

The Cruel Utility of Slums

By Bronwyn Curran

URBAN POOR The Dharavi slum in Mumbai, made famous by the movie *Slumdog Millionaire*, is home to 57,000 families.

Slum areas are often not prioritized for poverty reduction because they serve an economic purpose

James Masi moved his family from Pakistan's southern Punjab province to the federal capital, Islamabad, 20 years ago in search of domestic work. They are one of 1,500 families living in the city's so-called Christian Colony, a slum area in the heart of Islamabad's affluent sectors. The colony is overcrowded, fetid, without proper sanitation, and ripe for a mass blaze, but Mr. Masi moved his family there after they ran out of live-in job arrangements; it only costs the equivalent of \$50 a month.

No one has title to the land in the Christian Colony. Even the owners of the airless one-room shelters rented out to families like Mr. Masi's are technically squatters, illegally occupying public land. This slum is home to a vast number of Christian domestic workers who cook or sweep Islamabad's wide villas for less than \$300 a month, keeping the lounge rooms and kitchens of the capital's civil servants and diplomats operating.

A Third of the World

Mr. Masi is not alone. Slums currently house one-third of the world's population, reports the United Nations Human Settlements Programme (UN-HABITAT). By 2030, 2 billion people will be living in slums unless substantial policy changes occur, according

to projections by the UN agency. While the proportion of urban residents in slums is highest in African cities, in numbers alone, Asia accounts for some 60% of the world's urban slum dwellers. As of 2001, South-central Asia had the largest slum population in the world, with 262 million slum dwellers or 58% of the region's total urban population.

As large concentrations of poor living together, slums would seem a natural priority for poverty reduction efforts. Yet often they are not, experts say, because slums serve a purpose.

"Slums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labor 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," says Daniel Biau, who directs UN-HABITAT's Regional and Technical Cooperation Division.

"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."

Upwardly Mobile Slum Dwellers

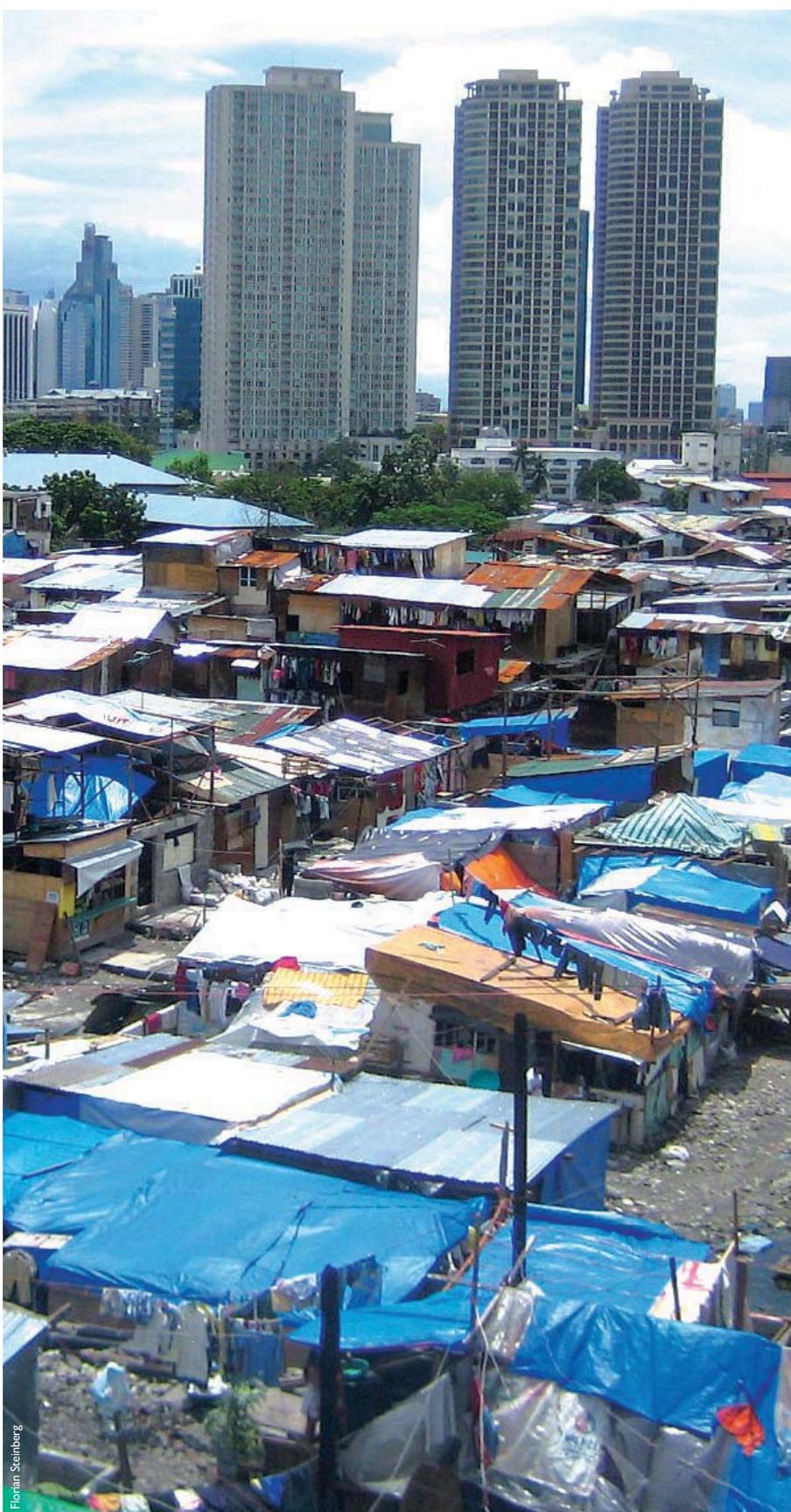
Slums serve as holding stations for rural migrants to cities as in the case of Mr. Masi—filling a desperately needed role as urbanization skyrockets.

Since 1950, the proportion of people working in agriculture in developing countries has declined by 20% to 30%, according to *The Challenge of Slums: Global Report on Human Settlements 2003* by UN-HABITAT.

"The immigrant urban poor have largely moved from the countryside to the cities voluntarily, in order to exploit actual or perceived economic opportunities. Opportunities manifest in part due to the growing urban informal sector, which is most spectacularly visible in the many growing and large-scale informal and squatter settlements in urban centers."

"In many cities," the report continues, "the informal sector accounts for as much as 60% of employment of the urban population and may well serve the needs of an equally high proportion of citizens through the provision of goods and services."

"Asia, which is home to 80% of humanity, is also urbanizing, and currently 36% of Asians live in cities. Asia's megacities—Mumbai, Calcutta, and Bangkok—have over 10 million people, and between one-third and one-half of them live in slums.



Florain Steinhilber

SHANTYTOWN Informal settlements like this thrive astride Manila's business districts.

The rapidity and enormous volume of this rural-to-urban migration intensifies slum formation. City planning and management systems are unable to adequately cope with the massive population influx."

The *Challenge of Slums* report deconstructs the myth that slum dwellers are a burden on the economy.

"While many developing countries have regarded the informal sector as something illegal to be eliminated because it 'undercuts' the formal sector, which is required to comply with labor and safety laws and pay taxes, another school of thought is that reducing onerous regulations and dissolving large, underproductive enterprises can unlock the creative power of microentrepreneurs and provide goods and services at lower costs."

Studies in both developed and developing countries have documented the potential significance of slums as incubators for upward social and economic mobility. "Upward mobility does not necessarily mean that people will move out of slums. On-site physical transformations in slum communities are in many cases evidence of socioeconomic upgrading," the UN-HABITAT report states.

A Model That Works

Given the usefulness of slums, some governments are making progress in improving the lives of those who live in these areas.

The Orangi township, on the edge of Pakistan's port city of Karachi, recently earned the honor of outdoing Mumbai's Oscar-famous Dharavi shantytown, star of the celluloid hit *Slumdog Millionaire*, as Asia's biggest slum.

A report by Mumbai's Brihanmumbai Municipal Corporation, cited in London's *Daily Telegraph*, trumpeted that while Dharavi has 57,000 families living in overcrowded huts with poor sanitation, Orangi is home to 1.5 million people living in poverty.

"Dharavi is not Asia's largest slum; Karachi's Orangi township has surpassed Dharavi," the report claimed.

Like the malodorous streets of its Indian sister, Karachi real estate is gold. Land is the hottest commodity in these twin subcontinental commercial hives surrounded by shantytowns. Property speculators in Mumbai are in a lather, snapping up plots in the Dharavi slum under a 7-year redevelopment plan.

Karachi authorities, for their part, are on a mission to turn the teeming Arabian Sea port of 14 million people into South Asia's Dubai. "Karachi is up for grabs," says Perveen Rahman, head of a nongovernment organization (NGO) that works to upgrade Orangi's sanitation, health,

and education facilities. But thanks to foresight by development organizations such as Ms. Rahman's—and perhaps the lack of money and human resources of the Karachi government—the huts and tiny plots in the 50-year-old Orangi township are not up for grabs by developers.

A process called “notification”—by which Orangi residents receive title to their homes—has been under way since 1986. So far, 40% of residents has received titles to homes; those remaining are in the process of being “notified.”

Getting property deeds for Orangi residents is an offshoot of a broader and highly successful effort by NGOs to upgrade the 1960s-era slum and make them self-sufficient communities.

The Orangi township was established by the local government in the 1960s as a cheap residential colony with subsidized land and low rents for factory workers in the industrial sites next door, a captive pool of cheap labor.

Orangi is now home to 700 private schools, 600 health clinics, 90,000 latrines, and 40,000 microenterprise units, according to the Orangi Pilot Project Research and Training Institute, an NGO operating since 1988 to help Orangi's people help themselves.

The massive sanitation upgrade was carried out by Orangi's own residents for a fraction of the cost of similar projects financed by international development lenders, says Ms. Rahman, who directs the Orangi Pilot Project.

Local government stayed clear of renewal projects in the early years because of a lack of money and manpower.

“It was difficult for government to come in and do the work in supporting the upgrading of Orangi. They always said: ‘We have no money,’” Ms. Rahman says. “But since 1990 the government started taking interest and giving support. The people laid sewer lines themselves, but the government provided the trunk sewers.”

The government, she says, is beginning to recognize that “lifting the self-sufficiency and livelihood of slum-dwellers will be good for the economy.”

In contrast, the case of Dharavi in Mumbai points at attempts to cash in on high land values and use that money to benefit slum residents. The proposal calls for land to be sold to the highest private bidders for upscale development. An important component of the deal, however, will be the guarantee that the 57,000 slum-dwelling families are housed on-site in high-rise apartments at no cost to them or the government. If successful, the experiment will likely set a precedent for cities dealing with urban renewal and informal settlements. ●



LOOKING AHEAD A mother tends to her child outside their dwelling in Mumbai's Dharavi. Residents hope for decent housing under an urban development plan.