edicts to the regional and local government bodies who carry the responsibility for implementation; thus there is rarely

---

<sup>41</sup> Hernando de Soto: "The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else", Bantam Press, 2000

<sup>42</sup> Ibid 41

<sup>43</sup> See for example the Local Authority Transfer Fund initiative in Kenya or the Municipal Development Programme in East Africa; the GTZ Small Towns Project or UN Global Campaign on Good Urban Governance.

any ownership or incentive for revised laws to be supported in practice.

With regards to the legislation governing the built environment the terms 'processes' also features prominently with regard to the cost of the 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 agencies<sup>44</sup>. 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 but which involved a considerable expenditure of project and partner resources.

A research exercise, carried out by De Soto, focused on the registration of an informal business. A dramatic cost was shown to be implicit in the process requirements. A research team set about registering a one man clothing workshop on the outskirts of Lima: "it took them 289 days to make their micro-entreprise 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 officialdom<sup>45</sup>. In Peru earlier research initiatives to increase accessibility of land registration by incorporating recognition of informal information media such as photographs and increasing accessibility by locating registration offices in informal settlements greatly reduced the process costs and constraints<sup>46</sup>. Payne highlights the administrative costs in obtaining planning permission for development in Mumbai to be Rs1,000 per square metre, approximately ten times the daily wage for low-income workers but in addition to these fees the additional cost of bribes of Rs100-150 per square metre as well as 75 days required to visit all the necessary offices<sup>47</sup>.

Good governance is now the focus of significant development intervention efforts<sup>48</sup>. Governance may be defined as being composed of three elements: the public sector, civil society and the interaction between the two<sup>49</sup>. 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.

Prior to the 1990's the ineffectiveness of service provision in the face of increasing demand put the public sector out of favour with donors and international development agencies tended to try to by-pass or simply ignored a whole range of key stakeholders in local and national development. Donor attention tended to focus on public sector reform (PSR) in a manner that sought to apply an outsider's solution. Inefficiencies were seen as a 'technical problem' the solution to which could be engineered through restructuring, staff cutbacks, introduction of new financial management systems etc..<sup>50</sup> PSR activities fall into four categories: administrative capacity building; strengthening policy capacity, institutional reform and public service downsizing. In 1999 when reviewing its experience of PSR the WB found that only one 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 sustained<sup>51</sup>.

A renewed focus on the capacity of public sector to affect pro-poor change is a key factor in delivering the benefits of revised legislation into practice. PSR has an important 'technical aspect' but is primarily a social and political process driven by human behaviour and local circumstance. ITDG's experience in urban up-grading 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.

---

<sup>44</sup> Ibid 41

<sup>45</sup> Ibid 41.

<sup>46</sup> Ibid 25

<sup>47</sup> Payne, note to researchers 2001.

<sup>48</sup> See for instance the UNCHS campaign, the Municipal Development Programme, Best Value, GTZ Small Towns Initiative; World Bank in FT 28/3/01

<sup>49</sup> Jo Beall 2001 – C3F research meeting.

<sup>50</sup> Mark Schacter, The Heart of the Matter: Donors, Development Assistance, and Public Sector Reform, Policy Brief No.10, February 2001. See also [www.iog.ca](http://www.iog.ca)

<sup>51</sup> World Bank, "Civil Service Reform. A Review of World Bank Experience – report No19599.

The trend towards greater democratisation of public sector policy formulation and service delivery places an increasing burden on institutional capacity and makes new demands on the capabilities of those concerned. Interaction between civil and public sectors will be greatly influenced by what happens at the interface with civil society (Ruth's "moments of truth") but also by the political will of those at the apex of governance structures. A high degree of ownership at the top is essential as is a cadre of 'high-calibre' technocrats; there is no blueprint solution. PSR is an arduous, long term process<sup>52</sup>. 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' term of office, highly mobile public sector employees and political changes have all been found to tax project resources in building and sustaining reform in the public sector and will continue to present challenges to change processes.

Tipple<sup>53</sup> 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 suggests local authorities should have the responsibility for developments affecting more than one neighbourhood whilst local level development, where the externalities of home based livelihood activities 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.

ITDG's Enabling Housing Standards Project team in Kenya explored the issue roles and responsibilities in some depth during workshop discussions in order to optimise participation of all parties. The process employed also served to bring together a diverse group of individuals, enabling them to interact, to find common interests and develop trust, thereby creating new social capital which proved to be beneficial in accessing affordable shelter (see section on social capital).

Institutions such as sector specific networks and broad based alliances are critical to promoting and achieving change. DFID's 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"<sup>54</sup>

The aim of defining roles, making explicit and clarifying responsibilities, building partnerships must be at the heart of reform of public sector institutions, individuals' attitudes and practices in order that policy creation and service provision becomes more accessible and responsive to demand, expressed or latent. 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 the DFID and the World Bank<sup>55</sup>, amongst others, suggests that the following approaches work in favour of improving the livelihoods of the most disadvantaged sectors of society:

- Local leadership and ownership.  
Strong and constant local leadership is said to be critical yet ITDG's own project experience clearly demonstrates that this is rarely an available commodity. Changes in political leadership as well as short term public sector staff assignments have hindered progress in developing local capacity to deliver the changes envisaged by policy and legislative amendments. The need to constantly rebuild relationships is an on-going but necessary drain on project resources. Nonetheless local leadership is crucial since it provides vision, can spearhead change and manage opposition; such leadership qualities may be embodied in special task forces, co-ordinating committees or steering groups.
- Popular Pressure for Reform

---

<sup>52</sup> Alan Beattie; Aid donors advised to reward good governance, FT 28/3/01 which points to the World Bank's case study of Ghana in Aid and Reform in Africa.

<sup>53</sup> Graham Tipple, RGUU Working Paper April 2001.

<sup>54</sup> Ibid 2

<sup>55</sup> Ibid 2 & 47



The lack of popular awareness of the potential for change among PIPs is a barrier to change. The successes recorded in land reform in Peru were in large due to the effective mobilisation of popular and cross-party support for reform<sup>56</sup>. Organised civil society has a part to play in pressurising public sector reform since internal momentum in favour of change may be slow to emerge. The power of international grass roots coalitions is growing; initiatives linking informal settlement dwellers in India Asia and Africa have been effective means for international exchange and capacity building among the poor by the poor<sup>57</sup>. Beneficiaries of the altered rules of the game need to be supported in protecting new, favourable institutional arrangements since any change process is notoriously difficult to sustain since human behaviour is to slide back to comfortable, familiar practices if new approaches hit difficulties. See for example, the experience in Colombo where many years of successful development involving the establishment of Community Development Councils and Community Action Planning was integrated into processes of improving urban housing and basic services: “it proved difficult to sustain in the face of widespread poverty, entrenched government institutions and power structures antagonistic to community participation”<sup>58</sup>. Participation by the popular sector is essential in generating local ownership but also in ensuring the proposed changes address the priorities of the most vulnerable, are informed and strongly influenced by poor people. They should also be primary stakeholders in the ultimate compromises that will have to be negotiated.

- The impact of accountability

The creation of strong bonds of accountability between citizens and the public sector can generate pressure for reform. The type of information shared by public sector bodies must be accessible and the capacity to analyse and demand change must also be enhanced.

- The power of information

As mentioned above the placing of pertinent data and information, about service delivery and expenditure, in the public domain enables citizens to promote a more accountable and effective public sector. Improving the understanding of micro-meso-macro linkages in order to inform policy reform will be reliant on the capacity of local stakeholders to undertake SL analysis. Access to new ideas can also be influential in defining new rules to the game; new ideas have, in turn, to be proactively marketed to policy-makers and implementors through effective lobbying and advocacy, persuasion and negotiation. Policy learning events, i.e. workshops, study tours, seminars, have all been effectively used to influence the policy reform process. For example Shelter Forum's Annual Event and NISCC National Informal Settlements Week whereby grassroots representatives are given a platform and national/international policy makers are given the opportunity to visit the city's slums, many for the first time.

- The impact of organisational culture

Outcomes oriented and mission-driven institutions appear to have higher levels of performance. One way, suggested by DFID, to overcome the mismatch between new policies and existing institutional practices is to create cross-sector/departmental task forces to inform and drive through reform based on a wide ranging set of views and interests. Changing organisational culture is a long-term process, the attitudes and capacities of those people employed in the public sector is key. Initiatives under the DELIVERI project in Indonesia focused on building the capacity of extension staff to focus on livelihoods, increasing ownership, understanding and thereby effective practices. The project also established communications channels from the grassroots to the centre thereby enabling policy makers to be informed by local realities.[ref DFID/CD rom]

- Building Capacity for Policy-making

The public sector's function is, inter alia, to provide timely and well-argued policy advice and yet the capacity to do so is in short supply. The creation of public/private/popular sector

---

<sup>56</sup> Ibid 25

<sup>57</sup> face to face, notes from the network on community exchange, The Asian Coalition for Housing Rights, January 2000.

<sup>58</sup> Russell & Vidler Environment & Urbanisation. The rise and fall of government-community partnerships for urban development: grassroots testimony from Colombo. Vol 12 No.1 April 2000.

partnerships and alliances is one means to develop capacity which is able to draw on and engage the widest possible set of stakeholders. Community level analyses carried out in Colombo, to assess why government policy and politicians pose challenges to participatory policy making, resulted in the responses given in Table 1<sup>59</sup>.

**Table 1: grassroots analysis of the challenges to participatory policy and settlement up-grading in Colombo.**

Source of Challenge	Types of Challenge	Suggested Responses
Politics and politicians	<ul style="list-style-type: none"> <li>• Politicians are suspicious of community-based organisations which may undermine their own support base.</li> <li>• By-passing or political capture of CBOs</li> <li>• Destructive party politics</li> </ul>	<ul style="list-style-type: none"> <li>• Raise politicians' awareness of the benefits which they can reap from supporting and working with CBOs</li> <li>• Ban party affiliation of CDC leaders</li> <li>• Federate to increase resilience against political capture</li> </ul>
Bureaucracy	<ul style="list-style-type: none"> <li>• Hierarchy and control</li> <li>• Officers' negative attitude and lack of respect for the poor</li> <li>• Asymmetry in government-community collaborative projects</li> </ul>	<ul style="list-style-type: none"> <li>• Make housing and community development committee a statutory body for all municipal councils</li> <li>• Training and awareness-building for government officers on the use of community action planning methods and the benefits of partnerships to both sides</li> <li>• Federate to improve bargaining power</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Community development councils cannot directly receive funding</li> <li>• CDC leaders are poor and cannot afford to devote time to community work</li> </ul>	<ul style="list-style-type: none"> <li>• Accounts and leadership training for CDC activists</li> <li>• Promote direct funding links between federated CDCs and relevant funding agencies<sup>60</sup></li> <li>• Reimbursements to cover CDC expenses</li> </ul>
Poverty	<ul style="list-style-type: none"> <li>• Social/power inequalities and social exclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Federate to increase bargaining power and resilience against threats.</li> </ul>

- Take a more sophisticated view of downsizing  
Pay and employment reforms failed to achieve the objective of improved public sector performance. The need for more sophisticated approach is evident if downsizing is to be a means to the end of a more effective and efficient public sector.

Public sector reform is a long term process, today's industrialised countries took centuries to develop effective public-sector institutions, institutional change demands sustained efforts over generations.

## Vulnerability Context

“Since vulnerability is a dynamic concept, its measurement centers on the variability of income or consumption or on the viability of other dimensions of well-being, such as health or housing”<sup>61</sup>

<sup>59</sup> Ibid 55.

<sup>60</sup> See the latest approach being piloted by DFID's C3F initiative in Uganda and Zambia.

<sup>61</sup> Ibid 12.

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 are usually cited as a key factor in the resultant loss to life, property and livelihoods. The desire to safeguard public health and safety is a strong argument in support of the need for regulation. The recognition and assessment of risk poses its own challenges as does the livelihood implication of incurring immediate costs, or foregoing short term benefits in order to mitigate against possible future damage.

The impact of shocks such as structural failure, loss of life and livelihoods pushes people to call for higher standards, to seek solutions which often have an engineering bias, rarely is the adoption of a holistic SL approach evident in disaster preparedness or relief operations. There is perhaps a lack of guidance for development practitioners in understanding the nature of rapid onset risks or the broader challenges of measuring vulnerability.

In the context of shelter work, typical areas of vulnerability include<sup>62</sup>:

- Natural disasters such as earthquakes or tropical storms; some of the programme's previous work has focused on reconstruction and disaster mitigation, e.g. reconstruction efforts in Peru made evident the need to incorporate broader livelihood issues and the implications for the housing reconstruction process<sup>63</sup>;
- Man-made disasters such as conflicts resulting in displacement: refugee resettlement in Peru is reconstructing social and physical infrastructure using participatory risk assessment, land allocation, small scale building component production and self-help housing in order to reduce physical hazards, economic vulnerability and re-build trust across the returnee/resident social divide;
- Environmental degradation, reducing the quality of the living environment and the resource base for future generations, is being addressed in most building materials work but a new focus on waste management and recycling is emerging in ITDG EA's work;
- Economic shocks derived from e.g. structural adjustment, such as the loss of employment by members of the Cone Textiles Housing co-operative which shifted the focus from self-help housing supply to a more holistic livelihoods approach.
- Loss of health and time off work due to poor housing or working conditions; the impact of housing on health is being explored in the Maasai housing project and Energy programme's Smoke Project;
- Eviction due to lack of legal status; the Shelter Forum has undertaken research and published their findings, disseminated them and continues to lobby on land issues and security of tenure;
- Homelessness as a result of eviction, unemployment or disrupted family life;
- Urban violence, which is more prevalent in informal settlements is now being researched in Nairobi under the Victimisation Survey;
- Poor governance leading to corruption, land grabbing etc.; this is the focus of new KaR research in Kitale, Kenya and is gaining prominence among development agents as decentralisation and participatory policy making gains favour among development agencies.

SL theory points not only to sudden shocks which poor people have to survive but also the trends and patterns which impact on their livelihood options and outcomes. DFID states that it is "important to make the broad distinction between effects over which have little or no control". Whilst it is easy to see the benefit of making distinctions in terms of those efforts which might be deployed to best effect it may be dangerous to suggest that many of the hazards which poor people face are beyond the control of others concerned with social welfare. Vulnerability is a measure of the variability of well-being which people experience;

---

<sup>62</sup> ITDG International Shelter Strategy 2001-2005.

<sup>63</sup> Lucky Lowe: "Earthquake resistant housing in Peru" Building in Partnership case study, ITDG, Rugby, 1997.

SL principles suggest that people's ability to withstand negative variations is a measure of the sustainability of their livelihoods.

The vulnerability which women face is in part due to social norms which legislative reform can begin to address by removing institutionalised discrimination. For example, consider the detrimental position of women in Lesotho due to their statutory status as minors, they are unable to own property or obtain loans to build property<sup>64</sup>. In addition to the hazards which all poor people face women face the "double burden of being poor and being women"<sup>65</sup>. Assault, divorce, abandonment, social disgrace, pregnancy and the reproductive responsibilities of child rearing all impact upon women's livelihood options, strategies and outcomes<sup>66</sup>. Human rights may be denied women and the assets they hold may be tenuous, held unofficially and they often lack champions to voice their concerns or needs. The domestic responsibilities which women seek to fulfil also make them more vulnerable to diminishing natural resource base, in particular as a source of domestic fuel. Similarly the lack of basic services is liable to impact more on women than on men. In the words of Miriam from Mavoko's slums: "It is time that men stopped viewing women as beasts of burden. Let men share in the responsibility of providing water"<sup>67</sup>.

The World Bank<sup>68</sup> highlights two asset sets as critical to reducing vulnerability; physical assets and human capital. People's ownership of physical assets is a measure of their ability to self-insure, the total value is important but so too is the liquidity of that asset base. In order to realise any capital asset an understanding of the markets is required in determining the usefulness of the asset base in the face of negative shocks. Human capital is seen as critical in a person's ability to manage risk since education levels will influence the income generation options available.

The safety nets which exist among low-income sectors of the population in developing countries are rarely provided by the State. People depend upon their own resources which, in terms of risk mitigation, tend to be focused on social capital, linkages and membership of networks of which people can expect assistance in the case of need. The degree of expectation which people have determines the likely alternative risk management strategies they will seek. Access to credit is also a significant factor in poor people's ability to smooth income flows. Risk management has been highlighted as a significant element of Homeless International's work which may provide significant issues for the RGUU to consider<sup>69</sup>.

Adoption of the SL approach, can increase understanding of the causes of vulnerability and resultant poverty. DFID found in its work in Western Orissa<sup>70</sup> that SL analysis brought to the fore how diverse people's livelihood strategies are and demonstrated clearly that a natural resources focus was unwarranted since the poorest had such limited access to those resources. The new focus on livelihood constraints in terms of the asset portfolio and policy environment sought to break the existing cycles of impoverishment. Building social capital, in particular confidence was key in enabling groups to access mortgaged assets, access government programmes, ensure fair return from labour contracts and reduce dependence on money lenders.

There has been recognition of the positive force for change which "extreme financial crisis and external shocks contribute to an environment in which "the costs of doing nothing

---

<sup>64</sup> Ibid 24

<sup>65</sup> Ibid 12

<sup>66</sup> Margaret Foster, Foster, Gender, Energy and Communication in Sustainable Livelihoods; , Presentation made to DFID Engineering Conference 2000.

<sup>67</sup> RGUU Mavoko Household Profiles May 2001

<sup>68</sup> Ibid 12

<sup>69</sup> Presentation by Ruth McLeod UK National Event in Preparation for Istanbul + 5, LGIB, London April 2001

<sup>70</sup> Ibid 2

outweighed the costs of reform”<sup>71</sup>. In the aftermath of disastrous events, reconstruction efforts, in particular social and political, offer a window of opportunity for achieving significant change. When ‘norms’ are in disruption people and their institutions may be more open to alternative ideas than in less turbulent times.

## **Asset Portfolio**

Access to, creation, transfer and accumulation of assets is a key element of generating sustainable livelihoods. The term ‘capital’ is employed in the SLF to describe the various assets which make up the asset portfolio. The meaning, at the medieval Latin origins, of capital was a head of cattle. This was a good indicator of wealth and represented an 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 livestock represented<sup>72</sup>. 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 asset base are greatly influenced by PIPs which in turn determines the livelihood options people will be able to pursue. This section touches 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.

### ***Physical capital***

Access to land and security of tenure have become the focus of international campaigns: inequity in access and distribution of land is a primary cause of poverty<sup>73</sup>. Paradoxically the wealth estimated to be “held but not legally owned by the poor of the third world and former communist countries is at least \$9.3 trillion”<sup>74</sup>. The mix of inherited, colonial laws, customary land ownership and transfer systems are often in conflict with modern day, urban environments. Yet industrialised countries took hundreds of years to development comprehensive and coherent property legislation. Earlier research has highlighted the significance of land ownership in determining people’s willingness to invest in infrastructure and housing assets.

As Turner argued from the 1970s, housing is a process, not a product<sup>75</sup>. Incrementality is another critical determinant in the poor people’s ability to raise the ultimate standards of their housing. Many by-laws and housing supply interventions have failed to take cognisance of this fact and thereby excluded low-income target groups from accessing housing. The application of norms of construction, even on site and services schemes, which demand the immediate construction of core units and services which are beyond the reach of the majority have been a feature of many ‘low-income’ housing initiatives. Incremental building is a prudent asset management strategy which makes the most 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 ultimately be attained. Before the most recent revision, Zimbabwean regulations required 4 room houses as a minimum; in Kenyan sites and services schemes residents were required to have complete houses within 18 months. Regulations determining the minimum size of a dwelling have started to change in several countries. In Zimbabwe, a core unit comprised of one room and an ablution block is

---

<sup>71</sup> Ibid 49

<sup>72</sup> De Soto (ibid 41) places significant emphasis on the representational value which property has in the formalised Western systems of registration and ownership.

<sup>73</sup> UNCHS Global Plan of Action [www.hsd.ait.ac.th/search/search.html](http://www.hsd.ait.ac.th/search/search.html)

<sup>74</sup> Ibid 41

<sup>75</sup> John Turner: “Housing by People”, Marion Boyars, London, 1982

permitted<sup>76</sup>. Improvement in the quality of housing may also be achieved in an incremental manner; this concept was included in the Traditional Housing Areas in Malawi but was not considered to have succeeded<sup>77</sup>. The same concept is behind the up-gradeable plot approach adopted in India<sup>78</sup> and could be extended to infrastructure provision so long as planning took into consideration ultimate system demand levels. Given the right environment it has been shown that poor people do invest significant sums in building their physical asset base, gradually as income flows permit.

Legislation governing mixed use is crucial to people's livelihood options and their ability to turn housing into a place of work. The nature of informality imposes its own costs on home based income generating activities. The lack of physical infrastructure such as roads and electricity or water can greatly impede the productive capacity of lone entrepreneurs. Additional costs are likely to be incurred in transporting goods or procuring raw materials. There are also hidden costs of informality, for example, the payments for informal protection services or bribes to officials<sup>79</sup>.

Benefits which accrue, from the creation of increased housing, include additional livelihood options arising from the transfer of assets from one 'group' to another. Additional housing space is often a fungible asset; it can be directly transferred into cash generated as rental income. Formal ownership of physical assets such as land and housing has been demonstrated to directly impact on access to credit and thereby peoples options to transfer and transform assets into improved livelihood outcomes. The legal system is a mechanism for sharing knowledge about ownership and value of housing, land and companies enabling people to gain recognised status and interact more freely with markets outside the immediate neighbourhoods.

In the urban context, infrastructure is often categorised as being part of the physical asset base. Yet it is increasingly seen as desirable for infrastructure to be defined as services rather than tangible hardware such as the network of water pipes and storage tanks. "The service focus leads us onto the concept of demand based approaches" which "brings 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"<sup>80</sup>. 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". This sentiment was reflected in the Kenyan government Task Force's approach when they sought to revise the by-laws on housing. In an unprecedented manner the Task Force based its recommendations for revision based on an assessment of what people were already doing by surveying the materials, space and designs in place in the informal settlements.

Regulations often restrict the choice of materials and technologies in favour of modern, industrialised and often imported materials. 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 can be used legally, regulations should specify performance: this then allows alternative materials and technologies which can be shown to meet that performance, to be used legally. In the recent revision of its Building Code, Kenya has moved from prescription to performance based regulations<sup>81</sup>. 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 meet the rising demand.

---

<sup>76</sup> Ibid. 27.

<sup>77</sup> Osita Okonkwo: "Building Codes and Planning Regulations Review in Malawi", Case Study 5, Enabling Housing Standards project, ITDG, Rugby, February 1999.

<sup>78</sup> Banerjee et al.: "Three Indian cases of upgradeable plots", Liverpool University Press, 1994.

<sup>79</sup> Ibid 50

<sup>80</sup> Ibid 26

<sup>81</sup> Ibid 37, Appendix 3: Analysis of changes introduced by Code '95 in Kenya

## **Natural capital**

A livelihood is considered to be sustainable “when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, whilst not undermining the natural resource base”<sup>82</sup>.

SL theory and practice developed in the agricultural sector where the significance of natural capital is immediately evident in poverty reduction. In all urban informal settlements it might be an understatement to say that the natural environment has been undermined. Cities are increasingly struggling to keep a hold on green spaces; informal settlements are often sited on the most marginal land<sup>83</sup>. Access to open space is shown to be important in safeguarding a state of 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 loose in the power play for ownership and use of such valuable assets. Housing densities are frequently higher than any of the macro level standards<sup>84</sup>. Beirut’s green space ratio is the focus of vigorous campaigning by concerned citizens in Lebanon; in Beirut where public space per resident ratios are “50 times less than the recommended healthy average under international standards“. Local authorities have to prioritise land use patterns influencing livelihood options but ‘unoccupied’ open spaces are often grabbed.

The increasing strength of the environmental lobby and emphasis on environmental issues when talking about or tackling ‘sustainable development’ means the social and economic dimensions, which arguably have a more direct impact on those living in poverty, are given less priority or gravitas. Lessons emerging from research India highlight the interests of low-income and poor people living in coastal zones and how these are at odds with centrally issued, restrictive regulations restricting the development of land along the coasts. Perhaps the SLF is one means to redress the focus to ensure that sustainability of the natural resource is not at the expense of the livelihood options of the most marginalised women and men.

Access to the raw materials of construction is an important constraint in the urban context. The demand for building materials continues to grow and cities act as a drain on the surrounding environment. The choice of building materials is significant not only in terms of impact on the natural resource base but also on livelihoods. The predominance of industrialised materials in formal standards gives little weight to the wider impact of technology choices<sup>85</sup>.

The cost of land is a significant element in housing which is affected by plot sizes. Plot sizes in turn determine the associated infrastructure costs which often undermine the sustainability of low-income housing initiatives. Housing densities and their impact on health is covered in the section on human capital but plot size also has an impact on livelihood options, agriculture, horticulture, small livestock rearing, small workshops are all influenced by people’s capacity to access and retain land.

Changes to regulations governing land issues, plot sizes, registration of rights, transition from customary rights to formal ownership, transfer and inheritance laws all govern how,

---

<sup>82</sup> See Robert Chambers and G. Conway: “Sustainable rural livelihoods: Practical concepts for the 21<sup>st</sup> century”, IDS, 1992. And Diana Carney (ed.): “Sustainable Rural Livelihoods – What contribution can we make?” DFID, 1998 and DFID: “Sustainable Livelihoods Guidance Sheets”, 1999.

<sup>83</sup> The thousands of homes destroyed by the landslides on the peri-urban hillsides of Caracas were clearly deemed by regulations to be illegal, see media reports in the aftermath of Venezuela landslides that killed thousands.

<sup>84</sup> New Internationalist, May 2001- Salman’s struggle.

<sup>85</sup> See the work by Development Alternatives and current doctorate research by PK Das on various impacts of material building use in various regions of India.

whom, where, when and at what cost poor people can access security of land tenure. Space governs livelihood options quite directly, see for example the preferred minimum plot size of 600sq.m. in Lesotho where low-income people depend a diversity of livelihood strategies including agriculture and small livestock rearing. In contrast minimum plot sizes in the big cities of India mean affordability issues suggest plots as small as 26m<sup>2</sup> are appropriate. This clearly raises the question of how regulatory guidelines for upgrading should tackle such diversity in local realities and livelihood needs. Perhaps the best our guidelines can offer is recognition of this variance, give a set of principles and approaches or tools to develop them, with illustrative case studies as to how this has happened in practice.

### ***Financial capital***

Current regulation is not affordable to the poor; in the Caribbean, for instance, it is estimated that only 15% of the population can afford to build legally<sup>86, 87</sup>. 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 sizes<sup>88</sup>. 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. The Malawian Traditional Housing Areas reflected this thinking, residents were allowed to build with local materials, and infrastructure standards were kept very low, with improvements over time in mind<sup>89</sup>. Similarly, in Sri Lanka local authorities can declare special zones where lower standards apply; this was used frequently in the one million houses programme<sup>90</sup>. 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 settlements<sup>91</sup>. 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.

The cost and availability of financial assets is critical in accessing shelter. The regulations, formal and informal, governing financial markets often constrain the livelihood strategies of low-income people. De Soto estimates that 70% of small business ventures in the USA are based on financial capital from mortgaged property. People with no legal title cannot access such resources, neither can they access other sources of formal credit when they have no formalised abode, recognised address or credit ratings. Incrementality in the construction of housing and infrastructure is evident in all informal settlements; a significant characteristic of investment in improvements and extensions is people's capacity to maximise the benefit of limited capital resources and income flows.

In the long term poor people frequently pay more for housing and basic services. Formal public sector provision has been shown to benefit middle and high income urban residents and whose services are often highly subsidised. For example, the price of a litre of water delivered to the home through municipal infrastructure is less than the litre acquired by the jerry can load from the peripatetic vendor or purchased from a distant supplier fortunate

---

<sup>86</sup> A Mohammed: "Problems in translating NGO successes in government settlement policy: illustrations from Trinidad and Tobago and Jamaica", IIED, October 1997.

<sup>87</sup> Glenn Matthews and J Wolfe: "The growth of the informal sector and regularisation of spontaneous development", TWPR, 1996.

<sup>88</sup> Ibid. 37 and 27.

<sup>89</sup> Ibid. 74.

<sup>90</sup> Susil Sirivardana: "Sri Lanka Housing Standards Study generated with the urban poor in Sri Lanka", Case Study 9, Enabling Housing Standards project, ITDG, Rugby, March 1999.

<sup>91</sup> Prof. Saad. Yahya: "Enabling Housing Standards for Botswana", Case Study 4, Enabling Housing Standards project, ITDG, Rugby, December 1998.



enough to be connected to a piped or captured source. The costs may not only be financial if the buyer has to spend considerable amounts of time waiting in line or carrying water which may be of a less healthy quality than formal supplies.

The housing process can be a powerful means to generating income for local artisans and labourers but the extent to which value is added local will be determined by the technology choices made. The SLF offers little advice on the role of technology in livelihood strategies yet housing production and 'consumption' markets have the capacity to generate financial capital. Legislative and practical support for local building materials production and incremental construction facilitates local employment, and when compared with the use of imported technologies and materials can increase the multiplier effect of local economies.<sup>92</sup>

In most countries, procedures are complicated, lengthy, and therefore costly both in terms of the direct costs such as fees and in terms of the delays incurred. De Soto estimated that in 1979 it would cost a group of low-income families, in Peru, about seven years to legally acquire a plot and obtain a building permit; the first step, of securing land tenure, would take 43 months and involve 207 bureaucratic steps in 48 different government offices and cost 4-5 times the annual minimum income<sup>93</sup>. De Soto has since shown that it is possible to simplify procedures; changes in the regularisation process in Peru have enabled people to get titles more easily, and mortgages on the back of those; thereby boosting the construction sector. There are other examples: the "one-stop-shop" approach, implemented in Canada, has been cited as an excellent way forward<sup>94</sup>; it is applied to a degree in Uganda<sup>95</sup>. Another option is to put the onus on local authorities by stipulating the period within which planning or building approval has to be granted or else it can be taken as given if the local authority does not respond within that period.

### ***Human capital***

The adoption of a people centred approach to development places a focus on the indigenous capacities of poor women and men to create and sustain their own livelihoods. Human capital is perhaps the most critical asset which poor people have at their disposal, their ability to sell their labour is a key determinant in their income generating capacity. 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.

Enhancing the human asset base can be a useful entry point in improving people's ability to access and use information relating to policy options, choices and practices. 'Empowerment' must enable people to participate in the policy debate on an informed basis, to build people's confidence in their right to do so and their capacity to lobby for their priorities in any change.

Good health is a crucial to anyone's ability to labour. The built environment has been shown to have a significant impact upon physical and mental well-being. The existence, or non-existence of basic services, will be a key determinant in physical health; poor quality materials or housing design can result in the spread of diseases (e.g. Jiggers), overcrowding is shown to promote the spread of communicable disease (e.g. Tuberculosis) and severe mental stress.<sup>96</sup> The multitude of water borne diseases as well as those associated with insufficient supplies are well recorded; typhoid, cholera, intestinal parasite, dysentery,

---

<sup>92</sup> Theo's ILO ref? And NEF ref [www.pluggingtheleaks.org](http://www.pluggingtheleaks.org)

<sup>93</sup> Ibid 25.

<sup>94</sup> Ibid. 21 p. 21.

<sup>95</sup> 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.

<sup>96</sup> Ibid 21.

diarrhea, skin infections etc.. Other diseases prevalent among people in poverty are also a result of poor quality sanitation, housing and built environment. For example, inadequate drainage and sanitation facilities increases the incidence of malaria, hookworms and tapeworms impeding children's growth and diminishing adults' productivity.

A brief visit to many low-income settlements will quickly reveal features which will strike any construction professional as undesirable; a total lack of windows, resulting in poor ventilation and lighting, lack of fireplaces or chimneys, lack of sanitation or access to adequate water supplies each have their own and cumulative impact on people's ability to maintain good health. The availability and cost of primary healthcare services are additional constraints on people's capacity to maintain good health. Many of the qualitative indexes of human development are composite indicators which invariably include a measure of physical well-being; on days when poor people cannot sell their labour on the open market they are doubly penalised since they have to forego the opportunity to generate income, may well be unable to eat and incur healthcare costs.<sup>97</sup> In the words of Nancy Wanjiru, a Member of Muungano wa Redeemed Village: "Here malaria and diarrhea do not end. We spend the better part of our income taking our children to hospital and on medicine"<sup>98</sup>. It is an awareness these type of impacts that Public Health officials will argue vociferously for regulation in order to safeguard public welfare.

## Information, Knowledge and Skills

The inclusion of information, knowledge and skills in the human asset base is perhaps not as prominent in the SL literature as they warrant being. The majority of poor people depend upon the informal sector for their livelihood, be it from home based enterprises (HBEs), hawking, jua kali activities or casual piece-work or day-work within formal sector industries. Those markets are dynamic, complex and highly competitive environments; people need to be informed of the rapidly changing landscape of opportunities in order to recognise and access new income generating activities<sup>99</sup>. Informal sector operators are often harangued by public sector officials seeking to apply the rules and exclude hawkers from central business districts or specified residential areas. A working knowledge of the regulatory requirements and how they are applied can be important in risk mitigation as well as in accessing public sector resources or processes.

The variance in access to education, the information systems and gender specific roles mean women and men's opportunities are affected by their relative access to information and knowledge. ITDG's on-going research points to the fact that poor urban people adopt a range of strategies to avail themselves of information depending upon the context and sector about which they wish to be informed. The range of influences include the usual list of socio-economic variables (gender, age, religion, education, linkages etc..) and contextual factors (geographical, technological etc..).

The interface between two significant trends, the increasing focus on knowledge creation, ICTs and the commitment to partnership and inter-agency co-operation, presents its own challenges for development agents<sup>100</sup>. The World Bank explicitly links the need to develop

---

<sup>97</sup> Jonathan Rouse and Mansoor Ali, Waste Pickers: Using the Sustainable Livelihoods Approach in Dhaka. Key findings and field notes. WEDC, Loughborough University, UK, 2000.

<sup>98</sup> ITDG Project Records: Women and Information and Communication Technologies, 2001.

<sup>99</sup> Consider the current ITDG research underway in exploring the linkages and complementarities in SL and Sub-Sector Analysis. The complexity of the research and analysis required to understand the marketplace and discover opportunities presupposes a high degree of knowledge, analytical abilities, capacity to leverage and manage interventions that will enhance SL options in favour of the urban poor.

<sup>100</sup> <http://www.worldbank.org/research/aid/africa/aidperform.pdf>  
<http://www.sida.se/sida/articles/600-699/653/global11.html>

“dynamic knowledge management systems capable of distilling knowledge and making it available for further adaptation and use in new settings”. But recognises the constraints: this “requires building the capability in developing countries to assess and adapt relevant policy and technical knowledge to local situations and when necessary to create new knowledge<sup>101</sup>. Knowledge partnerships need to acknowledge, analyse and confront power relations.

At the national and international levels little attention is given to what knowledge is shared or how or the impact on policies and their implementation. The EHSP research clearly highlighted the gap in information exchange in support of the regulatory environment. Laws which are revised at the national level are often ‘gazetted’ using formal media yet these rarely even reach the professionals directly concerned with its implementation let alone poor urban women and men. For example, the ITDG’s project efforts in Kenya to disseminate Code ‘95 placed significant emphasis on materials and events that promote multi-tiered communications. The same project in Zimbabwe produced information resources to explain local authority processes which made formalisation more accessible and reduced the burden on individuals within local government to provide the same advice repeatedly, on a one to one basis. Interventions in Latin America have also focused on the types of documentation and processes people have to employ when dealing with the public sector. Reform in Peru enabled land registration based on preferred, non-literacy dependent media for generating meaningful exchange as to the practical implications of new policy instruments. Success in simplifying the land registration processes in Peru highlights means by which informal information materials can be effectively incorporated into decentralised institutions and processes in the formalisation of land and housing by the urban poor.

ITDG’s focus on building the technological capacity of poor people means it has a strategic interest in the promotion of knowledge and skills as a key factor in promoting sustainable urban livelihoods. The literature reviewed for this paper concurs with the view that information and knowledge are critical attributes in anyone’s SL armoury<sup>102</sup> yet the SLF does not make them explicit. Both are complex concepts which cut across sectors, professional interests or public sector departments but also span the human and social asset sub-groups. The former might include reference to an individual’s literacy and education levels, whilst the latter will be dependent upon a household’s ability to tap into information, knowledge and skills say for exchange in the local marketplace.<sup>103</sup>

### ***Social capital***

Social science literature is the home of considerable discourse on the definition and nature of social capital which is beyond the scope of this paper. The following definition of social capital is given, for the purpose of clarity, as: “features of social organisation, such as trust, norms, networks, that can improve the efficiency of society by facilitating coordinated actions”<sup>104</sup>. Whether or not this definition is correct is debatable since others argue that the nebulous nature of the term makes it attractive and swings in thinking and development practices influence the denotations and connotations of the term.

The World Bank points to the importance of different types of social capital, bonding, linking and bridging, all of which affect people’s ability to escape poverty. Bonding capital is said perhaps to decline with the trend to urbanisation since traditional social structures break down and the sense of ‘community’ is even more elusive than it is in a rural settlement. Recent ESCOR research in 9 developing country cities shows that networks may be limited to closer family and friends than is otherwise the case in rural settlements. Nonetheless

---

<sup>101</sup> Wolfensehn 1997 in King and McGrath – Knowledge and Policy.

<sup>102</sup> Ibid 7 and 9.

<sup>103</sup> Barnett

<sup>104</sup> R Putnam, Making Democracy Work: Civic Traditions in Modern Italy, Princeton University Press, 1993.

social networks remain significant in supporting livelihood strategies among low-income and poor people. They are as complex and diverse in nature as the individuals and cultures concerned<sup>105</sup>. Bridging capital is the type of linkages which may exist between people with a common interest, for example, the connections between small entrepreneurs within the same sub-sector or related businesses. Linking capital is highlighted as particularly significant in enhancing livelihood options; access to 'external' information, knowledge and resources is a critical advantage of the potential benefits of increasing linking capital.

The concept of social capital closely reflects the ideas relating to informal institutions i.e. networks of people linked through a diversity of intangible connections such as blood relations, marriage or common interests such as a mutual concerns related with fulfilling the responsibilities of motherhood, or traditional dispute resolution mechanisms. The significance of social capital in enabling people to influence the regulatory environment is paramount. Civil society's voice and power to promote change is closely related to its ability to develop existing institutions, build partnerships and constructive dialogue between informal and formal, commercial and non-profit, government and non-government organisations for joint decision making, resource allocation and action<sup>106</sup>.

New research is only now aiming to discover how communities, governance institutions and development agents might better understand its nature, how it can be measured, developed and incorporated in public sector thinking, practices and institutions<sup>107</sup>. New research is also aiming to assess how such intangible assets as trust can be increased to bridge the divide between poor women and men, and the policy makers and service providers. SSD's work is focused on residents in urban settlements where levels of conflict have been high<sup>108</sup>; the need for conflict resolution is also evident in ITDG's experience in refugee resettlement in Peru<sup>109</sup>.

A lack of trust and mutual respect is also evident in many urban settlements, in Nakuru, for example, baseline surveys highlighted the distrust felt by residents in Lakeview Estate due to the civil conflict and violent clashes. Current research in Eastern and Southern Africa by UNCHS Safer Cities initiative is also highlighting the increasing levels of violence and victimisation in low-income urban settlements. On-going research in Nairobi<sup>110</sup> highlights an extensive range of ways in which people's vulnerability is increasing; they are subjected to robbery, physical violence, organised racketeering and other physical hazards not found in rural contexts. Perhaps this is a symptom of a break down in social capital; the large population affords anonymity to purveyors of crime which would be unacceptable in closer knit, smaller communities.

The social capital which women have access to will be greatly influenced by, if not entirely defined by, extended family and household social capital and customs<sup>111</sup>. The processes and institutions that affect women's lives need to be analysed separately in order to understand their practical and strategic needs.

The politics and power play involved in regulation of human settlements are complex and significant in generating or constraining the livelihood options and outcomes of urban residents. Yet, the SLF and associated concepts do not make this fact obvious. It is often the case that as outsiders, development agents, claim that they are or at least try to be 'apolitical'. This position hardly seems tenable when trying to intervene in the very mechanisms which govern access to local resources and livelihoods.

---

<sup>105</sup> Jo Beall, Paper University of Birmingham – check if OK to quote

<sup>106</sup> See for example the Community Development Councils in Colombo - *ibid.* 89.

<sup>107</sup> SSD KaR Project 2001

<sup>108</sup> The DFID sponsored Communications Research Group is exploring issues around communication in creating sustainable urban livelihoods. SSD's 2 year research has begun in Partnership with The Asia Foundation to explore the concept of social capital under stress and how to create the necessary capital that will enable poor urban residents to engage in the policy dialogue in urban areas [ref. CRG meeting 24/4/01].

<sup>109</sup> Ayacucho Resettlement Project – ITDG Rugby Annual Review 2000.

<sup>110</sup> ITDG EA is currently undertaking the initial phase of research in Nairobi's informal settlements and will continue until September 2001.

<sup>111</sup> *Ibid.* 66

Many of the interventions which ITDG have been initiating and facilitating aim to create social capital, capital which may be of the bonding, bridging or linking type. Community based, multi-sectoral and multi-levelled collaboration have been demonstrated as critical to keeping the issue on the regulatory reform on the political agenda and to rolling out the revised legislative instruments to affect reality.

Informal networks, relations and acquaintances have been identified in numerous contexts as key sources of livelihood information and knowledge. Key informants in the human settlements arena might include local artisans or materials' suppliers, Local Authority professionals or local councillors. The process of creating collective power bases has been an essential means and end in ITDG's work. Linking the diverse interests of low-income urban residents with the professionals and officials has enabled people to access the skills required to comply with regulatory processes and requirements. For example, participatory design workshop the outcome of which was the fast track approval of housing and small commercial business premises in the peri-urban settlements of Nakuru, the impact of which was to reduce the cost of, and shorten the time span required to obtain, building permission.

Linking informal entrepreneurs, who might otherwise work in a disparate and competitive manner can generate economic benefits but can also greatly affect the legal status of some people. Work with brick makers in the Sudan<sup>112</sup> has facilitated collective working arrangements, formal registration and supported group development in order to enhance the benefits of local livelihoods and create sustainable linkages to pertinent sources of information, public sector contracts and support services. The impact of registration on one member of the Kadugli Brick Makers Co-operative, resultant from the individual legal status achieved as a member of a registered co-operative, gave him protection from the repercussions among informal refugee population for harbouring rebel forces responsible for attacks on government forces. The increased sense of security felt was evident to any observer.

## Conclusions

There is a whole raft of related policies and politically challenging issues to overcome the constraints on accessing affordable shelter. Pro-poor change in the context of urban settlements upgrading and livelihoods must address legislative issues governing housing, infrastructure, land and property ownership, inheritance, finance, commercial activities as well as the underlying institutional and operational environments concerned with implementation and enforcement. This paper has offered some discussion touching on these issues and in so doing employed the SLF as a road map and framework around which to base that discussion. It is for the research team to further debate the applicability of this approach and to assess the value in further promotion, adaptation and adoption of SL thinking and tools in the design and development of regulatory guidelines for urban upgrading.

In revisiting the research team's initial reflections on the adoption of the SLF given at the start of this paper the following conclusions may be drawn. The SLF is a useful tool for considering how regulations affect the livelihoods of the 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. Feedback from research teams will be instructive as to whether or not the principles or approaches assisted in the detailed design and delivery of research activities and analysis.

In understanding urban development issues the SLF still has its limitations in terms

---

<sup>112</sup> See UNCHS Best Practices Database: <http://www.undp.org/un/habitat/blp/index.html> Shambob Brick Producers Co-operative Society.

generating increased understanding of the complexities, causal relationships and interactions between various institutions, dynamic economic, social and political forces, policies and development processes. The specific gaps which emerge as significant are the 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 human settlements regularisation. There is little, if any guidance, given in SLA literature as to the how to address the intensely political nature of legislative reform and control of the built environment.

Application of the SLA thinking is underway in the project's current research activities; it will be of interest to learn how the process has proceeded and the outcomes which are emerging. Since research planning raised the issue of units of analysis and interfaces between the individual, household, neighbourhood and city levels it will also be of great interest to learn how researchers gained insights within and between the various levels.

Several alternative approaches to development analysis and planning are considered and compared in the Guidance Sheets<sup>113</sup>; of those most closely related to ITDG's KaR research and Shelter Strategy are the human rights based approach and good urban governance. Given the current trend to decentralised capacity building, to addressing poverty through participatory analysis and action planning SLA can guide actors at all levels of society. The realities of poor women and men need to be better understood at all levels, CBOs, NGOs, professionals, civil servants, politicians and policy makers all need to know what enhances the capital asset base and reduces the vulnerability of the most disadvantaged in society. A combination of approaches, SLA say with the principles of good urban governance, may be instrumental in placing poor women and men at the centre of the development agenda, begin to put them on a more equal footing, making the PIPs which govern their lives accessible, responsive and accountable.

People experiencing poverty are affected by the by-laws, 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 policy formulation and implementation.

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, in generating acceptance among the formal financial institutions of the informal sector increasing access to financial capital and fungible assets. Security of tenure<sup>114</sup> is critical in the ability of poor people to maintain their ownership in the face of encroaching urban trends and hazards.
- enhanced well-being due to increased mental and physical health resulting from qualitatively improved, 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 basic services.
- improved equity; the status and livelihood options available to women or at least a reduction in the amount of discrimination they endure.
- reduced vulnerability from economic and physical hazardous through appropriate mitigation of the most significant shocks and trends.

---

<sup>113</sup> ITDG's own research underway in Kenya and Ghana is a comparative analysis of SLA and Sub-Sector Analysis – reports may be available by the time of the international workshop.

<sup>114</sup> <http://www.unchc.org/tenure/>

In assessing the impact of regulatory frameworks on the improvement of informal settlements as an effective mechanism in poverty reduction, Local Authorities need to:

- Recognise and understand the diversity of stakeholders residing and working in informal settlements i.e. who and where they are; identify, through stakeholder analysis, who the key champions for change might be.
- Understand the livelihood strategies and priorities of informal 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 potential mechanisms for, achieving it. The principles of 'good urban governance' outlined in the text suggest a useful way forward, the associated annex makes specific recommendations as to what they might mean in practice.

It will be useful to receive feedback from researchers as to which aspects of this paper have resonance with their own research experience, how it can be developed in the light of their thinking and how it needs to be developed in order to assist in the process of developing regulatory guidelines for urban up-grading.