

Three things we should know about slums

*Slums are economically useful, a reflection of the urban social divide, and a bedrock of human resilience. And writes **Daniel Biau**, Director of UN-HABITAT's Regional and Technical Cooperation Division, they are not a market failure, but a market success...*

Why Slums?

According to UN-HABITAT, slums represent one-third of the world urban population. This ratio is not going down in spite of all political declarations and official commitments. Why? Why do slums exist? Are they a planning mistake? Do they reflect the inefficiency or malfunctioning of land markets?

Let's think for a second why we have so many slums and santy towns. Of course, we know: slums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labour force, low-income workers. Slums are the physical expression and condition of urban poverty: in many countries they are necessary to ensure profitable economic growth!

Before being a problem, slums are therefore a solution at a particular stage of economic development. They were a solution in Victorian London as they are a solution in Mumbai today. Slums are not a market failure, they are a market success. This is the first thing we should know about slums: they are economically useful, sometimes extremely useful, because they offer low-cost housing options to the poor.

Overcrowding patterns

But all informal settlements are not equally squalid. In Latin America, Southeast Asia, Sub-Saharan Africa, and the Indian sub-continent, slums are very different, particularly in terms of overcrowding.

Some are built on public land, some on private land, some are squatter settlements, and others provide rental housing options. Some areas are extremely dense (3 people or more sharing a small bedroom and more than 1,000 persons per ha). For instance in South Asia, 150 million people live in overcrowded units. In West Africa on the other hand, most slums have relatively low densities (less than 500 persons per ha).

The degree of shelter deprivation is directly correlated to the degree of urban inequities. Thus the worst slums are found in the most inequitable cities. These are cities where the poor pay more than the rich for land and urban services, where land is monopolized by the upper classes, the cities that are physically divided into poor areas and gated communities.

The existence of slums is always a reflection of urban poverty but the intensity of shelter deprivation is usually a reflection of urban inequity. For example, Nairobi is richer than Kinshasa but more than 50 percent of its population lives in slums - the same percentage as in Kinshasa. Nairobi's slums are worse than those of Kinshasa, because Nairobi is more inequitable than the Congolese capital. Nairobi's poor slum dwellers are squeezed into only 5 percent of the total city area. The largest slum, Kibera occupies less than 1 percent of the city area and regroups 20



percent of the city population. Its density reaches 3,000 persons per ha. This is the second thing we should know about slums: they are a manifestation of social injustice, a reflection of a social divide which excludes the poor from the benefits of urban life.

Survival strategies

But the urban poor are not only victims, they are also actors. In fact slums and informal settlements demonstrate everyday how the urban poor fight for survival, how they innovate, how they find resources and energy, how they create their own employment opportunities and transform their environment.

In some cities they form community groups to defend their interests. Slum-dwellers may be the most dynamic “entrepreneurs” of our time – the real “Private Sector” about which we talk so much. Good at survival strategies, slum people rarely reach the accumulation and development stage. They need support, or at least they need to be left alone, away from public harassment.

Slum life shows that the concentration of people in cities is in itself a positive development factor, simply because concentration means more exchange, more markets, more opportunities, and more risks. This is the third thing we should know about slums: they are a manifestation of human resilience, a reflection of social dynamics, of fantastic human energy. Sometimes they are places of solidarity, often they are places of urban violence, always they are places of urban life, of multiple struggles for survival and human dignity.

From knowledge to action-oriented policy

From these three points, we can derive a few basic principles for the reduction of urban poverty. Firstly, the absolute necessity to adopt a holistic approach to address urban development challenges. This means bringing together policy makers from economy and finance ministries with housing and local government departments, to ensure that the key contribution of urbanisation to economic development is well understood, that resources are properly mobilized and allocated, that employment policies are associated to slum upgrading policies. In a word this means advocacy campaigns to strengthen or create enough political will at all levels.

Much remains to be done. Only a few governments have a comprehensive slum upgrading strategy, national targets are rarely established and the Millennium Development Goals are largely ignored. We should popularize success stories demonstrating that good policies bring economic and social advantages.

The second principle is affirmative action to secure the urban poor access to land, housing, credit and basic services. This means identifying urban inequities in these areas and correcting them. The poor should pay less, not more, than the wealthy for the comparative benefits of city life. Inequity should be replaced by solidarity, the divided city by the inclusive city. Of course political will is required but technical solutions are available, they have been tested, they work.

The third principle – participatory and transparent governance – is the means to deliver on any dimension of urban development, on the three components of sustainable development (economic, social and ecological). Efficiency in municipal finance (resource mobilization and allocation) constitutes one of the best indicators of good urban governance. Since the Istanbul City Summit of 1996 this third principle is widely accepted in the international arena. But it needs to be implemented more systematically at country level.

Indeed a number of governments have adopted reasonable and effective urban policies in the last 10 years. South Africa, Brazil, Mexico, Egypt, and China come to mind.

In the meantime, international assistance to urban development has remained stagnant, but this has had little impact on these large middle-income economies which can work on their own. The urban crisis is now concentrating on Least Developed Countries which are urbanizing rapidly without sufficient institutional resources. These countries should be the top priority of the UN system.

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