

Practices and policies related to (assisted) self-help housing; an introduction to the Research 2009-2010 (Utrecht/Amsterdam)

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The subject of the Research Project, initially called ‘The power of self-help housing’, was initiated in 2008 by Jan Bredenoord (Utrecht University, Guest-Researcher), Paul van Lindert (Utrecht University) and Peer Smets (Free University Amsterdam) from The Netherlands. The idea was to create a wide-ranging bundle of consistent articles on the theme, in co-operation with other authors (having worked in developing countries). This initiative worked out quite effectively, and three general articles were written, e.g. on the revaluation of the potential of (assisted) self-help housing (chapter 2), and housing finance (chapter 3), as well as 8 country contributions, to be exact on South Africa, Sri Lanka, Indonesia, India, Thailand, Peru, Ecuador and Mexico (see Annex). In the course of the research’ process, the focus was broadened on self-help housing and institutional housing. In the meantime, there was a productive contact with Mr. Charles L. Choguill, Editor of the Journal ‘Habitat International’, and as a consequence of that, the choice was made to create a bundle with articles, as a ‘Special Issue’ of the mentioned Journal. It is to be expected that the bundle will be edited in February 2010. One of the outcomes is that the role of national governments turn out to differ, but are very important to fight urban poverty and improve the habitat conditions of the urban poor.

In the meantime, the programme for the 5th session of the World Urban Forum – scheduled for March 2010 in Rio de Janeiro – was presented by UN-Habitat. The focus of this Forum is among other things: ‘how to achieve access to adequate housing for the rapidly growing urban population of the developing countries’. It was stated that after around two decades of gross neglect of the housing problem the World Urban Forum calls for rethinking the urban agenda, including the need to develop new solutions for the exploding cities of the global South¹, by presenting the ‘Right to the City’ agenda and the issue of ‘Equal access to shelter’. As a result, the bundle of articles focuses also on these themes and tries to determine policies that are based upon the support to self-help housing solutions. While the search for large-scale housing delivery is going on and on, the bundle underlines the significance of self-help housing as common practice for millions.

The main purpose of the Research, was to focus on current practices and policies related to self-help housing, and its potentials linked with the main housing questions in developing countries. Millions of households worldwide are practising some form of *self-help housing*; if *helped* by

¹ UN-Habitat (2010). Documents preparing the World Urban Forum [www.unhabitat.org].

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governments or institutions it is called *assisted or aided self-help housing*. Self-help is regularly the only way for families to get an own house, to build and improve it step by step, when their own financial state allows them to invest, in many cases during a long period of time. Self-help housing is mainly an economic necessity and not a sort of cultural expression of groups of residents as it was in the past and still is in some traditional (isolated) communities. The bad housing circumstances in developing countries are strongly related to poverty in urban as well as rural areas and are present at a very large scale. Bad economic conditions have compelled households to find their own way providing all sorts of dwelling solutions. Many families obtained a house or a shelter through self-help, while the alternative mostly was not having an own house at all, living with many others in their parents' house, or renting a part of a house belonging to someone else, mostly in an overcrowded situation. So, self-help housing is an inevitable way of living for many. A better support of self-help housing, will probably benefit families and even whole communities and one can speak of new forms of assisted self-help housing then. Long-term credits for housing can lead to cases of non-observance of the obligations and self-help housing can be an alternative, seen from the perspectives of poor families. Moreover, formal housing credit and mortgages are not accessible to the mainstream of (new) poor households, although this is changing in some countries. Improving housing finance solutions for incremental housing is one of the challenges.

The worldwide housing backlog is characterised by unprecedented proportions and demographic calculations show a tremendous growth of population and, as a consequence, an increasing housing demand, newly built as well as related with home improvements. Revaluation of self-help activities of individual households, groups of residents and housing cooperatives, all within the housing construction of nations and executed at the local level, can help solving the housing backlog. Momentarily, national governments do not benefit self-help housing, even though some did so in the past, but they mostly tend towards solving the housing backlog with programmes for 'decent housing', however, benefitting mainly the (lower) middle-class. The lack of public finance for house *production* for low-income groups remains an important problem, but other backlogs are of equal importance, such as the absence of housing finance by private banks.

The extent of the worldwide housing demand and the corresponding services to be realised, requires participation of all actors and an integral approach at all levels. Financial investments will be huge and come up mainly with the households itself, but in order to start these, (local) governments and institutions should provide urban planning, infrastructure arrangements and land for housing programmes. In most cases the public tasks on housing implicate organizational, political and logistic measures, that cannot be executed always right away and without any problems. Empowering local authorities in order to make stronger their organizations, is a main point of departure.

Assisted-self-help housing is not the only solution for the worldwide housing demand, but one of the main ones, knowing that some families (for instance with single mothers) are not able to build by

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themselves, but others certainly can and will do it. Moreover, housing problems of the poor cannot be solved by the commercial market (as was proved in practice) and therefore public legislation and governmental regulations and incentives will be necessary, at least in many countries. This means that *public housing* - including assisted self-help housing - must be seen as a main production factor; this implicates however the need for urban planning and public pre-investments for infrastructures and land development. Supporting self-help housing, as part of a national housing policy, can be effective and better than giving subsidies/incentives for only a limited number of residents. Despite the happening self-help housing practice, the incidence of it is not always seen as a positive production factor by architects, planners and politicians. In the 1960s and 1970s international attention was paid to the power of assisted self-help housing in many Latin American and African countries (think of the work of John Turner and others and later the World Bank), but self-help housing is officially not very popular anymore. In the meantime, the huge urban growth in Africa and Asia emerged where self-help housing is still very actual.

Besides a better positioning of assisted self-help housing, other strategies are required in order to combat the huge housing demand worldwide. Industrial as well as organizational and financial methods are undoubtedly needed, additional to other opportunities on housing production. One can think of the Chinese housing model, which is rather successful seen the massive production of dwellings each year, occurring even without involvement of self-help. In other countries, mostly less tightly organised, the housing production can increase if legislation is combined with governmental and private housing production and if access to subsidies, credit and mortgages (mixed financing) is available. Huge production of small core houses in land expansion plans outside cities in South Africa by the government is an example of public housing policy, providing investments in the development of *greenfield areas* with core housing; however, this did not encourage the expected self-help relating to finishing and improving the houses. In India the self-help housing is a widespread practice, while housing cooperatives and self-help groups are present everywhere. In Indonesia the Kampong Improvements Programmes were doing quite well, but public attendance for house construction and home improvements was lacking with the effect that house construction is mainly private self-help. In Mexico, a country that underwent a rather strong economic development, a mixture of institutional housing and self-help housing is at stake.

Investments in urban infrastructure and services must be done by local governments and public utility corporations, in order to make the new or existent neighbourhoods accessible and liveable. Main actors concerning urban land development and slum improvement are the municipalities and at the (local) level all main tasks must be executed, like urban legislation and planning, land policy, municipal coordination and above all: adequate execution and involvement of local housing actors. Nevertheless, many municipalities in developing countries do not have enough financial means, while their professional staff is not very well trained in modern urban management. Public utility corporations are now and then privatized and will act like profit organizations, which does not always

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benefit the poor residents. Help from the government and/or international aid organizations is essential then.

Especially if national governments are lacking financial resources, self-help housing can bring along additional or alternative options for house production. Every country should make a national housing policy in accordance with its potentials and seen its development strategy. At least many developing countries are busy determining such plans and the according legislation, but the incorporation of self-help housing and self-management in it, is limited. Self-help housing can have important prospects, especially if the cooperation between residents - households, families or in the form of housing cooperatives or self-help groups - and local government is recognized well. Cooperation between local government and other local actors, private as well as institutional are of equal importance. Self-help housing can be found and explored as 'assisted self-help housing' at a large individual scale. 'Assistance' does not mean that governments should realize completed houses, on the contrary, the construction of houses is seen as a matter of households. 'Assistance', related to self-help can be a series of measures facilitating the households, with e.g. building materials, technical assistance, and building permits. The growth of small housing cooperatives in some countries is hopeful, but still small scale.

Self-help housing cannot be seen as a solitaire phenomenon, but is closely connected to poverty and other socio-economic problems. Although 'self-help housing' was practiced since the earliest human settlements, it was described and presented since the middle of the past century for the solving of the housing backlog in developing cities. Meanwhile, the concepts of 'assisted self-help housing' and 'sites and services' are universally well-known, tried out in very many ways and with more or less achievement.

The Research focuses on contemporary practices and policies related to self-help housing in a selected number of countries. Practices and policies in other countries should be investigated in the future in order to obtain a broader image of the worldwide situation on (assisted) self-help housing. The role of the international agenda on Habitat matters is essential and so are housing policies of nations. During the 1990s and 2000s the international agenda was focused on a variety of themes, related with the broad vision on Habitat. However, specific housing issues like house production, housing qualities and 'affordable housing products' did not get detailed attention. It is needed we put affordable housing production – inclusive assisted self-help housing - on the (inter)national research and policy agendas, implicating amongst others that (new) 'self-help housing products' must be discussed.

The outcome of the offered housing programmes and products for lower-middle and middle-income groups, is mostly a good quality house, because the official vision on housing qualities is mainly that houses should be 'decent', but consequently many poor families cannot pay for such products. This is going on in e.g. in Peru, Ecuador and Mexico, where the public finance system becomes 'mixed': according to the A-B-C method (Save-Subsidy-Credit). These improvement can

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work very well in emerging economies, because the middle class is growing there. But it remains difficult in the mentioned countries to find solutions for housing products and finance solutions for (very) low-income families. The rise of micro finance organizations, build-and-save groups, small housing cooperatives, etc. bring along another trend, namely the developing of a wide range of new finance possibilities.

Self-help housing, if combined with mutual power, can give good development opportunities such as knowledge transference, more quality through specialization and especially: more (common) discipline. Moreover, mutual self-help housing can be used for better cooperation with the local government and other actors like NGOs with housing programmes, public utilities and financial organizations², but basic conditions must be attached. State support for self-managed housing cooperatives is at stake in e.g. Brazil. Mutual self-help housing has very good potentials, but the members of a housing cooperative must take time to know each other well, while good leadership is crucial. The size of the group – not too small and not too extended - should be subject of future research. The establishment of small housing cooperatives can be promoted by giving them (extra) incentives, such as better access to a building materials bank, combined micro credits and other forms of (technical) assistance. Successful local/regional experiences with housing cooperatives are amongst others to be found in Uruguay and India. The housing project ‘Juntando Manos’ with only 35 dwellings (2008) in the municipality of León, Nicaragua, is a small-scale housing cooperative, using the Uruguay mutual self-help formula³. The pilot project ‘San Esteban’ in the historic centre of San Salvador, El Salvador is a recent small-scale example of cooperative housing, using the same mutual self-help model. The search for possible replication of those likely experiences at a large scale and with the use of finance from the country itself would be of great importance.

The establishment of housing cooperatives in India dates from 1904 under the British Colonial administration; it received a boost after the independence in 1947 and can be considered now as large-scale. Political context and public environment were supportive of cooperatives during decades. For the promoting and developing of housing activities, around 92,000 joined housing cooperatives are active, with a membership of 6.6 million people; and around 2.5 million housing units were produced. Housing cooperatives can be large or small scale, but what counts is its focus: purely on housing finance or on mutual housing construction. Distinguishing a ‘save and build’ concept from ‘borrow and build’ one is essential. Habitat for Humanity operates ‘Save and Build’ through community savings groups; being small housing cooperatives. Twelve families group together and save small amounts of money each month until after six months, the whole group will have saved enough money for one basic

² The establishment of small housing cooperatives with low-income families is emergent in Brazil, e.g. in Porto Alegre; state/community partnerships were established. In the year 2000 there were 60 housing cooperatives in Porto Alegre.

³ Ceprodel took the initiative for the incorporation of Uruguayan expertise with mutual self-help housing projects in Nicaragua. The first project was in León, with the housing cooperative ‘Juntando Manos’, and the second was in Managua (2008). Several other new housing projects with the same formula are to be expected in Nicaragua. (www.ceprodel.org.ni/inicio)

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but decent home (Habitat for Humanity/Online). These and other experiences are to be found in the bundle of articles.

The outcomes of the research are published in the Journal 'Habitat International' (2010, Special Issue, Nr 2). An overview of the 11 articles is given in the Annex below.

Annex

EQUAL ACCESS TO SHELTER? CONTEMPORARY PRACTICES AND POLICIES OF SELF-HELP HOUSING

Special theme issue of Habitat International

Guest Editors: Jan Bredenoord, Paul van Lindert & Peer Smets

	Authors	Type of introduction or country involved	Title of article
1	Jan Bredenoord, Paul van Lindert, Peer Smets	General introduction on the research; Editorial	Equal access to shelter: Coping with the urban crisis by supporting self-help housing
2	Jan Bredenoord & Paul van Lindert	General introduction on (assisted) self-help housing	Pro-poor housing policies. Rethinking the potential of assisted self-help housing
3	Bruce Ferguson & Peer Smets	General introduction on housing finance	Finance for incremental housing; current status and prospects for expansion
4	Karina Landman Mark Napier	South-Africa	Waiting for a house or building your own? Reconsidering state provision, aided and unaided self-help in South Africa
5	Sharadbala Joshi & M. Sohail Khan	Sri Lanka	Aided self-help: The Million Houses Programme – Revisiting the issues
6	Devisari Tunas & Andrea Peresthu	Indonesia	Self-help housing in Indonesia: the only option for the poor?
7	Urmi Sengupta	India	The hindered self-help: housing policies, politics and poverty in Kolkata, India
8	Yap Kioe Sheng & Koen De Wandeler	Thailand	Self-help housing in Bangkok
9	Ana María Fernández Maldonado & Jan Bredenoord	Peru	Progressive housing approaches in current Peruvian policies
10	Christien Klaufus	Ecuador	The two ABCs of aided self-help housing in Ecuador
11	Jan Bredenoord & Otto Verkoren	Mexico	Between Self-Help - and Institutional Housing: a Bird's eye view of Mexico's housing production for low and (lower) middle-income groups