

Urban Low-income Settlement Policies in Asia: The Enabling Principle Revisited

Mitsuhiko HOSAKA

Abstract

Briefly reviewing the situational changes of low-income settlements and housing policy development over the last four decades in Asia from a macroscopic perspective, with special reference to the experience in Sri Lanka, this paper attempts to identify viable policy principles of participatory settlement improvement. Most Asian countries had public housing policies, state-initiated self-help housing programmes, then housing sector privatization and are now generally faced with human settlement insecurity. The enabling principle in housing policies advocated in the 1980s warrants recapitulation under the new urban reality, with more resilient community-based organizations as agents and expanding social space for urban actor interactions. The scope tends to embrace people-managed community welfare.

Introduction

The Asian urban society underwent qualitative transformation through the 1980s of structural adjustment and the subsequent decade of accelerated globalization. Cities, notably large ones, outgrew the classic notion of urban growth evolving via exchange of goods and commodities between a central town and its rural hinterlands. They grew through the direct linkage with overseas markets. Such links go back to the colonization period of the 16th century, but the important distinction of the recent trend is that large cities in Asia have emerged as centres of export-oriented industrialization.

Second, large cities invariably attracted growing inflows of immigrants across the borders apace with the concentration of direct foreign investments. Multi-ethnic urban societies emerged in this process and, paradoxically, large cities became the vortex of rapid cultural standardization. McDonalds and Pizza Huts appeared in Asian cities, and while somewhat adapted to suit local tastes, their burghers and pizzas have been penetrating into the traditional food habits along with the expanding network of their franchises.

Third, the emerging urban society epitomizes not so much social integration as widening of disparities and tensions among different communities. The idyllic propositions on endogenous community development are now faced with endogenous strife and violent confronta-

tion between, say, Hindu and Muslim communities in India. In Sri Lanka where two ethnic groups in a slum community had long lived in harmony, the Buddhist Sinhalese now tended to report to the police on Tamil boarders under the civil war situation.

Thus, urban life is increasingly fraught with insecurity, the trend aggravated by the on-going globalization. Just like newly unemployed and homeless people in urban Japan after the subprime loan crisis, a certain sector of city population is ever more deprived of market and/or institutional access to decent housing.

Against all odds caused by rapid economic changes and eviction attempts in the name of urban renewal, urban poor dwellers in many Asian cities initiated new actions and acquired a place to live. Over the last decade or so, a growing number of community-based organizations had their voices heard in the policy matters directly relevant to the lives of the poor. They are increasingly recognized as actors in the decision making processes, and their activities cover ever larger social space in a given city. The trend was partly spurred by the administrative decentralization in the 1990s, along with saving and credit movements and the establishment of community funds encouraging interaction between people and the authorities. Within this trend, a new people's movement in the housing sector evolved from more or less individualistic self-help housing efforts toward self governance of collective resource management.

This paper provides an overview of housing policies in post-war Asia and then highlights salient aspects of policy changes in Sri Lanka in reference to this macro frame discussion. It concludes by examining the enabling principle under the new scope of urban reality in Asia.

Modernization and public housing policies

External aid from the North to the South expanded in earnest during the 1960s as an integral part of the anti-communist policy stance of the cold war period. Agricultural modernization was promoted through, notably, the Green Revolution, since the food sufficiency was believed to be a key to appease peasants. The resultant social repercussions, however, such as a larger number of impoverished villagers who lost their farmland and/or were heavily indebted, led to the accelerated urbanization and the expansion of urban slums. According to the modernization scenario, "surplus" rural population was to be absorbed as labour force by new industries in urban locales, but it did not happen in many Asian countries. What ensued was the unprecedented growth of the informal sector in the cities.

The human settlement policies until the 1960s were characterized by sector-specific approach to the development of urban infrastructure, and the slums, often "illegal" and utter "eyesore", were considered serious hindrances to the public works on urban modernization, thus destined for elimination. In Jakarta, Bangkok, Seoul and elsewhere, slums were forcibly removed by the municipal government or some public works departments to construct main thoroughfares and other urban infrastructure.

But gradually, urban modernization was accompanied by government efforts for urban housing. The housing policy began with the public supply of standard houses for low- to middle-income families. This policy took hold during the early half of the 1970s when Asian

governments established agencies specialized in housing. India instituted its Housing and Urban Development Corporation (HUDCO) in 1970, Thailand its National Housing Authority (NHA) in 1973, Indonesia its Urban Development Corporation (PERUMNAS) in 1974 and the Philippines its National Housing Authority (NHA) in 1975. After some interval, Sri Lanka established its National Housing Development Authority (NHDA) in 1979. These authorities were mandated to supply houses for city dwellers including those living in make-shift slum dwellings, and considered to provide an alternative to the outright slum evictions.

As is well-recognized today, the said public housing policy in the 1970s was soon proven, in logic and practice, ineffective for and sometimes even detrimental to most of slum dwellers. The complete housing supply for urban poor families was impossible without heavy government subsidies that governments could simply not afford. It did not serve the political rationality to spend a lot on so few from among so many. The public housing authorities used standardized construction materials often imported from abroad and this made it difficult for dwellers to repair and expand their living quarters as they pleased. Multi-story designs did not allow the life style common in slum settlements, such as rearing chickens in narrow backyards and setting up street stalls in front of shacks. Slum dwellers lacked stable employment and could not pay rents regularly. For political reasons, the authorities in charge were often reluctant to take decisive actions on rent defaulters, which made it increasingly difficult for the authorities to maintain the buildings. Low-income families accommodated in public housing found it more attractive to obtain cash income from selling the units to wealthier groups and go back to slums. Thus the housing authorities were bogged down in the dilemma almost from the day they started their operation. In due course, they ended up supplying public housing mostly for middle class families. This change of policy focus came about de facto in Sri Lanka and elsewhere, while it was explicitly chosen by some governments as in Indonesia.

Adoption of self-help principle: the 1970s

An alternative possibility of housing had been advocated in Latin America. Turner, for example, argued that the burgeoning of squatter settlements manifested "normal urban growth processes under historically unprecedented conditions" (United Nations, 1968, p.107) and discerned the occupants' ability to build on their own, their power of self help. If their "freedom to build" is unleashed from bureaucratic control, self-help housing could represent a process of their consolidating the urban livelihood. The arguments appeared to fit the bill. The World Bank initiated its urban lending world-wide in 1972 and about two-thirds of their first approved loans were for the sites-and-services projects, which were believed to be more conducive to cost recovery than public housing.

The 1970s witnessed disillusionment of the urban-biased trickle-down approach of economic development. Alternative development perspectives emphasized the "development from within" and favoured "barefoot doctors" in China, the "small is beautiful" endorsement of appropriate technologies, the Sarvodaya Movement taking after Gandhism, and so on. The International Labour Organization and others introduced the basic needs approach, urging

governments to directly address to basic human needs of the poor. It advocated the participation of local communities as receiving mechanism of development benefits. The notion of "housing themselves" was readily incorporated into these alternative development approaches that encouraged the self-reliant actions of the poor.

Indeed, there had been somewhat isolated but notable endeavours making steady progress in several Asian cities. In Jakarta and Surabaya of Indonesia, for instance, the municipal governments and the dwellers in unplanned settlements called kampong had been working in concert to implement a series of small improvement projects. By helping to pave footpaths, improve drainage ditches and install communal sanitary/laundry facilities, the local governments encouraged people's self-help to improve their dwellings. The World Bank took favourable notice of these low-cost projects and agreed to support nation-wide kampong improvement programme in 1974.

The First Habitat Conference held in Vancouver in 1976 represented a global policy shift to state-supported self-help housing such as sites-and-services and on-site slum upgrading. A hypothesis behind the new schemes was that tenure security and basic amenities thus introduced to slums could convince poor families of their investment in house improvement. Housing policies of Asian governments abruptly changed, as advised by donor agencies. Thailand's NHA had attempted conventional public housing in its first five-year programme (1976-80), but it was soon suspended in 1977 to experimentally introduce slum upgrading projects. New four-year programme (1978-1981) concentrated on slum upgrading and sites-and-services.

Enter the enabling principle: the 1980s

The above project-by-project approach encouraging self-help housing construction, however, became soon unpopular in the latter half of the 1980s. In the wake of structural adjustment programme and marketization world-wide, a primary emphasis in the housing sector was placed on the privatization of housing supply. State-initiated self-help programmes had already been running out of steam. The sites-and-services had found it increasingly difficult to locate appropriate sites in the vicinity of city centres and had had to move its operation to ever distant suburbs, less and less attractive to slum dwellers. Often, no house was built on the finished sites. Slum land owners preferred outright eviction to letting the squatters engage in improvement projects, because the price of their land was rising rapidly. In those slum settlements where physical improvements were made, the existing small house units were further subdivided and sublet to absorb the raised rents, worsening the congestion. From the viewpoint of lending organizations, the mounting issue was the difficulty of cost-recovery.

Aid policies by the World Bank and others on urban lending in Asia dramatically changed in mid 1980s from individual poverty-oriented projects to the institutional development such as housing credit, municipal finance and urban services management. The existing housing authorities were required to maintain financial self-reliance and forced to shift their focus to middle income housing. Preferred human settlement policies included the privatization of

relevant public corporations, the promotion of private investment in housing sector, the deregulation related to housing development, the industrial production of standardized building materials, and the rationalization of land registration system, besides the expansion of housing loans.

On the other hand, housing activists and self-help advocates concluded that such poverty-oriented physical projects as on-site upgrading and sites-and-services in the 1970s hardly led to sustainable settlement development as long as they relied on the centrally administered measures in pre-packaged format. Turner argued in 1983 that housing policy should shift, and indeed was gradually shifting, its focus from packaged "project programmes" to "resource programmes" (Turner, 1983). "Housing by people" would be possible when these people are institutionally assured of access to resources necessary for housing themselves, such as land, credit, infrastructure, materials, technology and information.

The UN General Assembly of 1988 adopted "Global Strategy for Shelter to the Year 2000". It rested on the "enabling principle" emphasizing the government's role not in providing public housing but in enabling formal and informal enterprises, NGOs, community-based organizations to realize their potential abilities and effectively mobilize their own resources so that overall production of housing and infrastructure is encouraged. The principle appeared to be compromise between two different views: one insisting on liberalized market supply of formal housing and the other focusing on housing development by the poor through facilitated resource access. They only agreed on one point: disappointment at public sector housing supply.

Economic expansion and housing insecurity: the 1990s

Entering into the 1990s, contradictions between the above two views became apparent. Thailand was often quoted as the best example of private housing sector down-market trend with successful innovation of construction technologies and of housing finance. Thai Government Housing Bank estimated that only upper 15% of the income strata of Bangkok residents could afford housing units on the market in 1980, and the figure rose to 70-80 % in 1994. Yap, however, cautioned that such simple estimate based only on the house price and income level may not properly reflect diverse housing needs of the poor (Yap, 1996). In fact, slum population in Bangkok increased in absolute terms over the same period, and unprecedented foreign capital investment boom entailed land price inflation. Privately-initiated urban redevelopment brought about outright homeless people that were not so visible in Bangkok before. More than 25 thousand households were facing eviction in 1993-95 (Ockey, 1996).

The macro policy framework also changed drastically toward the post cold war era. In Southeast Asia, the developmental authoritarian governments were losing ground. Both China and India established the open economy orientation. The issue of poverty alleviation reappeared on the agenda of multilateral and bilateral aid organizations. No one could ignore the glaring presence of poverty and widening economic and social disparities, due largely to structural adjustment lending during the 1980s and the subsequent economic globalization. Aid organizations in the 1990s emphasized human capital conservation by

approving the lending on social safety net projects and some subsidized programmes for the poor. Meanwhile, after the termination of the cold war situation, military confrontations did not decline in the world, on the contrary, the number of armed conflicts increased, not really between countries but instead, within countries in the form of civil wars or ethnic conflicts claiming a large number of death tolls among civilians.

Hence, it was a general trend in Asia during the 1990s that the insecurity of human settlements mounted. Firstly, the housing vulnerability was heightened by armed conflicts and by apparently increasing natural disasters that destroyed settlements and displaced many residents to seek refugee camps elsewhere in the country or across the national border. Secondly, the threat of eviction became ever more real as urban renewal projects and other large-scale development projects increasingly resorted to the forcible, often violent, demolition of slum houses. A number of informal mechanisms and practices that somehow provided the urban poor a place to live (squatting on public land, informal land subdivisions, complicated tenure arrangements, shift-sharing of the same space by multiple tenants, cheap and unstable rental arrangements, densification of occupants in a unit) were steadily replaced, formalized and commercialized, and the urban poor were pushed out from their slum settlements economically and institutionally.

Against this trend rose the movements in many countries that upheld the housing rights as an integral part of the fundamental human rights. Such movements forged ties of international solidarity, preparing an essential context for the Second Habitat Conference in Istanbul in 1996. The UN Committee on Economic, Social and Cultural Rights adopted General Comments No. 4 in 1992 and No. 7 in 1997, referring to the International Covenant, and underlined that "the right to live somewhere in security, peace and dignity" applied to everyone and that forced evictions were a gross violation of human rights.

Enabling housing policy in Sri Lanka

It may be pertinent here to ascertain the above trend in the case of Sri Lanka. It was when the liberalists' government was established in 1977 that the Government of Sri Lanka started implementing consecutive massive housing programmes. The development strategy of the then government was a peculiar mixture of open economy and populism. According to Manuel Castells, urban populism is defined as the process of establishing political legitimacy on the basis of a popular mobilization supported by and aimed at the delivery of land, housing, and public services (Castells, 1983, p.175). This, by and large, was the stance of the government.

In 1979, a five-year Hundred Thousand Houses programme (HTHP) started. It planned for aided self-help housing for 50,000 poor families in rural areas, 14,000 subsidized housing loans, and 36,000 public housing for the urban poor. It was then believed that urban public housing had to be mid- or high- rise apartments, and these were built mostly by private contractors according to technical specifications by newly-established NHDA. In short, the urban housing programme was primarily public housing supply through privatized housing industries.

Allocated 15% of national budget and with the help of economic boom, HTHP achieved its target. But urban mid-rise public housing was found too costly for the poor. Meanwhile, it was found that, during the plan period, far more number of houses was produced by people themselves without any government assistance, than those publicly provided.

Based on the critical review of HTHP, even more ambitious Million Houses Programme (MHP) was formulated for 1984-89, though housing budget had to be drastically reduced due to the sharply increasing military spending. It was imperative to elicit people's initiatives and resources to the maximum in order to achieve the renewed target. Direct housing supply by the government totally disappeared and NHDA was put in a position to facilitate people's efforts to house themselves. This policy was given attention world-wide as one of the best examples of enabling strategy.

The focus of MHP in the urban context was settlement environment improvement in shanty areas. "Million houses" primarily meant to provide housing loans to a million families. But in urban setting, community organization and collective environmental improvement had to precede the loan provisions. A tool for supporting such community-based settlement improvement was a series of community workshops.

During a period of 1988-1990, some 160 community workshops were conducted by NHDA covering 55 shanty areas mostly in the Colombo area. Despite intensifying security situation, the methodology was well-integrated into NHDA's day-to-day operation of low-income housing. Workshop discussions were organized in a series according to the stages of settlement development: preparation of community action plans, strengthening of community development councils (CDCs), land regularization, community-specific building guidelines, housing credit and design, community contracts for minor infrastructure works, and women's enterprise development. Until the end of MHP period, 13 000 units or 65% of squatter houses in Colombo were thus improved.

From a theoretical perspective

What were theoretical implications of the above approach? In presenting his concept of "development as freedom", Amartya Sen contends:

"I think where the basic needs perspective went wrong was to treat human beings as if they were patients rather than agents. You know, human beings are agents of change also. So if you have to decide what to be done in slums, that is not a question of finding out what slum dwellers would need. You have to find out what they would do if they have a freedom to do it, and how you could enhance that freedom." (Sen, 2002)

As seen previously, the basic needs strategy was advocated by aid agencies during the 1970s, and it was one of the alternative approaches to the modernistic trickle-down theory of economic development. Public housing supply for needy people was a typical policy measure the basic needs strategy would approve. However, the strategy paid attention to the end state of an individual's achievement in livelihood betterment and assumed to compensate the shortage retroactively and unilaterally up to the predetermined standards. The element of "housing as process" (John Turner), whereby people build urban life and community

through housing themselves, was not in its scope.

Sen criticizes that slum dwellers are not the patients awaiting prescriptions unilaterally given by medical doctors. In his view, slum improvement is not one-to-one welfare provisions for immediate needs (although he recognizes the importance of well-being in human existence), but the removal of institutional barriers and social constraints that repress the freedom of slum dwellers and the preparation of those conditions and opportunities that will enable them as responsible actors to achieve their own well-being individually and collectively. The substantial range of the choices of his/her livelihood represents his/her freedom.

The experiences in Sri Lanka can be examined from this viewpoint. What were the institutional and social conditions that suppressed "the freedom to build" of those who lived in squatter settlements? Insecure land tenure, anti-poor building codes, inaccessible finance, lack of employment opportunities, no place to voice their opinion, and so on. Under the government of populist stance, various policy measures were available in Sri Lanka to positively support the urban poor and unleash their potential ability of housing. Government was willing to release public lands, on which squatter residents occupied, for favourable terms of tenure and confirmed its security, in order to encourage them to improve their homes and neighbourhoods. Building standards could be liberalized for low-income projects, so as to allow the people to formally agree on their own "community building guidelines" that was later authorized at the municipal council. Otherwise their houses were doomed to be informal and would have stayed officially unrecognized. Sketchy house plans drawn by people, based on the community building guidelines, were considered practically enough for issuing building permits without going through technically sophisticated procedures. House loans could be provided, once provisional land re-blocking was over (before professional surveyors came and new plots were officially registered). Construction contracts were awarded to local community-based organizations without tendering procedures, as supported by an official resolution. In municipal offices, forums were created as an ad-hoc inter-departmental body chaired by the mayor, and community leaders were invited to voice their complaints and requests. Such pro-poor policy-mix provided a framework that supported the freedom to build.

Retreat from participatory housing

Unreserved political commitment accorded to housing the poor in Sri Lanka was lauded world-wide. It brought about the above-mentioned policy environment that ensured the implementation of community workshop outcomes.

The other side of the political commitment was, however, the politicization of housing processes down to the grassroots. There were cases where politically motivated mobilization of people spoiled and dissolved self-organized communities and led to excess dependency on particular political directives. Both people and officers tended to look to politicians. Not only upon politicians, but also upon NHDA staff did people become dependent. Many housing officers worked in the field devotedly with political support from above, and "people-based" housing service delivery tended to become a "good government programme", strongly- and well-guided from above, but not operated as a people-initiated process. Ironically politically-

supported approach made the very policy environment vulnerable to political change.

In fact, when there was political turbulence and a change in the government in the early 1990s, the above policy framework largely disappeared, and since then community workshops have been less and less organized by government agencies. Meanwhile, as globalization proceeded, housing situations became unstabilized in urban low-income communities. Their leasehold on public lands as agreed in community workshops during the 1980s was actually conditional. They may have to vacate the lands once official plan for more "rational" land use is enforced. People were increasingly uncertain about the security of their tenure.

Reflecting on Sen's proposition again, we may argue that Sri Lankan MHP was able to prepare an array of policy options that could ensure access to a variety of housing resources for the urban poor, but largely failed in recognizing "agency" aspects of the poor. For one to be agents of change, it is not enough to be placed in improved dwellings and in favourable policy framework. Agency is the capacity to act (Garikipati and Olsen, 2008, p.327). Poor people must collectively acquire their own resilient power, becoming less vulnerable to political patronage and alignment from above. Certain kind of social space appears to be conducive to people acquiring capacity to decide and act, which is shown in the following.

New urban social movement: toward community welfare

A part of the broad range of Sri Lankan enabling policies was to select several capable women and men community leaders from Colombo shanties and assigned them to organize women in poor communities. They visited unimproved shanties, shared their experiences, and linked to the housing programme. Their focus was on the formation of mutual help groups and the introduction of saving and credit schemes. After such activities of a year or so, this team got independent of the government, and reviewed community organizing strategies, revised them, and finally brought into being a network organization of women's grassroots mutual help groups in 1989. As their activities were rapidly extended and deployed to a nation-wide scale, it was registered as Sri Lanka Women's Development Services Cooperative Society in 1998. It was then known as "Women's Bank" but currently as "Women's Co-op".

The Women's Co-op had more than 74,000 members in 2009 spread in both urban and rural areas on the Island. It has contributed to livelihood betterment through community-managed finance, based on the members' savings, shares and loan interests (Gamage, 2000). The total annual lending in 2008 amounted to 2 billion Rupees, 25% of which financed the housing improvement including installation of individual toilet facilities, water taps and electricity. The Co-op members play a central role in the management of local communities where they operate construction of communal facilities, garbage collection and water maintenance. A recent example is community-based water supply and management, as facilitated and supported by an NGO called SEVANATHA. In Colombo's shanty areas, Co-op groups get community contracts from National Water Supply and Drainage Board for individual connections, implement the construction project, assign one of local members to work as a water manager collecting water charges and paying monthly bills to the Board at a lower

rate of bulk use for the whole community. Collected charges could be rotated as part of a revolving fund of the Co-op until paid to the Board.

Around the year 2000, the Co-op members discussed and began social security programmes of their own in the form of life and health insurance, survivor's pensions and a network of medical clinics of their own as well. At the time of the 2004 Tsunami, the Women's Co-op was quick to set up its relief and emergency credit programme to meet the needs of the woman survivors and their families who joined local groups of their network. Even in the war-torn Tamil resettlement areas of the north-eastern region, new Co-op groups have been on increase, encouraged by exchanges with Colombo-based experienced groups (Hosaka and Gamage, 2011)

Attention must be paid to the fact that their organization is resilient and sustainable. Since the late 1970s, CDCs were officially instituted in slums and shanties in Colombo as a receiving vehicle of development services. They largely became dysfunctional once specific needs were met, and gradually politicized (SEVANATHA, 1999; Russell and Vidler, 2000). But Women's Co-op is ever expanding and creating new activities and programmes one after another, and often taking over community management functions from CDCs. The Co-op groups at the grassroots meet regularly for savings and transactions, and most women enjoy gathering itself. The process actually involves not only recording and accounting, but also talking and listening to neighbours and sharing information. The process itself contents them and gives them delight of managing their resources and working with others. And in turn, it is the creation of such common space and interactive relationship that sustain remarkable lending and repayment performance and generate housing and social security schemes.

Indeed, saving-based urban social movement has been spread not only in Sri Lanka but region-wide, and addressed to collective livelihood security beyond individual housing since the 2000s (Boonyabanha, 2005). Other than the ethnic conflicts, two most serious shocks that disrupted the lives of Asian people were the monetary crisis in 1997 and the disastrous Tsunami in 2004. Apparently, urban poor communities have struggled to work out their survival strategies through these shocks as well as threats.

Their recent strategy in urban Asia is represented by a range of community-initiated actions from group savings, pooled fund, to credit for consumption, income-generation and housing. It then goes on to accumulate a sizable community fund with which to negotiate the better terms of financing from banks and to secure appropriate supports from the government service programmes (Asian Coalition for Housing Rights, 2007). The core of this process in many instances involves self sustaining solidarity efforts by local people to revive mechanisms of mutual help on welfare, and to create community-managed funds based on savings and credit, in order to cope with current trend of increasing insecurity in housing and livelihood. Community actions often cover credit provisions or small allowances for elderly, disabled, or unemployed members, children's scholarship, medical subsidies, rehabilitation of drug users, houses for lone elderly members, and so on besides housing and environmental improvement, financed by community revolving funds. International donor agencies are gradually aware of this trend and some facilitated the creation of city-level

urban poor funds which offer a platform of dialogue between low-income communities and local authorities. In Thailand alone, there are 62 cities with full-fledged city-based community development funds in operation and another 243 cities have started similar funds as of October 2011, according to a source from the Asian Coalition for Housing Rights. Many have links with community-managed welfare funds. The movement spread to neighbouring countries, and community development funds are already available in 107 cities in Asia as a new funding mechanism controlled by urban poor groups in collaboration with local governments.

Diversity of grassroots survival strategies does not deny macro-level policy instruments for poverty reduction. In a number of cases, mutual transfer of resources among the participants in mutual help and community welfare fall short of requirements. Therefore, it is crucial to establish a government policy framework that will foster and augment the development of people's collective strategies on housing and livelihood, and will advocate macro level resource redistribution to address nation-wide income and asset inequality.

Enabling principle revisited

The historical evolution of low-income housing policies in Asia with special reference to Sri Lanka gives us some salient insight into the enabling principle and future perspectives.

First, the urban process in less institutionalized Asian countries evolved through often conflicting interactions of two forces over the space available for settlements, namely, the efforts of the urban poor to obtain footholds for making day-to-day living on one hand and the expanding urban market and commercialization on the other. Housing policies were shaped by this process either siding more with one or the other, under the influence of macro-level upheavals of national politics and international relations. The policies briefly reviewed in this paper can be divided conceptually into two different types of approach. One group of policies is the distributive type, to which belong the provision of public housing, the basic needs approach, and the populist politics doling out resources for housing. They, more often than not, were less sustainable, and deemed the targeted groups of people passive recipients of the service rendered. The other group of policies is the enabling type, which emphasizes the importance of arranging institutional conditions that will sustain people's "freedom to build". Far from mobilizing people's self help efforts in order to fit them into the service programmes already formulated, the enabling approach supports the people's process by unleashing their potential to decide and build.

Second, what enables the enabling approach is to provide framework, space and opportunities for people to meet one another, exchange experiences, think together, learn management at their initiatives, with delight and even conviviality, while the government stays flexible to adjust the framework itself in accordance with changes born of the people's process. This facilitates the establishment of agency of people, their capacity to act. The Women's Co-op in Sri Lanka attests to the importance of providing social space for mutual learning and experience garnering, because such space and process are transformed into a mechanism of creating their activities. One of the effective tools to enable this transformation was the presence

of a community-managed pooled fund which could be used flexibly to support local initiatives. A renewed scope for the enabling principle is the emergence of resilient organizations that are ready to collectively carry out settlement activities and the availability of a new set of tools and options.

Last, the primary interests and activities of the urban poor seem to have been shifting in recent years from individual improvement of their homes to the more holistic community-wide betterment, including health and social security. As mentioned earlier, significant divergence in the operating principle existed, though they look similar in appearance, between the self-help housing movements in the 1970s and the slum upgrading projects financed by the multilateral aid agencies at around the same time. The analogous situation appears to have emerged during the past decade between the community-initiated welfare development efforts and the social safety net projects designed and financed by the multilateral agencies. Aid donors finance "projects," whose targets are identified after reductionist analysis, and then resources are mobilized for specific targets. It should end within a specified period. In contrast, actor organizations and their aspirations might evolve and change in the "the people's process," through collective actions. Consensus building through interactions often opens up a new horizon of challenge and the process enters a new phase of development. The linear and unilateral approach that would be efficient to realize pre-determined goals through pre-defined causal relations may be valid in a limited, stable circumstance, but is evidently inimical to such a self-evolving people's process. A more appropriate policy stance in support of people's processes in a rapidly changing world would be to take flexible steps towards ever optimization of the enabling policy environment.

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